



**Additional information concerning Aareal Bank AG's
virtual Annual General Meeting on 31 August 2022**

(non-legally binding document)

August 2022

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YOUR COMPETITIVE ADVANTAGE.

Agenda of the virtual Annual General Meeting on 31 August 2022

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, the explanatory reports of the Management Board in accordance with sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – “HGB”), as well as the Report by the Supervisory Board for the 2021 financial year (p. 5 et seq.)

Agenda item 2 Passing of a resolution on the appropriation of net retained profit for the 2021 financial year (p. 7 et seq.)

Agenda item 3 Passing of a resolution on the formal approval of the Management Board members for the 2021 financial year (p. 9 et seq.)

Agenda item 4 Passing of a resolution on the formal approval of the Supervisory Board members for the 2021 financial year (p. 12 et seq.)

Agenda item 5 Passing of a resolution on the appointment of the statutory external auditors (p. 15 et seq.)

Agenda item 6 Passing of a resolution on the approval of the remuneration system for the Management Board (p. 17 et seq.)

Agenda item 7 Passing of a resolution on the approval of the remuneration report for the 2021 financial year (p. 17 et seq.)

Agenda item 8 Passing of a resolution on Supervisory Board elections (p. 26 et seq.)

Agenda item 9 Passing of a resolution on the cancellation of Authorised Capital 2017 and on new Authorised Capital 2022 (p. 34 et seq.)

Agenda item 10 Passing of a resolution on the reduction of Conditional Capital 2019 (p. 36 et seq.)

Agenda item 11 Passing of a resolution on the approval of a control and profit transfer agreement (p. 38 et seq.)

General information on Aareal Bank's virtual Annual General Meeting 2022



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The Annual General Meeting as a virtual meeting

Under the Act on Measures Affecting the Law on Corporations, Cooperatives, Associations, Foundations and Residential Property to Combat the Effects of the COVID 19-Pandemic (“C19-AuswBekG”), which came into effect on 28 March 2020 and was amended and extended numerous times, it is possible for annual general meetings to be held without the physical presence of shareholders or their representatives until 31 August 2022 (virtual Annual General Meeting). Since the COVID-19 pandemic, and the applicability of the rules of conduct adopted by the State of Hessen for the avoidance of health risks to shareholders, employees and external service providers, as well as to members of the Company’s Supervisory Board and Management Board are continuing, the Management Board has decided – with the Supervisory Board’s consent – to make use of the possibility of holding a virtual Annual General Meeting.

Important details

- **Date:** 31 August 2022 at 11:00 CEST
- **Location:** Aareal Bank AG’s registered office at Paulinenstrasse 15, 65189 Wiesbaden, Germany
- **Conducted** as a virtual Annual General Meeting, without the physical presence of the shareholders and their representatives; participation by means of electronic connection
- **Streaming (audio and video) for duly registered shareholders and their representatives:**
www.aareal-bank.com (go to Investors / Equity Investors / General Meeting 2022)
- Shares held in ISIN DE0005408116 and ISIN DE000A30U9F9 are eligible to vote

Presentation of the (consolidated) financial statements, of the (Group) Management Report, the Explanatory Reports of the Management Board, and the Supervisory Board Report



Presentation of the (consolidated) financial statements, and of the management reports

68

€ mn

Consolidated operating profit before taxes

155

€ mn

Net profit of Aareal Bank AG

53

€ mn

Consolidated net income allocated to ordinary shareholders

0.89

€

EpS

5.3

per cent

RoE

Key indicators

	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Results		
Operating profit (€ mn)	155	-75
Consolidated net income (€ mn)	68	-69
Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾	53	-90
Cost/income Ratio (%) ²⁾	43.6	44.2
Dividend per share (€) ³⁾	1.60	0.40
Earnings per ordinary share (€) ¹⁾	0.89	-1.50
RoE before taxes (%) ¹⁾	5.3	-4.1
RoE after taxes (%) ¹⁾	2.1	-3.6

	31 Dec 2021	31 Dec 2020
Statement of financial position		
Property finance (€ mn)	30,048	27,834
Equity (€ mn)	3,061	2,967
Total assets (€ mn)	48,728	45,478

1) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.

2) Structured Property Financing segment only; in line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included.

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Proposal on the appropriation of profits



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Allocation of net retained profit to other retained earnings

- The confirmed annual financial statements contain a proposal by the management to allocate net retained profit of €95,771,553.60 to other retained earnings.
- The proposal on the appropriation of profits to the Annual General Meeting was made with regard to the takeover offer by Atlantic BidCo GmbH and the Investment Agreement entered into in this context.

Proposal on the appropriation of profits to the AGM 31 August 2022

Aareal Bank's Management Board and Supervisory Board will propose to the Annual General Meeting on 31 August 2022 to allocate 2021 net retained profit of €95,771,553.60 to other retained earnings.

Formal approval of the members of the Management Board for the 2021 financial year

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The Management Board stands for the Group's success

Formal approval for Management Board members who were active in the financial year 2021

The Management Board is responsible for Aareal Bank Group's performance.

The Group's performance is based on the strict implementation of "Aareal 2020", and will be continued through "Aareal Next Level".



Jochen Klösger

Chief Executive Officer (since 15 Sep 2021)

His responsibilities include the Group's strategic development, as well as the BDS, Corporate Communications, and Audit divisions.

Jochen Klösger possesses expertise – inter alia – in strategic development, portfolio management and control, M&A and investment management, commercial property finance, IT, and risk management.

Management Board experience since 2009



Marc Hess

Chief Financial Officer

His responsibilities include Finance and Treasury.

Marc Hess possesses expertise – inter alia – in the banking business, strategic planning, finance and accounting, external reporting, the management of liquidity, IRRBB and investment risks, risk management systems, and corporate IT.

Management Board experience since 2007



Christiane Kunisch-Wolff

Chief Risk Officer

Her responsibilities include Risk Controlling, non-financial risks (including Compliance and information security), and Regulatory Affairs.

Christiane Kunisch-Wolff possesses expertise – inter alia – in the banking business, the management of all material risks, along with the design and assessment of risk management systems.

Management Board experience since 2006, retired as at 30 June 2022



Christof Winkelmann

Chief Market Officer

His responsibilities include the Sales units in Structured Property Finance.

Christof Winkelmann possesses expertise – inter alia – in Structured Property Financing and risk management – especially regarding credit, property and market risks.

Management Board experience since 2016

The Management Board stands for the Group's success

The Management Board is responsible for Aareal Bank Group's performance.

The Group's performance is based on the strict implementation of "Aareal 2020", and will be continued through "Aareal Next Level".

Formal approval for retired members



Hermann J Merkens

Chief Executive Officer

His responsibilities included the Group's strategic development, as well as the Investor Relations, HR, Legal, Audit and Corporate Communications divisions.

Hermann J Merkens possesses expertise – inter alia – in the areas of banking business, software and digital solutions for the housing industry, corporate IT, strategic planning, the design and assessment of risk management systems, staff and succession planning, and remuneration.

Management Board experience since 2003, retired as at 30 April 2021



Dagmar Knopek

Chief Lending Officer

Her responsibilities include Credit Management, Operations, and the Workout portfolio.

Dagmar Knopek possesses expertise – inter alia – in Real Estate Structured Finance and risk management – especially regarding credit, property, market and NPL risks.

Management Board experience since 2013, retired as at 31 May 2021



Thomas Ortmanns

Chief Digitalisation Officer

His responsibilities include Aareal Bank Group's business segments covering activities in the housing, property and energy industries.

Thomas Ortmanns possesses expertise – inter alia – in the banking business, housing management / software & digital solutions, corporate IT, payment services, as well as risk management – especially regarding IT and cyber risks.

Management Board experience since 2005, retired as at 30 September 2021

Formal approval of the members of the Supervisory Board for the 2021 financial year

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Presentation of the Supervisory Board 2021 / the Supervisory Board's overall profile of skills and expertise



Prof. Dr Hermann Wagner

Chairman of the Supervisory Board, and of the Remuneration Control, the Executive and Nomination, and the Audit Committees since 23 November 2021

Prof. Dr Hermann Wagner possesses expertise – inter alia – in accounting, external reporting, and also in assessing the effectiveness of internal control and risk management systems.



Richard Peters

Deputy Chair of the Supervisory Board

Richard Peters possesses expertise – inter alia – in strategic planning, risk management systems (including remuneration systems), treasury, accounting and external reporting, as well as information technology



Klaus Novatius*

Deputy Chair of the Supervisory Board – employee representative

Klaus Novatius possesses expertise – inter alia – in property financing and risk management systems for banks



Jana Brendel

Chair of the Technology and Innovation Committee since 9 December 2021

Jana Brendel possesses expertise – inter alia – in payments, digitalisation, IT and cyber risks



Sylvia Seignette

Chair of the Risk Committee

Sylvia Seignette possesses expertise – inter alia – in strategic planning, financial markets, M&A, risk management and risk assessment, as well as in the design of risk management systems for banks (including remuneration systems)



Elisabeth Stheeman

Elisabeth Stheeman possesses expertise – inter alia – in property financing, risk management and risk assessment, as well as in the design of risk management systems (including remuneration systems) and IT/cyber risks



Thomas Hawel*

Thomas Hawel possesses expertise – inter alia – in ERP systems and digital products for the housing industry



Petra Heinemann-Specht*

Petra Heinemann-Specht possesses expertise – inter alia – in credit portfolio administration and management (including problem loans and intensified handling), and risk classification



Jan Lehmann*

Jan Lehmann possesses expertise – inter alia – in ERP systems, digitalisation, and Aareon's business and products



Marija Korsch

Chairman of the Supervisory Board, and of the Remuneration Control, the Executive and Nomination committees until 23 November 2021, Supervisory Board member until 9 December 2021

Marija Korsch possesses expertise – inter alia – in strategic planning, banking business, succession planning, financial markets, M&A investments, together with the design and evaluation of risk management systems (incl. remuneration).



Christof von Dryander

until 9 December 2021

Christof von Dryander possesses expertise – inter alia – in banking, strategic planning, corporate governance, risk management systems (including remuneration systems), compliance, AML, along with accounting matters and external reporting.



Hans-Dietrich Voigtländer

Chair of the Technology and Innovation Committee until 9 December 2021

Hans-Dietrich Voigtländer possesses expertise – inter alia – in IT, digitalisation, innovation management, digital transformation, cyber risks, banking business, the design and evaluation of risk management systems (including remuneration systems), as well as accounting.

*Employee representatives

**According to Aareal Bank's Declaration of Compliance from December 2021, Prof. Dr Wagner is chairing both the Supervisory Board and the Audit Committee, contrary to recommendation D. 4 sentence 2 German Corporate Governance Code. This is due to the coincidence in time of the preparation and audit of the consolidated financial statements and the annual financial statements as well as the personnel changes in the Supervisory Board. The Supervisory Board intends to comply with the Code recommendation again after the Annual General Meeting in 2022 and the constitution of the new Supervisory Board following an appropriate transition period.

The Supervisory Board has fulfilled its obligations

- The Supervisory Board has monitored, consulted and challenged the Management Board throughout the 2021 financial year.
- That especially included dealing with the takeover offer.
- The Supervisory Board has considered shareholders' expectations regarding its role, together with the functioning and composition of the Supervisory Board.
- The Supervisory Board has thoroughly revised the Management Board's remuneration system, taking into account comments from shareholders, with the aim of making Aareal Bank's remuneration structure more effective, and reflecting the Annual General Meeting's vote as well as the comments and opinions voiced by shareholders.

Participation in Supervisory Board meetings during 2021

Member of the Supervisory Board	Plenary meetings attended	Quota	Committee meetings attended	Quota	Number of meetings attended / number of meetings (plenary and committee meetings)
Prof. Dr Hermann Wagner	26 / 26	100%	35 / 35	100%	61 / 61
Marija Korsch	23 / 23	100%	45 / 45	100%	68 / 68
Richard Peters	22 / 26	85%	35 / 40	88%	57 / 66
Klaus Novatius*	26 / 26	100%	31 / 32	97%	57 / 58
Jana Brendel	24 / 26	92%	11 / 11	100%	35 / 37
Thomas Hawel*	26 / 26	100%	4 / 4	100%	30 / 30
Petra Heinemann-Specht*	26 / 26	100%	15 / 15	100%	41 / 41
Jan Lehmann*	26 / 26	100%	5 / 5	100%	31 / 31
Sylvia Seignette	26 / 26	100%	8 / 8	100%	34 / 34
Elisabeth Stheeman	25 / 26	96%	12 / 12	100%	37 / 38
Hans-Dietrich Voigtländer	23 / 23	100%	21 / 21	100%	44 / 44
Christof von Dryander	23 / 23	100%	37 / 37	100%	60 / 60
* Employee representative					

Appointment of statutory external auditors for the 2022 financial year and Q1/2023



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Change in statutory external auditors was completed

- KPMG has been acting as Aareal Bank's new auditor since May 2021. The Audit Committee has closely monitored KPMG's independence since the beginning of the cooling-in period at the beginning of the financial year prior to the financial year subject to auditing.
- KPMG AG Wirtschaftsprüfungsgesellschaft, the auditors of the 2021 financial statements – as elected for the first time by the Annual General Meeting 2021 and instructed accordingly by the Supervisory Board – have exercised their audit activities under the management of Messrs Gero Wiechens, Markus Winner and Franz Haider. The auditor responsible for the audit is Markus Winner.
- KPMG will be proposed as auditor for the 2022 financial year and a possible audit review of the interim statement for Q1 2023 as well as for the half-year financial statements prior to the Annual General Meeting in 2023, which will resolve on the statutory external auditors for the 2023 financial year.

Overview of audit and non-audit services in 2021

	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
000's €		
Auditing fees	4,066	4,056
Other assurance services	192	173
Tax advisory services	-	2
Other services	26	102
Total	4,284	4,333

- Other assurance services include the review in accordance with the German Securities Trading Act (WpHG), the remuneration report, comfort letters and the review of the separate combined non-financial report.
- Other services primarily include regulatory advice.
- The Bank has complied with the 70% fee cap (observed voluntarily until 2019) at all times.

**Approval of the remuneration system for the Management Board /
Approval of the remuneration report for the 2021 financial year**



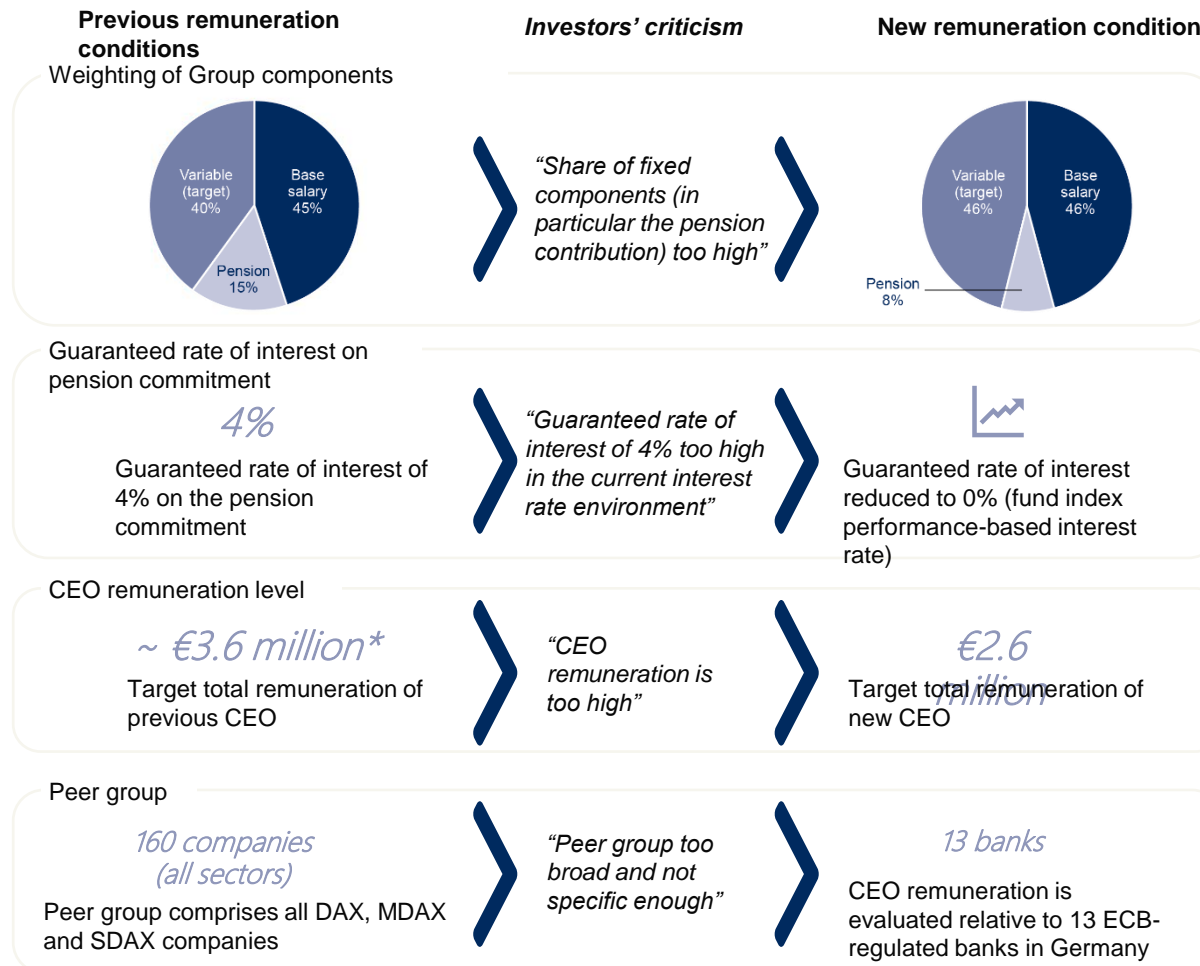
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Revised Management Board remuneration system

Overview of significant changes

	Previous system	Revised system
Remuneration structure and levels*	Remuneration component weighting within target total remuneration Base salary ~ 45% Pension contribution ~ 15% Target variable ~ 40%	CEO: <ul style="list-style-type: none"> • Base salary ~ 46% • Pension contribution ~ 8% • Target variable ~ 46% Other Board members: <ul style="list-style-type: none"> • Base salary ~ 52% • Pension contribution ~ 8% • Target variable ~ 40%
	Pension scheme Guaranteed interest of 4% p.a. In general, life-long pension payments	Fund index performance-based interest rate In general, payout as a one-time payment
	Peer group All DAX, MDAX and SDAX constituents	Selected companies
Performance criteria**	Target structure 70% Group targets 15% sectional targets 15% individual targets	70% Group component 30% strategic component
	Group component Performance criteria laid down by the Supervisory Board (in practice, operating profit target achievement multiplied by RWA target achievement)	Four clearly outlined targets, one of them being an ESG component
	Strategic component Two to four divisional targets and up to two individual targets No provisions in relation to target weighting Catalogue of 22 potential performance criteria	Three equally-weighted targets, of which one ESG target Catalogue of three categories with potential performance criteria
	ESG targets Individual targets include exclusively ESG targets	Inclusion of a separate ESG target in the Group component
	Modifier The Group component can be adjusted by +/-20% in the event of exceptional events.	Abolition of the modifier
Additional provisions*	Change-of-control clause Service contracts can include change-of-control clauses with a claim to severance payments	Future service contracts will no longer include change-of-control provisions
	Maximum remuneration The maximum remuneration in accordance with section 87a of the German Public Limited Companies Act (Aktiengesetz, AktG) is €5.5 million	The maximum remuneration in accordance with section 87a of the German Public Limited Companies Act (Aktiengesetz, AktG) is €4.5 million

In June 2021, the Supervisory Board appointed Jochen Klösger as the new CEO at conditions that already addressed investors' essential concerns



Already used in June 2021 for the CEO remuneration

The new CEO remuneration structure stresses the variable component and reinforces the "pay-for-performance" principle

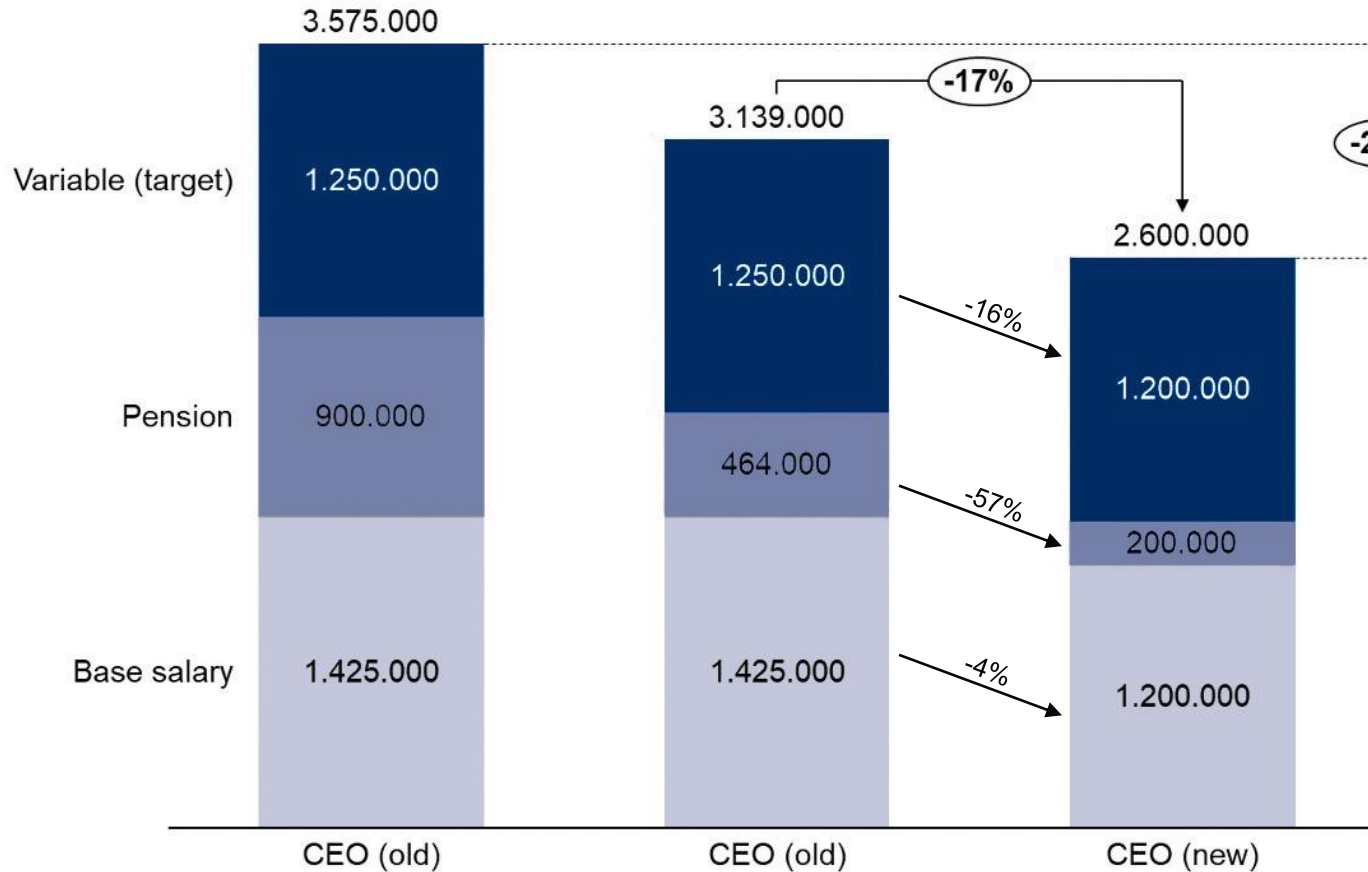
The new pension commitment significantly reduces the balance-sheet risks

Significant reduction of approx. 27% in the CEO remuneration

The new peer group approach focuses on companies that compete for the same talents

* €3.6 million reflects the approximate service cost (IFRS), taking into account the previous guaranteed rate of interest of 4%, while observing the actuarial parameters for 2021.

The remuneration conditions of the new CEO address the essential concerns of Aareal Bank investors, by having significantly reduced the target total remuneration



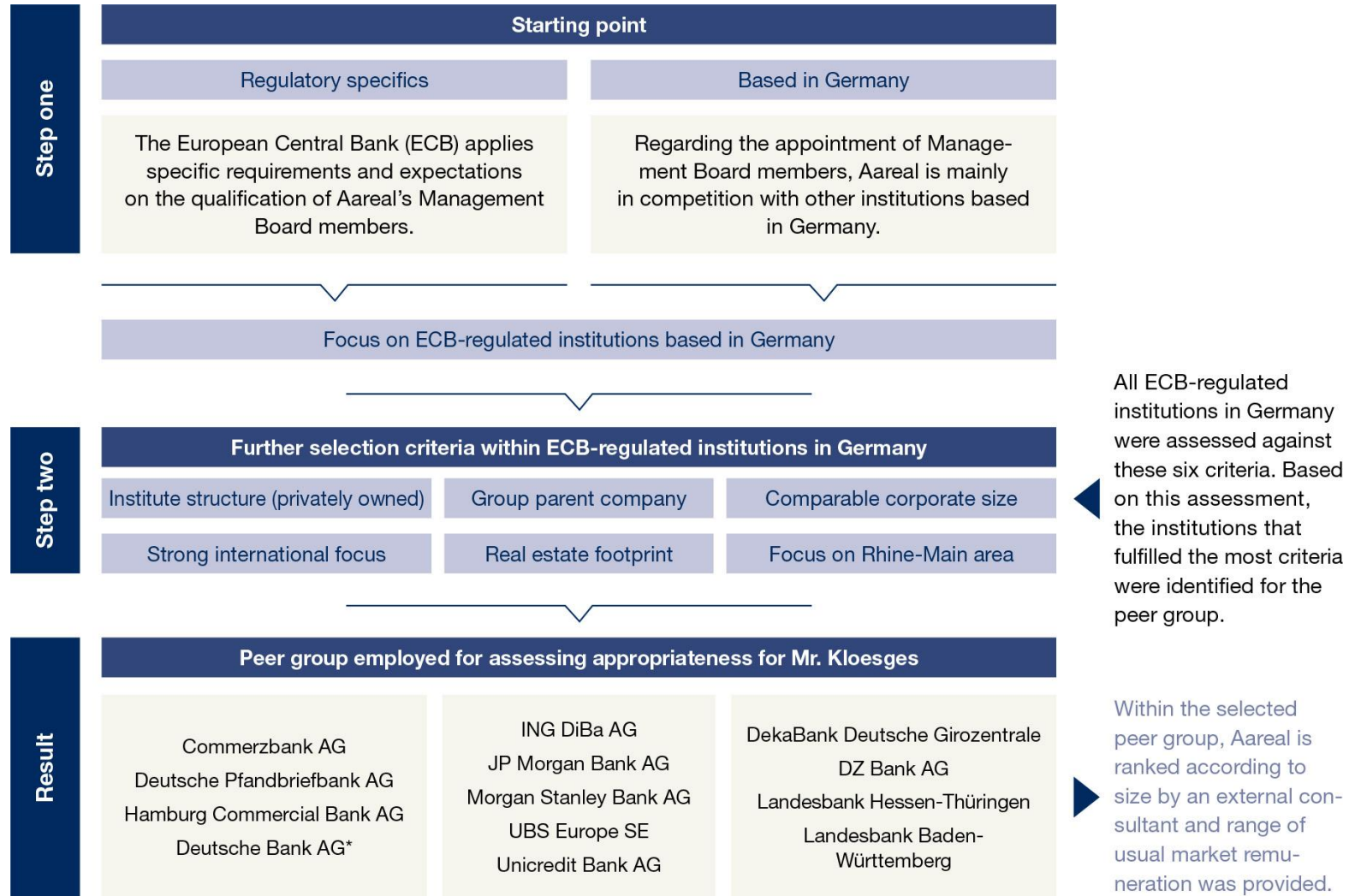
Approximate reduction when taking into account the service cost (IFRS) of the pension commitments

- The CEO's target total remuneration was reduced significantly.
- The share of the pension contributions was reduced from ~ 15% to 8%, which addresses investors' essential concerns.
- Furthermore, the guaranteed rate of interest was reduced from 4% to 0%.

"Pension" means the approximate service cost (IFRS) under the old pension commitment and the actuarial conditions applied in 2021

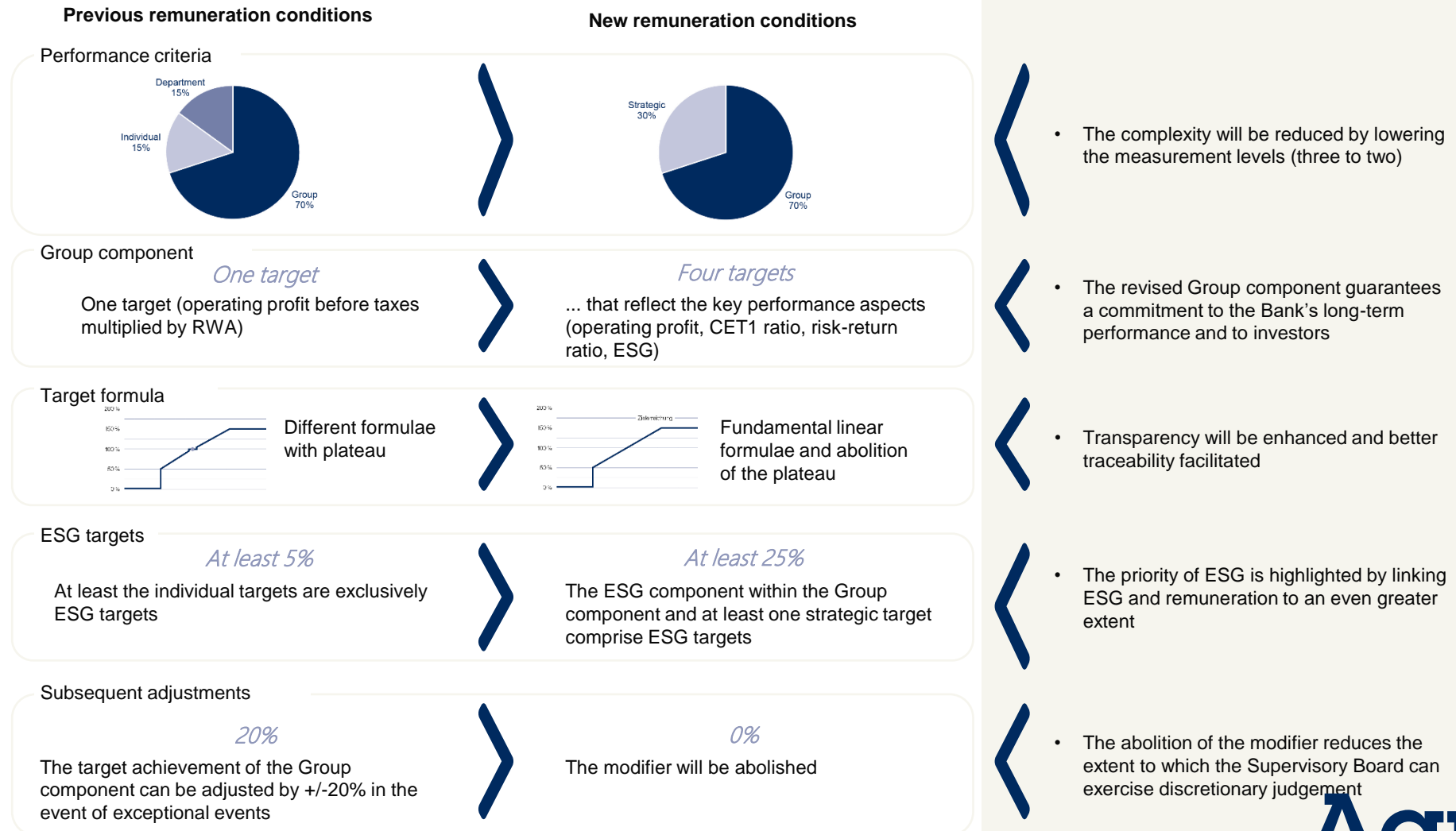
"Pension" means the pension contribution in line with previous conditions

The peer group for evaluating Jochen Klösge's remuneration was derived on the basis of specific criteria

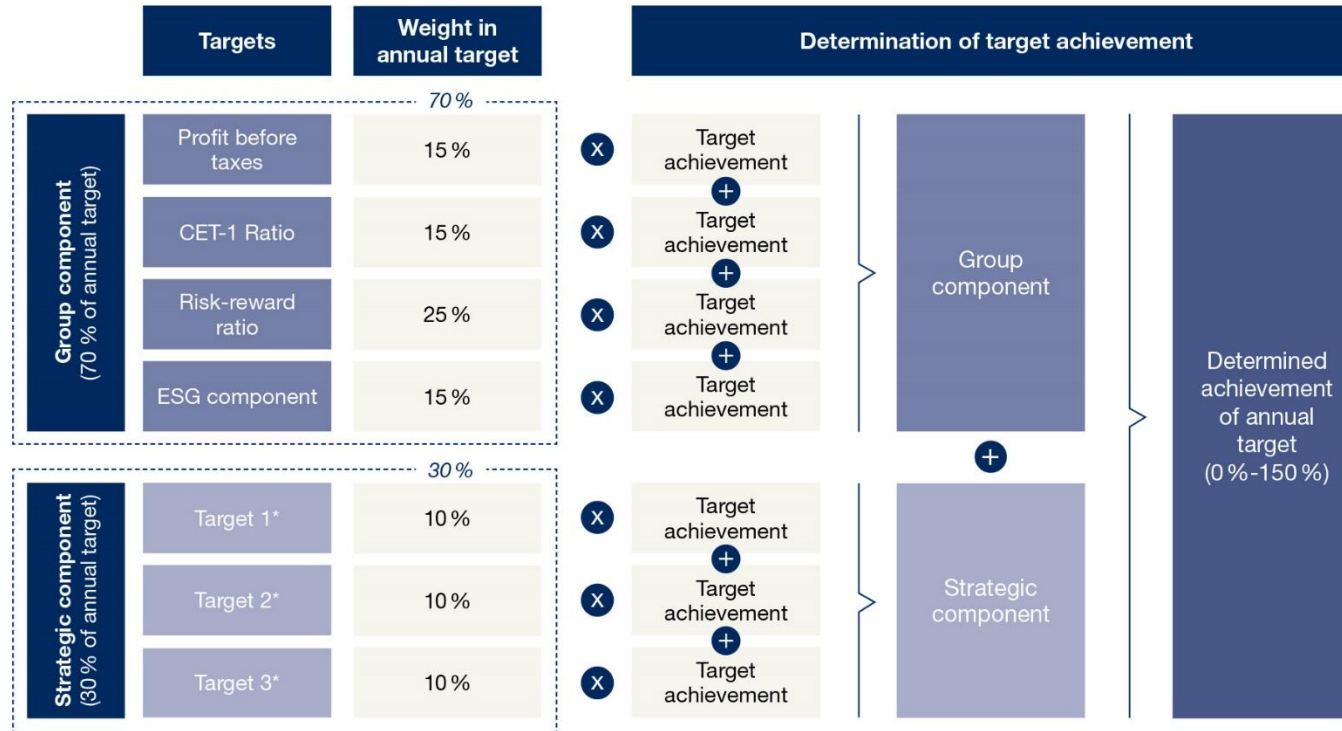


* The remuneration comparison is not made with the Management Board of Deutsche Bank but with the Management Board level corresponding to the former Postbank AG/Privat- und Firmenkundenbank AG

In the new remuneration system, the performance criteria for measuring the variable remuneration were revised



In the new structure, a strong connection between pay and performance is guaranteed, the priority of ESG is increased, and the risk-oriented restrictions are retained



* At least one target within the Strategic Component is an ESG target.

- The targets within the Group component reflect the Bank's total operating performance
- The targets within the strategic component reflect the divisional responsibilities of the Management Board members
- Given that at least one target within the Group component and at least one target within the strategic component are ESG targets, 25% of the variable remuneration is based on ESG targets

The target achievement depends on additional conditions of the ex-ante risk adjustment:

- Specific capital and liquidity thresholds must be met.
- A penalty review is carried out.
- Specific risk indicators are reviewed during the financial year using a risk matrix. The target achievement can be reduced, depending on how often the risk indicators fall short of a specific threshold in the course of the year.

All targets and indicators are derived from the Bank's strategies and support the strategic ambitions

Group component (70% of the annual targets)	
Operating profit before taxes	<ul style="list-style-type: none"> Strong orientation towards internal management mechanisms and the expectations of capital markets The indicator reflects the performance of the Bank as a whole and of all business segments.
CET-1 Ratio	<ul style="list-style-type: none"> Strong link to sustainable and robust capital structure Established management element for overarching risk position and assessment
Risk/return ratio	<ul style="list-style-type: none"> Ratio of net interest income and risk-weighted assets (net interest income / RWA) Strong orientation towards the Bank's most important source of income
ESG component	<ul style="list-style-type: none"> The Supervisory Board selects Company-specific ESG-related management indicators in line with the Bank's overarching strategic ESG targets and ambitions (e.g. share of green loans, green financing)



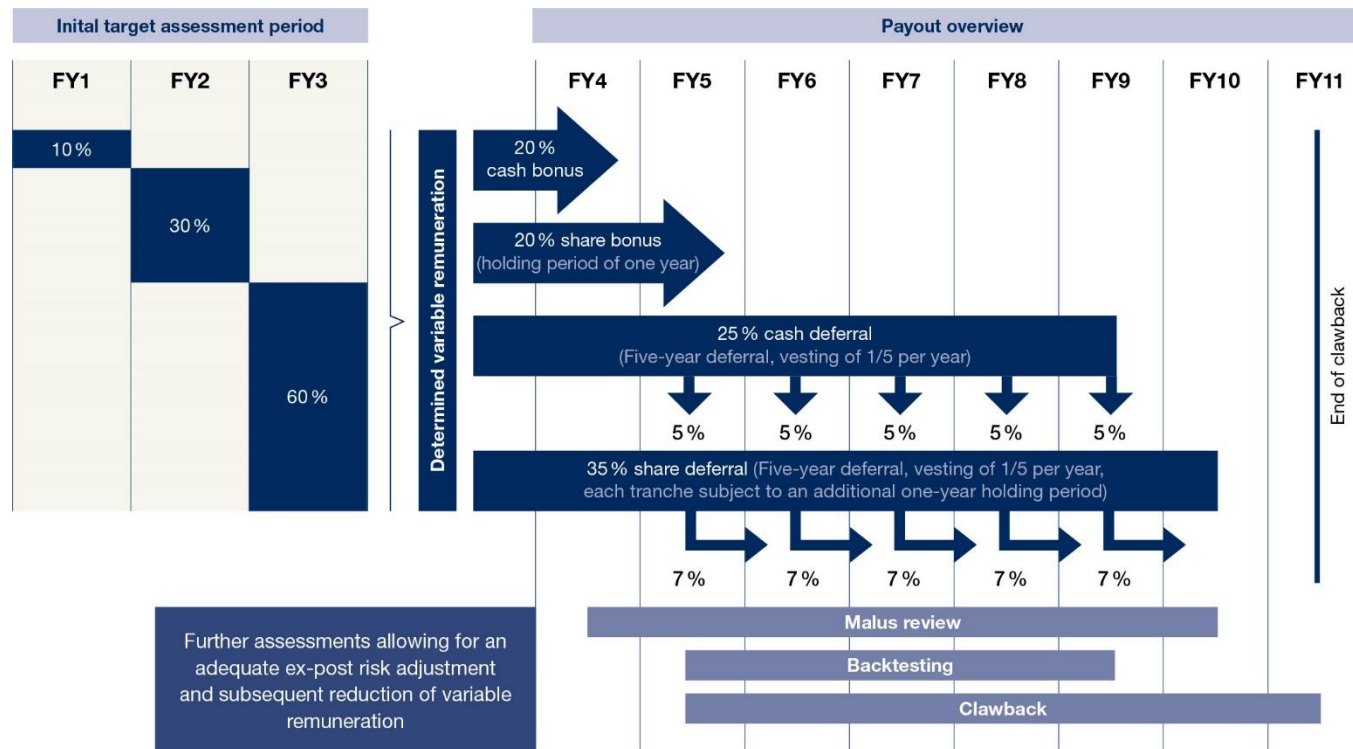
- As a rule, all target achievements are calculated on a linear basis
- The maximum target achievement is 150%*
- The target achievement is 0%, provided the calculated target achievement is less than 50%



* The maximum total target achievement is also 150%. The amount of the CEO's variable remuneration can be limited by the bonus cap set out in German banking regulations.

Strategic component (30% of the annual targets)			
The three targets of the strategic component are derived from a catalogue with three categories and determined by the Supervisory Board.			
Implementation of business strategy	Advancement	ESG targets	
Targets of business strategy	Strategic projects & initiatives	Risk management & risk culture	Climate & environment
Financial/liquidity planning	Effectiveness & efficiency of organization	Regulation/compliance	Employee management & diversity
Business/product development	Transformation	Capital markets/investors	Client satisfaction
<ul style="list-style-type: none"> At least one strategic target must be an ESG target. With regard to the targets for Management Board members with responsibility for control functions, the Supervisory Board ensures that the targets do not conflict with this responsibility. 			

The remuneration system remains strongly aligned with the Bank's long-term performance and maintains the high share-based portion, the long deferral periods and the clawback conditions



- Every target achievement directly impacts the variable remuneration of three financial years (three-year assessment period)
- 55% of the variable remuneration is share-based
- 80% of the variable remuneration is paid out on a deferred basis
- The clawback option ends one year after the last holding period

Elections of Supervisory Board members

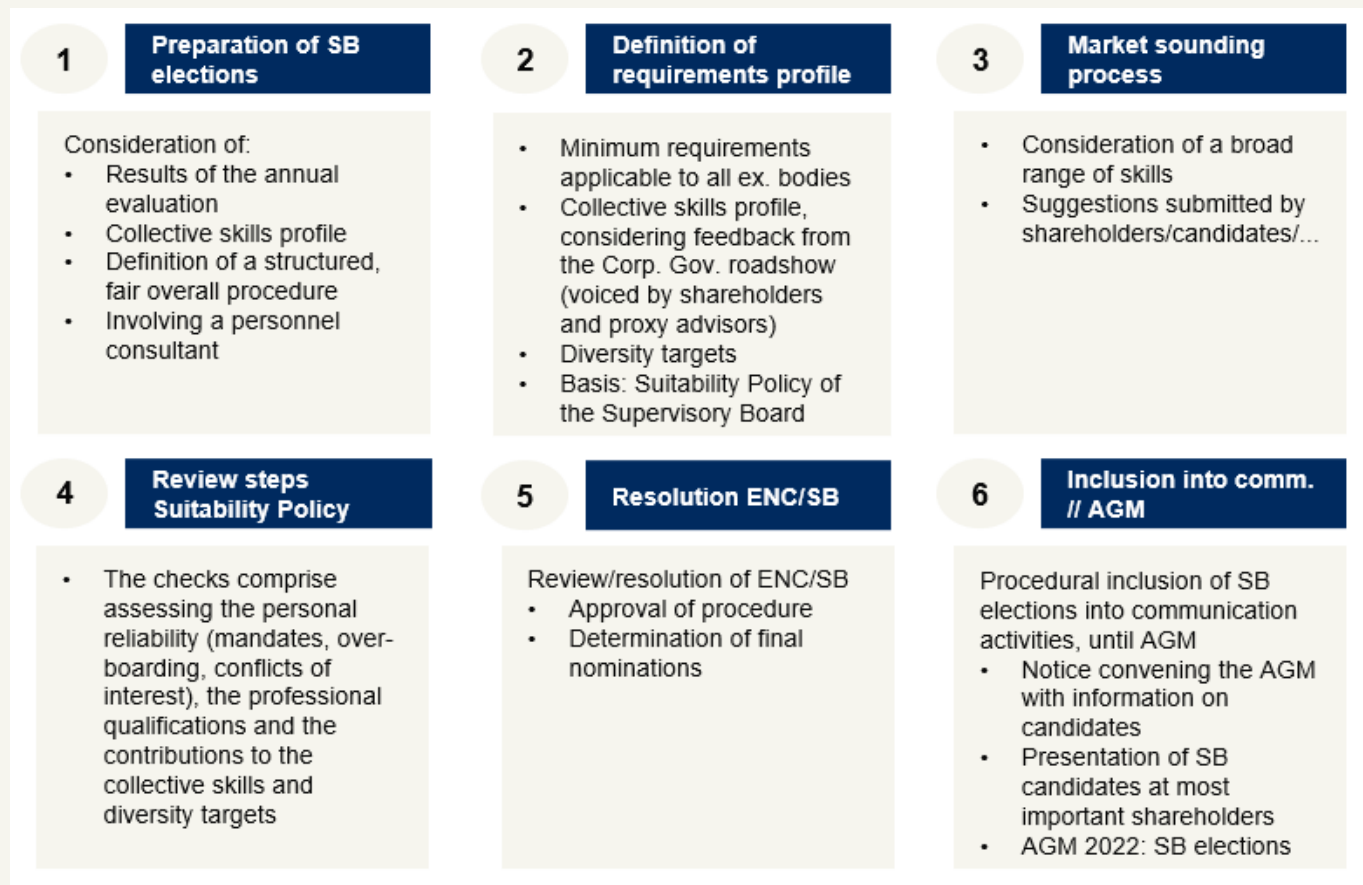


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The General Meeting needs to elect six shareholder representatives

- The General Meeting on 9 December 2021 voted to remove the Supervisory Board members Marija Korsch, Christoph von Dryander and Hans-Dietrich Voigtländer with a narrow majority.
- The Company launched a succession process without delay and initiated the judicial appointment of three new Supervisory Board members.
- On 14 January 2022, the Frankfurt/Main Higher Regional Court appointed Holger Giese, Friedrich Munsberg and Dr Ulrich Theileis as members of Aareal Bank's Supervisory Board, for a term of office until the next ordinary General Meeting.
- Richard Peters, Jana Brendel and Elisabeth Stheeman have resigned from their offices, effective at the end of the General Meeting.

Nomination process



Candidates pass the Fit & Proper review by BaFin and the ECB

- Henning Giesecke is a risk management expert who brings property financing, banking business, and corporate governance experience to the table.
- Hans-Hermann Lotter is a seasoned banker commanding vast experience in the areas of international M&A and joint ventures, strategic planning and governance.
- Denis Hall is a qualified German bank officer with long-standing risk management experience and a focus on banking, M&A, and technology/IT security.
- Marika Lulay is a digitalisation, technology, and IT expert, bringing along extensive experience in the areas of strategic planning, M&A, corporate governance, and business and corporate development.
- Barbara Knoflach is not only an experienced property asset manager, but also a strategic planning, banking business, IT/digitalisation, and M&A expert.
- José Sevilla Álvarez can look back on many years of experience in the banking business; his focus lies on risk management, strategic planning, accounting, M&A, and corporate governance.

Candidates proposed by the Supervisory Board to the General Meeting



Henning Giesecke

(new)

Expertise in risk management, banking business, property financing, and corporate governance

Independent in the sense of C 13 DCGK



Hans-Hermann Anton Lotter

(new)

Expertise in the banking business, governance issues, international M&A and joint ventures, audit of financial statements as well as strategic planning

Mr Lotter is one of the managing directors of Atlantic BidCo GmbH and therefore not considered independent*



Denis Hall

(new)

Expertise in the banking business, risk management, M&A and technology/IT security

Independent in the sense of C 13 DCGK



Marika Lulay

(new)

Expertise in corporate governance, strategic planning, business and corporate development, M&A, digitalisation, technology and IT

Independent in the sense of C 13 DCGK



Barbara Antonia Knoflach

(new)

Expertise in the banking business, strategic planning, IT/digitalisation and M&A

Independent in the sense of C 13 DCGK



José Sevilla Álvarez

(new)

Expertise in the banking business, risk management, accounting and financial reporting, corporate governance, M&A and strategic planning

Independent in the sense of C 13 DCGK

*See also the targets and requirements for independence in the Supervisory Board on page 30

All candidates possess the required skills and expertise, as defined by Aareal Bank

- **Personal reliability:**
All candidates have to show integrity, be of good reputation, and have sufficient time.
- **Professional qualification:**
All candidates must have the requisite knowledge, skills, and experience to fulfil their duties as Supervisory Board members.
- **Additional collective professional requirements**
(the Corporate Governance Statement also includes requirements in respect of diversity, international profile, etc.)
 - Experience in sectors and financial markets which are material to Aareal Bank Group,
 - Digitalisation and transformation
 - Strategic planning
 - Design and assessment of risk management systems, internal control systems and corporate governance frameworks
 - Accounting and audit of financial statements

All candidates are able to commit a sufficient amount of time, and are not overburdened

- In accordance with the provisions of the German Banking Act (*Kreditwesengesetz* – “KWG”), members of the Supervisory Board may hold (i) a maximum of one other Management Board office and one Supervisory Board office; or (ii) a maximum of three other Supervisory Board offices, in addition to their office at Aareal Bank, unless the supervisory authority approves a corresponding exception for another Supervisory Board office.
- Each appointment is approved by the supervisory authority. The reporting forms to the supervisory authority must include explanations on the amount of time candidates are able to commit to each mandate; this is checked by the ECB and BaFin.

Diversity targets for the Supervisory Board

Diversity criterion	Target	Deadline	Status (including candidates)
Age limit of 70 years (upon re-election)	Absolute limit	Permanent	0%
Members < 60 years	92%	Permanent	7 (58.33%)
Female quota on the Supervisory Board	At least 33%	30 June 2027	4 (33.33%)
Diversity in terms of educational or professional background (observing section 100 (5) AktG)	At least 50% with experience in the banking business, but at least 8% with non-banking experience	Permanent	Bank experience = 8 (66.67%) Non-bank experience = 4 (33.33%)
International experience (based on origin or professional experience)	No fixed target	Permanent	6 (50%)
Independence of the Chairpersons of the Supervisory Board and the Committees	100%	Permanent	Fulfilled
Independence of more than half of the members of the Supervisory Board, and of the Personnel & Nomination, Remuneration Control, Audit, and Risk Committees	50%	Permanent	Fulfilled

At the time of the election, none of the Supervisory Board members will hold more than four offices in total.



Henning Giesecke

(new)

- The Social Chain AG, Vice-Chairman of the Supervisory Board
- The Social Chain Group AG, Vice-Chairman of the Supervisory Board¹
- Linde + Wiemann Holding SE, Vice-Chairman of the Supervisory Board
- Erste Abwicklungsanstalt AöR, Member of the Board of Directors



Hans-Hermann Anton Lotter

(new)

- Atlantic BidCo GmbH, member of the Management Board
- Al Alpine (Luxemburg) S.à r.l., Chairman of the Board of Directors
- TK Elevator GmbH, Chairman of the Supervisory Board
- Hermes Germany GmbH, member of the Supervisory Board
- Vertical Topco S.à r.l., member of the Board of Directors²



Denis Hall

(new)

- Auxmoney Europe Holdings Ltd, Non-Executive member of the Board of Directors
- Moneta Money Bank AS, member of the Supervisory Board
- Skipton Building Society, Non-Executive member of the Board of Directors



Marika Lulay

(new)

- GFT Technologies SE, Chief Executive Officer (CEO), Managing Director and member of the Board of Directors
- EnBW AG, Member of the Supervisory Board



Barbara Antonia Knoflach

(new)

- LifeWorkSpace, member of the Management Board
- Landmarken AG, member of the Supervisory Board
- Swiss Prime Site AG, member of the Board of Directors
- CTP N.V., Chair and Non-Executive member of the Board of Directors



José Sevilla Álvarez

(new)

- Renta 4 Banco, Non-Executive member of the Board of Directors

All offices and other activities are reviewed by the supervisory authority, indicating the specific time requirements

BaFin



ECB



Deutsche Bundesbank



The proposed candidates preserve continuity, strengthening the Supervisory Board's collective competence profile in banking corporate governance, digitalisation, payment services, as well as M&A.



Prof. Dr Hermann Wagner

Chairman of the Supervisory Board, and of the Remuneration Control, the Executive and Nomination, and the Audit Committees since 23 November 2021

Prof. Dr Hermann Wagner possesses expertise – inter alia – in accounting, external reporting, and also in assessing the effectiveness of internal control and risk management systems.



Hans-Hermann Anton Lotter

(new)

Expertise in the banking business, governance issues, international M&A and joint ventures, audit of financial statements as well as strategic planning



Klaus Novatius*

Deputy Chair of the Supervisory Board – employee representative

Klaus Novatius possesses expertise – inter alia – in property financing and risk management systems for banks



Denis Hall

(new)

Expertise in the banking business, risk management, M&A and technology/IT security



Sylvia Seignette

Chair of the Risk Committee

Sylvia Seignette possesses expertise – inter alia – in strategic planning, financial markets, M&A, risk management and risk assessment, as well as in the design of risk management systems for banks (including remuneration systems)



Henning Giesecke

(new)

Expertise in risk management, banking business, property financing, and corporate governance



Thomas Hawel*

Thomas Hawel possesses expertise – inter alia – in ERP systems and digital products for the housing industry



Petra Heinemann-Specht*

Petra Heinemann-Specht possesses expertise – inter alia – in credit portfolio administration and management (including problem loans and intensified handling), and risk classification



Jan Lehmann*

Jan Lehmann possesses expertise – inter alia – in ERP systems, digitalisation, and Aareon's business and products



Marika Lulay

(new)

Expertise in corporate governance, strategic planning, business and corporate development, M&A, digitalisation, technology and IT



Barbara Antonia Knoflach

(new)

Expertise in the banking business, strategic planning, IT/digitalisation and M&A



José Sevilla Álvarez

(new)

Expertise in the banking business, risk management, accounting and financial reporting, corporate governance, M&A and strategic planning

*Employee representatives

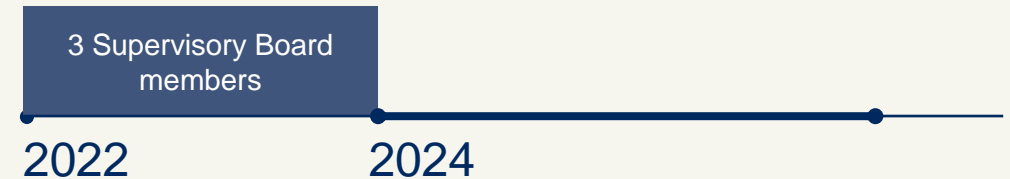
Staggered Boards

- Two Supervisory Board members are proposed to be elected for two years (2022-2024)
- Four Supervisory Board members are proposed to be elected for four years (2022-2026)
- Due to Sylvia Seignette’s retirement, an additional shareholder representative will need to be elected in 2023. A successor to Sylvia Seignette could be elected for a term of three years (until 2026) to restore two groups of members.
- The appointment of Prof. Dr Hermann Wagner will expire in 2024; accordingly, a group of three Supervisory Board members could be (re-)elected in that year.

Next Supervisory Board elections at the AGM 2023

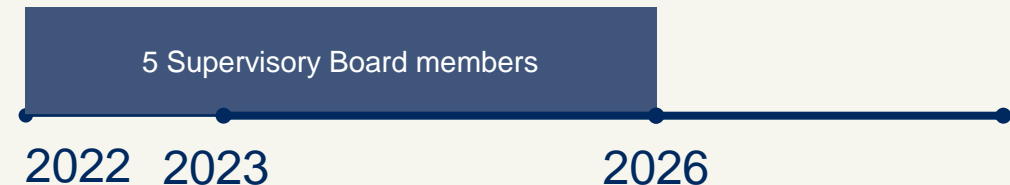
Group 1

Hall, Lotter [plus Wagner from 2024]



Group 2

Knoflach, Lulay, Giesecke, Sevilla [plus successor to Seignette from 2023]



Creation of Authorised Capital 2022

Reduction of existing Conditional Capital 2019

9-10

Aareal

Cancellation of existing authorised capital and creation of new Authorised Capital 2022 (agenda item 9)

Authorised Capital 2022

Volume	20% of share capital
Term	Term of five years until 30 August 2027
Cash capital increase	20% of share capital
Capital increase in kind	20% of share capital
Exclusion of subscription rights	Only in the event of up to 10% of share capital

Currently, the Management Board does not intend to make use of these authorisations

This is an authorisation which – in principle – corresponds to the authorisation granted in 2017. However, the amount of €89,785,830 (= 40% of share capital) has now been reduced to €35,914,329 (= 20% of share capital). Any exclusion of shareholders' subscription rights upon utilisation of the authorisation shall be limited to a total of 10% of the share capital.

The Management Board does not currently intend to make use of this authorisation.

Reduction of Conditional Capital 2019 (agenda item 10)

Conditional Capital 2019

Previous volume	40% of share capital
New volume	20% of share capital, corresponding to €35,914,329
Number of shares	11,971,443
Term	Residual term of two years until 21 May 2024
Purpose	Capital backing for convertible bonds issued by 21 May 2024

Currently, the Management Board does not intend to make use of these authorisations

The Annual General Meeting on 22 May 2019 had created conditional capital of €71,828,664, to be utilised by 21 May 2024 to service convertible bonds. The amount of conditional capital is now set to be reduced to €35,914,329, i.e. 20% of the share capital.

The Management Board does not currently intend to make use of this authorisation.

Overview of the authorisations existing after the AGM 2022 on share issuance and exclusion of subscription rights

Circumstances of authorisation / portion of share capital (SC) (in € and %), number of shares	Authorised Capital 2022 – new	Conditional Capital 2019 (reduced)	Authorisation to acquire and use treasury shares 2020
Term of the authorisation	Until August 2027	Until May 2024	Until May 2025
Possibility to increase the share capital by (€ amount), in % of the share capital, and number of new shares	€35,914,329.00, corresponding to 20% of the share capital, or 11,971,444 shares	€35,914,329.00, corresponding to 20% of the share capital, or 11,971,444 shares	None
Possibility to reduce the SC, in % of the share capital, and number of shares	None	None	€17,957,166.00, corresponding to 10% of the share capital, or 5,985,722 shares
Amount of subscription right exclusions for capital increases against contributions in cash or in kind, or use of treasury shares	€17,957,166, corresponding to 10% of the share capital, or 5,985,722 shares	€17,957,166, corresponding to 10% of the share capital, or 5,985,722 shares	€17,957,166, corresponding to 10% of the share capital, or 5,985,722 shares
Crediting the exclusion of subscription rights when issuing shares from other authorisations	Yes	Yes	Yes

Maximum permissible amount of increase in share capital (from all three authorisations) until May 2024: €35,914,329.00, corresponding to 20% of the share capital, or 11,971,444 shares

Maximum amount of subscription right exclusions until May 2024: €17,957,166, corresponding to 10% of the share capital, or 5,985,722 shares

Approval of a control and profit transfer agreement



Approval of a control and profit transfer agreement

- Aareal Bank AG (as parent company) and
- Participation Zwölfte Beteiligungs GmbH with its registered office in Wiesbaden (dependent subsidiary)

entered into a control and profit transfer agreement on 25 March 2022 which requires approval by the Annual General Meeting.

This is a precautionary measure to create receiving legal entities for potential M&A activities below the Bank level.

Material contents

- The parent company is entitled to issue instructions to the dependent subsidiary regarding management decisions. The dependent subsidiary undertakes to follow the directions issued by the controlling entity.
- The dependent company undertakes to transfer its entire profits for the abbreviated financial year 2022 and all following financial years to the parent company.
- The controlling company is obliged to assume any losses incurred by the dependent company in accordance with all provisions of section 302 of the AktG as most recently amended.
- Minimum maturity of 5 years with an extension by 1 year unless notice of termination is given 6 months prior to expiry.

Further information

Issued share capital and number of shares

179,571,663.00

EUR

Issued share capital

59,857,221

Number of no-par
value shares

The Company does not hold
any treasury shares

Shareholder overview

Shareholder structure (voting rights attached to shares > 3%)

Shareholding (as at 30 June 2022)

Atlantic Lux HoldCo S.à r.l.	9.99%
Deka Investment GmbH	9.60%
<i>VBL</i>	6.50%
Daniel Křetínský (Vesa Equity Investment S.à r.l.)	7.80%
Klaus Umek (Petrus Advisers Ltd.)	6.91%
Till Hufnagel (Petrus Advisers Ltd.)	6.91%
UBS Group AG	5.20%
Igor Kuzniar	5.06%
Teleios Global Opportunities Master Fund Ltd.	5.06%
Morgan Stanley	4.31%
Dimensional Holdings Inc.	4.13%
JPMorgan Chase & Co.	3.71%
Talomon Capital Limited	3.25%
Duke University	3.12%

Aareal

Registration:

Access to the AGM stream: anmeldestelle@computershare.de

Registration:

until **24 August 2022 (24:00 hours CEST)** at the latest

Record date for the submission of proof:

19 August 2022, midnight (00:00 hours CEST)

Deadline for the receipt of evidence of shareholding by the Company

until **27 August (24:00 hours CEST)**

Your questions:

- Submission of your questions until *one* day prior to the AGM at the latest: **29 August 2022 (24:00 hours CEST)**
- via the shareholder portal on <https://www.aareal-bank.com/en/> (go to Investors / Equity Investors / General Meeting 2022, activated from **19 August 2022** – the Record Date)

Exercise of voting rights

Postal vote / voting proxies appointed by the Company / proxies to third parties

until **30 August 2022 (18:00 CEST)** at the latest

- in text form (by post)
in a notice sent to Aareal Bank AG, c/o Computershare Operations Center, 80249 Munich, Germany
- electronically via e-mail
aarealbank-HV2022@computershare.de, or
- via the shareholder portal on the day of the Annual General Meeting (before voting begins)

Disclaimer

- The general information at hand summarises the items on the agenda as well as the management proposals and comprises additional information.
- However, only the notice convening the Annual General Meeting – published in the Federal Gazette (Bundesanzeiger) of **10 August 2022**, and made available on Aareal Bank AG's website – is legally binding.

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