



Press release

## **MünchenerHyp will issue green Commercial Paper**

Munich, 8 August 2019 – Münchener Hypothekenbank eG (MünchenerHyp) is extending its issuance programme by introducing green Commercial Paper. With this innovative green product the bank is supplementing its sustainable and ecological ESG Pfandbrief issuances.

Green Commercial Paper will be used by MünchenerHyp to refinance the unsecured part of green loans. “We are broadening the field of sustainable refinancing with the implementation of green Commercial Paper. In the current market more or less all green refinancing products are focusing the medium to long-term capital markets. Investors are missing short-term investment opportunities in the money market“, says Rafael Scholz, Head of Treasury at MünchenerHyp.

The green Commercial Paper is bearing the STEP label (Short-term European Paper), which is the basis for the ECB eligibility of the product. STEP is an initiative of the European Money Markets Institute (EMMI), which is defining market standards and STEP has been established as a seal of quality.

Additionally, the existing Green Bond Framework of MünchenerHyp has been enlarged by new sustainable funding products and the sustainability rating agency ISS-oekom has updated its Second Party Opinion with a positive outcome.

The green Commercial Paper will be integrated into the quarterly green reporting of the bank which is an existing service to sustainable Pfandbrief investors. The report will be extended by the part of green and sustainable loans which are not in the cover pool. “There is a certain lag of time between the payment of the loan and the entry of the Pfandbrief eligible part of the loan into the cover pool. Every loan with a high loan-to-value ratio is only cover pool eligible up to 60 percent but the overall sustainable engagement of the bank is bigger“, explains Claudia Bärldges-Koch, Head of Debt Investor Relations & Client Acquisition at MünchenerHyp. This is exactly where the green Commercial Paper comes into play. It can be considered as an interim financing of the described period of time or the non Pfandbrief eligible part of the loan. MünchenerHyp is starting with the issuance of green Commercial Paper in August.



MünchenerHyp

The Commercial Paper is a short-term senior unsecured bond which is tradeable in the secondary market. It is a discount instrument which will be issued with a reduction to its nominal value to attract short term money up to 364 days. The interest yield is reflected by the difference of the issuance value and the redemption amount.

For additional information please contact:

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