


Preliminary results for the 2017 financial year (unaudited, in accordance with IFRSs)

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016	Change
	€ mn	€ mn	%
Net interest income	634	701	-10
Allowance for credit losses	82	97	-15
Net interest income after allowance for credit losses	552	604	-9
Net commission income	206	193	7
Net result on hedge accounting	-7	0	
Net trading income/expenses	14	19	-26
Results from non-trading assets	0	67	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	511	547	-7
Net other operating income/expenses	74	30	147
Operating profit	328	366	-10
Income taxes	115	132	-13
Consolidated net income	213	234	-9
Consolidated net income attributable to non-controlling interests	6	19	-68
Consolidated net income attributable to shareholders of Aareal Bank AG	207	215	-4
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG	207	215	-4
of which: allocated to ordinary shareholders	191	199	-4
of which: allocated to AT1 investors	16	16	0
Earnings per ordinary share (€) ²⁾	3.20	3.33	-4
Earnings per AT1 unit (€) ³⁾	0.16	0.16	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 of Aareal Bank Group
Preliminary results for the financial year 2017
(unaudited, in accordance with IFRSs)

	Structured Property Financing		Consulting/Services		Consolidation/Reconciliation		Aareal Bank Group	
	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
€ mn								
Net interest income	646	716	0	0	-12	-15	634	701
Allowance for credit losses	82	97					82	97
Net interest income after allowance for credit losses	564	619	0	0	-12	-15	552	604
Net commission income	7	10	191	171	8	12	206	193
Net result on hedge accounting	-7	0					-7	0
Net trading income/expenses	14	19		0			14	19
Results from non-trading assets	0	66		1			0	67
Results from investments accounted for using the equity method				0				0
Administrative expenses ¹⁾	296	346	220	204	-5	-3	511	547
Net other operating income/expenses	69	27	6	3	-1	0	74	30
Operating profit	351	395	-23	-29	0	0	328	366
Income taxes	123	143	-8	-11			115	132
Consolidated net income	228	252	-15	-18	0	0	213	234
Consolidated net income attributable to non-controlling interests	4	16	2	3			6	19
Consolidated net income attributable to shareholders of Aareal Bank AG	224	236	-17	-21	0	0	207	215

1) €27 million in provisions recognised 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.

Consolidated Income Statement of Aareal Bank Group
Preliminary results for the fourth quarter 2017 (unaudited, in
accordance with IFRSs)

	Q4 2017	Q4 2016	Change
	€ mn	€ mn	%
Net interest income	148	169	-12
Allowance for credit losses	29	33	-12
Net interest income after allowance for credit losses	119	136	-13
Net commission income	61	56	9
Net result on hedge accounting	-2	-4	-50
Net trading income/expenses	1	-2	
Results from non-trading assets	0	1	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	123	130	-5
Net other operating income/expenses	10	28	-64
Operating profit	66	85	-22
Income taxes	18	44	-59
Consolidated net income	48	41	17
Consolidated net income attributable to non-controlling interests	0	4	
Consolidated net income attributable to shareholders of Aareal Bank AG	48	37	30
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG	48	37	30
of which: allocated to ordinary shareholders	44	33	33
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (€) ²⁾	0.74	0.55	35
Earnings per AT1 unit (€) ³⁾	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 of Aareal Bank Group
Preliminary results for the fourth quarter 2017 (unaudited, in accordance with IFRSs)

	Structured Property Financing		Consulting/ Services		Consolidation/ Reconciliation		Aareal Bank Group	
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
	2017	2016	2017	2016	2017	2016	2017	2016
€ mn								
Net interest income	152	174	0	0	-4	-5	148	169
Allowance for credit losses	29	33					29	33
Net interest income after allowance for credit losses	123	141	0	0	-4	-5	119	136
Net commission income	3	5	55	47	3	4	61	56
Net result on hedge accounting	-2	-4					-2	-4
Net trading income/expenses	1	-2					1	-2
Results from non-trading assets	0	0		1			0	1
Results from investments accounted for using the equity method				0				0
Administrative expenses ¹⁾	62	80	63	51	-2	-1	123	130
Net other operating income/expenses	7	26	4	2	-1	0	10	28
Operating profit	70	86	-4	-1	0	0	66	85
Income taxes	19	45	-1	-1			18	44
Consolidated net income	51	41	-3	0	0	0	48	41
Consolidated net income attributable to non-controlling interests	0	3	0	1			0	4
Consolidated net income attributable to shareholders of Aareal Bank AG	51	38	-3	-1	0	0	48	37

1) €3 million in provisions recognised 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.