

Aareal Bank Group – Key Indicators

	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020
Results		
Operating profit (€ mn)	73	13
Consolidated net income (€ mn)	33	16
Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾	24	7
Cost/income ratio (%) ²⁾	45.3	51.7
Earnings per ordinary share (€) ¹⁾	0.40	0.11
RoE before taxes (%) ^{1) 3)}	4.9	0.0
RoE after taxes (%) ^{1) 3)}	1.9	0.5

	30 Jun 2021	31 Dec 2020
Statement of Financial Position		
Property finance (€ mn) ⁴⁾	27,854	27,181
Equity (€ mn)	2,992	2,967
Total assets (€ mn)	46,644	45,478
Regulatory Indicators⁵⁾		
Risk-weighted assets (€ mn)	11,981	12,138
Common Equity Tier 1 ratio (CET1 ratio) (%)	19.2	18.8
Tier 1 ratio (T1 ratio) (%)	21.7	21.3
Total capital ratio (TC ratio) (%)	25.4	28.0
Common Equity Tier 1 ratio (CET1 ratio) (%) – Basel IV (phase-in) – ⁶⁾	17.2	17.3
Employees	3,036	2,982

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

²⁾ Structured Property Financing segment only; in line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included; the previous year's figure was adjusted accordingly.

³⁾ On an annualised basis

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

⁵⁾ 31 December 2020: less a proposed dividend payout of €1.50 per share in 2021 and incorporating the pro-rata accrual of net interest payable on the AT1 bond. The 2021 dividend payment of €1.50 for 2020 would need to be made in two steps. In compliance with the requirements published by the European Central Bank (ECB) on 15 December 2020, the distributable amount is calculated at €0.40 per share. A proposal on the allocation of profits was approved at the ordinary Annual General Meeting in May 2021. Following the ECB's announcement on 23 July 2021, and depending on further economic developments, regulatory requirements, the Bank's capital position and its risk situation, in the absence of material adverse developments the Bank plans to convene an extraordinary Annual General Meeting, to be held during the fourth quarter of 2021, to decide on the intended remaining payout of € 1.10 per share, amending the resolution dated 18 May 2021 on the appropriation of profits.

30 June 2021: less the remaining proposed dividend distribution of €1.10 per share in 2021 and inclusive of the interim dividend for 2021 less any pro rata dividends in accordance with the dividend policy and pro rata accrual of the net interest on the AT1 bond. The SREP recommendations concerning the NPL inventory and the ECB's NPL guidelines for exposures newly classified as NPLs were taken into account.

⁶⁾ Underlying RWA estimate, incorporating the higher figure determined using the revised AIRBA or the revised CRSA (phase-in), based on the final Basel Committee framework dated 7 December 2017. The calculation of the material impact upon Aareal Bank is subject to the outstanding EU implementation as well as the implementation of additional regulatory requirements as EBA requirements, etc.).

**Consolidated income statement for the first half-year 2021
(in accordance with IFRSs)**

	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	Change
	€ mn	€ mn	%
Net interest income	280	245	14
Loss allowance	40	106	-62
Net commission income	118	111	6
Net derecognition gain or loss	8	16	-50
Net gain or loss from financial instruments (fvpl)	-4	-7	-43
Net gain or loss from hedge accounting	-2	2	-200
Net gain or loss from investments accounted for using the equity method	-1	0	
Administrative expenses	268	238	13
Net other operating income/expenses	-18	-10	80
Operating profit	73	13	462
Income taxes	40	-3	
Consolidated net income	33	16	106
Consolidated net income attributable to non-controlling interests	2	1	100
Consolidated net income attributable to shareholders of Aareal Bank AG	31	15	107
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	31	15	107
of which: allocated to ordinary shareholders	24	7	243
of which: allocated to AT1 investors	7	8	-13
Earnings per ordinary share (€)	0.40	0.11	264
Earnings per AT1 unit (€)	0.07	0.08	-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.

Consolidated income statement for the second quarter of 2021
(in accordance with IFRSs)

	2 nd quarter 2021	2 nd quarter 2020	Change
	€ mn	€ mn	%
Net interest income	142	122	16
Loss allowance	33	48	-31
Net commission income	59	54	9
Net derecognition gain or loss	8	9	-11
Net gain or loss from financial instruments (fvpl)	-3	-17	-82
Net gain or loss from hedge accounting	1	1	0
Net gain or loss from investments accounted for using the equity method	-1	0	
Administrative expenses	118	109	8
Net other operating income/expenses	-14	-10	40
Operating profit	41	2	
Income taxes	29	-7	-514
Consolidated net income	12	9	33
Consolidated net income attributable to non-controlling interests	1	0	
Consolidated net income attributable to shareholders of Aareal Bank AG	11	9	22
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	11	9	22
of which: allocated to ordinary shareholders	8	5	60
of which: allocated to AT1 investors	3	4	-25
Earnings per ordinary share (€)	0.13	0.07	86
Earnings per AT1 unit (€)	0.03	0.04	-25

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

**Segment results for the first half-year 2021
(in accordance with IFRSs)**

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020
€ mn										
Net interest income	260	226	22	20	-2	-1	0	0	280	245
Loss allowance	40	106			0	0			40	106
Net commission income	4	3	13	12	107	102	-6	-6	118	111
Net derecognition gain or loss	8	16							8	16
Net gain or loss from financial instruments (fvpl)	-4	-7		0		0			-4	-7
Net gain or loss from hedge accounting	-2	2							-2	2
Net gain or loss from investments accounted for using the equity method			-1		0	0			-1	0
Administrative expenses	134	117	36	35	104	92	-6	-6	268	238
Net other operating income/expenses	-20	-11	0	0	2	1	0	0	-18	-10
Operating profit	72	6	-2	-3	3	10	0	0	73	13
Income taxes	40	-5	-1	-1	1	3			40	-3
Consolidated net income	32	11	-1	-2	2	7	0	0	33	16
Consolidated net income attributable to non-controlling interests	0	0	0	0	2	1			2	1
Consolidated net income attributable to shareholders of Aareal Bank AG	32	11	-1	-2	0	6	0	0	31	15
Allocated equity ¹⁾	1,686	1,809	258	194	38	42	533	466	2,515	2,511
RoE after taxes (%) ^{2) 3)}	3.0	0.2	-1.1	-1.5	-0.2	27.7			1.9	0.5

¹⁾ For management purposes, the allocated equity is calculated for all segments from 2021 onwards on the basis of capital requirements pursuant to Basel IV (phase-in). Reported equity on the statement of financial position differs from this. Aareon's total equity as disclosed in the statement of financial position amounts to €141 million.

²⁾ On an annualised basis

³⁾ The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.

Segment results for the second quarter of 2021 (in accordance with IFRSs)

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	2 nd quarter 2021	2 nd quarter 2020	2 nd quarter 2021	2 nd quarter 2020	2 nd quarter 2021	2 nd quarter 2020	2 nd quarter 2021	2 nd quarter 2020	2 nd quarter 2021	2 nd quarter 2020
€ mn										
Net interest income	133	113	11	10	-2	-1	0	0	142	122
Loss allowance	33	48			0	0			33	48
Net commission income	2	1	6	7	54	49	-3	-3	59	54
Net derecognition gain or loss	8	9							8	9
Net gain or loss from financial instruments (fvpl)	-3	-17		0		0			-3	-17
Net gain or loss from hedge accounting	1	1							1	1
Net gain or loss from investments accounted for using the equity method			-1		0	0			-1	0
Administrative expenses	50	49	17	17	54	46	-3	-3	118	109
Net other operating income/expenses	-15	-11	0	0	1	1	0	0	-14	-10
Operating profit	43	-1	-1	0	-1	3	0	0	41	2
Income taxes	30	-8	-1	0	0	1			29	-7
Consolidated net income	13	7	0	0	-1	2	0	0	12	9
Consolidated net income attributable to non-controlling interests	0	0	0	0	1	0			1	0
Consolidated net income attributable to shareholders of Aareal Bank AG	13	7	0	0	-2	2	0	0	11	9