

## Aareal Bank Group – key indicators

	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016
<b>Results</b>		
Operating profit (€ mn)	262	281
Consolidated net income (€ mn)	165	193
Consolidated net income allocated to ordinary shareholders (€ mn) <sup>1)</sup>	147	166
Cost/income ratio (%) <sup>2)</sup>	41.1	41.6
Earnings per ordinary share (€) <sup>1)</sup>	2.46	2.78
RoE before taxes (%) <sup>1)3)</sup>	12.6	13.5
RoE after taxes (%) <sup>1)3)</sup>	7.8	9.0

	30 Sep 2017	31 Dec 2016
<b>Statement of financial position</b>		
Property finance (€ mn) <sup>4)</sup>	25,564	27,928
of which: international (€ mn)	21,967	23,423
Equity (€ mn)	2,884	3,129
Total assets (€ mn)	43,267	47,708
<b>Regulatory indicators</b>		
Risk-weighted assets (€ mn)	12,685	14,540
Common Equity Tier 1 ratio (CET 1 ratio) (%)	17.7	16.2
Tier 1 ratio (T1 ratio) (%)	19.9	19.9
Total capital ratio (%)	27.1	27.5
Common Equity Tier 1 ratio (CET1 ratio) (%) - fully phased -	17.3	15.7
<b>Employees</b>	2,768	2,728

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

3) On an annualised basis

4) Excluding € 0.9 billion in private client business (31 December 2016: € 1.1 billion) and € 0.6 billion in local authority lending business by former Westdeutsche ImmobilienBank AG (former WestImmo) (31 December 2016: € 0.6 billion)

**Consolidated income statement for the first nine months of 2017**  
**(in accordance with IFRSs)**

	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016	Change
	€ mn	€ mn	%
Net interest income	486	532	-9
Allowance for credit losses	53	64	-17
<b>Net interest income after allowance for credit losses</b>	<b>433</b>	<b>468</b>	<b>-7</b>
Net commission income	145	137	6
Net result on hedge accounting	-5	4	
Net trading income / expenses	13	21	-38
Results from non-trading assets	0	66	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	388	417	-7
Net other operating income / expenses	64	2	
<b>Operating profit</b>	<b>262</b>	<b>281</b>	<b>-7</b>
Income taxes	97	88	10
<b>Consolidated net income</b>	<b>165</b>	<b>193</b>	<b>-15</b>
Consolidated net income attributable to non-controlling interests	6	15	-60
Consolidated net income attributable to shareholders of Aareal Bank AG	159	178	-11
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	159	178	-11
of which: allocated to ordinary shareholders	147	166	-11
of which: allocated to AT1 investors	12	12	0
Earnings per ordinary share (in €) <sup>2)</sup>	2.46	2.78	-12
Earnings per AT1 unit (in €) <sup>3)</sup>	0.12	0.12	0

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) 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.

3) 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 2017 (in accordance with IFRSs)

	Quarter 3 2017	Quarter 3 2016	Change
	€ mn	€ mn	%
Net interest income	164	175	-6
Allowance for credit losses	26	33	-21
<b>Net interest income after allowance for credit losses</b>	<b>138</b>	<b>142</b>	<b>-3</b>
Net commission income	48	44	9
Net result on hedge accounting	1	3	-67
Net trading income / expenses	10	4	150
Results from non-trading assets	0	5	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	120	127	-6
Net other operating income / expenses	5	3	67
<b>Operating profit</b>	<b>82</b>	<b>74</b>	<b>11</b>
Income taxes	31	23	35
<b>Consolidated net income</b>	<b>51</b>	<b>51</b>	<b>0</b>
Consolidated net income attributable to non-controlling interests	0	5	
Consolidated net income attributable to shareholders of Aareal Bank AG	51	46	11
<b>Earnings per share (Eps)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	51	46	11
of which: allocated to ordinary shareholders	47	42	12
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) <sup>2)</sup>	0.78	0.70	11
Earnings per AT1 unit (in €) <sup>3)</sup>	0.04	0.04	0

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) 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.

3) 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 nine months of 2017 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016
€ mn								
Net interest income	494	542	0	0	-8	-10	486	532
Allowance for credit losses	53	64					53	64
<b>Net interest income after allowance for credit losses</b>	<b>441</b>	<b>478</b>	<b>0</b>	<b>0</b>	<b>-8</b>	<b>-10</b>	<b>433</b>	<b>468</b>
Net commission income	4	5	136	124	5	8	145	137
Net result on hedge accounting	-5	4					-5	4
Net trading income / expenses	13	21		0			13	21
Results from non-trading assets	0	66					0	66
Results from investments accounted for using the equity method				0				0
Administrative expenses <sup>1)</sup>	234	266	157	153	-3	-2	388	417
Net other operating income / expenses	62	1	2	1	0	0	64	2
<b>Operating profit</b>	<b>281</b>	<b>309</b>	<b>-19</b>	<b>-28</b>	<b>0</b>	<b>0</b>	<b>262</b>	<b>281</b>
Income taxes	104	98	-7	-10			97	88
<b>Consolidated net income</b>	<b>177</b>	<b>211</b>	<b>-12</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>165</b>	<b>193</b>
Consolidated net income attributable to non-controlling interests	4	13	2	2			6	15
Consolidated net income attributable to shareholders of Aareal Bank AG	173	198	-14	-20	0	0	159	178
Allocated equity	1,772	1,587	155	133	592	741	2,519	2,461
Cost / income ratio (%)	41.1	41.6	114.2	122.2			55.2	54.7
RoE before taxes (%) <sup>2) 3)</sup>	19.6	23.5	-18.3	-30.3			12.6	13.5

1) € 24 million in provisions for staff-related measures, resulting from the optimisation of processes and structures within the scope of the "Aareal 2020" programme for the future, was allocated to the Structured Property Financing segment in full.

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 third quarter of 2017 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation		Aareal Bank Group	
	Quarter 3 2017	Quarter 3 2016	Quarter 3 2017	Quarter 3 2016	Quarter 3 2017	Quarter 3 2016	Quarter 3 2017	Quarter 3 2016
€ mn								
Net interest income	167	179	0	0	-3	-4	164	175
Allowance for credit losses	26	33					26	33
<b>Net interest income after allowance for credit losses</b>	<b>141</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>-4</b>	<b>138</b>	<b>142</b>
Net commission income	1	2	45	39	2	3	48	44
Net result on hedge accounting	1	3					1	3
Net trading income / expenses	10	4					10	4
Results from non-trading assets	0	5					0	5
Results from investments accounted for using the equity method				0				0
Administrative expenses	68	77	53	51	-1	-1	120	127
Net other operating income / expenses	4	2	1	1	0	0	5	3
<b>Operating profit</b>	<b>89</b>	<b>85</b>	<b>-7</b>	<b>-11</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>74</b>
Income taxes	34	27	-3	-4			31	23
<b>Consolidated net income</b>	<b>55</b>	<b>58</b>	<b>-4</b>	<b>-7</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>51</b>
Consolidated net income attributable to non-controlling interests	0	5	0	0			0	5
Consolidated net income attributable to shareholders of Aareal Bank AG	55	53	-4	-7	0	0	51	46
Allocated equity	1,772	1,587	155	133	592	741	2,519	2,461
Cost / income ratio in %	37.2	39.7	117.0	126.7			52.8	54.4
RoE before taxes in % <sup>1)2)</sup>	18.8	18.8	-20.2	-34.0			12.0	10.3

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.