



DEUTSCHE
PFANDBRIEFBANK

Public Investment Finance Financing SADEV and SEMAPA

December 2014 / February 2015

In December 2014 and in February 2015, pbb, the specialist bank for public investment finance, provided loans to two urban development companies, SEMAPA and SADEV94. The transactions are examples of pbb's strategy to target and support public urban development projects.

pbb provides a €100 million loan to SEMAPA

pbb provided Paris urban development company SEMAPA with a total of €100 million in medium-term loans to finance large-scale urban development projects on the west bank of the river Seine in Paris, including infrastructure works to construct new buildings across railway tracks in the city.

SEMAPA was created in 1985 as an initiative of the Paris municipality. In April 2012, SEMAPA became an SPLA (public local development company). SEMAPA has an exclusively public shareholding structure. Managing some of the main projects in the City, SEMAPA will carry out the "Paris Rive-Gauche" development – one of the largest schemes in the French capital since the Haussmann renovations in the 19th century - until 2024. Paris Rive-Gauche was launched in 1992 to refurbish a 1.3 sq km area along the Seine's left bank, a fifth of which was covered by railway tracks and adjoining large industrial wastelands. By purchasing land, leading studies, developing the main infrastructure and then selling construction rights to developers, SEMAPA has succeeded in creating new neighbourhoods in the heart of Paris, from Austerlitz train station to the Bibliothèque François Mitterrand. The new development, financed by pbb, will extend this urban area towards the south of Paris Rive-Gauche.

€40 million loan to SADEV 94

pbb provided French public-private company SADEV 94 with a €40 million long-term loan for the infrastructure development of a 1.3 sq km site in the municipality of Ivry-sur-Seine in Paris' south-eastern suburbs.

The project incorporates infrastructure works – including roads and lighting - necessary for the development of homes, retail and leisure space and office buildings.

SADEV 94 is a public-private company created in 1986 by the Département du Val-de-Marne and other authorities located in the district to carry out large-scale urban regeneration projects in the outer south-east of Paris. SADEV 94 works for more than 27 local authorities and provides them with development, urban planning and construction services. pbb's loan is 80% guaranteed by the Département and the municipality of Ivry-sur-Seine, two of the main shareholders of the company. The concession contract financed by pbb covers the "Ivry-Confluences" area which by 2017 will comprise large office facilities, 6,500 social housing units, and educational, sporting and cultural provision, including a major cinema complex.

Investing in infrastructure, enabling development

The SEMAPA and SADEV loans demonstrated the characteristics – unique to pbb – that enable such essential financings to be made.

The €100 million loan to SEMAPA, one of the first of its kind, involved a complex analysis of the status of the organization (SEMAPA is one of the first SPLAs), alongside intensive legal analysis and confirmation of pfandbrief eligibility. It was thanks to the strengths of its legal and credit department that pbb was able to determine a favourable view of the organization and offer competitive pricing.

With SADEV, it was a combination of pbb's real estate expertise and public sector background that made the financing possible. This was one of pbb's first public investment transactions with unsecured funding (the loan was 80% pfandbrief funded, the rest unsecured) and relied on an intensive analysis of SADEV's operation and associated risk profile.

Transaction demonstrates financing expertise

These transactions are perfect examples of pbb's expertise in public investment finance. They show:

- pbb's capacity to bring together its public sector and real estate expertise in order to finance clients who are involved in both areas;
- that the combination of pbb's knowledge leads to a precise understanding of the project and its risks;
- pbb's ability to meet the client's demands by proposing tailor-made solutions: relatively long availability periods; sculpted repayment adapted to the underlying development project; and an appropriate security package within negotiated and adjusted documentation.

pbb Deutsche Pfandbriefbank

pbb Deutsche Pfandbriefbank is a specialist bank for commercial real estate and public investment finance. The bank's regional focus is on Germany as well as the United Kingdom, France, the Nordic countries and selected countries in Central and Eastern Europe. The bank supports the public sector with financing for projects and measures designed to enhance public infrastructure.

In public investment finance pbb Deutsche Pfandbriefbank provides its clients with finance for the following projects:

- Public Sector Facilities
(administrative and special purpose facilities, educational and cultural establishments, and sport facilities)
- Municipal and Residential Construction
(council housing, apartment building companies, student housing)
- Utilities
(energy, water, waste, recycling & environment)
- Essential Infrastructure
(networks and buildings for streets, waterways, railways and air traffic, capital goods, appliances and fleets in regional and long-distance traffic as well as facilities for intelligence and defence)
- Health
(hospitals, medical and geriatric care facilities as well as administration and insurance facilities).

In addition to financing public sector infrastructure, pbb is also active in the field of export financing with public guarantees.

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