

A partnership built on trust

Berlin Hyp



Financing Green Buildings and Refinancing via Green Bonds

Webinar in the Deployment of Energy Efficient
Mortgages in Europe

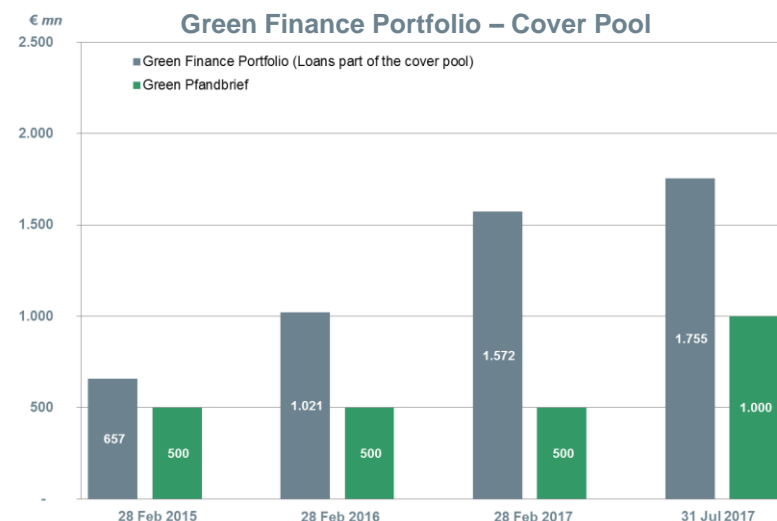
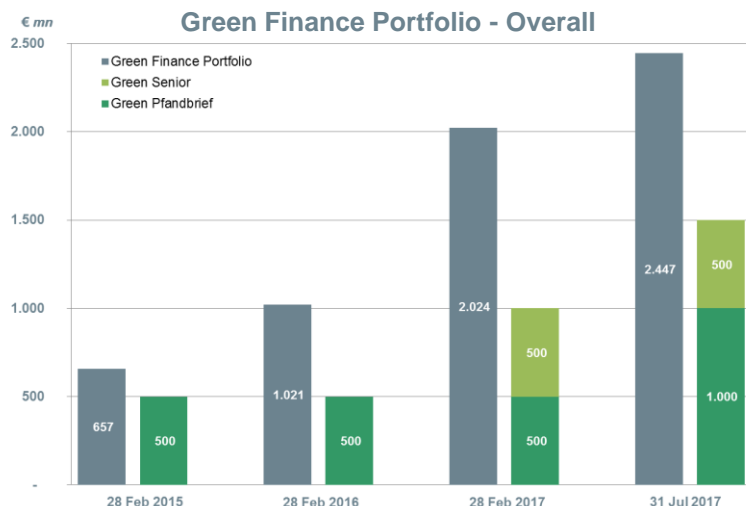
Bodo Winkler Head of Investor Relations & Sales

26 September 2017

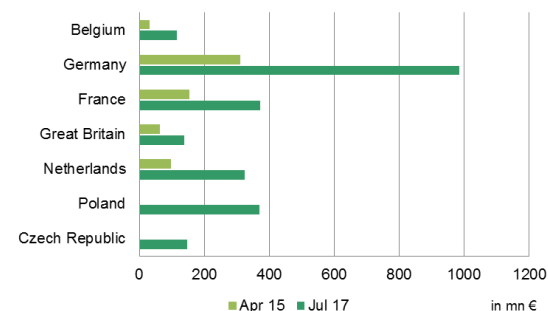
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Green Bonds

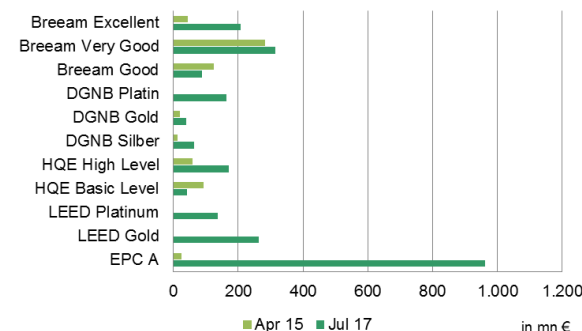
Use of Proceeds (I) – Portfolio development



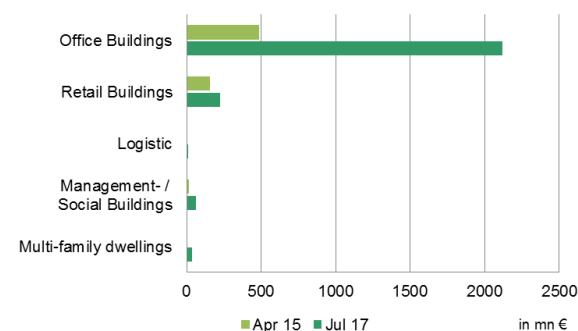
Countries



Certificates

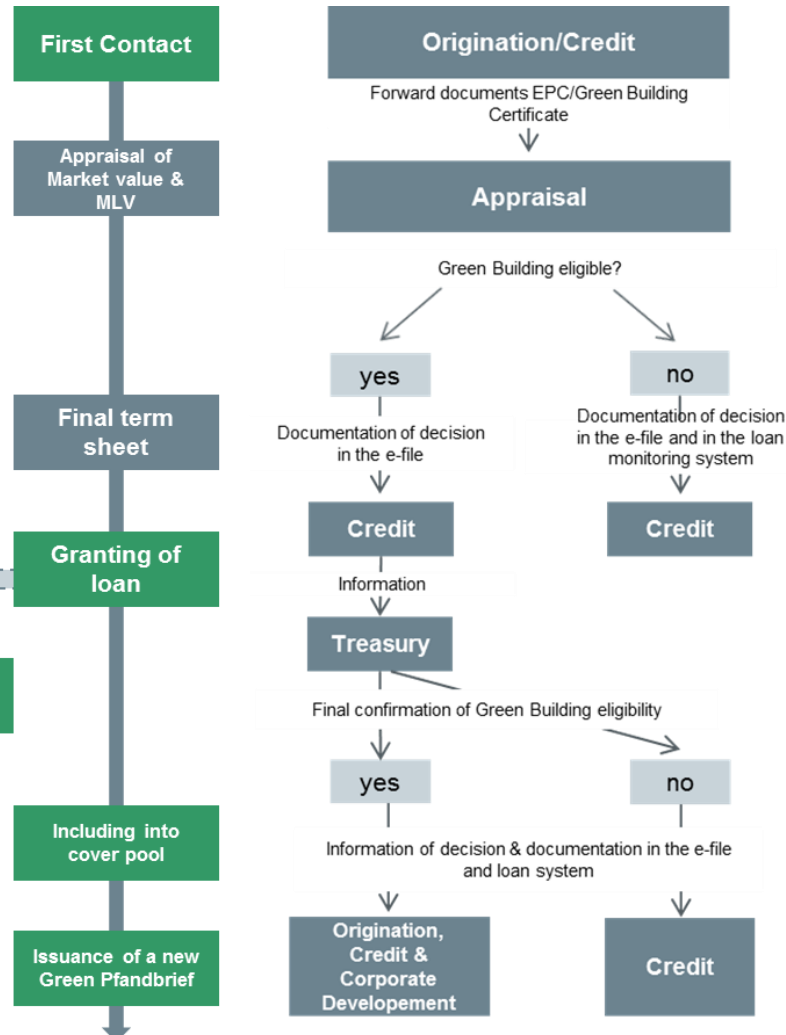


Type of Use



Green Bonds

Process of Evaluation and Selection (I) – Organisation



Green Building Commission

- One representative from each of the following divisions of the bank: Corporate Development, Origination, Credit, Appraisal and Treasury
- Responsible for defining eligibility criteria and keeping them in line with market best practices. Also responsible for processes.



Green Bonds

Process of Evaluation and Selection (II) – Criteria

Green Buildings means energy efficient commercial real estate buildings with an energy demand or consumption that should not exceed:

50 KWh/(m ² *a)	for new residential properties
75 KWh/(m ² *a)	for old residential properties
30 KW/(m ² *a)	for logistics buildings
70 KWh/(m ² *a)	for retail buildings (shopping malls, department stores)
95 KWh/(m ² *a)	for other retail buildings
95 KWh/(m ² *a)	for hotels / management buildings
110 KWh/(m ² *a)	for production buildings
110 KWh/(m ² *a)	for office buildings without air conditioning
135 KWh/(m ² *a)	for office buildings with air conditioning

In addition/alternatively eligibility criteria include the following external sustainability certifications¹:

LEED	Gold or above
BREEAM	Very Good or above
DGNB	Gold or above
HQE	High Level or above

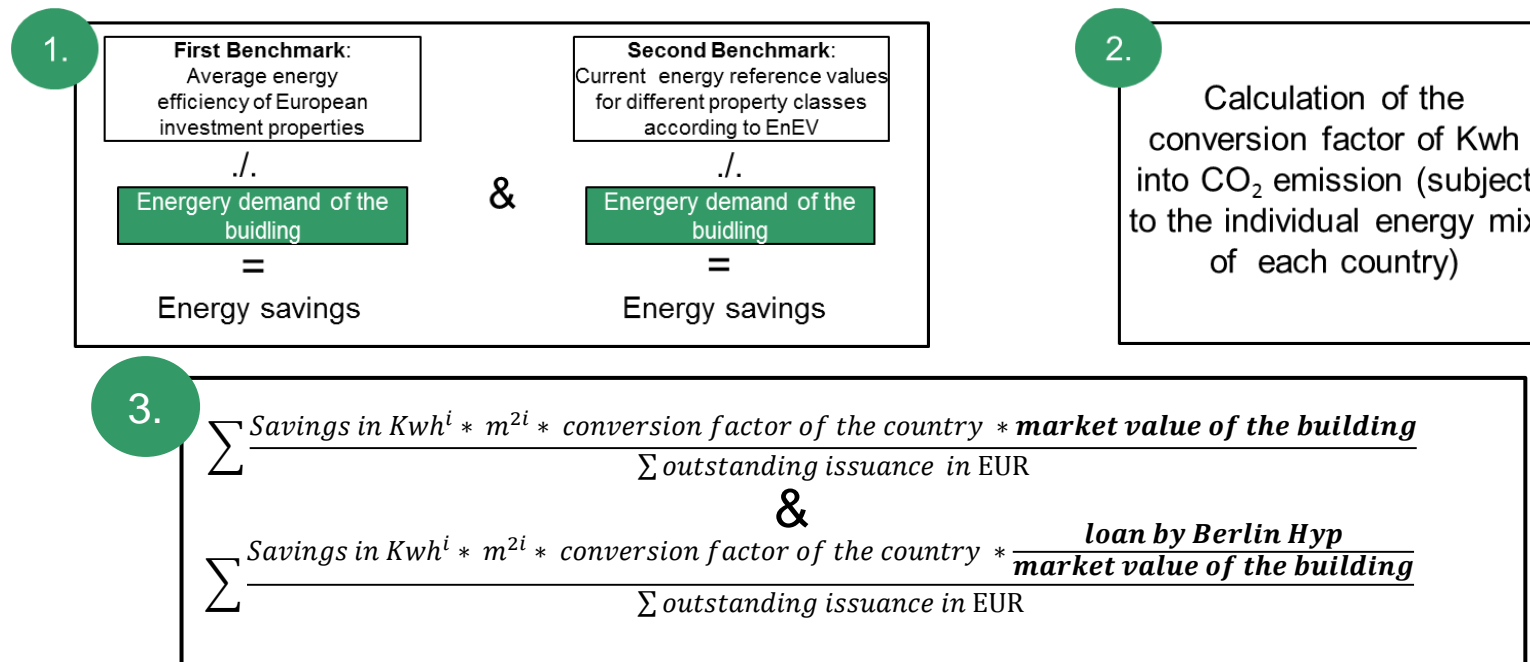
Eligible assets shall also meet other environmental and/or social criteria. These assets are not to be used for the production of arms, pesticides, tobacco, pornography, nuclear power, coal, oil and fossil fuels.

1) LEED, BREEAM, DGNB and HQE are providers of sustainability certificates for buildings. Buildings financed by Berlin Hyp after issuance of its inaugural Green Pfandbrief on 27 April 2015 have to score at least 50 per cent in the energy efficiency component of the Green Building certificate if the building does not qualify already by its energy demand or consumption as defined above.

Green Bonds

Reporting – Impact Reporting

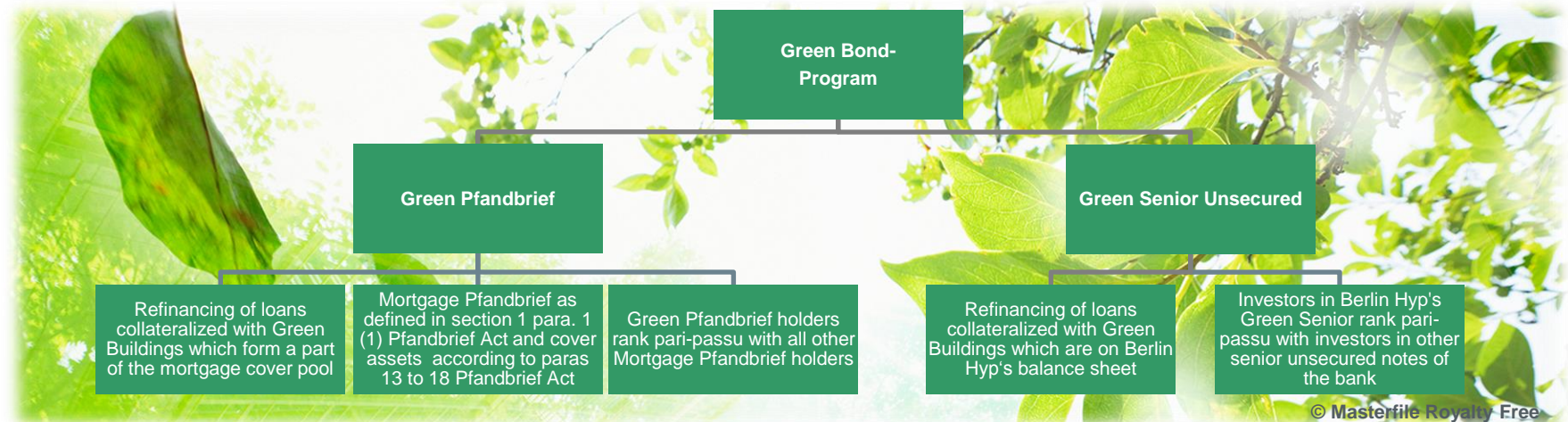
- Estimation to quantify CO₂ savings from loans for Green Buildings used for Green Bonds:



Avoided tCO ₂ / EUR mn / year (as of 28 February 2017)	100% allocated to Berlin Hyp financing	Proportionally allocated to Berlin Hyp initial financing share
against European average	28,7	13,7
against current EnEV standards	9,6	4,5

Green Bonds

The Green Bond Program

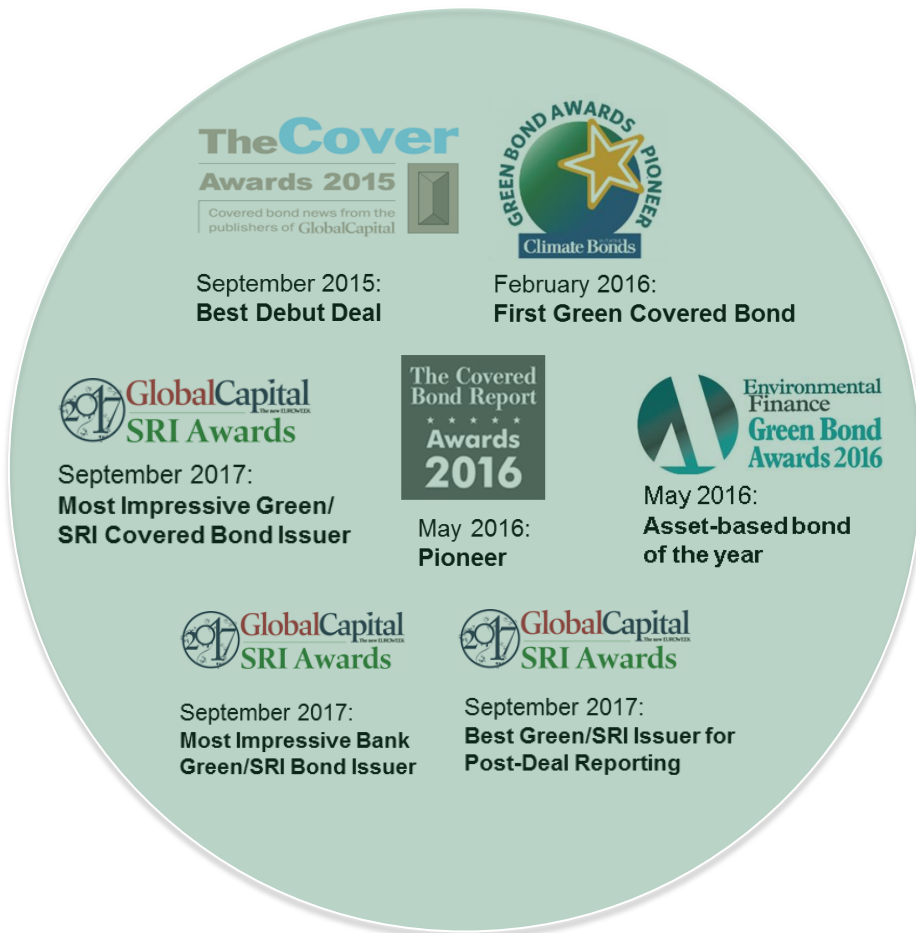


The issuance of all Green Bonds takes place under a unified Green Bond Program. Under the program, both Green Pfandbriefe and green Senior Unsecured bonds can be issued. The program covers...

- ... the requirements for the issuance of new Green Bonds including the excess of 10 per cent of all eligible assets compared to the Green Bonds
- ... the alignment with the Green Bond Principles (Use of Proceeds, Process of Evaluation and Selection, Management of Proceeds, Reporting)
- ... Berlin Hyp's eligibility criteria for Green Buildings with a focus on energy efficiency,
- ... the bank's commitment, to make its best effort to invest an amount equivalent to the net proceeds in new eligible assets.

Green Bonds

Additionality



Key Developements

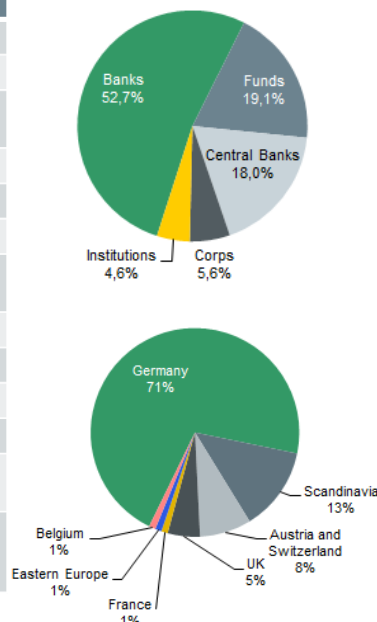
- 04/2015 – Issuance of the **first Green Pfandbrief**
Establishing a Green Building Commission
Introduction of standardized processes
- 03/2016 – **Sales promotion:** pricing incentives for loans for Green Buildings
- 04/2016 – Publication of **first annual reporting**
- 08/2016 – Development of a **Green Bond Program**
- 09/2016 – Issuance of Berlin Hyp's **first green Senior Unsecured**
- 04/2017 – **71%** of the green loan portfolio **rated 1-3** vs 57% of the overall portfolio
- 04/2017 – **Strategic objective: 20%** of the loan portfolio to be green by **2020**

Green Bonds

Transaction Highlights (I)

Green Pfandbrief (04/2015)

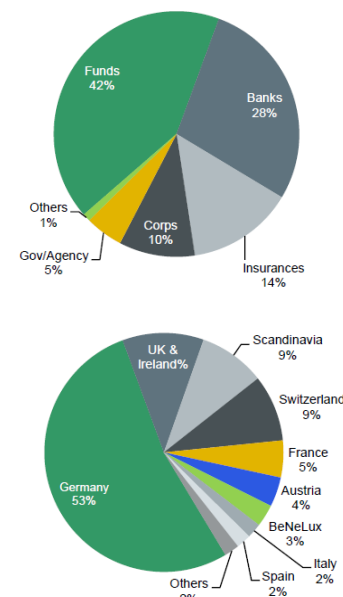
Issuer	Berlin Hyp AG
ISIN	DE000BHY0GP5
Issue Ratings	AA+ (Fitch); Aaa (Moody's)
Second Party Opinion	good (oekom research AG)
Coupon	0.125%
Re-Offer-Spread	MS -16 bp
Re-Offer-Price	99.708
Issuance/ Settlement Date	27.04.2015/ 05.05.2015
Maturity	05.05.2022
Issue Size	€ 500mn
Denominations	€ 1,000
Listing	Berlin Stock Exchange
Lead Managers	Credit Agricole, DZ Bank, J.P. Morgan, LBBW, Uni Credit Bank
Indices	Barclays MSCI Green Bond Index S&P Green Bond Index Solactive Green Bond Index



- Berlin Hyp marketed the transaction through a roadshow across Europe over a 8 day period
- Order book reached a final size of close to € 2bn
→ significant overscription
- More than 70 accounts involved
- Berlin Hyp allocated € 239mn to SRI investors representing 48% of the total issue size
- 15 new investors

Green Senior Unsecured (09/2016)

Issuer	Berlin Hyp AG
ISIN	DE000BHY0GU5
Issuer Rating	A+ (Fitch); A2 (Moody's)
Second Party Opinion	good (oekom research AG)
Coupon	0.50%
Re-Offer-Spread	MS +52bps
Re-Offer-Price	99.405
Issuance/ Settlement Date	19.09.2016/ 26.09.2016
Maturity	26.09.2023
Issue Size	€ 500mn
Denominations	€ 100,000
Listing	Berlin Stock Exchange
Lead Managers	ABN Amro, Commerzbank, Credit Agricole, J.P. Morgan, LBBW
Indices	BAML Green Bond Index Barclays MSCI Green Bond Index Solactive Green Bond Index S&P Green Bond Index



- Berlin Hyp marketed the transaction by a roadshow across 15 European cities over a 8 day period
- Order book reached a final size of more than € 1,2bn with 145 investors
- Berlin Hyp allocated € 205mn with SRI investors representing 41% of the total issue size
- 35 new investors

More: www.green-pfandbrief.com

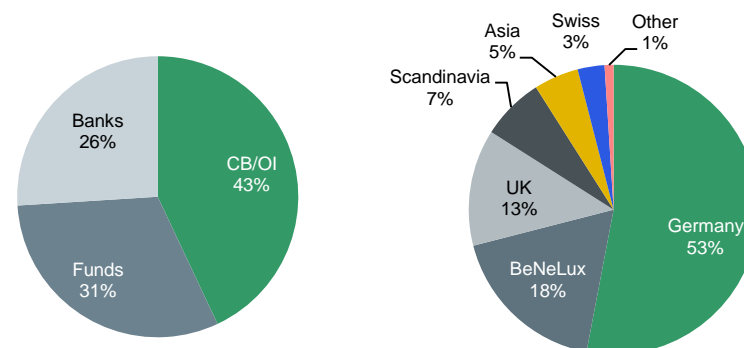
Green Bonds

Transaction Highlights (II)

Green Pfandbrief (06/2017)

Emittent	Berlin Hyp AG
ISIN	DE000BHY0GH2
Issuer Rating	Aaa (Moody's)
Second Party Opinion	good (oekom research AG)
Coupon	0.125%
Re-Offer-Spread	MS -14 bp
Re-Offer-Price	99,69
Issuance/ Settlement Date	07.06.2017/ 14.06.2017
Maturity	23.10.2023
Issue size	€ 500.0mn
Denominations	€ 1,000
Listing	Berlin Stock Exchange
Lead Managers	Commerzbank, Credit Agricole, J.P. Morgan, LBBW, UniCredit Bank
Index	Barclays MSCI Green Bond Index S&P Green Bond Index Solactive Green Bond Index

- Berlin Hyp marketed the transaction by a roadshow across 13 European cities over a 5 day period
- Order book reached a final size of more than € 0.9 bn with 45 investors
- Berlin Hyp allocated 45% to SRI Investors
- 8 new investors
- 47% share of foreign investors



More: www.green-pfandbrief.com

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You will find further information on Berlin Hyp if you visit our website www.berlinhyp.de/en:

- Annual reports
- Interim reports
- Cover pool reports according to § 28 Pfandbrief Act
- Sustainability Reports
- Base prospectus

Our website www.green-pfandbrief.com provides further information regarding:

- Green Bond Framework
- Use of Proceeds
- Annual reporting
- Second Party Opinion
- Re-Verification

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