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Press Release

pbb and Erste Group provide €126 million facility to a consortium led by Morgan Stanley Real Estate Investing

- Financing of the acquisition of a prime real estate portfolio in Budapest
- One of the biggest financing transactions in Hungary in recent years

Munich/Vienna/Budapest, 4 August 2015 – In one of the biggest financing transactions in Hungary in recent years, pbb Deutsche Pfandbriefbank and Erste Group Bank AG have jointly underwritten a €126 million senior facility for a consortium led by Morgan Stanley Real Estate Investing. The group of investors also includes a leading Hungarian property developer and investor WING and the Austrian shopping center manager and investor CC Real. The proceeds are being utilized to finance the acquisition of a prime real estate portfolio in Budapest. The transaction closed on July 31st, 2015. pbb and Erste Group are acting as Joint Lead Arrangers, pbb carries out the role of Facility and Security Agent.

The portfolio consists of MOM Park, a ca. 31,500 sqm well known, prime shopping mall with an adjacent office building of ca. 19,300 sqm on the Buda side of the city. It also comprises the West End Business Centre, a prime, ca. 28,800 sqm office building and EMKE, a smaller, ca. 13,700 sqm office building on the Pest side of Budapest. The portfolio was acquired from a fund managed by AEW Europe.

Charles Balch, Head of International Clients, UK & CEE at pbb Deutsche Pfandbriefbank, commented: "This is a major transaction for the Budapest real estate market, which has seen positive signs recently. We are pleased to support Morgan Stanley Real Estate Investing and their partners with this landmark financing transaction. We will continue to carefully evaluate prime opportunities in Budapest, as part of our general strategy across CEE."

Richard Wilkinson, Head of Commercial Real Estate at Erste Group Bank AG, said: "Hungary's real estate investment market has been showing growth in transaction volumes and we expect this trend to continue throughout the year. This is a strong sign of the overall recovery on the Hungarian real estate market. As one of the leading real estate financial providers in Central and Eastern Europe we are pleased to support Morgan Stanley Real Estate Investing in this significant transaction."

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Notes 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.

In real estate finance, pbb focuses on medium-sized to large-scale financings in less volatile property 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 uses 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.

Erste Group is the leading financial services provider in the Eastern part of the EU. Around 46,000 employees serve 16.2 million clients in 2,700 branches in 7 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia). Between 2011 and March 2015, Erste Group signed new real estate & infrastructure financing deals in the amount of more than EUR 5 bn. As of Q1 2015 Erste Group posts a net profit of EUR 225.8 million and total assets of EUR 202.6 billion. The core tier-1 ratio (Basel III phased-in) stood at 10.5%.