

Press Information, 20 09 2016

Berlin Hyp first issuer with green bonds in two asset classes after first senior unsecured green bond

Berlin Hyp yesterday issued its first senior unsecured green bond. After becoming the first bank to successfully issue a Green Pfandbrief back in 2015, Berlin Hyp is now also the first issuer offering green bonds in more than one asset class.

“After the resounding success of the Green Pfandbrief, we established a Green Building Commission in which employees from five different departments of the bank define and regularly review the criteria for green buildings and monitor processes involved in the financing of sustainable, energy-efficient buildings,” said Gero Bergmann, member of the Board of Management of Berlin Hyp. “We support the financing of green buildings with a discount of between five and ten basis points.”

Berlin Hyp’s Green Financing portfolio had a volume of EUR 657 million as the Green Pfandbrief was issued, but this has since risen to around EUR 1.5 billion.

“Berlin Hyp intends to generate further growth in this segment,” Bergmann added. “The huge demand for the green bond we issued is a testament to the fact that our products are meeting the requirements of investors with an increasingly sustainable perspective to their investments.”

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 the Green Pfandbrief, the bank is also striving to invest an amount equivalent to the proceeds from the issue in additional new green building financing for the term of the bond. The positive ecological and sustainability performance of the Berlin Hyp green bond programme, under which the latest bond was issued, was certified by renowned international sustainable investment rating agency oekom research in the form of a second-party opinion. “Our green bond programme will put us in a position to engage in the green bond market with far lower one-off costs and therefore on a regular basis,” said Bergmann.

The green bond, an unsecured bank bond in benchmark format, was successfully placed on the market by a consortium of banks consisting of ABN Amro, Commerzbank, Credit Agricole, J.P. Morgan and LBBW. The EUR 500 million bond has a term of seven years, offers a coupon of 0.5% and is rated A+ and A2 (positive) by Fitch and Moody’s respectively. The re-offer spread was set at mid-swaps +52 basis points.

The order book reached more than € 1.2 billion, meaning that the bond

was oversubscribed by a factor of 2.4. German investors accounted for 53% of investments in the bond, while 13% was attributed to Austria and Switzerland. British and Scandinavian investors were the next largest investor groups, accounting for 11% and 9% of investments respectively. The majority of the green bond, 42% went to asset management firms, followed by banks including German saving banks with 28%. Insurance companies accounted for 14%. One feature of particular note is that 41% of the bond went to sustainable investors. In addition, 35 investors invested in a Berlin Hyp bond for the first time.

Contact partner

Bodo Winkler
Head of Investor Relations/Credit Treasury
T: +49/30/2599-9521
bodo.winkler@berlinhyp.de

Press contact

Nicole Hanke
Head of 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'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.