



Press Release

Contacts:

Sven Korndörffer
Phone: +49 611 348-2306
sven.korndoerffer@aareal-bank.com

Cornelia Müller
Phone: +49 611 348-2457
cornelia.mueller@aareal-bank.com

Christian Feldbrügge
Phone: +49 611 348-2280
christian.feldbruegge@aareal-bank.com

Aareal Bank Group reaches agreement on the acquisition of Düsseldorfer Hypothekenbank AG

- **Preliminary purchase price of approx. € 162 million**
- **Positive one-off effect (negative goodwill) expected at approx. € 52 million**
- **Earnings forecast for the 2018 financial year raised, assuming transaction closing in 2018**
- **CEO Hermann J. Merkens: "With this transaction, we have once again demonstrated our willingness and ability to exploit opportunities available on the market, in order to generate value for our shareholders."**

Wiesbaden, 10. September 2018 – Following negotiations with the Association of German Banks (*Bundesverband Deutscher Banken e.V.*), Aareal Bank Group has reached an agreement on the acquisition of all shares in Düsseldorfer Hypothekenbank AG. The sale and purchase agreement has been signed; it is subject to approval by corporate bodies. Closing of the transaction is subject to regulatory approvals, and is currently expected to take place in 2018. The preliminary purchase price is approx. € 162 million. The final purchase price will depend upon market price fluctuations until the closing date.

Aareal Bank will not pursue any further strategic objectives with the acquisition. Düsseldorfer Hypothekenbank AG has undergone an orderly run-down process since 2015, under the auspices of its previous owner; the bank no longer actively originates new property finance business on the market. Its residual lending volume amounted to € 533 million as at 30 June 2018. Aareal Bank would consistently pursue this orderly run-down.

Hermann J. Merkens, Chairman of the Management Board of Aareal Bank AG, commented on the agreed-upon acquisition of Düsseldorfer Hypothekenbank: "With the acquisitions executed over the past few years, Aareal Bank has shown its skills in running down portfolios in an orderly, value-preserving manner, and in the swift, responsible integration of mortgage banks. We will leverage this expertise in the case at hand. At the same time, we have once again

demonstrated our willingness and ability to exploit opportunities available on the market, in order to generate value for our shareholders."

For Aareal Bank, the transaction would lead to a positive one-off effect from initial consolidation (negative goodwill) in the amount of approx. € 52 million. Operating profit for the 2019 financial year would presumably be burdened by this transaction in a very low double-digit million amount. Against this background, the purchase price has been reduced and negative goodwill increased accordingly.

Assuming the closing will take place in 2018, as planned, said one-off effect would materialise in the 2018 financial year. In such case, Aareal Bank would increase its original profit forecast for the 2018 financial year, expecting consolidated operating profit – including the one-off effect – to be in a range between € 312 million and € 352 million, and EpS between € 3.47 and € 3.87.

Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. It provides smart financings, software products, and digital solutions for the property sector and related industries, and is present across three continents: 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 its Consulting/Services segment Aareal Bank Group offers its European clients from the property and energy sectors a unique combination of specialised banking services as well as innovative digital products and services, designed to help clients optimise and enhance the efficiency of their business processes.