



Press Release

MünchenerHyp successfully returns to the British capital market with a benchmark mortgage Pfandbrief

Munich, 8 July 2021 - Münchener Hypothekenbank eG (MünchenerHyp) today successfully issued its first benchmark Pfandbrief in British pounds since 2013. The mortgage Pfandbrief issue with a term of just under 3.5 years issue has a volume of £ 350 million, and carries a coupon of 0.5 percent.

High demand for the issue was seen even before the order books were opened with orders of £ 280 million already noted one day ahead of the issue date. The order book was closed after about 3 hours when final orders of about £ 500 million were received. Numerous investors from continental Europe also subscribed to the Pfandbrief. Strong demand pushed the price down to 39 basis points above British government bonds, also referred to as gilts.

"The UK covered bond market proved to be very receptive. This issue enabled us to attract new investors for MünchenerHyp, and at the same time we succeeded in broadening our investor base", said, Dr. Louis Hagen, Chairman of the Münchener Hypothekenbank Board of Management. The issue also serves the Bank as a currency matching hedge for its lending business in the UK.

A total of 24 orders from 8 countries were submitted, with the UK accounting for the greatest share with about 35 percent, while Germany acquired 32 percent. Banks were the biggest group of investors and bought 38 percent of the volume sold followed by central banks with 32 percent and asset managers who purchased 30 percent of the volume issued.

The transaction was lead managed by Credit Suisse, HSBC and NatWest Markets.

Rating agency Moody's gives MünchenerHyp mortgage Pfandbriefe its top rating of Aaa.

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