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## BERLIN HYP AG

### announces mortgage covered bonds tender offers

**Berlin, 5 June 2020 – BERLIN HYP AG (the "Company") hereby announces invitations to Noteholders of any of its EUR 750,000,000 0.00% Notes due 2021 (ISIN DE000BHY0MU3) (the "0.00% Notes due 2021"), its EUR 1,000,000,000 0.01% Notes due 2022 (ISIN DE000BHY0BS0) (the "0.01% Notes due 2022"), its EUR 750,000,000 0.00% Notes due 2022 (ISIN DE000BHY0BH3) (the "0.00% Notes due 2022") and its EUR 750,000,000 0.25% Notes due 2023 (ISIN DE000BHY0150) (the "0.25% Notes due 2023", and together with the 0.00% Notes due 2021, the 0.01% Notes due 2022 and the 0.00% Notes due 2022, the "Notes"), to tender their Notes for repurchase by the Company at the Repurchase Price plus any accrued interest on the Notes until (but excluding) the settlement date (each such invitation, a "Solicitation", and together, the "Solicitations").**

The Solicitations are being made on the terms and subject to the conditions set out in the tender offer memorandum dated 5 June 2020 (the "Tender Offer Memorandum").

**THE TENDER OFFERS WILL EXPIRE AT 5 P.M. CEST ON 16 JUNE 2020, UNLESS THE PERIOD FOR THE TENDER OFFERS IS EXTENDED, RE-OPENED, AMENDED OR TERMINATED.**

**THE RELEVANT DEADLINE SET BY ANY INTERMEDIARY OR DIRECT PARTICIPANT (AS APPLICABLE) THROUGH WHICH HOLDERS OF THE NOTES (THE "NOTEHOLDERS") HOLD NOTES OR BY THE CLEARING SYSTEM WILL BE EARLIER THAN THIS DEADLINE.**

#### Rationale for the Solicitations

By tendering for certain euro-denominated covered bonds, the Company intends to manage its liability structure and to optimize its funding costs. The Solicitations simultaneously seek to provide liquidity to current holders of the Notes which are subject of such Solicitations. The Solicitations are subject to maximum acceptance amounts in relation to a Series (as defined below) each as set out in the table below in the column titled "*Maximum Acceptance Amount*" (each a "**Maximum Acceptance Amount**"). The Company has chosen the respective Maximum Acceptance Amount under each Solicitation so that it is ensured that the respective Series (as defined below) of Notes continues to meet certain eligibility criteria under the regulatory liquidity coverage ratio (LCR) framework and certain bond indices based on such framework with regard to their amounts outstanding after the Settlement Date. The Company intends to provide Noteholders that wish to participate in the Solicitations but at the same time wish to continue to hold securities of the Company with an opportunity to subscribe to any New Mortgage Covered Bonds (as defined below) that may have a different interest rate structure and/or maturity profile by providing such Noteholders with New Issue Priority (as set out below), subject to the terms of the Solicitations.

#### Details of the Solicitations

The Company is under no obligation to accept any offers of Noteholders to sell their Notes. The acceptance of Notes validly tendered is at the sole discretion of the Company. Please refer to the Tender Offer Memorandum which includes full details of the Solicitations and the terms and conditions of the Solicitations. Capitalized terms used and not otherwise defined in this announcement have the meaning given to them in the Tender Offer Memorandum.

Description of the Notes	Outstanding principal amount	Maximum Acceptance Amount	Terms used to determine the Repurchase Price	
			Interpolated Reference Rate	Repurchase Spread
EUR 750,000,000 0.00% Notes due 2021 (DE000BHY0MU3)	EUR 750,000,000	EUR 250,000,000	0.00% Notes due 2021 Reference Rate	Interpolated -5 bps

Description of the Notes	Outstanding principal amount	Maximum Acceptance Amount	Terms used to determine the Repurchase Price	
			Interpolated Reference Rate	Repurchase Spread
EUR 1,000,000,000 0.01% Notes due 2022 (ISIN DE000BHY0BS0)	EUR 1,000,000,000	EUR 500,000,000	0.01% Notes due 2022 Reference Rate	Interpolated 0 bps
EUR 750,000,000 0.00% Notes due 2022 (ISIN DE000BHY0BH3)	EUR 750,000,000	EUR 250,000,000	0.00% Notes due 2022 Reference Rate	Interpolated -2 bps
EUR 750,000,000 0.25% Notes due 2023 (ISIN DE000BHY0150)	EUR 750,000,000	EUR 250,000,000	0.25% Notes due 2023 Reference Rate	Interpolated -2 bps

The Solicitations begin today, 5 June 2020 (the "**Launch Date**") and will expire at 5.00 p.m. (CEST) on 16 June 2020 (the "**Expiration Deadline**"), unless extended, re-opened, amended or terminated as provided for in the Tender Offer Memorandum.

Subject to certain restrictions set out in the Tender Offer Memorandum, all Noteholders are being invited to offer to sell their Notes at the Repurchase Price pursuant to the terms and conditions and in the manner specified in the Tender Offer Memorandum until the Expiration Deadline for purchase by the Company for cash (each such offer an "**Offer to Sell**").

#### Repurchase Price and Accrued Interest

In respect of each series of Notes (each a "**Series**"), the Company will pay for the Notes of the relevant Series validly tendered and accepted by it for purchase pursuant to the relevant Solicitations a price (each a "**Repurchase Price**"), to be determined at or around 2.00 p.m. (CEST) (the "**Pricing Time**") on 17 June 2020 (the "**Pricing Date**") in the manner described in this Tender Offer Memorandum by reference to the sum (such sum, in respect of the relevant Series, the "**Repurchase Yield**") of:

- (a) the relevant repurchase spread (expressed in basis points) specified in the above table in the column titled "*Terms used to determine the Repurchase Price–Reference Spread*" (each a "**Repurchase Spread**"); and
- (b) the applicable interpolated reference rate specified in the above table in the column titled "*Terms used to determine the Repurchase Price–Interpolated Reference Rate*" (each a "**Interpolated Reference Rate**").

Each Repurchase Price in respect of a Series will be determined in accordance with market convention and expressed as a percentage of the principal amount of the relevant Notes accepted for repurchase pursuant to the relevant Solicitation, and is intended to reflect a yield to maturity of the relevant Notes on the Settlement Date based on the relevant Repurchase Yield. Specifically, the Repurchase Price applicable to a Series will equal (a) the value of all remaining payments of principal and interest on the relevant Series up to and including the scheduled maturity date of the relevant Series, discounted to the Settlement Date at a discount rate equal to the relevant Repurchase Yield, minus (b) Accrued Interest for such Series, all calculated in accordance with market convention and rounded to the nearest 0.001 per cent. (with 0.0005 per cent. rounded upwards).

The Company will also pay Accrued Interest on such Notes accepted for repurchase pursuant to the Solicitations.

#### Acceptance and Announcement of Results

The Company intends to announce as early as practicable after the Expiration Deadline a non-binding indication of the level at which it expects to set each Series Acceptance Amount and the indicative Tender Pro-Rating Factor, if applicable.

If a Solicitation is not extended, re-opened, amended or terminated by the Company, the Company will announce as early as practicable on 17 June 2020 whether it accepts for repurchase Notes validly tendered in the respective Solicitation and, if so:

- (i) the aggregate principal amount of Notes of such Series (if any) accepted for purchase by the Company pursuant to the relevant Offer to Sell,
- (ii) the applicable Interpolated Reference Rate, the Repurchase Yield and the Repurchase Price for each Series, and

(iii) any Tender Pro-Rating Factor (as defined below).

The Noteholders are advised that the Company may, in its sole discretion, accept Notes on more than one date if the respective Solicitation is extended or re-reopened.

#### **Scaling of Offers to Sell**

In the event that the aggregate principal amount of a Series validly tendered under the relevant Solicitation is greater than the Maximum Acceptance Amount in relation to such Series, a *pro rata* reduction may be applied to such Offers to Sell in order to ensure that the aggregate principal amount of Series accepted for purchase by the Company pursuant to the terms of the relevant Solicitation does not exceed the applicable Maximum Acceptance Amount.

The rate of any such reduction shall be calculated by multiplying the principal amount of the Series tendered in each Offer to Sell by a pro-rating factor on the basis of the applicable Maximum Acceptance Amount (the "**Tender Pro-Rating Factor**").

The Tender Pro-Rating Factor shall be calculated by the Tender Agent in consultation with the Dealer Manager on the Expiration Date and rounded to the nearest 0.000001 (with 0.0000005 being rounded upwards).

Each Offer to Sell on which a Tender Pro-Rating Factor is applied will be rounded down to the nearest specified denomination in principal amount of Notes. In the event of any such pro-rating, the Company will only accept tenders of Notes subject to pro-rating to the extent such pro-rating will not result in the relevant Noteholder transferring Notes to the Company in an aggregate principal amount of less than the respective minimum denomination of the Notes.

Such pro rata allocations will be calculated on the basis of each notice, as provided by the Tender Agent to the Clearing Systems.

#### **Priority Allocation Request in Respect of New Mortgage Covered Bonds**

The Company intends to issue certain long-dated new mortgage covered bonds (the "**New Mortgage Covered Bonds**") under its EUR 25,000,000,000 Offering Programme (the "**Programme**") in the near future, subject to market conditions.

A Noteholder that wishes to subscribe for New Mortgage Covered Bonds in addition to tendering Notes for repurchase pursuant to the Solicitation(s) may, at the Company's option and in the Company's sole and absolute discretion, receive priority in the allocation of the New Mortgage Covered Bonds, subject to the completion of the Solicitation, the issue of the New Mortgage Covered Bonds and the satisfaction of various steps as set out in the Tender Offer Memorandum. Any such priority will be given for an aggregate principal amount of New Mortgage Covered Bonds (such priority amount, a "**New Issue Priority**") up to the aggregate principal amount of Notes tendered subject to (i) a Noteholder's valid Tender Instruction which includes a Priority Option Code (such Tender Instruction, a "**Tender Instruction with Priority Option Code**"), and (ii) the acceptance for repurchase by the Company of the Notes so tendered.

**A Priority Option Code shall not be binding on the Company or the managers in respect of the issue of New Mortgage Covered Bonds. Accordingly, the aggregate principal amount of New Mortgage Covered Bonds, if any, for which priority will be given to any Noteholder will be subject to the sole and absolute discretion of the Company.**

As the minimum denomination of the New Mortgage Covered Bonds is EUR 1,000, a Noteholder wishing to receive a New Issue Priority must tender for repurchase pursuant to the Solicitation(s) at least EUR 1,000 in aggregate principal amount of Notes (including after any *pro rata* reduction, if applicable).

If the aggregate principal amount of Notes of a Series tendered in the Solicitation related to such Solicitation exceeds the Series Acceptance Amount, the Company will accept Notes for repurchase (if any) on a *pro rata* basis. In such circumstances, the New Issue Priority each relevant Noteholder will receive will be up to the aggregate principal amount of Notes accepted from each Noteholder pursuant to its Tender Instruction with Priority Option Code following such *pro rata* reduction.

#### **Settlement**

The Noteholders are advised that the Company may, in its sole discretion, accept Notes on more than one date if the respective Solicitation is extended or re-reopened. The settlement date for the Notes validly accepted by the Company, if any, is expected to be 19 June 2020 (the "**Settlement Date**").

#### **Indicative Timetable**

The indicative timetable is summarised below. All times are Central European Summer Time (CEST) times.

<b><u>Date and time</u></b>	<b><u>Event</u></b>
5 June 2020	<i>Launch Date</i>
16 June 2020, at 5.00 p.m.	<i>Expiration Deadline</i>
as early as practicable after the Expiration Deadline	<i>Announcement of indicative results</i>
at or around 2.00 p.m. on 17 June 2020	<i>Pricing Time and Pricing Date</i>
as early as practicable on 17 June 2020	<i>Announcement of results</i>
19 June 2020	<i>Expected Settlement Date</i>

Noteholders are advised to check with their bank, securities broker or other intermediary through which they hold their Notes whether such intermediary applies different deadlines for any of the events specified above, and then to allow for such deadlines if such deadlines are prior to those set out above. The deadlines set by any intermediary or the Clearing System may be earlier than the relevant deadlines above.

## **GENERAL**

This notice must be read in conjunction with the Tender Offer Memorandum. Noteholders are advised to read the Tender Offer Memorandum carefully for full details of, and information on, the procedures for participating in the respective Solicitation. None of the Company, the Dealer Manager, the Tender Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Solicitations, or any recommendation as to whether Noteholders should tender Notes in the Solicitations. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its tax adviser, stockbroker, bank manager, solicitor, accountant or other independent adviser.

Subject to applicable law and as provided for in the Tender Offer Memorandum, the Company may, in its sole discretion, extend, re-open, amend and/or terminate a Solicitation at any time.

The Solicitations are not being made in the United States or to any U.S. person and are also restricted in other jurisdictions, as more fully described below and in the Tender Offer Memorandum.

### **Dealer Manager**

#### **Commerzbank Aktiengesellschaft**

Mainzer Landstrasse 151-153  
DLZ - Geb. 1, CC-CF DCM Bonds  
60327 Frankfurt am Main  
Germany

+49 (0) 69 136 59920  
liability.management@commerzbank.com  
Attention: Liability Management Group

*Requests for information in relation to the procedures for tendering Notes and for any documents or materials relating to the Solicitations should be directed to the Tender Agent.*

**Tender Agent:**

**Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

For information by telephone: +44 (0)20 7704 0880  
Attention: Arlind Bytyqi  
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## DISCLAIMER

**In certain jurisdictions, the distribution of this announcement and the Tender Offer Memorandum may be restricted by law. Persons into whose possession this announcement and the Tender Offer Memorandum come are required by the Company to inform themselves about and to observe any such restrictions.**

This announcement and the Tender Offer Memorandum do not constitute an offer to buy or a solicitation of an offer to sell the Notes in any jurisdiction in which such offer or solicitation is unlawful, and offers to sell by Noteholders originating from any jurisdiction in which such offer or solicitation is unlawful will be rejected. In those jurisdictions where the securities laws or other laws require any of the Solicitations to be made by a licensed broker or dealer, such Solicitation shall be deemed to be made on behalf of the Company by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

### United States

The Solicitations are not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Solicitations by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of the Tender Offer Memorandum and any other documents or materials relating to the Solicitations are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States. Any purported tender of Notes in the Solicitations resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will not be accepted.

Each Noteholder participating in the Solicitations will represent that it is not located in the United States and is not participating in the Solicitations from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Solicitations from the United States. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### United Kingdom

The communication of the Tender Offer Memorandum and any other documents or materials relating to the Solicitations is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43(2) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order.

### Italy

None of the Solicitations, the Tender Offer Memorandum and any other document or materials relating to the Solicitations has been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. The Solicitations are being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). Accordingly, the Solicitations are not available to investors located in Italy that do not qualify as qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation ("**Ineligible Italian Investors**"). Ineligible Italian Investors may not tender Notes in the Offer and neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitations or the Notes may be distributed or made available to Ineligible Italian Investors. Holders or beneficial owners of the Notes that are located in Italy and qualify as qualified investors (*investitori qualificati*) can tender Notes for purchase in the Solicitations through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

## **Belgium**

Neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitations have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / L'Autorité des Services et Marchés Financiers / Financial Services and Markets Authority*) and, accordingly, the Solicitations may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (together, the "**Belgian Public Offer Law**"), each as amended or replaced from time to time. Accordingly, the Solicitations may not be advertised and the Solicitations will not be extended, and neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitations (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Public Offer Law (as amended from time to time), acting on their own account. Insofar as Belgium is concerned, the Tender Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Solicitations. Accordingly, the information contained in the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

## **France**

The Solicitations are not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitations have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, are eligible to participate in the Solicitations. The Tender Offer Memorandum has not been and will not be submitted to nor approved by the *Autorité des Marchés Financiers*.

## **General**

The Tender Offer Memorandum does not constitute an offer to buy or a solicitation of an offer to sell Notes, and tenders of Notes in the Solicitations will not be accepted from Noteholders, in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities laws or other laws require any of the Solicitations to be made by a licensed broker or dealer and the Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in such jurisdictions, such Solicitation shall be deemed to be made by the Dealer Manager or such affiliate (as the case may be) in such jurisdictions.