



# Aareal Bank

## Press Release

Contacts:

### Press

Sven Korndoerffer

Phone: +49 611 348 2306

[sven.korndoerffer@aareal-bank.com](mailto:sven.korndoerffer@aareal-bank.com)

Christian Feldbruegge

Phone: +49 611 348 2280

[christian.feldbruegge@aareal-bank.com](mailto:christian.feldbruegge@aareal-bank.com)

### Investor Relations

Juergen Junginger

Phone: +49 611 348 2636

[juergen.junginger@aareal-bank.com](mailto:juergen.junginger@aareal-bank.com)

### **Aareal Bank, Aareal Holding and SoFFin conclude definite agreements**

- **Silent participation by SoFFin to be implemented shortly**
- **Aareal Bank issues first government-guaranteed benchmark bond**
- **Aareal Holding and SoFFin sign ancillary voting agreement as announced**

Wiesbaden, 17 March 2009 - Following the agreement entered into between Aareal Bank AG and the German Financial Markets Stabilisation Fund ("SoFFin") dated 15 February 2009, the contracts have now been signed. Aareal Bank had made preventive use of the German Government's programme to ensure the long-term future of its sustainably profitable business model and to be well-prepared for the imponderabilities of the economic and financial market crisis. The €525 million silent participation by SoFFin which carries an interest rate of 9% p.a., is set to be implemented at Aareal Bank by the end of this month. Taking into account the silent participation from SoFFin, which is fully eligible for inclusion in tier 1 capital, Aareal Bank's pro-forma tier 1 ratio will be ca 10% at the end of Q1 2009 under the Credit Risk Standard Approach. In addition to the silent participation, the agreement stipulates the granting of a guarantee facility of up to €4 billion for unsecured issues of Aareal Bank.

Today for the first time, Aareal Bank Group has made use of the guarantee facility by placing its first guaranteed benchmark bond for a volume of €2 billion with domestic and foreign investors. The bond has a term of three years and a coupon of 2.625 per cent. In relation to the issue price of 99,843 per cent, this equates to a spread of 38 bp over mid-swap. The transaction was conducted by a consortium of Bayern LB, Deutsche Bank, Dresdner Kleinwort, DZ Bank, HSBC and Unicredit (HVB).

The investors' heavy interest was reflected by the fact that the order book volume was already €3 billion after only one hour and that it was closed after only 2.5 hours with a high number of orders totalling more than €4.4 billion. The strong

demand of international investors who took up 52 per cent of the issue, was particularly pleasing.

"This successful issue means that we have succeeded in making Aareal Bank better-known on international capital markets and in broadening our investor base. We have fully achieved the goals we set us for this transaction", explained Thomas Ortmanns, the Aareal Bank AG board member responsible for capital markets.

In the context of the definite conclusion of the contracts between Aareal Bank Group and the German Financial Markets Stabilisation Fund, the Fund and Aareal Bank's anchor shareholder Aareal Holding Verwaltungsgesellschaft mbH ("Aareal Holding") have entered into the voting agreement to maintain Aareal Holding's blocking minority as announced in Aareal Bank's ad-hoc disclosure dated 15 February 2009. In this way, shareholder structure stability and the independence of Aareal Bank Group have been ensured. SoFFin's wish to guarantee a blocking minority of the holding for the duration of the silent participation has thus been met.

A corresponding voting rights notification pursuant to section 21 (2), 22(2) WpHG on the allocation of the voting rights of the Federal Republic of Germany through SoFFin of 37.23% has been disclosed separately pursuant to the provisions of WpHG.

With reference to the agreements concluded with SoFFin, the Chairman of the Management Board at Aareal Bank AG, Dr. Wolf Schumacher, explains: "We have taken a proactive decision to access the government's stabilisation fund in order to maintain our successful business model in an environment characterised by dramatic changes. We explicitly welcome the ancillary agreement entered into between Aareal Holding and SoFFin which contributes to this. The state will not gain any influence on Aareal Bank's strategy and operating business nor does it intend to exert any influence on either. Aareal Bank will continue to be a 100 per cent privately owned institute and on the basis of its sustainably proven business model which will remain effective without any changes, it will be able to remain on track successfully, strengthened by a stable shareholder structure."

#### **Aareal Bank**

Aareal Bank AG is one of the leading international specialist property banks. Aareal Bank operates on three continents: leveraging its successful European business model, the bank has established similar platforms in North America and in the Asia-Pacific region. It provides property financing solutions in more than 25 countries.