



Press Release

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Aareal Bank repays SoFFin silent participation in full

- Residual amount of €300 million transferred - German Financial Markets Stabilisation Fund's exposure to Aareal Bank ends
- CEO Dr Wolf Schumacher: SoFFin contributed to secure Aareal Bank's fully viable business model in a difficult market phase

Wiesbaden, 30 October 2014 – Having obtained approval from the German Federal Financial Supervisory Authority (BaFin) to repay the silent participation provided by the German Financial Markets Stabilisation Fund (SoFFin) in full, Aareal Bank today repaid the residual amount of €300 million to SoFFin. In accordance with the repayment agreement, Aareal Bank will additionally pay interest accruing until the repayment date on the next regular maturity date on 31 March 2015 to SoFFin. Furthermore, in line with existing contractual stipulations, the agreement provides for a pro rata temporis share due to SoFFin in any dividends distributed by Aareal Bank, by way of a dividend-linked additional payment for the 2014 financial year.

With the full repayment of the silent participation, SoFFin's support to Aareal Bank has therefore come to an end. In early 2009 – at the height of the crisis affecting financial markets and the economy – the Bank had drawn on support available within the scope of a government package to stabilise the financial services sector. The objective was to protect Aareal Bank's sustainably profitable business in what was a very difficult market environment at the time. In addition to the silent participation, which had an original amount of €525 million and accrued interest at 9 per cent per annum, SoFFin had granted a guarantee facility to Aareal Bank for unsecured issues of up to €4 billion. The Bank commenced its gradual repayment of the silent participation in the summer of 2010, with an initial tranche of €150 million, followed by a further €75million tranche in 2011. At the end of March 2012, the Bank returned all issuance guarantees. Aareal Bank always fully serviced the government equity support measure taken out. The Bank paid a total of approximately € 237 million to date in interest and guarantee fees to SoFFin.

"We are deeply grateful to the German Federal Government, the German parliament, and to SoFFin. The decision, taken in the year 2009, to provide

support to our bank in times of great uncertainty, contributed to secure our fully viable business model in a difficult market phase. Using the government support package helped Aareal Bank as a perfectly healthy institution remain on its successful path undeterred, even in a market situation that had dramatically intensified at times. We have proven the sustainable viability of our business model over recent years, demonstrating that our strategy – geared towards long-term profitable growth – is the right one", Schumacher said.

The voting agreement entered into in 2009 between SoFFin and Aareal Holding Verwaltungsgesellschaft mbH ("Aareal Holding"), the Bank's anchor shareholder, will also terminate soon after the conclusion of SoFFin support. At the time, this voting agreement was concluded in the context of SoFFin's support, in order to maintain Aareal Holding's blocking minority. The Bank will separately publish SoFFin's corresponding voting rights notification, pursuant to the requirements of the German Securities Trading Act (sections 21 (1) and 22 (2) of the WpHG).

Aareal Bank

Aareal Bank AG, whose shares are traded in Deutsche Börse's MDAX segment, is a leading international property specialist. The Bank concentrates its business activities on the Structured Property Financing and the Consulting/Services segments. The Structured Property Financing segment encompasses all of Aareal Bank's property financing and funding activities. In this segment, the Bank facilitates property investment projects for its domestic and international clients, within the framework of a three-continent strategy covering Europe, North America and Asia. In the Consulting/Services segment, Aareal Bank offers the housing industry and commercial property services and products for managing residential property portfolios and processing payment flows.
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