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Press release

Syndicate arranged by pbb finances Schwabinger Tor project in Munich

- pbb and ERGO Insurance Group provide loans totalling € 388 million
- Bernhard Scholz: "The transaction underscores pbb's market position, demonstrating a good partnership between the bank and an insurance company."

Munich, 5 May 2014 – pbb Deutsche Pfandbriefbank and ERGO Insurance Group jointly finance one of the largest inner-city construction projects at present in Germany: the "Schwabinger Tor" project in Munich, with a total usable area of some 90,000 square metres. For this purpose, the two partners have provided a 20-year facility totalling approx. € 388 million to Jost Hurler Beteiligungs- und Verwaltungsgesellschaft GmbH & Co. KG, financing project development as well as existing properties. ERGO provided € 200 million – pbb, as the Arranger, has structured the transaction and is acting as the Facility and Security Agent, added approx. € 188 million. The loan agreements were signed in March 2014.

The Schwabinger Tor project will comprise a total of nine buildings with different types of use, on a plot of approximately 3.5 hectares along Munich's Leopoldstrasse thoroughfare, north of Johann-Fichte-Strasse. The various buildings will be positioned on the site to offer space for squares and alleyways. The plot – formerly used by German wholesaler Metro – will see retail, gastronomy and a day-care centre for children, as well as 200 flats, 18,000 m² of office floor space, and 900 underground car parking spaces. Moreover, a 14-floor, 5-star-plus "ANDAZ by Hyatt" hotel will be built there, with around 280 rooms, an integrated congress centre, a lavish wellness area, and a 'sky bar'. This project will thus create a new city quarter in a prominent spot – combining space to live with work facilities as well as tourism, shopping and entertainment offers. The various buildings will be designed by renowned architects, including Munich-based 03 Architekten, Swiss Max Dudler, Danish architects Schmidt Hammer Lassen, Hild and K, as well as Austria-based ATP Architekten & Ingenieure. Jost Hurler Beteiligungs- und Verwaltungsgesellschaft GmbH & Co. KG is the project sponsor and owns the land.

Bernhard Scholz, member of pbb's Management Board and responsible for the bank's origination, said: "The financing for the Schwabinger Tor project underscores pbb's strong market position. In a highly competitive environment, we convinced our client thanks to pbb's high level of structuring expertise. Moreover, the transaction highlights the spirit of good cooperation between a specialist real estate financier and an insurance company. We are delighted that we were able to realise this cooperation for such a prominent construction project such as Schwabinger Tor – a project that is currently unmatched in Germany."

Daniel von Borries, Management Board member of ERGO Insurance Group and responsible for the Group's investments, said: "ERGO keeps expanding its investments in real estate loans. A dedicated commercial real estate finance team has been in place since last year. Thanks to the long tenor and the special location of the project, the Schwabinger Tor development is a perfect match to the equally long-term liabilities of our Group's life and health insurance companies."



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Note to editors:

ERGO is one of the major insurance groups in Germany and Europe. Worldwide, the Group is represented in over 30 countries and concentrates on Europe and Asia. ERGO offers a comprehensive spectrum of insurance, provision and services. In its home market of Germany, ERGO ranks among the leading providers across all segments. About 46,000 people work for the Group, either as salaried employees or as full-time self-employed sales representatives. In 2013, ERGO recorded a premium income of 18 billion euros and paid out benefits to customers amounting to 17 billion euros. ERGO is part of Munich Re, one of the world's leading reinsurers and risk carriers.

Jost Hurler Beteiligungs- und Verwaltungsgesellschaft GmbH & Co. KG finances and lets its portfolio of properties in Germany and Austria. Real estate management is the company's core business, with a view to maintaining and enhancing the value of the individual properties. Developing plots and real estate projects are further key business activities. The portfolio includes properties at key locations in Bavaria, North Rhine-Westphalia, Berlin, Thuringia and Mecklenburg-Western Pomerania. Building up the portfolio in growth regions is a particular interest of the company. Jost Hurler Beteiligungs- und Verwaltungsgesellschaft GmbH & Co. KG is based in Munich.

pbb Deutsche Pfandbriefbank (www.pfandbriefbank.com) is a leading European specialist bank for real estate finance and public investment finance. The bank's regional focus is on Germany as well as on the United Kingdom, France and Scandinavia; it is also active in Central and Eastern Europe. In real estate finance, pbb focuses on medium-sized to large-scale financings in less volatile real estate types, including offices, retail properties, apartments and logistics properties. The bank combines its local know-how covering the entire processing chain in the relevant markets, to form an extensive network which it leverages to the benefit of its clients. In this way, pbb is in a position to support regional financing solutions as well as cross-border transactions – one of the few providers to do so. Moreover, pbb benefits from many years of experience in the structuring of financings. Thanks to its network of financing partners with different business profiles, pbb is therefore able to offer larger and complex financing to its clients.