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Press Release

Syndicate lead-managed by pbb finances "New Balan" project in Munich

- pbb and Ergo Versicherungsgruppe provide a €160 million loan facility
- Meitingner: "An outstanding city quarter development that has further deepened cooperation between bank and insurance company"

Munich, 12 February 2016 – pbb Deutsche Pfandbriefbank and Dusseldorf-based ERGO Versicherungsgruppe jointly finance one of the most attractive city quarter development projects in Munich: the "Neue Balan" project with a total rentable area of currently some 100,000 square metres. For this purpose, the two partners have provided a 20-year facility totalling approx. €160 million – in equal proportions – to Allgemeine SÜDBODEN Grundbesitz AG, financing project development as well as existing properties. As lead manager for the facility, pbb structured the financing and will also act as Facility Agent and Security Agent. The loan agreements were signed at the end of December 2015.

Allgemeine SÜDBODEN Grundbesitz AG acquired the former Infineon site in Munich-Haidhausen/Ramersdorf in 2006. Development work to convert the site into an office and commercial estate started in 2007, focused upon the use of existing buildings which were thoroughly refurbished and their type of use changed. New buildings have been added to supplement existing ones. Further development is being planned on the site – including two new office properties with an architectural style based on the Atelierhaus Bauhaus Dessau, construction of which started at the end of 2015. Today, "Neue Balan" is home to a variety of companies of different sizes, including from the following sectors: IT, exchanges, advertising, clothing, media, communications, gastronomy, design, architecture, construction, and software. Allgemeine SÜDBODEN Grundbesitz Verwaltung GmbH is responsible for letting. Recently, the project was given an award in the category „Building Healthy Places“ by the Urban Land institute Germany.

This deal marks yet another successful joint transaction for pbb and ERGO. In March 2014, the two partners provided a 20-year facility totalling approximately €388 million to Jost Hurler Beteiligungs und Verwaltungs GmbH & Co. KG, also financing project development as well as existing properties. The developer used the funds to 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.

Gerhard Meitingner, Head of Real Estate Finance Germany at pbb Deutsche Pfandbriefbank, said: "'Neue Balan' is quite a special city quarter development project, which will create an unusual 'office campus' for Munich, in an attractive location. This transaction has also further deepened cooperation between ERGO Insurance Group and pbb."

Dr Eckehard Schulz, Head of Real Estate Finance at ERGO, added: "We were convinced by the location as well as the quality of the properties. We were delighted to once again work with pbb, in a project that combines the skills and expertise of both partners."



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Media Contacts:

pbb Deutsche Pfandbriefbank

Walter Allwicher, +49 89 2880-28787, walter.allwicher@pfandbriefbank.com

Oliver Gruss, +49 89 2880-28781, oliver.gruss@pfandbriefbank.com

ERGO

Uta Apel, +49 211 477-3003

Notes to editors:

ERGO Versicherungsgruppe (www.ergo.com) 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 43,000 people work for the Group, either as salaried employees or as full-time self-employed sales representatives. In 2014, ERGO recorded a premium income of 18 billion euros and rendered benefits to customers at almost the same level. ERGO is part of Munich Re, one of the world's leading reinsurers and risk carriers.

Allgemeine SÜDBODEN Grundbesitz AG invests in real estate predominantly used for commercial purposes and offering developmental potential, for its own portfolio. Established in 1998, the company currently holds a real estate portfolio comprising office, logistics and retail properties with aggregate floor space in excess of 200,000 square metres, let to more than 300 tenant partners. The geographical focus of Allgemeine SÜDBODEN Grundbesitz AG, based in Munich, is on Southern Germany.

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.