

PRESS RELEASE

Aareal Bank rejects demand by Petrus for replacement of Supervisory Board members

Wiesbaden, 8 April 2021. The Supervisory Board of Aareal Bank AG rejects the demand by Petrus Advisers Ltd (“Petrus”) for a partial replacement of Supervisory Board members, since this demand is without any substance. As communicated by way of an ad-hoc disclosure on 31 March, the investor is urging for replacement of three out of the eight shareholder representatives on the Supervisory Board, including the Chairman. Petrus has explicitly called for the resignation of three current Supervisory Board members, in order to make room for three replacement candidates proposed by Petrus, to be elected at the upcoming Ordinary Annual General Meeting on 18 May.

Marija Korsch, Chairman of the Supervisory Board, commented: “The General Meeting, in its capacity as the Company’s ultimate authority, has mandated the members of the Supervisory Board to advise, monitor and exercise joint entrepreneurial oversight of the Company for a specified term of office – not ‘for the time being’. The Supervisory Board is fully staffed, with all of its members being elected for their respective term of office. There are no reasons for resignation, whether legal or otherwise. As in the past, upon regular expiration of each term of office for any shareholder representative, the Nomination Committee will launch a broad-based, clearly structured and transparent search process to identify candidates. As a matter of course, the Committee will include candidates proposed by material investors, as it did in 2019/2020.”

Extensive discussions concerning the Supervisory Board’s skills profile, its composition, the structure of its committees and the terms of office of its members took place in preparation for the Annual General Meeting 2020 – with all material investors (including Petrus Advisers) as well as proxy advisors. This corporate governance sounding led to shortened terms of office of Supervisory Board members, the introduction of a so-called staggered board, as well as new appointments to the Supervisory Board (in the sense of a Board refreshment). This highly transparent and broadly explored corporate governance reform met with resounding support by shareholders at the 2020 Annual General Meeting: at the time, the six candidates for election to the Supervisory Board received between 99.68 per cent and 99.72 per cent of votes. This also applies to the Supervisory Board members whom Petrus has now called upon to resign – who were only elected last year.

Consequently, the agenda published on 6 April 2021 with the invitation to this year's Ordinary Annual General Meeting on 18 May 2021 does not include any proposals for election to the Supervisory Board put forward by management, given the fact that the terms of office of current Supervisory Board members have not expired.

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About 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/Pacific. Aareal Bank AG, whose shares are included in Deutsche Börse's SDAX index, is the Group's parent entity. It manages the various entities organised in the Group's three business segments: Structured Property Financing, Banking & Digital Solutions, and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments. In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Subsidiary Aareon, a leading consultancy and IT systems house for the European property industry and its partners in the digital age, forms the third business segment. Aareon offers reliable, pioneering solutions in the fields of consulting, software and services to optimise IT-supported business processes, and to extend business models. The Aareon Smart World digital platform links businesses from the housing industry and related sectors with customers, staff and business partners, as well as connecting technical devices in apartments and buildings.