

Press Information, 18 October 2017

Berlin Hyp: Second green senior unsecured bond a huge success

Berlin Hyp's successful issuance of a ten year green senior unsecured bond consolidates the bank's position as a leading green bond issuer. Since debuting with the first Green Pfandbrief in 2015, Berlin Hyp has issued green bonds with a total volume of € 2 billion, making the bank the most active green bond issuer in the European commercial banking segment.

After completing a roadshow spanning a number of days, Berlin Hyp successfully issued its second green senior unsecured bond yesterday – its fourth green bond in benchmark format so far. The ten-year bond with a volume of € 500 million offers a coupon of 1.125% and is rated A1 and A+ by Moody's and Fitch respectively.

Order books were opened at 9.00 am by a consortium comprising ABN Amro, Commerzbank, Credit Agricole, J.P. Morgan and LBBW with a guidance of mid-swap + 50 base points. Bankhaus Lampe was mandated as a Co-Lead Manager. The syndicate banks received 138 orders worth around € 1.3 billion within just 2 1/2 hours and closed the books at 11.30 am. The re-offer spread was set at mid-swaps +40 base points. The foreign share of 51% was as high as never before in an senior unsecured issue of Berlin Hyp and was dominated by investors from France and Benelux with 11% each, followed by Iberian and British investors with 7% and 6% respectively. Domestic investors signed 49% of the Green Bond. The bond was well received among asset managers and banks/savings banks, which accounted for 51% and 38% of investment respectively. It is also worth noting that 45% of the green bond went to socially responsible investors.

“The significant oversubscription of the bond and the large percentage of sustainable investors, coupled with the recent upgrade in our sustainability rating, show that we are on the right track with our sustainability strategy,” says Gero Bergmann, Member of the Board of Management of Berlin Hyp. “It is fantastic to see such a proof of trust and we are happy about our solid standing in this young market.”

Prior to the bond issue, Berlin Hyp's sustainability ratings were upgraded to “Industry Leader” in its peer group by rating agencies oekom research and Sustainalytics. With its B- rating from oekom research, Berlin Hyp leads a total of 52 companies in the Financials/Mortgage & Public Sector peer group. Sustainalytics' rating puts Berlin Hyp fifth out of 332 banks.

Berlin Hyp uses the proceeds from the issue to refinance loans for green buildings. The applicable criteria for classification as a green building are predominantly based on the energy efficiency of a commercial property, but also include other sustainability criteria. As with all of its other green bonds, the bank does its best efforts to invest an amount equivalent to the proceeds

from the issue in additional new green building financing within the term of the bond. Berlin Hyp's aim is for 20% of its loan portfolio to be made up by green building financing by 2020.

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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's clear focus, almost 150 years of experience and its close proximity to the Savings Banks Finance Group characterise the Bank as a leading German real estate and Pfandbrief bank.