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Berlin Hyp is the first bank to issue a Green Pfandbrief in benchmark format, impressing investors

Today, Berlin Hyp was the first bank to issue a Green Pfandbrief, thereby breaking new ground on the capital market.

“The Green Pfandbrief combines the best of both worlds,” explains Gero Bergmann, Member of the Board of Management of Berlin Hyp responsible for capital markets. “It is a mortgage Pfandbrief as defined in the Pfandbriefgesetz and therefore fulfils all the statute’s strict criteria. At the same time, it also has the formal structure for a green bond required by the Green Bond Principles with clearly defined stipulations about the use of the issue proceeds, particularly transparent reporting and a second party opinion of the sustainability rating agency oekom, which confirms the bond’s sustainability and ecological added value.”

Berlin Hyp has highlighted loans for green buildings in its mortgage cover pool and will also use the amount of the issue proceeds for new financing for buildings constructed in accordance with strict ecological and sustainability criteria.

A consortium comprising Credit Agricole, DZ Bank, J.P. Morgan, LBBW and UniCredit Bank has successfully placed the seven-year mortgage Pfandbrief in benchmark format on the market with a coupon of 0.125 %. At mid-swap, the re-offer spread was -16 basis points. The bond was oversubscribed four times with an order book of close to 2 billion Euros. German investors accounted for 71 % participation, followed by Scandinavia with 13 % and Austria and Switzerland with 8 %. It is also particularly noteworthy that around 48 % of the issue was placed with sustainable investors.

“We are delighted at the high demand for our Green Pfandbrief. It shows that the extensive advance preparations were worthwhile and that we have chosen the right course. We are particularly glad to have gained so many new investors. Society’s ecological awareness is steadily increasing, and this is also reflected on the capital market,” Bergmann sums up.

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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.