



Press Release

Contacts:

Sven Korndörffer

Phone: +49 611 348-2306

sven.korndoerffer@aareal-bank.com

Christian Feldbrügge

Phone: +49 611 348-2280

christian.feldbruegge@aareal-bank.com

Aareal Bank Group: material litigations with holders of profit-participation rights issued by former Corealcredit Bank concluded – Aareal Bank AG raises forecast for consolidated operating profit 2016

Wiesbaden, 9 November 2016 – Aareal Bank Group has concluded material litigations concerning former Corealcredit Bank, with a ruling in the Bank's favour. Holders of profit-participation rights issued by Corealcredit Bank AG had sued it in connection with a reduction of repayment claims under profit-participation certificates, for the financial years 2005 to 2008. These risks had been fully covered through provisions recognised, and collateral provided. The conclusion of these proceedings will result in a positive non-recurring effect of € 28 million in pre-tax consolidated operating profit, to be recognised in the fourth quarter. Since this positive non-recurring effect will be offset by a corresponding tax expense of virtually the same amount, related to the same issue, said non-recurring effect will have only a minor impact upon results after taxes, amounting to approximately € 1 million.

Aareal Bank raises its forecast for full-year consolidated operating profit in 2016: including the non-recurring effect, and taking into account the results generated during the 2016 financial year to date (including third-quarter consolidated operating profit of € 74 million), Aareal Bank raises its guidance for consolidated operating profit and now expects consolidated operating profit for the 2016 financial year in a range between € 360 million and € 380 million. Adjusted for the non-recurring effect, full-year consolidated operating profit for 2016 is thus expected in a range between € 330 million and € 350 million, compared to an initial guidance of between € 300 million and € 330 million.

Aareal Bank envisages return on equity (RoE) before taxes around 13% for the current year, including said non-recurring effect. Excluding the positive non-recurring effect, this equates to an expected RoE before taxes of approximately 12%. Earnings per share is now targeted between € 3.20 and € 3.43, compared to an original forecast of between € 2.85 and € 3.19.

Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, Germany, is one of the leading international property specialists. It is active across three continents – in Europe, North America and Asia. Aareal Bank AG, whose shares are included in Deutsche Börse's MDAX index, is the Group's parent entity. It manages the various entities organised in the Group's two business segments: Structured Property Financing and Consulting/Services. The Structured Property Financing segment encompasses all of Aareal Bank Group'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 Group offers clients – particularly from the housing industry and the commercial property sector – services and products for managing residential property portfolios and processing payment flows.