

Aareal Bank Group – Key Indicators

| | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 |
|---|------------------------|------------------------|
| Results ¹⁾ | | |
| Operating profit (€ mn) | 382 | 350 |
| Consolidated net income (€ mn) | 310 | 288 |
| Consolidated net income allocated to ordinary shareholders (€ mn) ²⁾ | 283 | 259 |
| Cost / income ratio (%) ³⁾ | 44.9 | 36.9 |
| Earnings per ordinary share (€) ²⁾ | 4.73 | 4.32 |
| RoE before taxes (%) ^{2) 4)} | 20.3 | 20.3 |
| RoE after taxes (%) ^{2) 4)} | 16.4 | 16.6 |
| | | |
| | 30 Sep 2015 | 31 Dec 2014 |
| Statement of financial position | | |
| Property finance (€ mn) ⁵⁾ | 31,150 | 28,987 |
| of which: international (€ mn) | 25,225 | 22,894 |
| Equity (€ mn) | 2,992 | 2,723 |
| Total assets (€ mn) | 53,876 | 49,557 |
| | | |
| Regulatory indicators | | |
| Risk-weighted assets (€ mn) | 17,147 | 15,492 |
| Common Equity Tier 1 ratio (CET1 ratio) (%) | 12.8 | 13.6 |
| Tier 1 ratio (T1 ratio) (%) | 16.2 | 17.7 |
| Total capital ratio (TC ratio) (%) | 22.6 | 24.7 |
| | | |
| Common Equity Tier 1 ratio (CET1 ratio) (%) – fully phased – | 12.1 | 12.9 |
| | | |
| Employees | 2,819 | 2,548 |
| | | |
| Ratings | | |
| Fitch Ratings, London | | |
| long-term ⁶⁾ | BBB+ (outlook: stable) | A- (outlook: negative) |
| short-term ⁶⁾ | F2 | F1 |
| Fitch Pfandbrief ratings | AAA | AAA |
| oekom | prime | prime |

1) Adjustment of previous year's figures due to completion of purchase price allocation in accordance with IFRS 3 for COREALCREDIT BANK AG (Corealcredit).

2) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis. SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of economic analysis, net interest paid on the SoFFin silent participation (in the amount of € 15 million) was deducted from the calculation of EpS allocated to ordinary shareholders and RoE as at 30 September 2014. Likewise, the SoFFin silent participation (in the amount of € 300 million) was deducted from equity used to calculate RoE.

3) Structured Property Financing segment only

4) On an annualised basis

5) Excluding € 1.6 billion in private client business and € 0.8 billion in local authority lending business by Westdeutsche ImmobilienBank AG (WestImmo).

6) As expected, rating agency Fitch Ratings ("Fitch") downgraded the Issuer Default Ratings of numerous banks around the world on 19 May 2015, against the background of the lower willingness of many countries to support banks in the event of a crisis and the regulatory measures introduced in this context, such as the EU Single Resolution Mechanism. Within the scope of this measure, Aareal Bank AG's Issuer Default Rating was changed from A- (with a negative outlook) to BBB+ (with a stable outlook). The Bank's short-term Issuer Rating was adjusted from F1 to F2. Fitch had raised Aareal Bank AG's stand-alone Viability Rating from bbb to bbb+ on 24 February 2015, citing the Bank's robust development throughout the financial markets crisis and the continuous strengthening of its capital base, amongst other factors.

Consolidated income statement¹⁾ for the first nine months of 2015
(in accordance with IFRSs)

| | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 | Change |
|--|------------------------|------------------------|-----------|
| | € mn | € mn | % |
| Net interest income | 583 | 494 | 18 |
| Allowance for credit losses | 86 | 105 | -18 |
| Net interest income after allowance for credit losses | 497 | 389 | 28 |
| Net commission income | 123 | 116 | 6 |
| Net result on hedge accounting | 5 | 3 | 67 |
| Net trading income / expenses | 8 | -1 | |
| Results from non-trading assets | -15 | 0 | |
| Results from investments accounted for using the equity method | 0 | 0 | |
| Administrative expenses | 415 | 325 | 28 |
| Net other operating income / expenses | 25 | 14 | 79 |
| Negative goodwill from acquisitions | 154 | 154 | 0 |
| Operating profit | 382 | 350 | 9 |
| Income taxes | 72 | 62 | 16 |
| Consolidated net income | 310 | 288 | 8 |
| Consolidated net income attributable to non-controlling interests | 15 | 14 | 7 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 295 | 274 | 8 |
| Earnings per share (Eps)²⁾ | | | |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 295 | 259 | 14 |
| of which: allocated to ordinary shareholders ³⁾ | 283 | 259 | 9 |
| of which: allocated to AT1 investors | 12 | - | |
| Basic earnings per ordinary share (in €) ^{3) 4)} | 4.73 | 4.32 | 9 |
| Basic earnings per AT1 unit (in €) ⁵⁾ | 0.12 | - | |

1) Adjustment of previous year's figures due to completion of purchase price allocation in accordance with IFRS 3 for Corealcredit.

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

3) SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of an economic analysis, net interest payable on the SoFFin silent participation was deducted when determining the comparative figure as at 30 September 2014 (€ 15 million) in the Eps calculation.

4) Earnings per ordinary share are determined by dividing the earnings allocated to ordinary shareholders of Aareal Bank AG by the weighted average of ordinary shares outstanding during the financial year (59,857,221 shares). Basic earnings per ordinary share correspond to diluted earnings per ordinary share.

5) Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of € 3 each) are determined by dividing the earnings allocated to AT1 investors by the weighted average of AT1 units outstanding during the financial year. Earnings per AT1 unit (basic) correspond to (diluted) earnings per AT1 unit.

Consolidated income statement for the third quarter of 2015
(in accordance with IFRSs)

| | Quarter 3 2015 | Quarter 3 2014 | Change |
|--|-------------------|-------------------|-----------|
| | € mn | € mn | % |
| Net interest income | 214 | 181 | 18 |
| Allowance for credit losses | 37 | 36 | 3 |
| Net interest income after allowance for credit losses | 177 | 145 | 22 |
| Net commission income | 40 | 37 | 8 |
| Net result on hedge accounting | -3 | 0 | |
| Net trading income / expenses | 13 | -5 | |
| Results from non-trading assets | -13 | 0 | |
| Results from investments accounted for using the equity method | 0 | 0 | |
| Administrative expenses | 147 | 109 | 35 |
| Net other operating income / expenses | 15 | -2 | |
| Negative goodwill from acquisitions | | | |
| Operating profit | 82 | 66 | 24 |
| Income taxes | 26 | 21 | 24 |
| Consolidated net income | 56 | 45 | 24 |
| Consolidated net income attributable to non-controlling interests | 5 | 4 | 25 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 51 | 41 | 24 |
| Earnings per share (EpS) ¹⁾ | | | |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 51 | 36 | 42 |
| of which: allocated to ordinary shareholders ²⁾ | 47 | 36 | 31 |
| of which: allocated to AT1 investors | 4 | - | |
| Basic earnings per ordinary share (in €) ^{2) 3)} | 0.78 | 0.58 | 34 |
| Basic earnings per AT1 unit (in €) ⁴⁾ | 0.04 | - | |

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) SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of an economic analysis, net interest payable on the SoFFin silent participation was deducted when determining the comparative figure as at 30 September 2014 (€ 5 million) in the EpS calculation.

3) Earnings per ordinary share are determined by dividing the earnings allocated to ordinary shareholders of Aareal Bank AG by the weighted average of ordinary shares outstanding during the financial year (59,857,221 shares). Basic earnings per ordinary share correspond to diluted earnings per ordinary share.

4) Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of € 3 each) are determined by dividing the earnings allocated to AT1 investors by the weighted average of AT1 units outstanding during the financial year. Earnings per AT1 unit (basic) correspond to (diluted) earnings per AT1 unit.

Segment results¹⁾ for the first nine months of 2015
(in accordance with IFRSs)

| | Structured Property Financing | | Consulting / Services | | Consolidation/ Reconciliation | | Aareal Bank Group | |
|--|-------------------------------|---------------------|-----------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------|
| | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 | 1 Jan - 30 Sep 2015 | 1 Jan - 30 Sep 2014 |
| € mn | | | | | | | | |
| Net interest income | 584 | 493 | 0 | 0 | -1 | 1 | 583 | 494 |
| Allowance for credit losses | 86 | 105 | | | | | 86 | 105 |
| Net interest income after allowance for credit losses | 498 | 388 | 0 | 0 | -1 | 1 | 497 | 389 |
| Net commission income | 4 | 3 | 120 | 116 | -1 | -3 | 123 | 116 |
| Net result on hedge accounting | 5 | 3 | | | | | 5 | 3 |
| Net trading income / expenses | 8 | -1 | | | | | 8 | -1 |
| Results from non-trading assets | -15 | 0 | | | | | -15 | 0 |
| Results from investments accounted for using the equity method | 0 | 0 | 0 | | | | 0 | 0 |
| Administrative expenses | 274 | 188 | 143 | 139 | -2 | -2 | 415 | 325 |
| Net other operating income / expenses | 23 | 11 | 2 | 3 | 0 | 0 | 25 | 14 |
| Negative goodwill from acquisitions | 154 | 154 | | | | | 154 | 154 |
| Operating profit | 403 | 370 | -21 | -20 | 0 | 0 | 382 | 350 |
| Income taxes | 79 | 68 | -7 | -6 | | | 72 | 62 |
| Consolidated net income | 324 | 302 | -14 | -14 | 0 | 0 | 310 | 288 |
| Consolidated net income attributable to non-controlling interests | 13 | 12 | 2 | 2 | | | 15 | 14 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 311 | 290 | -16 | -16 | 0 | 0 | 295 | 274 |
| Allocated equity | 1,613 | 1,326 | 127 | 109 | 557 | 643 | 2,297 | 2,078 |
| Cost / income ratio in % | 44.9 | 36.9 | 117.1 | 116.4 | | | 56.9 | 51.9 |
| RoE before taxes in % ^{2) 3)} | 30.8 | 33.9 | -24.5 | -26.8 | | | 20.3 | 20.3 |

1) Adjustment of previous year's figures due to completion of purchase price allocation in accordance with IFRS 3 for Corealcredit.

2) On an annualised basis

3) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis. SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of an economic analysis, net interest payable on the SoFFin silent participation (€ 15 million) was deducted when determining the comparative figure as at 30 September 2014 in the RoE calculation. Likewise, the SoFFin silent participation (€ 300 million) was deducted from equity used when calculating RoE.

Segment results for the third quarter of 2015
(in accordance with IFRSs)

| | Structured Property Financing | | Consulting / Services | | Consolidation / Reconciliation | | Aareal Bank Group | |
|--|-------------------------------|----------------|-----------------------|----------------|--------------------------------|----------------|-------------------|----------------|
| | Quarter 3 2015 | Quarter 3 2014 | Quarter 3 2015 | Quarter 3 2014 | Quarter 3 2015 | Quarter 3 2014 | Quarter 3 2015 | Quarter 3 2014 |
| € mn | | | | | | | | |
| Net interest income | 214 | 182 | 0 | 0 | 0 | -1 | 214 | 181 |
| Allowance for credit losses | 37 | 36 | | | | | 37 | 36 |
| Net interest income after allowance for credit losses | 177 | 146 | 0 | 0 | 0 | -1 | 177 | 145 |
| Net commission income | 2 | 1 | 39 | 36 | -1 | 0 | 40 | 37 |
| Net result on hedge accounting | -3 | 0 | | | | | -3 | 0 |
| Net trading income / expenses | 13 | -5 | | | | | 13 | -5 |
| Results from non-trading assets | -13 | 0 | | | | | -13 | 0 |
| Results from investments accounted for using the equity method | 0 | 0 | 0 | | | | 0 | 0 |
| Administrative expenses | 101 | 64 | 47 | 46 | -1 | -1 | 147 | 109 |
| Net other operating income / expenses | 14 | -4 | 1 | 2 | 0 | 0 | 15 | -2 |
| Negative goodwill from acquisitions | | | | | | | | |
| Operating profit | 89 | 74 | -7 | -8 | 0 | 0 | 82 | 66 |
| Income taxes | 29 | 23 | -3 | -2 | | | 26 | 21 |
| Consolidated net income | 60 | 51 | -4 | -6 | 0 | 0 | 56 | 45 |
| Consolidated net income attributable to non-controlling interests | 5 | 4 | 0 | 0 | | | 5 | 4 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 55 | 47 | -4 | -6 | 0 | 0 | 51 | 41 |
| Allocated equity | 1,613 | 1,326 | 127 | 109 | 557 | 643 | 2,297 | 2,078 |
| Cost / income ratio in % | 44.4 | 37.1 | 116.2 | 119.6 | | | 55.1 | 51.8 |
| RoE before taxes in % ^{1) 2)} | 19.4 | 18.9 | -22.4 | -29.3 | | | 12.4 | 10.5 |

1) On an annualised basis

2) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis. SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of an economic analysis, net interest payable on the SoFFin silent participation (€ 5 million) was deducted when determining the comparative figure for the third quarter in the RoE calculation. Likewise, the SoFFin silent participation (€ 300 million) was deducted from equity used when calculating RoE.