

Press Information, 27 April 2018

Berlin Hyp publishes Annual Reporting for its Green Bonds and presents amendments to its Green Bond Framework

- **Green Finance Portfolio grows from € 2,024 million to € 2,958 million within one year and now accounts for 14 % of the bank's loan portfolio**
- **Further development of eligibility criteria for green buildings in Berlin Hyp's Green Bond Framework**
- **oekom research once again confirms Berlin Hyp's Green Bonds a positive sustainability performance**

Today, exactly three years after the issuance of its first Green Pfandbrief on 27 April 2015, Berlin Hyp is publishing the third annual reporting for its Green Bonds. The report shows that the bank's Green Finance Portfolio grew by more than € 900 million in the reporting period from 1 March 2017 to 28 February 2018. Since the issuance of Berlin Hyp's first Green Pfandbrief, it has grown by more than 450%.

"We are delighted about this positive development," says Gero Bergmann, Member of the Board of Management responsible for markets at Berlin Hyp. "This is all the more true as the growth brings us closer to our ambitious strategic goal of achieving a 20 % share of green loans in our overall loan portfolio by the end of 2020."

In the course of the last year, Berlin Hyp's green finance activities increased significantly, not only in terms of assets in its balance sheet, but also in terms of its refinancing business. In 2017, the bank issued for the first time two Green Bonds in benchmark format within one year, making it the largest European issuer of Green Bonds in the commercial banking sector.

This year's annual reporting once again includes an Impact Report, in which the bank, together with Crédit Agricole's Sustainable Banking Team, estimates the amount of carbon emissions avoided with its Green Bonds. Depending on the underlying benchmark, every € 1 million invested helps to avoid between 8.7 and 36.3 tonnes of carbon emissions per year. This is a noticeable increase on the previous year's level of between 4.7 and 28.7 tonnes of CO₂. The reason for this increase is the even greater energy efficiency of the green buildings that were added to the Green Finance Portfolio in the reporting period.

"Resting on our laurels is not an option for us," Bergmann explains. "Even though our Green Finance Portfolio already boasts superb quality, we want to set our course for the future today and have made the eligibility criteria in our Green Bond Framework even stricter." At their core, the new eligibility criteria require that, in the future, eligible green buildings will have to meet separate requirements with regard to, firstly, energy demand for heating and, secondly, energy demand for electricity. In addition, Berlin Hyp has partially lowered energy demand thresholds. Loans for

green buildings will continue to be incentivised with an unchanged discount of 10 basis points.

These developments have also been honoured by the sustainability rating agency oekom when it reconfirmed the positive sustainability performance of Berlin Hyp's Green Bonds.

okeom's full re-verification is available on our Green Bond website, www.green-pfandbrief.com, along with the annual reporting and the new version of the Green Bond Framework.

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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.