

**Joint report**  
**on the Agreement**  
**to amend the Control and Profit Transfer Agreement dated 10 November 2002 in the**  
**version dated 25 April 2003**  
**most recently amended by the amendment agreement of 20 December 2019**

The Management Board of Aareal Bank AG, Paulinenstrasse 15, 65189 Wiesbaden, Germany, registered under no. HRB 13184 in the commercial register at the Wiesbaden local court (Amtsgericht Wiesbaden),

and

the management of Aareal Immobilien Beteiligungen GmbH, Paulinenstrasse 15, 65189 Wiesbaden, Germany, registered under no. HRB 3480 in the Commercial Register at the Wiesbaden local court (Amtsgericht Wiesbaden)

have issued the following joint report pursuant to sections 295 (1) sentence 2, 293a of the German Public Limited Companies Act (Aktiengesetz – "AktG") on amendments to the control and profit transfer agreement entered into by the two parties.

On 20 December 2019, the parties entered into an agreement to amend the aforementioned control and profit transfer agreement. This amendment agreement was approved on 20 December 2019 at the extraordinary shareholder meeting of Aareal Immobilien Beteiligungen GmbH. The agreement is now being submitted to the Annual General Meeting of Aareal Bank AG on 27 May 2020 for approval.

The control and profit transfer agreement between Aareal Bank AG and Aareal Immobilien Beteiligungen GmbH has been in force since 10 November 2002; its purpose is to create a tax group between the parties for the purpose of income tax and value-added tax. The tax group subsidiary, Aareal Immobilien Beteiligungen GmbH, is a wholly-owned subsidiary of Aareal Bank AG (tax group parent). In the control and profit transfer agreement, the tax group subsidiary delegates its corporate management to Aareal Bank AG and undertakes to transfer any profits to it. In turn, Aareal Bank AG undertakes to absorb all losses incurred during the term of the agreement.

The amendment agreement entered into on 20 December 2019 confirms the amendment control and profit transfer agreement of 26 March 2014 that had become necessary in view of the Act Amending and Simplifying Corporate Taxation and the Tax Travel Expenses Act (Gesetz zur Änderung und Vereinfachung der Unternehmensbesteuerung und des steuerlichen Reisekostengesetzes) of 20 February 2013, which amended section 17 (2) number 2 of the Corporate Tax Act (Körperschaftsteuergesetz), and amends the wording of the provision in the control and profit transfer agreement governing the absorption of losses as follows:

"The provisions of section 302 of the German Public Limited Companies Act (Aktiengesetz) as amended shall apply accordingly to the absorption of losses."

In addition, the control and profit transfer agreement was entered into for a further period of five years to eliminate any remaining doubts as to its minimum duration. No other amendments were made to the control and profit transfer agreement.

Wiesbaden, 20 December 2019

Aareal Bank AG  
Management Board

Aareal Immobilien Beteiligungen GmbH  
Management