



Press release

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Aareal Bank enters into strategic partnership with UK based servicing company Mount Street

Wiesbaden, 15 February 2017 – Aareal Bank AG has signed a Letter of Intent for a strategic partnership with the pan-European loan servicing firm Mount Street. The London-based company specialises in the servicing and credit management for commercial property in particular. The aim of this strategic partnership is to support Aareal Bank's credit and syndication processes - and thus further growth - particularly in the syndication business with banks and insurance companies with the help of Mount Street products. Within the scope of this strategic partnership it has also been agreed that Aareal Bank Group will examine the use of the innovative credit management software CLC (Clareti Loan Control) at Group level. Mount Street has developed CLC together with Gresham Technologies plc and actively uses the software itself.

Mount Street and Aareal Bank expect the demand for services in the areas of credit management and servicing in Europe to increase markedly in the coming years. Within the framework of the strategic partnership, and with the support of Aareal Bank, Mount Street intends to leverage the potential resulting from this development and plans to further expand its business relationships in the banking and insurance sectors.

Mount Street was chosen for this important strategic partnership because of its market-leading credentials, professionalism, and the commitment shown to working with Aareal Bank on aforementioned matters. To underpin this strategic partnership, Aareal Bank will take a 20 per cent stake in Mount Street. The majority of the company will be owned by Mount Street's management. The parties have agreed not to disclose financial terms of the transaction. The transaction itself only marginally affects Aareal Bank's financial position.

Mount Street currently offers loan services in 18 European countries, and manages more than € 26 billion in property loans for approximately 175 global investors, sponsors and lenders. In addition, Mount Street recently announced its acquisition of EAA Portfolio Advisors (EPA) which will add a further € 29 billion to its assets under management when regulatory approvals are received.

"With this investment in Mount Street we consistently implement our "Aareal 2020" programme for the future", explains Hermann Merkens, Chairman of the Management Board of Aareal Bank AG. "In line with our strategy, we continue to expand our business along the commercial property finance value chain. At the same time, we secure our access to innovative technologies and a rapidly growing market."

About Mount Street

Mount Street is an independent company specialising in loan servicing, due diligence, facility agent roles, security trustee roles, loan underwriting and work out, with offices in London, Frankfurt, Amsterdam and Athens. The Mount Street team have an established track record having managed and resolved commercial real estate loans across multiple lending platforms since 1997. Mount Street and its affiliates are responsible for more than €26 billion of commercial real estate debt (both CMBS and balance sheet positions) for a broad range of lenders throughout Europe. On receipt of regulatory approval, completion of the EPA acquisition will bring AUM to over €55bn and expand the spectrum of asset classes managed from commercial real estate loans to also include ABS, CDOs and corporate and infrastructure loans.

Additional information about Mount Street can be found at www.mountstreetllp.com

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.