

Erste Group grants EUR 32mln investment loan for the acquisition of Medcover Hospital in Warsaw

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1st hospital financing in CEE by Erste Group, and also a first in Poland

The loan partially finances the acquisition of Medcover Hospital by Celox Group

Transaction highlights potential of CEE healthcare sector for private investments

Erste Group has originated, structured and ultimately provided debt financing for the acquisition of the shares in Medcover Property & Development Sp z o.o., the owner of Medcover Hospital in Warsaw, by Luxembourg based Celox Group. The Medcover Hospital is the most strategic asset in Medcover's expanding portfolio of health care operations in Poland. The investment loan has been granted for a period of 10 years.

"Medcover is uniquely positioned in the Polish market as it owns a substantial hospital infrastructure as well as its own insurance license allowing for a fully integrated value chain. We are proud to be financing the second largest private health care provider in Poland and we are ready at Erste Group to further finance this sector that is crucial for the economic growth in our CEE region," said Werner Weihs-Raabl, Head of Group Infrastructure Finance at Erste Group.

The EUR 32mln acquisition financing of this fully developed, already operational and state-of-the-art Medcover Hospital is the first private hospital financing in CEE of that size which has been closed by Erste Group and also a first in Poland for the bank.

Furthermore the Medcover Hospital in Warsaw is a landmark transaction being the first private medical facility in Poland to offer such a wide range of hospital services and providing healthcare treatments that meet the highest international standards to both Medcover insurance beneficiaries ("first referral general hospital") and private individuals in a fee-for-service context.



Medcover Hospital in Warsaw

The hospital has a capacity of 180-beds in addition to providing five fully equipped surgery rooms as well as a six-room private hotel (for family members or private treatment) and represents one of the largest private medical facility investments in CEE.

Medcover Group is the leading private healthcare service provider in CEE, serving more than 6,000 companies and in excess of 400,000 people from operations in Poland, Eastern Germany, Czech Republic, Slovakia, Hungary, Romania and Ukraine.

Recent years have revealed that the private medical sector in CEE is in dire need of private investments as public funding for healthcare has been proving insufficient and is expected to further decline in the years to come. According to the "Private healthcare market in Central and Eastern Europe" report* published by PMR Publications the private healthcare market in the region is estimated to be worth EUR 24bln in 2011, growing on average by 20% per annum.

* Countries covered by the analysis: Poland, Hungary, Russia, Slovakia, Czech Republic, Bulgaria, and Romania.