

Group Strategy

The Group's core areas of expertise are property finance as well as services and products for the commercial property and institutional housing sectors. This is reflected in the business model: the Structured Property Financing and Consulting / Services segments constitute the sustainable pillars of Aareal Bank Group.

Two businesses – one reliable partner

Our strategy incorporating two segments provides a major contribution to the stability of the entire Group, even during times of turbulence. The Consulting / Services segment generates a stable and continuous stream of income, and also enables Aareal Bank to tap the regular volume of deposits generated from the commercial housing sector for the purposes of refinancing. This reduces dependency on the volatile money and capital markets, creating a competitive edge.

International presence, close to the market

The Structured Property Financing segment brings together the commercial property finance and funding activities of Aareal Bank.

In the Structured Property Financing segment, we have an active presence at 23 locations on three continents: in Europe, North America, and in the Asia / Pacific region. Thus, we reduce

the dependency on individual markets and regional economic fluctuation. The activities are aggregated into a network of regional sales centres ("hubs"), which we have established wherever several countries constitute an economic region, and where our clients are active throughout the respective region. We therefore concentrate our distribution activities to correlate with the business needs of our clients.

Property finance requires local expertise: depending on criteria such as building structures, usage, rental terms, tenant structure, or the neighbourhood, the valuation of each property is very specific indeed – sometimes, it may even differ according to which side of the road you are on. Experts "on the ground" are in the right position to properly assess the relevant factors. They know the investors and the clients, and are able to build a solid client base. In this way, the regional presence of Aareal Bank Group safeguards the bank's market proximity and flexibility, also ensuring portfolio quality.