

Press Information, 20 August 2018

Berlin Hyp Successfully Issues First German Senior Preferred Bond

Berlin Hyp today tapped the capital market with the first syndicated Senior Preferred bond out of Germany. Despite its very tight spread the Aa2 and A+ (Moody's, Fitch) rated 300mn Euro debut transaction with a five year maturity met a good demand. Berlin Hyp already pioneered the market in 2015 with the first Green Pfandbrief and in 2016 when it became the first issuer of a covered bond with a negative yield.

Having announced the transaction already on Friday, syndicate banks Commerzbank, DZ Bank, and LBBW opened the order books at 8.55 am on Monday morning with a first spread guidance of Mid-Swap +15 basis points. Until book closing at 11.30 am, they were able to generate orders worth approx. 380mn Euro from 42 different investors. The orders' high quality allowed for pricing the transaction at Mid-Swaps +13 basis points. As expected, the bond was much in demand by banks who took approx. 85 per cent of the deal.

„We are the first German bank to issue a syndicated Senior Preferred bond and at the same time achieved an excellent spread level. We owe a debt of gratitude to our investors who made this debut a big success“, says Gero Bergmann, member of the Board of Managing Directors at Berlin Hyp.

On 21 July 2018 the insolvency regime for German bank liabilities has been adjusted to the requirements of the EU Bank Recovery and Resolution Directive by an amendment to Article 46f of the German Banking Act. Only then German financial institutions were enabled for the first time to issue non-covered, non-subordinated debentures in two different specificities: either as Senior Non-Preferred or as Senior Preferred. The two asset classes are treated differently concerning the absorption of losses in case of a bail-in. Banks in some other European countries banks have already been allowed to use both formats earlier.

Press contact

Funding & Investor Relations
Bodo Winkler
T +49 30 2599 9521
bodo.winkler@berlinhyp.de

Nicole Hanke
Communications and Marketing
T +49 30 2599 9123
nicole.hanke@berlinhyp.de

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.