

# Invitation to the Annual General Meeting of Shareholders

Dear Shareholders,

We are pleased to invite you to our Annual General Meeting of Shareholders to be held on Wednesday, 22 May 2013, at 10:30 a.m., at the "Kurhaus", Kurhausplatz, 65189 Wiesbaden, Germany.

We have convened this year's General Meeting by way of publication in the German Federal Gazette (Bundesanzeiger) dated 10 April 2013, publishing the agenda set out below.

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This version of the Notice to Shareholders (invitation to the Annual General Meeting) 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.

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**Aareal Bank**

## Agenda

### 1. Presentation of the confirmed annual financial statements and the approved consolidated financial statements, of the management report for the Company and the Group, the information in accordance with sections 289 (4) and 315 (4) of the German Commercial Code (HGB) as well as the Report by the Supervisory Board for the 2012 financial year

In accordance with sections 172, 173 of the German Public Limited Companies Act (AktG), on 27 March 2013 the Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Management Board; the financial statements have thus been confirmed. The passing of a resolution on this agenda item No. 1 is therefore not required.

### 2. Passing of a resolution on the appropriation of net retained profit for the 2012 financial year

The Management Board and the Supervisory Board recommend that the net retained profit of € 5,000,000 for the financial year 2012 be allocated to other retained earnings.

### 3. Passing of a resolution on the formal approval of the members of the Management Board for the 2012 financial year

The Management and Supervisory Boards propose that formal approval be granted, for the 2012 financial year, for the members of the Management Board who were in office during that period.

### 4. Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2012 financial year

The Management Board and the Supervisory Board propose that formal approval be granted, for the 2012 financial year, for the members of the Supervisory Board who were in office during that period.

### 5. Appointment of External Auditors

Based on the recommendation of the Accounts and Audit Committee, the Supervisory Board proposes that auditors PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the external auditors for the 2013 financial

year, and as the external auditors for the review of the condensed financial statements and the interim management report as at 30 June 2013.

### 6. New elections to the Supervisory Board

Following the retirement of Mr Wolf R. Thiel from his office as shareholder representative on the Supervisory Board, which took effect on 31 March 2012, the Supervisory Board had an insufficient number of eleven members. Upon proposal by the Management Board, and with the explicit support of the Supervisory Board, in a ruling dated 6 July 2012 the Wiesbaden local court (Amtsgericht Wiesbaden) appointed Ms Marija G. Korsch as a member of the Supervisory Board, with effect from 11 July 2012. It is proposed that the General Meeting confirm her appointment by way of election.

Mr Hans W. Reich, Chairman of the Supervisory Board, will retire from the Company's Supervisory Board, effective at the close of the General Meeting on 22 May 2013. It is proposed that the General Meeting elect a successor member to the Supervisory Board.

Pursuant to section 2(1) of the Co-Determination Agreement in conjunction with Article 9 of the Memorandum and Articles of Association and sections 96 (1), 101(1) of the AktG, the Supervisory Board consists of eight members to be elected by the Annual General Meeting and four members to be elected by staff. The Annual General Meeting is not bound by nominations. It is proposed to conduct the elections individually for each member.

Based on the preparations by the Nomination Committee, the Supervisory Board proposes to elect the following candidates as shareholder representatives to the Supervisory Board:

- a) Ms Marija G. Korsch, Frankfurt/Main, formerly a Partner of Bankhaus Metzler seel. Sohn & Co. Holding AG;
- b) Mr Richard Peters, Kandel, President and Chairman of the Management Board of the German Government-Service Supplementary Pension Agency (Versorgungsanstalt des Bundes und der Länder – "VBL").

Said candidates would be elected for a term of office commencing after the close of the General Meeting until, in accordance with Article 9 (2) of the Memorandum and Articles of Association, the close of the Annual General Meeting that resolves on the formal approval for the 2017 financial year.

Subject to her election by the General Meeting, the Supervisory Board already resolved, in its meeting on 20 March 2013, to elect Marija G. Korsch as Chairperson of the Supervisory Board.

**Disclosure pursuant to section 125 (1) sentence 5 of the AktG**

The following persons nominated for election to the Supervisory Board as shareholder representatives under agenda item 6 are members of a statutory supervisory board (indicated by "a"), or a similar governing body within Germany or abroad (indicated by "b"), of the companies listed below:

**Frau Marija G. Korsch**

- a) Just Software AG, Hamburg
- b) None

**Herr Richard Peters**

- a) None
- b) DePfa Holding Verwaltungsgesellschaft mbH, Dusseldorf

**Disclosure pursuant to section 5.4.1 (4) of the German Corporate Governance Code**

Ms Korsch has no personal or business relations with the Company, its executive bodies, or a controlling shareholder as defined by section 5.4.1 (4) of the German Corporate Governance Code.

Mr Peters is a member of the Supervisory Board of DePfa Holding Verwaltungsgesellschaft mbH, Dusseldorf, which holds a 28.89 % stake in the share capital of Aareal Bank AG, through a whollyowned subsidiary. Beyond said Supervisory Board office, Mr Peters has no personal or business relations, as defined by section 5.4.1 (4) of the German Corporate Governance Code, with the Company, its executive bodies, or a controlling shareholder.

**7. Resolution on amendments to the Memorandum and Articles of Association**

**a) Amendment to Article 4 (1) of the Memorandum and Articles of Association (Notifications and Information)**

By virtue of the German Act to Amend Rules Governing the Publication of Notices (Gesetz zur Änderung von Vorschriften über die Verkündung von Bekanntmachungen) of 22 November 2011, the "Electronic

Federal Gazette" (elektronischer Bundesanzeiger) was renamed "Federal Gazette" (Bundesanzeiger) with effect from 1 April 2012. The purpose of this resolution is to amend Article 4 (1) of the Company's Memorandum and Articles of Association, to correspond with these changes of the law.

The Management and Supervisory Boards propose the following amendment of the Memorandum and Articles of Association:

Article 4 (1) of the Memorandum and Articles of Association shall be amended to read as follows:

"(1) Any notifications (Bekanntmachungen) by the Company shall be published in the German Federal Gazette (Bundesanzeiger)."

**b) Amendment to Article 12 (3) sentence 3 of the Memorandum and Articles of Association (Passing of Resolutions)**

Pursuant to section 108 (4) of the AktG, resolutions by the Supervisory Board or its committees may be passed outside meetings, in written form, by telephone, or in another comparable manner. Accordingly, Article 12 (3) sentence 3 of the Company's Memorandum and Articles of Association contains the following provisions regarding the passing of resolutions outside meetings: "Provided that no Member objects, voting may take place in writing or by telegraph, telex, telephone, facsimile or e-mail." The purpose of the proposed amendment is to expand the wording of this provision of the Memorandum and Articles of Association, to enable the Supervisory Board to use modern means of communication other than e-mail (such as electronic voting) for polls.

The Management and Supervisory Boards propose the following amendment of the Memorandum and Articles of Association:

Article 12 (3) sentence 3 of the Memorandum and Articles of Association shall be amended to read as follows:

"Provided that no Member objects, voting may take place in writing, by telephone or by means of other similar polling methods, such as electronic transmission of votes."

## Company website and documents available for download

The invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting as well as further information in connection with the Annual General Meeting, will be available on the Company's website at <http://www.aareal-bank.com> (Investor Relations > General Meeting 2013) as from the time the Annual General Meeting has been convened.

Any counterproposals, nominations or requests for amendments by shareholders that are received by the Company and require publication will also be made available via the above website. After the Annual General Meeting, the voting results will also be published on the same website.

The documents to be provided will be available for inspection by shareholders at Aareal Bank AG's offices (Paulinenstrasse 15, 65189 Wiesbaden) from the day on which the Annual General Meeting is convened, and will also be available at the Annual General Meeting on 22 May 2013. As a special service, the Company will send these documents to shareholders, upon request and free of charge. It should be noted that the Company has complied with its legal obligation by making the information available on its website.

## Total number of shares and voting rights

At the time of convening the Annual General Meeting, the Company's share capital amounts to € 179,571,663 and is divided into 59,857,221 non-par value bearer shares. Each share carries one vote at a General Meeting. Therefore, at the time of convening the Annual General Meeting, the total number of voting rights amounts to 59,857,221. At the time of convening the Annual General Meeting, the Company does not hold any treasury shares.

## Preconditions for the right to take part in the Annual General Meeting and the right to vote

Those shareholders who register with the Company for this purpose prior to the Annual General Meeting and provide the Company with evidence of their shareholding issued by their custodian institution are entitled to attend and to vote at the Annual General Meeting. Registration to attend and evidence of the shareholding must be sub-

mitted to the Company no later than **15 May 2013 (24:00 hours CEST)** at the following address:

**Aareal Bank AG**  
**c/o Computershare Operations Center**  
**80249 Munich, Germany**  
**Fax: +49 89 30903 74675**  
**E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)**

Registration and evidence of the shareholding must be supplied in written form (as defined in section 126b of the German Civil Code ("BGB")). Evidence of the shareholding must be supplied in either German or English, and refer to **1 May 2013 (00:00 hours CEST)**, the record date for submission of proof.

Only those shareholders who have provided proof of their shareholdings will be deemed a shareholder of the Company for the purposes of attending the Annual General Meeting and exercising their voting rights. The Company shall be entitled to demand suitable additional evidence in the case of doubt regarding the correctness or authenticity of the proof submitted. Where no such evidence is provided, or evidence is not provided in an appropriate form, the Company may deny the shareholder attendance to the meeting.

## Importance of the record date

The right to attend and the extent of voting rights depend solely on the shareholding in existence as at the record date for submission of proof (the "Record Date"). However, this Record Date does not in any way restrict the disposability of shareholdings. Even where shareholdings are sold, in whole or in part, after the Record Date, attendance and extent of voting rights will be based solely on the shareholding of the relevant shareholder on the Record Date. This means that the disposal of shares after the Record Date does not in any way affect the right to attend or the extent of voting rights. The same applies to the initial or further acquisition of shares after the Record Date. Anyone who does not own Company shares at the Record Date, but only becomes a shareholder of the Company afterwards, may only attend and vote at the Annual General Meeting (and shareholders who acquire further shares after the Record Date are only entitled to vote for such additional shares) to the extent that they have been authorised to act as a proxy. The Record Date has no bearing on dividend rights. Following receipt of registration and proof of shareholding by the Company, admission tickets

for the Annual General Meeting (as organisational aids for the Meeting) will be forwarded to the shareholders. To ensure timely receipt of the admission ticket, shareholders should request them from their custodian bank at their earliest convenience.

### Voting procedure/voting by proxy

Shareholders can exercise their vote through an authorised proxy, which may be a credit institution, a shareholders' association, or another third party. However, even when acting through a proxy, shareholders must register their attendance and submit specific evidence of their shareholdings by the prescribed deadline. If a shareholder appoints several persons as proxies, the Company is entitled to reject one or several of these proxies.

The granting of a voting proxy, its revocation and the submission of proof thereto vis-à-vis the Company, require written form. In case a credit institution, a shareholders' association or any other individual or entity of equivalent standing under section 135 (8) and (10) of the AktG shall be authorised to act as a proxy, section 134 (3) sentence 3 of the AktG as well as the provisions in the Company's Memorandum and Articles of Association do not require written form. It should be noted, however, that the individual, entity or institution to be authorised may request that they be issued with a specific form of proxy in these cases, as section 135 of the AktG requires them to record any proxy in a verifiable manner. If you wish to authorise a credit institution, a shareholders' association or any other individual or entity of equivalent standing under section 135 (8) and (10) of the AktG to act as a proxy, we kindly ask you to check with them as to what kind of proxy they require.

The granting of the voting proxy may be effected vis-à-vis the proxy or the Company.

Proof of proxy authorisation may be provided by the proxy handing over proof of the proxy (e.g. the original proxy document, or a copy thereof) at the entrance to the General Meeting. When forwarding proof of proxy by regular mail or fax, shareholders or shareholder representatives should use the registration address provided above. Alternatively, where proof is forwarded electronically, the Company would require the proof of proxy to be e-mailed to [Aarealbank-HV2013@computershare.de](mailto:Aarealbank-HV2013@computershare.de). The options of transfer are also available where it is intended to grant a proxy to the Company; in this case, separate proof of proxy will not be required. Similarly, the Company may

also be notified of the revocation of an existing proxy via one of the above transfer channels. Proof of proxy authorisation granted during the Annual General Meeting may be provided by the shareholder handing over proof of the proxy at the exit from the Annual General Meeting.

Shareholders wishing to appoint a proxy should use the proxy form provided by the Company for this purpose. This form will be forwarded to duly registered persons together with the admission ticket and can be requested from the above registration address, either by regular mail, fax or e-mail. In addition, proxy forms may be downloaded from the Company's website on <http://www.aareal-bank.com>.

The granting of a proxy is also possible via electronic communication, using the Company's internet-based proxy system. Specific details regarding this proxy system are available for shareholders at the Company's website on <http://www.aareal-bank.com>.

Where a proxy is granted, proof of such proxy provided, or a proxy revoked by way of a declaration made vis-à-vis the Company by regular mail or by fax, the Company must receive such declaration no later than by **18:00 hours CEST on 21 May 2013**, for organisational reasons. Transmission of such declaration by e-mail, as well as the granting of a proxy via the Company's internet-based proxy system will also be possible on the day of the Annual General Meeting, as will be the presentation of such proxy form at the entrance.

### Procedure for exercising voting rights through a proxy appointed by the Company

For shareholders who have duly registered, the Company offers the option of being represented by Company representatives bound by the relevant shareholder's instructions. However, even when acting through a proxy, shareholders must register their attendance and submit specific evidence of their shareholdings by the prescribed deadline. The granting of a voting proxy, its revocation and the submission of proof thereto vis-à-vis the Company, require written form.

To authorise the proxy, shareholders can use the form that is sent out together with the admission ticket. Along with the proxy document, the proxies nominated by the Company also require voting instructions. Voting proxies are obliged to vote in accordance with instructions given to them; they cannot exercise voting rights at their dis-

cretion. Where the meeting votes on a topic for which a shareholder did not give express instructions, that shareholder's voting proxy will abstain from voting. Shareholders who wish to authorise voting proxies appointed by the Company, must forward the proxy forms plus instructions no later than **21 May 2013 (18:00 hours CEST)** to the aforementioned registration address, either by regular mail or fax or e-mail them to [Aarealbank-HV2013@computershare.de](mailto:Aarealbank-HV2013@computershare.de), to facilitate ease of organisation.

Authorising the voting proxies nominated by the Company is also possible using the Company's internet-based proxy system, as mentioned above, until **21 May 2013 (18:00 hours CEST)**. Specific details on how to authorise the voting proxies nominated by the Company, using this proxy system, are available for shareholders on the Company's website <http://www.aareal-bank.com> (Investor Relations > General Meeting 2013).

Moreover, shareholders who attend the Annual General Meeting but have to leave the meeting prior to voting, will, upon leaving the Annual General Meeting, have the option of authorising a voting proxy nominated by the Company by using another form provided by the Company for this purpose, and instructing this proxy accordingly.

### Information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the AktG

#### Requests for amendments to the agenda as per section 122 (2) of the AktG

Shareholders whose combined shareholdings add up to a one-twentieth share in the registered share capital, or a proportional amount of shares amounting to € 500,000 (rounded up, this equates to 166,667 shares), may request that certain items be included in the agenda and communicated (section 122 (2) of the AktG). Each new item to be added must be accompanied by an explanation or a proposal. In accordance with section 122 (1) sentence 3, and (2) in conjunction with section 142 (2) sentence 2 of the AktG, applicants must prove that they have been holders of the relevant shares for a minimum of three months prior to the General Meeting (i.e. since 22 February 2013, 00:00 hours CEST).

Said application must be addressed, in writing (section 126 of the German Civil Code (BGB)) or in electronic form (qualified electronic signature (section 126a of the BGB)), to the Management Board of Aareal Bank AG and

must be received by the Company no later than **21 April 2013 (24:00 hours CEST)**, at the following address:

**Aareal Bank AG**  
**For the attention of the Management Board**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**E-mail: [hv2013@aareal-bank.com](mailto:hv2013@aareal-bank.com)**

Amendments to the agenda that require communication (unless they were already communicated at the time of convocation) must be published, without undue delay following receipt of the request, in the German Federal Gazette (Bundesanzeiger) and in such other media that can be assumed to distribute information throughout the entire European Union. In addition, they are also published on the internet at <http://www.aareal-bank.com> (Investor Relations > General Meeting 2013), and communicated to the shareholders.

#### Motions and nominations by shareholders under section 126 (1), section 127 of the AktG

Shareholders may lodge counter-proposals to the proposals submitted by the Management Board or the Supervisory Board regarding agenda items, and submit nominations for the appointment of external auditors and for elections to the Supervisory Board. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals and nominations may only be sent to the following address:

**Aareal Bank AG**  
**Corporate Development**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**Fax: +49 611 348 2965**  
**E-mail: [hv2013@aareal-bank.com](mailto:hv2013@aareal-bank.com)**

Any counter-proposals and nominations received by the Company at the aforementioned address no later than **7 May 2013 (24:00 hours CEST)** will be made available on the internet at <http://www.aareal-bank.com> (Investor Relations > General Meeting 2013), including the shareholder's name and the rationale behind the application. Any management statements will be published on the same website.

### Right to disclosure, pursuant to section 131 (1) of the AktG

At the Annual General Meeting, every shareholder or shareholder representative may request information from the Management Board regarding the Company's affairs, its legal and business relationships with affiliated companies and the situation of the Group and the companies within the Group's scope of consolidation, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. Disclosure requests at General Meetings must generally be made verbally during the debate.

### Further explanations concerning shareholders' rights

Further information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the AktG can be viewed on the internet at <http://www.aareal-bank.com> (Investor Relations > General Meeting 2013).

**Aareal Bank AG**  
**The Management Board**  
**Wiesbaden, April 2013**

## Supplementary information to agenda item No. 6 »New elections to the Supervisory Board«

### Marija G. Korsch



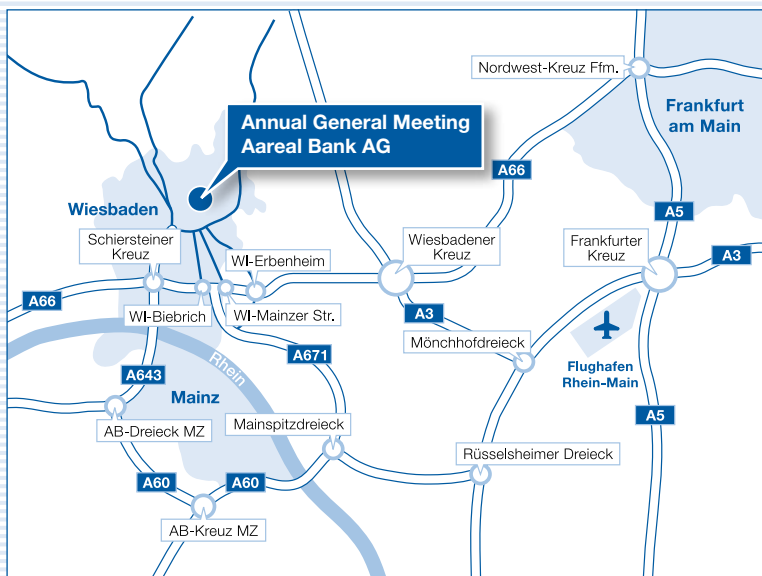
Marija G. Korsch was born in 1948 and is a US citizen. She has more than 35 years of professional experience in international banking. As a partner in German private bank Bankhaus Metzler seel. Sohn & Co. Holding AG until 2008, she was responsible for the bank's Corporate Finance business, having headed the business as a Managing Director from 1993 to 1998. Previously, Ms Korsch was a Managing Director at Bankers Trust Company, responsible for the bank's Corporate Finance and Merchant Banking activities in Germany, Austria and Switzerland; at Vereins- und Westbank AG, she was responsible for the business in North America and Latin America. She started her career in 1973, with European American Bank, New York, Los Angeles and San Francisco, before joining Bankers Trust Company in New York. Her social commitments include positions with the Städel art museum in Frankfurt as well as with Alte Oper, Frankfurt's historic concert and convention hall and the Frankfurt Citizens' Institute. Marija G. Korsch studied Mathematics at St Peters College, New Jersey, USA; and Economics at Universita di Roma, Italy.

### Richard Peters



Richard Peters was born in 1957. Having been a member of the Management Board of the German Government-Service Supplementary Pension Agency (Versorgungsanstalt des Bundes und der Länder – "VBL") since January 1998, he was appointed President and Chairman of the Management Board in April 2012. During his first ten years with VBL, he was responsible for VBL's investments, followed by five years' responsibility for VBL's insurance products and benefits.

Having studied law, Mr Peters began his professional career at the head office of Karstadt AG in Essen, as head of the social and wage policies department. Following his appointment as a government official by the German State of Thuringia at the beginning of 1992, he worked as Human Relations officer at the Regional Tax Office in Erfurt for three years, followed by three years as head of the Collective Bargaining and Labour Law Department at the Thuringia Ministry of Finance.



## Venue of the Annual General Meeting

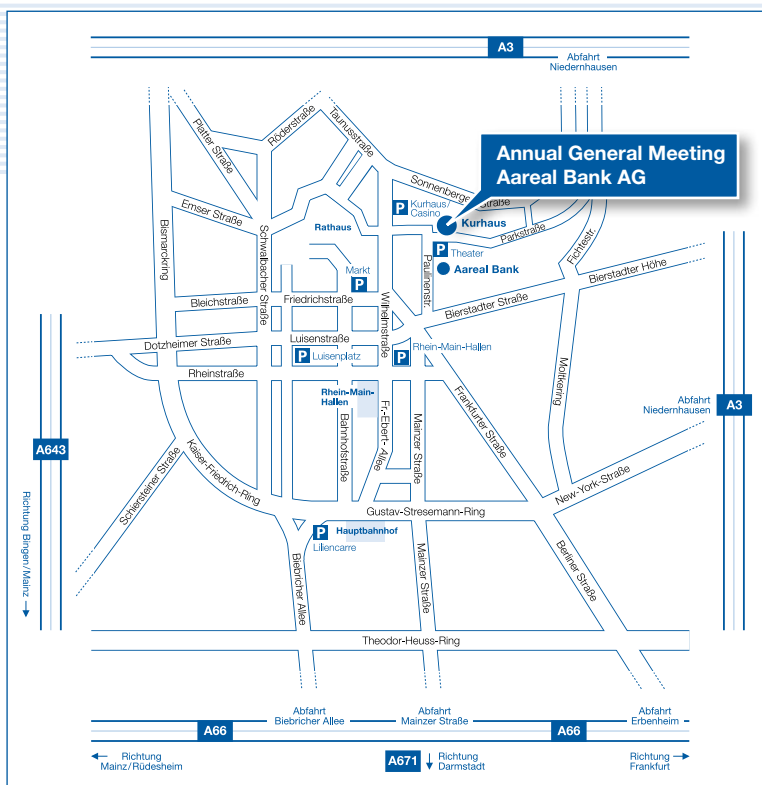
Kurhaus Wiesbaden  
 Kurhausplatz 1 · 65189 Wiesbaden, Germany

### Map and directions

#### Coming via the A66 motorway from Frankfurt/Wiesbadener Kreuz:

Take the "Wiesbaden-Erbenheim" exit. Head towards Wiesbaden-Sonnenberg via Moltkering, taking the first left to "Stadtmitte/Kurhaus".

Parking facilities (subject to charges) are available at signposted on-street parking spaces (pay & display), and also at the "Theater" and "Kurhaus" car parks.



#### Using public transport from Wiesbaden main railway station:

Bus (lines 1 and 8) to stops "Friedrichstrasse" or "Theater/Kurhaus"

