



**Aareal Bank**

## Press Release

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### **Aareal Bank sells €1.47 billion private client portfolio to Postbank**

Wiesbaden, 20 May 2008 – Aareal Bank AG has sold a portfolio of private construction financing with a total volume of approx. € 1.47 billion to Deutsche Postbank AG. Without exception, the portfolio consists of performing loans. Both parties have agreed not to disclose the purchase price. The transaction does not have any impact on Aareal Bank's annual result. These loans will be transferred by spinning them off to subsidiaries which will be sold to Postbank. This transaction requires the approval of the Annual General Meeting of Aareal Bank, which is being held on 21 May 2008, as well as the clearance from the German Federal Cartel Office. This transaction will presumably be concluded by the third quarter of 2008.

The sale of this loan portfolio is fully in line with the consistent focus by Aareal Bank on its core business. Since 2002, Aareal Bank has concentrated on commercial property financing projects and has no longer been active in private client operations since then. Approximately 84% of the private construction loans at Aareal Bank will have been reduced with this transaction.

“With Postbank, we have been able to win over one of the largest retail banks in Germany for this transaction, whose focus, amongst others, lies on private construction financing. We are convinced, therefore, that our clients will receive sustained and comprehensive service under the umbrella of the Postbank Group. With regard to the legal structure of this transaction, both companies have attached special importance to the fact that their clients' rights will be fully preserved”, commented Hermann J. Merkens, the Aareal Bank Board member responsible for this transaction.

As part of this transaction, Postbank is acquiring a portfolio of approx. 28,000 private loans. This portfolio comprises financing with a total volume of € 1,040 million from Aareal Bank and financing from the remainder of property credits of DEPFA Deutsche Pfandbriefbank AG totalling € 430 million, for which Aareal Bank has in been responsible since 1999.

“With this transaction, we have succeeded in disposing of business that is not in line with our strategy”, said Merkens. “At the same time, we are reducing the complexity within our company with this sale, by decreasing the number of interfaces with DEPFA Deutsche Pfandbriefbank AG and ending up agreements with cooperation and trust partners”, Merkens went on to say.

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Aareal Bank AG is one of the leading international specialist property banks. The Aareal Bank share is listed on the Deutsche Börse’s mid-cap MDAX index. Leveraging its successful European business model, Aareal Bank is active on three continents, having established similar platforms in North America and in the Asia-Pacific region. It provides property financing solutions in more than 25 countries.