

Aareal Bank Group – Key Indicators

	1 Jan - 30 Sep 2021	1 Jan - 30 Sep 2020
Results		
Operating profit (€ mn)	123	24
Consolidated net income (€ mn)	56	17
Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾	44	3
Cost/income ratio (%) ²⁾	43.4	44.0
Earnings per ordinary share (€) ¹⁾	0.73	0.06
RoE before taxes (%) ^{1) 3)}	5.6	0.3
RoE after taxes (%) ^{1) 3)}	2.3	0.2

	30 September 2021	31 December 2020
Statement of Financial Position		
Property finance (€ mn) ⁴⁾	29,046	27,181
Equity (€ mn)	3,038	2,967
Total assets (€ mn)	46,751	45,478
Regulatory Indicators⁵⁾		
Risk-weighted assets (€ mn)	10,803	12,138
Common Equity Tier 1 ratio (CET1 ratio) (%)	21.5	18.8
Tier 1 ratio (T1 ratio) (%)	24.2	21.3
Total capital ratio (TC ratio) (%)	28.1	28.0
Common Equity Tier 1 ratio (CET1 ratio) (%) – Basel IV (phase-in) – ⁶⁾	17.8	17.3
Employees	3,115	2,982

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; the previous year's figure was adjusted accordingly.

³⁾ On an annualised basis

⁴⁾ Excluding €0.3 billion in private client business (31 December 2020: € 0.3 billion) and € 0.3 billion in local authority lending business by the former Westdeutsche ImmobilienBank AG (WestImmo) (31 December 2020: € 0.3 billion)

⁵⁾ 31 December 2020: less a proposed dividend payout of € 1.50 per share in 2021 and incorporating the pro-rata accrual of net interest payable on the AT1 bond. The 2021 dividend payment of € 1.50 for 2020 will have to be made in two steps. In compliance with the requirements published by the European Central Bank (ECB) on 15 December 2020, the distributable amount was calculated at € 0.40 per share. A proposal on the allocation of profits was approved at the ordinary Annual General Meeting in May 2021. On 2 November 2021, an Extraordinary General Meeting was convened for 9 December 2021, to decide on the intended remaining payout of € 1.10 per share, amending as planned the resolution of the Annual General Meeting of 18 May 2021 on the appropriation of profits.

30 September 2021: less the remaining proposed dividend distribution of € 1.10 per share in 2021 and inclusive of the interim profits for 2021 less any pro rata dividends in accordance with the dividend policy and pro rata accrual of the net interest on the AT1 bond. The SREP recommendations concerning the NPL inventory and the ECB's NPL guidelines for exposures newly classified as NPLs were taken into account. The CET1 ratio, as shown in the regulatory report as at 30 September 2021, was 20.6 %, reflecting the fact that as at that date Aareal Bank had not submitted an application for inclusion of profits to the ECB.

⁶⁾ Underlying RWA estimate, incorporating the higher figure determined using the revised AIRBA or the revised CRSA (phased-in), based on the draft version dated 27 October 2021 of the European implementation of Basel IV by the European Commission. The conservative calculation of the material impact upon Aareal Bank is subject to the final EU implementation as well as the implementation of additional regulatory requirements, such as the EBA requirements.

**Consolidated income statement for the first nine months of 2021
(in accordance with IFRSs)**

	1 Jan - 30 Sep 2021	1 Jan - 30 Sep 2020	Change
	€ mn	€ mn	%
Net interest income	435	373	17
Loss allowance	79	167	-53
Net fee and commission income	174	168	4
Net derecognition gain or loss	15	19	-21
Net gain or loss from financial instruments (fvpl)	-7	-11	-36
Net gain or loss from hedge accounting	-4	4	-200
Net gain or loss from investments accounted for using the equity method	-1	0	
Administrative expenses	393	352	12
Net other operating income/expenses	-17	-10	70
Operating profit	123	24	413
Income taxes	67	7	857
Consolidated net income	56	17	229
Consolidated net income attributable to non-controlling interests	2	2	0
Consolidated net income attributable to shareholders of Aareal Bank AG	54	15	260
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	54	15	260
of which: allocated to ordinary shareholders	44	3	
of which: allocated to AT1 investors	10	12	-17
Earnings per ordinary share (€) ²⁾	0.73	0.06	
Earnings per AT1 unit (€) ³⁾	0.10	0.12	-17

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 attributable 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 2021
(in accordance with IFRSs)**

	Q3 2021	Q3 2020	Change
	€ mn	€ mn	%
Net interest income	155	128	21
Loss allowance	39	61	-36
Net fee and commission income	56	57	-2
Net derecognition gain or loss	7	3	133
Net gain or loss from financial instruments (fvpl)	-3	-4	-25
Net gain or loss from hedge accounting	-2	2	-200
Net gain or loss from investments accounted for using the equity method	0	0	0
Administrative expenses	125	114	10
Net other operating income/expenses	1	0	
Operating profit	50	11	355
Income taxes	27	10	170
Consolidated net income	23	1	
Consolidated net income attributable to non-controlling interests	0	1	-100
Consolidated net income attributable to shareholders of Aareal Bank AG	23	0	
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	23	0	
of which: allocated to ordinary shareholders	20	-4	-600
of which: allocated to AT1 investors	3	4	-25
Earnings per ordinary share (€) ²⁾	0.33	-0.05	-760
Earnings per AT1 unit (€) ³⁾	0.03	0.04	-25

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 attributable 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 2021 (in accordance with IFRSs)

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan–30 Sep 2021	1 Jan–30 Sep 2020	1 Jan–30 Sep 2021	1 Jan–30 Sep 2020	1 Jan–30 Sep 2021	1 Jan–30 Sep 2020	1 Jan–30 Sep 2021	1 Jan–30 Sep 2020	1 Jan–30 Sep 2021	1 Jan–30 Sep 2020
€ mn										
Net interest income	406	345	33	29	-4	-1	0	0	435	373
Loss allowance	79	167			0	0			79	167
Net fee and commission income	6	4	20	18	157	155	-9	-9	174	168
Net derecognition gain or loss	15	19							15	19
Net gain or loss from financial instruments (fvpl)	-7	-11		0		0			-7	-11
Net gain or loss from hedge accounting	-4	4							-4	4
Net gain or loss from investments accounted for using the equity method			-1		0	0			-1	0
Administrative expenses	193	173	53	50	156	138	-9	-9	393	352
Net other operating income/expenses	-21	-11	0	0	4	1	0	0	-17	-10
Operating profit	123	10	-1	-3	1	17	0	0	123	24
Income taxes	68	4	-1	-2	0	5			67	7
Consolidated net income	55	6	0	-1	1	12	0	0	56	17
Consolidated net income attributable to non-controlling interests	0	0	0	0	2	2			2	2
Consolidated net income attributable to shareholders of Aareal Bank AG	55	6	0	-1	-1	10	0	0	54	15
Allocated equity ¹⁾	1,677	1,817	260	194	38	42	562	450	2,537	2,503
RoE after taxes (%) ^{2) 3)}	3.6	-0.4	-0.1	-0.5	-3.1	30.2			2.3	0.2

¹⁾ For management purposes, the allocated equity is calculated for all segments on the basis of capital requirements pursuant to Basel IV (phase-in). Reported equity on the statement of financial position differs from this. Aareon's total equity as disclosed in the statement of financial position amounts to € 141 million.

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 2021 (in accordance with IFRSs)

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
€ mn										
Net interest income	146	119	11	9	-2	0	0	0	155	128
Loss allowance	39	61			0	0			39	61
Net fee and commission income	2	1	7	6	50	53	-3	-3	56	57
Net derecognition gain or loss	7	3							7	3
Net gain or loss from financial instruments (fvpl)	-3	-4				0			-3	-4
Net gain or loss from hedge accounting	-2	2							-2	2
Net gain or loss from investments accounted for using the equity method					0	0			0	0
Administrative expenses	59	56	17	15	52	46	-3	-3	125	114
Net other operating income/expenses	-1	0	0	0	2	0	0	0	1	0
Operating profit	51	4	1	0	-2	7	0	0	50	11
Income taxes	28	9	0	-1	-1	2			27	10
Consolidated net income	23	-5	1	1	-1	5	0	0	23	1
Consolidated net income attributable to non-controlling interests	0	0	0	0	0	1			0	1
Consolidated net income attributable to shareholders of Aareal Bank AG	23	-5	1	1	-1	4	0	0	23	0