

## Aareal Bank Group – key financial indicators

	1 Jan - 30 June 2014	1 Jan - 30 June 2013
<b>Income statement <sup>1)</sup></b>		
Operating profit (€mn)	282	92
Consolidated profit (€mn)	221	43
Cost / income ratio (%) <sup>2)</sup>	36.9	40.1
Earnings per share (€)	3.87	0.88
RoE before taxes (%) <sup>3)</sup>	23.0	7.3
RoE after taxes (%) <sup>3)</sup>	19.6	4.7
<b>Portfolio data</b>		
Property finance (€mn)	28,535	24,550
of which: international (€mn)	21,609	20,802
Equity (€mn)	2,653	2,450
Total assets (€mn)	48,608	42,981
<b>Regulatory indicators <sup>4) 5)</sup></b>		
Risk-weighted assets	16,399	
Common equity tier 1 ratio (%) -fully phased - <sup>6)</sup>	12.2	
Common equity tier 1 ratio (%)	14.3	
Tier 1 ratio (%)	16.3	
Total capital ratio (%)	22.4	
<b>Employees <sup>4)</sup></b>		
	2,532	2,375
<b>Ratings</b>		
Fitch Ratings, London		
long-term <sup>7)</sup>	A - (outlook: negative)	A - (outlook: stable)
short-term <sup>7)</sup>	F1 (outlook: negative)	F1 (outlook: stable)
Fitch Pfandbrief ratings	AAA	AAA
oekom	Prime	Prime

1) The disclosures covering the current period under review include negative goodwill (day-one profit) from the acquisition of COREALCREDIT BANK AG ("Corealcredit") as at 31 March 2014. Corealcredit's operating results have been included in the Income Statement of Aareal Bank Group since the beginning of Q2 2014.

2) Structured Property Financing segment only

3) On an annualised basis

4) Current reporting period, including Corealcredit

5) Since 1 January 2014, regulatory indicators have been determined in accordance with CRD IV/CRR, based on carrying amounts in accordance with IFRSs. Until 31 December 2013, these indicators were calculated in accordance with the German Solvency Regulation (SolV) and based on local GAAP (book values in accordance with the German Commercial Code (HGB)). The Bank therefore decided against stating comparative amounts.

6) Excluding silent participation from the German Financial Markets Stabilisation Fund (SoFFin)

7) At the end of the first quarter of 2014, rating agency Fitch Ratings changed its outlook for the Long-Term Issuer Default Rating (IDR) of 18 banks within the European Union from "stable" to "negative". The corresponding outlook for an additional 18 European commercial banks remained "negative". This revision reflects a global re-assessment of government support for banks.

Income statement for the first half of 2014  
(in accordance with IFRSs)

	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	Change
	€ mn	€ mn	%
Net interest income	313	247	27
Allowance for credit losses	69	45	53
<b>Net interest income after allowance for credit losses</b>	<b>244</b>	<b>202</b>	<b>21</b>
Net commission income	79	77	3
Net result on hedge accounting	3	-3	
Net trading income / expenses	4	11	-64
Results from non-trading assets	0	-6	
Results from investments accounted for using the equity method	-	-	
Administrative expenses	216	182	19
Net other operating income / expenses	16	-7	
Negative goodwill from the acquisition of Corealcredit	152	-	
<b>Operating profit</b>	<b>282</b>	<b>92</b>	<b>207</b>
Income taxes	41	29	41
<b>Net income / loss</b>	<b>241</b>	<b>63</b>	<b>283</b>
<b>Allocation of results</b>			
Net income / loss attributable to non-controlling interests	10	10	
Net income / loss attributable to shareholders of Aareal Bank AG	231	53	336
<b>Appropriation of profits</b>			
Net income / loss attributable to shareholders of Aareal Bank AG	231	53	336
Silent participation by SoFFin	10	10	
<b>Consolidated profit / loss</b>	<b>221</b>	<b>43</b>	<b>414</b>

Segment reporting for the first half of 2014  
(in accordance with IFRS)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013
<b>€ mn</b>								
Net interest income	311	242	0	0	2	5	313	247
Allowance for credit losses	69	45					69	45
<b>Net interest income after allowance for credit losses</b>	<b>242</b>	<b>197</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>244</b>	<b>202</b>
Net commission income	2	5	80	78	-3	-6	79	77
Net result on hedge accounting	3	-3					3	-3
Net trading income / expenses	4	11					4	11
Results from non-trading assets	0	-6					0	-6
Results from investments accounted for using the equity method								
Administrative expenses	124	97	93	86	-1	-1	216	182
Net other operating income / expenses	15	-6	1	-1	0	0	16	-7
Negative goodwill from the aquisition of Corealcredit	152						152	
<b>Operating profit</b>	<b>294</b>	<b>101</b>	<b>-12</b>	<b>-9</b>	<b>0</b>	<b>0</b>	<b>282</b>	<b>92</b>
Income taxes	45	31	-4	-2			41	29
<b>Net income / loss</b>	<b>249</b>	<b>70</b>	<b>-8</b>	<b>-7</b>	<b>0</b>	<b>0</b>	<b>241</b>	<b>63</b>
<b>Allocation of results</b>								
Net income / loss attributable to non-controlling interests	8	9	2	1			10	10
Net income / loss attributable to shareholders of Aareal Bank AG	241	61	-10	-8	0	0	231	53
Allocated equity	1,302	1,180	108	89	957	971	2,367	2,240
Cost / income ratio in %	36.9	40.1	115.0	111.1			52.0	57.1
RoE before taxes in % *)	44.0	15.6	-25.7	-23.2			23.0	7.3

\*) On an annualised basis

Segment results for the second quarter of 2014  
(in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation		Aareal Bank Group	
	Quarter 2 2014	Quarter 2 2013	Quarter 2 2014	Quarter 2 2013	Quarter 2 2014	Quarter 2 2013	Quarter 2 2014	Quarter 2 2013
€ mn								
Net interest income	168	124	0	0	1	2	169	126
Allowance for credit losses	32	28					32	28
<b>Net interest income after allowance for credit losses</b>	<b>136</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>137</b>	<b>98</b>
Net commission income	1	3	40	39	-2	-3	39	39
Net result on hedge accounting	1	0					1	0
Net trading income / expenses	2	5					2	5
Results from non-trading assets	0	-5					0	-5
Results from investments accounted for using the equity method								
Administrative expenses	68	47	47	44	-1	-1	114	90
Net other operating income / expenses	-1	-2	1	0	0	0	0	-2
Negative goodwill from the acquisition of Corealcredit								
<b>Operating profit</b>	<b>71</b>	<b>50</b>	<b>-6</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>45</b>
Income taxes	23	15	-2	-1			21	14
<b>Net income / loss</b>	<b>48</b>	<b>35</b>	<b>-4</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>31</b>
<b>Allocation of results</b>								
Net income / loss attributable to non-controlling interests	4	5	1	0			5	5
Net income / loss attributable to shareholders of Aareal Bank AG	44	30	-5	-4	0	0	39	26
<b>Allocated equity</b>								
	1,302	1,180	108	89	957	971	2,367	2,240
Cost / income ratio in %	39.4	38.2	115.3	110.2			54.0	55.3
RoE before taxes in % *)	20.6	15.3	-26.0	-21.0			10.1	7.2

\*) On an annualised basis