Press Release

Warburg Bank invests in digital note from Vonovia SE

- Rapid, efficient, secure transaction powered by StellarBlockchain
- Innovative solution for investors and corporates offers significant potential

Hamburg, January 13, 2021 – Independent private bank M.M. Warburg & CO has become the exclusive investor in an innovative digital note transaction using blockchain. The note was issued by DAX member Vonovia SE via firstwire, the digital marketplace. The transaction volume is EUR 20 million and the note’s maturity is three years. Digital execution using Stellar-Blockchain permits rapid, efficient, and secure settlement in real time.

“Traditional execution of a transaction like this involves an extremely large amount of manual effort. Using StellarBlockchain’s technology allows us to transfer the asset within seconds. This minimizes operational risk and enhances efficiency,” says Sascha Schmidt, Head of FX and Fixed Income at M.M. Warburg & CO. These benefits make it particularly attractive and interesting for investors to invest in blockchain-based transactions. Schmidt: “We expect to see a clear increase in the number of similar issues from well-known companies in the near future. And we intend to familiarize institutional investors with transactions of this type.”

“Tokenization will significantly expand and structurally change the range of financial products and services,” says Joachim Olearius, spokesperson for the partners of the owner-operated M.M. Warburg bank. “We are pleased to have successfully conducted this transaction with an experienced issuer. This underlines the innovative power of our bank.”

The transaction is a novelty on the capital market: Vonovia created the tokens independently via Cologne-based company firstwire. The online marketplace enables issuers and investors to close transactions directly in real time. This means that tokenization has now also hit the institutional capital markets, where its significant efficiency gains suggest it is likely to become established.

“Corporates wanting to raise liquidity also benefit clearly,” underscored Helene von Roeder, Vonovia’s CFO: “With such innovative transactions we are able to finance ourselves faster, more easily and more cost efficiently”. The company has been a successful capital market participant for years and uses a broad range of financing instruments. “We want to test out the new technology to gain experience with it,” said von Roeder. “It’s easy to imagine that it will play a significant role in the capital markets in future. Issuances are transparent and traceable in real
time, which guarantees a professional transaction standard. Additionally, we can use it to approach new investors around the globe.”

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