

Press Information, 17. March 2021

Berlin Hyp issues its seventh Green Pfandbrief

Yesterday, Berlin Hyp issued its seventh Green Pfandbrief which at the same time represents its thirteenth benchmark-sized green bond in total. The mortgage covered bond will mature in January 2028. With a spread of mid-swap -3 basis points, it was the first time since February 2020 that a covered bond was issued with a negative spread.

The bond with a volume of 500 million euros carries an interest coupon of 0.01% and is rated Aaa by Moody's. The yield at Reoffer was -0.252%.

At around 8.40 a.m. on Tuesday morning, the syndicate banks mandated by Berlin Hyp - Commerzbank, Crédit Agricole, LBBW, UBS and UniCredit - opened the order books with a spread of mid-swap +1 area basis point. Bankhaus Lampe acted as co-lead manager.

By 10.30 a.m., lead managers had collected orders worth more than 1.5 billion euros, resulting in the spread being revised to mid-swap -2 area (+1/-1) basis points. Books were closed at 11.00 a.m., containing orders from 54 investors with a combined volume of 1.3 billion euros. The final spread was fixed at mid-swap -3 basis points.

With 51%, more than half of the bond was placed abroad. Investors from the BeNeLux countries showed particular interest with 17%, followed by the Nordic countries and Great Britain with 14% and 12% respectively. Banks and asset managers each ordered about one third of the bond, while central banks and public institutions participated in the bond with 25%. Savings banks and affiliated companies subscribed to about 18% of the issue. The share of ESG investors in the final order book exceeded 42%.

"We are pleased that our Green Pfandbrief has met with such great and diversified demand from Germany and abroad. For many investors, the ESG component was an important investment criterion," says Sascha Klaus, Chairman of the Board of Management of Berlin Hyp. "The market for green bonds is now much more than just a niche segment and we are delighted to contribute to its further growth with our thirteenth green 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.