This version of the speech by Hermann J. Merkens is a translation of the German original provided for the convenience of English-speaking readers. The German text shall be authoritative and binding for all purposes.

Speech by Hermann J. Merkens
Chairman of the Management Board
of Aareal Bank AG

on the occasion of the

Annual General Meeting
on 22 May 2019
in Wiesbaden

– The spoken text will prevail in the event of any differences –

I. Welcome and introduction

Ladies and Gentlemen, dear shareholders,

On behalf of the entire Management Board of Aareal Bank AG, it is my pleasure to welcome you to this year's Annual General Meeting here in Wiesbaden. We are delighted to see you here today. Your attendance expresses the interest you continue to show in our Company, in what is not only a very challenging phase for us but for the banking industry as a whole.

Right now, the financial sector is facing enormous challenges, with profound – even epochal – upheaval. We see a truly challenging mix: a combination of strict regulation, tough competition in Europe and on an international level, economic challenges in conjunction with a political environment that is increasingly difficult to assess – and a low interest rate environment, which – at least in Europe - has prevailed for a long time. The latter has a direct impact upon banks' profits, and indirectly on the macroeconomic environment. Low interest rates are invading many areas of our lives – for instance, in the form of asset price inflation: interest rate-driven valuation gains on equities, other securities, property and enterprises, which makes risk-adjusted valuation increasingly difficult. The debate on asymmetric growth in wealth has long reached us, as well as politicians. Concerns about the safety of pensions (which leads to increasing – rather than declining savings) are gaining distinct momentum.

Let me come back to your Company. There is one aspect which I have not yet mentioned: digitalisation. It represents a major opportunity, but also a huge challenge.

The broader technological opportunities not only call traditional business models into doubt and open up enormous potential for new competitors. At the same time, they offer established providers such as Aareal Bank Group hitherto unforeseen opportunities to acquire new clients by offering innovative services or to ensure the long-term loyalty of existing customers.

In this challenging environment that is also intensified by growing volatility in the political arena, every company must ask itself if it is correctly positioned to meet these challenges.

We did this at an early stage. With our “Aareal 2020” programme for the future, we already set ourselves on the right track in 2016 for sustained success in rapidly changing markets.

Meanwhile, we know precisely this: our strategy, which is equally focused on preserving our traditional strengths and on tapping new growth potential, is viable. This is evident, not least in the very sound results we generated once again in 2018 and which I will go into in more detail shortly.

However, we must stress that this is not the time for static approaches. Companies can only enjoy lasting success if they analyse themselves continuously, if they adjust flexibly to changed conditions in a dynamic environment– and not least, if they succeed in repeatedly creating measurable added value for their clients.

For us to succeed and to have a raison d'être as a business, our clients have to see the collaboration with us as a relevant factor for their own success. One of the major tasks we face in the years ahead will be to anchor this conviction deeply within our entire organisation, more profoundly than before.

However, before I go into the challenges that lie ahead in more detail, allow me to recap our achievements of the past year – and where we are positioned now, on our way to a sustainably successful future.

II. Review of 2018

Ladies and Gentlemen,

Today I am happy to be able to report on another very successful financial year at Aareal Bank Group. We have made significant progress in implementing our strategy, and have once again delivered on our promises and even more in some cases.

While others have had to struggle with the difficult environment, we remain on track. We prove time and time again that a medium-sized, independent company can enjoy success in changing markets.

However, we would not be able to repeat this success again and again without the massive input and exemplary commitment shown by our staff. For this, the entire team at Aareal Bank Group deserves thanks from all of us!

From a strategic perspective, the year 2018 was much influenced by the ongoing implementation of our “Aareal 2020” programme. The focus in the Structured Property Financing segment in particular was on further developing our strong market position in attractive markets, such as the US, further enlarging our geographical footprint – which is already impressive for a bank of our size – with a market entry in Australia, and expanding into promising new asset classes such as student accommodation. The Bank also continued to advance its digitalisation campaign across all areas.

Not least, we wrapped up the next larger acquisition with the closing of the acquisition of Düsseldorfer Hypothekenbank (DHB) on 31 December 2018. With the acquisitions we have executed over the past years, we have sufficiently shown our skills in running down portfolios in an orderly, value-preserving manner – and with the swift, responsible integration of mortgage banks. We will leverage this expertise with DHB too. At the same time, with this third larger-sized transaction within just a few years, we have once again demonstrated our willingness and ability to exploit opportunities that present themselves on the market, in order to generate value for our shareholders.

In brief: we master such transactions, which is why we carry them out repeatedly, when the opportunity arises. This is why the sellers – which in the case of DHB was the Association of German Banks (*Bundesverband deutscher Banken*) – repeatedly entrust us with this role.

We made significant progress in implementing our strategic priorities in the Consulting/Services segment too. With the acquisition of plusForta GmbH, a market-leading broker of tenant deposit guarantees in Germany, Aareal Bank Group strengthened its offering of property-related services. At the same time, we thus extended the range of digital solutions for the housing industry and the housing industry's clients.

Our IT subsidiary Aareon, in turn, not only succeeded in further consolidating its market leadership in the area of ERP products for the institutional housing industry in Europe; it has also been successfully marketing an increasingly broader range of digital solutions, generating significant double-digit growth rates in this area. This speaks for itself and shows that digitalisation is gathering pace in the property industry. Aareon also has the potential to become a leading provider of property-related products and services with new digital solutions. For this reason, we are really stepping up the expansion pace for Aareon’s digital business. I will go into this in more detail in a few minutes.

Ladies and Gentlemen,

We made considerable strategic progress in 2018. 2018 was a good year for Aareal Bank Group, both operationally and financially.

We were able to continue our positive business development in 2018 too, in an environment characterised by uncertainty and transformation. The strong figures of the past financial year are proof, once more, that Aareal Bank Group is well-prepared to face the challenges of the years to come. We have a very robust capital base and a strong operating business, whose future we continue to invest in – fully aware of any risks, but also of the ample opportunities that we want to grasp in a rapidly changing market and competitive environment.

We have published our Annual Report, which contains all details on our financial performance during the financial year under review. It is available for your information. I will therefore limit my comments to some material aspects.

At €316 million, consolidated operating profit for 2018 was within the communicated target corridor of €312 million to €352 million. This once again very respectable result includes a positive non-recurring effect – the so-called negative goodwill – in the amount of €55 million from the acquisition of DHB. To account for this non-recurring effect, we raised our target range for consolidated operating profit during the course of the year.

All material financial indicators for our operating result otherwise performed in line with our original forecasts:

- Net interest income continued to decline as planned on the back of the ongoing reduction of the non-strategic portfolio. However, it has now stabilised at a solid level.
- Loss allowance was within our target corridor. This means it remained satisfyingly low in 2018, and – once again - below the previous year's level.
- In line with the Group strategy, we were able to further increase net commission income, driven by the growth at Aareon. Net commission income is thus becoming more and more important for our Group – just as we had outlined in "Aareal 2020".
- Finally, the development of costs was very encouraging, with administrative expenses falling by nearly ten per cent. This is not least the result of the efficiency-enhancing measures applied in previous years, which paid off in full for the first time in 2018.

The return on equity before taxes, including the non-recurring item resulting from the DHB transaction, was 11.6 per cent, beating the target range of 9.5 to 11.0 per cent and coming in only slightly below the very good result of the previous year. Consolidated net income allocated to ordinary shareholders reached €208 million, which equates to an increase of around nine per cent. Accordingly, earnings per share rose to €3.48, after €3.20 in the 2017 financial year.

This good performance, which we have achieved thanks to the hard work of all staff, allows us to propose a distribution for the 2018 financial year that is once again in line with our communicated dividend policy – in fact, at the upper end of the range announced for the pay-out ratio. The Management Board and the Supervisory Board propose to today's Annual General Meeting to pay a dividend of €2.10 per share.

We believe this dividend proposal strikes a healthy balance between your legitimate interest in the most attractive distributions possible on the one hand and the increasingly uncertain environment on the other, for which we as a company want to be optimally prepared.

In plain speech, we want to – and have to – maintain a sufficient amount of capital as a buffer against possible adverse developments.

At the same time, however, we want to be able to seize opportunities at all times to create value for you, as we have done in the past. This, by the way, is reflected in the courageous step we took in 2018, with the acquisition of DHB – as well as in the significant expansion of our loan portfolio.

We would therefore see it as a mistake to make an even higher distribution and thus severely restrict our room for manoeuvre. The dividend proposal corresponds to a pay-out ratio at the upper end of the range of 70 to 80 per cent announced within the scope of our dividend policy, based on the earnings per ordinary share (EPS), not including the positive non-recurring effect related to the acquisition of DHB.

In addition, the dividend yield remains amongst the highest in the MDAX: based on the proposed distribution of €2.10, we arrive at a yield of around seven per cent, measured on the basis of the current share price.

III. Aareal Bank share, capital and agenda

Dear shareholders,

In our view, the Aareal Bank share is not just an attractive investment for its high dividend yield. Our share price has also performed well over the past few years, particularly in a sector comparison.

In a very difficult year on the equity markets, defined by growing concerns about protectionism and populism, our share price climbed – from what was already a high level at the start of the year 2018 – by more than 13 per cent, peaking at €42.80. Compared with all benchmark indices, our share was clearly an outperformer. However, in the follow-up to the Italian general election, the bugbear of financial crisis then returned to the minds of capital market participants. This impacted throughout Europe on financial issues in particular, and we were unable to escape its influence.

The outcome: while the DAX and MDAX both lost approximately 18 per cent compared with the start of the year, Aareal Bank's share price fell by around 28 per cent year-on-year. It is cold comfort only that the German banking index, of which the Aareal Bank share is a constituent, fell by more than half. However, that fact does demonstrate our relative strength.

As we see it, the fact that we outperformed the banking sector as a whole is proof of the trust we have earned in recent years: through continuous, reliably predicted and good results, together with their transparent communication. This degree of trust clearly endures, even in difficult market phases. We will continue to do everything in our power to justify this trust.

Besides a reliable, solid operating performance, a robust capital position also makes a decisive contribution.

We remain very well positioned in this respect too. As at 31 December 2018, the Common Equity Tier 1 ratio (CET 1 ratio) was 17.2 per cent, which is comfortable on an international level too. It therefore continues to significantly exceed all regulatory requirements.

In the past, we were always early in anticipating regulatory requirements and recommendations. This is particularly true for the European Central Bank’s so-called TRIM review – the "Targeted Review of Internal Models" – where the emphasis is on standardising banks’ internal risk models. It has been written repeatedly that the effects of this review were particularly strong for Aareal Bank. That is correct. Essentially, this was due to two reasons: firstly, during the course of the TRIM exercise, more than 90% of our risk-weighted assets were examined – significantly more than with other banks. Therefore, the changes were correspondingly more pronounced. Secondly, given the high starting level, in percentage terms, the change was not as significant as in absolute terms, i.e. in basis points. In other words: the higher the starting point, the higher the change appears to be, even though the nominal amount of additional equity required might be the same. In fact we can live quite happily with the outcome: our ratios are very good compared with our competitors, even under TRIM.

Our regulatory indicators for 2018 include the expected relevant impact of TRIM on the Bank's commercial property finance portfolio, as well as the recommendations within the Supervisory Review and Evaluation Process – "SREP" in short – regarding guidelines for non-performing loans (the NPL Guidelines). This means that our reported capital ratios already take into account the significantly more prudent valuation of problem loans that the regulatory authorities will demand in the future.

Ladies and Gentlemen,

Please allow me to make a number of brief comments here on today's agenda, in addition to the remarks from Marija Korsch. Besides the annual recurrent proposals for resolution, two agenda items indirectly related to my previous remarks on the topic of capital are on the programme this year.

In agenda item 6, we request the authorisation to issue profit-participation certificates and hybrid promissory note loans, each with conversion rights. The authorisation issued in 2014 expired shortly before today's Annual General Meeting. The new authorisation should provide the Bank with the opportunity to issue financing instruments that are eligible as regulatory capital and can be converted into Tier 1 capital instruments, especially in times of crisis. The conditional capital of just under €72 million planned as backing for the conversion rights and obligations, will facilitate the issue of approx. 24 million shares and is structured in such a way that sufficient funds would be available to recapitalise the Company, even in this (what we consider theoretical) case.

In agenda item 7, we request authorisation to issue profit-participation certificates and hybrid promissory note loans, without conversion rights. This resolution allows the Company to issue profit-participation certificates or hybrid promissory note loans, for example, in the form of AT1 capital. At the same time, it opens up the opportunity, in the case of defined triggers – for example falling short of certain capital ratios – to write down the principal amount of the instrument, without the risk of a conversion-related dilution of shareholders.

We request your approval of these authorisations that allow the management to take flexible action in the interest of the Company, if necessary.

IV. Current business development and outlook for 2019

Ladies and Gentlemen,

Our results and balance sheet figures are just as clear as our dividend proposal: Aareal Bank continues to be healthy to the core.

This is also reflected in our figures for the first quarter of 2019. We already published our interim financial information on 9 May, so I will only outline the key factors here:

Aareal Bank Group started the current financial year with a very solid result. Consolidated operating profit reached €61 million in the period from January to March, compared with €67 million in the same period of the previous year. Our figures are therefore fully in line with our projections, and we are satisfied overall with how we started the year. All in all, consolidated net income allocated to ordinary shareholders amounted to €35 million, which is also down only slightly year-on-year.

On the earnings side, several material trends from the previous year remained intact to date in 2019.

- Net interest income of €135 million in the first quarter was slightly higher than in the first quarter of 2018. Our most important earnings parameter has continued to fluctuate around this level for several quarters now. Net interest income was previously reduced for quite some time as scheduled, through the meanwhile very advanced reduction of the non-strategic portfolio.
- Similarly, the effects from early loan repayments have levelled off over the last few quarters. At €4 million in the first three months of 2019, they were therefore moderate – as in previous quarters. Including positive effects from the adjustments made to our Treasury portfolio, the net derecognition gain

was €16 million and thus significantly higher than the previous year's figure of €6 million.

- Loss allowance was very low once again at the start of the year, for seasonal reasons: it amounted to €5 million, following a figure of zero on balance for the same period of the previous year. As usual, this positive result cannot be extrapolated for the year as a whole.
- The positive trend in net commission income prevailed at the outset of the year: the figure rose to €53 million in the first quarter, driven in particular by higher sales revenue at Aareon. The relative weight of net commission income as the Group's second main source of income thus continues to increase gradually.

On the cost side, special factors prevented the positive trend from continuing: as expected, administrative expenses in the first quarter were significantly higher year-on-year, due to the running costs and the integration expenses associated with DHB, among other things. Added to this was the burden arising from the annual charges for the bank levy and the deposit protection scheme. As in previous years, we recognised these again in full in the first quarter. Compared with the previous year, administrative expenses were also influenced by the reversal of provisions in the first quarter of the previous year.

Ladies and Gentlemen,

We are exercising prudence and vigilance as we steer Aareal Bank Group through a challenging market environment in the current year. This is clearly highlighted by the new business originated in the Structured Property Financing segment. Following the sharp rises of the previous quarters, new business in the first quarter of 2019 totalled

€0.8 billion - after €1.5 billion in the first three months of the previous year – with very good margins that exceed our expectations for the full year.

To avoid any misunderstanding: this decline is not down to excessive caution being exercised, nor to a change in the fundamental assessment of the attractiveness of our target markets, such as the US. Rather, our portfolio volume of €27.3 billion has remained virtually stable compared with year-end 2018. It therefore remains comfortably within the range of €26 billion to €28 billion projected for the full year 2019. The rather quiet start into the new year in terms of new business reflects this.

To be very clear at this juncture: we are not generating new business for its own sake and we are not growing for the sake of growth. We are merely generating the new business that is necessary to realise our portfolio volume target. Nothing more and nothing less.

Aareon continued with its positive development in the Consulting / Services segment, with rising revenues and higher operating profit. We continue to suffer from persistently low interest rates in the deposit-taking business with the housing industry. This is not a new development either, and led once again to a significantly negative segment result. The volume of deposits from the housing industry once again increased slightly in the first quarter, compared with year-end 2018, to average €10.6 billion.

To pre-empt possible questions:

Yes, we continue to expect burdens on profit at this point – as long as the extremely low interest rate phase lasts.

And no, we will not change our strategy – nor our investment policy – in this respect.

The deposits from the housing industry are an important, additional source of funding for us, and therefore represent a competitive advantage vis-a-vis the banks that are funded solely on the capital market. And by the way: we will benefit disproportionately in the event of a turnaround in interest rates.

Ladies and Gentlemen,

Following the solid start to the financial year, we have confirmed our outlook for the full-year 2019, without limitation.

This may sound somewhat terse, but it cannot be taken for granted given the continued subdued environment we are operating in. I had already referred to the low interest rate environment, but not to the economy. The economy is slowing down noticeably, and not only in Germany – with as yet uncertain consequences for the international property markets and transaction volumes.

Politics are playing their part too in heightening the uncertainty. Who would have thought, before the end of 2018 that, for example, Brexit would have become a never-ending story? And still no light at the end of the tunnel. Who amongst us had not hoped that the two economic heavyweights – the US and China – would have come closer again, instead of remaining entrenched in their trade disputes? Not to mention the political and financial risks that continue to smoulder within the European Union – in a year where the European elections and appointment of the new EU Commission will have a decisive bearing on the future of the continent.

And since elections are imminent, allow me to make a personal comment: regardless of who or what you vote for, the result has a material impact upon our lives. Anyone who refuses to cast his or her vote surrenders a major element of common responsibility to those who go to the polls. Taking a strong, common stance in Europe is essential, especially in this day and age.

In view of all the issues I have described, we at Aareal Bank Group are expecting that the remainder of this year will present an even more challenging environment for our business. Against this background, we will consistently pursue our business policy that is strictly oriented on risk and return, and focus on the targeted selection of new business. Our annual guidance, which we believe already takes the aggravating circumstances into account, will also remain unchanged.

We expect Group net interest income to be in a range between €530 million and €560 million. We anticipate the net derecognition gain to amount to between €20 million and €40 million. Loss allowance is expected in a range between €50 million and €80 million. We are projecting net commission income to increase further, to a range between €225 million and €245 million. We expect administrative expenses to be in a range between €470 million and €510 million.

All in all, we expect consolidated operating profit for the current year to be in a range between €240 million and €280 million; the mid-range figure corresponds to the previous year's figure, adjusted for the positive non-recurring effect related to the acquisition of Düsseldorfer Hypothekenbank. If we manage this – and after the first quarter, we are right on track – this would be a remarkable achievement in the environment described above.

RoE before taxes is expected to amount to 8.5 per cent to 10 per cent in the current year, while earnings per share (EpS) should be around €2.40 to €2.80; the absence of the positive non-recurring effect from the acquisition of DHB is noticeable here compared with 2018.

In the Structured Property Financing segment, the reduction of non-strategic portfolios will continue during 2019. At the same time, the credit portfolio of the core business is planned to grow, market conditions permitting. As I mentioned already, the volume of Aareal Bank Group's property financing portfolio is expected to range between €26 billion and €28 billion – subject to exchange rate fluctuations. We are targeting a new business volume of between €7 billion and €8 billion in the current year, which means we should be well able to meet our target figure for the portfolio. Taking strategic investment in accelerated growth into account, which I will cover in more detail below, we expect our IT subsidiary Aareon to contribute around €35 million to consolidated operating profit. Without the planned strategic investments, the earnings contribution would probably amount to around €41 million.

V. Strategic development

Ladies and Gentlemen,

As you can see, we have set ourselves ambitious financial targets for 2019 too. Achieving these will by no means be taken for granted and require great effort. However, following the successful start to the year, we are confident of being able to confirm here this time next year what we already say today: promised and delivered.

However, it goes without saying that we are planning much more for 2019. We continue working consistently this year on implementing our strategy, thus further reinforcing the basis for Aareal Bank Group's long-term successful development.

Our promise to ourselves is unchanged: Aareal Bank Group will be the leading provider of smart financing, software products and digital solutions for the property sector and related industries.

Our “Aareal 2020” programme for the future continues to apply. Through this, we set exactly the right priorities a good three years ago, which have been implemented ever since, swiftly, on schedule and disciplined. We therefore remain well on track. This is not only the case for the financial targets related to “Aareal 2020”, which we all have our eyes firmly set upon, but especially for the overriding strategic objectives, too.

Aareal Bank Group has become considerably more stable, efficient and flexible than before, thanks to the programme. We have significantly more options for reaching a return on equity before taxes of at least 12 per cent (which is decisive for our independence and appropriate valuation) on the basis of our own strength. There’s even more: we have structurally improved our profitability and significantly strengthened our financial position. It is therefore within our own power today to at least defend our excellent market position in both segments – and extend it in a targeted manner, wherever possible. And not least, the disciplined implementation of “Aareal 2020” gives us the option at any time to react quickly and effectively to changes in the environment in which we operate.

We are now exploiting the extended range of options step by step. To do so, we have set three strategic focus points for 2019 and beyond:

- The first one involves securing the Structured Property Financing segment in the long term, as a powerful backbone for our Group. In light of the considerable regulatory complications of previous years, together with falling growth in important markets and changing transaction patterns, this is by no means a foregone conclusion. We will continue to fine-tune our business model, to find the best possible solutions to all these developments. The tools we will use include the further selective expansion of our international business and the careful tapping of additional business opportunities along the value-creation chain in commercial property financing.

- Secondly, we will focus more than ever on anticipating and implementing regulatory changes. We have an undoubtedly strong capital base, especially by comparison with our peers. However, the foreseeable additional regulatory issues will hamper our efforts to build up excess capital. I am thinking here in particular of the “prudential provisioning” for non-performing loans, for which we will have to create a substantial buffer. This will take several years. We are starting on this already in the current year.
  All in all, we must stress that regulatory restrictions are increasingly widening the gap between capital reported on the statement of financial position and that actually available for transactions. The answer to this can only be a more efficient use of the valuable resource that is capital. This includes the reallocation of capital to the businesses that generate commission income.
- This brings me to the third strategic focal point for the near future: accelerating the growth of our IT subsidiary Aareon, principally by expanding its digital business.

In a time in which it is becoming increasingly difficult for property finance to generate decent returns, due to stricter regulatory practices, and in which interest income is permanently under pressure, our unique position comes to bear even more every day. As a key pillar of our second segment, Aareon is increasingly becoming a more decisive competitive advantage for us. It generates the commission income that other similar banks are crying out for – whilst employing relatively modest amounts of capital.

The advantages of our strategic positioning are becoming more and more apparent: today, they are clearer than ever. And they will attract even greater attention in the future.

Aareon has established itself as Europe’s leading provider of ERP products for the institutional housing industry for quite some time now. That was the objective of its first growth phase, which we meanwhile see as being largely concluded after successful internationalisation in recent years. In a second phase, Aareon has developed new, digital solutions for housing and property industry clients. The next growth phase – which has just started now – aims to further expand the digital business and promote innovations. This means that Aareon will further consolidate its leading position as a provider of digital solutions for the housing and property industries in the years ahead.

The foundations for this have been laid. Aareon has succeeded within a short space of time to make its mark in the digital arena as well, and to establish itself as a high-profile, credible contact. The double-digit growth rates achieved with its digital products quite clearly emphasise this.

On this basis, we are now expanding with a dedicated investment programme, making significant investment resources available for the next three years to invest in the development of digital products. Thanks to the performance levels achieved, together with the underlying growth, Aareon will be in a position to finance these additional initiatives internally. As in the past, growth will be supported by targeted acquisitions. The growth initiative is set to make a substantial contribution to doubling Aareon’s earnings contribution over the medium term, that is, until 2025.

Within the scope of this initiative, Aareon will further expand its current portfolio of digital solutions, to provide even greater support to the housing industry and related industries in their own digitalisation processes. However, it will also reinforce its digital business through new in-house developments, start-ups and ventures. These also specifically include new areas for Aareon as well as through partnerships, and – where it makes sense – through targeted acquisitions.

The doubling of earnings, which we are hoping to achieve from Aareon's digital campaign, might give the initial impression that we are aiming too high. However, it is realistic, given the enormous growth opportunities in this area. While we still expect solid, single-digit percentage growth rates in the traditional ERP business and in Aareon's advisory business in the medium term, we see potential for revenues to rise by 20 to 25 percent annually in the digital business.

An important point for us is that Aareon finances its investment in the new digital offerings internally. We can afford this. We consciously accept a temporary burden on results due to the increase in our subsidiary's research and development investments.

VI. Conclusion

Ladies and Gentlemen,

If there is one thing that our review of 2018 and outlook for 2019 and beyond clearly shows, it is this: Aareal Bank Group provides stability. It controls the risks inherent in its business, and resolutely seizes the opportunities that arise – even in a difficult environment.

This means we are operating from a position of strength. Thanks to the disciplined implementation of "Aareal 2020", we have prepared ourselves very well in recent years for the phase of intense upheaval we face on our markets. Not only that: we have also built numerous options for the successful development of our business.

We react appropriately to changes in the environment in which we operate, and adjust our focus dynamically to meet the respective requirements. This has always been one of the strengths of Aareal Bank Group – and these strengths will be especially challenged in the years ahead.

I already said it earlier: this is not the time for static approaches. Aareal Bank Group will therefore continue to review its strategy and options, and make flexible adjustments whenever we deem it necessary to do so. We will also take this approach to define the strategic focal points beyond the horizon of our "Aareal 2020" programme, upon which I am quite sure that I shall stand here and report again in one year's time.

Having said that, we must never lose sight of whom we are doing all of this for: namely, for our clients. Ultimately, our knowledge, our competence, our reliability, and the uncompromising drive for quality that sets us apart, serve one purpose only: to contribute to the success of our clients. That is our ultimate task, our mission.

We know that our products and services are only good if they are focused from the very outset exactly on the specific needs of our clients, and therefore aimed at implementing their full potential to the maximum advantage. This requires that we understand our clients, that we know exactly what they need, and that we trust each other.

We will therefore have to learn even more in the years ahead to see things from the client's perspective. This is a significant challenge for an organisation that focuses traditionally on its own expertise, experience and quality. We have decided to accept this challenge.

In addition to a modern risk culture based on responsibility and clear values, the radical client centricity to which we will commit in the future will become a core element of Aareal Bank Group's future corporate culture. It completes our vision for the years to come:

- an operationally successful Aareal Bank Group, producing sustainable and competitive profitability;
- strategically well positioned, with potential for further profitable growth;
- culturally in step with the times, with a clear stance.

As we see it, this vision for the future is very attractive – for our clients, our employees and not least for you, our shareholders. We hope you will continue to accompany us on our journey into the future.

Thank you very much for your attention!