



Press Release

MünchenerHyp issues first ecological ESG Pfandbrief, attracting strong investor demand

Munich, 7 November 2018 – Münchener Hypothekenbank eG (MünchenerHyp) has broken new ground with the successful issue of its first ecological ESG Pfandbrief. This makes it the first issuer to issue ESG Pfandbriefe on the basis of both social and ecological sustainability criteria.

The benchmark issue of €500 million attracted strong demand from investors, with the order book closing at over €900 million. Around 40% of the issue volume was subscribed by investors specialising in green and sustainable investments.

The term of the mortgage Pfandbrief is five years and one month, and the coupon amounts to 0.250%. The issue was placed at a price of 8 basis points below the mid-swap rate.

“By issuing this ecological ESG Pfandbrief we have closed the sustainability cycle in our business model. Our ESG Pfandbriefe will provide sustainable refinancing for green and social property financing transactions,” said Dr Louis Hagen, CEO of MünchenerHyp.

The ecological ESG Pfandbrief is based on MünchenerHyp’s Green Bond Framework, which is in line with the Green Bond Principles of the International Capital Market Association (ICMA). The issue’s cover assets consist of private and commercial properties meeting these ecological criteria. A substantial portion are private residential properties that were financed using MünchenerHyp Green Loans, through which the Bank supports energy-efficient and environmentally sustainable construction and housing.

“Our intention is to further expand our offering of sustainable financing, such as Green Loans and Family Loans, and thus to lay an essential foundation for the issue of further ESG Pfandbriefe,” said Dr Johanna Dichtl, Sustainability Manager at MünchenerHyp.

The ecological ESG Pfandbrief also attracted a great deal of international interest. In total, 80 orders were placed from 14 countries. In regional terms, the greatest interest came from Germany, with German investors accounting for 63% of the issue volume. This was followed by investors from Scandinavian countries and the UK. Banks formed the largest investor group, accounting for 44% of the issue volume, followed by asset managers and funds with 37%.



MünchenerHyp

The transaction was supported by ABN AMRO Bank, DZ Bank and HSBC Trinkaus & Burkhardt. Bankhaus Lampe, Credit Agricole and LBBW were co-lead managers.

MünchenerHyp issued the world's first sustainable Pfandbrief in September 2014. It is thus regarded as a pioneer in sustainable refinancing through Pfandbriefe and other covered bonds. The first ESG Pfandbrief was used in particular to refinance loans for cooperative housing associations in Germany.

The rating agency Moody's gives the mortgage Pfandbriefe of MünchenerHyp its highest rating, Aaa.

The agency ISS-oekom has awarded MünchenerHyp a sustainability rating of B-, which ranks the bank among the top three institutions in the Financials/Mortgage & Public Sector Finance category.

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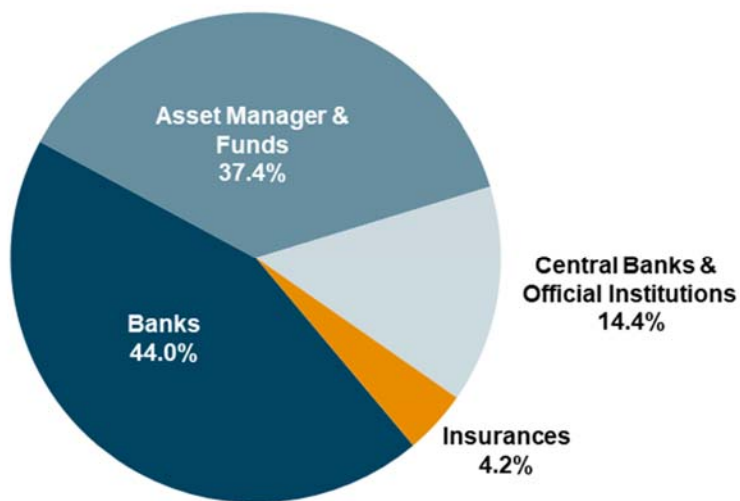
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MünchenerHyp

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Investors



Geographic split

