

Aareal Bank Group – Key Indicators

	1 Jan-30 Jun 2016	1 Jan-30 Jun 2015
Results ¹⁾		
Operating profit (€ mn)	207	296
Consolidated net income (€ mn)	142	250
Consolidated net income allocated to ordinary shareholders (€ mn) ²⁾	124	232
Cost / income ratio (%) ³⁾	42.4	45.3
Earnings per ordinary share (€) ²⁾	2.08	3.87
RoE before taxes (%) ^{2) 4)}	15.1	24.2
RoE after taxes (%) ^{2) 4)}	10.1	20.4

	30 Jun 2016	31 Dec 2015
Statement of financial position		
Property finance (€ mn) ⁵⁾	30,271	30,894
of which: international (€ mn)	25,393	25,243
Equity (€ mn)	3,025	3,044
Total assets (€ mn)	50,925	51,948
Regulatory indicators		
Risk-weighted assets (€ mn)	16,308	16,709
Common Equity Tier 1 ratio (CET1 ratio) (%)	13.7	13.8
Tier 1 ratio (T1 ratio) (%)	16.9	17.2
Total capital ratio (TC ratio) (%)	23.8	23.8
Common Equity Tier 1 ratio (CET1 ratio) (%) – fully phased –	13.2	13.1
Employees	2,813	2,861
Ratings		
Fitch Ratings, London		
long-term	BBB+ (outlook: stable)	BBB+ (outlook: stable)
short-term	F2	F2
Fitch Pfandbrief ratings	AAA	AAA
Sustainability ⁶⁾		
oekom	prime (C)	prime (C)
Sustainalytics	68	68

1) Adjustment of previous year's figures due to completion of purchase price allocation for Westdeutsche ImmobilienBank AG (WestImmo), in accordance with IFRS 3

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) Structured Property Financing segment only

4) On an annualised basis

5) Excluding € 1.3 billion in private client business (31 December 2015: € 1.5 billion) and € 0.6 billion in local authority lending business by WestImmo (31 December 2015: € 0.6 billion).

6) Please refer to our Sustainability Report for more details.

Consolidated Income Statement for the first half of 2016 (in accordance with IFRSs)¹⁾

	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015	Change
	€ mn	€ mn	%
Net interest income	357	369	-3
Allowance for credit losses	31	49	-37
Net interest income after allowance for credit losses	326	320	2
Net commission income	93	83	12
Net result on hedge accounting	1	8	-88
Net trading income / expenses	17	-5	
Results from non-trading assets	61	-2	
Results from investments accounted for using the equity method	0	0	
Administrative expenses	290	268	8
Net other operating income / expenses	-1	10	
Negative goodwill from acquisitions	-	150	
Operating profit	207	296	-30
Income taxes	65	46	41
Consolidated net income	142	250	-43
Consolidated net income attributable to non-controlling interests	10	10	0
Consolidated net income attributable to shareholders of Aareal Bank AG	132	240	-45
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ²⁾	132	240	-45
of which: allocated to ordinary shareholders	124	232	-47
of which: allocated to AT1 investors	8	8	0
Earnings per ordinary share (in €) ³⁾	2.08	3.87	-46
Earnings per AT1 unit (in €) ⁴⁾	0.08	0.08	0

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

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) 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.

Consolidated Income Statement for the second quarter of 2016 (in accordance with IFRSs)¹⁾

	Quarter 2 2016	Quarter 2 2015	Change
	€ mn	€ mn	%
Net interest income	177	191	-7
Allowance for credit losses	29	31	-6
Net interest income after allowance for credit losses	148	160	-8
Net commission income	47	42	12
Net result on hedge accounting	0	-3	
Net trading income / expenses	8	2	300
Results from non-trading assets	61	1	
Results from investments accounted for using the equity method	0	0	
Administrative expenses	144	136	6
Net other operating income / expenses	0	13	
Negative goodwill from acquisitions		150	
Operating profit	120	229	-48
Income taxes	38	24	58
Consolidated net income	82	205	-60
Consolidated net income attributable to non-controlling interests	5	5	0
Consolidated net income attributable to shareholders of Aareal Bank AG	77	200	-62
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ²⁾	77	200	-62
of which: allocated to ordinary shareholders	73	196	-63
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) ³⁾	1.23	3.27	-62
Earnings per AT1 unit (in €) ⁴⁾	0.04	0.04	0

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

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) 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 Results for the first half of 2016 (in accordance with IFRSs)¹⁾

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
€ mn								
Net interest income	363	370	0	0	-6	-1	357	369
Allowance for credit losses	31	49					31	49
Net interest income after allowance for credit losses	332	321	0	0	-6	-1	326	320
Net commission income	3	2	85	81	5	0	93	83
Net result on hedge accounting	1	8					1	8
Net trading income / expenses	17	-5	0				17	-5
Results from non-trading assets	61	-2					61	-2
Results from investments accounted for using the equity method			0	0			0	0
Administrative expenses	189	173	102	96	-1	-1	290	268
Net other operating income / expenses	-1	9	0	1	0	0	-1	10
Negative goodwill from acquisitions		150						150
Operating profit	224	310	-17	-14	0	0	207	296
Income taxes	71	50	-6	-4			65	46
Consolidated net income	153	260	-11	-10	0	0	142	250
Consolidated net income attributable to non-controlling interests	8	8	2	2			10	10
Consolidated net income attributable to shareholders of Aareal Bank AG	145	252	-13	-12	0	0	132	240
Allocated equity	1,614	1,593	114	124	728	550	2,456	2,267
Cost / income ratio (%)	42.4	45.3	120.2	117.6			54.9	57.9
RoE before taxes (%) ²⁾³⁾	25.4	36.5	-33.3	-26.2			15.1	24.2

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

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.

Segment Results for the second quarter of 2016 (in accordance with IFRSs)¹⁾

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation		Aareal Bank Group	
	Quarter 2 2016	Quarter 2 2015	Quarter 2 2016	Quarter 2 2015	Quarter 2 2016	Quarter 2 2015	Quarter 2 2016	Quarter 2 2015
€ mn								
Net interest income	181	192	0	0	-4	-1	177	191
Allowance for credit losses	29	31					29	31
Net interest income after allowance for credit losses	152	161	0	0	-4	-1	148	160
Net commission income	1	2	43	40	3	0	47	42
Net result on hedge accounting	0	-3					0	-3
Net trading income / expenses	8	2	0				8	2
Results from non-trading assets	61	1					61	1
Results from investments accounted for using the equity method			0	0			0	0
Administrative expenses	94	89	51	48	-1	-1	144	136
Net other operating income / expenses	0	12	0	1	0	0	0	13
Negative goodwill from acquisitions		150						150
Operating profit	128	236	-8	-7	0	0	120	229
Income taxes	41	26	-3	-2			38	24
Consolidated net income	87	210	-5	-5	0	0	82	205
Consolidated net income attributable to non-controlling interests	4	4	1	1			5	5
Consolidated net income attributable to shareholders of Aareal Bank AG	83	206	-6	-6	0	0	77	200
Allocated equity	1,614	1,593	114	124	728	550	2,456	2,267
Cost / income ratio in %	37.2	42.7	118.0	117.4			49.0	55.2
RoE before taxes in % ^{2) 3)}	29.5	56.8	-30.7	-26.2			17.9	38.5

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

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.