

Deutsche Bank Arranges \$535 Million Mortgage-Backed Debt for BGP

By Alastair Marsh - Sep 3, 2013

Deutsche Bank AG arranged 406 million euros (\$535 million) of commercial mortgage-backed bonds for real estate investor BGP Investment Sarl.

The transaction is known as Monnet Finance Ltd. and it refinances a maturing CMBS transaction called Quokka Finance Plc as well as a separate portfolio of [mortgage loans](#), according to Mark Dunstan, chief executive of Luxembourg-based BGP.

BGP is paying an all-in cost of less than 4 percent on the bonds, about 1.25 percentage points below the rate on the Quokka deal, Dunstan said. The real estate company included a portfolio of German multi-family loans in Berlin and the Rhine-Ruhr region called Minotaurus Immobilien GmbH & Co KG, he said.

“Given the complexity of a deal like this, you need to achieve a certain critical mass to make it worthwhile and we therefore thought it made sense to add in the Minotaurus debt as well,” Dunstan said.

The Monnet transaction was split into four portions, with the 289.4 million-euro A tranche paying 192 basis points more than the three-month euro interbank offered rate, according to data compiled by Bloomberg. Investors in the 57.7 million-euro B tranche will receive 326 basis points more than Euribor, the data show.

Sales of commercial mortgage-backed securities in [Europe](#) rose to the highest in four years in the first half of the year to 5.4 billion euros, boosted by issuance of notes secured with housing loans from [Germany](#), according to a report by [Standard & Poor's](#) last month.

BGP, which has about 1.5 billion euros of assets, was established in 2005, according to the company's website.

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