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Press Release

pbb Deutsche Pfandbriefbank provides € 72 million financing for Cerberus

- Financing collateralised by real estate will be used to purchase a maturing mortgage loan
- Facility will be converted into a traditional real estate loan

Munich, 31 July 2014 – pbb Deutsche Pfandbriefbank has provided a € 72 million loan to affiliated companies of Cerberus Capital Management L.P. These affiliates will use the funds to purchase a maturing mortgage loan that will subsequently be converted into a long-term real estate loan. The relevant loan agreements were signed in June 2014.

The loan receivable purchase was part of a larger loan portfolio acquired by Cerberus affiliates. The financing will be converted into a long-term real estate loan upon acquisition of the commercial properties, which will take place via assumption of liabilities. With this transaction, pbb has financed the acquisition of a loan receivable for the first time prior to the transfer of title to the financed properties.

The commercial real estate portfolio includes seven retail properties in good to very good micro locations of major cities in Western and Southern Germany. Cerberus plans to significantly revitalise the properties. With Estama Real Estate Management, Cerberus has retained an experienced asset manager that specialises in the retail sector and is familiar with the portfolio, having served as property manager for the portfolio for several years already.

Gerhard Meitinger, Head of Real Estate Finance Germany at pbb Deutsche Pfandbriefbank, said: "This complex financing clearly demonstrates pbb's strong structuring skills. In a first step, the bank provided a loan, collateralised by a real estate lien, to purchase a maturing loan. In a second step, this loan will be converted into a long-term real estate financing. I am pleased that pbb was able to structure this facility for Cerberus, continuing our long-standing and successful business relationship."

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Note to editors:

pbb Deutsche Pfandbriefbank (www.pfandbriefbank.com) is a specialist bank for commercial real estate finance and public investment finance. The bank's regional focus is on Germany as well as on the United Kingdom, France, the Nordic countries and selected countries in Central and Eastern Europe. The bank plays an important role in supplying credit to the real estate sector; it supports the public sector with financing for projects and measures designed to enhance public infrastructure.



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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 a European 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.