BF.direkt AG facilitates alternative refinancing arrangement for justice centre Halle (Saale) with K-Bond loan note

- K-Bonds AG and BF.direkt jointly place German loan note with institutional investors for the very first time
- Volume of EUR 33 million, with initial interest amounting to 3.55% p.a.
- Investment grade rating BBB

Stuttgart/Frankfurt, 8 December 2015. BF.direkt AG, one of the leading consultancy firms for real-estate financing, has arranged an alternative refinancing solution in the form of a loan note for the justice centre in Halle an der Saale (Germany/Saxony-Anhalt). To this end, in co-operation with K-Bonds AG – a specialist for real-estate backed loan notes – a loan note with a volume of EUR 33 million was successfully placed with institutional investors. The initial interest payable on the loan note scheduled to mature in the year 2025 amounts to 3.55% p.a.

Various courts and public authorities as well as the public prosecution are located in the property that is fully let to the state of Saxony-Anhalt. E&P Holding GmbH & Co. KG in Cologne is responsible as asset manager for the modern justice centre.

The loan note divided up into two tranches (senior and junior) is collateralised by mortgage bonds on the property financed. The senior tranche was awarded investment grade rating BBB by the rating agency Euler Hermes. Decisive factors for the good rating were the first-class collateral, the high free cash flow and the tenants’ robust credit standing.

Dr Hans-Günther Nordhues, CEO of K-Bonds AG, praises his company’s collaboration with BF.direkt: “This co-operative venture has enabled us to boost our market presence in identifying investment properties that are suitable as collateral for a real-estate backed loan note. BF.direkt has a large number of excellent customer contacts and, therefore, an outstanding property pipeline. At the same time, competent preliminary assessment of the financing capabilities by BF.direkt assists us in bundling and deploying our resources in a target manner for alternative financing transactions.”

Francesco Fedele, CEO of BF.direkt AG, adds: “Our objective is to use the entire bandwidth of possible financing deals to filter out the single best financing solution so as to set up a suitable and attractive financing model in co-operation with our product partners. In addition to conventional bank funding, alternative forms of financing meanwhile play an increasingly important role. In the process, we do not only confine ourselves to subordinated forms of funding like mezzanine capital but also use loan notes to provide attractive solutions in the senior-ranking field. Together with K-Bonds AG, we succeeded in structuring the refinancing deal for the justice centre in Halle in a spirit of mutual trust and partnership. We’re highly satisfied with the control of the subsequent rating and placement process by K-Bonds.”
“In addition to conventional bank funding, the financing alternatives available on the market today that we as investors had already analysed at an early stage will play an increasingly important role in future,” says Dirk Iserlohe, CEO of E&P Holding GmbH & Co. KG, Cologne. The Cologne-based issuing house, the asset managers of the justice centre, felt that the co-operation had proceeded professionally and in a targeted fashion.

About K-Bonds

K-Bonds AG operates the credit platform CMFF on which, inter alia, mortgage-backed loan notes for companies are structured and placed for institutional investors. K-Bonds AG, the operator of the credit platform CMFF, controls the complete analysis and assessment process necessary for investors and makes quality-assured information available; to this end, the company engages the services of external service providers such as rating agencies or valuation specialists, depending on the credit risk involved in each case. In this way and thanks to the standard documentation made available, compliance is ensured with the regulatory requirements on the part of domestic and foreign investors. Moreover, through its in-house institutional sales team, K-Bonds offers its borrowers the utmost in terms of placement security.

www.k-bonds.com
www.cmff.eu

About BF.direkt

The company BF.direkt AG is an independent specialist for financing residential and commercial real-estate projects. As one of the leading financing consultants, it develops innovative financing strategies and finds suitable financing partners in this field. In the process, the clients of BF.direkt stand to benefit from the numerous connections with big, special and private banks, capital market services providers, insurers and specialised funds as well as with investment companies for borrowed funding, mezzanine and equity capital.

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