

Press Information, 1. March 2023

## Berlin Hyp issues third Mortgage Pfandbrief in 2023

- **Berlin Hyp issues third Mortgage Pfandbrief in benchmark format in 2023**
- **First Pfandbrief issuance since October 2014 without participation of an ECB purchase programme**
- **More than 30% placed within the Savings Banks Finance Group**

The five-year bond with a volume of € 750 million carries a coupon of 3.375% and is rated Aaa by the rating agency Moody's. The yield at reoffer was 3.382%. The bond is the first Pfandbrief issue since October 2014 to be placed without ECB participation under the Covered Bond Purchase Programme 3 (CBPP 3).

On Tuesday morning at around 8.45 a.m., the syndicate banks assigned by Berlin Hyp Citi, Commerzbank, HSBC, LBBW and UBS opened the order books for the bond announced as benchmark-sized at a spread of mid-swap +4 basis points.

At 9.40 a.m., the first book update took place. At that time, orders worth over € 750 million were in the books. By the time of book closing at 11:15 a.m., orders had accumulated to around € 1.25 billion. Already before that the deal size had been fixed to € 750 million and the final reoffer spread at mid-swap +1 basis points.

A total of 53 investors participated in the Pfandbrief. At 76%, the majority of the bond was placed in Germany. Outside Germany, in particular investors from Asia and Austria/Switzerland showed interest with around 7% respectively. Banks were the largest investor group with 72%, followed by central banks and official institutions (17%) and funds (10%). Savings banks and affiliated companies accounted for 31% of the issue.

"We are very pleased that we were able to successfully place our Mortgage Pfandbrief on the capital market despite the current volatile interest rate environment. We see this as renewed vote of confidence in Berlin Hyp and in the Pfandbrief product," 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. It plays a pioneering role on the capital market in the development of sustainable refinancing products. At the same time, the Bank also 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 150 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.