

This version of the Notice to Shareholders (Invitation to the Annual General Meeting) is a translation from the German original, provided for the convenience of English-speaking readers. The German text shall be authoritative and binding for all purposes.

Invitation to the ordinary (virtual) Annual General Meeting of Aareal Bank AG on 31 August 2022

Dear shareholders,

We are pleased to invite you to our ordinary Annual General Meeting to be held on **Wednesday, 31 August 2022, at 11:00 hrs CEST**, without the physical presence of the shareholders or their representatives.

Unfortunately, we are not able to welcome you in person to the ordinary Annual General Meeting for 2022. To counter the further spread of coronavirus it remains essential to avoid physical proximity. We have, therefore, structured our Annual General Meeting to best serve the interests of our shareholders, the members of our governance bodies, employees and service providers and those of the general public in such a way that as few people as possible meet in one place. The Annual General Meeting will therefore be held solely as a virtual General Meeting without the physical presence of the shareholders or their representatives (except for the voting proxies appointed by the Company).

The virtual Annual General Meeting will be streamed live (audio and video) for duly registered shareholders or their representatives, via the Company's shareholder portal. The shareholder portal can be reached via the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

The location of the Annual General Meeting within the meaning of the German Public Limited Companies Act (Aktengesetz – AktG) is the Head Office of Aareal Bank AG, Paulinenstrasse 15, 65189 Wiesbaden, Germany.

Information in accordance with section 125 of the German Public Limited Companies Act (Aktiengesetz – AktG) in conjunction with Article 4 and Table 3 of Commission Implementing Regulation (EU) 2018/1212 (CIR)

A. Specification of the message

1.	Unique identifier of the event	Ordinary (virtual) Annual General Meeting of Aareal Bank AG 2022 In the format pursuant to the CIR: 405f36869214ed118131005056888925
2.	Type of message	Convening the General Meeting In the format pursuant to the CIR: NEWM

B. Specification of the issuer

1.	ISIN	DE0005408116 DE000A30U9F9
2.	Name of issuer	Aareal Bank AG

C. Specification of the Annual General Meeting

1.	Date of the General Meeting	31 August 2022 In the format pursuant to the CIR: 20220831
2.	Time of the General Meeting	11:00 hrs CEST In the format pursuant to the CIR: 09:00 hrs UTC
3.	Type of General Meeting	Ordinary virtual Annual General Meeting without the physical presence of the shareholders or their representatives In the format pursuant to the CIR: GMET
4.	Location of the General Meeting	URL to the Company's shareholder portal to follow the video and audio of the General Meeting and to exercise shareholder rights In the format pursuant to the CIR: www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/ Location of the Annual General Meeting within the meaning of the AktG (no physical presence of the shareholders or their representatives possible): Aareal Bank AG Head Office, Paulinenstrasse 15, 65189 Wiesbaden
5.	Record date	19 August 2022, 00:00 hrs CEST In the format pursuant to the CIR: 20220818
6.	Uniform Resource Locator (URL)	www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Further information on convening the Annual General Meeting (blocks D to F of Table 3 of the Annex to Commission Implementing Regulation (EU) 2018/1212):

Further information on participation in the Annual General Meeting (block D), the agenda (block E) and specification of the deadlines regarding the exercise of other shareholder rights (block F) can be found on the following website:

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Overview of the agenda

Agenda item 1	Presentation of the confirmed Annual Financial Statements and the approved consolidated financial statements, the management report for the Company and the Group, the disclosures in accordance with sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the Report by the Supervisory Board for the 2021 financial year
Agenda item 2	Passing of a resolution on the appropriation of net retained profit for the 2021 financial year
Agenda item 3	Passing of a resolution on the formal approval of the members of the Management Board for the 2021 financial year
Agenda item 4	Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2021 financial year
Agenda item 5	Passing of a resolution on the appointment of the auditors and Group auditors and on the auditors to review, if applicable, additional financial information during the course of the financial year
Agenda item 6	Passing of a resolution on the approval of the remuneration system for the members of the Management Board
Agenda item 7	Passing of a resolution on the approval of the Remuneration Report for the 2021 financial year prepared and audited in accordance with section 162 of the AktG
Agenda item 8	Passing of a resolution on the election of the members of the Supervisory Board
Agenda item 9	Passing of a resolution on the cancellation of the existing Authorised Capital and creation of new Authorised Capital, and on the amendment of Article 5 (4) of the Company's Memorandum and Articles of Association
Agenda item 10	Passing of a resolution on the reduction of the existing Conditional Capital 2019, amendment of Article 5 (5) of the Company's Memorandum and Articles of Association
Agenda item 11	Passing of a resolution on the approval of the conclusion of a new control and profit transfer agreement

Agenda

Agenda item 1: Presentation of the confirmed Annual Financial Statements and the approved consolidated financial statements, the management report for the Company and the Group, the disclosures in accordance with sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the Report by the Supervisory Board for the 2021 financial year

In accordance with section 172 sentence 1 of the AktG, the Supervisory Board approved on 24 March 2022 the Annual Financial Statements and the Consolidated Financial Statements prepared by the Management Board; the financial statements have thus been confirmed. The proposal for the appropriation of profits is set out in the Notes to the Annual Financial Statements. Therefore, it is not necessary to pass a resolution on this agenda item 1 at the Annual General Meeting.

Agenda item 2: Passing of a resolution on the appropriation of net retained profit for the 2021 financial year

The Management Board and Supervisory Board propose the following resolution: that Aareal Bank AG's net retained profit of € 95,771,533.60 for the 2021 financial year (which also includes the amount of € 1.10 per share originally proposed for distribution in the 2021 financial year) be appropriated as follows:

Transfer in full to other retained earnings	€ 95,771,553.60
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The proposal to transfer the net retained profit in full to retained earnings has been made in view of the successful voluntary public takeover offer submitted by Atlantic BidCo GmbH dated 26 April 2022 and the investment agreement dated 6 April 2022.

Agenda item 3: Passing of a resolution on the formal approval of the members of the Management Board for the 2021 financial year

The Management Board and Supervisory Board propose that formal approval be granted, for the 2021 financial year, for the members of the Management Board named under 3.1 to 3.7:

- 3.1 Marc Hess
- 3.2 Hermann J. Merkens (Chairman, until 30 April 2021)
- 3.3 Jochen Klösger (Chairman, from 15 September 2021)
- 3.4 Dagmar Knopek (until 31 May 2021)
- 3.5 Christiane Kunisch-Wolff
- 3.6 Thomas Ortmanns (until 30 September 2021)
- 3.7 Christof Winkelmann

We intend to let the Annual General Meeting decide on the formal approval of the members of the Management Board by way of individual votes being cast.

Agenda item 4: Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2021 financial year

The Management Board and Supervisory Board propose that formal approval be granted, for the 2021 financial year, for the members of the Supervisory Board named under 4.1 to 4.12:

- 4.1 Jana Brendel
- 4.2 Christof von Dryander (until 9 December 2021)
- 4.3 Thomas Hawel
- 4.4 Petra Heinemann-Specht
- 4.5 Marija Korsch (Chairman until 23 November 2021, Supervisory Board member until 9 December 2021)
- 4.6 Jan Lehmann
- 4.7 Klaus Novatius
- 4.8 Richard Peters
- 4.9 Sylvia Seignette
- 4.10 Elisabeth Stheeman
- 4.11 Dietrich Voigtländer (until 9 December 2021)
- 4.12 Prof. Dr Hermann Wagner (Chairman since 23 November 2021)

We intend to let the Annual General Meeting decide on the formal approval of the members of the Supervisory Board by way of individual votes being cast.

Agenda item 5: Passing of a resolution on the appointment of the auditors and Group auditors and on the auditors to review, if applicable, additional financial information during the course of the financial year

- 5.1 Based on the recommendation by the Audit Committee, the Supervisory Board proposes to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as external auditors for the financial statements and consolidated financial statements for the financial year 2022, and as external auditors for any review of additional financial information during the course of the financial year, in accordance with sections 115 (7) and 117 of the German Securities Trading Act (Wertpapierhandelsgesetz – “WpHG”), which are prepared for periods following this ordinary Annual General Meeting and prior to 31 December 2022.
- 5.2 Based on the recommendation of the Audit Committee, the Supervisory Board furthermore proposes that auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the external auditors for the review, if applicable, of the condensed financial statements and the interim management report in accordance with sections 115 and 117 of the WpHG as well as any additional financial information arising in the course of the year within the meaning of sections 115 (7) and 117 of the WpHG prepared for the periods after 31 December 2022 and before the ordinary Annual General Meeting of 2023.

The Audit Committee has declared that its recommendation has been made free of any undue influence by third parties as defined in Article 16 (2) 3 of the EU Audit Regulation and that no restrictions of the kind referred to in Article 16 (6) of that Regulation have been imposed upon it.

Agenda item 6: Passing of a resolution on the approval of the remuneration system for the members of the Management Board

The Annual General Meeting of the Company on 18 May 2021 did not approve the remuneration system for the members of the Management Board submitted by the Supervisory Board. According to section 120a (1) of the AktG as amended on 1 January 2020, the annual general meeting of a listed company decides on the approval of a remuneration system presented by the supervisory board for the members of the management board if any material amendments are made to the remuneration system, and at least every four years. An approval resolution by the annual general meeting is required according to section 120a (3) of the AktG even if the annual general meeting has not approved the remuneration system. In this case, a reviewed remuneration system must be submitted for approval at the next ordinary general meeting at the latest.

On 24 June 2022, the Supervisory Board adopted a new remuneration system for members of the Management Board which corresponds to the requirements of the AktG and takes into account the recommendations of the German Corporate Governance Code ("GCGC") as amended on 16 December 2019 and published on 20 March 2020 (the "2022 GCGC" published by the Government Commission on the German Corporate Governance Code on 17 May 2022 was made available by the German Federal Ministry of Justice in the official part of the Federal Gazette on 27 June 2022).

The Supervisory Board proposes that the remuneration system for members of the Management Board as decided upon by the Supervisory Board, and reproduced in the annex to agenda item 6 following the agenda, be approved.

Agenda item 7: Passing of a resolution on the approval of the Remuneration Report for the 2021 financial year prepared and audited in accordance with section 162 of the AktG

Following the amendment of the German Public Limited Companies Act by the Second Shareholder Rights Directive Implementation Act (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie – ARUG II), a remuneration report according to section 162 of the AktG must be prepared by the Management Board and Supervisory Board. According to section 120a (4) of the AktG, the general meeting of the listed company must adopt a resolution on the approval of the remuneration report for the preceding financial year which has been prepared and audited in accordance with section 162 of the AktG.

Accordingly, the Management Board and Supervisory Board propose the approval of the Remuneration Report of the Company for the 2021 financial year reproduced in the details on agenda item 7, prepared in accordance with section 162 of the AktG for the 2021 financial year, audited by external auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, pursuant to section 162 (3) of the AktG, and including an audit opinion.

Agenda item 8: Passing of a resolution on the election of the members of the Supervisory Board

Following the retirement of Marija Korsch, Christof von Dryander and Dietrich Voigtländer as shareholder representatives on the Supervisory Board at the end of the extraordinary General Meeting on 9 December 2021, the Supervisory Board had an insufficient number of nine members. Upon proposal by the Chairman of the Supervisory Board and with the explicit support of the Supervisory Board and the Management Board, in a ruling dated 13 January 2022 the Frankfurt Higher Regional Court (Oberlandesgericht Frankfurt am Main) appointed Messrs Holger Giese and Friedrich Munsberg together with Dr Ulrich Theileis as members of the Supervisory Board with immediate effect, until the next ordinary Annual General Meeting. The members of the Supervisory Board appointed in a court ruling

will be standing down at the end of the Annual General Meeting on 31 August 2022. In addition, the Supervisory Board members Ms Jana Brendel, Mr Richard Peters and Ms Elizabeth Stheeman will be standing down from the Supervisory Board at the end of the Annual General Meeting on 31 August 2022. Accordingly, six new members are to be elected to the Supervisory Board. The General Meeting is not bound by nominations when electing shareholder representatives to the Supervisory Board.

Pursuant to section 2 (1) of the Co-Determination Agreement in conjunction with Article 9 of the Memorandum and Articles of Association and sections 96 (1) and 101 (1) of the AktG, the Supervisory Board consists of eight members to be elected by the Annual General Meeting and four members to be elected by staff.

The following nominations of the Supervisory Board take into account the guidelines regarding the selection of members of the Management Board and the Supervisory Board which have been defined by the Supervisory Board. These guidelines comprise requirements regarding the suitability of the candidates and can be found in the current Corporate Governance Statement in accordance with sections 289f, 315d of the HGB on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

In the opinion of the Supervisory Board, all candidates possess the personal reliability and the professional qualifications which are necessary to fulfil their tasks on the Supervisory Board of Aareal Bank. The goals regarding the composition and the diversity on the Supervisory Board would be achieved by the election of these persons.

Based on the recommendation of the Executive and Nomination Committee, the Supervisory Board proposes that the following candidates be elected to the Supervisory Board as shareholder representatives:

- 8.1 Mr Henning Giesecke, Zell (Germany), holder of a degree in Business Administration
- 8.2 Mr Denis Hall, Chalfont St Giles (United Kingdom), qualified bank officer
- 8.3 Ms Barbara Antonia Knoflach, Hofheim a. Ts. (Germany), graduation in Economics
- 8.4 Ms Marika Lulay, Heppenheim (Germany), holder of a degree in computer science
- 8.5 Mr Hans-Hermann Anton Lotter, Como (Italy), holder of a Master degree in Mathematical Economics
- 8.6 Mr José Sevilla Álvarez, Madrid (Spain), holder of a degree in Economics and Business Administration

Mr Hall and Mr Lotter (candidates 8.2 and 8.5) will be elected for a term of office commencing after the close of this year's Annual General Meeting until, in accordance with Article 9 (2) of the Company's Memorandum and Articles of Association, the close of the Annual General Meeting that resolves on the formal approval for the 2023 financial year.

Ms Knoflach, Ms Lulay, Mr Giesecke and Mr Sevilla Álvarez (candidates 8.1, 8.3, 8.4 and 8.6) will be elected for a term of office commencing after the close of this year's Annual General Meeting until, in accordance with Article 9 (2) of the Company's Memorandum and Articles of Association, the close of the Annual General Meeting that resolves on the formal approval for the 2025 financial year.

Disclosure pursuant to section C.13 of the German Corporate Governance Code

To the Supervisory Board's knowledge, none of the proposed candidates for the Supervisory Board – except Mr Lotter – have personal or business relations with the Company or its affiliates, the executive bodies of the Company or with a significant shareholder of the Company within the meaning of section C.13 of the German Corporate Governance Code. Hans-Hermann Anton Lotter (candidate 8.5) is one of the managing directors of Atlantic BidCo GmbH, Frankfurt/Main, which submitted the successful voluntary public takeover offer to the shareholders of the Company; the closing of the transaction is expected to take place.

Disclosure pursuant to section C.14 of the German Corporate Governance Code

The item entitled **Information in agenda item 8 on the candidates for election to the Supervisory Board** at the end of this agenda sets out the curricula vitae of the candidates providing details of their respective relevant knowledge, abilities, specialist experiences and key activities. The candidates' curriculum vitae can also be found on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Agenda item 9: Passing of a resolution on the cancellation of the existing Authorised Capital and creation of new Authorised Capital, and on the amendment of Article 5 (4) of the Company's Memorandum and Articles of Association

The authorisation granted by the Annual General Meeting on 31 May 2017 to use the Authorised Capital 2017 created in an amount of € 89,785,830 (Article 5 (4) of the Company's Memorandum and Articles of Association) expired on 30 May 2022. In order to safeguard flexibility through further capital measures by the Management Board, the existing authorisation is to be replaced by new Authorised Capital covering an amount of € 35,914,329, equivalent to 20% of the share capital, with a term until 30 August 2027, having essentially the same terms and conditions. In line with the existing Authorised Capital, the new Authorised Capital is to be used for capital increases against contributions in cash or in kind. It is proposed that, in the event of this authorisation being exercised, any exclusion of shareholders' pre-emptive subscription rights be restricted to a maximum of 10% of the Company's registered share capital. According to Article 5 (5) of the Memorandum and Articles of Association, conditional capital amounting to 40% of the registered share capital still exists, which can be used until 21 May 2024 but is due to be reduced to € 35,914,329 by the resolution under agenda item 10 below (equivalent to 20% of the issued share capital).

The Management and Supervisory Boards propose the following resolutions:

1. That the expired authorization of the Management Board provided for in Article 5 (4) of the Company's Memorandum and Articles of Association to increase, on one or more occasions, the Company's registered share capital by up to a maximum total amount of € 89,785,830 via the issuance of new bearer shares for contribution in cash or in kind subject to the approval of the Supervisory Board on or before 30 May 2022 (Authorised Capital 2017) be suspended upon the authorisation with respect to Authorised Capital 2022, on which a resolution is to be passed under Nos. 2 and 3, being entered in the commercial register.
2. That the Management Board be authorised to increase, on one or more occasions, the Company's registered share capital by up to a maximum total amount of € 35,914,329 via the issuance of new bearer shares for contribution in cash or in kind, subject to the approval of the Supervisory Board (Authorised Capital 2022); this authorisation will expire on 30 August 2027.

Shareholders shall generally be granted a subscription right. The statutory subscription rights may be granted in such a way that the new shares are subscribed by one or more banks, subject to the obligation of offering these to the shareholders for subscription (so-called "indirect subscription right"). However, subject to approval by the Supervisory Board, the Management Board may exclude shareholders' subscription rights in the following cases:

- a. in the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly below the prevailing stock exchange price of the Company's listed shares at the time of the final determination of the issue price. However, this authorisation shall be subject to the proviso that the aggregate value of shares sold to the exclusion of shareholders' subscription rights, in accordance with

section 203 (1 and 2) and section 186 (3) sentence 4 of the AktG, shall not exceed ten per cent (10%) of the registered share capital at the time said authorisation comes into effect or – if lower – at the time it is exercised. Any shares that were issued or sold during the term and prior to the exercising of said authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, shall count towards the above threshold of ten per cent (10%) of the registered share capital. Said ten-per-cent threshold shall also include shares, the issuance of which is required under the terms of debt securities with embedded conversion or option rights on shares issued pursuant to section 186 (3) sentence 4 of the AktG (excluding shareholders' subscription rights), which were (or may be) issued during the validity of this authorisation;

- b. for fractional amounts arising from the determination of the applicable subscription ratio;
- c. where this is necessary to grant subscription rights to the holders of bonds with warrants or convertible debt securities issued (or to be issued) by the Company or its affiliated companies, which subscription rights are required to entitle these holders to the same extent as they would have been entitled to upon exercising their conversion or option rights or upon performance of a conversion obligation, if any, thus protecting such holders against dilution;
- d. up to an amount of € 4,000,000 in order to offer employees (of the Company or its affiliated companies) shares for subscription;
- e. in the case of a capital increase against contributions in kind for the purpose of acquiring companies, parts thereof or participating interests or any other assets.

The above authorisation for the exclusion of shareholders' subscription rights in the case of capital increases against contributions in cash or in kind is limited to a total amount of 10% of the registered share capital, which may be exceeded neither at the time said authorisation comes into effect nor at the time it is exercised. The above-mentioned ten-per-cent threshold shall furthermore include treasury shares which are sold to the exclusion of shareholders' subscription rights during the validity of this authorisation as well as such shares which are issued to service debt securities, provided that the debt securities were issued to the exclusion of shareholders' subscription rights during the validity of this authorisation due to the authorisation under agenda item 6 of the Annual General Meeting on 22 May 2019. When a new authorisation for the exclusion of shareholders' subscription rights is resolved by the Annual General Meeting after the lowering and said new authorisation comes into effect, the upper limit lowered in accordance with the specifications above shall be increased again to the amount permitted by the new authorisation, with a maximum total of 20% of the registered share capital in accordance with the above specifications.

- 3. The Management Board is authorised to determine any further details of the capital increase and its implementation, subject to the Supervisory Board's approval.
- 4. Article 5 (4) of the Memorandum and Articles of Association shall be amended to read as follows (cancelling its former version):

“The Management Board is authorised to increase, on one or more occasions, the Company's registered share capital by up to a maximum total amount of € 35,914,329 via the issuance of new bearer shares for contribution in cash or in kind, subject to the approval of the Supervisory Board (Authorised Capital 2022); this authorisation will expire on 30 August 2027.

Shareholders shall generally be granted a subscription right. The statutory subscription rights may be granted in such a way that the new shares are subscribed by one or more banks, subject to the obligation of offering

these to the shareholders for subscription (so-called “indirect subscription right”). However, subject to approval by the Supervisory Board, the Management Board may exclude shareholders’ subscription rights in the following cases:

- a. in the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly below the prevailing stock exchange price of the Company’s listed shares at the time of the final determination of the issue price. However, this authorisation shall be subject to the proviso that the aggregate value of shares sold to the exclusion of shareholders’ subscription rights, in accordance with section 203 (1 and 2) and section 186 (3) sentence 4 of the AktG, shall not exceed ten per cent (10%) of the registered share capital at the time said authorisation comes into effect or – if lower – at the time it is exercised. Any shares that were issued or sold during the term and prior to the exercising of said authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, shall count towards the above threshold of ten per cent (10%) of the registered share capital. Said ten-per-cent threshold shall also include shares the issuance of which is required under the terms of debt securities with embedded conversion or option rights on shares issued pursuant to section 186 (3) sentence 4 of the AktG (excluding shareholders’ subscription rights), which were (or may be) issued during the validity of this authorisation;
- b. for fractional amounts arising from the determination of the applicable subscription ratio;
- c. where this is necessary to grant subscription rights to the holders of bonds with warrants or convertible debt securities issued (or to be issued) by the Company or its affiliated companies, which subscription rights are required to entitle these holders to the same extent as they would have been entitled to upon exercising their conversion or option rights or upon performance of a conversion obligation, if any, thus protecting such holders against dilution;
- d. up to an amount of € 4,000,000 in order to offer employees (of the Company or its affiliated companies) shares for subscription;
- e. in the case of a capital increase against contributions in kind for the purpose of acquiring companies, parts thereof or participating interests or any other assets.

The above authorisation for the exclusion of shareholders’ subscription rights in the case of capital increases against contributions in cash or in kind is limited to a total amount of 10% of the registered share capital, which may be exceeded neither at the time said authorisation comes into effect nor at the time it is exercised. The above-mentioned ten-per-cent threshold shall furthermore include treasury shares which are sold to the exclusion of shareholders’ subscription rights during the validity of this authorisation as well as such shares which are issued to service debt securities, provided that the debt securities were issued to the exclusion of shareholders’ subscription rights during the validity of this authorisation due to the authorisation under agenda item 6 of the Annual General Meeting on 22 May 2019. When a new authorisation for the exclusion of shareholders’ subscription rights is resolved by the Annual General Meeting after the lowering and said new authorisation comes into effect, the upper limit lowered in accordance with the specifications above shall be increased again to the amount permitted by the new authorisation, with a maximum total of 10% of the registered share capital in accordance with the above specifications.”

Agenda item 10: Passing of a resolution on the reduction of the existing Conditional Capital 2019, amendment of Article 5 (5) of the Company’s Memorandum and Articles of Association

The Annual General Meeting of 22 May 2019 created conditional capital of € 71,828,664 which can be used to service convertible debt securities issued by the Management Board on the basis of the authorisation granted at that General Meeting until 21 May 2024. At the same time, Article 5 (5) of the Memorandum and Articles of

Association was adjusted accordingly. The amount of the conditional capital is due to be reduced to € 35,914,329, equivalent to 20% of the registered share capital, and the Memorandum and Articles of Association amended accordingly.

The Management and Supervisory Boards propose the following resolutions:

1. That Article 5 (5) of the Company's Memorandum and Articles of Association be amended as follows (with such amendment to refer to the reduction in Conditional Capital 2019):

The registered share capital is subject to a conditional capital increase not exceeding € 35,914,329 by issuance of up to 11,971,443 new no-par-value bearer shares (Conditional Capital 2019). The conditional capital increase will only be implemented to the extent that (i) the holders of convertible bonds that are issued on or before 21 May 2024 on the basis of the authorisation of the Annual General Meeting of 22 May 2019 by the Company or by a company in which the Company directly or indirectly holds a majority interest exercise their conversion rights under these convertible bonds, or (ii) the holders of convertible bonds that are issued on or before 21 May 2024 on the basis of the authorisation of the Annual General Meeting of 22 May 2019 by the Company or by a company in which the Company directly or indirectly holds a majority interest who are obliged to convert their bonds fulfil their conversion obligation, or (iii) the Company exercises its right of substitution, except where the treasury shares are used for servicing or, in the aforementioned cases (i) and (ii), cash compensation is granted. The new shares shall be entitled to a share in the profits from the beginning of the financial year in which they come into existence through the exercise of conversion rights or the fulfilment of conversion obligations. The Management Board shall be authorised to determine the further details of the conditional capital increase.

2. The resolution adopted by the Annual General Meeting on 22 May 2019, valid until 21 May 2024, to authorise the Management Board to issue profit-participation certificates and other hybrid debt securities with conversion right and with the option to exclude the shareholders' subscription right remains in place.

Agenda item 11: Passing of a resolution on the approval of the conclusion of a new control and profit transfer agreement

A control and profit transfer agreement dated 25 March 2022 has been concluded between the Company as the controlling company and Participation Zwölfte Beteiligungs GmbH with its registered office in Wiesbaden as the dependent company.

The Company holds 100% of the shares in the aforementioned subsidiary, which is a newly founded shelf company. The control and profit transfer agreement allows the Company flexible management of its participations and optimisation of the Group structure. The agreement forms the basis for a consolidated income and trade tax group between the Company and the subsidiary in question. As the Company is the sole partner of the subsidiary, settlement payments or compensation for external shareholders pursuant to sections 304 and 305 of the AktG may not be granted.

The control and profit transfer agreement (hereinafter referred to as "Agreement") has the following material content:

- The dependent company assigns control to the controlling company, which is therefore authorised to issue instructions to the dependent company's management on how to run its company (Article I of the Agreement). Furthermore, the dependent company commits itself to following the instructions of the controlling company.

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- The dependent company is obligated to transfer its entire profits for the abbreviated financial year 2022 and all following financial years to the controlling company (Article 2 (1) of the Agreement). Profit is – at most – the annual net income earned pursuant to applicable German commercial law without the transfer of profit, less any losses carried forward from the previous year, the amounts to be transferred to legal reserves and any amount of the net income that may not be distributed in accordance with section 268 (8) of the German Commercial Code (Article 2 (2) of the Agreement). The dependent company may allocate amounts from its net income to retained earnings pursuant to section 272 (3) of the German Commercial Code only to the extent this is permissible under applicable commercial law and justified in economic terms on the basis of a reasonable commercial assessment (Article 2 (3) of the Agreement). In addition, the provisions of section 301 of the AktG as most recently amended apply (Article 2 (4) of the Agreement).
 - The controlling company is obliged to assume any losses incurred by the dependent company in accordance with all provisions of section 302 of the AktG as most recently amended (Article 3 (1) of the Agreement).
 - The Agreement takes effect upon entry into the commercial register at the registered office of the dependent company and applies – with the exception of the controlling company’s managerial powers – for the period starting from the beginning of the financial year in which the entry is made (Article 4 (1) of the Agreement).
 - The Agreement has a minimum term of five years and is automatically extended by one year at a time if it is not terminated with six months’ notice (Article 4 (2) of the Agreement).
 - The Agreement can also be terminated without notice at any time before the end of the minimum term if there is due cause. In particular, the controlling company has the right to immediate termination for cause if it no longer holds a majority interest in the dependent company (Article 4 (3) of the Agreement).

The shareholders’ meeting of Participation Zwölfte Beteiligungs GmbH has already agreed to the control and profit transfer agreement. The control and profit transfer agreement will not become effective until the Annual General Meeting of Aareal Bank AG has granted its approval and it has subsequently been entered in the commercial register of the dependent company.

For the aforementioned control and profit transfer agreement an audit by a contractual auditor pursuant to section 293b (1) clause 2 of the AktG can be dispensed with because all shares of the dependent company are held by Aareal Bank AG.

The Management Board of Aareal Bank AG and the senior management of Participation Zwölfte Beteiligungs GmbH have prepared a joint report pursuant to section 293a of the AktG which explains and justifies the control and profit transfer agreement. Together with other documents to be published, the joint report will be available from the date of convocation of the Annual General Meeting on Aareal Bank AG’s website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

from the date of convocation of the Annual General Meeting.

The Management Board and Supervisory Board propose the following resolution:

The control and profit transfer agreement dated 25 March 2022 and concluded between Aareal Bank AG and Participation Zwölfte Beteiligungs GmbH is approved.

A. Overview of the remuneration system for Management Board members (documentation for agenda item no. 6)

This document outlines the remuneration system for the members of Aareal Bank AG’s Management Board. The Company’s Remuneration Report for the 2021 financial year provides further information – in particular, the specific current reference values for fixed and variable remuneration components as well as targets and target achievement levels for the financial year under review.

1. Revision of the remuneration system

Following the decision of the ordinary Annual General Meeting (“AGM”) of Aareal Bank AG (“Aareal Bank”) of 18 May 2021 not to approve the remuneration system for the members of Management Board that had been presented, the Supervisory Board undertook a comprehensive review of the remuneration system with a view to further enhancing the effectiveness of Aareal Bank’s reward structure in order to take into account the vote of the AGM, together with the comments and opinions expressed by the shareholders.

Considering the comments received from among shareholders, the Supervisory Board resolved to present to this year’s AGM the following revised remuneration system for the members of the Management Board for approval.

Some of the most significant changes to the previous remuneration system, notably those pertaining to the structure of the target remuneration including the amended pension scheme, were already implemented in the terms and conditions of employment of Aareal Bank’s new CEO, Jochen Klösger.

These measures were accompanied by a significantly reduced target remuneration for Mr Klösger, compared to the previous level of CEO remuneration, from approximately € 3.1 million to currently € 2.6 million – which addresses concerns by multiple investors. Furthermore, Mr Klösger’s service contract no longer contains a change-of-control severance clause.

The main changes to the remuneration system that was presented to the ordinary AGM in 2021 can be summarised as follows:

Changes to the remuneration system

		Remuneration system submitted to the ordinary AGM 2021 for approval	Revised remuneration system submitted to the ordinary AGM 2022 for approval	Rationale
Appropriateness of remuneration level	Peer group	All companies included in DAX, MDAX and SDAX	Companies which are comparable to Aareal Bank	Stronger focus on peer selection considering business segment, size, revenues, market capitalisation and remuneration structure requirements.

		Remuneration system submitted to the ordinary AGM 2021 for approval	Revised remuneration system submitted to the ordinary AGM 2022 for approval	Rationale
Structure of target remuneration	Weight of remuneration components within overall target remuneration ¹⁾	Base salary ~ 45 % Pension contribution ~15 % Target variable ~40 %	CEO: – Base salary ~ 46 % – Pension contribution ~8 % – Target variable ~46 % Ordinary Board members – Base salary ~52 % – Pension contribution ~8 % – Target variable ~40 %	The reduced pension contribution is in line with current market practice and addresses concerns of investors in Aareal Bank. The reduction of the CEO's base salary similarly reflects concerns by Aareal Bank's investors.
	Pension scheme	Guaranteed interest rate of 4 % p.a. In general, life-long pension payments	Fund-tied interest rate (no additional premium guarantee) In general, payout as a one-time payment	The revised approach is in line with current market practice due to the low interest rates and significantly reduces the pension expense recognised.
Performance criteria	Target structure	70 % Group targets 15 % Divisional targets 15 % Individual targets	70 % Group component 30 % Strategic component	Divisional targets and individual targets have been merged into one, thereby reducing complexity and making the remuneration system more easily comprehensible.
	Group component	The Supervisory Board may set targets based on Aareal Bank's performance indicators. In practice, Group performance was measured by linking the operating profit target achievement with the RWA target achievement	Four clearly outlined targets, one of them being an ESG component	Basing the Group component on four separate targets leads to a stronger consideration of the various expectations towards the performance of the Management Board and the entire Bank.
	Strategic component	Between two and four divisional targets, and up to two individual targets No specifics on the weight of the targets Catalogue of 22 potential performance criteria	Three strategic targets with equal weight, one of them being an ESG target Catalogue of three categories with potential performance criteria	The revision provides more clarity and reduces complexity.
	ESG targets	The individual component contains solely ESG targets	Incorporation of a separate ESG target within the Group component	A specific ESG component within the Group targets reflects the growing importance of ESG related aspects and emphasises the Bank's commitment to ESG.
	Modifier	In case of extraordinary events, the Supervisory Board may adjust the target achievement of the Group component by up to +/- 20 %	Abolishment of the modifier	The abolition further decreases the amount of discretion that the Supervisory Board has when assessing target achievement.
Further arrangements	Change-of-control clause	Service contracts may contain change-of-control provisions entitling Management Board members to severance payments	Future service contracts will not contain change-of-control provisions	The revision follows recent amendments to the German Corporate Governance Code.
	Maximum remuneration	The maximum remuneration in accordance with section 87a of the AktG is € 5.5 million.	The maximum remuneration in accordance with section 87a of the AktG is € 4.5 million.	The reduction follows revised remuneration levels.

¹⁾ Without ancillary benefits. Pension contribution based on annual pension contribution amount per service contract.

Implementation of the changes, and further outlook

The changes to the performance criteria, as set out above, are to apply uniformly to all members of the Management Board from the financial year 2023.

Apart from the performance criteria, the other changes to the remuneration system – in particular, the changes to the structure of target remuneration (as set out above) and the contractual arrangements – are to apply to all members of the Management Board who are newly appointed (or re-appointed) from 2022.

2. Assessment of appropriateness of the remuneration

In accordance with regulatory requirements and good market practice, the Supervisory Board regularly reviews the appropriateness of the level of remuneration (as well as the general appropriateness of the remuneration system) for Management Board members.

The appropriate level of remuneration is assessed in relation to the Bank’s financial situation and in relation to a peer group of companies which is selected based on sector, market capitalisation and size, and will typically include banks based in Germany which are supervised by the European Central Bank. The peer group composition may change from time to time. The specific peer group used for evaluating the appropriate level of remuneration will be disclosed in the annual Remuneration Report.

The Supervisory Board also reviews the appropriateness of the level of remuneration of each Management Board member with regard to that Management Board member’s area of responsibility and performance as well as his or her experience, qualification and special expertise. As a result, the Supervisory Board can set different remuneration levels of remuneration for different Management Board members. Finally, the Supervisory Board assesses whether the level of remuneration is adequate in relation to the structure and level of remuneration of permanent employees of Aareal Bank AG in Germany.

The general review of the remuneration system for the members of the Management Board covers applicable regulatory requirements as well as the appropriateness of the remuneration system in light of the Bank’s business strategy.

The remuneration system will be put to a shareholder vote at least every four years.

Assessment of appropriateness of remuneration levels

<p>Horizontal comparison</p>	<p>To evaluate whether the Management Board’s specific total remuneration is in line with common market practice/ that of other companies, the Management Board remuneration is assessed against selected peer companies.</p> <p>The peer group is selected based on sector, market capitalisation and size of the companies, and will typically include banks based in Germany which are supervised by the European Central Bank. The peer group composition may change from time to time. The most recent peer group¹⁾ consists of 13 banks in Germany that are regulated by the European Central Bank.</p> <p>The composition of the peer group will be disclosed in the annual Remuneration Report.</p>
<p>Vertical comparison</p>	<p>The vertical comparison involves looking at how the Management Board remuneration relates to the remuneration paid to the senior management team (i.e. typically the first management level below the Management Board), and how it relates to the remuneration paid to the workforce more generally. “Workforce” refers to all permanent employees of Aareal Bank AG in Germany. The Supervisory Board also looks at the development of the remuneration paid to the aforementioned groups of employees over time.</p>

¹⁾ Peer group that was used for the assessment of the target remuneration of Jochen Klösches.

3. Design principles of the remuneration system

The remuneration system for Management Board members is designed to support the business strategy as well as the long-term and sustainable success of Aareal Bank.

Design principles

Pay for Performance and alignment to interests of shareholders	<p>The Supervisory Board sets ambitious targets for the Management Board members. The amount of variable remuneration for each Management Board member is directly linked to target achievement levels. Therefore, the variable remuneration is directly linked to, and supports the overall performance of, Aareal Bank.</p> <p>At least 55 % of the variable remuneration of Management Board members is directly linked to the share price development; furthermore, 80 % of the variable remuneration is subject to deferral and/or retention arrangements.</p>
Alignment with business and risk strategies	<p>By deriving the remuneration targets from the business strategy, the Management Board members are incentivised to consistently pursue the achievement of Aareal Bank's strategic goals. Furthermore, the targets are set in line with Aareal Bank's risk strategies as well as the aspired risk culture and company culture.</p>
Long-term orientation	<p>Variable remuneration is based on a multi-year assessment period, in order to ensure sustainable target achievement.</p> <p>Furthermore, variable remuneration is subject to robust ex-ante as well as ex-post risk adjustment measures, including deferral arrangements that allow for a reduction, complete elimination, and even claw-back of variable remuneration.</p>
Sustainability	<p>The bank strives to be a frontrunner in ESG-related aspects acknowledging the importance of ESG, not only for Aareal Bank and its business strategy but for the entire financial industry. Therefore, the remuneration system aims to establish a strong link between remuneration and ESG targets. In order to reflect the growing importance of ESG/sustainability-related aspects, under the new remuneration system at least one of the Group targets is ESG-related and at least one strategic target is ESG-based. As a consequence, at least 25 % of the variable remuneration directly depends upon the achievement of ESG-related targets.</p>
Comprehensible system and transparent disclosure	<p>The Supervisory Board aims to implement a remuneration system that is easily comprehensible for all internal and external stakeholders and that can be operated without unnecessary complexity.</p> <p>Aareal Bank provides comprehensive details on the remuneration, the target achievements, and the metrics employed for any financial year in the annual Remuneration Report.</p>
Consistency with remuneration system for employees	<p>The Supervisory Board aims to design a remuneration system for the Management Board members that is closely aligned to the remuneration system for employees, ensuring that the workforce strives towards the same company goals for Aareal Bank's continued success.</p>
Governance and regulatory requirements	<p>As a financial institution which is supervised by the European Central Bank, and listed on the stock exchange, Aareal Bank is subject to numerous regulatory requirements regarding workforce remuneration, and in particular regarding the remuneration of Management Board members.</p> <p>Aareal Bank has established robust governance arrangements and bodies in line with the requirements of the German Banking Act, the German Regulation on Remuneration in Financial Institutions and other applicable rules and regulations in order to ensure Aareal Bank's continuous compliance with the various German and international regulatory requirements.</p>
Gender equality	<p>An inclusive working environment which is free from discrimination is a material aspect of Aareal Bank's corporate values. The remuneration system for the members of the Management Board is therefore fully gender neutral – just like any other remuneration system at all levels of the Bank.</p>

4. Overview of remuneration components

The following table provides an overview of the remuneration components and their weight within the overall target remuneration.

Remuneration elements

	Component	%*		Details	Reference to strategy / long-term development
		CEO	OBM		
Fixed	Base salary	45 %	50 %	Fixed payment	Guaranteeing the fixed income in the form of a fixed annual salary and ancillary benefits equivalent to scope and complexity of the business and the role and responsibility of the Management Board member, being competitive on the market.
	Ancillary benefits	2 %	2 %	Fixed payments/non-cash benefits	
	Pension contributions	8 %	8 %	Contribution into pension scheme (guaranteed interest rate 0 % in revised pension scheme)	
Share-based Long term Variable	Cash bonus	9 %	8 %	Cash payment after the relevant business year	<p>Target structure</p> <p>70 % Group component</p> <ul style="list-style-type: none"> – Four Group targets derived from essential key performance indicators of the group (one ESG target) – Identical targets for all Management Board Members <p>30 % Strategic component</p> <ul style="list-style-type: none"> – Three strategic targets derived from three target categories (at least one ESG target) – Specific targets for Management Board Members
	Cash deferral	11 %	10 %	Deferred cash with deferral period of 5 years	
	Share bonus	9 %	8 %	Bonus paid in virtual shares with a holding period of at least one year	
	Share deferral	16 %	14 %	Deferral period of 5 years, with additional holding period of at least one year for each tranche	
<p><i>Subject to ex-ante risk adjustment, malus, clawback and affordability provisions</i></p>					
<ul style="list-style-type: none"> – Variable remuneration based on annual financial and non-financial performance criteria that promote the achievement of the strategic objectives. – Provides incentives to Management Board members for implementing the business priorities of Aareal Bank and to act in the interest of the long-term and sustainable positive business development. – At least 55 % of the variable remuneration is share-based and at least 60 % is deferred for up to five years, providing a strong link to the sustainable success. – Malus, clawback and further ex-ante and ex-post provisions allow for a (subsequent) reduction. 					

* Approx. share of total target remuneration in %; "OBM" refers to ordinary members of the Management Board

5. Maximum remuneration

In accordance with section 87a (1) sentence 2 no. 1 of the German Public Limited Companies Act (AktG), the Supervisory Board has set an upper limit for the total amount of all remuneration elements for a given year, i.e. currently consisting of the fixed annual salary, ancillary benefits, the annual pension expenses in accordance with IAS 19, and variable remuneration as well as increases of share prices with regard to share-based remuneration components up until the settlement of these remuneration components. The maximum remuneration limits the maximum total remuneration that can be accrued for one year. When determining the maximum remuneration, a certain amount was taken into account as leeway, inter alia, in order to take account of possible fluctuations of the actuarial value/carrying amount of pension contributions and potentially varying ancillary benefits. The maximum remuneration is not identical to (and must not be confused with) the maximum remuneration that can be set for members of the Management Board on the basis of their service contracts; The maximum remuneration in accordance with section 87a (1) sentence 2 no. 1 of the AktG is, for the reasons mentioned above, significantly higher.

Also, the maximum remuneration does not represent a budget that would be distributed annually, but rather a financial ceiling that may not be exceeded. The maximum remuneration amounts to € 4.5 million (gross) for each Management Board member.

For the purposes of ensuring compliance with the applicable maximum remuneration amount, payouts from long-term variable remuneration components, i.e. including those that are paid out on a deferred basis, are attributed to the year for which they were awarded.

Severance payments which may potentially be agreed upon in a separation scenario – in the event of early termination of the appointment to the Management Board – as well as non-compete compensation payments for a post-contractual non-compete obligation are not included in the calculation of the maximum remuneration. The regulatory requirements applicable to severance payments remain unaffected.

6. Fixed remuneration

6.1 Annual salary

Management Board members receive a fixed annual base salary which is paid in twelve equal monthly instalments.

6.2 Ancillary benefits

In line with standard market practice, the Supervisory Board may grant certain ancillary benefits to the members of the Management Board. While in principle, all members of the Management Board are equally entitled to the same ancillary benefits, benefits can vary in terms of type and amount depending on the Management Board member's personal situation.

Aareal Bank currently provides company cars to Management Board members, which may also be used for private purposes. If Management Board members decide not to use a company car, they receive a lump-sum payment instead.

Aareal Bank pays the Management Board member's contributions to health insurance, statutory pension insurance and long-term care insurance in accordance with the statutory provisions for employees. If the Management Board member is not subject to social security contributions, Aareal Bank pays an amount that corresponds to

50 % of the statutory social security contributions. Aareal Bank can bear the costs incurred for certain security expenses and of travel costs for family visits.

The members of the Management Board are also granted insurance coverage in line with standard market conditions, such as D&O insurance (subject to the statutory deductible), group accident insurance or health insurance for travel abroad.

The value of the ancillary benefits can vary considerably from year to year. This is particularly true regarding security expenses, which are not usually incurred in similar amounts every year.

6.3 Pension scheme

Aareal Bank has significantly revised its pension scheme for Management Board members. The revised pension scheme applies to all Management Board members appointed since 1 January 2021, or who will be (re-)appointed in the future. It is a defined contribution scheme with annual contributions of approx. 8 % of a Management Board member’s overall target remuneration during his or her term of office. In the event of invalidity, the existing pension capital earned by the Management Board member until that point in time will be increased by a certain capped lump-sum amount, as further defined in the individual Management Board member’s service contract. Management Board members will receive a lump-sum payment, or, provided that the Supervisory Board so approves, actuarially calculated lifelong pension payments upon retirement (as of age 62), disability or death (for the benefit of their dependants). Aareal Bank guarantees the contributions paid, but does not guarantee any interest or profits.

Overview of pension scheme

	Previous pension commitment	New pension commitment
Type	Defined contribution	Defined contribution
Duration of contribution	Period of service as Management Board member	Period of service as Management Board member
Amount of contribution	~15 % of overall target remuneration	~8 % of overall target remuneration
Return	Guaranteed interest rate of 4 % p.a.	Fund index performance-based interest rate with a guarantee covering the contributions made
Payout	<ul style="list-style-type: none"> – Lifelong pension – Lump-sum payment (only with the approval of the Supervisory Board) 	<ul style="list-style-type: none"> – Lump-sum payment – Up to seven annual instalments (only with the Supervisory Board’s approval) – Lifelong pension (only with the approval of the Supervisory Board)
Further terms and conditions	The pension scheme includes benefits in case of disability or death (to the benefit of dependants)	The pension scheme includes benefits in case of disability or death (to the benefit of dependants)

The previous pensions scheme, which provides for a guaranteed interest rate of 4 % p.a. on the paid-in contributions is being continued for current Management Board members appointed before 1 January 2021, for grandfathering reasons. In the event of re-appointment, any future period of service will be handled under the revised pension scheme. The annual contributions under the previous pensions scheme make up approx. 15 % of the total target remuneration for Management Board members. In addition, under the previous remuneration system members of the Management Board have the option of deferring compensation (Entgeltumwandlung). Just like the revised pension scheme, the previous pension scheme provides for the payment of pension benefits upon retirement (as of age 62), disability or death (for the benefit of their dependants), however in general as ongoing pensions payments. Ongoing pension payments are adjusted by 1 % p.a. in accordance with applicable statutory obligations.

7. Variable remuneration

Variable remuneration for members of the Management Board is subject to complex regulatory requirements under the German Banking Act (Kreditwesengesetz – “KWG”), the German Regulation on Remuneration Ordinance in Financial Institutions (Institutsvergütungsverordnung – “InstVergV”) and other applicable rules and regulations, all of which have been implemented consistently.

7.1 Multi-year performance period and payout

Calculation of the variable remuneration directly depends on the achievement of certain targets that are derived from the Bank’s business strategy and that are determined over a multi-annual performance period of three years. The overall target achievement determined following the three-year performance period is then multiplied by the relevant contractually-agreed reference value which produces the initial (imputed) amount of variable remuneration.

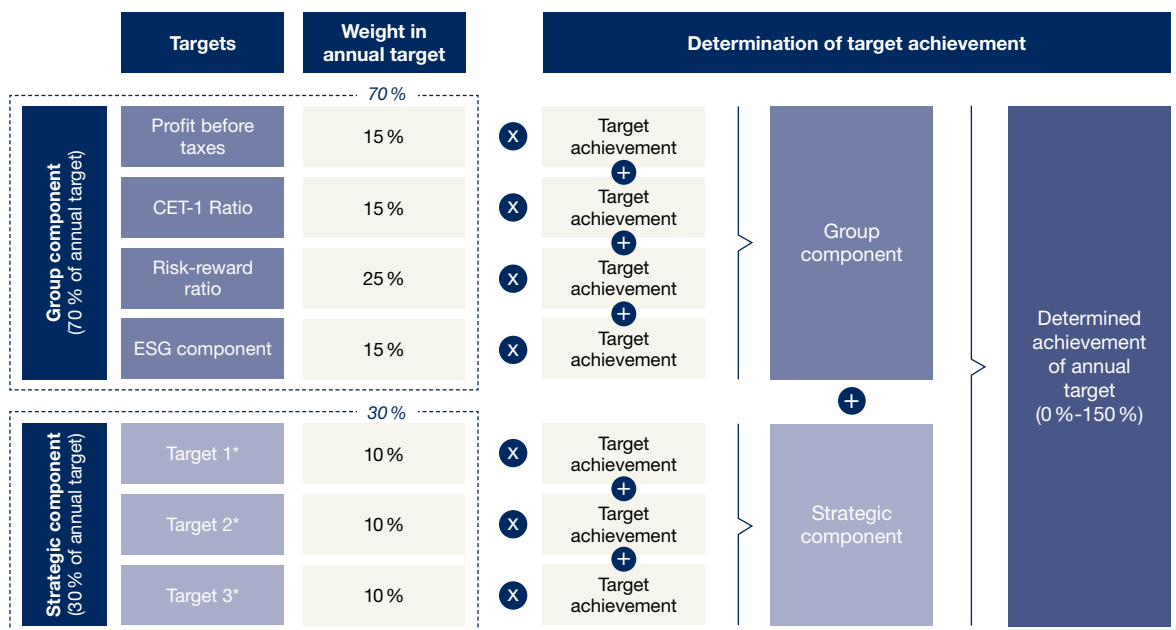
The initial amount of variable remuneration is then split into four different payout components, with 80% of the initial amount being paid out on a deferred basis and at least 55% of the initial amount being converted into virtual shares.

Both the fact that the targets are geared towards the Bank’s business strategy as well as the link to the share price performance over the next six years promote the Bank’s sustainable and long-term company development while at the same time aligning variable remuneration with the interests of shareholders. This is additionally strengthened through robust backtesting, malus and clawback rules and an additional process ensuring compatibility with sufficient risk-bearing capacity.

7.2 Performance criteria

The revised remuneration system significantly amends the performance criteria for Management Board members. In particular, the former distinction between a divisional and an individual component has been abolished. Furthermore, the weighting of the relevant target categories has been modified as reflected in the following table.

Determination of the annual target achievement



* At least one target within the Strategic Component is an ESG target.

The applicable performance criteria are typically set prior to the beginning of the financial year and aim to promote Aareal Bank in its long-term and sustainable development.

In order to reduce the influence of one-off effects and to ensure that the KPIs fulfil their purpose in terms of measuring the actual performance, reported indicators may be adjusted for certain effects when the targets are set, e.g. changes due to external regulatory requirements, M&A transactions (e.g. goodwill), or comparable effects.

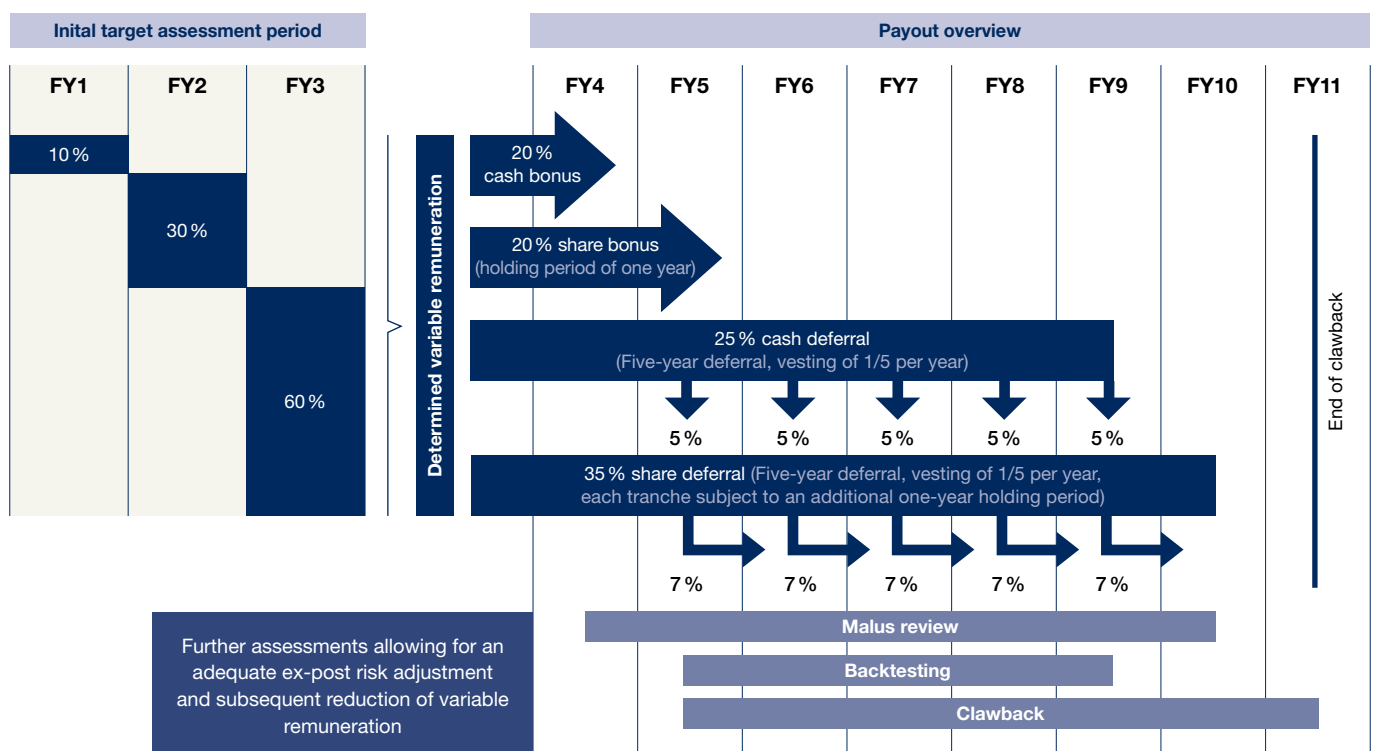
The target achievement rates for all performance criteria are determined after the relevant financial year by comparing target values with actual outcomes. The achievement level for all performance criteria can amount to 0%; it is capped at 150%. The same applies with regard to the overall target achievement rate.

Within the annual target, the Group component is weighted with 70% and the strategic component with 30%. For the Chief Risk Officer, the Supervisory Board can provide for a higher weight of the strategic component without changing the number and weight of the specific targets within the Group component and the strategic component.

The variable remuneration for any given financial year will be calculated by multiplying the individual target variable remuneration with the individual’s overall target achievement rate provided there are no reductions due to the ex-ante risk adjustment process (please refer to the section “Additional ex-ante risk adjustment” for further details).

Subsequent adjustments of target values are generally not permitted. Such adjustments may be made on an exceptional basis only if extraordinary developments so require in light of the Bank’s business strategy.

Multi-year assessment basis and payout components



All target achievement rates affect the variable remuneration on a three-year basis but with a different weight of the target achievement rates achieved for each year of the three-year performance period: the level of target achievement in the last year of the three-year performance period has a weight of 60%, the level of target achievement in the second year has a weight of 30%, and the level of target achievement in the first year of the three-year performance period has a weight of 10%. Certain events can trigger a clawback of variable remuneration: this can be exercised up to the expiry of two years after the end of the last deferral period for the variable remuneration. The clawback timeframe effectively ends 10 years after commencement of the performance measurement period.

7.3 Group component

The Group component comprises four different performance criteria that are derived from the overall business goals.

Target achievement levels of the individual performance criteria are determined independently of each other. In the event that target achievement level of two or more performance criteria is 0%, however, overall target achievement level for the Group component is also set to 0%.

Performance criteria within the Group component

KPI	Details	Link to strategy
Profit before taxes	The KPI "(adjusted) profits before taxes" provides for a strong alignment between internal steering and control mechanisms with the expectations of the capital markets. It reflects the performance of the whole institution, all business areas and all contributions to the financial success of our company.	"Profit before taxes" is one of Aareal Bank's most important KPIs; it is significant for communication purposes, and for assessing the Bank's current performance and future outlook.
Common Equity Tier 1 ratio (CET1 ratio)	The CET1 ratio is the Common Equity Tier 1 capital expressed as a percentage of the total risk exposure amount (RWAs). The CET1 ratio is a key indicator for the Bank's risk management; it underlines the Bank's commitment to sustainable stability.	The CET1 ratio ensures a close link between variable remuneration and the Bank's risk strategies. Using the ratio in setting targets creates incentives for establishing and maintaining a sustainably robust capital structure.
Risk/reward ratio	As the ratio of net interest income to risk-weighted assets, this target provides a strong focus on the profitability of Aareal Bank's most important business segment, with risks taken also being considered.	Net interest income refers to the Bank's most important business division and its key source of income. Putting net interest income into perspective with risk risk-weighted assets ensures that net interest income is not incentivised by inappropriate risk-taking.
ESG component	In order to reflect the increasing importance of sustainability, the Supervisory Board sets one or more ESG targets (which – in case multiple ESG targets are set – combined are weighed with 25% within the target Group component). The Supervisory Board selects company-specific, ESG-related steering impulses that are aligned to the Bank's overall strategic ESG goals and ambitions.	The bank strives to be a frontrunner in ESG related aspects; a dedicated ESG component within the Group component strengthens the link between the Bank's performance in ESG-related aspects and the remuneration of the Management Board members.

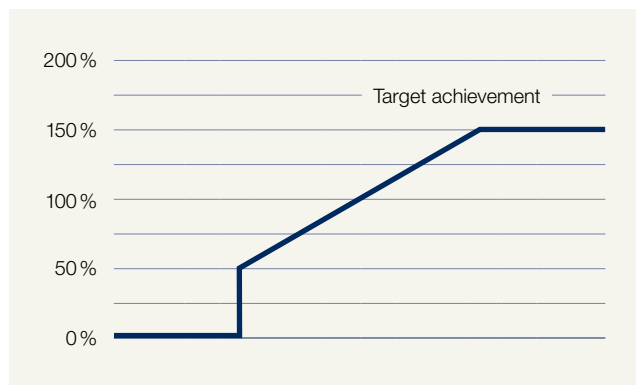
Calculation method

In order to ensure an easily comprehensible target achievement evaluation, the Supervisory Board chose to adopt a linear calculation method of target achievement for all performance criteria within the Group component.

A minimum target achievement threshold is set at 50% for each target, meaning that target achievement would be 0% if the determined target level achievement was less than 50%, demonstrating the level of ambition for Management Board members.

In addition, the target achievement level is capped at 150%, meaning that the target achievement level is limited to 150% even if target achievement exceeds 150%.

The upper limit ensures that Management Board members are not incentivised to take inappropriate risks in order to increase their variable remuneration.



Further details on the ESG component

The financial and property industries are still in the process of enhancing certain ESG standards as well as ESG goals. The Supervisory Board aims to set ESG targets that are quantifiable and measurable, and which are derived from the overall business strategy as well as strategic ESG-goals. For example, the ESG component may include a defined proportion of exposures compliant with the Green Finance Framework within the overall Structured Property Financing portfolio, a defined amount of green loans in new business, as well as a defined amount of green funding. The Supervisory Board intends to further enhance the ESG component in future years, in line with the Bank’s ESG ambitions and further development of market standards. Details on ESG KPIs are disclosed in the annual Remuneration Report.

7.4 Strategic component

Strategic targets are derived from Aareal Bank’s business strategy, and are set in line with the divisional responsibilities of the relevant Management Board member pursuant to the schedule of responsibilities. The Supervisory Board uses the strategic component to measure the contribution of each Management Board member (and his/her division) to the implementation of the strategy. The KPIs used by the Supervisory Board typically include qualitative and quantitative criteria, with the applicable strategic performance criteria being selected from the catalogue of performance criteria set out below.

For each Management Board member, at least one strategic target will be selected from the group of ESG targets.

When setting the targets for Management Board members with divisional responsibilities for control functions, the Supervisory Board ensures that no targets are set that interfere with these responsibilities. This especially applies to the Chief Risk Officer.

Catalogue of performance criteria for the strategic component

Implementation of business strategy	Advancement	ESG targets	
Targets of business strategy	Strategic projects & initiatives	Risk management & risk culture	Climate & environment
Financial/liquidity planning	Effectiveness & efficiency of organization	Regulation/compliance	Employee management & diversity
Business/product development	Transformation	Capital markets/investors	Client satisfaction

All strategic performance criteria are to be defined in a measurable manner. Following the completion of the performance period, the Supervisory Board assesses the target achievement level for each of the applied strategic performance criteria and, on that basis, determines the overall degree of target achievement for the strategic targets.

7.5 Additional ex-ante risk adjustment

An additional appropriate ex-ante risk adjustment of the targets and thus of the variable remuneration is ensured by several measures.

The Supervisory Board defines further conditions which, if not met, can lead to a reduction in the target achievements determined and even to the loss of variable remuneration. These additional conditions are usually KPIs derived from the Bank's risk management.

By means of a malus review, the Supervisory Board also checks (before granting the variable remuneration) whether there are reasons that justify a reduction or even a complete omission of variable remuneration. Malus-triggering events include, but are not limited to, wilful breaches of internal or external rules, conduct damaging the Bank's reputation and negative performance contributions leading to significant losses or material regulatory sanctions.

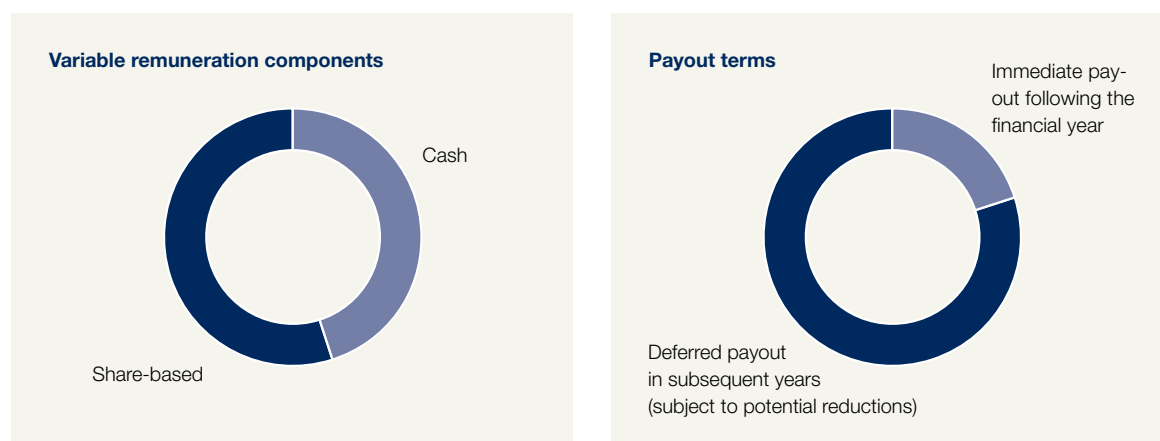
Above and beyond these measures, variable remuneration may in any case only be granted if the Bank's risk-bearing capacity is ensured. Against this background, the Supervisory Board conducts an audit based on the Bank's Recovery Plan and the thresholds defined therein. These thresholds include the achievement of financial and risk-based minimum indicators.

In addition, the responsible authorities can impose conditions or restrictions or order that the total amount of the variable remuneration be cancelled due to the supervisory provisions of the German Banking Act.

7.6 Variable remuneration components and deferral period

Aareal Bank has adopted robust deferral arrangements which ensure that the remuneration of Management Board members is tied to the long-term and sustainable performance of the institution. In this context, variable remuneration is also aligned to the interests of the shareholders since 55 % of variable remuneration is awarded in virtual shares and therefore tied to the long-term performance of the share price. Since 25 % of variable remuneration is awarded in deferred cash, a total of 80 % of variable remuneration is only disbursed over time.

The Supervisory Board may decide to implement and agree with the Management Board members on a different split of the variable remuneration components, however always ensuring that at least 55 % of the total initial variable remuneration amount calculated is awarded on the basis of virtual shares. The Supervisory Board may further decide to use physical shares or other comparable ownership interests or instruments, which meet the requirements of section 20 (5) of the InstVergV, instead of virtual shares.



Overview of payout components of variable remuneration (virtual shares)

	Share	Deferral period	Payout date (usually April or May)	Share-based
Cash bonus	20 %	n/a	In the first year after the assessment period	No
Share bonus	20 %	n/a (but holding period of one year)	In the second year after the assessment period	Yes (virtual)
Cash deferral	25 %	Payout in equal annual tranches over five years	From the second until the sixth year after the assessment period	No
Share deferral	35 %	Payout in equal annual tranches over five years, each being subject to an additional holding period of one year	From the third until the seventh year after the assessment period	Yes (virtual)

In the event of early termination or regular expiration of the Management Board member’s service contract, the payout components that are still subject to deferral and/or a holding period are not to be paid out prematurely; rather the payout dates and the determination of the payout amount in accordance with the regular payout schedule remain unchanged.

Further details on share-based remuneration

Initial calculation	The share-based portion of the variable remuneration is converted into a corresponding number of virtual shares. The calculation of the number of virtual shares is based on the weighted average price of Aareal Bank shares on the basis of five (Xetra®) exchange trading days after publication of the preliminary results for the financial year for which the share-based variable remuneration is awarded.
Payout amount	Prior to the payout of the share bonus or the tranche of the share deferral, conversion of the virtual shares into a cash amount is conducted by using the weighted average price of Aareal Bank shares calculated on the basis of the five (Xetra®) exchange trading days following publication of the preliminary results for the year preceding the payout.
Cap	The payout amount of the share-based remuneration components for a given financial year may vary depending on the share price development and has been limited to a maximum of 300% of the share bonus/ deferral component determined on the basis of the initial bonus amount calculation.
Dividends	In accordance with the regulatory requirements for banks, Management Board members do not receive any dividend payments for the share-based remuneration components of their variable remuneration during the retention period. If dividends are paid on Aareal Bank's shares during the holding period, a payout will be made as a salary component in an amount equivalent to the dividends and the proportion of the virtual shares.
Changes in share capital structure	Should the number of shares issued by Aareal Bank change within the deferral period or holding period, the number of virtual shares may be adjusted.

7.7 Ex-post risk adjustment, malus and clawback

In line with regulatory requirements, Management Board members are not entitled to the deferred variable remuneration elements until they are disbursed. Prior to disbursement, the Supervisory Board conducts multiple reviews to assess if deferred variable remuneration elements should be reduced or even be clawed back (ex-post risk adjustment). In addition, all deferred tranches of variable remuneration are subject to the requirements regarding risk-bearing capacity as outlined above (see section "Additional ex-ante risk adjustment").

Ex-post risk adjustment

Backtesting	Before the vesting of any deferred remuneration component, the Supervisory Board conducts a retrospective review of the original success and performance measurement. If, for example, an indicator used to determine variable remuneration needs to be adjusted retrospectively, this can result in the variable remuneration components being reduced retrospectively before they vest.
Malus	<p>Until they are paid out, variable remuneration components remain subject to the same malus test as before the initial determination of the variable remuneration, which allows for a subsequent reduction or even the cancellation of the entire variable remuneration.</p> <p>Malus-triggering events include, but are not limited to, wilful breaches of internal or external rules, conduct damaging the Bank's reputation and negative performance contributions leading to significant losses or material regulatory sanctions.</p>
Clawback	The variable remuneration for Management Board members is also subject to clawback regulations. In cases involving negative performance contributions (see below), the Supervisory Board can claw back variable remuneration components that have already been paid out for up to two years after the end of the last retention period for the variable remuneration paid out for the financial year in question.

Further details on malus and clawback regulations

When determining the variable remuneration as well as before each vesting and payout of deferred remuneration elements, the Supervisory Board, in accordance with regulatory requirements, carries out a review as to whether there are reasons that could justify a reduction or even a complete loss of variable remuneration. Such so-called malus events may for instance exist in the case of certain immoral behaviour or behaviour contrary to duty, or in the event of negative performance contributions of the Management Board member.

Negative performance contributions include, for example, situations where the Board member was materially involved in (or materially responsible for) conduct that resulted in a significant loss to the institution or a significant regulatory sanction, and also where the Board member has proven to have seriously violated certain relevant regulations regarding suitability and conduct.

The variable remuneration is reduced to zero in the event of negative performance contributions. The Supervisory Board has concluded clawback agreements with the Management Board members based on which the variable remuneration can be clawed back, in the event of negative performance contributions, for a period of up to two years after the end of the last retention period for the variable remuneration paid for the financial year in question.

8. Additional provisions of the remuneration system

Additional provisions

Appointment period	The Management Board service contracts are concluded for the duration of the appointment period in each case. This is usually three years for an initial appointment and five years for each subsequent appointment. (In 2021, Jochen Klösger was appointed as CEO for five years.)
Newcomer rule	The Supervisory Board has decided to build up the three-year period only gradually for measuring remuneration targets for newly appointed Management Board members. Accordingly, the weighting of the target achievement for the years forming the performance period when determining the overall degree of target achievement can then be different for such new members of the Management Board who have not yet completed three years of service. In accordance with regulatory requirements, the deferral period is extended correspondingly for periods with a shortened assessment period. Hence, for the first year, the assessment period is only one year, with the deferral period being extended from five to seven years. For the second year, the assessment period is extended to two years and the deferral period shortened to six years. The remuneration system for the Management Board will be applied, as provided, from the third year onwards.
Early termination	<p>In accordance with the German Public Limited Companies Act, the service contracts do not provide for any option for termination for convenience; the right of both parties to terminate the service contract without notice for good cause remains unaffected.</p> <p>The Management Board service contract ends automatically if the member becomes permanently unable to work as defined in the relevant contracts. In such cases, the Management Board service contract may provide for the continued payment of the member’s fixed annual remuneration (plus (substitute) social security contributions) from the start of the permanent incapacity for work and for a period of up to six months (taking into account those periods for which continued salary payments have already been made). The continued payments cannot, however, extend beyond the date on which the employment relationship would have normally ended.</p> <p>The contracts of employment may state that, if a member of the Management Board dies during the term of his/her contract, widows, widowers or partners and legitimate children (provided they have not yet turned 27 and are still in vocational training/further education) are entitled, as joint and several creditors, to continued fixed salary payments for the month of death and the following six months, but until the contract ends at the latest. In such cases, the variable remuneration is calculated pro rata for the period leading up to the member’s death.</p>

Severance pay	<p>The Management Board service contracts do not include any obligation to make a severance payment in the event of premature termination. Service contracts concluded since 2022 also do not contain change-of-control provisions. Earlier contracts do contain change-of-control provisions that provide for severance payments in the event of a change of control. If these members were to be reappointed, the change-of-control clauses would no longer be included in that member's extended service contract.</p> <p>Severance payments may be made in the event of premature termination, within the limits of applicable law. They must take into account the performance of the Management Board member over time, and may not reward negative performance contributions or misconduct by the Management Board member (no reward for failure). The contracts concluded with the members of the Management Board state that, in the event of a premature termination of their term on the Management Board without good cause, severance payments must not exceed twice the annual remuneration and must not constitute remuneration for more than the remaining term of the service contract (severance cap).</p>
Non-compete clauses	<p>The Supervisory Board can agree a post-contractual non-compete clause for a period of up to 24 months. For this period, appropriate compensation would be determined on a case-by-case basis. In the event of an agreement on a post-contractual non-compete clause, any severance payments would be offset against a compensation for non-competition.</p>
Share ownership	<p>At least 55 % of the variable remuneration is awarded in the form of virtual shares, meaning that the overall compensation for Management Board members is inextricably tied to the overall long-term performance of the institution. The long retention periods mean that Management Board members typically hold deferred virtual shares (or virtual shares subject to a holding period) amounting to more than 100 % of their fixed annual salary at the latest after three years of service, and will usually remain above this threshold until the end of their office on the Management Board. Against this background, there is no further obligation to hold actual shares in Aareal Bank.</p>
Hedging ban	<p>Management Board members are prohibited from undertaking to limit or override the risk orientation of their remuneration by initiating personal protection or countermeasures.</p>
Offices held	<p>Paid or unpaid forms of secondary employment, honorary positions, supervisory board, advisory board or similar mandates outside the Group, as well as work on expert opinions, require the prior written consent of the Supervisory Board's Executive and Nomination Committee.</p> <p>If the paid forms of secondary employment are directly related to the Bank, any remuneration paid for these activities is offset against the individual's fixed annual salary.</p> <p>In the event that members of the Management Board assume positions in executive bodies which are not directly related to the Bank, the Supervisory Board decides on a case-by-case basis whether to offset the remuneration earned by the Management Board member in question against the total remuneration from his or her Management Board position.</p>
Temporary inability to work	<p>In the event of temporary, non-permanent incapacity for work, Management Board members may continue to receive their fixed annual salary for a period of up to six months. The Supervisory Board has the discretion to decide whether the variable remuneration components are also granted in full or in part for the periods in which continued salary payments are made. For newly or re-appointed members of the Management Board since 2021, the service contracts will contain a provision that no variable remuneration components are granted for periods of time that exceed three months in any given financial year.</p>
Conflicts of interests	<p>Members of the Management Board and Supervisory Board are subject to the Bank's provisions regarding avoidance of conflicts of interest, which are designed to prevent conflicts of interest from arising in the first place. Members of the Management Board and Supervisory Board have to disclose conflicts of interest to the Supervisory Board.</p>

9. Remuneration governance

Aareal Bank has adopted robust Governance arrangements ensuring the compliance with regulatory requirements.

Governance bodies

<p>Supervisory Board</p>	<p>The Supervisory Board decides on Management Board remuneration, monitors appropriateness, defines targets for determining variable remuneration, and decides on target achievement. During the following years, the Supervisory Board reviews, within the framework of backtesting/malus reviews, whether variable remuneration originally determined needs to be adjusted or reclaimed (clawback).</p> <p>As part of examining appropriateness of Management Board remuneration, the Supervisory Board shall review whether the remuneration system for the Management Board (as well as the corresponding targets for Management Board members derived therefrom) is consistent with the Company's business and risk strategies, the objectives derived from these strategies, the corresponding risk management, as well as with the defined risk appetite and corporate values. As further elements of this examination of appropriateness, a vertical comparison with the average remuneration of relevant employees and the top management level below the Management Board is to be carried out, as well as a horizontal comparison with the remuneration of Management Board members of comparable enterprises based on the relevant peer group.</p>
<p>Remuneration Control Committee</p>	<p>The Remuneration Control Committee supports the Supervisory Board in its monitoring duties and prepares the plenary meeting's resolutions concerning remuneration. The Committee monitors the appropriateness of the structure of Management Board remuneration, proposes targets for variable remuneration and for target achievement at the end of the year, and also monitors the levels of target achievement during the course of each year. Moreover, the Committee assesses the effects of the remuneration systems on the Group's risk, capital, and liquidity management. In the run-up to determining remuneration, it reviews whether there are any backtesting or malus events which may result in a reduction of variable remuneration.</p>
<p>Risk Committee</p>	<p>The Risk Committee verifies whether the incentives created by the remuneration system take the Company's risk, capital and liquidity structure into account, as well as the probability and timing of income.</p>
<p>AGM</p>	<p>In accordance with the German implementation of the Second Shareholder Rights Directive (ARUG II), the remuneration system for Management Board members is submitted to the Annual General Meeting for approval at least every four years and in the event of significant changes (Say-on-Pay). The remuneration system will be presented to the 2022 ordinary Annual General Meeting in line with these provisions.</p> <p>In addition, beginning in 2022 the Remuneration Report will also be submitted to the ordinary Annual General Meeting on an annual basis.</p>
<p>External advisors</p>	<p>In order to review the appropriateness of Management Board remuneration, an external remuneration advisor is engaged at least every four years to prepare an opinion as to the appropriateness of this remuneration – and especially, as to whether this remuneration is in line with common practice and is comparable. The Supervisory Board may seek support from remuneration and/or legal advisors in the course of further development and review of the remuneration systems. When mandating such advisors, attention is paid to their independence to avoid any conflicts of interest.</p>

10. Temporary deviations

The Supervisory Board is entitled to temporarily deviate from the remuneration system for Management Board members pursuant to section 87a (2) of the AktG if it is necessary for the sake of the Company's long-term well-being.

This can prove necessary, for example, in the event of far-reaching and extraordinary changes in the economic situation, such as the occurrence of a severe economic crisis.

Deviations from the remuneration system are only possible by way of a corresponding Supervisory Board resolution based on a proposal put forward by the Remuneration Control Committee confirming the need for the deviation.

The option of deviating from the remuneration system for the Management Board temporarily is limited to the following components: the performance criteria for variable remuneration, ranges for possible target achievement levels for the variable remuneration parameters, the specific remuneration components and the relative shares of fixed and variable remuneration components. Deviations can also be made by temporarily granting additional remuneration components, for example in the form of extraordinary ancillary and special benefits.

In the event of deviations from the remuneration system, the deviations – together with the reasons and specification of the components of the remuneration system which were deviated from – will be explained in the next Remuneration Report.

B. Remuneration Report (document for agenda item no. 7)

This Remuneration Report describes the remuneration paid to current and former members of the Management Board and Supervisory Board of Aareal Bank AG in accordance with section 162 of the German Public Limited Companies Act (Aktiengesetz – AktG). The Remuneration Report was reviewed by the auditors of Aareal Bank AG's annual financial statements, KPMG. KPMG also performed a substantive audit on this report extending beyond the requirements set out in section 162 (3) sentences 1 and 2 of the AktG. The report on the outcome of this audit is reproduced in full at the end of the Remuneration Report.

1. A review of the 2021 financial year

1.1 Changes within the Management Board

There were significant changes within the Management Board of Aareal Bank AG during the year under review.

On 8 November 2020, the Supervisory Board had granted a temporary leave of absence to Hermann J. Merkens, releasing him from his duties as a member and Chairman of the Management Board, for health-related reasons. On 20 April 2021, Hermann J. Merkens informed the Chairman of the Supervisory Board at that time, Marija Korsch, that, contrary to initial expectations and from a medical perspective, he would not be able to resume his work as member and Chairman of the Management Board for the foreseeable future. As a result, Mr Merkens left the Management Board prematurely on 30 April 2021 in line with the contractual agreements.

On 15 June 2021, the Supervisory Board appointed Jochen Klösger as the new Chairman of the Management Board of Aareal Bank AG with effect from 15 September 2021. As is evident from this Remuneration Report, the Supervisory Board has already taken extensive measures in response to key points of criticism raised in connection with the previous Management Board remuneration system with regard to the remuneration conditions.

Dagmar Knopek left the Management Board of Aareal Bank AG at the end of her standard appointment period on 31 May 2021. Thomas Ortmanns also left the Management Board of Aareal Bank AG prematurely at his own request effective 30 September 2021.

All in all, this meant that the size of the Management Board was reduced from six members at the beginning of the reporting year to four members at the end of the reporting year.

1.2 Changes within the Remuneration Control Committee

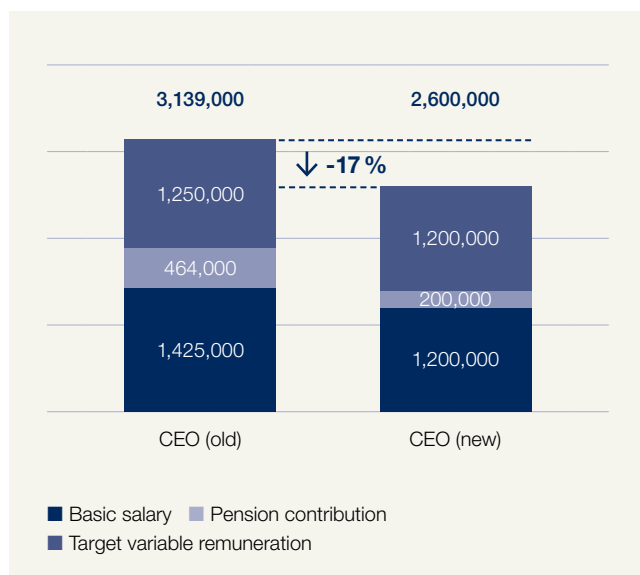
The Bank's long-standing Supervisory Board Chairman, Marija Korsch, informed the Management Board on 23 November that she had resigned as Chairman of Aareal Bank's Supervisory Board with immediate effect, and that she intended to resign from her Supervisory Board mandate with effect from 31 March 2022. The Supervisory Board elected Prof. Dr Hermann Wagner, who has been a member of the Supervisory Board since 2015 and already headed the Audit Committee, to succeed her as Chairman of the Supervisory Board. As Ms Korsch also resigned as Chairman of the Remuneration Control Committee with immediate effect, Christof von Dryander was elected as the committee's new Chairman.

At the Bank's extraordinary General Meeting held on 9 December 2021, however, Ms Korsch was dismissed as a member of the Bank's Supervisory Board with effect from the end of the meeting. In addition to Ms Korsch, Christof von Dryander and Dietrich Voigtländer were also dismissed by the extraordinary General Meeting. The proposals made by a shareholder for the election of new members to the Supervisory Board did not, however, secure

the necessary majority at the extraordinary General Meeting. While the Supervisory Board then immediately initiated the process to have the court appoint three Supervisory Board members, this process was not completed until 14 January 2022. This meant that the Supervisory Board only consisted of nine members at the end of the reporting year.

The three Supervisory Board members dismissed by the extraordinary General Meeting were members of the Remuneration Control Committee. Following their dismissal, the composition of the committee was changed. Professor Wagner and Petra Heinemann-Specht were appointed to the Remuneration Control Committee. Professor Wagner also assumed the position of Chairman of the Remuneration Control Committee.

1.3 Reaction to the rejection of the Management Board remuneration system by the Annual General Meeting and outlook



Areal Bank's remuneration system was rejected by 63.35 % of the votes cast at the ordinary Annual General Meeting 2021, meaning that it was not adopted. Since then, the Supervisory Board has been addressing changes to the remuneration system in depth.

When Mr Klösger was appointed as the new Chairman of the Bank's Management Board, key new features were already implemented in response to the criticism raised by the Bank's shareholders. The main points of criticism raised by the shareholders were the absolute amount of the remuneration paid, the insufficient share of variable remuneration in relation to total remuneration, the excessive share of pension commitments in relation to total remuneration, the amount of the guaranteed rate of interest on

pension commitments and the peer group used to compare the remuneration. The Supervisory Board had already reacted to all of these aspects when defining Mr Klösger's remuneration conditions. Mr Klösger's target total remuneration, for example, was reduced significantly, by around 17 %, compared to the remuneration paid to his predecessor. In addition, as Mr Klösger's pension commitment no longer includes the previous guaranteed interest rate of 4 %, the reduction based on the IFRS service cost is even more substantial. Furthermore, the appropriateness of the remuneration and the question as to whether or not it was consistent with standard market practice was no longer assessed based on a peer group comprising all of the companies listed in the DAX, MDAX and SDAX. Instead, the comparison was based on a peer group of selected banks in Germany.

A working group comprising members of the Remuneration Control Committee addressed these and other aspects of the remuneration system during the 2021 and 2022 financial years. In particular, a new target system was developed to make the target system more straightforward and transparent, to enable greater alignment with shareholder interests and to further increase the role played by ESG issues. The working group consisted of Ms Korsch, Mr von Dryander and Mr Voigtländer until their dismissal, after which it consisted of Professor Wagner and Ms Seignette.

Details on the revised Management Board remuneration system can be found in the invitation to the ordinary Annual General Meeting 2022.

1.4 Performance in 2021

The Bank can look back on a successful 2021 reporting year in which it exceeded the targets it had set itself. This means that it also achieved the earnings swing it had forecast at the start of the reporting year. The Bank not only boosted its net interest income and, as a result, its profitability significantly. It was even able to make a further improvement to its Common Equity Tier I ratio (CET1 ratio) at the same time. Overall, this put the Bank at the upper end of the forecast range and ahead of its ambitious projections. The starting position for sustainable and profitable growth was improved yet again in all segments.

This positive development is also based on the Management Board’s strong management performance, which is why it is also reflected in the variable remuneration for 2021. The positive results also illustrate, in particular, that the Bank’s management and employees have kept a firm focus on the Bank’s business and profitability despite the Bank being the target of an unsolicited takeover bid.

2. Management Board remuneration system 2021

The following overview illustrates the fundamental principles of the Management Board remuneration system applied in the year under review. Following the rejection by the ordinary Annual General Meeting 2021, the remuneration system was thoroughly revised. The revised Management Board remuneration system also forms part of the agenda for the ordinary Annual General Meeting 2022.

	Description	Reference to strategy and long-term development
Fixed remuneration elements		
Fixed annual salary + ancillary benefits = basic remuneration	<ul style="list-style-type: none"> – Fixed, contractually-agreed remuneration in line with standard market conditions, paid monthly – Ancillary benefits in line with standard market conditions, in particular a company car that can also be used for private purposes, or a lump-sum payment for members who decide against a company car; certain costs for security expenses, including the taxes and social security contributions payable on these amounts; (substitute) social security contribution corresponding to 50% of the contributions due under the statutory social security scheme 	Guaranteeing the fixed income in the form of a fixed annual salary and ancillary benefits equivalent to scope and complexity of the business and the role and responsibility of the individual members of the Management Board, and competitive on the market.
Pension benefits	<ul style="list-style-type: none"> – Defined contribution commitment with guaranteed interest – Management Board members are entitled to pension payments when they reach a defined age. – In the event of permanent disability, Management Board members are entitled to benefit payments even before they reach this defined age. 	<p>Granting of pension commitments for financial security in retirement and protection in case of death and disability that are in line with market requirements.</p> <p>New features for newly appointed Management Board members, or members reappointed since 2021: In line with the revised remuneration system, which will be presented to the ordinary Annual General Meeting 2022, a defined contribution pension commitment with a fund index performance-based interest rate is planned for newly appointed Management Board members, or members reappointed from 2021 onwards. Upon reaching the defined age, the Management Board members are entitled to a one-off lump-sum payment.</p>

	Description	Reference to strategy and long-term development
Variable remuneration elements	<ul style="list-style-type: none"> – Variable remuneration is determined via the achievement of targets derived from the business and risk strategies, and which are in line with Aareal Bank's corporate and risk culture. – Group (70%), divisional (15%) and individual (15%) targets – Group targets usually correspond to the financial KPIs used in the management system, while divisional and individual targets can include both financial and non-financial KPIs. – Performance measurement based on criteria whose achievement is determined over a three-year period – No discretionary components besides the targets derived from the strategy – Breakdown via four components (as per regulatory requirements) – At least 55% of variable remuneration is share-based – At least 80% is paid out on a deferred basis (20% as a share bonus with a holding period + 60% cash and share deferral) – Maximum overall target achievement level is capped at 150% of the target value – Variable remuneration cannot exceed fixed remuneration – No compensation is granted in the form of special bonuses extending over and above the components referred to above. 	<p>Calculation of variable remuneration on the basis of annual financial and non-financial performance criteria that promote the achievement of the strategic objectives.</p> <p>Provides incentives to Management Board members for implementing the business priorities of Aareal Bank and to act in the interest of the long-term and sustainable positive business development.</p> <p>Group performance targets account for 70% of overall target achievement, hence prioritising the entire Company's interest, including shareholder expectations.</p> <p>By granting the variable remuneration, Aareal Bank meets the regulatory requirements to which it is subject.</p> <p>New features as of 2023: The remuneration system to be presented to the ordinary Annual General Meeting 2022 provides for the separate divisional and individual target levels to be combined to create one single target level in order to make the remuneration system easier to understand.</p>
Other rules		
Risk-bearing capacity	<ul style="list-style-type: none"> – Before disbursing the variable remuneration, the Supervisory Board reviews it regarding its compatibility with the risk-bearing capacity. 	Disbursing variable remuneration is not meant to threaten Aareal Bank's financial solidity.
Malus and clawback	<ul style="list-style-type: none"> – All components of the variable remuneration are subject to malus and clawback provisions. – Admission of an adjustment to outstanding remuneration and/or clawback of remuneration already disbursed in case of clawback events. 	Within the meaning of responsible and sustainable corporate governance, and for the purpose of implementing the regulatory requirements, malus and clawback rules are a mandatory part of good corporate governance, which in turn is firmly enshrined in Aareal Bank's strategy.
Consideration of extraordinary developments	<ul style="list-style-type: none"> – (Modifier) adjustment of Group target achievement level by 20 percentage points possible in cases involving exogenous circumstances – In principle, no subsequent adjustments to remuneration targets, unless extraordinary developments result in the business strategy being adjusted during the year. 	<p>In order to ensure that the remuneration system provides incentives for the actual performance of the Management Board member with regard to the sustainable and long-term development of Aareal Bank Group, adjustments can be made subject to pre-defined and very restrictive conditions.</p> <p>New features as of 2023: The modifier is no longer included in the new Management Board remuneration system, which will be presented to the ordinary Annual General Meeting 2022. This further restricts the extent to which the Supervisory Board can exercise discretionary judgement when defining the variable remuneration.</p>

	Description	Reference to strategy and long-term development
<p>Maximum remuneration of € 5.5 million per Management Board member (within the meaning of section 87a of the AktG)</p>	<p>– Maximum expense amount for the financial year, which includes the fixed annual salary, variable remuneration elements (incl. the development of the virtual shares over the next six years), ancillary benefits and pension obligations (service cost). Severance payments are excluded from this amount as a non-standard remuneration component.</p>	<p>In order to define absolute values to ensure the proportionality of the amount of Management Board remuneration, the maximum remuneration sets a specific upper limit. This theoretical maximum value is based on a maximum possible target achievement level over the entire three-year assessment period and maximum share price performance. This means that the maximum remuneration can be clearly distinguished from the total target remuneration.</p> <p>New features as of 2023: In the revised Management Board remuneration system, which will be presented to the ordinary Annual General Meeting 2022, the maximum remuneration will be reduced to € 4.5 million per member of the Management Board.</p>

2.1 Appropriateness of the remuneration

Remuneration of the members of the Management Board is appropriate to their tasks and performance, as well as the Company’s overall situation.

The Supervisory Board took an in-depth look at the question as to which peer group should be used to review the appropriateness of the Management Board remuneration as part of the “horizontal comparison”.

In this respect, the Management Board remuneration system presented to the ordinary Annual General Meeting 2021 included all companies listed in the SDAX, MDAX and DAX in the Bank’s peer group. Many shareholders felt that this peer group was too broad and unspecific.

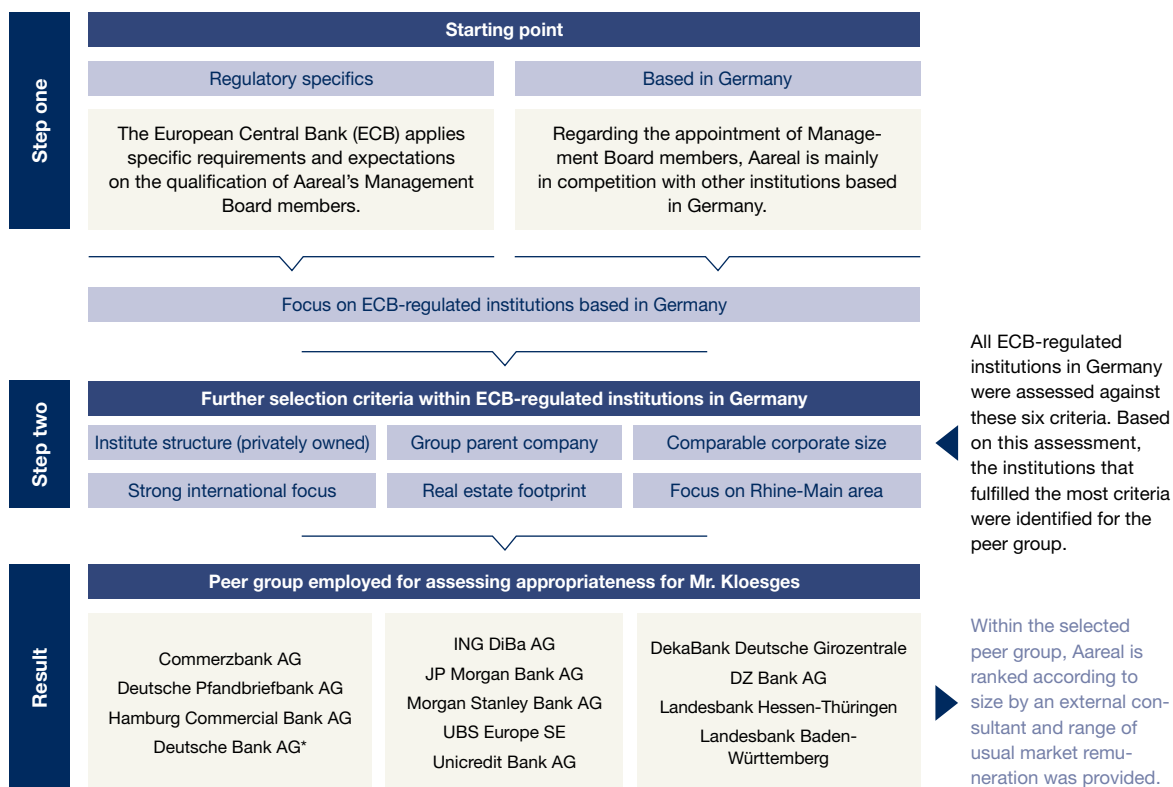
By contrast, the peer group used by the Supervisory Board to assess Mr Klösge’s remuneration breaks with the previous approach and performs the comparison based on a group of companies selected for this purpose using a fixed catalogue of criteria.

The first step involved narrowing the peer group down to ECB-regulated banks in Germany. This is because the European Central Bank imposes specific requirements on, and has specific expectations of, Management Board members at these institutions. The focus on Germany is based on the fact that, when trying to attract potential candidates to fill Management Board positions, Aareal Bank is largely competing with other banks based in Germany.

The second step involved narrowing the group of ECB-regulated banks in Germany down further by classifying all of the companies using a catalogue of six criteria that are considered highly relevant from the perspective of Aareal Bank and its business model. The banks that met the most criteria make up the peer group of 13 companies used to evaluate Mr Klösge’s remuneration.

Within this peer group, Aareal Bank had an external, independent remuneration consultant (Willis Towers Watson) rank the Bank on the basis of its size and arrive at an opinion regarding standard market remuneration based on this ranking. The target total remuneration defined for Mr Klösge was confirmed as being consistent with standard market practice in this context.

The process involved in defining the peer group – which is to be used for future assessments of the appropriateness of remuneration as well – is illustrated in the chart below:



* The remuneration comparison is not made with the Management Board of Deutsche Bank but with the Management Board level corresponding to the former Postbank AG/Privat- und Firmenkundenbank AG

In addition to the horizontal comparison, the vertical comparison serves to observe how the remuneration of Management Board members compares to the remuneration of the senior management (i.e. usually the highest management level below the Management Board) as well as to the remuneration of employees in general, also with a view to the development over time. In this context, “employees” refers to all permanent employees of Aareal Bank AG in Germany.

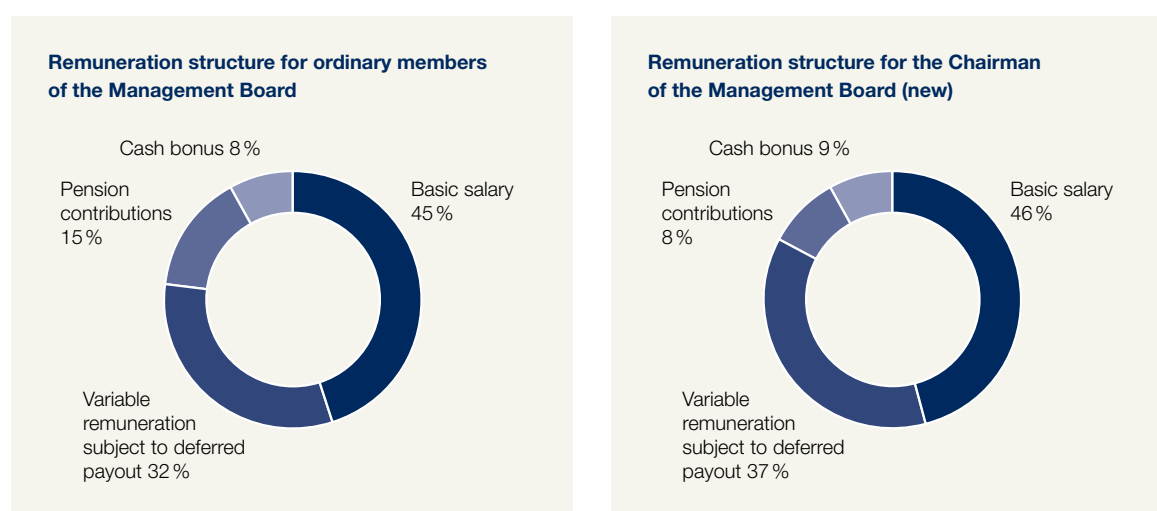
2.2 Remuneration structure

The target total remuneration comprises a fixed component (including ancillary benefits and contributions to pension provisions) and a variable component whose structure is heavily regulated by law, namely in the provisions set out in the German Banking Act (Kreditwesengesetz – KWG), the German Regulation on Remuneration in Financial Institutions (Institutsvergütungsverordnung – InstVergV) and requirements at European level.

In the previous Management Board remuneration system, 15 % of the target total remuneration consisted of pension contributions. The discussions held at the ordinary Annual General Meeting 2021 revealed that some of the Bank’s shareholders considered this share to be too high.

The Supervisory Board reacted to this criticism after the 2021 ordinary Annual General Meeting and, when it appointed Mr Klösger as Chairman of the Bank's Management Board, it increased the target variable remuneration significantly in relation to the other remuneration components (from approx. 40 % to approx. 46 %) while significantly reducing the pension contributions proportionally (from approx. 15 % to approx. 8 %).

The diagram below illustrates the ratio between the fixed and variable components of the remuneration of all members of the Management Board.



2.3 Fixed remuneration component

The fixed remuneration component of a Management Board member consists of three elements – the fixed annual salary, ancillary benefits, and pension contributions.

2.3.1 Fixed annual salary

Previously, the basic salary paid to the Chairman of the Management Board was € 1,425,000. The Supervisory Board reduced this amount to € 1,200,000 when it appointed Mr Klösger as the new Chairman of the Management Board. The basic salary paid to the ordinary members of the Management Board amounted to € 900,000 p. a. in the reporting year.

2.3.2 Ancillary benefits

As well as paying a fixed annual salary, the Bank grants the members of the Management Board ancillary benefits in line with standard market conditions. For example, Aareal Bank provides a company car to Management Board members, which may also be used for private purposes. If Management Board members decide against a company car, they receive a lump-sum compensation payment instead. Management Board members also receive an amount equivalent to 50 % of the contributions to the statutory social security system.

The members of the Management Board are also granted insurance cover in line with standard market conditions, such as D&O insurance (subject to the statutory deductible), group accident insurance or health insurance for travel abroad. The Bank may also grant other ancillary benefits such as security expenses and travel costs for family visits.

Ancillary benefits can also fluctuate considerably from year to year.

2.3.3 Pensions and retirement benefits

The benefit regulations as agreed in the service contracts apply to the members of the Management Board. All members of the Management Board are granted a defined contribution commitment:

To date, this has amounted to a total of € 464,000 p. a. for the Chairman of the Management Board, € 293,000 p. a. in general for ordinary members of the Management Board and thus accounts for 15 % of the target remuneration structure of the Management Board members. These contributions bear interest at a guaranteed rate of 4%.

Management Board members who were appointed prior to 1 January 2013 are entitled to claim pension benefits as of the time at which they turn 60. For members of the Management Board who were appointed on or after 1 January 2013, claims arise as of the time at which they turn 62. In the event of permanent disability, a Management Board member is entitled to claim benefits prior to turning 60 or 62, respectively. In this case, the pension capital earned by the Management Board member is increased by a certain lump sum, which is further specified in the respective employment contract.

The amounts are subject to a guarantee adjustment of 1 % p. a. The pension paid to widows amounts to 60 % of the pension of the member of the Management Board, while pensions to half-orphans and orphans amount to 10 % and not more than 25 %, respectively.

The Supervisory Board made significant changes to the pension arrangements when it appointed Mr Klösger as the new Chairman of the Management Board. By way of example, the contribution for the former Chairman of the Management Board – who retired from the Board during the year under review – was reduced from € 464,000 p. a. to € 200,000 p. a., meaning that it now only corresponds to around 8 % of the target remuneration structure. The guaranteed interest rate of 4 % was also changed to a fund index performance-based interest rate with a 0 % guarantee. Mr Klösger's pension commitment also no longer provides for a monthly, lifelong pension as a fundamental pension benefit. Instead, a one-off lump-sum payment is now provided as standard. All in all, these measures serve to reduce the Bank's accounting risks considerably.

The main aspects of the previous and the new pension system are shown in the table below:

Pension commitment overview

	Previous pension commitment	New pension commitment*
Type	Defined contribution	Defined contribution
Duration of contribution	Period of service as Management Board member	Period of service as Management Board member
Amount of contribution	~15% of overall target remuneration	~8% of overall target remuneration
Return	Guaranteed interest rate of 4 % p.a.	Fund index performance-based interest rate with a guarantee covering the contributions made
Payout	<ul style="list-style-type: none"> – Lifelong pension – Lump-sum payment (only with the approval of the Supervisory Board) 	<ul style="list-style-type: none"> – Lump-sum payment – Up to seven annual instalments (only with the Supervisory Board's approval) – Lifelong pension (only with the approval of the Supervisory Board)
Further terms and conditions	The pension scheme includes benefits in case of disability or death (to the benefit of dependants)	The pension scheme includes benefits in case of disability or death (to the benefit of dependants)

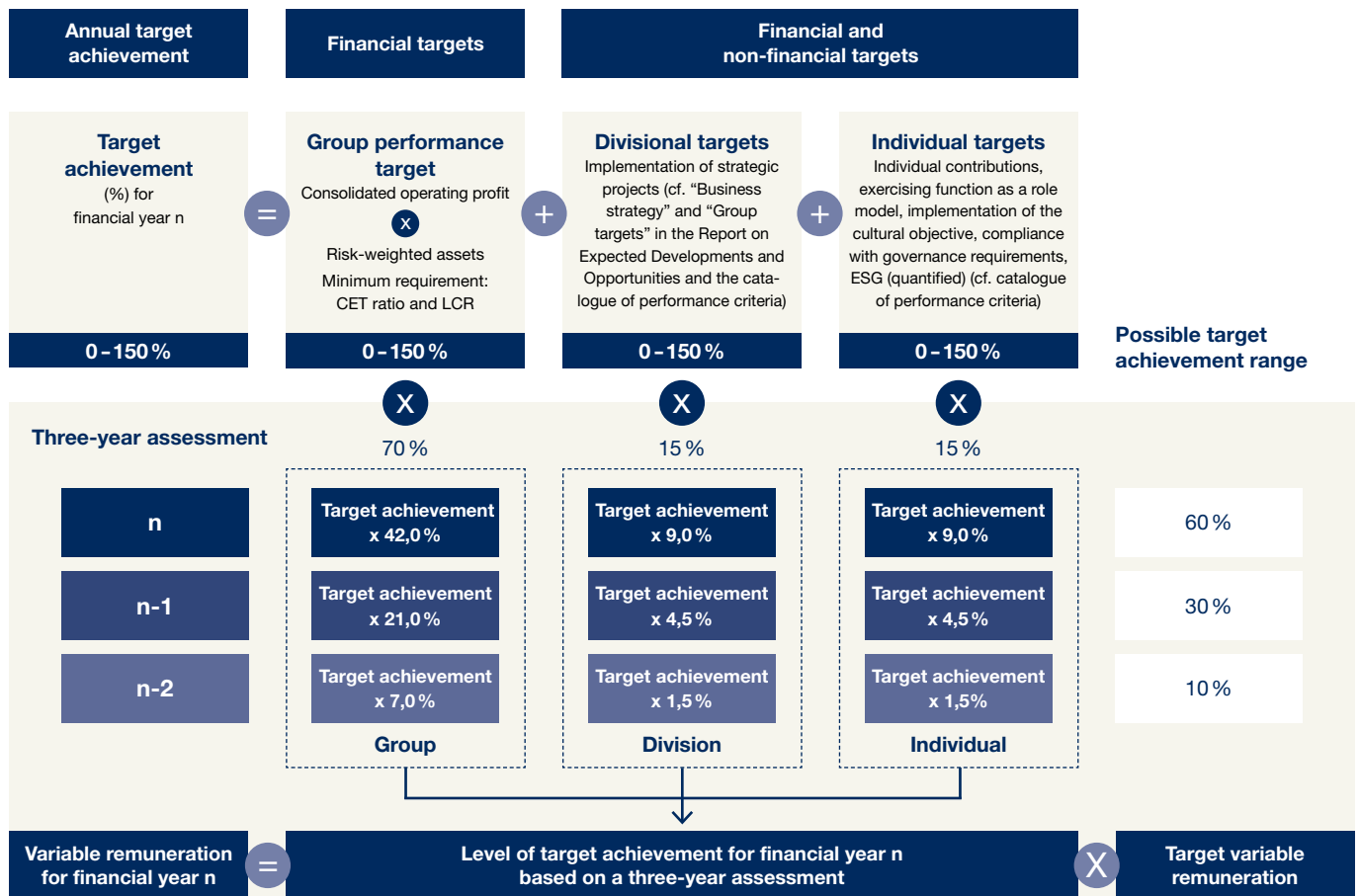
* already applied for Mr Klösger

2.4 Performance-related variable remuneration

2.4.1 Long-term and sustainable focus of the targets

The structure of the variable remuneration system is subject to detailed requirements set out in the bank regulatory provisions (e.g. German Banking Act, German Regulation on Remuneration in Financial Institutions). The calculation of the variable remuneration is generally split into two phases. In the first phase, the achievement of targets derived from the strategy is determined over a period of three years at three levels: Group, divisional and individual. The target achievement level is multiplied by the reference value and produces the amount calculated (e.g. for an ordinary member of the Management Board: € 780,000 x 90 % = € 702,000). The amount calculated is then paid out in the second phase in four different components, including 80 % that is paid out on a deferred basis and at least 55 % paid out in virtual shares over a period spanning several years. Among other things, the fact that the targets are geared towards the strategy and the subsequent adjustment based on share price performance over the next six years promotes sustainable and long-term company development while at the same time taking the interests of the shareholders into account. This is also achieved through the malus and clawback rules as well as through the guarantee of sufficient risk-bearing capacity.

2.4.2 Multi-year performance measurement across different target levels (phase 1)



A significant part of Aareal Bank's variable remuneration structure is governed by law: In accordance with the regulatory requirements set out in sections 19 and 20 of the German Regulation on Remuneration in Financial Institutions, the variable remuneration for the members of the Management Board was defined in the reporting year on the basis of three target levels and over a minimum assessment period of three years (2019, 2020 and 2021). Accordingly, the Management Board remuneration system that has applied at Aareal Bank to date, which was submitted to the ordinary Annual General Meeting 2021, provides for three target levels:

- Group performance;
- divisional performance; and
- individual performance.

The targets set at all three levels are focused on sustainable and long-term growth. To measure and monitor target achievement, various KPIs are determined annually for targets, and their degree of achievement is assessed at the end of the financial year. The target achievement level for each target level is thus determined by the respective KPI achievement of the past financial year and by the degrees of KPI achievement of the two previous financial years (**three-year assessment basis**).

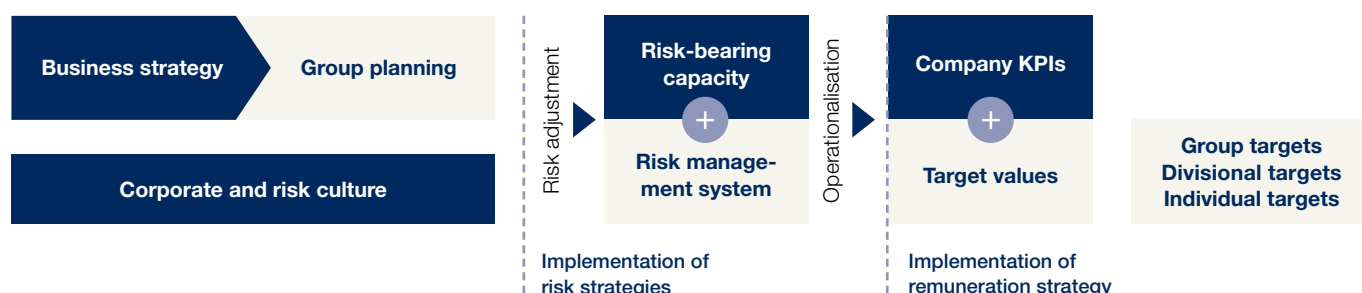
The members of the Management Board are responsible – and epitomise – the Company's success. This is also reflected in the **weighting of the target levels**. Accordingly, achieving Group performance targets accounts for the clear majority (70 %) of target achievement. This target level is determined solely on a quantitative basis; performance is therefore calculated based on whether the target value specified by the Supervisory Board for the components consolidated operating profit, RWA or another annually defined parameter has been achieved using a performance grade. The other two target levels, the divisional and individual target levels, are weighted at 15 % each.

To set ambitious targets and a strong incentive for successful Management Board work, target achievement levels are incorporated at different levels over time. As a result, the target achievement level is calculated by looking at performance in more than one year at all target levels. The most recent reporting year is weighted at 60 %, the preceding one at 30 %, and the oldest year in the assessment period at 10 %. As Mr Klösger only joined the Bank in the course of 2021, his variable remuneration for the year under review is calculated on the basis of his performance during that year. At the same time, the retention period for variable remuneration has been extended from five to seven years. The three-year assessment period will gradually be established over the next reporting years.

The revised Management Board remuneration system to be presented to the ordinary Annual General Meeting 2022 features a number of changes to the target system. In particular, the plan is that, from the 2023 financial year onwards, the divisional and individual target levels will be combined to create one single assessment level.

2.4.3 System for defining targets

Pursuant to section 25c (4a) KWG, the strategy is to be geared towards the Bank's sustainable development. As early on as during the development process, the business strategy is reviewed as to its compatibility with the corporate and risk culture, the risk strategies and the Bank's sustainability approach, and is adjusted if necessary. This means that the remuneration targets and KPIs derived from the strategy do not promote short-term successes, but rather support the Company in its long-term and sustainable development (**pay-for-performance principle**). As a result, they serve the interests of the shareholders, employees and other stakeholders of Aareal Bank Group.



ESG targets being enshrined through business strategy

2.4.4 Remuneration targets (ex-ante risk adjustment)

The targets are made up of quantitative and qualitative components. A target value for 100 % target achievement, a minimum ambition level and a maximum achievable value are set for quantitative criteria. Suitable assessment criteria are set for qualitative components. These can include comparisons with project targets, internal and external studies, section-specific reports, as well as statistics on how the Bank is perceived by its employees or clients. Specific target achievement is reported on an ex-post basis.

2.4.5 Group performance targets

Amongst other things, the Company's interests are duly taken into account by the fact that **Group targets** are geared towards the KPIs used for corporate management purposes. These KPIs are generally based directly on the Group's performance indicators, which can be found in the Group Management Report. In order to reduce the influence of one-off effects, certain effects are already excluded from target achievement per se when the targets are set, e.g. changes due to external regulatory requirements, M&A transactions, etc. The Supervisory Board sets target values for the Group and the Management Board sections on the basis of the consolidated operating profit, risk-weighted assets (RWA) or another indicator that it defines based on the performance indicators, and determines the result that constitutes achievement of each target.

For the 2021 financial year, consolidated operating profit was set as earnings target, whereas RWA was used as a risk-adjusted target. The maximum achievement level for target consolidated operating profit is 150 %; for the RWA target, it is 125 %. The overall target achievement level is calculated by multiplying all target values; it is capped at a target achievement level of 150 %.

The revised Management Board remuneration system to be presented to the ordinary Annual General Meeting 2022 features significant changes to the composition of the Group performance targets from the 2023 financial year onwards. In particular, the return on equity, as well as ESG targets at Group level, are to become more of a focal point of the Group targets. Details can be found in the revised remuneration system, which forms part of the agenda for the ordinary Annual General Meeting 2022.

2.4.5.1 Divisional and individual targets

In accordance with the regulatory requirements, the Management Board remuneration system that was applied to 2021 sets divisional and individual targets for the members of the Management Board. The targets set match the catalogue of performance criteria.

Catalogue of possible performance criteria

Divisional and individual targets	
Key performance indicators used in the Group management system	Strategic project (Aareal Next Level)
Increasing flexibility	Defined ESG indicators (e. g. diversity)
Increase in growth	Establishing sustainability in the core business
Capital market target	Expansion of sustainable products
Market expansion	Innovative power
Budget target	Client satisfaction
Efficiency enhancement	Employee satisfaction
Liquidity planning	Employee communications
Targets for risk indicators	Safeguarding expertise
Effectiveness of the organisation	Transparency (e. g. in ecological aspects)
Scaling client relationships	Empowering the next generation

A maximum of three to four targets are set at divisional level and a maximum of two at individual level.

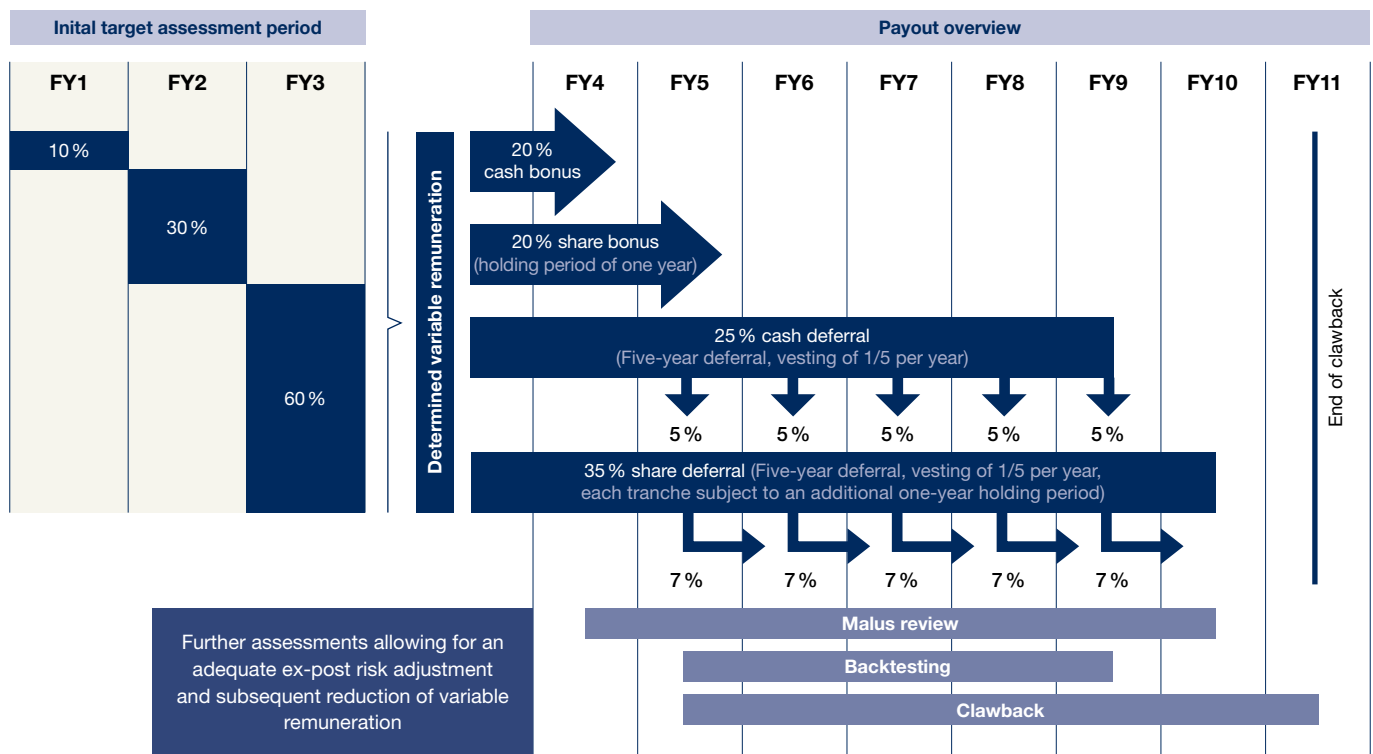
Divisional targets are related to the respective Management Board member's area of responsibility pursuant to the schedule of responsibilities. Accordingly, the Supervisory Board sets targets which the organisational units assigned to the respective Management Board members need to fulfil in order to achieve the strategic objectives of the Company as a whole. The Supervisory Board uses the divisional component to measure the contribution to the implementation of the strategy made by the units for which the individual Management Board member is responsible. The KPIs used by the Supervisory Board include qualitative and quantitative criteria. In line with Aareal Bank Group's management system, divisional targets for Management Board members responsible for Sales units comprise growth enhancement and development of main strategic fields of business and are measured, for example, by the level of specific property portfolio increases or the revenue generated with digital products.

Individual targets refer to the Management Board members' individual performance as role models for the organisation ("tone from the top"). In this respect, Management Board members also need to achieve material quantitative ESG aspects.

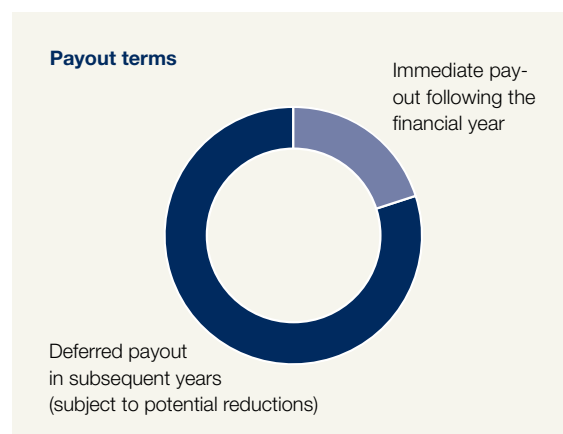
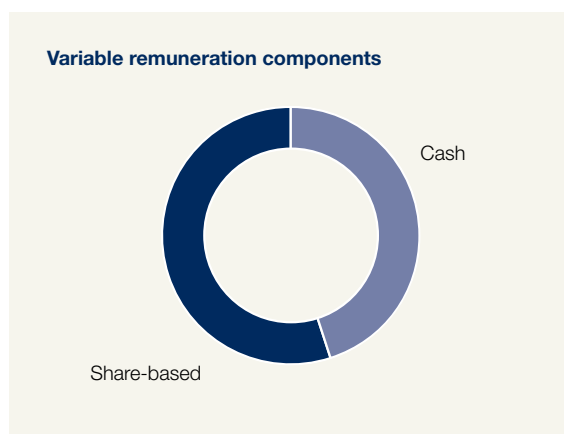
ESG targets are established at both divisional and individual level. The specific ESG target parameters are disclosed as part of the reporting process (annual report for the year concerned) together with the other parameters used. In order to ensure that the increased importance of ESG aspects in Aareal Bank's strategy are adequately reflected in the remuneration system, quantifiable ESG targets will be included in the overall target calculation with a minimum weighting of 15 % from the 2021 reporting year onwards and are covered, in particular, by the individual component. The use of quantitative ESG targets allows for a high level of transparency regarding our ESG focal areas and at the same time creates targeted incentives for a long-term sustainable strategy. In addition to the individual level, the divisional level can also include ESG targets to add more weight to ESG aspects.

The revised Management Board remuneration system to be presented to the ordinary Annual General Meeting 2022, which is to apply from the 2023 financial year onwards, features a number of changes to the divisional and individual targets. In particular, the two target levels are to be combined to create one single target level ("strategic components"). Furthermore, the catalogue of performance criteria was also specified and narrowed down, with at least one target within the strategic component being an ESG target going forward.

2.5 Deferred disbursement, through retention of variable remuneration components and virtual shares (phase 2)



Aareal has implemented robust regulations governing retention. These ensure that the remuneration paid to the Management Board members is linked to the institution’s long-term and sustainable success. They also promote alignment with shareholder interests, as 55 % of the variable remuneration is granted in the form of virtual shares, meaning that it is linked to long-term share price performance. As 25 % of the variable remuneration is granted as a deferred cash payment, a total of 80 % of the variable remuneration is paid out as a deferred remuneration component. While the Supervisory Board can opt to adopt, and reach an agreement with the Management Board members on, a different breakdown for the variable remuneration components, care must always be taken to ensure that at least 55 % of the variable remuneration amount that is originally calculated is granted in the form of virtual shares.



Overview of variable remuneration components

	Share	Deferral period	Payout date (usually April or May)	Share-based
Cash bonus	20 %	n/a	In the first year after the assessment period	No
Share bonus	20 %	n/a (but holding period of one year)	In the second year after the assessment period	Yes (virtual)
Cash deferral	25 %	Payout in equal annual tranches over five years	From the second until the sixth year after the assessment period	No
Share deferral	35 %	Payout in equal annual tranches over five years, each being subject to an additional holding period of one year	From the third until the seventh year after the assessment period	Yes (virtual)

Further details on share-based remuneration

Initial conversion	The share-based portion of the variable remuneration is converted into a corresponding number of virtual shares. The number of virtual shares is calculated based on the weighted average Aareal Bank share price on the five (Xetra®) stock exchange trading days following the publication of the preliminary business figures for the financial year for which the share-based variable remuneration is being granted.
Amount disbursed	Before the share bonus/share deferral tranche is paid out, the virtual shares are converted into a cash amount based on the weighted average Aareal Bank share price on the five (Xetra®) stock exchange trading days following the publication of the preliminary business figures for the year prior to the payout.
Cap	The amount paid out for the share-based remuneration components for a given financial year can vary depending on share price performance and is capped at 300 % of the amount of the share bonus/share deferral component calculated based on the bonus amount initially calculated.
Dividends	In accordance with the regulatory requirements for banks, Management Board members do not receive any dividend payments for the share-based remuneration components of their variable remuneration during the retention period. If dividends are paid on shares in Aareal during the holding period, a payment is made as a salary component in the amount of the dividend and the portion of the virtual shares.
Changes in structure	If the number of shares issued by Aareal changes during the retention/holding period, the number of virtual shares can be adjusted.

2.6 Ex-post review of target achievement and behaviour of the Management Board members

In accordance with the regulatory requirements, the Management Board members are only entitled to the deferred variable remuneration components when they are paid out. Before the payment is made, the Supervisory Board performs several checks to determine whether deferred variable remuneration components should be reduced or even clawed back (ex-post risk adjustment). In addition, all deferred variable remuneration tranches are subject to the risk-bearing capacity requirements described above (see section entitled “Additional ex-ante risk adjustment”).

Ex-post risk adjustment

Backtesting	Before the retention period of a deferred tranche ends, the Supervisory Board performs a retrospective review of the original performance measurement. If, for example, an indicator used to determine variable remuneration needs to be adjusted retrospectively, this can result in the variable remuneration components being reduced retrospectively before they vest.
Malus	Until they are paid out, variable remuneration components remain subject to the same malus review as before the initial determination of the variable remuneration, which allows for a subsequent reduction or even the cancellation of the entire variable remuneration. Events that can trigger a malus include intentional breaches of internal or external regulations, conduct that damages the Bank's reputation and negative contributions to performance resulting in substantial losses or significant regulatory sanctions.
Clawbacks	The variable remuneration for Management Board members is also subject to clawback regulations. In cases involving negative performance contributions (see below), the Supervisory Board can claw back variable remuneration components that have already been paid out for up to two years after the end of the last retention period for the variable remuneration paid out for the financial year in question.

Further details on malus and clawback regulations

When determining the variable remuneration and before the retention period for a deferred tranche ends, or the tranche is paid out, the Supervisory Board performs a review, in line with the regulatory requirements, to determine whether there are any reasons that could justify a reduction in, or even the full cancellation of, the variable remuneration. These malus-triggering events can, for example, include scenarios involving certain forms of unconscionable behaviour or behaviour in breach of duties, or so-called negative performance contributions by the Management Board member.

Negative performance contributions include, for example, situations where the Board member was materially involved in (or materially responsible for) conduct that resulted in a substantial loss to the institution or a significant regulatory sanction, and also where the Board member has proven to have seriously violated certain relevant regulations regarding suitability and conduct.

The variable remuneration is reduced to zero in the event of negative performance contributions. The Supervisory Board has concluded clawback agreements with the Management Board members based on which the variable remuneration can be clawed back, in the event of negative performance contributions, for a period of up to two years after the end of the last retention period for the variable remuneration paid for the financial year in question.

2.7 Payments made upon regular or early contract termination

The table below shows the payments made upon regular or early contract termination. Information on pension commitments is provided in the chapter on “Pensions”.

<p>Treatment of remuneration components in the event of leaving the Company</p>	<p>In the event of regular or early contract termination, the retention periods and holding periods for deferred remuneration components are not shortened by the termination. The deferred remuneration components remain subject to the same backtesting, malus and clawback conditions even after the termination of the individual's contract. For the year during which the contract was terminated, variable remuneration is determined pro rata temporis, based on the duration of the employment in the given financial year.</p>
<p>Early termination</p>	<p>In accordance with the German Public Limited Companies Act (AktG), employment contracts do not provide for any option for termination for convenience; this does not affect the right of both parties to terminate the employment contract for good cause without notice.</p> <p>The Management Board member's contract ends automatically if the member becomes permanently incapacitated for work as defined by the individual contracts. In such cases, the Management Board employment contracts may provide for the continued payment of the member's fixed annual remuneration (plus (substitute) social security contributions) from the start of the permanent incapacity for work and for a period of up to six months (taking into account those periods for which continued salary payments have already been made). The continued payments cannot, however, extend beyond the date on which the employment relationship would have normally ended.</p> <p>The service contracts may state that, if a member of the Management Board dies during the term of his/her contract, widows, widowers or partners and legitimate children (provided they have not yet turned 27 and are still in vocational training/further education) are entitled, as joint and several creditors, to continued fixed salary payments for the month of death and the following six months, but until the contract ends at the latest. In such cases, the variable remuneration is calculated pro rata temporis for the period leading up to the member's death.</p>
<p>Severance payments</p>	<p>The Management Board service contracts do not include any obligation to make a severance payment in the event of premature termination. Service contracts since 2021 onwards also do not feature any change-of-control clause providing for severance pay. The service contracts concluded prior to 2021 include change-of-control clauses that provide for severance pay in certain cases. If these members were to be reappointed, the change-of-control clauses would no longer be included in that member's extended employment contract.</p> <p>Severance payments can still be included in individual cancellation of contract agreements provided that they are consistent with the regulatory requirements, in particular the German Regulation on Remuneration in Financial Institutions. The employment contracts concluded with the Management Board members stipulate that, in the event that the contract is terminated early for a reason other than good cause, severance pay must not exceed the value of two annual remuneration payments and must not pay remuneration for more than the residual term of the member's contract (severance cap).</p>
<p>Non-compete clause</p>	<p>The service contracts do not contain any non-compete clauses with waiting allowances. The Supervisory Board can agree a post-contractual non-compete clause for a period of up to 24 months. For this period, appropriate compensation would be determined on a case-by-case basis. If post-contractual non-compete clauses were agreed, any severance payments would be taken into account in the calculation of any waiting allowance.</p>
<p>Temporary incapacity for work</p>	<p>In the event of temporary, non-permanent incapacity for work, members of the Management Board continue to receive their fixed annual remuneration for a period of up to six months. The Supervisory Board has the discretion to decide whether the variable remuneration components are also granted in full or in part for the periods in which continued salary payments are made. For newly appointed Management Board members, or members reappointed from 2021 onwards, the service contracts contain a provision stating that no variable remuneration components are granted for periods exceeding three months in the financial year in question.</p>

2.8 Deviations from the remuneration system

The remuneration system presented to the ordinary Annual General Meeting 2021 was applied to the Management Board members appointed prior to the reporting year, without any deviations.

As shown above, Aareal Bank has responded to the rejection of the previous remuneration system by the 2021 ordinary Annual General Meeting and has structured Mr Klösge's remuneration based on conditions that match the remuneration system presented to the 2022 ordinary Annual General Meeting. The target variable remuneration, for example, has been increased significantly in relation to the other remuneration components (from approx. 40 % to approx. 46 %) and the pension contributions have been reduced significantly in relation to the other components (from approx. 15 % to approx. 8 %).

In addition, and in line with the remuneration system to be presented to the ordinary Annual General Meeting 2022, Mr Klösge is already subject to the revised pension commitment, which only provides for a fund index performance-based interest rate with a guarantee covering the contributions made.

3. Target achievement in the 2021 financial year

Notwithstanding the Management Board's overall responsibility for the Bank's management, specific divisional and individual targets were agreed upon for each Management Board member. The three-year assessment period means that the overall target achievement level also reflects target achievement in the 2019 and 2020 financial years. It is only in Mr Klösge's case that the overall target achievement level is based exclusively on target achievement in the 2021 financial year, as Mr Klösge only joined the Bank in the course of this financial year. In return, his variable remuneration is subject to a seven-year as opposed to a five-year retention period in line with the regulatory requirements.

The assessment of the individual targets regarding variable remuneration in the year under review yielded the following results:

	Jochen Klösge	Marc Hess	Christiane Kunisch-Wolff	Christof Winkelmann	Dagmar Knopek	Thomas Ortmann	Hermann J. Merkens
%							
2021 Overall Bank performance	148						
Divisional targets	105	112	106	110	100	101	0
Individual targets	125	142	135	135	125	120	
2020 Overall Bank performance	20						
Divisional targets		110	110	110	110	110	110
Individual targets		130	120	120	120	130	130
2019 Overall Bank performance	100						
Divisional targets		100	100	100	100	100	100
Individual targets		110	100	110	100	100	100
Overall target achievement level for 2021	138.10	110.17	108.40	108.91	106.96	107.05	24.70
Amount of variable remuneration (€)	412,222¹⁾	859,326	845,520	849,498	345,144	624,526	101,507²⁾

¹⁾ Given an overall target achievement level of 138.1 %, the imputed variable remuneration for Mr Klösge would have amounted to € 490,000 (rounded figure). However, since in accordance with the requirements set out in the German Banking Act, variable remuneration must not exceed 100 % of fixed remuneration (bonus cap), variable remuneration was limited to € 412,222.

²⁾ Mr Merkens was relieved from his duties as a member and Chairman of the Management Board from the beginning of the year under review until his retirement from the Board. The target achievement level for the annual targets related to the financial year 2021 was determined at 0 %. Given the three-year assessment period, which also includes target achievement for 2019 and 2020, the overall target achievement level was 24.7 %.

3.1 Group performance targets 2021

The target achievement level for the Group performance is calculated by multiplying the target achievement level for an earnings target with a risk-adjusting indicator. At the beginning of the year, consolidated operating profit before taxes of € 136 million (adjusted) and a target RWA level of € 13.91 billion based on Basel IV IRBA (adjusted) – as a risk-adjusting indicator – were set as the earnings target for 100% target achievement.

Thresholds were set for both target parameters which, if undercut or – in the case of RWA – exceeded, result in a target achievement level of zero.

Aareal Bank exceeded its targets for 2021 by a wide margin and is back on track for success after a negative result in 2020 due to the Covid-19 crisis. The members of the Management Board played a key role in this success story. This is also reflected in the Group target achievement level in particular.

	Operating profit before taxes	Risk-weighted assets (IRBA – Basel IV)
Link to strategy	Operating profit before taxes is the key Group performance indicator that reflects the Bank's profitability and cost situation, and also plays a decisive role in the Bank's external communication and how it is viewed externally.	Risk-weighted assets are a key performance indicator with regard to the Bank's risk position and are also a key regulatory indicator of compliance with the capital requirements.
Target achievement in %	133.09%	111.2%
Overall Group target achievement in %	148 % (product of both individual target achievement levels)	

3.2 Outlook for 2022

The Group target achievement level for the 2022 financial year will once again be calculated based on the existing remuneration system, meaning that it will again be derived from the target achievement levels for operating profit/loss before taxes and risk-weighted assets.

The Group targets are to be changed for the financial years from 2023 onwards. In particular, the target system is to be revised to place more of an emphasis on the aspects of return on investment, profitability and ESG. More details can be found in the revised Management Board remuneration system, which will be presented to the ordinary Annual General Meeting 2022 for a vote on its adoption.

3.3 Divisional targets for 2021

Notwithstanding the Management Board’s overall responsibility for the Bank’s management, specific divisional and individual targets were agreed upon for each Management Board member. Whilst the individual targets reflect especially the individual contributions of each Management Board member, the divisional targets are meant to reflect the target achievement of the respective Management Board member’s area of responsibility. Thus, the strategic initiatives and measures defined and implemented in the respective area of responsibility are the main basis for determining divisional targets. Furthermore, various ESG targets (derived from the business strategy) have been agreed upon on both levels.

Divisional targets

Weight	Targets	KPI	Target achievement	Target achievement divisional component
Jochen Klösger				
25 %	Extensive stakeholder management	Coordination and mediation between various stakeholder groups	120 %	
25 %	Say on pay	Application of changes in Management Board remuneration to employee remuneration systems	100 %	
25 %	Aareon growth strategy	– Defined level for Aareon’s sales revenue – Defined level for Aareon’s adjusted EBITDA – Implementation of Aareon Value Creation Programme	101 %	105 %
25 %	Further development of IT strategy	In particular, further leveraging of the S4 hana platform and reduction in complexity	100 %	
Marc Hess				
33 %	Capital management	– Assessment of free capital allocation – Defined level of the CET1 ratio	106 %	
33 %	Divisional contribution to Group result	– Adherence to cost budget – Provision of sufficient refinancing for targeted lending volumes – Establishment of a CP programme	121 %	112 %
33 %	Exploit ESG opportunities and assess ESG risks	– Preparation and implementation of a green bond issue – Achievement of divisional milestones in the ESG initiative	110 %	
Christiane Kunisch-Wolff				
33 %	Anticipate supervisory requirements	– Implementation of EBA requirements – Implementation of ICAAP/ILAAP requirements – Support for and management of the integration of the CLO unit	117 %	
33 %	Divisional contribution to Group result	– Adherence to cost budget	100 %	106 %
33 %	Exploit ESG opportunities and assess ESG risks	Further development of existing coordination functions, and of the control system	100 %	

Weight	Targets	KPI	Target achievement	Target achievement divisional component
Christof Winkelmann				
33 %	Increase balance sheet flexibility while maintaining clout on relevant markets	<ul style="list-style-type: none"> – Defined volume of assets under management – Further development of exit strategies 	108 %	
33 %	Orient business on cycles and align it flexibly	<ul style="list-style-type: none"> – Defined volume of new business – Contribution to operating result via RSF – Continuous increase in portfolio flexibility 	122 %	110 %
33 %	Exploit ESG opportunities and assess ESG risks	Consideration of ESG criteria in the core business and development of product strategy	100 %	
Dagmar Knopek				
33 %	Increase balance sheet flexibility while maintaining clout on relevant markets	<ul style="list-style-type: none"> – Implementation of de-risking strategy – Further development of servicing activities and expansion of servicing capabilities 	100 %	
33 %	Exploit ESG opportunities and assess ESG risks	Further digitalisation of internal processes	100 %	100 %
33 %	Divisional contribution to Group result	Adherence to cost budget	100 %	
Thomas Ortmanns				
33 %	Leverage and grow the business in the housing sector and related industries	<ul style="list-style-type: none"> – Defined level of net commission income generated by BDS – Contribution to operating result via BDS – EPP and PlusForta rollout 	103 %	
33 %	Implement expansion strategy through organic growth and M&A opportunities/development to become a Rule of 40 company	<ul style="list-style-type: none"> – Defined level for Aareon's sales revenue – Defined level for Aareon's adjusted EBITDA – Implementation of Aareon Value Creation Programme 	101 %	101 %
33 %	Promote technical transformation	In particular, further leveraging of the S4 hana platform and reduction in complexity	100 %	

3.4 Individual targets for 2021

The individual targets for the 2021 financial year consisted exclusively of ESG targets. The focus in the financial year under review was on continuing to work towards rejuvenating the Bank and promoting the next generation. By way of example, all Management Board members were assigned individual targets relating to the share of young professionals in relation to total new hires in their respective sections.

Individual targets

Targets	KPI	Target achievement
Jochen Klösger		
Strengthening of ESG components	<ul style="list-style-type: none"> – Development of induction plan (incl. ESG concept) – Defined share of junior staff in recruitment within the sphere of responsibility 	125 %
Marc Hess		
Strengthening of ESG components	<ul style="list-style-type: none"> – Monitoring and further development of the governance structure, as well as communication of the revised strategic programme and cross-sectional management of strategic implementation – Defined share of junior staff in recruitment within the sphere of responsibility 	142 %
Christiane Kunisch-Wolff		
Strengthening of ESG components	<ul style="list-style-type: none"> – Implement regulatory ESG requirements in CRO, Compliance, Anti-Financial Crime and ISD – Defined share of junior staff in recruitment within the sphere of responsibility 	135 %
Christof Winkelmann		
Strengthening of ESG components	<ul style="list-style-type: none"> – Management of RSF-T – Issue of green loan in 2021 – Defined share of junior staff in recruitment within the sphere of responsibility 	135 %
Dagmar Knopek		
Strengthening of ESG components	<ul style="list-style-type: none"> – Enhancing the portfolio's ESG transparency – Defined share of junior staff in recruitment within the sphere of responsibility 	125 %
Thomas Ortmanns		
Strengthening of ESG components	<ul style="list-style-type: none"> – "Green IT" – implementation of digital BDS and Aareon products – Defined share of junior staff in recruitment within the sphere of responsibility 	120 %

3.5 Malus review, backtesting, clawback, risk-bearing capacity

In March 2022, as part of the annual malus review, the Supervisory Board checked whether there were any factors that could lead to a reduction in the variable remuneration for the past financial year or a subsequent reduction in and/or a subsequent clawback of the variable remuneration for previous years. No such factors were identified.

The annual review of risk-bearing capacity in accordance with section 7 of the German Regulation on Remuneration in Financial Institutions revealed that, from the perspective of risk-bearing capacity, there are no factors arguing against determining the variable remuneration for 2021 and paying out deferred remuneration components from previous years.

3.6 Other information

No severance payments were agreed with Management Board members in the last financial year. The three members of the Management Board who left the Bank during the financial year under review, Dagmar Knopek, Hermann J. Merkens and Thomas Ortmanns, each left without receiving severance pay.

Mr Merkens' employment contract ended on 30 April 2021 due to permanent incapacity for work. In this case, the provisions of the employment contract provide for continued payment of the fixed annual remuneration for a period of up to six months. As periods of continued salary payments due to temporary incapacity for work count towards this period, Mr Merkens went on to receive continued fixed annual remuneration payments for a period of seven days. In accordance with the provisions of the service contract, the Supervisory Board decided that variable remuneration be continued for the period of temporary incapacity for work.

Mr Merkens was relieved from his duties as a member and Chairman of the Management from the beginning of the year under review until his retirement from the Board. The target achievement level for the annual targets related to the financial year 2021 was determined at 0%. Given the three-year assessment period, which also includes target achievement for 2019 and 2020, the overall target achievement level was 24.7%.

Jochen Klösches was not granted any sign-on bonus, bonus buy-out or similar bonus when he joined the Bank.

No member of the Management Board was promised any kind of remuneration by third parties – neither in connection with their activity as member of the Management Board of Aareal Bank nor in connection with the takeover bid made by Atlantic BidCo GmbH.

4. (Virtual) shareholdings of Management Board members and share-based remuneration

More than half of the variable remuneration is granted in the form of virtual shares. The long retention periods mean that Management Board members typically earn virtual shares amounting to more than 100% of their fixed annual salary at the latest after three years of service, and will usually remain above this threshold until the end of their office on the Management Board.

The following table illustrates the number of virtual shares which are subject to retention for each member of the Management Board, as well as their value as a percentage of the basic remuneration paid during the year under review.

	Number of outstanding virtual shares at the end of the financial year	Virtual shares determined for the reporting year	Total number of shares	Total value of virtual shares (in €) ¹⁾	Total value of virtual shares (in % of the basic remuneration for the reporting year)
Jochen Klösches		8,523	8,523	226,722	64 %
Marc Hess	25,135	17,768	42,903	1,141,228	127 %
Christiane Kunisch-Wolff	34,577	17,483	52,059	1,384,776	154 %
Christof Winkelmann	33,588	17,565	51,153	1,360,663	151 %
Dagmar Knopek	37,794	7,136	44,931	1,195,157	319 %
Hermann J. Merkens	62,275	1,908	64,183	1,707,263	359 %
Thomas Ortmanns	38,593	12,913	51,506	1,370,050	203 %
Total	231,961	83,296	315,258	8,385,859	183 %

¹⁾ The total value of the virtual shares was calculated based on a share price of € 26.60. This is the weighted average price for the first five (Xetra) exchange trading days following the publication of the preliminary business figures for the reporting year. This price is also used to convert the variable remuneration for the reporting year into virtual shares.

5. Adherence to maximum remuneration

The remuneration paid to the Management Board members is capped in three ways.

First, the variable remuneration calculated is based directly on the overall target achievement level, the maximum target achievement level for which is 150 %.

Second, the Bank is subject to the requirements set out in the German Banking Act, which stipulates that the variable remuneration must not exceed 100 % of the fixed remuneration (basic salary plus pension contribution) (bonus cap).

Third, the Management Board remuneration system provides for maximum remuneration of € 5.5 million per Management Board member in accordance with section 87 (1) sentence 2 no. 1 of the AktG, which limits the total amount of remuneration actually paid out for a financial year. The revised Management Board remuneration system to be presented to the ordinary Annual General Meeting 2022 provides for a reduction in the maximum remuneration (as defined in section 87 (1) sentence 2 no. 1 of the AktG) from € 5.5 million to € 4.5 million. As a matter of principle, compliance with the maximum remuneration (as defined in section 87 (1) sentence 2 no. 1 of the AktG) can only be reported in the Remuneration Report for the reporting year in which the last tranche of the variable remuneration for 2021 is paid out. This is 2028 or, in Mr Klösiges' case, 2030 due to the longer retention period.

If it is already certain that the maximum remuneration will be exceeded before that point in time, payment of those remuneration components that are responsible for the maximum remuneration being exceeded is capped. In this sort of scenario, compliance with the maximum remuneration would be reported in the financial year in which the cap is imposed.

6. Amount of remuneration in the reporting year

Despite higher target achievement levels for the 2021 financial year, the total remuneration calculated for the Management Board as a whole fell overall as against the 2020 financial year, from € 9.6 million to € 8.6 million. This was due, in particular, to the reduced number of Management Board members during the reporting year, as well as to the lower target total remuneration paid to Mr Klösiges compared to Mr Merkens as Chairman of the Management Board.

The table below illustrates the remuneration calculated by the Supervisory Board for the reporting year. The multi-year variable remuneration components are subject to the conditions of ex-post risk adjustment as described in this report, and partially depend on Aareal Bank's share price performance. Therefore, there may be deviations in subsequent years between the amount defined initially and the amount which is actually paid out.

	2021				2020
€ 000's	Basic salary	Variable remuneration due immediately	Multi-year variable remuneration	Total remuneration (excluding ancillary benefits)	Total remuneration (excluding ancillary benefits)
Jochen Klösiges	353	82	330	766	
Marc Hess	900	172	687	1,759	1,468
Christiane Kunisch-Wolff	900	169	676	1,746	1,455
Christof Winkelmann	900	170	680	1,749	1,459
Dagmar Knopek	375	69	276	720	1,451
Hermann J. Merkens	475	20	81	576	2,321
Thomas Ortmanns	675	125	500	1,300	1,462
Total	4,578	807	3,230	8,616	9,616

6.1 Target remuneration and allocation to remuneration components

The tables below show the target remuneration, the actual remuneration, the minimum and maximum remuneration, as well as the allocation to the individual remuneration components, including ancillary benefits, for each Management Board member who was active in the reporting year.

The actual remuneration is the remuneration defined for the financial year, irrespective of the year in which it is paid out, irrespective of any subsequent changes in value due to share price fluctuations and irrespective of any potential subsequent reductions due to backtesting, malus scenarios or clawbacks.

Jochen Klösger	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	353	45 %	353	49 %	353	353		
Ancillary benefits	13	2 %	13	2 %	13	13		
Total fixed remuneration	366	47 %	366	51 %	366	366	0	0
One-year variable remuneration	82	11 %	71	10 %		82		
Multi-year variable remuneration								
Share bonus	82	11 %	71	10 %		82		
Cash deferral	103	13 %	89	12 %		103		
Share deferral	144	19 %	124	17 %		144		
Total variable remuneration	412	53 %	355	49 %	0	412	0	0
Total remuneration	778	100 %	721	100 %	366	778	0	0

Marc Hess	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	900	50 %	900	52 %	900	900	900	900
Ancillary benefits	49	3 %	49	3 %	49	49	101	101
Total fixed remuneration	949	52 %	949	55 %	949	949	1,001	1,001
One-year variable remuneration	172	10 %	156	9 %		234	114	156
Multi-year variable remuneration								
Share bonus	172	10 %	156	9 %		234	114	156
Cash deferral	215	12 %	195	11 %		293	142	195
Share deferral	301	17 %	273	16 %		410	199	273
Total variable remuneration	859	48 %	780	45 %	0	1,170	568	780
Total remuneration	1,809	100 %	1,729	100 %	949	2,119	1,569	1,781

Christiane Kunisch-Wolff	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	900	50 %	900	52 %	900	900	900	900
Ancillary benefits	42	3 %	42	2 %	42	42	39	39
Total fixed remuneration	942	52 %	942	55 %	942	942	939	939
One-year variable remuneration	169	9 %	156	9 %		234	111	156
Multi-year variable remuneration								
Share bonus	169	10 %	156	9 %		234	111	156
Cash deferral	211	12 %	195	11 %		293	139	195
Share deferral	296	17 %	273	16 %		410	194	273
Total variable remuneration	846	48 %	780	45 %	0	1,170	555	780
Total remuneration	1,787	100 %	1,722	100 %	942	2,112	1,494	1,719

Christof Winkelmann	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	900	50 %	900	52 %	900	900	900	900
Ancillary benefits	38	2 %	38	2 %	38	38	35	35
Total fixed remuneration	938	52 %	938	55 %	938	938	935	935
One-year variable remuneration	170	10 %	156	9 %		234	112	156
Multi-year variable remuneration								
Share bonus	170	10 %	156	9 %		234	112	156
Cash deferral	212	12 %	195	11 %		293	140	195
Share deferral	297	17 %	273	16 %		410	196	273
Total variable remuneration	849	48 %	780	45 %	0	1,170	559	780
Total remuneration	1,787	100 %	1,718	100 %	938	2,108	1,494	1,715

Dagmar Knopek	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	375	51 %	375	52 %	375	375	900	900
Ancillary benefits	17	2 %	17	2 %	17	17	39	39
Total fixed remuneration	392	53 %	392	55 %	392	392	939	939
One-year variable remuneration	69	9 %	65	9 %		97	110	156
Multi-year variable remuneration								
Share bonus	69	9 %	65	9 %		97	110	156
Cash deferral	86	12 %	81	11 %		121	138	195
Share deferral	121	16 %	113	16 %		169	193	273
Total variable remuneration	345	47 %	323	45 %	0	484	551	780
Total remuneration	737	100 %	715	100 %	392	876	1,490	1,719

Hermann J. Merkens	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	475	77 %	475	51 %	475	475	1,425	1,425
Ancillary benefits	39	6 %	39	4 %	39	39	70	70
Total fixed remuneration	514	84 %	514	56 %	514	514	1,495	1,495
One-year variable remuneration	20	3 %	82	9 %		123	179	240
Multi-year variable remuneration								
Share bonus	20	3 %	82	9 %		123	179	360
Cash deferral	30	5 %	123	13 %		185	269	240
Share deferral	30	5 %	123	13 %		185	269	360
Total variable remuneration	102	16 %	411	44 %	0	616	896	1,200
Total remuneration	616	100 %	925	100 %	514	1,131	2,390	2,695

Thomas Ortmanns	2021						2020	
	Actual (€ 000's)	Actual (in %)	Target (€ 000's)	Target (in %)	Min. (€ 000's)	Max. (€ 000's)	Actual (€ 000's)	Target (€ 000's)
Fixed remuneration	675	51 %	675	52 %	675	675	900	900
Ancillary benefits	32	2 %	32	2 %	32	32	39	39
Total fixed remuneration	707	53 %	707	55 %	707	707	939	939
One-year variable remuneration	125	9 %	117	9 %		175	112	156
Multi-year variable remuneration								
Share bonus	125	9 %	117	9 %		175	112	156
Cash deferral	156	12 %	146	11 %		219	141	195
Share deferral	219	16 %	204	16 %		306	197	273
Total variable remuneration	625	47 %	583	45 %	0	875	562	780
Total remuneration	1,331	100 %	1,290	100 %	707	1,582	1,501	1,719

6.2 Remuneration granted and owed (paid) in the reporting year

The tables below show the remuneration paid out in the reporting year. This is the remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG. It includes remuneration components which were either actually paid (“granted”) to the Management Board members in the year under review or that were due in the same period, but have not yet been paid out (“owed”). In accordance with section 162 (1) sentence 2 of the AktG, the relative shares of the individual remuneration components are also shown.

Remuneration paid out	Jochen Klösiges		Marc Hess				Christiane Kunisch-Wolff				Christof Winkelmann			
	2021		2021		2020		2021		2020		2021		2020	
	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %
€														
Fixed remuneration	353	97 %	900	72 %	900	75 %	900	57 %	900	58 %	900	58 %	900	62 %
Ancillary benefits	13	3 %	49	4 %	101	8 %	42	3 %	39	3 %	38	2 %	35	2 %
Total (fixed)	366	100 %	949	75 %	1,001	83 %	942	60 %	939	61 %	938	61 %	935	64 %
One-year variable			114	9 %	158	13 %	111	7 %	154	10 %	112	7 %	147	10 %
Multi-year variable														
Share bonus for 2019			138	11 %			135	9 %			129	8 %		
Share bonus for 2018					36	3 %			123	8 %			123	8 %
Share bonus for 2017							90	6 %			91	6 %		
Share bonus for 2016									97	6 %			61	4 %
Cash deferral for 2019			39	3 %			46	3 %			44	3 %		
Cash deferral for 2018			9	1 %	9	1 %	42	3 %	42	3 %	42	3 %	42	3 %
Cash deferral for 2017							79	5 %	79	5 %	80	5 %	80	5 %
Cash deferral for 2016									69	4 %			43	3 %
Share deferral for 2018			7	1 %			32	2 %			32	2 %		
Share deferral for 2017							45	3 %			46	3 %		
Share deferral for 2016							43	3 %	48	3 %	27	2 %	30	2 %
Share deferral for 2015														
Share deferral for 2014														
Dividend			3	0 %			6	0 %			5	0 %		
Total (variable)			309	25 %	202	17 %	628	40 %	611	39 %	607	39 %	526	36 %
Pension benefits														
Total	366	100 %	1,259	100 %	1,203	100 %	1,570	100 %	1,550	100 %	1,545	100 %	1,461	100 %

The following table shows the remuneration granted or owed to former members of the Management Board. Pursuant to section 162 (5) of the AktG, no personal details are provided for former members of the Management Board who left the Bank's Management Board prior to 31 December 2011.

Remuneration paid out	Dagmar Knopek (until May 2021)				Hermann J. Merkens (until April 2021)				Thomas Ortmanns ¹⁾ (until September 2021)				Dr. Wolf Schumacher (until September 2015)			
	2021		2020		2021		2020		2021		2020		2021		2020	
	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %	(€ 000's)	In %
€																
Fixed remuneration	375	29%	900	48%	475	21%	1,425	46%	675	8%	900	47%				
Ancillary benefits	17	1%	39	2%	39	2%	70	2%	32	0%	39	2%				
Total (fixed)	392	30%	939	50%	514	23%	1,495	48%	707	9%	939	49%				
One-year variable	110	9%	157	8%	179	8%	258	8%	112	1%	159	8%				
Multi-year variable																
Share bonus for 2019	137	11%			226	10%			140	2%						
Share bonus for 2018			145	8%			269	9%			154	8%				
Share bonus for 2017	112	9%			196	9%			111	1%						
Share bonus for 2016			151	8%			269	9%			152	8%				
Cash deferral for 2019	47	4%			77	3%			48	1%						
Cash deferral for 2018	49	4%	49	3%	91	4%	91	3%	52	1%	52	3%				
Cash deferral for 2017	99	8%	99	5%	174	8%	173	6%	98	1%	98	5%				
Cash deferral for 2016			108	6%			191	6%			108	6%				
Share deferral for 2018	38	3%			71	3%			40	1%						
Share deferral for 2017	56	4%			98	4%			56	1%						
Share deferral for 2016	67	5%	76	4%	119	5%	135	4%	67	1%	77	4%				
Share deferral for 2015	88	7%	99	5%	123	6%	140	5%	87	1%	99	5%	114	27%	129	23%
Share deferral for 2014			67	4%			67	2%			66	3%			117	21%
Dividend	7	1%			11	1%			7	0%						
Total (variable)	811	63%	951	50%	1,367	62%	1,595	52%	818	10%	965	51%	114	27%	246	44%
Pension benefits	89	7%			335	15%			6,556	81%			315	73%	310	56%
Total	1,292	100%	1,890	100%	2,216	100%	3,089	100%	8,081	100%	1,904	100%	429	100%	555	100%

¹⁾ With regard to his pension commitment, Mr Ortmanns opted for the lump-sum payment of his entire pension capital.

7. Pensions

7.1 Pension expenses

	2021		2020	
	Service cost from company contribution (IFRSs)	Defined benefit obligation	Service cost from company contribution (IFRSs)	Defined benefit obligation
€ 000's				
Jochen Klösger	67	67		
Marc Hess	723	2,215	638	1,776
Christiane Kunisch-Wolff	580	3,033	558	2,769
Christof Winkelmann	788	3,642	721	3,367
Dagmar Knopek	190	3,836	429	3,992
Hermann J. Merkens	905	17,376	864	11,426
Thomas Ortmanns	273	0	432	9,237
Total	3,527	30,169	3,642	32,566

The amount of pension obligations (IFRS) to active and former members of the Management Board was € 65 million as at 31 December 2021 (2020: € 70 million). Of that amount, € 11 million (2020: € 34 million) related to members of the Management Board active at the end of the financial year and € 55 million to former members of the Management Board, including those retired from the Board during year under review, and their surviving dependants (2020: € 37 million). This increase in pension obligations to former members of the Management Board is due to the fact that these now include the Management Board members Dagmar Knopek and Hermann J. Merkens, who left the Management Board in the reporting year.

7.2 Pension payments made to former members of the Management Board

Pension payments made in the reporting year also count towards remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG.

After they left the Bank in the reporting year, Dagmar Knopek received pension payments amounting to € 89,000, while Hermann J. Merkens received pension payments amounting to € 335,000. Due to Mr Merkens' permanent disability, his existing pension capital was raised by € 4,353,000, which was recognised directly in equity.

Thomas Ortmanns opted for a one-off payment of his entire pension capital as a lump sum of € 6,556,000. The payment was made after Mr Ortmanns left in October 2021. As a result, he will no longer receive any pension payments from the Bank in the future and the pension obligations recognised for Mr Ortmanns in the balance sheet, which still amounted to € 9,237,000 as at 31 December 2020, were reduced to € nil as a result. This resulted in a difference of € 2,680,000 between the pension provisions as at 31 December 2020 and the amount paid out; the reversal of this difference increased equity.

Dr Wolf Schumacher also received pension payments in the amount of € 315,000.

Pursuant to section 162 (5) of the AktG, no personal details are provided for former members of the Management Board who left the Bank's Management Board prior to 31 December 2011.

8. Remuneration system for members of the Supervisory Board

The remuneration system for the Supervisory Board members was accepted by 81.54 % of the votes cast at the ordinary Annual General Meeting 2021. The fundamental principles of the system and the actual Supervisory Board remuneration paid in 2021 are shown below.

8.1 General principles

Remuneration for the services of the Supervisory Board members is specified in Article 9 of the Memorandum and Articles of Association of Aareal Bank AG. Remuneration for the services of the Supervisory Board members comprises exclusively fixed remuneration, plus an attendance fee. In accordance with the requirements set out in section 25d (5) of the German Banking Act, the members of the Supervisory Board do not receive any variable remuneration components for this activity. Where membership in the Supervisory Board falls short of an entire financial year, said remuneration shall be paid on a pro rata temporis basis. Furthermore, the Supervisory Board members will be reimbursed for their expenses.

Remuneration of the Supervisory Board comprises the following

Remuneration element	Description	Structure
Fixed remuneration	Remuneration for activities on the Supervisory Board; Depending on the role of the respective Supervisory Board member (e.g. Chairman)	– € 50,000 p. a. per Supervisory Board member – € 150,000 p. a. for the Chairman – € 75,000 p. a. for the Deputy Chairman
Committee remuneration	Remuneration for activities and duties on the Supervisory Board committees also depends on the role of the respective Supervisory Board member in the respective committee (e.g. a committee chairman)	– € 20,000 p. a. each for membership in the Risk Committee and/or the Audit Committee – € 40,000 p. a. each for the chairmanship in the two committees – € 15,000 p. a. each for membership in other committees – € 30,000 p. a. each for the chairmanship in other committees
Attendance fees	Remuneration for participation in Supervisory Board meetings and on the committees of the Supervisory Board	– € 1,000 per meeting

The remuneration for any financial year shall be due and payable one month after the end of the respective financial year.

8.2 Supervisory Board remuneration in 2021

€	2021			2020		
	Fixed remuneration	Attendance fees	Total	Fixed remuneration	Attendance fees	Total
Prof. Dr Hermann Wagner Chairman from 23 November 2021	138,736	61,000	199,736	118,917	37,000	155,917
Marija Korsch Member until 9 December 2021 Chairman until 23 November 2021	230,681	68,000	298,681	265,000	53,000	318,000
Richard Peters Deputy Chairman since 27 May 2020	140,000	57,000	197,000	114,903	42,000	156,903
Prof. Dr Stephan Schüller Member until 27 May 2020 Deputy Chairman until 27 May 2020				51,042	19,000	70,042
Klaus Novatius ¹⁾ Deputy Chairman	105,000	57,000	162,000	105,000	35,000	140,000
Jana Brendel	85,958	35,000	120,958	50,528	14,000	64,528
Christof von Dryander Member until 9 December 2021	96,250	60,000	156,250	59,444	23,000	82,444
Thomas Hawel ¹⁾	65,000	30,000	95,000	65,000	22,000	87,000
Petra Heinemann-Specht ¹⁾	90,917	41,000	131,917	81,889	29,000	110,889
Jan Lehmann ¹⁾	66,222	31,000	97,222	38,639	12,000	50,639
Dr Hans-Werner Rhein Member until 27 May 2020				34,708	17,000	51,708
Sylvia Seignette	92,139	34,000	126,139	90,000	24,000	114,000

¹⁾ Employee representative

€	2021			2020		
	Fixed remuneration	Attendance fees	Total	Fixed remuneration	Attendance fees	Total
Elisabeth Stheeman ²⁾	87,139	37,000	124,139	85,000	28,000	113,000
Hans-Dietrich Voigtländer Member until 9 December 2021	108,292	44,000	152,292	115,000	36,000	151,000
Beate Wollmann ¹⁾ Member until 27 May 2020				28,583	12,000	40,583
Total	1,306,333	555,000	1,861,333	1,303,653	403,000	1,706,653

¹⁾ Employee representative

²⁾ Income tax plus solidarity surcharge for the Supervisory Board member subject to limited tax liability was declared pursuant to section 50a (1) no. 4 of the German Income Tax Act (Einkommensteuergesetz – EStG), and paid to the German Central Tax Office (Bundeszentralamt für Steuern, BZSt).

9. Comparison of earnings performance and remuneration

Pursuant to section 162 (1) sentence 2 no. 2 of the AktG, information has to be provided on earnings development, the annual change in the remuneration paid to members of the Management Board and the Supervisory Board, as well as the annual change in the average remuneration paid to employees on a full-time equivalent basis over the last five financial years.

Earnings performance is shown based on the operating profit before taxes and consolidated net income.

The remuneration granted and owed in the financial year concerned is taken as a basis for the members of the Management Board and the Supervisory Board. This means that for the Management Board, the remuneration paid out in the financial year concerned is shown.

The staff members employed by Aareal Bank AG in Germany are taken as a basis for the employee figures. The remuneration shown in this respect is the gross remuneration defined for the year.

	2017	2018	Changes (2018/2017)	2019	Changes (2019/2018)	2020	Changes (2020/2019)	2021	Changes (2021/2020)
Earnings performance									
Operating profit before taxes (€ mn)	328	316	-4 %	248	-22 %	-75	-130 %	155	307 %
Consolidated net income (€ mn)	213	226	6 %	163	-28 %	-69	-142 %	68	199 %
Net profit of Aareal Bank AG for the financial year pursuant to the HGB (€ mn)	150	126	-16 %	120	-5 %	90	-25 %	30	-67 %
Average employee remuneration (€ 000's)	101,545	104,673	3 %	106,203	1 %	101,584	-4 %	107,160	5 %
Management Board remuneration (€ 000's)									
Jochen Klösches								366	
Marc Hess		223		983	340 %	1,203	22 %	1,259	5 %
Christiane Kunisch-Wolff	875	979	12 %	1,222	25 %	1,550	27 %	1,570	1 %
Christof Winkelmann	818	995	22 %	1,137	14 %	1,461	28 %	1,545	6 %

	2017	2018	Changes (2018/2017)	2019	Changes (2019/2018)	2020	Changes (2020/2019)	2021	Changes (2021/2020)
Dagmar Knopek (until May 2021)	1,675	1,885	13 %	1,979	5 %	1,890	-4 %	1,292	-32 %
Hermann J. Merckens (until April 2021)	2,769	2,948	6 %	3,055	4 %	3,089	1 %	2,216	-28 %
Thomas Ortmanns (until September 2021)	2,136	2,189	2 %	2,013	-8 %	1,904	-5 %	8,081	324 %
Wolf Schumacher (until September 2015)	1,605	1,925	20 %	1,341	-30 %	555	-59 %	429	-23 %
Dirk Große Wördemann (until May 2013)	429	203	-53 %		-100 %				
Total	9,903	9,664	-2 %	11,192	16 %	9,938	-11 %	9,176	-8 %
Supervisory Board remuneration (€ 000's)									
Prof. Dr Hermann Wagner	126	129	2 %	131	2 %	156	19 %	200	28 %
Jana Brendel						65		121	87 %
Thomas Hawel	75	77	3 %	78	1 %	87	12 %	95	9 %
Petra Heinemann-Specht		63		85	36 %	111	30 %	132	19 %
Marija Korsch	298	301	1 %	302	0 %	320	6 %	299	-7 %
Jan Lehmann						51		97	92 %
Klaus Novatius				126		142	13 %	162	14 %
Richard Peters	121	123	2 %	125	2 %	159	27 %	197	24 %
Sylvia Maria Seignette	100	103	3 %	105	2 %	114	9 %	126	11 %
Elisabeth T. Stheeman	99	102	3 %	104	2 %	113	9 %	124	10 %
Dietrich Voigtländer	139	141	1 %	140	-1 %	153	9 %	152	0 %
Christof von Dryander						84		156	85 %
York-Detlef Bülow (until March 2018)	149	40	-73 %						
Dieter Kirsch (until December 2018)	102	120	18 %						
Dr Hans-Werner Rhein (until May 2020)	100	101	1 %	106	5 %	52	-51 %		
Prof. Dr Stephan Schüller (until May 2020)	150	152	1 %	148	-3 %	70	-53 %		
Beate Wollmann (until May 2020)	56	77	38 %	85	10 %	41	-52 %		

10. Outlook

The Supervisory Board will submit an adjusted remuneration system for the members of the Management Board to the ordinary Annual General Meeting 2022. It features far-reaching changes that are designed to address concerns about the previous remuneration system raised by shareholders. For further details, please refer to the revised remuneration system, which forms part of the invitation to the 2022 ordinary Annual General Meeting. The revised remuneration system also contains a comparison of the main changes compared to the previous remuneration system.

Independent Auditor's Report

To Aareal Bank AG, Wiesbaden

Report on the Audit of the Remuneration Report

We have audited the attached remuneration report of Aareal Bank AG, for the financial year from 1 January 2021 to 31 December 2021, including the related disclosures, prepared to meet the requirements of Section 162 AktG (Aktiengesetz: German Stock Corporation Act).

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Aareal Bank AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January 2021 to 31 December 2021, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Aareal Bank AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of € 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Frankfurt/Main, 25 March 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

(Original German version signed by:)

Haider

Wirtschaftsprüfer

(German Public Auditor)

Chrobok

Wirtschaftsprüferin

(German Public Auditor)

**C. Information on the candidates for the Supervisory Board
proposed in agenda item 8**

The candidates' CVs are also available on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Henning Giesecke (candidate 8.1)

Holder of a degree in Business Administration (Diplom-Kaufmann)

1. Personal details

Date of birth:	6 May 1960
Residence:	Zell, Munich area, Germany
Nationality:	German

2. Education

- Degree in Business Administration, Ludwig-Maximilians-University, Munich

3. Career and professional experience

Expertise: risk management, banking business, property finance, corporate governance

Since 2009	Holds several mandates
2006 – 2009	Member of the Management Board and Group Chief Risk Officer, UniCredit S.p.A, Milano, Italy and UniCredit Bank AG, Munich, Germany
2004 – 2006	Chief Credit Risk Officer and Divisional Board Member, HypoVereinsbank AG, Munich, Germany
2000 – 2004	Group Head Restructuring and Workout, HypoVereinsbank AG, Munich, Germany
1985 – 2000	Different positions in Risk Management and Corporates, HypoVereinsbank AG, Munich, Germany

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Henning Giesecke is a member of the following other statutory supervisory boards:

- The Social Chain AG, Vice-Chairman of the Supervisory Board
- The Social Chain Group AG*, Vice-Chairman of the Supervisory Board
- Linde + Wiemann Holding SE, Vice-Chairman of the Supervisory Board
- Erste Abwicklungsanstalt AöR, Member of the Board of Directors

Beyond this, there are no other memberships of similar domestic or international supervisory bodies pursuant to section 125 (1) sentence 5 of the AktG.

* Investment company of The Social Chain AG

Denis Hall (candidate 8.2)

Qualified bank officer

1. Personal details

Date of birth:	9 November 1955
Residence:	Chalfont St Giles, United Kingdom
Nationality:	British

2. Education

- Qualified Bank officer, Barclays Bank

3. Career and professional experience

Expertise: banking business, risk management, M&A, technology/IT security

Since 2016	Holds several mandates
2007 - 2016	Chief Risk Officer, Global Consumer Banking, GE Capital
2001 - 2007	Chief Risk Officer, Private and Business Clients ("PBC"), Deutsche Bank
1985 - 2001	Several positions, e.g. UK Diners business; Credit Officer for Visa card businesses in Belgium, Spain, Germany and Greece; Credit Director for the German cards business; Business Manager for the operations company; Management Board Member for Risk, HR and Operations, Citibank
1978 - 1985	Several positions, Welbeck Finance
1974 - 1978	Junior Clerk, Barclays Bank, Northampton, United Kingdom

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Denis Hall is not a member of any other statutory supervisory board.

Denis Hall is a member of the following similar domestic and international governing bodies according to Section 125 (1) Sentence 5 of the AktG:

- Auxmoney Europe Holdings Ltd, Ireland, Non-Executive member of the Board of Directors
- Moneta Money Bank AS., Prague, Czech Republic, member of the Supervisory Board
- Skipton Building Society, Skipton, United Kingdom, Non-Executive member of the Board of Directors

Beyond this, there are no other memberships of similar domestic or international supervisory bodies pursuant to section 125 (1) sentence 5 of the AktG.

Barbara Antonia Knoflach (candidate 8.3)

Diploma Business Economist

1. Personal details

Date of birth:	23 May 1965
Residence:	Hofheim a. Ts., Germany
Nationality:	Austrian

2. Education

- Graduation in Economics with focus on Computer Science, University of Applied Sciences, Mainz, Germany

3. Career and professional experience

Expertise: banking business, strategic planning, IT/digitalisation, M&A

Since 2020	Founder of LifeWorkSpace, a consulting and private investment company focused on innovative and sustainable strategies in the real estate industry
2015 – 2020	Global Head, BNP Paribas Real Estate Investment Management (REIM) and Deputy CEO, BNP Paribas Real Estate S.A., Paris, France
2005 – 2015	CEO, SEB Asset Management AG and Managing Director, SEB Investment GmbH, Frankfurt/Main, Germany
1999 – 2005	Managing Director of SEB Immobilien-Investment GmbH (merged into SEB Investment GmbH)
1994 – 1998	Deputy Head Structured Finance, BfG Bank AG, Frankfurt/Main, Germany
1986 – 1993	Analyst International Project Finance, Deutsche Bank AG, Frankfurt/Main, Germany

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Barbara Antonia Knoflach is a member of the following other statutory supervisory boards:

- Landmarken AG, Aachen, Germany, Member of the Supervisory Board
- Swiss Prime Site AG, Olten, Switzerland, Member of the Board of Directors

Beyond these mandates, she is a member of a similar domestic or international supervisory body according to section 125 (1) sentence 5 of the AktG:

- CTP N.V., Amsterdam, Netherlands, Chairperson of the Board and Senior Independent Director

Marika Lulay (candidate 8.4)

Master's degree in computer science

1. Personal details

Date of birth:	16 November 1962
Residence:	Heppenheim, Germany
Nationality:	German

2. Education

- Master of Computer Science, University of Applied Sciences, Darmstadt, Germany

3. Career and professional experience

Expertise: corporate governance, strategic planning, business and corporate development, M&A, digitalisation, technology, IT

Since 2017	Chief Executive Officer (CEO), Executive Director and Member of the Board of Directors, GFT Technologies SE, Stuttgart, Germany
2015 - 2017	Chief Operating Officer (COO), Executive Director and member of the Board of Directors, GFT Technologies SE, Stuttgart, Germany
2002 - 2015	Chief Operating Officer (COO), member of the Management Board, GFT Technologies AG, Stuttgart, Germany
1996 - 2002	Overall responsibility for Germany, Switzerland, Austria, the Benelux countries and Scandinavia, Cambridge Technology Partners, Inc. Europe, Frankfurt, Germany
1990 - 1996	Head of Application Development, Central-East Germany region, Project Manager, Software AG, Darmstadt, Germany
1989 - 1990	Management Consultant for the consumer products industry, Diebold Deutschland GmbH, Frankfurt, Germany
1987 - 1989	Founder, BISTEC GmbH/BAUSOFT GmbH, Darmstadt, Germany

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Marika Lulay is a member of the following other statutory supervisory boards:

- EnBW AG, Member of the Supervisory Board

Beyond this, there are no other memberships of similar domestic or international supervisory bodies pursuant to section 125 (1) sentence 5 of the AktG.

Hans-Hermann Anton Lotter (candidate 8.5)

Master ("Diplom") degree in Mathematical Economics

1. Personal details

Date of birth: 29 December 1964

Residence: Como, Italy

Nationality: German

2. Education

- Master of Business Administration, University of Miami, Miami, Florida, USA
- Holder of a Master degree in Mathematical Economics, University of Ulm, Germany

3. Career and professional experience

Expertise: banking business, governance, international M&A and joint ventures, strategic planning, audit of financial statements

Since 2009	Assumption of mandates at investment companies of Advent International, currently this includes Atlantic BidCo GmbH in particular, in the past on the supervisory boards of Addiko Bank AG, Concardis Payment Group GmbH, GFKL Financial Services AG, among others, and advisor for private equity investments, mergers & acquisitions and restructuring projects
2014 - 2015	Member of the Board, responsible for Treasury, Legal and Corporate Development, interim management to support stabilisation of the bank, Gorenjska banka d.d., Kranj, Slovenia
2006 - 2009	Co-Head Mergers & Acquisitions, Head of Financial Institutions Group for Germany, Austria and Switzerland, Rothschild GmbH, Frankfurt, Germany
2003 - 2006	Managing Director, Head of Financial Institutions, Lazard & Co. GmbH, Frankfurt/Main, Germany
1992 - 2003	Various positions at Deutsche Bank AG, Frankfurt/Main, Germany, Singapore and London, England: Director, Global Corporate Finance – FIG; Managing Director, Corporate Development; Director, Head of Strategic Planning Asia Pacific; Divisional Director, Corporate Development

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Hans-Hermann Anton Lotter is a member of the following other statutory supervisory boards:

- Hermes Germany GmbH, Member of the Supervisory Board, Hamburg, Germany
- TK Elevator GmbH, Dusseldorf/Essen, Germany, Chairman of the Supervisory Board

Beyond this, he is a member of the following comparable domestic or international supervisory bodies pursuant to section 125 (1) sentence 5 of the AktG.:

- AI Alpine (Luxembourg) S.à.r.l., Luxembourg, Chairman of the Board of Directors
- Vertical Topco S.à.r.l., Luxembourg*, Member of the Board of Directors

* Indirect investment company of TK Elevator GmbH

José Sevilla Álvarez (candidate 8.6)

Degree in Economics and Business Administration

1. Personal details

Date of birth: 17 August 1964

Residence: Madrid, Spain

Nationality: Spanish

2. Education

- Degree in Economics and Business Administration, CUNEF Madrid, Spain

3. Career and professional experience

Expertise: banking business, risk management, accounting, corporate governance, M&A, strategic planning

2012 - 2021	Chief Executive Officer, Chair of the Risk Committee and Board Member at BFA Tenedora de Acciones SAU, BANKIA, Madrid, Spain
1997 - 2009	Member of the Management Committee of BBVA Group and member of the Board of Directors at BBVA Bancomer, BBVA, Mexico
1995 - 1997	Senior Equity Analyst of European banks, Merrill Lynch
1989 - 1995	Analyst of Spanish Banks and Head of the Equity Analysis department, FG Inversiones Bursátiles
1988 - 1989	Junior Auditor, Arthur Andersen

4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

José Sevilla Álvarez is a member of the following other statutory supervisory boards:

- Renta 4 Banco, Madrid, Spain, Non-Executive independent member of the Board of Directors

Beyond this, there are no other memberships of similar domestic or international supervisory bodies pursuant to section 125 (1) sentence 5 of the AktG.

D. Report on agenda item 9

Report of the Management Board to the Annual General Meeting regarding the authorisation and the exclusion of pre-emptive subscription rights proposed under agenda item No. 9 in accordance with section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the AktG

In accordance with section 203 (2) in conjunction with section 186 (4) sentence 2 of the AktG, the Management Board has submitted a written report regarding agenda item No. 9 on the reasons for the exclusion of subscription rights and the proposed issue price. The report is hereby published as follows:

The term of the Authorised Capital 2017 of € 89,785,830, which was created by the resolution of the Annual General Meeting on 31 May 2017 but has not been utilised (Article 5 (4) of the Memorandum and Articles of Association), has ended (term until 30 May 2022). In order to safeguard flexibility through further capital measures by the Management Board, the Authorised Capital is to be replaced by new authorisation of € 35,914,329 (Authorised Capital 2022). This corresponds to twenty per cent (20 %) of the share capital.

The Management Board and the Supervisory Board propose to the Annual General Meeting that new Authorised Capital be created, having essentially the same terms and conditions as Authorised Capital 2017. As with the existing authorisation, the new Authorised Capital 2022 shall be used for capital increases against contributions in cash or in kind.

In the case of utilisation of the new Authorised Capital 2022, shareholders in principle have a subscription right. The shares may also be subscribed by one or more banks, subject to the obligation of offering these to the shareholders for subscription (so-called "indirect subscription right"). However, pre-emptive subscription rights may be excluded where this is in the interest of the Company in the following cases.

The proposed authorisation will enable the Management Board to exclude shareholders' pre-emptive subscription rights in the event of a capital increase against cash contributions, subject to approval by the Supervisory Board and provided that the issue price is not significantly lower than the prevailing market price of the Company's shares already listed at a stock exchange at the time of the final determination of the issue price. Section 203 (1) and (2) and section 186 (3) sentence 4 of the AktG specifically provide for the possibility of excluding pre-emptive subscription rights. This enables the management to take advantage of favourable opportunities on the stock market at short notice and to achieve a high issue price and the maximum strengthening of own funds through market-oriented price determination. Moreover, the exclusion of subscription rights is designed to facilitate a placement close to prevailing market price levels, without the issuing discount commonly applied to a rights issue. The amount to be authorised will not exceed the statutory limit of ten per cent (10 %) of the registered share capital. Where, in connection with an increase in registered share capital, the Company makes use of the possibility of excluding subscription rights, the management will minimise any discounts from the issue price in relation to the market price and is expected to limit any such discounts to five per cent (5 %) as a maximum. This will ensure that any economic dilution of shareholdings will be kept to a minimum. In the event of subscription rights being excluded when issuing new shares against cash contributions close to the prevailing market price, the capital increase must not exceed ten per cent (10 %) of the share capital outstanding at the time of the authorisation entering into effect or – if this value is lower – at the time of exercising the authorisation. This accounts for the shareholders' protection requirements as regards the dilution of their shareholdings. Given the existence of a liquid market and the amount of freely floating shares, this ensures that shareholders would be able to purchase shares on the stock exchange at similar prices, effectively protecting their shareholding against dilution.

The threshold of ten per cent (10%) of the registered share capital mentioned above also includes any shares that were issued or sold during the term and prior to the exercising of this authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, and by virtue of other authorisations granted to the Management Board for the issue or sale of shares. Said ten-per-cent threshold shall particularly include shares the issuance of which is required under the terms of debt securities with embedded conversion or option rights on shares issued pursuant to section 186 (3) sentence 4 of the AktG (excluding shareholders' subscription rights), which were (or may be) issued during the validity of this authorisation. These inclusions ensure that no purchased treasury shares are sold (excluding shareholders' subscription rights) in accordance with section 186 (3) sentence 4 of the AktG if this would result in the exclusion – without objective grounds – of shareholder's pre-emptive subscription rights in direct or analogous application of section 186 (3) sentence 4 of the AktG for an amount exceeding 10% of the registered share capital. The proposed authorisation therefore ensures that shareholders' financial and voting interests are appropriately taken into account when exercising Authorised Capital to the exclusion of subscription rights, whilst expanding the Company's flexibility in the interest of all shareholders. The legal concepts embodied in section 186 (3) sentence 4 of the AktG have thus been properly considered and complied with.

Furthermore, the proposed authorisation allows the Management Board to exclude shareholders' subscription rights for fractional amounts (subject to approval by the Supervisory Board). In case of capital increases against contributions in cash, the purpose of this exclusion is to permit the exercising of the authorisation in even amounts in order to facilitate the technical settlement of issuing shares. As freely marketable fractions, the shares excluded from the shareholders' subscription rights will either be sold at the stock exchange or otherwise disposed of on a "best efforts" basis.

Moreover, the proposed authorisation will permit the Management Board to exclude shareholders' subscription rights, subject to approval by the Supervisory Board, where this is necessary to grant subscription rights to the holders of bonds with warrants or convertible debt securities issued (or to be issued) by Aareal Bank AG or its affiliated companies, which subscription rights are required to entitle these holders to the same extent as they would have been entitled upon exercising their conversion or option rights, or upon performance of a conversion obligation, if any, thus protecting such holders against dilution. Hence, this exclusion of subscription rights allows the Company, in the event of a capital increase, to offer subscription rights to holders of existing option rights or convertible debt securities, in lieu of reducing the relevant exercise or conversion price in line with the terms of issue. The authorisation allows the Company to achieve this objective without having to resort to treasury shares.

A further event that, according to the proposed authorisation, would permit the Management Board to exclude shareholders' subscription rights is the issue of new shares to staff members of Aareal Bank AG or its subsidiaries. As reflected in section 202 (4) of the AktG, the legislative intent is geared towards the issue of employee shares, as this supports the retention of staff by the Company, facilitates the assumption of joint responsibility and helps to maintain a stable workforce. Thus, issuing shares to employees is in the best interest of the Company and its shareholders. The proposed volume of € 4 million has been determined by taking into account the number of eligible staff, expected subscription results and the term of the authorisation. When setting the issue price, a discount may be granted in line with common practice when issuing employee shares.

Finally, the proposed authorisation to exclude subscription rights in the event of capital increases against contributions in kind serves to enable the acquisition of companies, parts thereof or participating interests or of other assets in return for the granting of shares. If the acquisition of companies, parts thereof or participating interests or the acquisition of other assets by way of a capital increase against contributions in kind results in tax savings for the seller, or if the seller – for whatever reason – is more interested in purchasing shares in the Company than in receiving a cash payment, the ability to offer shares as consideration strengthens the Company's negotiating position. In individual cases it may also be appropriate, given specific interests of the Company, to offer the seller new shares in return for a participation. Due to the Authorised Capital 2022, the Company is able to react quickly and

flexibly if an opportunity arises to purchase companies, parts thereof or participating interests as well as other assets in return for issuing new shares in appropriate individual cases. The proposed authorisation thereby enables optimal financing of the acquisition through the issuance of new shares, as well as the associated strengthening of the Company's own equity base.

The issue price, at which the new shares will be issued in this case, depends on the individual circumstances and the timing. In the price determination, the Management and Supervisory Boards will be guided by the Company's interests. At present, there are no concrete plans for using this authorisation. The Management Board and the Supervisory Board will carefully examine in each individual case whether the exclusion of subscription rights is in the interests of the Company.

The proportionate amount of the share capital attributable to shares that are issued to the exclusion of shareholders' subscription rights against contributions in cash or in kind after the authorisation may not exceed 10 % of the registered share capital existing at the time the resolution is adopted by the Annual General Meeting. This capital limit additionally protects shareholders against dilution of their shareholdings. Subject to a renewed authorisation for the exclusion of subscription rights to be resolved by a subsequent General Meeting, the Management Board will also consider issuing or selling shares or debt securities with embedded conversion or option rights/obligations to the exclusion of the shareholders' subscription rights on the basis of other authorisations granted to the Management Board, provided that the authorisations for capital measures to the exclusion of shareholders' subscription rights are only used to increase the registered share capital by a maximum amount of 10 % of the share capital existing at the time of the General Meeting's resolution. Provided that a subsequent General Meeting renews the authorisation to exclude subscription rights, the Management Board shall therefore also include proportionate share capital in the maximum increase volume that is attributable to shares which are issued or sold to the exclusion of shareholders' subscription rights during the validity of the authorisation under another authorisation or which relate to financial instruments with conversion or option rights/obligations that are issued to the exclusion of shareholders' subscription rights during the validity of the authorisation under another authorisation. This includes issuing or selling shares or debt securities to the exclusion of subscription rights in direct or analogous application of section 186 (3) sentence 4 of the AktG.

The proposed term of the Authorised Capital 2022 (until 30 August 2027) is in accordance with the limitations prescribed by applicable law.

In the event that these authorisations are exercised, the Management Board will report on this at the next General Meeting.

The report of the Management Board regarding agenda item No. 9 on the reasons for the authorisations provided thereunder for the exclusion of shareholders' subscription rights can be inspected at the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

from the date of convocation of the Annual General Meeting. Upon request, the report will be sent to every shareholder without delay and free of charge.

E. Further Information

1. Company website and documents and information available there

The invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting as well as further information in connection with the General Meeting will be available on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

from the date of convocation of the Annual General Meeting.

Any counter-proposals, nominations or requests for amendments by shareholders that are received by the Company and require publication will also be made available on the above website. The entire video and audio track of the Annual General Meeting will be streamed via the Company's online portal (**shareholder portal**), which can be accessed at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Among other things, duly registered shareholders and their representatives will be able to exercise their voting rights before and during the Annual General Meeting via the shareholder portal. Following the Annual General Meeting, the voting results will be published on the Company's website mentioned above.

As a special service, the Company will send these documents to shareholders free of charge, upon request. It should be noted that the Company has complied with its legal obligation by making the information available on its website.

2. Total number of shares and voting rights

At the time of convening the Annual General Meeting, the Company's share capital amounts to € 179,571,663.00 and is divided into 59,857,221 no-par-value bearer shares. Each share carries one vote at a General Meeting. Therefore, at the time of convening the Annual General Meeting, the total number of voting rights amounts to 59,857,221. At the time of convening the Annual General Meeting, the Company does not hold any treasury shares.

3. Execution as an Annual General Meeting without the physical presence of the shareholders or their representatives, streaming of the Annual General Meeting

On the basis of section I of the "Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der Covid-19-Pandemie" (Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the Covid-19 Pandemic) dated 27 March 2020 (German Federal Gazette I No. 14 2020, p. 570), the validity period of which was extended until 31 December 2021 through the „Verordnung zur Verlängerung von Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht zur Bekämpfung der Auswirkungen der Covid-19 Pandemie“ (Regulation on the Extension of Measures under the Act Concerning Measures Under the Law of Corporations, Cooperative Societies, Associations and Foundations to Combat the Effects of the Covid-19 Pandemic) dated 20 October 2020 (German Federal Gazette I No. 48 2020, p. 2258) and

which was amended by the “Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht” (Act on a further Shortening of the Discharge Procedure and an Adjustment of Pandemic-related Provisions under the Law on Corporations, Cooperative Societies, Associations, Foundations and under Tenancy and Leasehold Law) dated 22 December 2020 (German Federal Gazette I No. 67 2020, p. 3328) and amended yet again by the Act to establish a special fund termed “Aufbauhilfe (construction aid) 2021” and for temporary suspension of mandatory insolvency applications due to heavy rains and storm water in July 2021 and the amendment of additional legislation dated 10 September 2021 (Federal Law Gazette I No. 63 2021, p. 4147) valid for General Meetings up to and including 31 August 2022 (hereinafter referred to as “C19-AuswBekG”), the Company’s Management Board adopted a resolution approved by the Supervisory Board to conduct the Annual General Meeting as a virtual General Meeting without the physical presence of the shareholders or their authorised representatives. Against the backdrop of the fact that the further development of the Covid-19 pandemic and the associated rules of conduct are difficult to foresee, this measure is designed in particular to avoid health risks to shareholders and employees, external service providers and members of the governance bodies and to ensure planning certainty. With the Supervisory Board’s approval, the Management Board has decided, in accordance with section 1 (3) of the German Act to Combat the Effects of the Covid-19 Pandemic (Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der Covid-19-Pandemie – “C19-AuswBekG”) and diverging from section 123 (1) sentence 1 and (2) sentence 5 of the German Public Limited Companies Act (Aktengesetz – “AktG”) to convene the Annual General Meeting not later than 21 days prior to the day of the Meeting. This leads to modifications of the deadlines to be observed by shareholders ahead of the Annual General Meeting.

The Annual General Meeting will be held in the physical presence of the Chairman of the Annual General Meeting and of members of the Management Board and Supervisory Board, who may join the Annual General Meeting remotely, and the notary charged with the minutes of the General Meeting and the voting proxies appointed by the Company at the Company’s registered office at Paulinenstrasse 15, 65189 Wiesbaden, the location of the Annual General Meeting within the meaning of section 121 (3) of the AktG. The physical participation of the shareholders or their representatives (except for the voting proxies appointed by the Company) is therefore excluded.

Shareholders and their representatives may join via the shareholder portal for the live audio and video streaming of the entire Annual General Meeting on Wednesday, 31 August 2022, starting at 11:00 a.m. CEST by using the Internet service at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

The live broadcast does not allow participation in the Annual General Meeting within the meaning of section 118 (1) sentence 2 of the AktG.

The main content of the speech by the Chairman of the Management Board is expected to be released on the Internet beforehand, from 26 August 2022 at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

A recording of the speech by the Management Board will be available on the same Internet address after the virtual General Meeting.

Shareholders or their representatives can exercise their voting right solely by postal vote or through voting proxies appointed by the Company as specified below. The planned voting on agenda items 2 to 5 and 8 to 11 is mandatory, and in each case a yes, no or abstention vote may be cast; the planned voting on agenda items 6 and 7

in accordance with section 120a (1) sentence 2 and (4) sentence 2 of the AktG does not establish any rights or obligations, therefore a yes, no or abstention vote is permitted.

4. Shareholder portal

In lieu of the conventional admission ticket, duly registered shareholders will receive a voting card with further information explaining how they can exercise their rights. Among other things, the voting card sets out the logon data, which duly registered shareholders can use to access the Company's shareholder portal at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Any previous access data to the shareholder portal for past General Meetings is no longer valid.

The shareholder portal is expected to be open to duly registered shareholders and their representatives from 19 August 2022. Via the shareholder portal, shareholders and their representatives can exercise their voting rights, grant voting proxies, submit questions or lodge objections for inclusion in the minutes of the meeting. To use the shareholder portal, duly registered shareholders must enter the logon data that they have received together with their voting card. Detailed instructions on how to use the shareholder portal and the various options for exercising shareholder rights will be sent to the shareholders together with their voting card and are also available on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Further information on registering for and using the shareholder portal can also be found there. **Shareholders are asked to note the technical information at the end of this invitation.**

5. Preconditions for participating in the Annual General Meeting via online connection and exercising shareholder rights, in particular the right to vote

Shareholders who have registered prior to the Annual General Meeting and have provided evidence of their right to attend the Annual General Meeting (**duly authorised shareholders**) are authorised to attend the Annual General Meeting electronically and to exercise their shareholder rights, particularly the voting right. Registration with the Company must take place in text form (section 126b of the German Civil Code (Bürgerliches Gesetzbuch – BGB) at the following address (**registration address**). Specific evidence that shares are held shall be required to prove that the shareholder is authorised to attend the Annual General Meeting. A confirmation of shareholdings issued by the last intermediary as defined in section 67c (3) of the AktG shall suffice for this purpose. Specific evidence of the shareholdings must refer to the Record Date and must be transmitted to the Company in text form (section 126b of the BGB) in German or English to the following registration address.

Aareal Bank AG
c/o Computershare Operations Center
80249 Munich
E-mail: anmeldestelle@computershare.de

Registration to participate in the Annual General Meeting must be submitted to the Company by no later than 24 August 2022 (24:00 hours CEST) at the registration address.

Pursuant to section 1 (3) sentence 2 of the C19-AuswBekG, specific evidence of the shareholdings must refer to the beginning of the twelfth day prior to the Annual General Meeting, i.e. to the beginning of 19 August 2022 (00:00 hours CEST) **(the record date for submission of proof)**. Pursuant to section 1 (3) sentence 2 of the C19-AuswBekG, the Company must receive evidence of the shareholding no later than on the fourth day prior to the Annual General Meeting, i.e. by 27 August 2022 (24:00 CEST), at the registration address.

Usually, the necessary registration and transmission of the specific proof of shareholdings are undertaken by the last intermediaries, in particular the custodian banks, on behalf of their customers. Shareholders are therefore requested to contact their custodian bank as early as possible. On receipt of the registration and the specific proof of shareholdings, the shareholders who are authorised to attend will receive the voting card as confirmation of their registration from the registration office, which includes the necessary logon data for the shareholder portal.

The Company will only consider shareholders who register within the requisite period and have proved that they are authorised to attend the Annual General Meeting and to exercise voting rights to be duly authorised to attend the Annual General Meeting and to exercise their voting rights. The Company shall be entitled to demand suitable additional evidence in cases of doubt regarding the correctness or authenticity of the proof submitted. Where no such evidence is provided or it is not provided in an appropriate form, the Company may deny the shareholder attendance at the Annual General Meeting.

6. Importance of the record date

The right to participate in the Annual General Meeting and to exercise shareholder rights as well as the scope of voting rights depend solely on the shareholdings stated in the evidence as of the record date for submission of proof (the “record date”). However, this record date does not in any way restrict the disposability of shareholdings. Even where shareholdings are sold in whole or in part after the record date, the shareholder’s right to participate, and to exercise shareholder rights as well as the scope of the voting rights will be based solely on his/her respective shareholdings on the record date. This means that the sale of shares after the record date does not in any way affect the shareholder’s right to participate in the Annual General Meeting or the scope of his/her voting rights. Corresponding provisions apply to the initial or further acquisition of shares after the record date. Anyone who does not hold shares in the Company at the record date, but subsequently becomes a shareholder of the Company may only participate in the Annual General Meeting and exercise shareholder rights (especially voting rights) to the extent that they have been authorised by the previous shareholder to act as a proxy. The record date has no bearing on possible dividend rights. Following receipt of registration and specific proof of shareholdings by the Company, voting cards for the exercise of shareholder rights at the Annual General Meeting including the logon data for the shareholder portal for participating in the Annual General Meeting will be sent to the duly registered shareholders. To ensure timely receipt of the voting cards, shareholders should request them from their custodian banks at their earliest convenience.

7. Exercise of voting rights by postal vote

Duly registered shareholders can exercise their voting rights in text form or by means of electronic communications (postal vote) without actually participating in the Annual General Meeting.

Prior to the Annual General Meeting, duly registered shareholders may use the postal vote form sent to them together with the voting card. In addition, the postal vote form can also be downloaded from the Company’s website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

If you use the postal vote form, postal votes can be submitted, modified or revoked exclusively

- in text form in a notice sent to **Aareal Bank AG, c/o Computershare Operations Center, 80249 Munich**, or
- electronically in a notice sent to the e-mail address **aarealbank-HV2022@computershare.de**

by no later than 30 August 2022 (18:00 hours CEST). The date on which the postal vote is received by the Company is decisive for determining whether a postal vote has been duly submitted, modified or revoked in this way. Postal votes that cannot be unambiguously assigned to a duly registered shareholder will be excluded.

Before and during the Annual General Meeting, duly registered shareholders will also be able to exercise their voting rights at Aareal Bank AG's shareholder portal, which can be reached at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

It is expected that voting rights may be exercised by way of electronic postal vote via the shareholder portal from 19 August 2022 until the beginning of voting on the day of the Annual General Meeting. Using the shareholder portal, shareholders can also modify or revoke any prior postal votes that they may have already submitted during the Annual General Meeting up until the commencement of voting.

Duly registered shareholders or their representatives who exercise their voting right by electronic postal vote will receive from the Company electronic confirmation of the votes cast in this way in accordance with the requirements of section 118 (2) sentence 2, (1) sentence 3 of the AktG in conjunction with Article 7 (1) and Article 9 (5) (1) of Commission Implementing Regulation (EU) 2018/1212. This confirmation shall be made available to the shareholder or – in the event of an authorisation – to the representative immediately after the vote is cast by electronic postal vote via the shareholder portal in the Company's shareholder portal or electronically by e-mail. The Company reserves the right to use a third party to make available the electronic confirmation of the electronic exercise of voting rights.

If votes are cast via an intermediary within the meaning of section 67a (4) of the AktG by electronic postal vote, electronic confirmation of the electronic exercise of the voting right shall be transmitted immediately by the intermediary to the shareholder.

Votes can only be cast on motions and proposals that have been published with this invitation or in connection with section 122 (2) of the AktG or sections 126 and 127 of the AktG.

Further information on postal voting via the shareholder portal can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the electronic postal voting process via the shareholder portal are available at the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

8. Exercise of voting rights through voting proxies appointed by the Company and the issue of instructions

Duly registered shareholders may arrange to be represented by a voting proxy appointed by the Company, who is bound by the voting instructions issued by the shareholder in question.

In addition to the proxy document, voting proxies appointed by the Company require express and clear instructions from the shareholders for exercising the voting rights. If an individual vote is to be cast on a specific item of the agenda, the instructions provided apply to each individual item on which votes are to be cast. Voting proxies appointed by the Company are obliged to vote in accordance with instructions given to them; they cannot exercise voting rights at their discretion. If the meeting votes on a topic for which a shareholder has not given express instructions, that shareholder's voting proxy will abstain from voting.

The voting proxies exercise their voting right solely on the basis of the instructions they have received from the shareholder. If an individual vote is to be cast on an agenda item, the instructions provided apply to each individual sub-item. Please note that the voting proxies appointed by the Company will not accept mandates to request to speak, to lodge an objection against resolutions taken at the Annual General Meeting, to ask questions or submit motions.

Prior to the Annual General Meeting, duly authorised shareholders may use the proxy and voting instruction form sent to them by the Company together with the voting card to authorise the voting proxies appointed by the Company and bound by the instructions of the relevant shareholder to vote on their behalf. In addition, proxy forms may be downloaded from the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

If the proxy and voting instruction form is used, proxies and voting instructions for the voting proxies nominated by the Company and bound by the shareholder's instructions can be submitted, modified or revoked solely

- in text form in a notice sent to **Aareal Bank AG, c/o Computershare Operations Center, 80249 Munich**, or
- electronically in a notice sent to the e-mail address **aarealbank-HV2022@computershare.de**

by no later than 30 August 2022 (18:00 hours CEST). The date on which the proxy and voting instruction form is received by the Company shall be decisive for determining whether a proxy or voting instruction has been duly submitted, modified or revoked in this way.

Before and during the Annual General Meeting, duly registered shareholders may also issue instructions to the voting proxies appointed by the Company at Aareal Bank AG's shareholder portal, which can be reached at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

It is expected that voting proxies may be granted via the shareholder portal from 19 August 2022 until the beginning of voting on the day of the Annual General Meeting. Via the shareholder portal, any prior voting proxies or instructions that may have already been submitted – including via different channels – may be modified or revoked during the Annual General Meeting up until the commencement of voting. Votes can be cast and voting proxies and instructions issued only on motions and proposals that have been published with this invitation or in conjunction with section 122 (2) of the AktG or sections 126 and 127 of the AktG.

Further information on granting a proxy and issuing voting instructions to the voting proxies appointed by the Company can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the process for issuing proxies and voting instructions to the voting proxies nominated by the Company via the shareholder portal are available at the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

9. Granting proxies to third parties to exercise voting rights and other rights

Duly registered shareholders may also authorise a third party (**authorised third party**), e.g. an intermediary, a shareholder association or a proxy advisor to exercise their voting right or other rights. Authorised third-party proxyholders may then exercise the voting rights by postal vote or voting proxy by issuing voting instructions to the voting proxies appointed by the Company (see above). If a shareholder appoints more than one person as a proxyholder, the Company is entitled to reject one or more of these proxyholders in accordance with section 134 (3) sentence 2 of the AktG.

A voting proxy must be granted or revoked or proof provided of such voting proxy to a third party in text form served on the Company (section 126b of the BGB) if no voting proxy is granted in accordance with section 135 of the AktG. Special rules generally apply if voting proxies are granted to third parties in accordance with section 135 of the AktG (voting proxies granted to intermediaries (particularly credit institutions), shareholder associations, proxy advisors or persons who accept voting proxies from shareholders at general meetings on a commercial basis). Shareholders who wish to grant voting proxies in accordance with section 135 of the AktG are asked to inquire with the proxyholder to be authorised about the applicable conditions and to agree on these with the proxyholder.

Intermediaries (particularly credit institutions), shareholder associations, proxy advisors or persons who accept voting proxies from shareholders at general meetings on a commercial basis who represent a majority of shareholders are recommended to contact the shareholder hotline (see below in the section “Technical details concerning the virtual Annual General Meeting”) or the registration office at the above-mentioned address ahead of the Annual General Meeting with regard to the exercise of voting rights.

If voting proxies are not issued to an intermediary (particularly credit institutions), a shareholder association, a proxy advisor or a person who accepts voting proxies from shareholders at general meetings on a commercial basis, the voting proxy may be served directly on the Company or directly on the authorised third-party proxyholder (in which case proof of the grant of the voting proxy must be served on the Company in text form). Notice of the voting proxy served on the Company or evidence of the voting proxy served on the Company must reach the Company

- in text form in a notice sent to **Aareal Bank AG, c/o Computershare Operations Center, 80249 Munich**, or
- electronically in a notice sent to the e-mail address **aarealbank-HV2022@computershare.de**

This also applies to a revocation of the voting proxy.

Where a proxy is granted, proof of such proxy provided, or a proxy revoked by way of a declaration to the Company by regular mail, the Company must, for organisational reasons, receive such declaration by no later than 30 August 2022 (18:00 hours CEST). It is still possible to serve the voting proxy or proof of voting proxy on the Company or the revocation of a voting proxy until the beginning of voting on the day of the Annual General Meeting by e-mail. Proof of the voting proxy granted in this way can be submitted by sending it (e.g. copy or scan of the voting proxy) to the e-mail address.

Duly registered shareholders wishing to issue a voting proxy to a third party should use the proxy form provided by the Company for this purpose and attached to the voting card. In addition, the proxy form can be downloaded from the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

Proxies are expected to be granted starting from 19 August 2022 up to and including the day of the Annual General Meeting electronically as well as using the shareholder portal.

For the proxy to connect to, and engage in the Annual General Meeting via the shareholder portal, the proxy must have the access data sent to the voting/authorising party with the voting card. Here too it is necessary to send proof of proxy to the Company. This proof must be served on the Company via the channels described above.

Votes can only be cast on motions and proposals that have been published with this invitation or in connection with section 122 (2) of the AktG or sections 126 and 127 of the AktG.

Further information on granting voting proxies to third parties can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the process for granting voting proxies via the shareholder portal are available at the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

10. Further information on the exercise of voting rights

If voting rights are due to be exercised in due time via several channels (post, e-mail, electronically via the shareholder portal or, pursuant to section 67c (1) and (2) sentence 3 of the AktG in conjunction with Article 2 (1) and (3) and Article 9 (4) of Commission Implementing Regulation (EU 2018/1212) by postal vote or by proxy or, if applicable, instructions, they shall be taken into account in the following order, independently of the date/time of their receipt: 1. electronically via the shareholder portal, 2. pursuant to section 67c (1) and (2) sentence 3 of the AktG in conjunction with Article 2 (1) and (3) and Article 9 (4) of Commission Implementing Regulation (EU 2018/1212), 3. by e-mail and 4. by post.

If multiple postal votes or votes by proxy and instructions are received via the same transmission channel in due time, the last declaration received shall be binding. Any votes cast later as such are not considered a revocation of an earlier vote cast.

The most recent revocation of a declaration, received in due time, is decisive.

If declarations in more than one form of exercise of voting rights are received via the same channel, the following shall apply: a postal vote has priority over a vote by proxy and instructions to the Company's voting proxies.

If an intermediary, a shareholder association, a proxy advisor pursuant to section 134a of the AktG or an equivalent person pursuant to section 135 (8) of the AktG is not willing to act as proxy, the Company's proxy advisors shall be authorised to represent it in accordance with instructions.

The casting of votes by postal vote or proxy and instructions on agenda item 2 (appropriation of net retained profits) remains valid even if the proposal for the appropriation of profits is adjusted due to a change in the number of shares entitled to dividend payment.

If an individual vote rather than a collective vote is cast on an agenda item, the postal vote or instruction cast on this agenda item shall apply to each item of the individual vote.

11. Website via which information in accordance with section 124a of the AktG is accessible, list of attendees and voting results

This notice convening the Annual General Meeting, the documents to be made available to the General Meeting as well as further information in connection with the Annual General Meeting, will be available on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

as from the time the Annual General Meeting has been convened; the website will also include information in accordance with section 124a of the AktG and the Memorandum and Articles of Association as amended.

During the virtual Annual General Meeting, the list of attendees will be made available to duly registered shareholders before the first vote via the shareholder portal at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

After the Annual General Meeting the voting results will be published at the same Internet address.

Information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the AktG in conjunction with section 1 (2) sentence 1 no. 3, no. 4, sentences 2 and 3, and (3) of the C19-AuswBekG

1. Requests for amendments to the agenda in accordance with section 122 (2) of the AktG

Shareholders whose combined shareholdings amount to one-twentieth of the registered share capital, or a proportional number of shares amounting to € 500,000.00 (equivalent to 166,667 shares), may request that certain items be included in the agenda and made public (section 122 (2) of the AktG). Every new item must include a reason or draft resolution. The applicant(s) must prove that they have been holders of the relevant shares for a minimum of 90 days prior to the day the request is received and that they will continue to hold them until a decision on their application has been made by the Management Board. A corresponding confirmation from the custodian bank shall be sufficient evidence.

The application must be addressed in writing (section 126 of the German Civil Code (BGB) or in electronic form, i.e. using the qualified electronic signature (section 126a of the BGB), to the Management Board of Aareal Bank AG; pursuant to section 1 (3) sentence 4 of the C19-AuswBekG, the application must be received by the Company at least 14 days prior to the Annual General Meeting, i.e. by 16 August 2022 (24:00 hours CEST). Shareholders are requested to use the following address:

Management Board of Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden
E-mail: HV2022@aareal-bank.com

Unless already communicated at the date of convocation, amendments to the agenda that require communication must be published, without undue delay following receipt of the request, in the German Federal Gazette (Bundesanzeiger) and in such other media that can be assumed to distribute information throughout the entire European Union. In addition, they will be published on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

and communicated to the shareholders.

2. Motions and nominations by shareholders in accordance with section 126 (1) and section 127 of the AktG in conjunction with section 1 (2) sentence 3 of the C19-AuswBekG

Shareholders may lodge counter-proposals to the proposals submitted by the Management Board and the Supervisory Board on certain items of the agenda and submit nominations for the election of members of the Supervisory Board and external auditors. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals pertaining to items of the agenda and nominations must be sent to the following address only:

Aareal Bank AG
Corporate Affairs – Board Office
Paulinenstrasse 15
65189 Wiesbaden
E-mail: HV2022@aareal-bank.com

Counter-proposals and nominations received by the Company at the aforementioned address at least 14 days before the virtual Annual General Meeting, i.e. by 16 August 2022 (24:00 hours CEST) will be published on the Company's website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

immediately after they are received, including the shareholder's name and the reasons for the counter-proposal, taking the further stipulations set forth in sections 126 and 127 of the AktG into consideration. Any management statements will be published on the same website.

Motions or nominations of shareholders to be made accessible pursuant to sections 126, 127 of the AktG are considered, pursuant to section 1 (2) sentence 3 of the C19-AuswBekG, to have been submitted at the meeting if the shareholder submitting the motion or nomination is duly legitimised and has registered to attend the Annual General Meeting.

3. Right to disclosure pursuant to section 131 (1) of the AktG; right to ask questions pursuant to section 1 (2) sentence 1 no. 3 of the C19-AuswBekG

The shareholders' right to request information is substantially restricted in the case of a virtual Annual General Meeting held in accordance with section 1 (2) of the C19-AuswBekG. Accordingly, the shareholders are only entitled to ask questions via electronic channels (section 1 (2) sentence 1 no. 3 of the C19-AuswBekG). Moreover, the Management Board may stipulate pursuant to section 1 (2) sentence 2 clause 2 of the C19-AuswBekG that ques-

tions are to be submitted only by duly registered shareholders and by no later than one day before the Annual General Meeting. The Management Board may utilise this right subject to the Supervisory Board's approval.

Any questions must be submitted no later than one day before the Annual General Meeting, i.e. by 29 August 2022 (24:00 hours CEST) via the Company's shareholder portal accessible at the website

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

All other forms of transmission are excluded.

No questions can be submitted after the expiry of the aforementioned deadline or during the Annual General Meeting. Only questions in German will be considered. When answering questions the Management Board decides on the response to questions at its own free discretion in accordance with section 1 (2) sentence 2 of the C19-AuswBekG. The name of the person asking the question will generally be disclosed. Further detailed explanations on shareholder rights and data protection can be found at the end of this invitation.

Beyond the right to ask questions pursuant to section 1 (2) sentence 1 no. 3, sentence 2 of the C19-AuswBekG, shareholders will not be granted the option to ask any questions during the Annual General Meeting. The right to request information in accordance with section 131 (1) of the AktG does not apply.

4. Option to object against a resolution of the Annual General Meeting pursuant to section 1 (2) sentence 1 no. 4 of the C19-AuswBekG

Duly registered shareholders who have exercised their voting rights may, from the beginning until the end of the Annual General Meeting, declare their objection to resolutions passed at the Annual General Meeting via the shareholder portal for inclusion in the minutes taken by the notary.

5. Further explanations concerning shareholder rights

Further explanations concerning shareholder rights pursuant to sections 122 (2), 126 (1), 127 and 131 (1) of the AktG in conjunction with section 1 (2) sentence 1 no. 3, no. 4, sentences 2 and 3, and (3) of the C19-AuswBekG can be found at the Company website at

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

6. Information on data protection

If shareholders and/or their voting proxies register for the virtual Annual General Meeting, exercise their voting rights (including the granting of proxies), use the shareholder portal or join the virtual Annual General Meeting, we process personal data on these shareholders and/or their proxies (e.g. surname and first name, address, e-mail address, number of shares, type of shareholding and individual access data for use of the shareholder portal). We do this to ensure that shareholders or their representatives are able to electronically connect to the virtual Annual General Meeting and exercise their rights in connection with the virtual Annual General Meeting. In cases where we enable other interested persons (guests) such as press representatives to join the virtual Annual General Meeting, we will also process their personal data in this context. Personal data is always processed in accordance with the applicable data protection legislation.

The data controller with respect to the processing of personal data is:

Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden
Telefax: +49 611 348 2965
E-mail: HV2022@aareal-bank.com

Any service providers that we use to organise the virtual Annual General Meeting process personal data solely on our behalf and are otherwise under a duty of confidentiality.

Provided that the statutory requirements are met, every data subject has the right of access, the right to rectification, the right to restriction of processing, the right to erasure and, if necessary, the right to object to the processing of their personal data at any time, as well as the right to data portability and the right to complain with the competent data protection supervisory authority.

Further information on the processing of personal data in connection with the Annual General Meeting and on the rights under the EU General Data Protection Regulation can be accessed at any time on the Company's website at

www.aareal-bank.com/fileadmin/04_Investors/04_AGM-documents/2022/en/Information-for-shareholders-regarding-data-protection-long.pdf

or requested at the following address:

Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden
Telefax: +49 611 348 2965
E-mail: HV2022@aareal-bank.com

Technical details concerning the virtual Annual General Meeting

Shareholders need an Internet connection and an Internet-enabled end device in order to participate in the virtual Annual General Meeting and to use the shareholder portal and exercise their shareholder rights electronically. A stable Internet connection with a sufficient transmission speed is recommended to ensure optimum audio and video streaming of the Annual General Meeting.

Shareholders also require an Internet-capable device and loudspeakers or headphones to follow the audio and video stream of the virtual Annual General Meeting.

From 30 August 2022, 10:30 hours CEST, a test sequence (video and audio) will be available at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

to enable shareholders to check the suitability of their hardware and software for participating in the virtual Annual General Meeting.

To access the Company's shareholder portal, duly registered shareholders will need their voting card, which they will automatically receive after duly registering for the Annual General Meeting. This voting card sets out individual logon data to enable duly registered shareholders to log onto the shareholder portal.

On 31 August 2022, registered shareholders or registered shareholder representatives may access the virtual Annual General Meeting from 11:00 hours CEST at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

by entering their logon data.

In order to avoid the risk of any restrictions in the exercise of shareholder rights as a result of technical problems during the virtual Annual General Meeting, it is **recommended** to **exercise shareholder rights (particularly voting rights) before the Annual General Meeting commences** as far as possible. It is expected that voting rights can be exercised via the shareholder portal from 19 August 2022.

Shareholders will receive further details about the shareholder portal and the conditions for registration and use together with their voting card, which will be sent to duly registered shareholders. Corresponding information and a detailed description of the use of the shareholder portal are available at the Internet address

www.aareal-bank.com/en/investors-portal/equity-investors/general-meeting-2022/

If shareholders have any technical questions regarding the shareholder portal or electronic attendance of the virtual Annual General Meeting, the employees of our service provider Computershare will be happy to assist them before and during the Annual General Meeting on the following telephone number:

Shareholder hotline: +49 89 30903 6334

The shareholder hotline is available Monday to Friday from 9:00 hours until 17:00 hours CEST and on the day of the Annual General Meeting, 31 August 2022, from 9:00 hours CEST.

If shareholders have any technical questions before the start of the virtual Annual General Meeting, they can also contact our service provider Computershare by e-mail at aktionaersportal@computershare.de.

Availability of audio and video streaming

Shareholders and their representatives may follow the entire Annual General Meeting by means of audio and video streaming on the Internet. In line with the current state of technology, the video and audio streaming of the virtual Annual General Meeting and the availability of the web-based shareholder portal may be subject to fluctuations due to restrictions in the availability of the telecommunications network and third-party Internet services, over which the Company has no influence. Accordingly, the Company assumes no liability for the functionality and continuous availability of the Internet services used, third-party network elements, the quality of the audio or video stream or the accessibility of the shareholder portal and its general availability. Nor does the Company assume any liability for any errors or shortcomings in the hardware and software used for the online service including the hardware and software used by third-party service providers except in the case of wilful intent. For this reason, the Company recommends making early use of the options described above for exercising shareholder rights, particularly voting rights. Where rendered necessary by data protection or security considerations, the Chairman of the Annual General Meeting reserves the right to interrupt or terminate the virtual Annual General Meeting.

Comment on time zones

All times stated in this invitation and in the additional information regarding the convocation of the Annual General Meeting are given in Central European Summer Time (CEST), which applies in Germany during these periods. In relation to Coordinated Universal Time (UTC), UTC is CEST minus two hours. Accordingly, CEST is UTC+2.

Aareal Bank AG

The Management Board

Wiesbaden, August 2022



Aareal
YOUR COMPETITIVE ADVANTAGE.