Press Information, 29 January, 2025

Berlin Hyp issues a successful dual tranche

- **Berlin Hyp issues dual tranche with a volume of € 1.5 billion, combining a conventional Pfandbrief with a Green Pfandbrief**
- **Combined order books more than 4 times oversubscribed**

Berlin Hyp issued its dual tranche of € 1 billion and € 500 million respectively on Tuesday. The Pfandbrief with a longer tenure was structured as a Green Pfandbrief. The four-year conventional Pfandbrief maturing in February 2029 and the long seven-year Green Pfandbrief maturing in November 2032 carry interest coupons of 2.625% and 2.750%. The Pfandbriefe are rated Aaa by Moody's. Reoffer yields are 2.693% for the four-year bond and 2.862% for the long seven-year bond.

On Tuesday morning at around 8.45 a.m., the syndicate banks mandated by Berlin Hyp ABN AMRO, Barclays, BayernLB, Commerzbank, Credit Agricole, DekaBank, DZ BANK, Erste Group, HSBC, JP Morgan, LBBW, Natixis, Nordea, UBS and UniCredit opened the order books at a spread of mid-swap +35 for the four-year Pfandbrief and mid-swap +45 basis points for the long seven-year Green Pfandbrief. Hauck Aufhäuser Lampe Privatbank acted as co-lead manager.

The first book update took place at 10.00 am. At this time, orders worth more than € 5 billion were in the books, with the focus concentrated on the three-year Pfandbrief at around € 3.0 billion for term-related reasons. At 11.00 a.m., Berlin Hyp fixed the reoffer spreads at mid-swap 28 and mid-swap +39 basis points. By the time the books closed at 11.15 a.m., the combined order book had grown to around € 6.2 billion. Thereof, € 3.6 billion were placed in the short Pfandbrief and € 2.6 billion in the long seven-year Green Pfandbrief.

In total, more than 170 investors participated in the Pfandbriefe. More than half of the bonds were placed abroad. Investors from the Nordics in particular showed keen interest. The largest investor group was made up of banks with 52% of orders in the short-dated bond and 58% in the longer-dated bond, followed by funds with 29% and 31% respectively. Savings banks accounted for 12% of the issues of the four-year bond and 19% of the long seven-year bond.

"We are very pleased with the successful placement of this dual tranche. By choosing a dual tranche with maturities of four and long seven years, as well as the ESG label of the longer-tenured bond, we struck a chord with investors. The substantial oversubscription and the high quality of the entire order book signify a vote of confidence for Berlin Hyp. I would like to take this moment to sincerely thank our investors for their trust and support, not only for this transaction, but also over the past years," says Teresa Dreo-Tempsch, who is responsible for capital market business on the Board of Management of Berlin Hyp.

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Berlin Hyp is a wholly owned subsidiary of LBBW and specialises in large-volume real estate financing for professional investors and housing companies. It also provides German savings banks with a comprehensive range of products and services. Sustainability has been a central component of the Bank's business strategy for years. Berlin Hyp plays a pioneering role on the capital market in the development of sustainable refinancing products. At the same time, the Bank promotes the financing of sustainable real estate in order to help drive the transformation of the real estate market and contribute to achieving the goal of climate neutrality. Berlin Hyp's clear focus, more than 155 years of experience and the ability to actively shape digital transformation in the real estate sector characterise the Bank as a leading German real estate and Pfandbrief bank.