

JP Immobilien: First Real Estate Bond Issue Secured by first lien mortgages*

14. Dezember 2012

Issue Volume: € 47,2 million

Coupon Rate: 3.5% p.a., payable semi-annually

Term: 10 years

Face Value: € 100,000

Status: secured by registration in land register with first priority position (capital and interest 100% collateralized)



JP Immobilien Invest I GmbH has successfully issued its first real estate bond secured by registration in the land registry with Erste Group Bank AG as joint lead manager. With a term of 10 years and a face value of € 100,000, the issue was primarily placed with institutional investors. The JP Immobilien bond was rated A+ by Creditreform Rating AG. "This bond offers two advantages. An attractive yield for the investor, coupled with the security of collateral in the form of the underlying

property", said Peter Bosek, Member of the Management Board.

With the first issue of a collateralized real estate bond in Austria, a new innovative financing opportunity opens up for the JP Immobilien Group, while investors are offered an attractive investment possibility.

Both the invested capital as well as the coupon payments are secured by a registration in the land registry with first priority position. The portfolio for the collateralization consists of seven solid middle class residential properties in prime locations in Vienna as well as one commercial property. In order to secure the coupon payments, a trustee administered escrow account will be endowed.

The pledged real estate objects won't be sold before the bond matures. It is however permissible for one of the pledged objects to be swapped for a different one if certain conditions are fulfilled, as long as the loan-to-value ratio after the exchange doesn't exceed 60% in total; alternatively a pro rata partition is possible. The nominal value of the bond relative to the value of the property (loan-to-value) at present amounts to less than 59%.

The issuer plans to primarily use the the proceeds from the placement of the bond for the repayment of existing credit obligations, which have been entered into for the purchase of the property of its real estate portfolio as well as the object Am Modenapark 1-2, 1030 Vienna. Any excess from the net issuance proceeds will among other things be used for general corporate purposes, for the optimization of the capital structure, as well as the maintenance of the real estate portfolio used as collateral.

* according to the provisions of Austria's 'Kuratorenengesetz' (trustees' law)