

# Invitation to the Annual General Meeting of Shareholders

Dear Shareholders,

We are pleased to invite you to our Annual General Meeting to be held on Wednesday, 25 May 2016, at 10:30 a.m., at the "Kurhaus Wiesbaden", Kurhausplatz, 65189 Wiesbaden, Germany.

We have convened this year's General Meeting by way of publication in the German Federal Gazette (Bundesanzeiger) dated 13 April 2016, 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

### Agenda item 1: Presentation of the confirmed annual financial statements and the approved consolidated financial statements, of the management report for the Company and the Group (including disclosures 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 2015 financial year

In accordance with sections 172 and 173 of the German Public Limited Companies Act (AktG), on 23 March 2016 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. Therefore, it is not necessary to pass a resolution on this agenda item 1.

### Agenda item 2: Passing of a resolution on the appropriation of net retained profit for the 2015 financial year

The Management Board and Supervisory Board recommend that Aareal Bank AG's net retained profit of € 99,264,414.65 for the financial year 2015 be appropriated as follows:

Distribution of a dividend of € 1.65 per no-par-value share entitled to dividend payment	98,764,414.65 €
Carried forward to new account	500,000.00 €

At the time of this proposal for the appropriation of profit, the Company does not hold any treasury shares. Should the number of no-par-value shares entitled to dividend payment for the financial year 2015 alter prior to the Annual General Meeting, an appropriately amended resolution will be presented to the Annual General Meeting for approval. Said resolution will provide for an unchanged dividend of € 1.65 per no-par-value share entitled to dividend payment and an appropriately amended proposal for carrying forward the balance.

### Agenda item 3: Passing of a resolution on the formal approval of the members of the Management Board for the 2015 financial year

The Management Board and Supervisory Board propose that formal approval be granted, for the 2015 financial year, for the members of the Management Board who were in office during that period.

### Agenda item 4: Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2015 financial year

The Management Board and Supervisory Board propose that formal approval be granted, for the 2015 financial year, for the members of the Supervisory Board who were in office during that period.

### Agenda item 5: Passing of a resolution on appointment of the external auditors

- a) Based on the recommendation of the Audit Committee, the Supervisory Board proposes that auditors PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the external auditors for the Company's annual financial statement and the Group's consolidated financial statement for the 2016 financial year, and as the external auditors for the review of the condensed financial statement and the interim management report as at 30 June 2016. The Supervisory Board also proposes that said company be appointed to review, if applicable, additional financial information required within the meaning of section 37w (7) of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) during the 2016 financial year.
- b) Based on the recommendation of the Audit Committee, the Supervisory Board furthermore proposes that auditors PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the external auditors for the review, if applicable, of additional financial information required within the meaning of section 37w (7) of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) during the 2017 financial year until the next Annual General Meeting takes place.

## 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> (specifically: Investor Relations/Annual General Meeting 2016) as from the date of convocation of the Annual General Meeting.

Any counter-proposals, nominations or requests for amendments by shareholders that are received by the Company and require publication will also be made available on the above website. After the Annual General Meeting, the voting results will 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 date of convocation of the Annual General Meeting, and will also be available at the Annual General Meeting on 25 May 2016. As a special service, the Company will send these documents to shareholders free of charge, upon request. 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 no-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 attendance at the Annual General Meeting and for the exercise of voting rights

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 specific evidence of the shareholding must be submitted to the Company by no later than **18 May 2016 (24:00 hours CEST)** at the following address:

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

The registration and specific evidence of shareholding must be supplied in written form (as defined in section 126b of the German Civil Code (BGB)). Specific evidence of shareholding must be supplied in either German or English and refer to **4 May 2016 (00:00 hours CEST)**, the record date for submission of proof.

Only those shareholders who have provided specific evidence 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 cases 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 at the meeting.

## Importance of the record date

The right to attend the Annual General Meeting and the scope of voting rights depend solely on the shareholding extent 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, the shareholder's right to attend and vote will be based solely on his/her

respective shareholding on the record date. This means that the disposal of shares after the record date does not in any way affect the shareholder's right to attend or the scope of his/her voting rights. Corresponding provisions apply to the initial or further acquisition of shares after the record date. Anyone who does not own Company shares at the record date, but afterwards becomes a shareholder of the Company, may attend and vote at the Annual General Meeting (and shareholders who acquire further shares after the record date are entitled to vote only for such additional shares) only to the extent that they have been authorised to act as a proxy. The record date has no bearing on dividend rights. Following receipt by the Company of registration and specific evidence of shareholding, admission tickets for the Annual General Meeting (as organisational aids for the meeting) will be forwarded to the shareholders. To ensure timely receipt, shareholders should request admission tickets from their custodian banks at their earliest convenience.

### 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 being represented by a proxy, shareholders must still register their attendance and submit specific evidence of their shareholdings by the prescribed deadline. If a shareholder appoints more than one person as proxy, the Company is entitled to reject one or more 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 this be done in 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, since 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' asso-

ciation or any other individual or entity of equivalent standing under section 135 (8) and (10) of the AktG to act as a proxy, you should check with them as to what form of proxy they require.

The authorisation may be granted either to the proxy or to 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 Annual General Meeting. When forwarding proof of proxy by regular mail or fax, shareholders or shareholder representatives should use the registration address provided above. Alternatively, the Company allows the proof of proxy to be e-mailed to **Aarealbank-HV2016@computershare.de**. These dispatch options are also available in cases where the shareholder grants a proxy to the Company; in this case, no separate proof of proxy is required. Similarly, shareholders may use any of the above channels to notify the Company directly of revocation of an existing proxy. Proof of a proxy authorisation granted during the Annual General Meeting may be provided by the shareholder handing over proof of the proxy when exiting 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 along with their admission tickets 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 at <http://www.aareal-bank.com>.

A proxy may also be granted electronically, using the Company's internet-based proxy system. Specific details regarding this proxy system are available for shareholders on the Company's website at <http://www.aareal-bank.com>.

Where a proxy is granted, proof of such proxy provided, or a proxy revoked by way of a declaration to the Company by regular mail or by fax, the Company must, for organisational reasons, receive such declaration by no later than **24 May 2016 (18:00 hours CEST)**. 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 the presentation of such proxy form at the entrance to the meeting.

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

The Company offers duly registered shareholders the option of being represented by Company representatives, who are bound by the relevant shareholder's instructions. However, even when being represented by a proxy, shareholders must still 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 sent to them with their 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 discretion. If the meeting votes on a topic for which a shareholder did not give express instructions, that shareholder's proxy will abstain from voting. To facilitate organisation, shareholders who wish to authorise voting proxies appointed by the Company must forward their proxy forms and instructions by no later than **24 May 2016 (18:00 hours CEST)** to the aforementioned registration address, either by regular mail or fax or e-mail them to **Aarealbank-HV2016@computershare.de**.

Voting proxies nominated by the Company may also be authorised using the Company's above-mentioned internet-based proxy system until **24 May 2016 (18:00 hours CEST)**. Details of how to authorise Company-nominated voting proxies using this proxy system are available for shareholders on the Company's website at <http://www.aareal-bank.com> (specifically: Investor Relations/Annual General Meeting 2016).

In addition, shareholders who attend the Annual General Meeting but have to leave the meeting prior to voting, will, upon leaving, have the option of authorising a voting proxy nominated by the Company by means of another form provided by the Company for

this purpose and of giving this proxy corresponding voting instructions.

### 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 amount to one-twentieth of 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 made public (section 122 (2) of the AktG). Each new item to be added must be accompanied by an explanation or a proposal. Applicants must prove that they have been holders of the relevant shares for a minimum of three months prior to the Annual General Meeting (i.e. since **25 February 2016, 00:00 hours CET**) and that they will continue to hold them until a decision on their application has been made. Evidence can be provided in form of a certificate issued by the custodian bank.

The application must be addressed in writing (section 126 of the German Civil Code (BGB)) or in electronic form, i.e. using the qualified electronic signature (section 126a of the German Civil Code (BGB)), to the Management Board of Aareal Bank AG and must be received by the Company no later than **24 April 2016 (24:00 hours CEST)**, at the following address:

**Vorstand der Aareal Bank AG**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**E-mail: HV2016@aareal-bank.com**

Unless already communicated at the date of convocation, amendments to the agenda requiring publication must be published, without undue delay following receipt, in the electronic 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> (specifically: Investor Relations/Annual General Meeting 2016) and communicated to the shareholders.

### **Motions and nominations by shareholders under section 126 (1) and 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. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals and nominations must be sent to the following address only:

**Aareal Bank AG**  
**Corporate Development**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**Telefax: +49 611 348-2965**  
**E-mail: HV2016@aareal-bank.com**

Any counter-proposals and nominations received by the Company at the aforementioned address by no later than **10 May 2016 (24:00 hours CEST)** will be made available on the Internet at <http://www.aareal-bank.com> (specifically: Investor Relations/Annual General Meeting 2016), including the shareholder's name and the reasons for the counter-proposal, taking the further stipulations set forth in sections 126 and 127 of the AktG into consideration. Any management statements will be published on the same website.

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

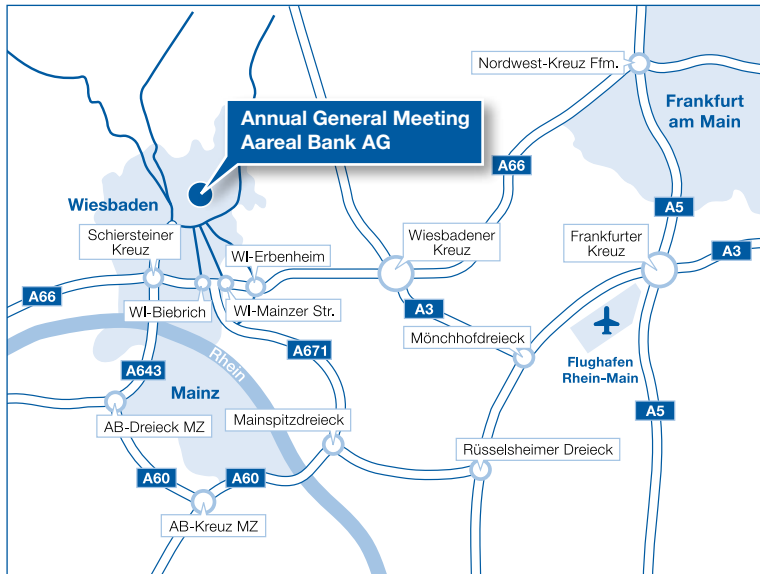
At the Annual General Meeting, every shareholder or shareholder representative may request information from the Management Board regarding the Company's affairs, its legal and business relationships with affiliated companies and the situation of the Group and the companies within the Group's scope of consolidation, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. Disclosure requests at Annual 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 and 131 (1) of the AktG can be viewed on the Internet at <http://www.aareal-bank.com> (specifically: Investor Relations/Annual General Meeting 2016).

**Aareal Bank AG**  
**The Management Board**

**Wiesbaden, April 2016**



### Venue of the Annual General Meeting

Kurhaus Wiesbaden  
 Kurhausplatz 1  
 65189 Wiesbaden, Germany

### Map and directions

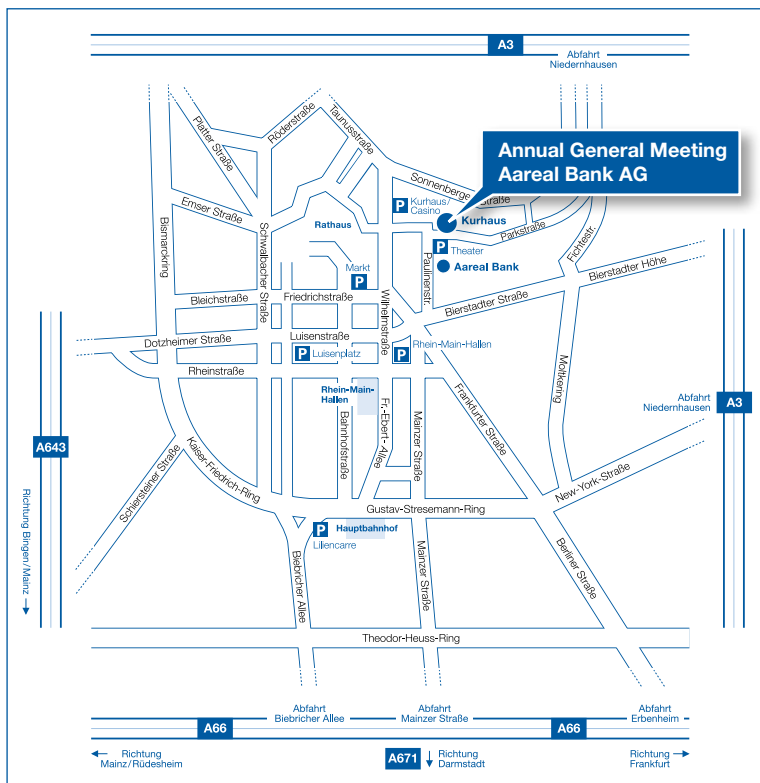
#### Coming via the A66 motorway from Frankfurt/Wiesbadener Kreuz:

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"



**Aareal Bank AG**  
Paulinenstrasse 15  
65189 Wiesbaden, Germany

[www.aareal-bank.com](http://www.aareal-bank.com)

04/2016



**Aareal Bank**