



**Aareal Bank**

## Press Release

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### **Annual General Meeting: Aareal Bank's solid development to continue in the 2009 financial year**

- **In spite of the persisting financial markets crisis and the aggravating recession, Aareal Bank continues to post positive results in both segments in the first quarter 2009**
- **In the 2008 financial year, consolidated profit before taxes amounted to €117 million**
- **Dr. Wolf Schumacher at the Annual General Meeting: "Our successful business model offers excellent medium- to long-term opportunities."**

Wiesbaden, 7 May 2009 - Although the market environment continues to be burdened by the financial markets crisis, Aareal Bank will remain on track, even in the current financial year. "From today's perspective, Aareal Bank Group continued to post positive results during the period from January to March 2009, as it did in every quarter since the onset of the financial markets crisis - and this applies to both of our business segments, Structured Property Financing and Consulting/Services", Dr. Wolf Schumacher, Chairman of the Management Board, emphasised at today's Annual General Meeting in Wiesbaden. Aareal Bank will publish final first-quarter results on 12 May 2009.

Given the many uncertain factors affecting the markets as a consequence of the crisis, it is still impossible to issue a serious forecast for consolidated results for 2009 as a whole. Aareal Bank affirms its key statements regarding the performance for the year as a whole. Consolidated net interest income is expected to range between € 420 million and € 440 million, whereas administrative expenses (adjusted for consolidation effects) are expected to amount to approximately € 360 million. From today's perspective, allowance for credit losses, as expected, is very likely to reach the upper end of the ranges' forecast of € 90 million to € 150 million.

New business generated in the Structured Property Financing segment is expected to range between €2 billion and €3 billion and was fully on track after the first quarter. Aareal Bank will put particular focus on extensions of existing exposures, and on the financing requirements of existing clients.

The Consulting/Services segment continued to show a robust development, being less directly affected by the financial markets crisis, as Dr Schumacher went on to explain. However, the extremely low interest level is supposed to burden the segment result as expected. On the other hand, Aareal Bank's results have been burdened by measures to adjust staffing levels in this area, particularly at its subsidiary Aareon due to the successful conclusion of the SAP-based 'Blue Eagle' property management software development. Another burden on the results has been incurred by measures directed towards the discontinuation of non-core activities. The non-recurring charge resulting from these measures amounting to €6 million is recognised in income for the first quarter 2009. Thirdly, the general economic slowdown lead to a certain reluctance among Aareon's clients vis-à-vis new investment. Given that this trend was evident during the first quarter of this year, Aareal Bank has diligently adjusted its projections regarding consultancy revenue for the year as a whole. Products already implemented on Aareon's clients' systems are not exposed to the current economic slowdown and continue to provide a stable, crisis-proof contribution to results.

"Due to the effects mentioned above, we have readjusted our original planning for the segment result before taxes ranging from €50 million to €60 million to approximately €40 million, thus nearly matching previous year's excellent level", Dr. Schumacher illustrated.

### **Successful development in the 2008 financial year**

In spite of the adverse market conditions, Aareal Bank concluded the 2008 financial year with a good result. The consolidated profit before taxes amounted to €117 million. Adjusted for non-recurring effects, the figure was €153 million, and thus almost matched the strong result (€159 million) posted for the previous year. Even in the fourth quarter 2008 which was an extremely challenging period for the banking sector, Aareal Bank achieved a profit before taxes of €11 million.

Against the background of the financial markets crisis, Dr. Schumacher assessed last year's results to be very satisfying. Nevertheless, the Bank will not distribute a dividend for 2008. The agreement with the German Financial Markets Stabilisation Fund (SoFFin) entered into in February 2009, on the basis of which SoFFin had provided Aareal Bank with €525 million in capital by way of silent participation and had extended a framework guarantee facility with a total volume of up to €4 billion for new unsecured issues, stipulates that the distribution of dividends shall be suspended in the years 2008 and 2009.

### **„Aareal Bank is in a good position to perform well in the current financial year.“**

Dr Schumacher said that Aareal Bank is well prepared to meet the challenges of the coming years. "Even during the current crisis affecting financial markets and the economy, Aareal Bank has shown that it is a fundamentally sound company, with a profitable business and a coherent business model. Despite the severe crisis and distortions on the financial markets and the resulting economic slowdown which has become evident recently, we ended the year with a result that can be considered a very good one, given the circumstances. We are also in

a good position to perform well in the current financial year", Dr Schumacher explained. According to the Chairman of the Management Board, Aareal Bank has addressed all challenges resulting from the crisis that are currently foreseeable. In particular, the Bank has retained its full operational capacity to act. "Not least thanks to SoFFin support, our successful business model offers excellent medium- to long-term potential and opportunities", Dr Schumacher concluded.

Notes to editorial offices

Once the votes on the individual agenda items are cast and the Annual Meeting's has ended, Aareal Bank will publish the voting results on its homepage [www.aareal-bank.com](http://www.aareal-bank.com).

#### **Aareal Bank**

Aareal Bank AG is one of the leading international specialist property banks. The Aareal Bank share is listed in Deutsche Börse's small-cap index SDAX. 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.