

Analyst Conference

Preliminary 2021 results

February 24, 2022

Jochen Klösger (CEO)

Marc Hess (CFO)

Aareal
YOUR COMPETITIVE ADVANTAGE.

Agenda

- **Takeover offer from financial investors**
 - Achievements and goals
 - Preliminary 2021 group results
 - Segments
 - Capital, funding & liquidity
 - ESG
 - Outlook 2022
- Appendix

Prologue

Takeover offer from financial investors

Aareal Bank did not seek the offer, but, following a legally binding, thorough examination, considered it to be strategically sensible and had to present the offer as an option to its shareholders

Process was open to other interested parties, but no higher bid was received

Aareal Bank's strategy convinced PE investors; due diligence confirmed quality of loan book

Offer process has further highlighted growth potential of Aareal Bank Group in all segments

Agenda

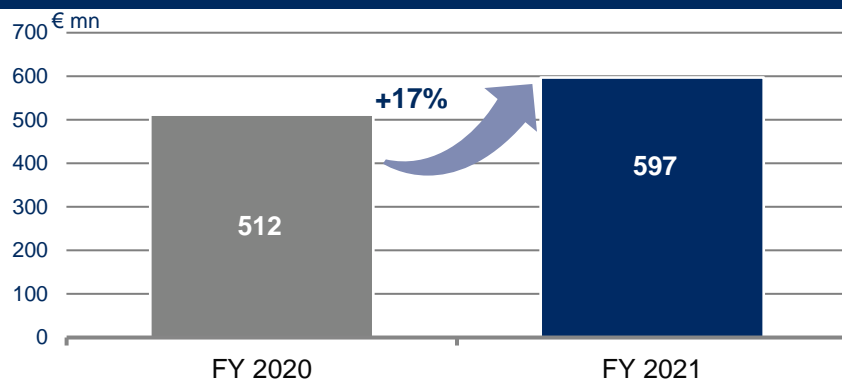
- Takeover offer from financial investors
- **Achievements and goals**
- Preliminary 2021 group results
- Segments
- Capital, funding & liquidity
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- Outlook 2022

- Appendix

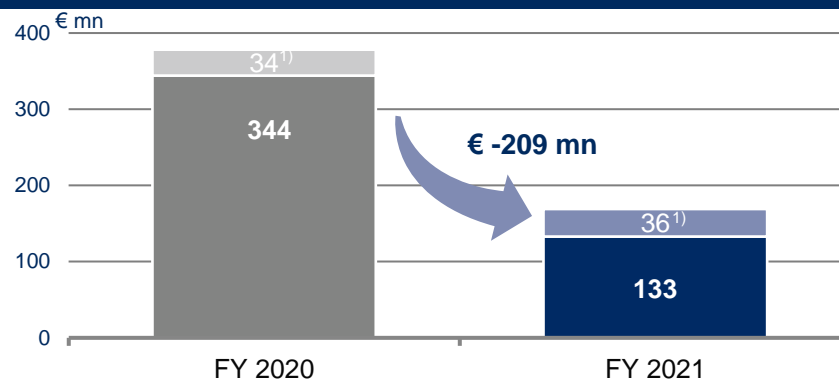
Achievements 2021

Strategic targets achieved or exceeded

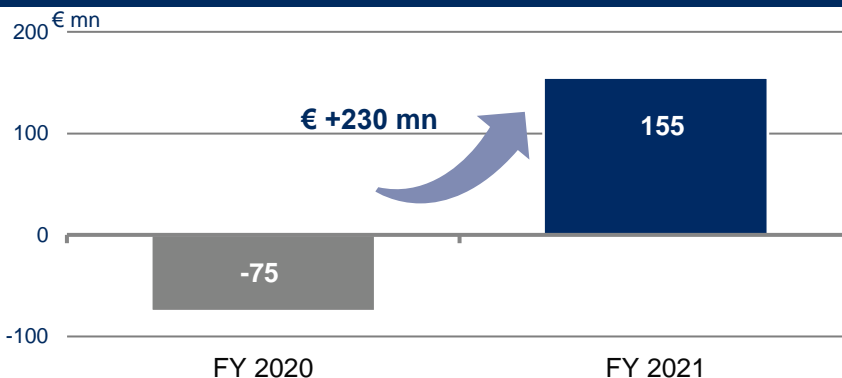
NII: Increased momentum



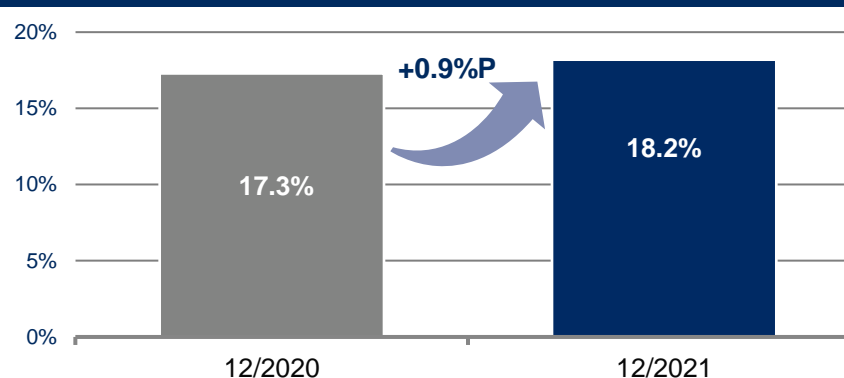
LLP: Strong decline



Operating profit: Strong turnaround



CET1 ratio²⁾: Solid capital base



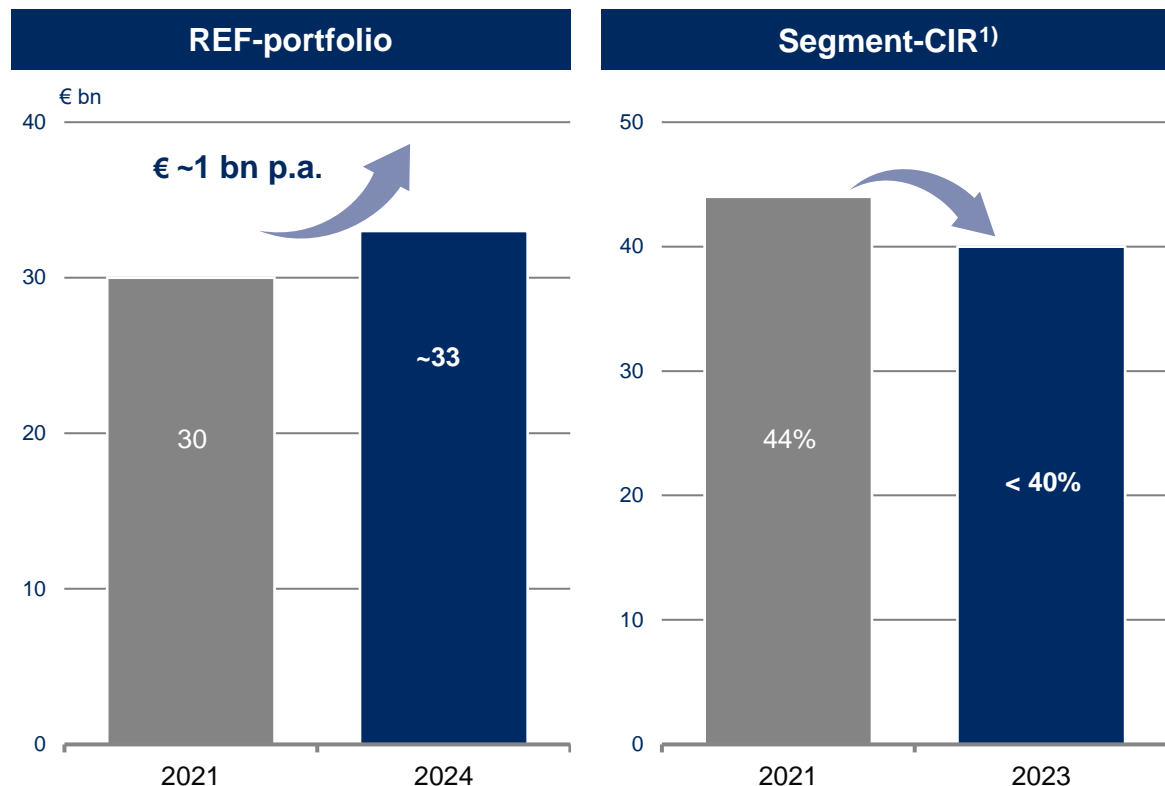
Position for further growth strengthened

1) Value adjustments of NPL accounted as fvpl

2) CET 1 Basel IV (phase-in) as at YE

Structured Property Financing

From ACTIVATE! to GROW!





- „Play the matrix“: Use market opportunities in traditional asset classes and regions – with attractive margins and risk parameters
- Possible rounding out: Expand business in CRE and adjacent segments based on our capabilities and risk policy
- Refine portfolio management: Continued evaluation of risk-return metrics incl. correlations and granularity, increase of syndications
- Financing growth internally: Use of the solid capital position and readjustment of the balance between investments and distributions as part of the existing dividend policy

1) Excluding bank levy and contribution to deposit guarantee scheme



ESG: Our goals

Contributing to green transformation of the economy

Growing our impact - mitigating climate change and fostering transition

- | | | | |
|----------|---|---|---|
| 1 | Green expansion of financing business |  | € 2 bn by 2024
Additional green loan volume |
| 2 | Optimisation of funding mix |  | € 1 bn in 2022
New allocation of green funding |
| 3 | Providing transparency for global CREF portfolio |  | 20% by 2022
Verified green properties |
| 4 | Limiting our own Greenhouse Gas emissions |  | Carbon neutrality by 2023
Of our business operations worldwide |
| 5 | Expansion of innovative solutions with ESG impact (BDS and Aareon) |  | Growth targets by 2025
Identification of enabler products by 2022 |

Setting the tone at the TOP - ensuring Aareal is run on strong ESG principles

- | | | | |
|----------|--|---|--|
| 6 | ESG governance with enhanced Board's oversight |  | CEO responsibility
Regular Board engagement |
| 7 | ESG integration in business-, credit-, investment-, risk- and refinancing strategies as well as decision making process |  | Targeting of ESG initiatives
In individual / group targets |

Banking & Digital Solution

From ELEVATE! to LEVERAGE!

Maintaining deposit volume



> **12** bn €

in 2024

Strengthening growth momentum and increasing NCI



~ **13** %

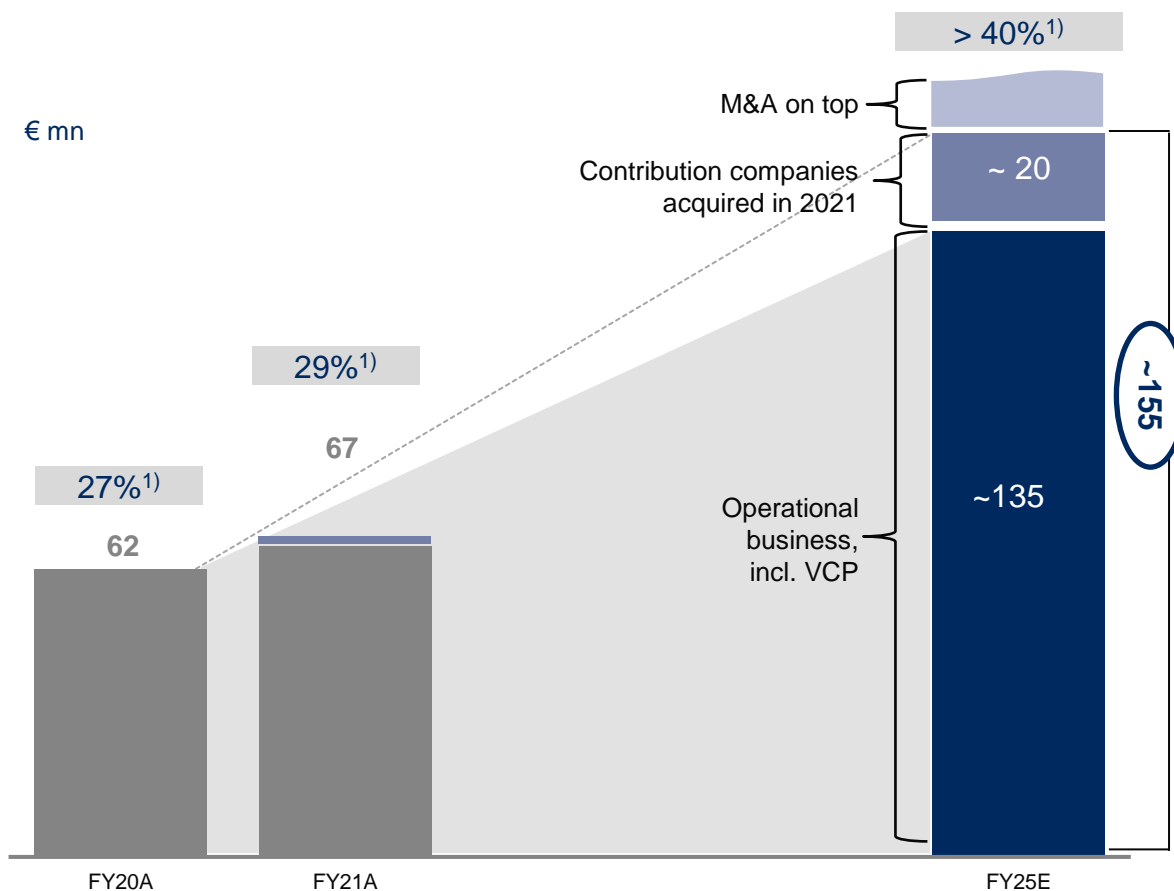
CAGR NCI (2020-23)

- Good opportunities for further continuous customer growth in the housing industry, e.g. in the property management segment
- Focus on core competence, payment transactions: provision of integrated services and products using our Aareal Exchange Payment Platform (AEPP)
- Explore international “win-win” opportunities in the payments space with Aareon
- Pursue selected M&A opportunities and divestment of non-profitable business
- Strong focus on maintaining crisis resilient deposit base e.g. by positioning as the “tenant deposit guarantee bank” in Germany; long-term upside potential in rising rate environment

Aareon

ACCELERATE! to be continued

Adjusted EBITDA evolution



- Implement growth and investment plan developed with Advent: Rule of 40 SaaS company
- Starting April 1st, new CEO: Harry Thomsen
- Acceleration of M&A activities, increase of hunting line by € 100 mn to a total of € 350 mn planned²⁾ by Aareal Bank
- Adj. EBITDA target for 2025 increased to around € 155 mn, of which € ~20 mn from acquisitions already completed; contributions from possible further acquisitions on top

1) Rule of 40

2) Throughout the entire planning period until 2024

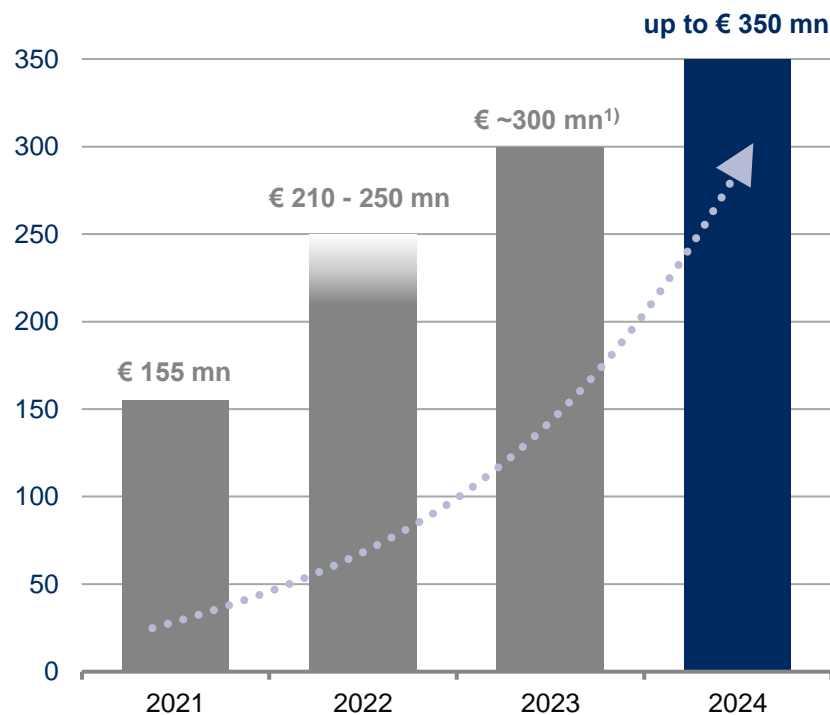
Aareal Bank Group

Growth strategy is value accretive

Clear priorities

- 1 Taking advantage of growth opportunities in all three segments
- 2 Manage risks
- 3 Keep costs under control and grow at low marginal costs
- 4 Further improve efficiency of structures
- 5 Invest in banking infrastructure

Target: more than doubling operating profit by 2024



~ 8%²⁾ RoE
after tax
on Group-
and Bank level

1) Excluding any potential acquisitions, and subject to the Covid-19 crisis being fully overcome by then

2) Based on 15% CET1 reference ratio (Basel IV, phase-in, revised IRBA)



**Further growth in all segments
and a sustained increase in our
profitability: this is what we intend
to do in the coming years**

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Highlights 2021

Strong turnaround in 2021 results

Business development	Group Financials	<ul style="list-style-type: none">▪ Operating profit of € 155 mn in upper third of guided range benefiting from strong revenue growth▪ LLPs significantly lower despite further provision for remaining Covid-19 related uncertainties and completion of Italian de-risking▪ Costs in line with guidance
	Segment Performance	<p>SPF:</p> <ul style="list-style-type: none">▪ Overachieving new business targets – volumes, margins and LTVs▪ Strong portfolio growth considerably above original target▪ Major milestones in sustainable finance strategy achieved <p>BDS:</p> <ul style="list-style-type: none">▪ NCI growth according to plan, deposit volume further increased <p>Aareon:</p> <ul style="list-style-type: none">▪ Adj. EBITDA at upper end of targeted range despite sales revenues being impacted by<ul style="list-style-type: none">▫ Longer than originally expected impact from Covid-19 on PS▫ Transition from license revenue model to subscription-based contracts leading to higher recurring revenues (SaaS and subscription)▪ Strong execution of M&A activities boosted adj. EBITDA above target
	Outlook 2022	<ul style="list-style-type: none">▪ Operating profit in 2022 expected to reach almost pre-pandemic level▪ Dividend proposal of 1.60 € (0.50 € plus retained tranche of 1.10 €)

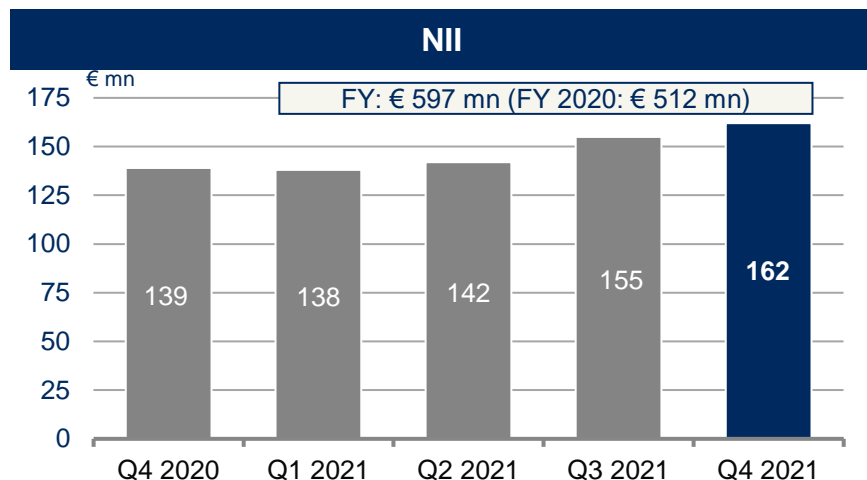
Preliminary Group Results 2021

Strong turnaround in operating profit

€ mn	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '20	FY '21	FY 2021-Comments
Net interest income	139	138	142	155	162	512	597	Significant increase driven by strong portfolio growth and good margins
Loss allowance	177	7	33	39	54	344	133	LLPs significantly lower despite further provision for remaining Covid-19 related uncertainties and completion of Italian de-risking
Net commission income	66	59	59	56	71	234	245	Increase mainly driven by Aareon
Derecognition result	9	0	8	7	8	28	23	Within expected range
FV- / hedge-result	-19	-4	-2	-5	-24	-26	-35	Incl. € -36 mn value adjustments of NPL accounted as fvpl
Admin expenses	117	150	118	125	135	469	528	Costs in line with guidance
<i>Others</i>	-1	-4	-15	1	4	-11	-14	Incl. one-off from tax related provisions (€ -11 mn) as communicated
Operating profit (EBT)	-99	32	41	50	32	-75	155	Strong turnaround
Income taxes	-13	11	29	27	20	-6	87	Tax ratio above normalised level due to one-offs as communicated
Minorities	3	1	1	0	-1	5	1	
AT1	4	4	3	3	4	-16	-14	
Consolidated net income allocated to ord. shareholders	-93	16	8	20	9	-90	53	
Earnings per share (€)	-1.56	0.27	0.13	0.33	0,16	-1.50	0.89	

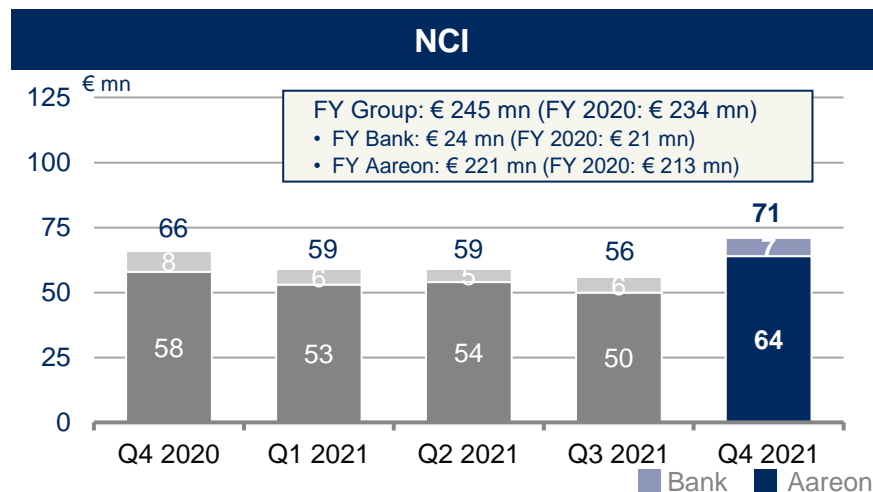
Net interest income (NII) / Net commission income (NCI)

Growth in all 3 segments reflected in increasing NII and NCI



Significant increase driven by strong portfolio growth and good margins

- Significant NII increase of 17% yoy, strongly outperforming original guidance of € 550 - 580 mn
- Strong new business generation with good margins well above plan leveraging market opportunities
- Portfolio already increased above original YE-target
- Funding costs improved
- FY-TLTRO contribution at € 26 mn vs. € 11 mn in 2020

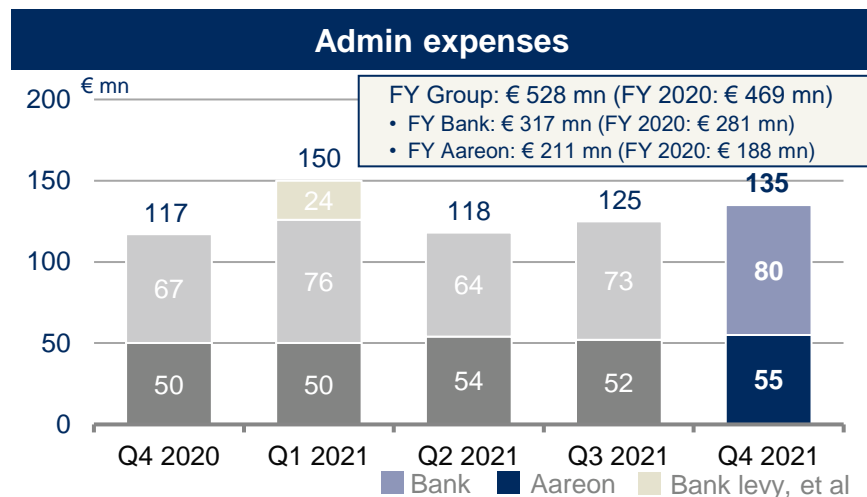


Increase mainly driven by Aareon

- Aareon:
 - Increase in revenues (ERP, digital solutions) despite
 - Covid-19 related burdens with respect to PS
 - Transition of revenue model
 - License model transitioning to SaaS steadily increasing recurring revenues
 - Successful M&A activities
 - Q4 regularly boosted by seasonal effects
- BDS:
 - NCI in line with FY target

Admin expenses / Loan loss provisions (LLP)

Admin expenses in line with FY-guidance; LLPs significantly lower



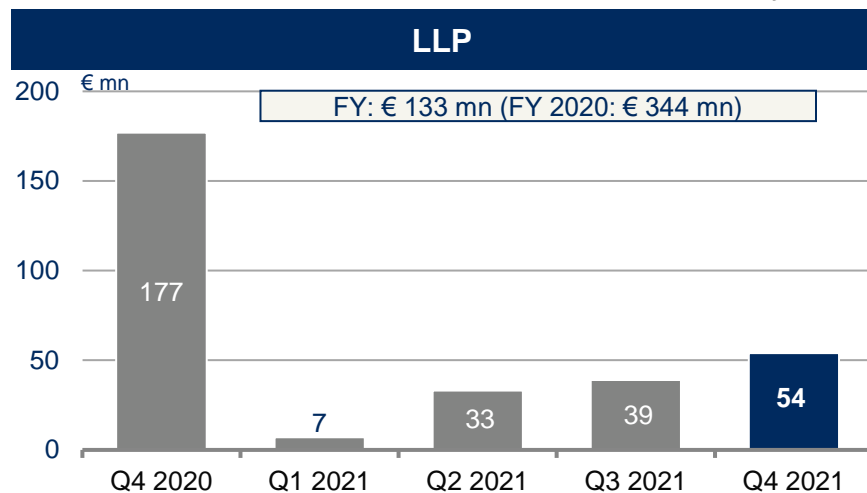
Admin expenses in line with full year guidance

Bank: Increase mainly due to

- Lower Covid-19 related underspend
- Positive share price performance, especially in Q4 with respect to share based remuneration
- Increased bank levy / Deposit guaranty fees

Aareon:

- Increase mainly driven by investments in organic growth (Value Creation Program) and M&A activities

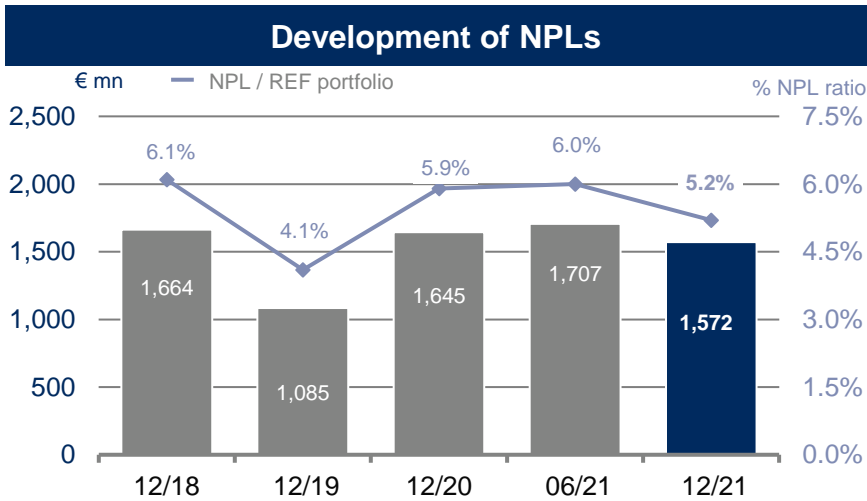


LLPs significantly lower despite further provision for remaining Covid-19 related uncertainties and completion of Italian de-risking

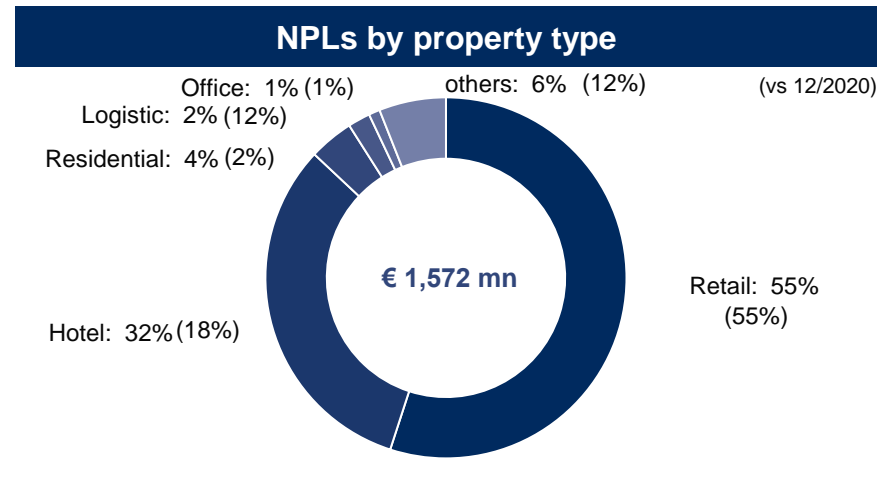
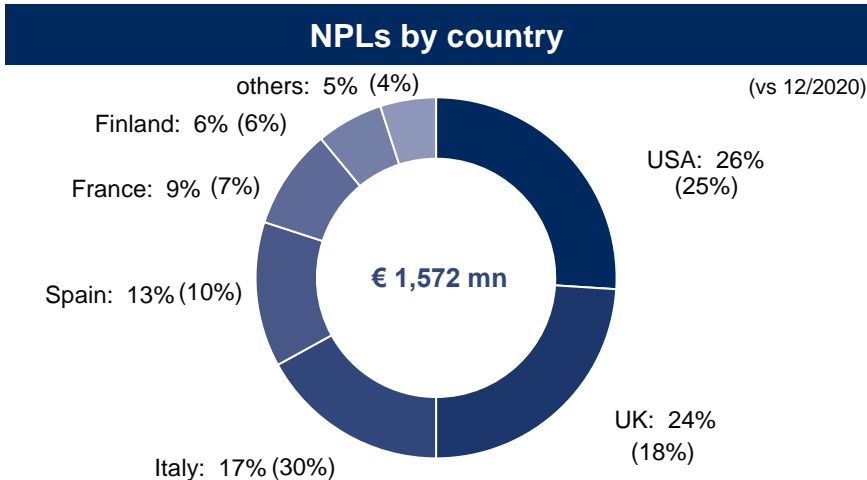
- Fulfilling expectations
- Q4/21 includes additional scenario weighted LLPs (€ 32 mn) on existing NPLs providing for remaining Covid-19 uncertainties
- Total FY-LLP of € 169 mn incl.
 - € 36 mn value adjustments of NPL accounted as fvpl (2020: € 34 mn)
 - € 13 mn net effect from concluded Italian de-risking

Non performing loans (NPL)

Robust asset quality keeps NPL portfolio largely stable during second year of pandemic



- NPLs reduced yoy in difficult environment
- Further limited volatility expected while post Covid-19 on the way to normalisation
- De-Risking of Italian NPLs successfully concluded
- Single new NPLs arose, mainly cashflow driven, however well collateralized with minor LLP demand



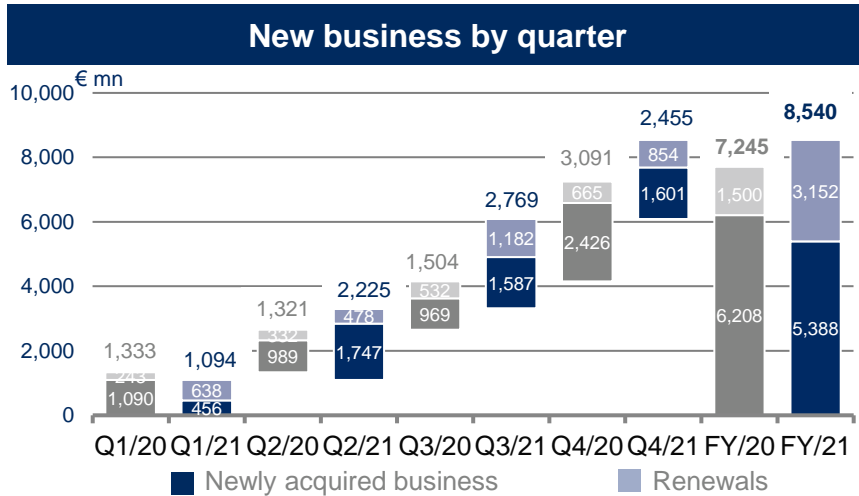
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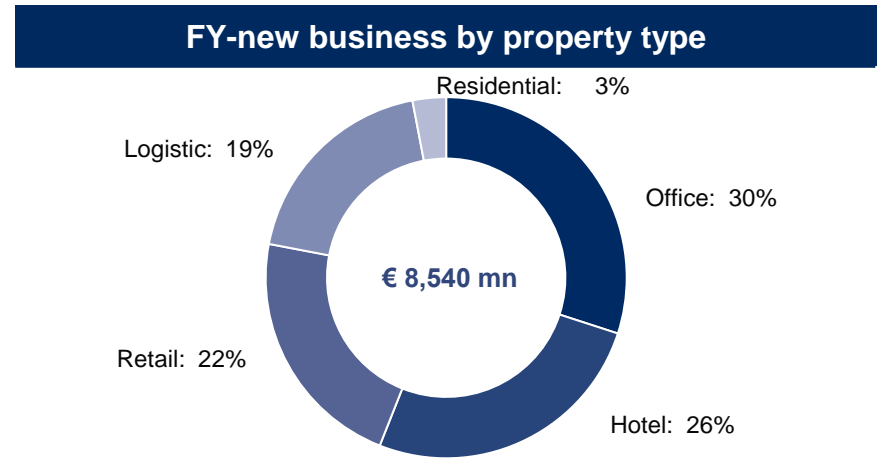
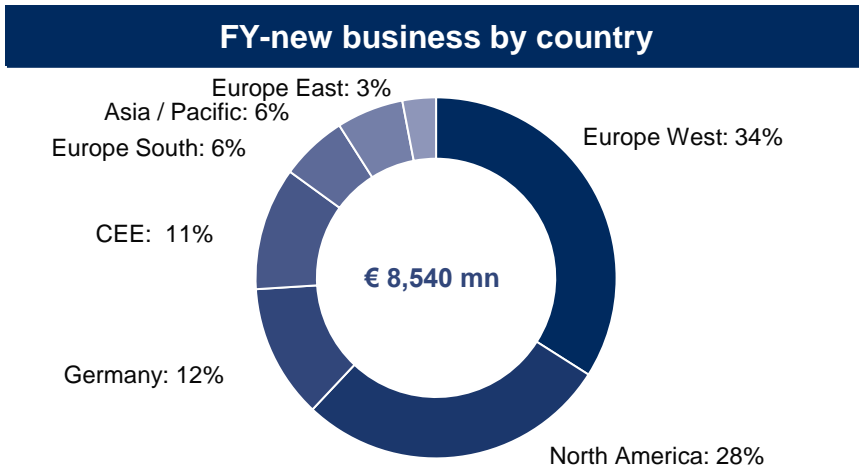
Segment: Structured Property Financing

Overachieving new business targets – volumes, margins and LTVs



FY-Newly acquired business

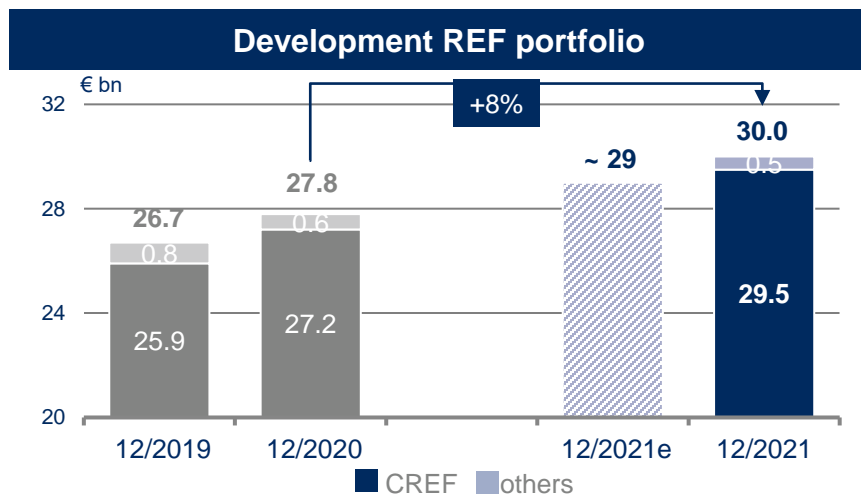
- Strong new business generation with good margins leveraging market opportunities
- FY Ø-margins of ~235 bps and >250 bps in Q4/21 (FY plan 2021: 215 bps)¹⁾
- Conservative Ø-LTV of 57% (Q4: 55%)
- First green loans governed acc. to “Green Finance Framework” totalling € ~430 mn in 2021
- With € 8.5 bn overachieving original new business target of € 7 - 8 bn



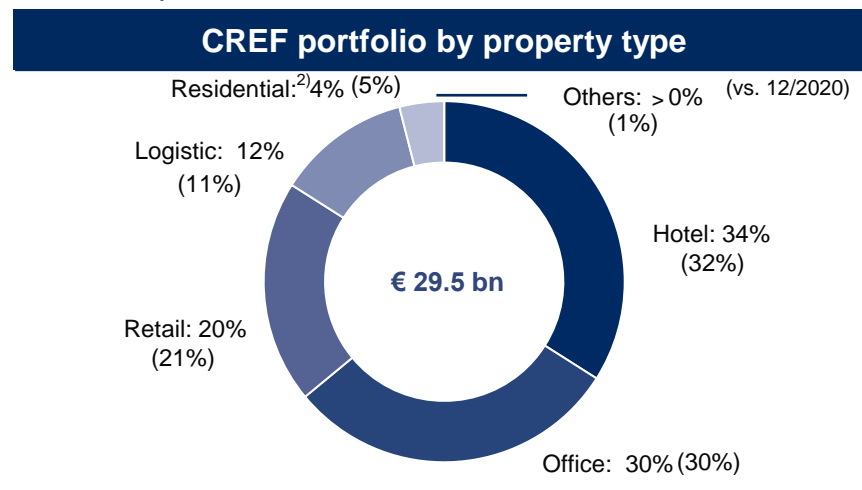
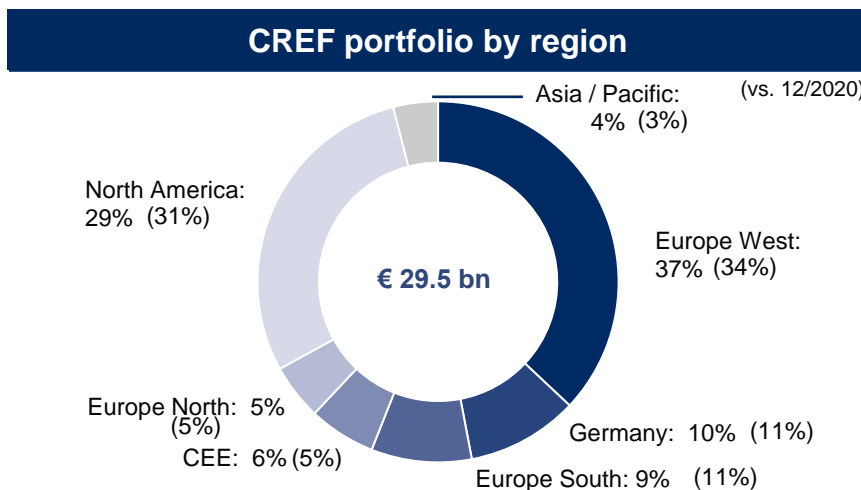
1) Pre FX

Segment: Structured Property Financing

Strong portfolio growth considerably above original target



- By leveraging market opportunities focusing on attractive risk-return profile REF-portfolio increased to € 30 bn by end of 2021 (Original target: € ~29 bn)
- Sticking to overall country and asset diversification with increasing importance of logistics financings, as well as portfolio-transactions with risk reducing cross collateralisation
- Russia has been classified as a non-core market for a long time; there has been a significant reduction in net exposure from a peak of € ~1 bn to slightly above € 200 mn
- No exposure in Ukraine



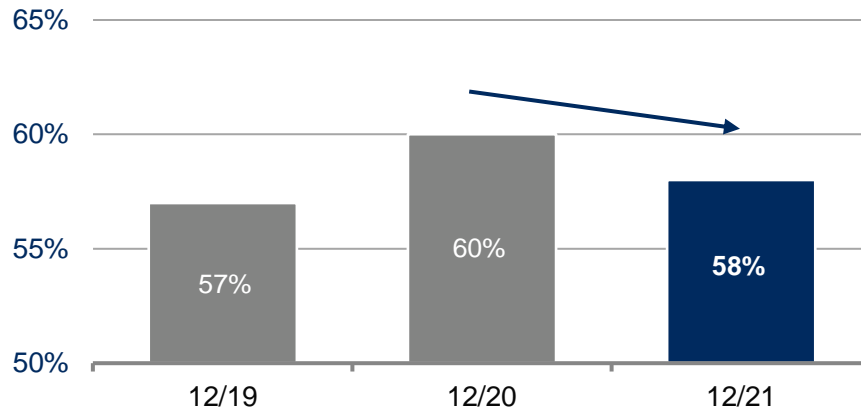
1) Performing CREF-portfolio only (exposure)

2) Incl. Student housing (UK & Australia only)

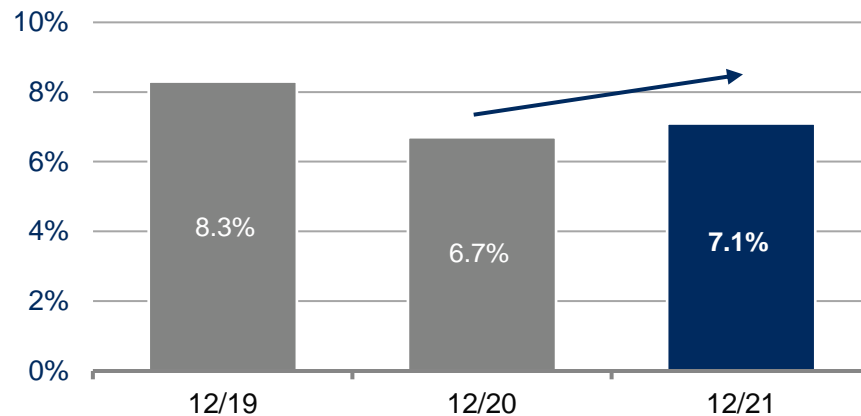
Segment: Structured Property Financing

Robust asset quality in second year of pandemic, LTV and YoD recover

LTV development¹⁾



YoD development¹⁾

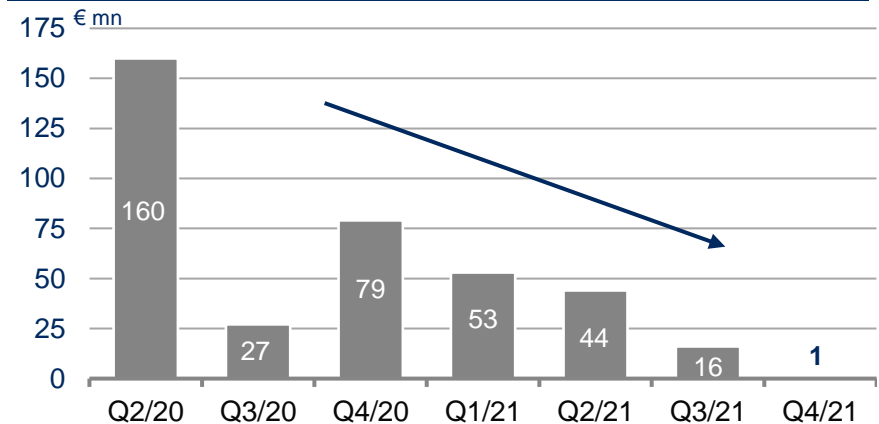


1) Performing CREF-portfolio only (exposure)

Improving KPIs throughout second year of pandemic

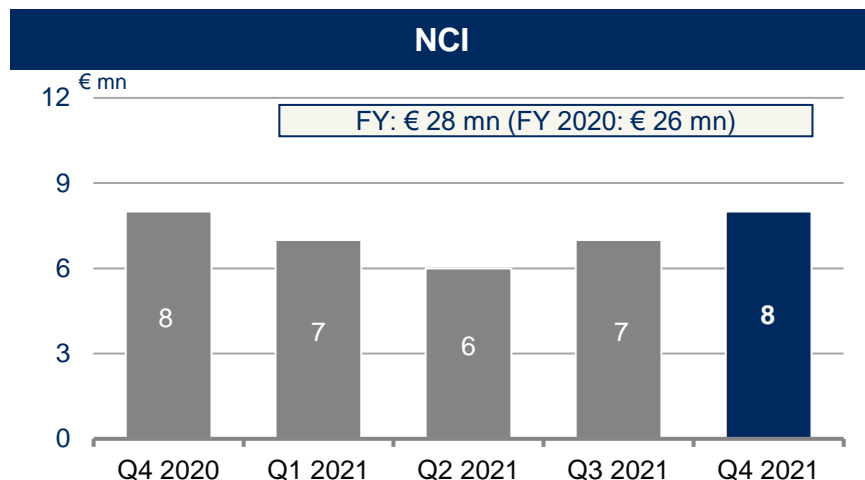
- LTV and YoD recovering steadily while demand for liquidity support significantly reduced
- Update on Hotels
 - LTV improved to 60% (from 63% in Q1/21)
 - YoD improved to 5.0% (from 2.0% in Q1/21)
- Update on Retail
 - LTV improved to 59% (from 61% in Q1/21)
 - YoD improved to 9.1% (from 8.9% in Q1/21)

Development of demand for liquidity support



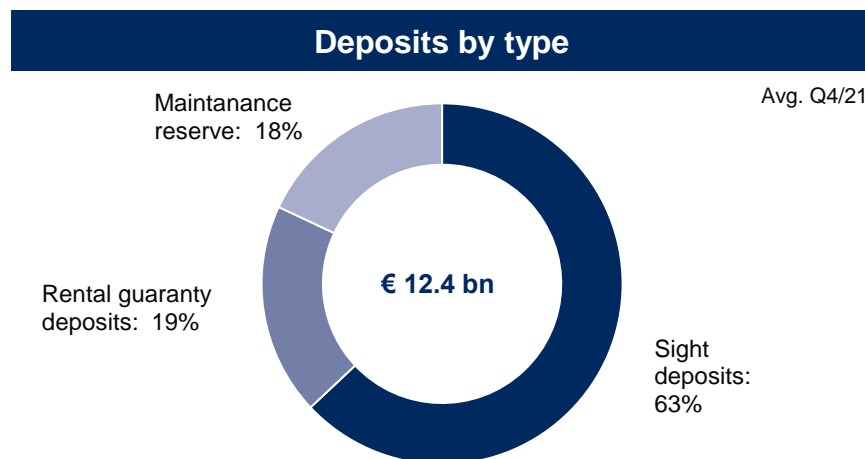
Segment: Banking & Digital Solutions

NCI growth according to plan, deposit volume further increased



NCI further increased

- FY NCI increased from € 26 mn in 2020 to € 28 mn in 2021 as expected despite burdens from BGH ruling (of € ~1 mn)
- NCI growth ex BGH one-off in line with FY- and 13% CAGR target

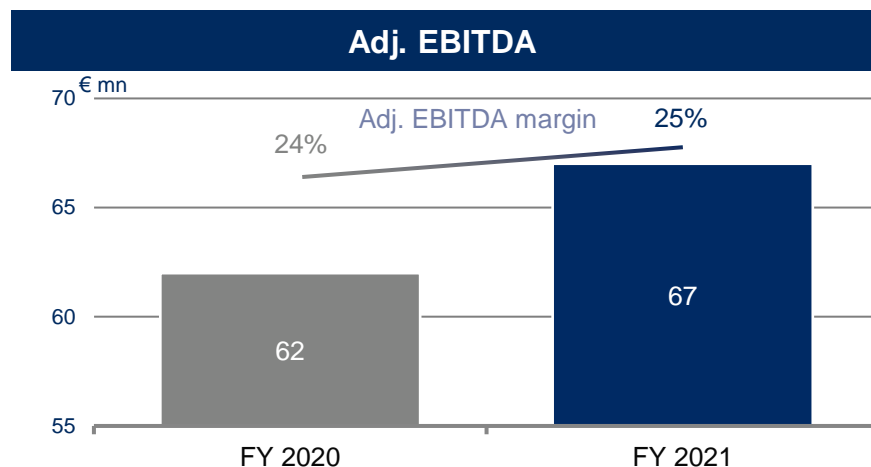
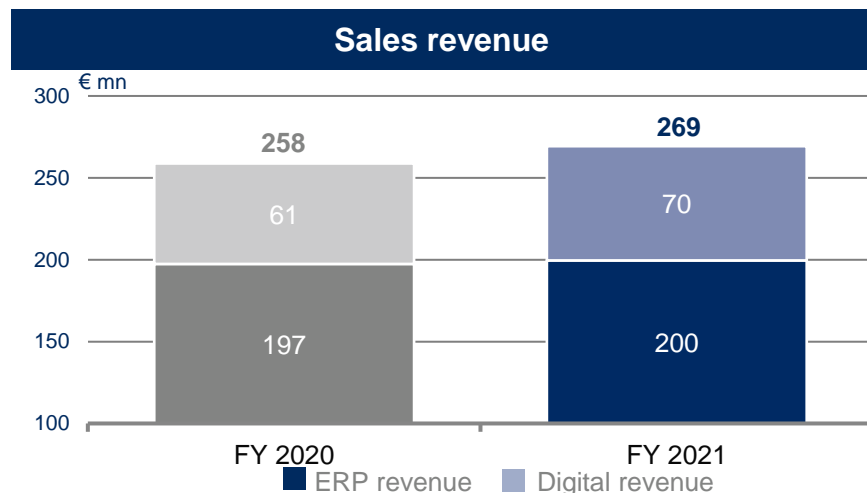


Deposit volume further increased

- Original target of € 11 bn overachieved
- Total deposits increased by € 1 bn yoy
- Deposits from rental guarantees and maintenance reserves increased by € ~0.5 bn mn to € 4.6 bn yoy
- Increase in deposits supporting CREF portfolio growth
- Stable funding source during crisis continuously proven over last decade

Segment: Aareon

Adj. EBITDA above target despite ongoing shift to SaaS and continued Covid-19 impact



- Sales revenues increased by € 11 mn to € 269 mn (+4% yoy), diluted by ongoing Covid-19 impact on PS¹⁾ and the switch of the revenue model from license to subscription based contracts
 - Digital revenues ex PS up 23% yoy (incl. PS up 15%)
 - ERP revenues ex PS up 3% yoy (incl. PS up 1%)
- Recurring revenue up to 71% (67% in 2020)
 - High share underpins stability of business model
 - Proportion expected to grow as new acquisitions and campaigns show their full potential

- Adj. EBITDA increased to € 67 mn (incl. € 2 mn contribution from M&A). Thereby at upper end of original guided range € 63 - 65 mn organically
- Adj. EBITDA margin increased by 100 bps yoy, due to VCP bearing fruit
- EBITDA 2021 adjusted by € 24 mn (2020: € 9 mn) from ramping-up strategic M&A roadmap and investments in new products and VCP strategy
- Items included in “Adjustments²⁾” are expected to reduce in 2022; especially investments in VCP

Note: Numbers not adding up refer to rounding

1) PS (Professional Services) = Consulting business

2) Adjustments incl. new products, VCP, ventures, M&A and other one-offs

Segment: Aareon is developing into a “Rule of 40” SaaS-company

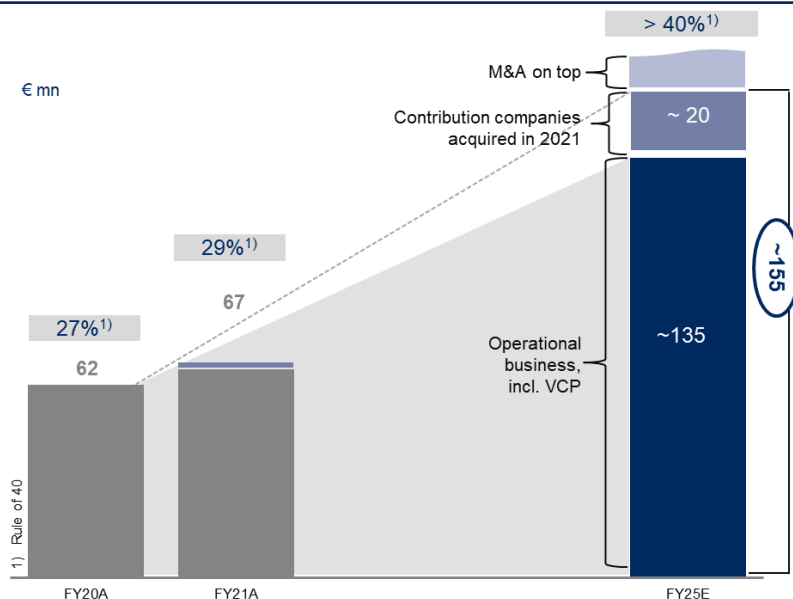
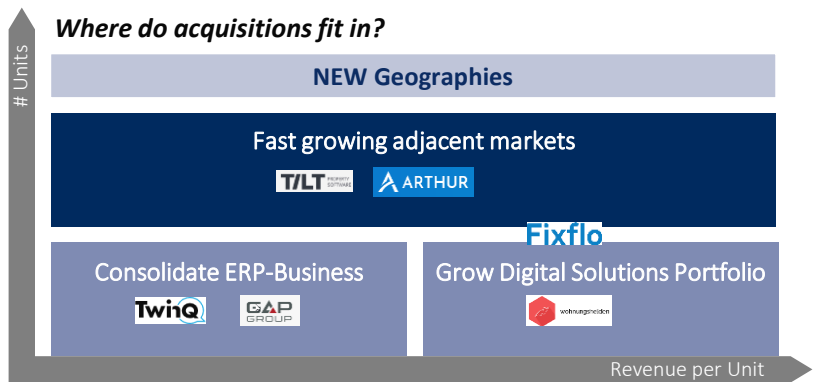
Strong investments in M&A and VCP

Operational business: significantly strengthened

- ERP
 - Implementation of new ERP product generations
 - Competence centres for new technologies in place
- Digital solutions
 - New digital solutions expanding Aareon Smart World
 - Pilot customers running AI-based Virtual Assistant Neela and Digital Agency for entire letting process
 - AiBATROS® Energy- and CO2-analysis for climate efficient renovation

M&A activities: strong execution in 2021

- 6 acquisitions financed by hunting line



Value Creation Program: substantial progress

Focus on transforming into a full SaaS company

- SaaS/subscription campaigns developed and initiated leading to higher recurring revenues
- Optimised processes will speed up software implementation
- CRE Competence Centre set up

Agenda

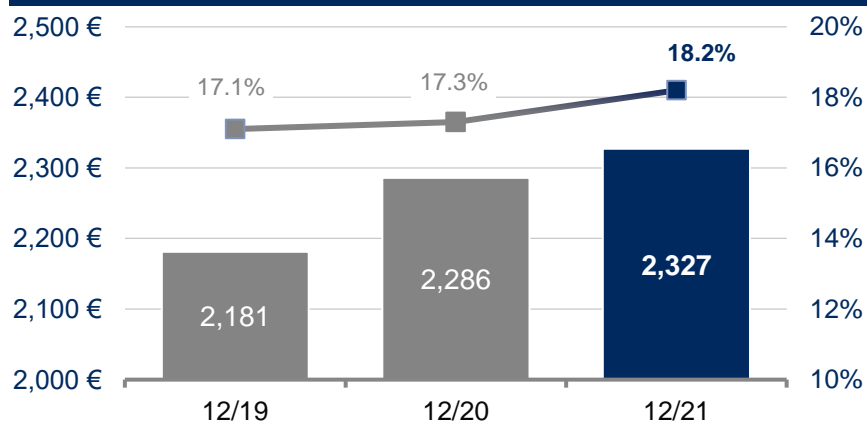
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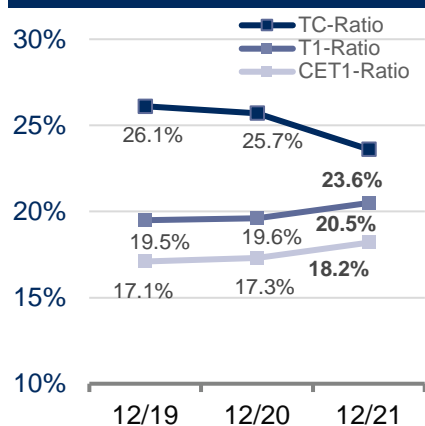
Capital

Solid capital position

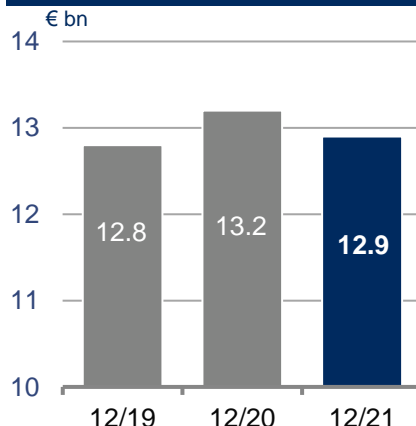
B4 (phase in)¹⁾ CET1 capital / ratio development



B4 (phase in) capital ratios



B4 (phase in) RWA

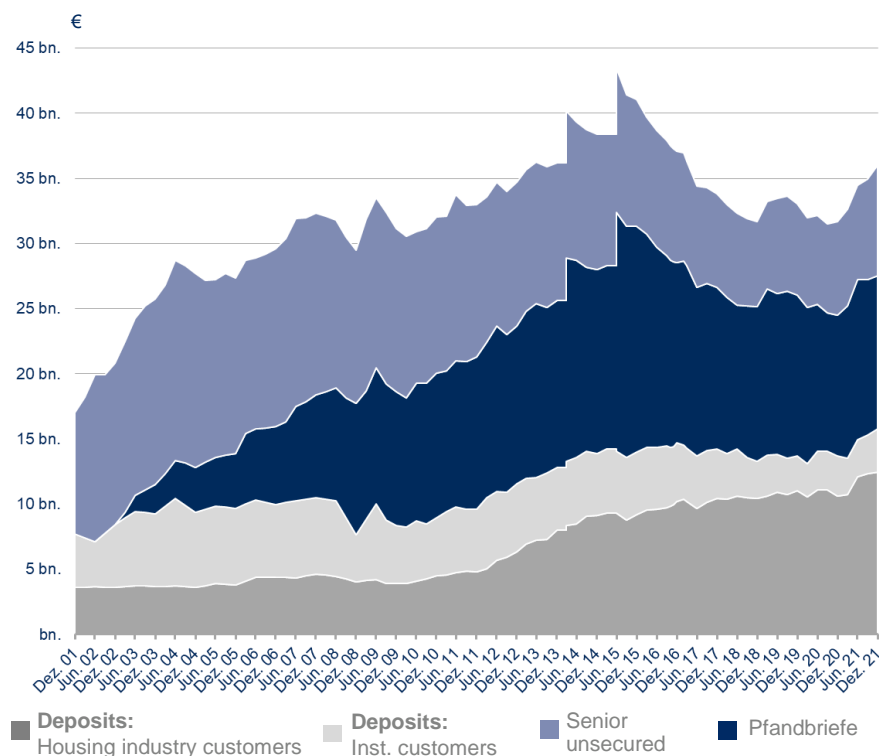


- Very solid capital ratios throughout Covid-19 crisis
- Increased capital ratios (B4 phase-in) in 2021 despite of loan growth mainly due to
 - Improved portfolio quality (sound new business, recovery of LGDs, reduction of NPLs)
 - Sound RWA mgmt. (e.g. consideration of collateral)
 - Improved OCI due to decreased pension provisions
- Planned dividend payout fully deducted from CET1
- B3 CET1 ratio: 22.2% (12/20: 21.5%)
 - Following the publication of the Commission's proposal for European implementation of B4 standards have become more specific
 - To further align internal steering, we currently consider to adjust the calculation of the B3 ratios accordingly from 2022 onwards, as communicated
- Early redemption of € 300 mn Tier 2 Notes in Q1/21 reflected in TC-Ratio
- AT1 as a further measure to optimise capital structure
- Solid T1-Leverage ratio at 5.5% despite TLTRO participation and portfolio growth
- Remaining regulatory uncertainties (models, ICAAP, ILAAP, B4, etc.)

1) Underlying RWA estimate in accordance with the current version of the CRR plus revised AIRBA requirements for commercial property lending, based on the European Commission's draft for the European implementation of Basel IV dated 27.10.2021. The calculation also includes a buffer (maintaining the scaling factor of 1.06 for AIRBA risk weights, and the 370% risk weight for the IRBA equity exposure class), to account for the uncertainty surrounding the final wording of CRR III as well as the implementation of further regulatory requirements such as EBA requirements for internal Pillar 1 models. When Basel IV enters into force on 01.01.2025, RWA will be calculated based on the European requirements, which will have been finalised by then, and the higher of the revised AIRBA and the revised CRSA (standardised approach for credit risk) phase-in output floor. The SREP recommendations concerning the NPL inventory and the ECB's NPL guidelines for the regulatory capital of NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB tests were taken into account.

Funding & Liquidity

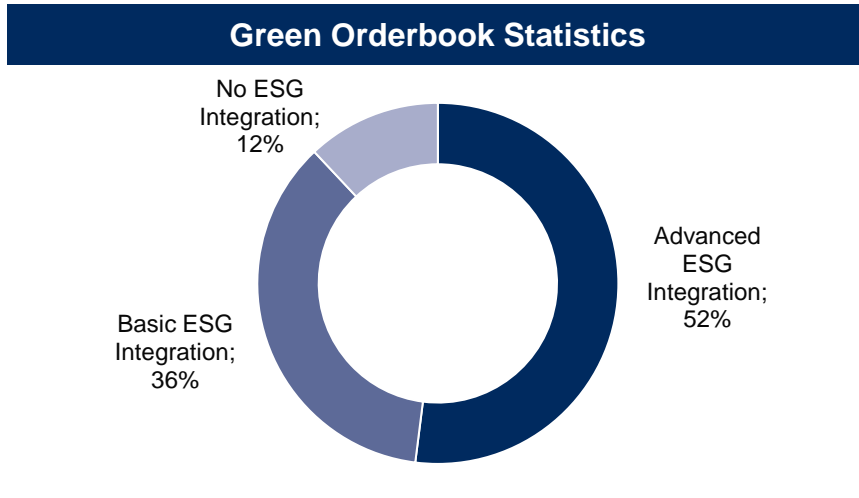
Diversified funding sources and distribution channels



- Sustainable and strong housing industry deposits increased by € 1 bn and verified as an important part of well diversified funding mix
- Successful long term funding transactions of € 3.5 bn in 2021 and already € 1.25 bn in Q1 2022 including:
 - Two € 500 mn Pfandbrief Benchmarks (7Y & 7Y)
 - \$ 750 mn Pfandbrief Benchmark (4Y)
 - Inaugural SONIA linked £ 500 mn Pfandbrief (4Y)
 - € 450 mn increase in outstanding Senior preferred Bond (11/2027) to new notional amount of € 750 mn (6Y)
 - € 500 mn Senior Preferred Benchmark (5Y)
 - Q1 2022:
 - € 750 mn Pfandbrief Benchmark (8Y) and
 - € 500 mn Senior Preferred Inaugural Green Benchmark (6Y)
- Launch of European Commercial Paper program and successful placements in Q4 2021
 - € 830 mn (€ 405 mn Green)
 - \$ 325 mn (\$ 76 mn Green)
- Liquidity ratios significantly over fulfilled
 - NSFR > 100%
 - LCR >> 100%

Funding & Liquidity

Very successful Senior Preferred Inaugural Green benchmark transaction



Successful announcement of Green Financing Framework and receiving of Second Party Opinion from Sustainalytics supported strong entry into Green debt markets with highly successful Green ECP & Green SP Benchmark transactions:

- € 500 mn Senior Preferred Inaugural Green Benchmark Transaction with maturity of 6 years
- 88% of allocation to ESG related investors
- ECPs € 405 mn Green & \$ 76 mn Green till 12/2021
- Broader investor base



“Based on the above, Sustainalytics is confident that Aareal is well-positioned to finance green loans and issue green bonds

and that the Aareal Bank Green Finance Framework - Liabilities is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.”

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Real Estate is transitioning to a more sustainable, digitised and connected future

Fostering this transition

ESG¹⁾ is (and has always been) fundamental to our business	<ul style="list-style-type: none">▪ Lasting value of our properties is in our own interest▪ No financing of controversial industry sites / projects▪ Environmental quality is a major consideration in business origination and quality deficiencies will have an impact on the structuring of the loan or may reject the transaction
Integration of ESG in decision making initiated group-wide	<ul style="list-style-type: none">▪ 2011: Introduction of corporate ESG compliance▪ 2017: Focus on developing sustainability performance of core business▪ September 2020: ESG@Aareal initiative initiated - "ESG Integration" throughout the group embedding ESG strongly into the business and decision-making processes
Strategic sustainability management based on five criteria	<ul style="list-style-type: none">▪ Measurable contribution to sustainability transformation [AMBITION]▪ Investable on the asset and liability side [INVEST]▪ Retain existing customers and attract new ones [CLIENT]▪ Manage relevant ESG risks [RISK]▪ Comply with regulatory requirements [REGULATION]
We have impact!	<ul style="list-style-type: none">▪ Contributing to the transition to a low carbon economy with every green financing▪ Enabling customers to improve their sustainability performance with every smart digital solution connecting multiple parties and equipment

1) Environmental, Social, Governance

Major Milestones in Sustainable Finance Strategy achieved

Green loans for green properties refinanced by green funding instruments

Significant progress¹⁾ in ESG transparency and performance:

Verified²⁾ ESG-Transparency for

~40%

of our portfolio through documentation of proof in IT systems

94% transparency based on client information

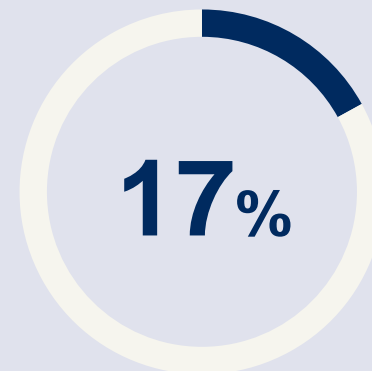
Since the launch in June 2021

€ ~430 mn

in Green Loans

have been issued

Verified²⁾, individual Green Properties



of CREF portfolio

with more potential subject to ongoing validation

Since implementation of Green Finance Framework – Funding

€ ~1 bn

has been issued via our inaugural Senior Preferred Green Bond as well as via the green Commercial Paper Program

1) Portfolio data as at 31.12.2021

2) Verified: certificate is documented

Agenda

- Takeover offer from financial investors
- Achievements and goals
- Preliminary 2021 Group Results
- Segments
- Capital, Funding & Liquidity
- ESG
- **Outlook 2022**
- Appendix

Outlook 2022

Group	METRIC	2021	OUTLOOK 2022
	<ul style="list-style-type: none"> Net interest income Net commission income LLP¹⁾ Admin expenses 	€ 597 mn € 245 mn € 169 mn € 528 mn	€ 600 - 630 mn € 270 - 290 mn € 100 - 140 mn € 540 - 570 mn
<ul style="list-style-type: none"> Operating profit Net income²⁾ Earnings per share (EPS) 	€ 155 mn € 53 mn € 0.89	€ 210 - 250 mn € 120 - 150 mn ³⁾ € 2.00 - 2.50 ³⁾	

Segments	METRIC	2021	OUTLOOK 2022
	Structured Property Financing	<ul style="list-style-type: none"> REF Portfolio New business 	€ 30.0 bn € 8.5 bn
Banking & Digital Solutions	<ul style="list-style-type: none"> Deposit volume NCI 	€ 12.4 bn € 28 mn	€ ~12 bn ~13% CAGR (2020-2023)
Aareon	<ul style="list-style-type: none"> Revenues Adj. EBITDA 	€ 269 mn € 67 mn	€ 305 - 325 mn € 73 - 78 mn

1) Incl. value adjustments from NPL fvpl

2) Net income attributable to ordinary shareholder

3) Based on expected FY-tax ratio of 34%

4) Subject to FX development

Note: All 2021 figures preliminary and unaudited

Acceleration of our successful strategy 'Aareal Next Level' based on strong and crisis resilient capital base

SPF: From ACTIVATE! to GROW!

→ Grow REF portfolio to € ~33 bn in 2024

BDS: From ELEVATE! to LEVERAGE!

→ Segment and independent value proposition established; cross- and upselling of payment services and digital products well advanced

Aareon: continue to ACCELERATE!

→ Adj. EBITDA target 2025 raised from € ~135 mn to € ~155 mn

Maintaining Aareal's strong funding and capital position

Aareal Next Level

Our KPIs and targets

	Our KPIs and targets		
	2023	2024	2025
Aareal Bank Group			
▪ Operating profit	€ ~300 mn ¹⁾	Up to € 350 mn	
▪ RoE post tax group ²⁾	~8% ¹⁾	↗	
▪ Dividend policy	50% base dividend plus potential supplementary dividend ³⁾		
Aareal Bank			
▪ REF portfolio YE	€ ~32 bn	€ ~33 bn	
▪ CIR SPF ⁴⁾	<40%		
Aareon			
▪ Revenue	>10% CAGR (2020-2025)		
▪ Adj. EBITDA	↗	↗	€ ~135 mn plus € ~20 mn closed M&A
	Contribution from additional future M&A on top		
▪ Rule of 40	↗	↗	Achieve rule of 40

1) Excluding any potential acquisitions, and subject to the Covid-19 crisis being fully overcome by then

2) Based on 15% CET1 reference ratio (Basel IV, phase-in, revised IRBA)

3) Subject to ECB approval; Balanced growth investments and shareholders' remuneration in line with existing dividend policy

4) Excluding bank levy and contribution to deposit guarantee scheme



- All strategic goals achieved or exceeded
- So far, pandemic-related risks well managed
- Course set for further growth

**We want to and will grow.
More strongly than previously planned.
With and for our customers.
In all segments.**

Preliminary Group Results 2021

Appendix

Aareal Bank Group

Preliminary results 2021

	01.01.- 31.12.2021 € mn	01.01.- 31.12.2020 € mn	Change
Profit and loss account			
Net interest income	597	512	17%
Loss allowance	133	344	-61%
Net commission income	245	234	5%
Net derecognition gain or loss	23	28	-18%
Net gain or loss from financial instruments (fvpl)	-30	-32	-6%
Net gain or loss on hedge accounting	-5	6	-183%
Net gain or loss from investments accounted for using the equity method	-2	1	-300%
Administrative expenses	528	469	13%
Net other operating income / expenses	-12	-11	9%
Operating Profit	155	-75	-307%
Income taxes	87	-6	-1550%
Consolidated net income	68	-69	-199%
Consolidated net income attributable to non-controlling interests	1	5	-80%
Consolidated net income attributable to shareholders of Aareal Bank AG	67	-74	-191%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	67	-74	-191%
of which: allocated to ordinary shareholders	53	-90	-159%
of which: allocated to AT1 investors	14	16	-13%
Earnings per ordinary share (in €) ²⁾	0.89	-1.50	-159%
Earnings per ordinary AT1 unit (in €) ³⁾	0.14	0.16	-13%

1) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.

2) Earnings per ordinary share are determined by dividing the earnings allocated to ordinary shareholders of Aareal Bank AG by the weighted average of ordinary shares outstanding during the financial year (59,857,221 shares). Basic earnings per ordinary share correspond to diluted earnings per ordinary share.

3) Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of 3 € each) are determined by dividing the earnings allocated to AT1 investors by the weighted average of AT1 units outstanding during the financial year. Earnings per AT1 unit (basic) correspond to (diluted) earnings per AT1 unit.

Aareal Bank Group

Preliminary results 2021 by segments

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation/ Reconciliation		Aareal Bank Group	
	01.01.- 31.12. 2021	01.01.- 31.12. 2020	01.01.- 31.12. 2021	01.01.- 31.12. 2020	01.01.- 31.12. 2021	01.01.- 31.12. 2020	01.01.- 31.12. 2021	01.01.- 31.12. 2020	01.01.- 31.12. 2021	01.01.- 31.12. 2020
€ mn										
Net interest income	560	474	43	39	-6	-1	0	0	597	512
Loss allowance	133	344		0	0	0			133	344
Net commission income	8	8	28	26	221	213	-12	-13	245	234
Net derecognition gain or loss	23	28							23	28
Net gain or loss from financial instruments (fvpl)	-30	-32	0	0		0			-30	-32
Net gain or loss on hedge accounting	-5	6							-5	6
Net gain or loss from investments accounted for using the equity method	0	2	-1		-1	-1			-2	1
Administrative expenses	256	227	73	68	211	188	-12	-14	528	469
Net other operating income / expenses	-13	-14	-1	0	2	4	0	-1	-12	-11
Operating profit	154	-99	-4	-3	5	27	0	0	155	-75
Income taxes	82	-14	-1	-1	6	9			87	-6
Consolidated net income	72	-85	-3	-2	-1	18	0	0	68	-69
Allocation of results										
Cons. net income attributable to non-controlling interests	0	0	0	0	1	5			1	5
Cons. net income attributable to shareholders of Aareal Bank AG	72	-85	-3	-2	-2	13	0	0	67	-74

Aareal Bank Group

Preliminary results – quarter by quarter

	Structured Property Financing					Banking & Digital Solutions					Aareon					Consolidation / Reconciliation					Aareal Bank Group				
	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4
	2021		2020			2021		2020			2021		2020			2021		2020			2021		2020		
€ mn																									
Net interest income	154	146	133	127	129	10	11	11	11	10	-2	-2	-2	0	0	0	0	0	0	0	162	155	142	138	139
Loss allowance	54	39	33	7	177	0				0	0	0	0		0						54	39	33	7	177
Net commission income	2	2	2	2	4	8	7	6	7	8	64	50	54	53	58	-3	-3	-3	-3	-4	71	56	59	59	66
Net derecognition gain or loss	8	7	8	0	9																8	7	8	0	9
Net gain / loss from fin. instruments (fvpl)	-23	-3	-3	-1	-21	0									0						-23	-3	-3	-1	-21
Net gain or loss on hedge accounting	-1	-2	1	-3	2																-1	-2	1	-3	2
Net gain / loss from investments acc. for using the equity method	0				2	0		-1			-1	0	0	0	-1						-1	0	-1	0	1
Administrative expenses	63	59	50	84	54	20	17	17	19	18	55	52	54	50	50	-3	-3	-3	-3	-5	135	125	118	150	117
Net other operating income / expenses	8	-1	-15	-5	-3	-1	0	0	0	0	-2	2	1	1	3	0	0	0	0	-1	5	1	-14	-4	-1
Operating profit	31	51	43	29	-109	-3	1	-1	-1	0	4	-2	-1	4	10	0	0	0	0	0	32	50	41	32	-99
Income taxes	14	28	30	10	-18	0	0	-1	0	1	6	-1	0	1	4						20	27	29	11	-13
Consolidated net income	17	23	13	19	-91	-3	1	-1	-1	-1	-2	-1	-1	3	6	0	0	0	0	0	12	23	12	21	-86
Cons. net income attributable to non-controlling interests	0	0	0	0	0	0	0	0	0	0	-1	0	1	1	3						-1	0	1	1	3
Cons. net income attributable to ARL shareholders	17	23	13	19	-91	-3	1	0	-1	-1	-1	-1	-2	2	3	0	0	0	0	0	13	23	11	20	-89

Aareal Bank Group

Preliminary results Q4 2021

	01.10.- 31.12.2021	01.10.- 31.12.2020	Change
	€ mn	€ mn	
Profit and loss account			
Net interest income	162	139	17%
Loss allowance	54	177	-69%
Net commission income	71	66	8%
Net derecognition gain or loss	8	9	-11%
Net gain or loss from financial instruments (fvpl)	-23	-21	10%
Net gain or loss on hedge accounting	-1	2	-150%
Net gain or loss from investments accounted for using the equity method	-1	1	-200%
Administrative expenses	135	117	15%
Net other operating income / expenses	5	-1	-600%
Operating Profit	32	-99	-132%
Income taxes	20	-13	-254%
Consolidated net income	12	-86	-114%
Consolidated net income attributable to non-controlling interests	-1	3	-133%
Consolidated net income attributable to shareholders of Aareal Bank AG	13	-89	-115%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	13	-89	-115%
of which: allocated to ordinary shareholders	9	-93	-110%
of which: allocated to AT1 investors	4	4	
Earnings per ordinary share (in €) ²⁾	0.16	-1.56	-110%
Earnings per ordinary AT1 unit (in €) ³⁾	0.04	0.04	

1) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.

2) Earnings per ordinary share are determined by dividing the earnings allocated to ordinary shareholders of Aareal Bank AG by the weighted average of ordinary shares outstanding during the financial year (59,857,221 shares). Basic earnings per ordinary share correspond to diluted earnings per ordinary share.

3) Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of 3 € each) are determined by dividing the earnings allocated to AT1 investors by the weighted average of AT1 units outstanding during the financial year. Earnings per AT1 unit (basic) correspond to (diluted) earnings per AT1 unit.

Aareal Bank Group

Preliminary results Q4 2021 by segments

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation/ Reconciliation		Aareal Bank Group	
	01.10.- 31.12. 2021	01.10.- 31.12. 2020	01.10.- 31.12. 2021	01.10.- 31.12. 2020	01.10.- 31.12. 2021	01.10.- 31.12. 2020	01.10.- 31.12. 2021	01.10.- 31.12. 2020	01.10.- 31.12. 2021	01.10.- 31.12. 2020
€ mn										
Net interest income	154	129	10	10	-2	0	0	0	162	139
Loss allowance	54	177	0	0	0	0			54	177
Net commission income	2	4	8	8	64	58	-3	-4	71	66
Net derecognition gain or loss	8	9							8	9
Net gain or loss from financial instruments (fvpl)	-23	-21	0			0			-23	-21
Net gain or loss on hedge accounting	-1	2							-1	2
Net gain or loss from investments accounted for using the equity method	0	2	0		-1	-1			-1	1
Administrative expenses	63	54	20	18	55	50	-3	-5	135	117
Net other operating income / expenses	8	-3	-1	0	-2	3	0	-1	5	-1
Operating profit	31	-109	-3	0	4	10	0	0	32	-99
Income taxes	14	-18	0	1	6	4			20	-13
Consolidated net income	17	-91	-3	-1	-2	6	0	0	12	-86
Allocation of results										
Cons. net income attributable to non-controlling interests	0	0	0	0	-1	3			-1	3
Cons. net income attributable to shareholders of Aareal Bank AG	17	-91	-3	-1	-1	3	0	0	13	-89

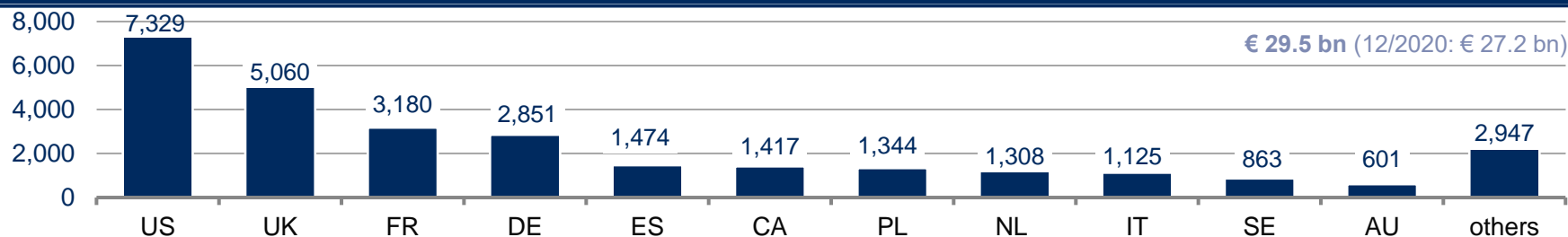
Asset quality

Appendix

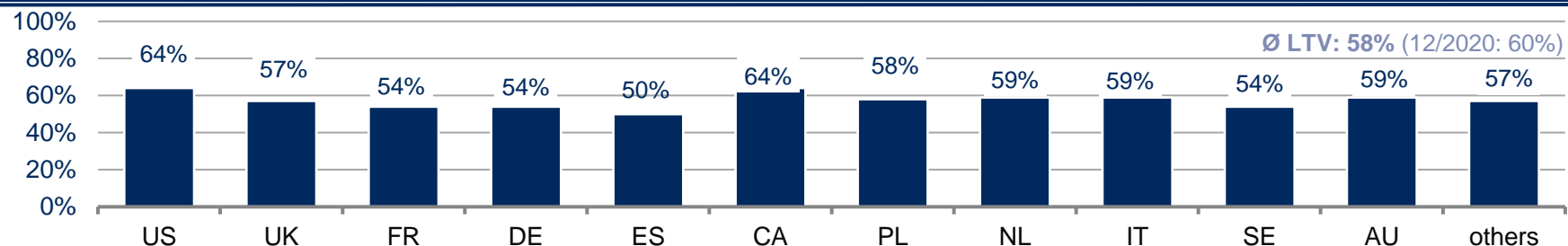
CREF portfolio by country

€ 29.5 bn highly diversified

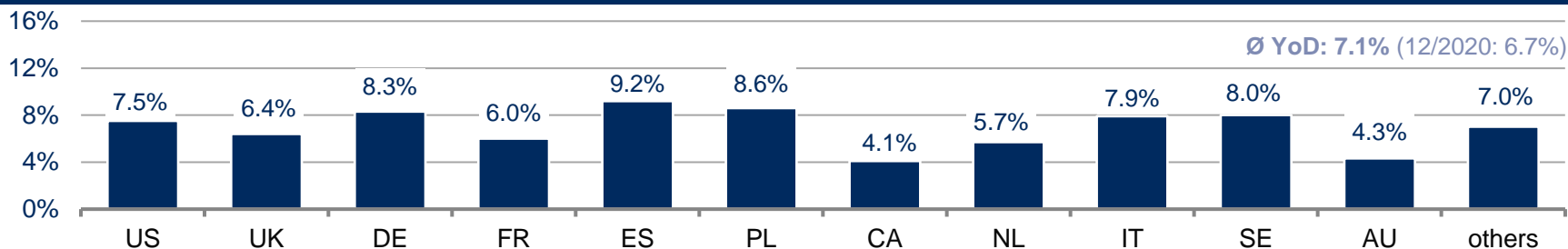
CREF portfolio (€ mn)



LTV¹⁾



YoD¹⁾

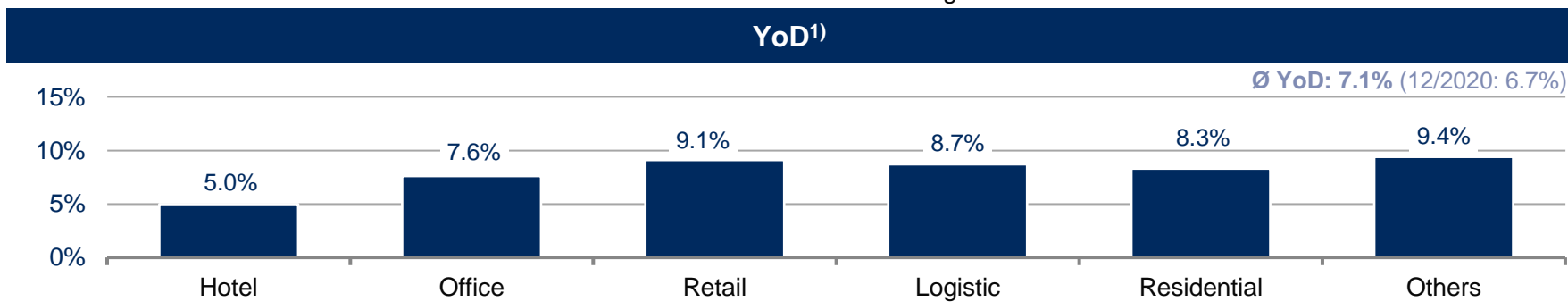
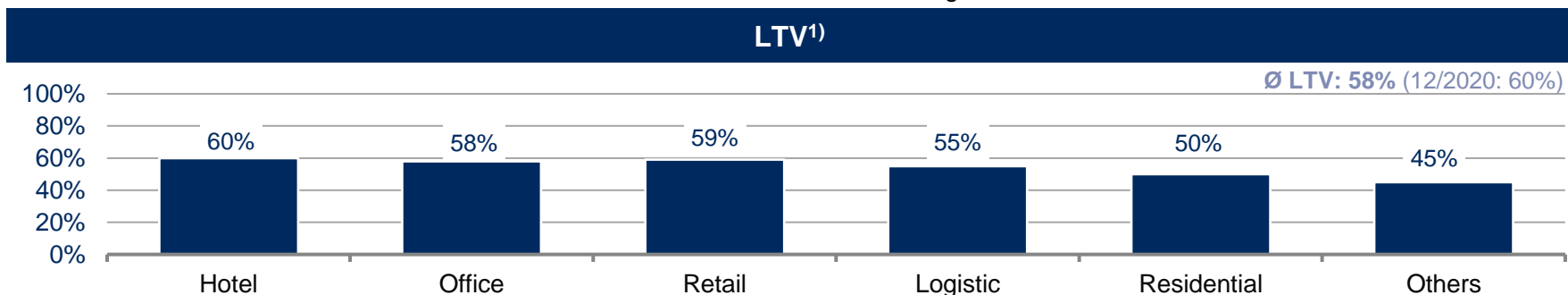
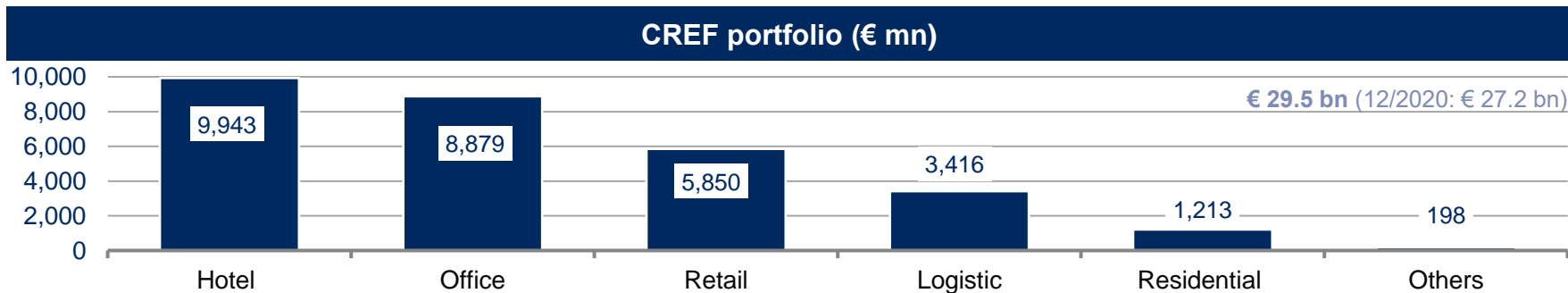


Note: others incl. countries with a portfolio below € 500 mn

1) Performing CREF-portfolio only (exposure)

CREF portfolio by property types

€ 29.5 bn highly diversified

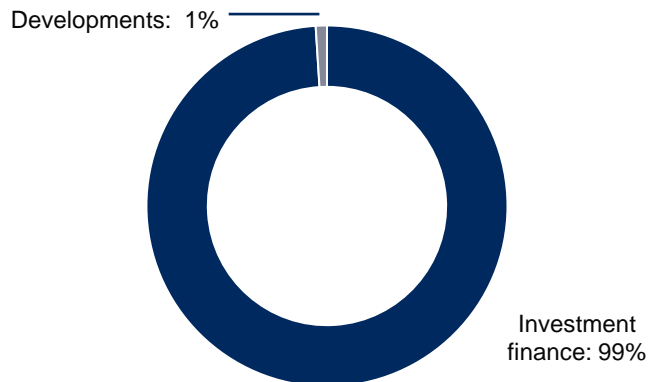


1) Performing CREF-portfolio only (exposure)

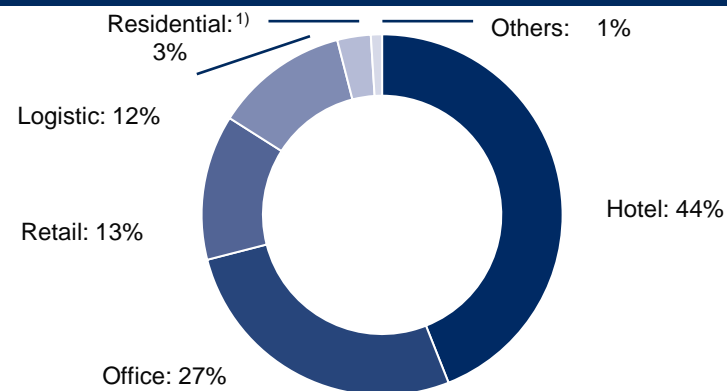
Western Europe (ex Germany) CREF portfolio

Total volume outstanding as at 31.12.2021: € 10.9 bn

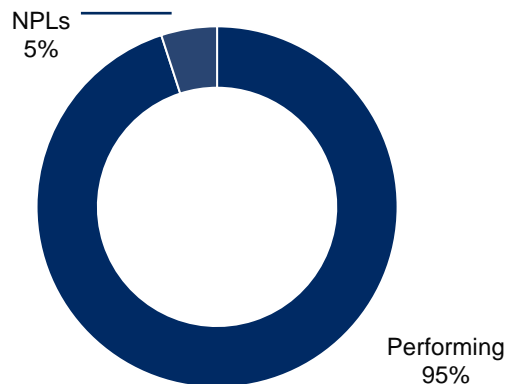
by product type



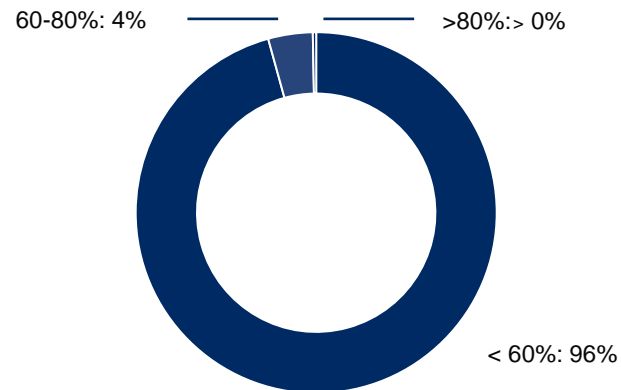
by property type



by performance



by LTV ranges²⁾



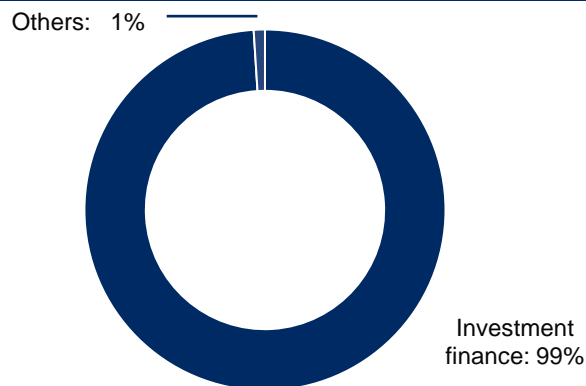
1) Incl. Student housing (UK & Australia only)

2) Performing CREF-portfolio only (exposure)

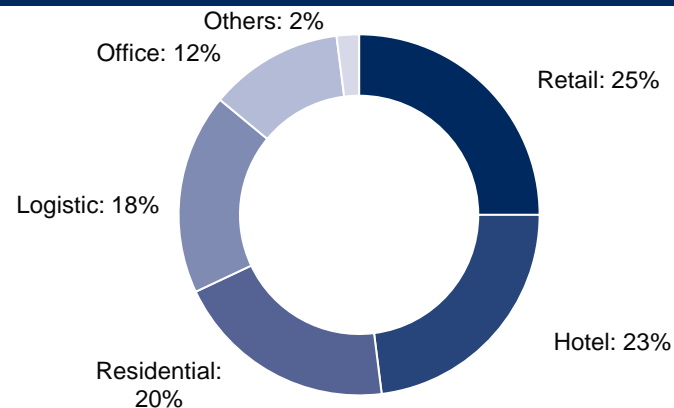
German CREF portfolio

Total volume outstanding as at 31.12.2021: € 2.9 bn

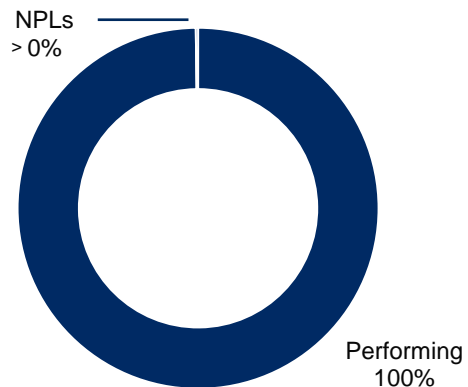
by product type



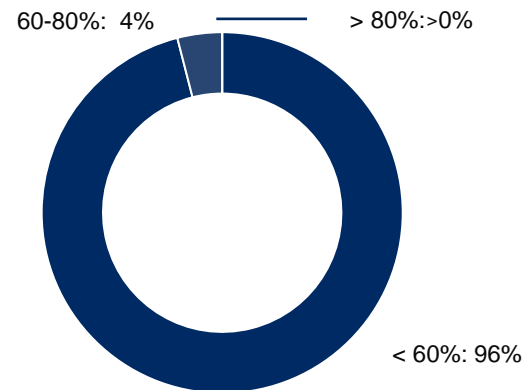
by property type



by performance



by LTV ranges¹⁾

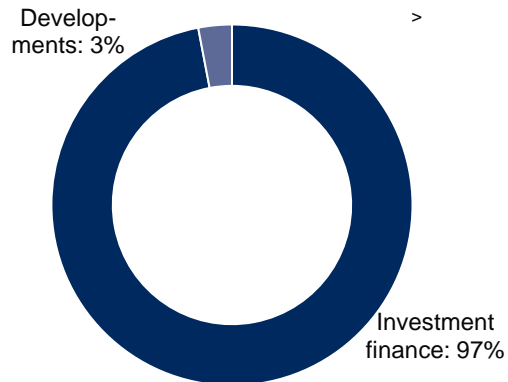


1) Performing CREF-portfolio only (exposure)

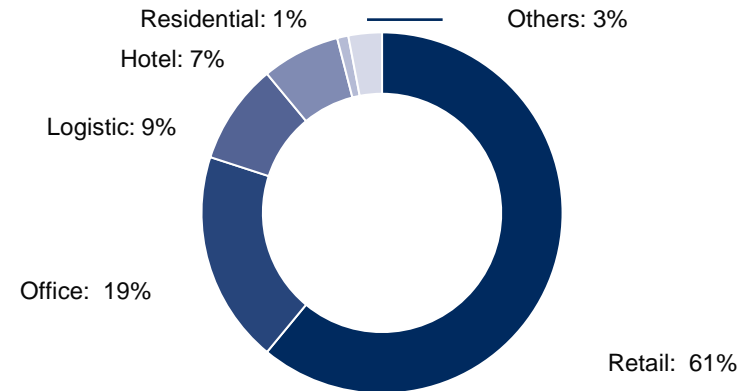
Southern Europe CREF portfolio

Total volume outstanding as at 31.12.2021: € 2.6 bn

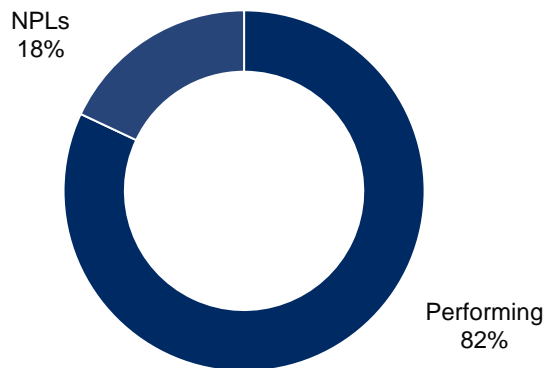
by product type



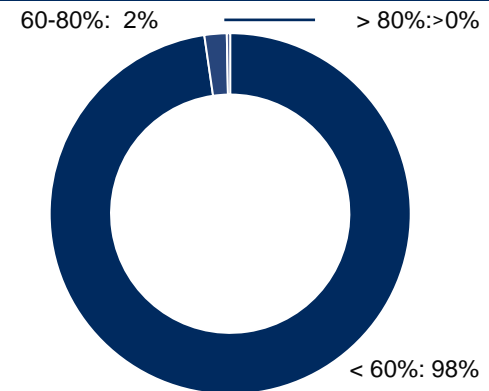
by property type



by performance



by LTV ranges¹⁾



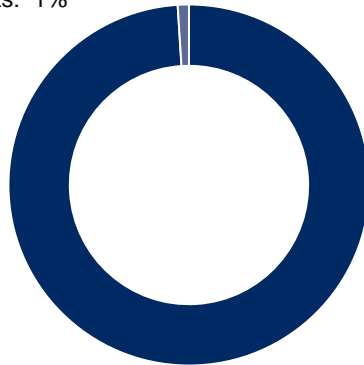
1) Performing CREF-portfolio only (exposure)

Central- and East Europe CREF portfolio

Total volume outstanding as at 31.12.2021: € 1.8 bn

by product type

Developments: 1%



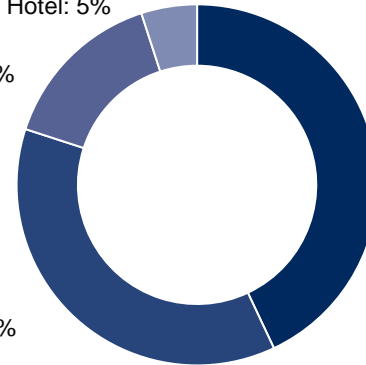
Investment
finance: 99%

by property type

Hotel: 5%

Retail: 15%

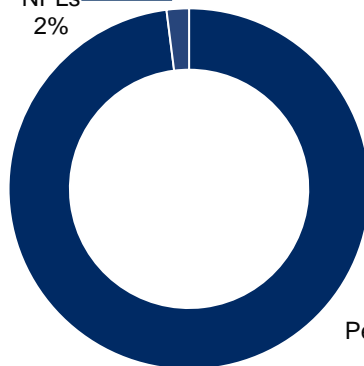
Office: 37%



Logistic: 43%

by performance

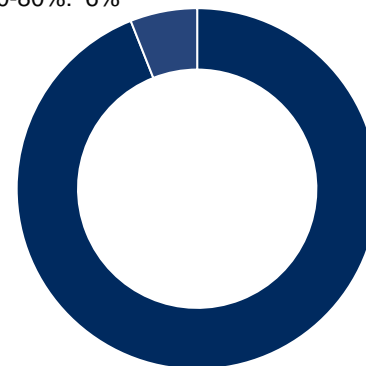
NPLs
2%



Performing
98%

by LTV ranges¹⁾

60-80%: 6%



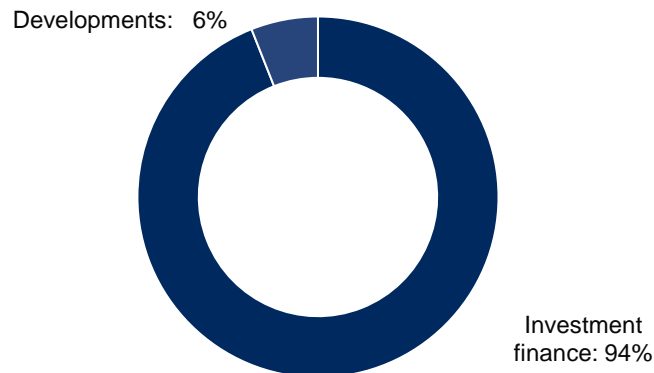
< 60%: 94%

1) Performing CREF-portfolio only (exposure)

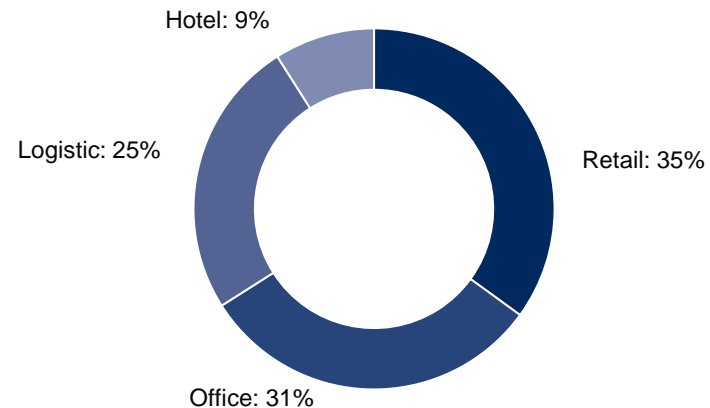
Northern Europe CREF portfolio

Total volume outstanding as at 31.12.2021: € 1.4 bn

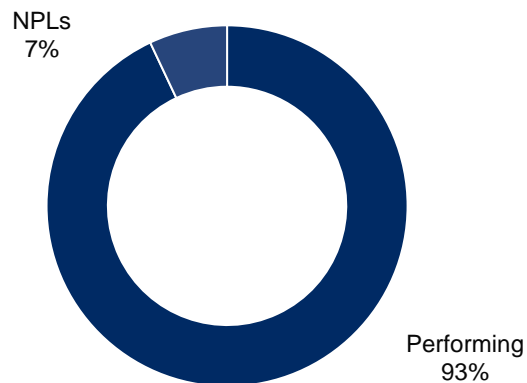
by product type



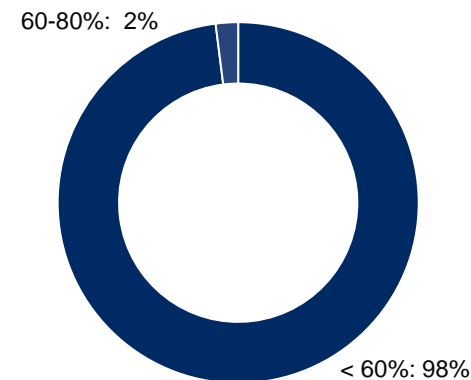
by property type



by performance



by LTV ranges¹⁾



1) Performing CREF-portfolio only (exposure)

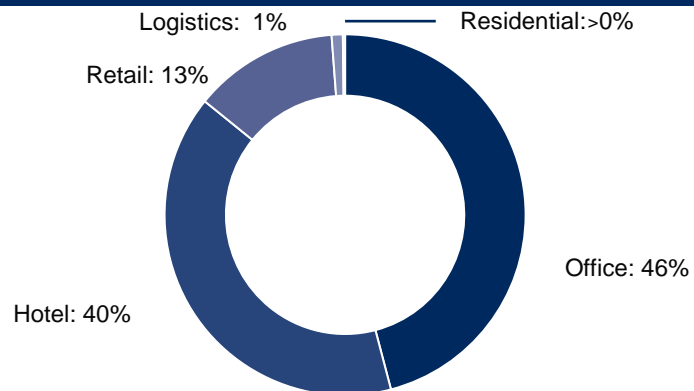
North America CREF portfolio

Total volume outstanding as at 31.12.2021: € 8.7 bn

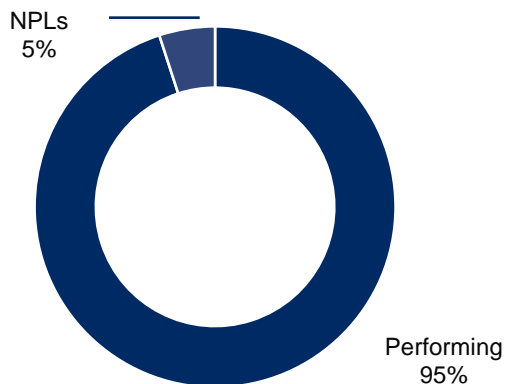
by product type



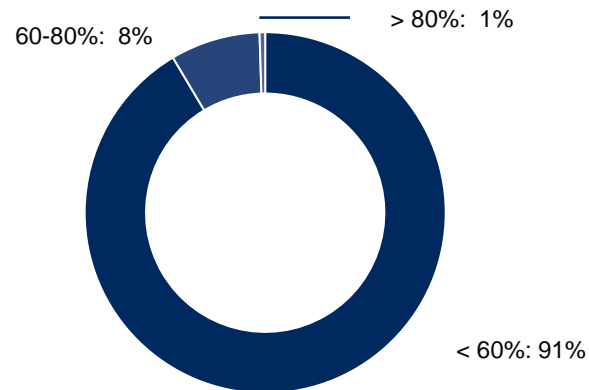
by property type



by performance



by LTV ranges¹⁾



1) Performing CREF-portfolio only (exposure)

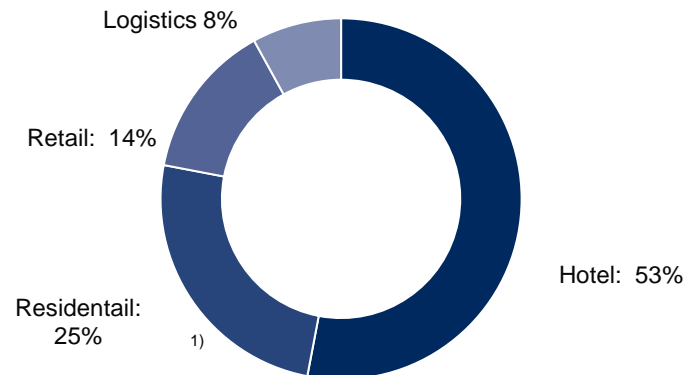
Asia / Pacific CREF portfolio

Total volume outstanding as at 31.12.2021: € 1.2 bn

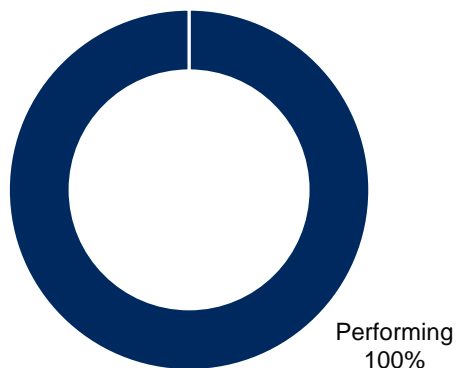
by product type



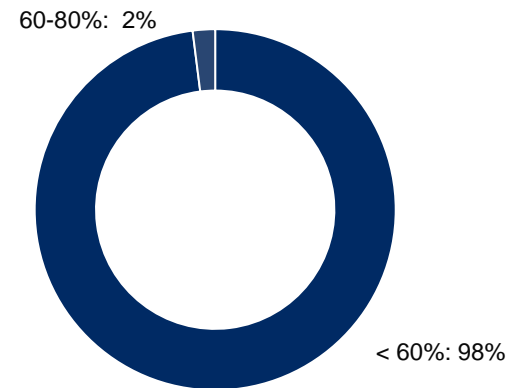
by property type



by performance



by LTV ranges²⁾



1) Incl. Student housing (UK & Australia only)

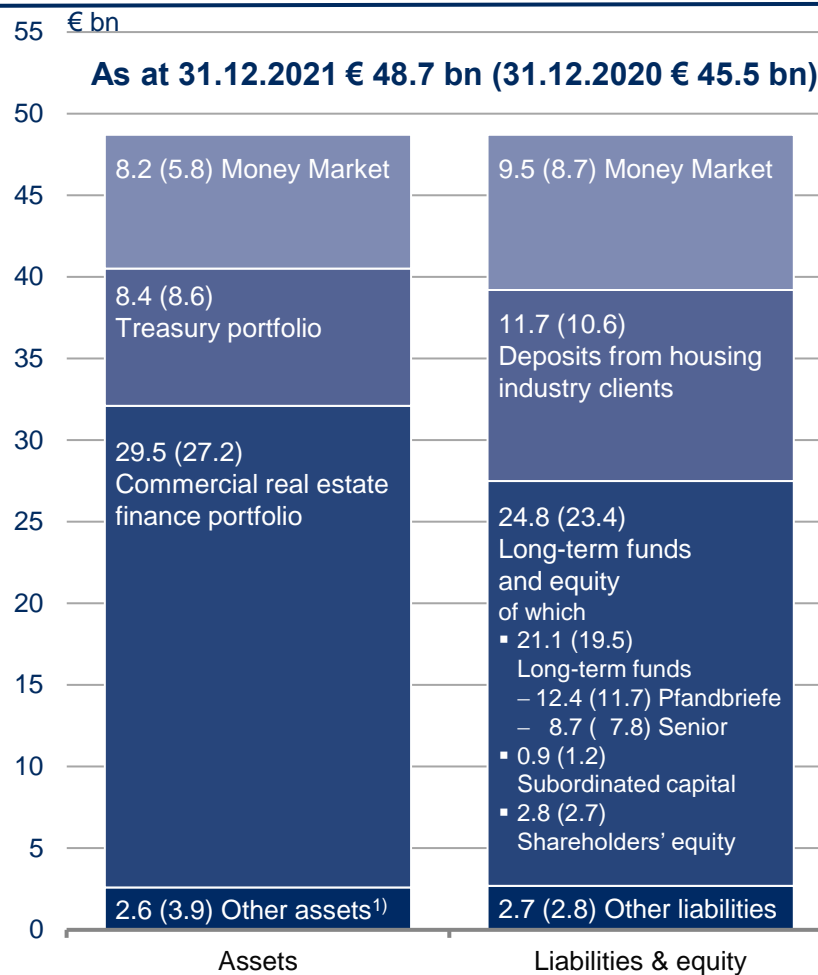
2) Performing CREF-portfolio only (exposure)

B/S & Treasury Portfolio

Appendix

B/S structure according to IFRS

Well balanced

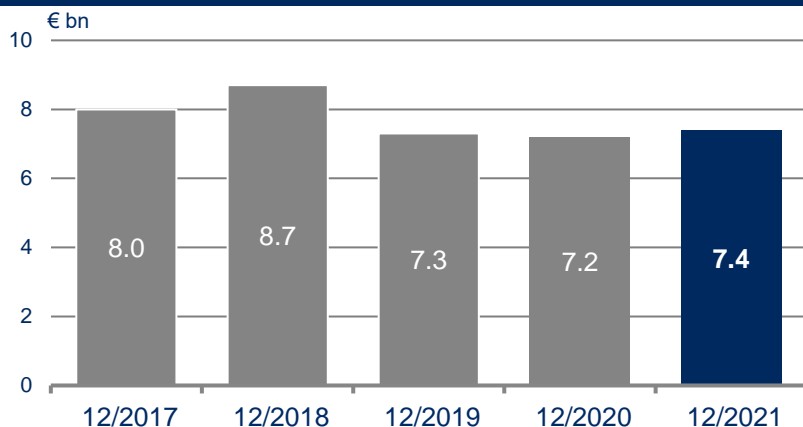


1) Other assets includes € 0.3 bn private client portfolio and WIB's € 0.3 bn public sector loans

Treasury portfolio

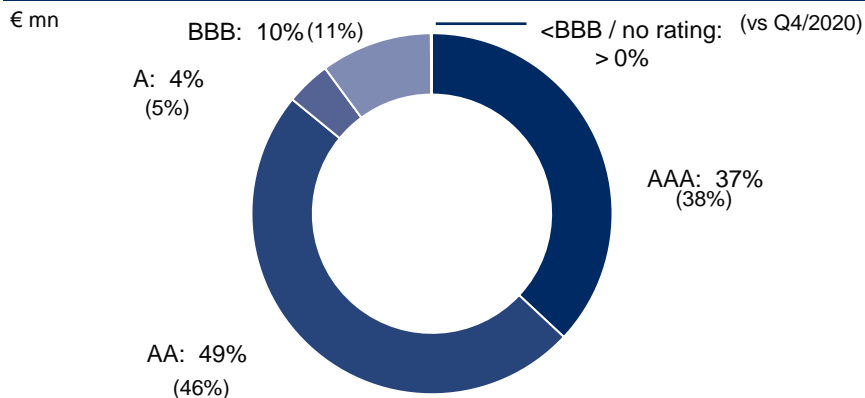
€ 7.4 bn of high rating quality and highly liquid assets

TR portfolio development

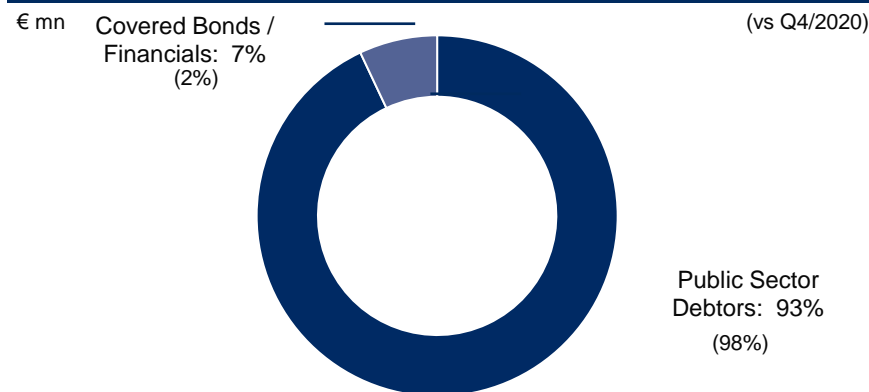


- Portfolio further diversified with additional investments in new agencies and Covered Bonds
- Investments in Covered Bonds supporting spread improvement

TR portfolio by rating¹⁾



TR portfolio by asset class



As at 30.12.2021 – all figures are nominal amounts

1) Composite Rating

Segment: Aareon

Appendix

Segment: Aareon

P&L and other KPIs

P&L Aareon segment - Industry format ¹⁾	Q4'20	FY'20	Q4'21	FY'21	Δ Q4 '21/'20	Δ FY '21/'20
€ mn						
Sales revenue	70	258	75	269	7%	4%
▪ <i>Thereof ERP</i>	53	197	54	200	2%	1%
▪ <i>Thereof Digital</i>	17	61	20	70	24%	15%
Costs ²⁾	-53	-205	-57	-227	9%	11%
▪ <i>Thereof material</i>	-12	-45	-11	-48	-7%	7%
EBITDA	17	53	18	43	4%	-20%
Adjustments ²⁾	-4	-9	-8	-24	74%	>100%
Adj. EBITDA	21	62	25	67	18%	8%
EBITDA	17	53	18	43	4%	-20%
D&A / Financial result	-6	-26	-13	-38	>100%	45%
EBT / Operating profit	10	27	4	5	-61%	-82%

R&D, RPU and operating cashflow	
Revenue per unit (RPU) – LTM (€)	23
R&D spend as % of software revenue – YTD	25%
YTD Operating Cash Flow (€ mn)	36

- RPU (last 12 months) at 23 € (9M/21: 22 €)
- R&D spend picking up in line with communicated pattern of gradual increase in the short term up to 25% of revenue
- VCP- and M&A-related investments led to higher costs as planned, VCP investments expected to fade out in the future
- Operating Cash Flow at € 36 mn (12M/20: € 55 mn) mainly driven by higher investments

1) Calculation refers to unrounded numbers

2) Incl. New product, VCP, Ventures, M&A and one-offs

Fostering Real Estate's ESG transition

Appendix

Consistently positive rating results

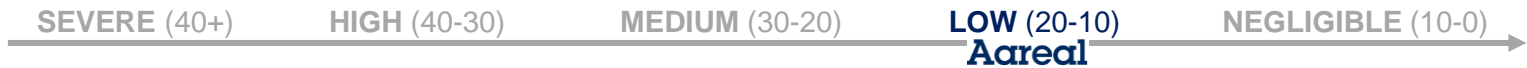
Rewarding Aareal's ESG performance



- With continuous AA status in ESG Rating, Aareal is in the top third of 192 Banks in MSCI ACWI Index
- Outstanding Score in Governance (7.1 of 10) compared to industry average (4.8)



- Prime Status confirms ESG performance above sector-specific Prime threshold, which means Aareal fulfils ambitious absolute performance requirements
- Range of 130 rated companies in the Mortgage & Public Sector Finance sector between D and B, Aareal on Decile Rank 2



- Aareal is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues (negligible or low risk rating in five out of six material ESG issues)
- Improvement "Medium" to "Low" risk, Rank 148 of 1008 in Sector Banks, 11 of 95 in Thrifts and Mortgages



- Rank 27 of 95 in Sector Retail & Specialized Banks
- Aareal with significant above sector average results in Environment 48 [ø44], Social 48 [ø43] and Governance 57 [ø45]



- Awareness Level (C) in CDP's Climate Change survey measuring companies' approach to climate change from strategy to action and carbon reduction performance

Aareal Green Finance Framework: Eligibility criteria

Building on our modern portfolio and extensive know-how

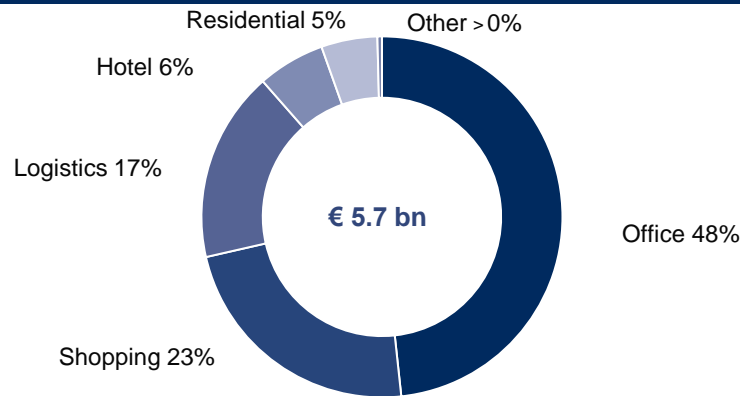


Eligibility category	Eligibility criteria (alternatives)								
Green Buildings	<p>1. Classification as EU taxonomy compliant</p> <p>Buildings meet the EU Taxonomy criteria according to the COMMISSION DELEGATED REGULATION (EU) 2021/2139, Chapter 7.7. "Acquisition and ownership of buildings"</p>	<p>2. Green building certification (type: "level")</p> <ul style="list-style-type: none"> ▪ BREEAM: "Outstanding", "Excellent", "Very Good" ▪ LEED: "Platinum", "Gold" ▪ DGNB: "Platinum", "Gold" ▪ Green Star: "6 Stars", "5 Stars" ▪ NABERS: "6 Stars", "5 Stars", "4 Stars" ▪ HQE: "Exceptional" and "Excellent" 	<p>3. Energy efficiency of the property</p> <p>The property meets the national requirements for a nearly zero-energy building (nZEB) valid at the time of the financing commitment and / or The property falls below the maximum energy reference values</p> <table border="1" data-bbox="1387 711 1779 839"> <tr> <td>75 kWh/m² p.a.</td> <td>Residential</td> </tr> <tr> <td>140 kWh/m² p.a.</td> <td>Office, Hotel, Retail</td> </tr> <tr> <td>65 kWh/m² p.a.</td> <td>Logistics</td> </tr> </table>	75 kWh/m ² p.a.	Residential	140 kWh/m ² p.a.	Office, Hotel, Retail	65 kWh/m ² p.a.	Logistics
75 kWh/m ² p.a.	Residential								
140 kWh/m ² p.a.	Office, Hotel, Retail								
65 kWh/m ² p.a.	Logistics								
Energy efficiency upgrades	<p>1. Classification as EU taxonomy compliant</p> <p>To qualify, energy-efficient modernisation/renovation measures need to meet the EU Taxonomy criteria according to the COMMISSION DELEGATED REGULATION (EU) 2021/2139, Chapter 7.2 "Renovation of existing buildings".</p>	<p>2. Upgrade to Green Building</p> <p>Completion of the measure brings the property up to the green building standard defined above.</p>	<p>3. Significant energy efficiency improvement</p> <p>Completion of the measure results in an energy efficiency improvement of at least 30%.</p>						

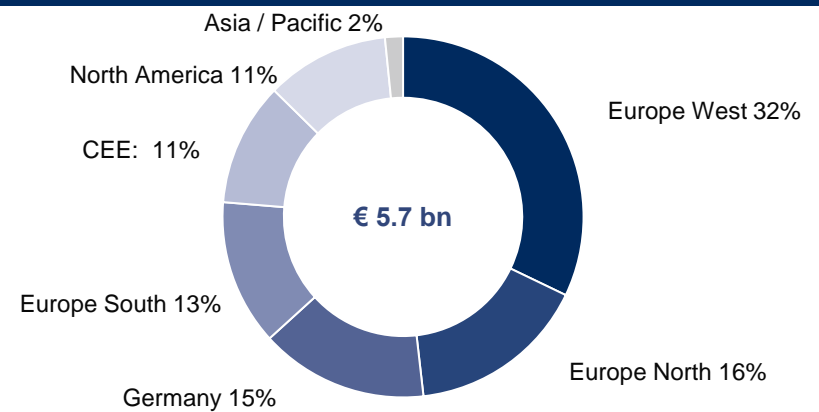
Increasing demand for future oriented, energy efficient buildings

Already € 1.5 bn newly acquired business in 2021 met green criteria¹⁾

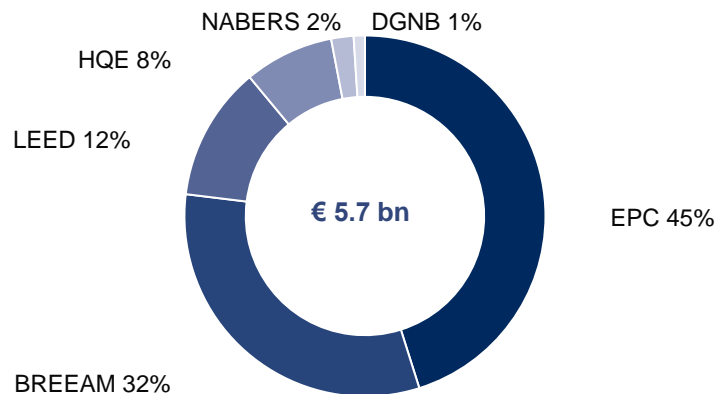
Verified Green Properties by Property Type²⁾



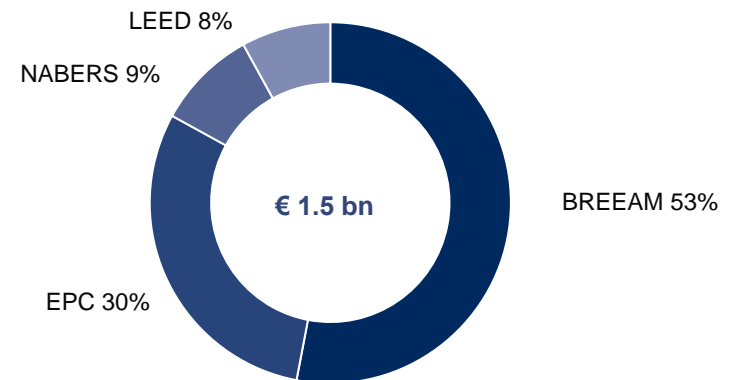
Verified Green Properties by Region²⁾



Verified Green Properties by Qualification²⁾



Newly Acquired Green Business by Qualification²⁾



1) Acc. to Aareal Green Finance Framework

2) Exposure as at 31.12.2021

Exposure is allocated to individual properties of the finance project weighted according to market values.

ESG-Data as at 10.02.2022.

Note: All 2021 figures preliminary and unaudited

Aareal Bank Group – Set for Growth!

Appendix

Structured Property Financing

From ACTIVATE! to GROW!

GROW! Structured Property Financing

Growth of REF portfolio from € 30 bn to € ~33 bn in 2024 in line with current risk policy based on strong capital base...

- Significant attractive market opportunities available in our “home turf” – with a strong focus on Green Properties and Green Loans
- Expand business in CRE and adjacent segments based on our capabilities and risk policy
- Continued evaluation of risk-return metrics incl. correlations and granularity
- Maintaining strict cost discipline and implementing efficiency measures

...and highly attractive marginal RoE above cost of equity, supported by continuous management of back book

- Continued focused syndication efforts

Targets

REF portfolio:

- € ~1 bn growth p.a.
- YE 2024: € ~33 bn

Additional Green Loan volume:

- Until YE 2024: € ~2 bn

SPF CIR:

- YE 2023: <40%¹⁾

1) Excluding bank levy and contribution to deposit guarantee scheme

Banking & Digital Solutions

From ELEVATE! to LEVERAGE!

LEVERAGE! Banking & Digital Solutions

Strong and independent value proposition of housing and adjacent business to be leveraged – increase cross selling and NCI

- Expand payments platform with software solutions and financial products
- Explore international “win-win” opportunities in the payments space with Aareon
- Focus on core-competencies and value-add products
- Pursuing selected M&A opportunities

Strong focus on maintaining crisis resilient deposit base

- Long-term upside potential in rising rate environment

Targets

Grow NCI:

- CAGR of ~13% (2020-2023)
- Ambition to double NCI until 2025

Deposit volume:

- Ø 2024: € >12 bn

Aareon

ACCELERATE! to be continued

ACCELERATE! Aareon

Fully on track to develop Aareon to a "Rule of 40" company by 2025

- VCP initiatives started in 2021, driving Go-To-Market excellence and operational excellence
- Appointment of SAP's Harry Thomsen as Dr. Manfred Alflen's successor, effective 1 April 2022

Highly attractive M&A platform

- Opportunity to further scale internationally based on execution of attractive M&A pipeline
- Aareal hunting line for M&A to be increased by € 100 mn to € 350 mn throughout the entire planning period and thus, retain full (strategic) flexibility and NII-synergies within the Group
- Option to tap institutionalized third-party debt markets to refinance hunting line in medium term

Targets

YE 2025 Adj. EBITDA:

- € ~135 mn plus
€ ~20 mn from companies already acquired in 2021
- Contribution from add. M&A on top

Achieve "Rule of 40¹⁾" performance

1) Rule of 40: Sum of Aareon's annual revenue growth and adj. EBITDA margin will at least reach 40%

Strong funding and capital position – key growth enablers

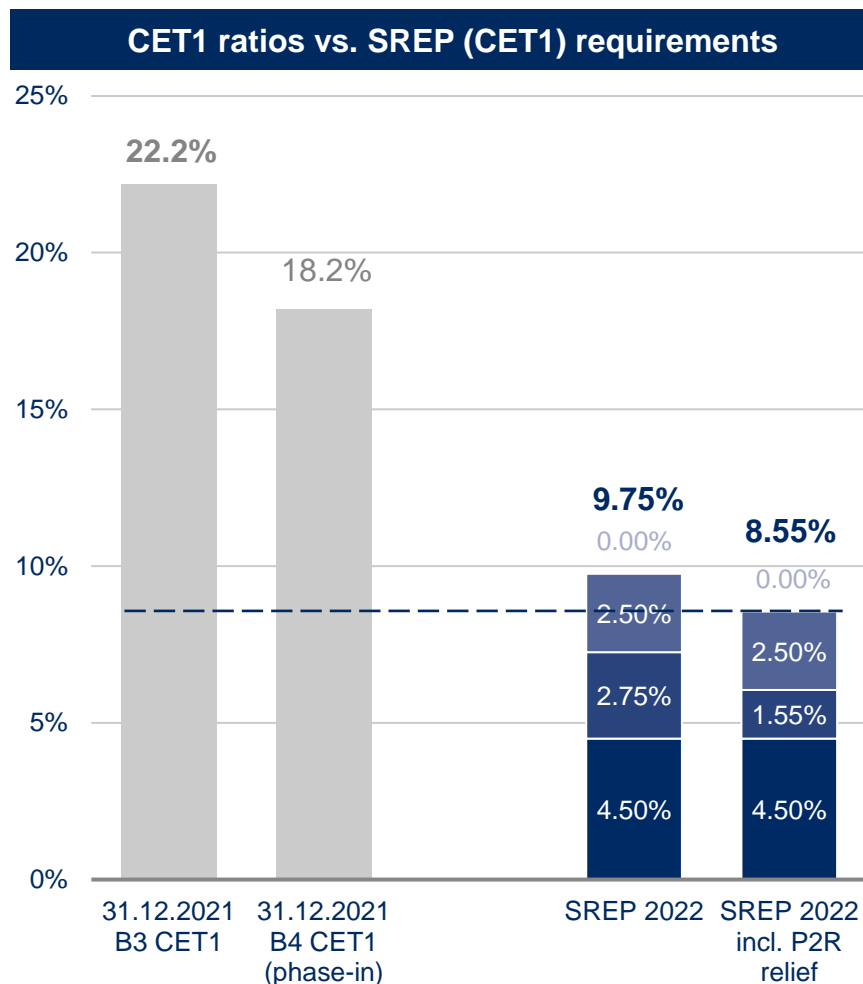
Funding and capital	Targets
<p data-bbox="98 376 778 408">Further enhancing Aareal's funding platform</p> <ul data-bbox="98 439 1244 708" style="list-style-type: none"><li data-bbox="98 439 1244 511">▪ Sophisticated strategy to meet funding requirements from portfolio growth and ESF reform<li data-bbox="98 544 658 575">▪ Expansion of green funding activities<li data-bbox="98 608 716 639">▪ Further diversification of funding sources<li data-bbox="98 672 1199 704">▪ Continues optimization of our regulatory capital structure and funding costs <p data-bbox="98 753 958 785">Maintaining Aareal's strong funding and capital position</p> <ul data-bbox="98 818 1193 1025" style="list-style-type: none"><li data-bbox="98 818 678 849">▪ Strong and crisis resilient capital base<li data-bbox="98 882 1141 913">▪ Continues active portfolio management to optimise equity consumption<li data-bbox="98 946 1193 1025">▪ Balance of growth investments and shareholders' remuneration in-line with existing dividend policy	<p data-bbox="1304 372 1804 404">€ ~1 bn Green Financing in 2022</p>

Regulation

Appendix

SREP (CET 1) requirements

Demonstrating conservative and sustainable business model



- Capital ratios significant above SREP requirements
- P2R increase in 2022 (2.75%; 2021: 2.25%) due to Corona impacting especially commercial real estate markets
- P2R relief by using possibility of partially fulfilling requirements with AT1 and T2 capital
- Total capital requirement 2021 (Overall Capital Requirement (OCR)) amounts to 12.8% compared to 28.9% total capital ratio
- All ratios already include TRIM effects as well as prudential provisioning

- Countercyclical Buffer
- Capital Conservation Buffer
- Pillar 2 Requirement
- Pillar 1 Requirement

Dividend Policy

Appendix

Dividend Policy and BVPS-development

Base Dividend¹⁾

Distribute **approx. 50%** of the earnings per ordinary share (EpS) as base dividend

Potential Supplementary Dividend¹⁾

A supplementary dividend **up to 20 - 30%** of the EpS to be considered, if

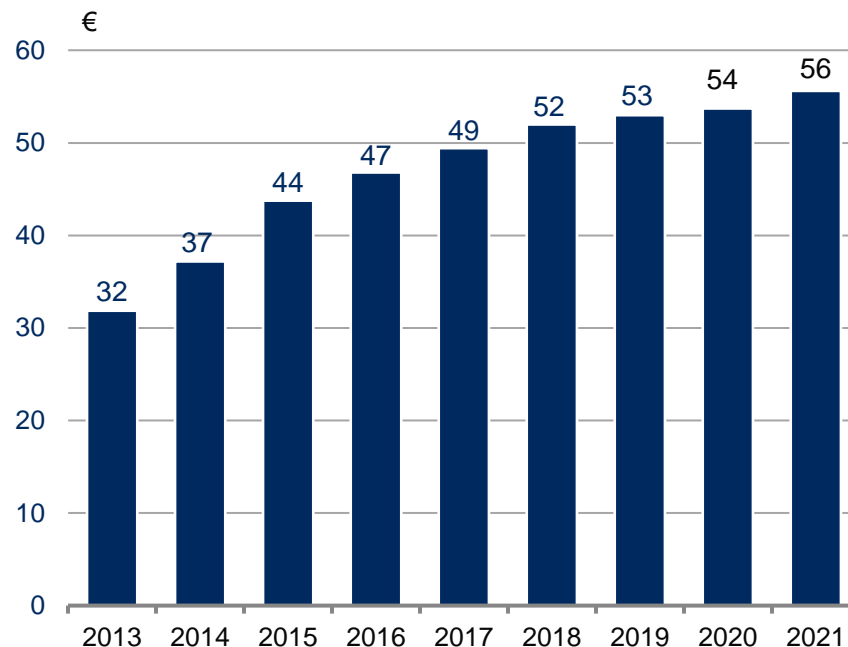
- No material deterioration of the environment (with longer-term and sustainably negative effects) **and**
- No material changes in regulation incl. sufficient capital buffers in a forward looking perspective **and**
- No attractive investment opportunities **and**
- No positive growth environment beyond current planning

For FY 2021, payable in 2022:

Further development of Covid-19 and above-mentioned factors to be considered regarding supplementary dividend

1) ECB approval required

Significant book value per share growth incl. dividend



Attractive dividend policy and significant book value growth created sustainable value for Aareal and hence our shareholders

AT1: ADI of Aareal Bank AG

Appendix

Interest payments and ADI of Aareal Bank AG

Available Distributable Items (as of end of the relevant year)

	31.12. 2016	31.12. 2017	31.12. 2018	31.12. 2019	31.12. 2020	31.12. 2021
€ mn						
Net Retained Profit	122	147	126	120	90	30
▪ Net income	122	147	126	120	90	90
▪ Profit carried forward from previous year	-	-	-	-	-	66
▪ Net income attribution to revenue reserves	-	-	-	-	-	-
+ Other revenue reserves after net income attribution	720	720	720	720	840	840
= Total dividend potential before amount blocked ¹⁾	842	870	846	840	930	936
./. Dividend amount blocked under section 268 (8) of the German Commercial Code	235	283	268	314	320	386
./. Dividend amount blocked under section 253 (6) of the German Commercial Code	28	35	42	40	43	36
= Available Distributable Items ¹⁾	579	552	536	486	566	515
+ Increase by aggregated amount of interest expenses relating to Distributions on Tier 1 Instruments ¹⁾	46	32	24	23	21	20
= Amount referred to in the relevant paragraphs of the terms and conditions of the respective Notes as being available to cover Interest Payments on the Notes and Distributions on other Tier 1 Instruments ¹⁾	625	584	560	509	587	535

1) Unaudited figures for information purposes only

Definitions and contacts

Definitions

New Business	New business = Newly acquired business + renewals
Common Equity Tier 1 ratio	$\frac{\text{CET 1}}{\text{Risk weighted assets}}$
Pre tax RoE	$\frac{\text{Operating profit/income ./. loss attributable to non-controlling interests ./. AT1 coupon}}{\text{Average IFRS equity excl. non-controlling interests, AT1 and dividends}}$
CIR	$\frac{\text{Admin expenses (excl. bank levy, et al.)}}{\text{Net income}}$
Net income	net interest income + net commission income + net result on hedge accounting + net trading income + results from non-trading assets + results from investments accounted for at equity + results from investment properties + net other operating income
Net stable funding ratio	$\frac{\text{Available stable funding}}{\text{Required stable funding}}$
Liquidity coverage ratio	$\frac{\text{Total stock of high quality liquid assets}}{\text{Net cash outflows under stress}}$
Earnings per share	$\frac{\text{operating profit ./. income taxes ./. income/loss attributable to non controlling interests ./. net AT1 coupon}}{\text{Number of ordinary shares}}$
Yield on Debt	$\frac{\text{NOI x 100 (Net operating income, 12-months forward looking)}}{\text{Outstanding incl. prior/pari-passu loans (without developments)}}$
CREF-portfolio	Commercial real estate finance portfolio excl. private client business and WIB's public sector loans
REF-portfolio	Real estate finance portfolio incl. private client business and WIB's public sector loans
NPL-ratio	$\frac{\text{NPL-exposure acc. CRR (excl. exposure in cure period)}}{\text{Total REF Portfolio}}$

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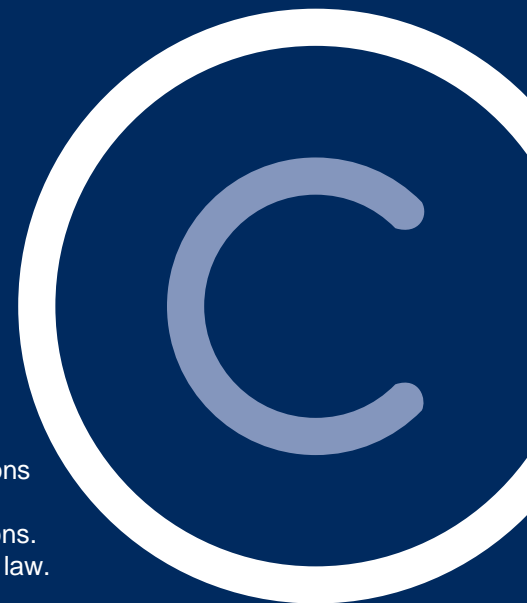
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