

## Aareal Bank Group – Key Indicators

	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
<b>Results</b>		
Operating profit (€ mn)	149	239
Consolidated net income (€ mn)	48	153
Consolidated net income allocated to ordinary shareholders (€ mn) <sup>1)</sup>	42	138
Cost/income ratio (%) <sup>2)</sup>	31.7	40.3
Dividend per share (€) <sup>3)</sup>	-	-
Earnings per ordinary share (€) <sup>1)</sup>	0.69	2.32
RoE before taxes (%) <sup>1)</sup>	5.0	7.9
RoE after taxes (%) <sup>1)</sup>	1.4	5.0
	31 Dec 2023	31 Dec 2022
<b>Statement of Financial Position</b>		
Property finance (€ mn)	32,876	30,901
Equity (€ mn)	3,300	3,258
Total assets (€ mn)	46,833	47,331
<b>Regulatory Indicators<sup>4)</sup></b>		
Basel IV (phase-in)		
Risk-weighted assets (€ mn)	13,720	12,782
Common Equity Tier 1 ratio (CET1 ratio) (%)	19.4	19.3
Tier 1 ratio (T1 ratio) (%)	21.6	21.7
Total Capital Ratio (TC ratio) (%)	23.5	24.0
Basel III		
Common Equity Tier 1 ratio (CET1 ratio) (%)	19.4	19.3
<b>Employees</b>	<b>3,463</b>	<b>3,316</b>

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

<sup>2)</sup> Structured Property Financing and Banking & Digital Solutions segments: in line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included.

<sup>3)</sup> There are no plans to distribute profits for 2023 in 2024, in line with the strategy. On 10 August 2023, the Annual General Meeting had resolved not to distribute any dividends for the 2022 financial year.

<sup>4)</sup> 31 December 2022: including originally proposed dividend of € 1.60 per share in 2022 and pro rata temporis accrual of interest on the AT1 bond, excluding profits for 2022 under commercial law.

31 December 2023: including profits for 2023 and pro rata temporis accrual of interest on the AT1 bond, given that there are no plans to distribute profits for 2023 in 2024. The appropriation of profits is subject to approval by the Annual General Meeting. The SREP recommendations concerning the NPL inventory and the ECB's NPL guidelines for the regulatory capital of new NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB tests were taken into account. Adjusted total risk exposure amount (as defined in Article 3 CRR – RWAs), in accordance with currently applicable law (CRR II) and applying the partial regulation for the "output floor" in connection with commercial property lending and equity exposures, based on the European Commission's proposal dated 27 October 2021 for implementation of Basel IV (CRR III). The adjusted risk-weighted exposure amount for commercial property lending and equity exposures is determined using the higher of (i) total RWAs calculated in accordance with CRR II currently in force, and (ii) the figure calculated in accordance with the revised CRSA (pursuant to CRR III), applying the transitional provisions for 2025 (50% output floor).

**Consolidated Income Statement of Aareal Bank Group**  
**Preliminary results for the financial year 2023**  
**(unaudited, in accordance with IFRSs)**

	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	Change
	€ mn	€ mn	%
Net interest income	978	702	39
Risk provisioning	441	192	130
Net commission income	307	277	11
Net derecognition gain or loss	23	1	2,200
Net gain or loss from financial instruments (fvpl)	-71	26	
Net gain or loss from hedge accounting	1	-2	
Net gain or loss from investments accounted for using the equity method	3	-2	
Administrative expenses	645	571	13
Net other operating income/expenses	-6	0	
<b>Operating profit</b>	<b>149</b>	<b>239</b>	<b>-38</b>
Income taxes	101	86	17
<b>Consolidated net income</b>	<b>48</b>	<b>153</b>	<b>-69</b>
Consolidated net income attributable to non-controlling interests	-23	0	
Consolidated net income attributable to shareholders of Aareal Bank AG	71	153	-54
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	71	153	-54
of which: allocated to ordinary shareholders	42	138	-70
of which: allocated to AT1 investors	29	15	93
Earnings per ordinary share (€) <sup>2)</sup>	0.69	2.32	-70
Earnings per AT1 unit (€) <sup>3)</sup>	0.29	0.15	93

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

Figures for the comparative period were based on net interest payable on the AT1 bond.

<sup>2)</sup>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.

<sup>3)</sup>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. Basic earnings per AT1 unit correspond to diluted earnings per AT1 unit.

**Consolidated Income Statement of Aareal Bank Group**  
**Preliminary results for the fourth quarter of 2023**  
**(in accordance with IFRSs)**

	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>Change</b>
	€ mn	€ mn	%
Net interest income	268	188	43
Risk provisioning	179	22	714
Net commission income	82	78	5
Net derecognition gain or loss	5	-23	
Net gain or loss from financial instruments (fvpl)	-13	4	
Net gain or loss from hedge accounting	3	4	-25
Net gain or loss from investments accounted for using the equity method	1	0	
Administrative expenses	159	148	7
Net other operating income/expenses	-14	1	
<b>Operating profit</b>	<b>-6</b>	<b>82</b>	
Income taxes	50	29	72
<b>Consolidated net income</b>	<b>-56</b>	<b>53</b>	
Consolidated net income attributable to non-controlling interests	-10	0	
Consolidated net income attributable to shareholders of Aareal Bank AG	-46	53	
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	-46	53	
of which: allocated to ordinary shareholders	-54	49	
of which: allocated to AT1 investors	8	4	100
Earnings per ordinary share (€) <sup>2)</sup>	-0.92	0.83	
Earnings per AT1 unit (€) <sup>3)</sup>	0.08	0.04	100

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

<sup>2)</sup> 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.

<sup>3)</sup> 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. Basic earnings per AT1 unit correspond to diluted earnings per AT1 unit.

**Segment Results of Aareal Bank Group**  
**Preliminary results for the 2023 financial year**  
**(unaudited, in accordance with IFRSs)**

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
€ mn										
Net interest income	776	627	238	92	-36	-17	0	0	978	702
Risk provisioning	441	192	0	0	0	0			441	192
Net commission income	6	6	33	31	284	252	-16	-12	307	277
Net derecognition gain or loss	23	1							23	1
Net gain or loss from financial instruments (fvpl)	-71	26	0	0	0	0			-71	26
Net gain or loss from hedge accounting	1	-2							1	-2
Net gain or loss from investments accounted for using the equity method	1	0	2	-1		-1			3	-2
Administrative expenses <sup>1)</sup>	231	260	110	79	320	244	-16	-12	645	571
Net other operating income/expenses	-4	-6	-2	-1	0	7	0	0	-6	0
<b>Operating profit</b>	<b>60</b>	<b>200</b>	<b>161</b>	<b>42</b>	<b>-72</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>149</b>	<b>239</b>
Income taxes	44	70	50	14	7	2			101	86
<b>Consolidated net income</b>	<b>16</b>	<b>130</b>	<b>111</b>	<b>28</b>	<b>-79</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>153</b>
Consolidated net income attributable to non-controlling interests	-1	0	0	0	-22	0			-23	0
Consolidated net income attributable to shareholders of Aareal Bank AG	17	130	111	28	-57	-5	0	0	71	153

<sup>1)</sup> During the course of a regular review, intra-Group cost allocation between the SPF and BDS segments was adjusted in 2023, aligning it to the size of the respective segment.

**Segment Results of Aareal Bank Group**  
**Preliminary results for the fourth quarter of 2023**  
**(unaudited, in accordance with IFRSs)**

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
€ mn										
Net interest income	212	152	68	43	-12	-7	0	0	268	188
Risk provisioning	179	22	0	0	0	0			179	22
Net commission income	0	1	9	8	77	72	-4	-3	82	78
Net derecognition gain or loss	5	-23							5	-23
Net gain or loss from financial instruments (fvpl)	-13	4	0	0	0	0			-13	4
Net gain or loss from hedge accounting	3	4							3	4
Net gain or loss from investments accounted for using the equity method	1	0				0			1	0
Administrative expenses	58	60	35	25	70	66	-4	-3	159	148
Net other operating income/expenses	-11	-2	-1	0	-2	3	0	0	-14	1
<b>Operating profit</b>	<b>-40</b>	<b>54</b>	<b>41</b>	<b>26</b>	<b>-7</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>82</b>
Income taxes	16	18	12	8	22	3			50	29
<b>Consolidated net income</b>	<b>-56</b>	<b>36</b>	<b>29</b>	<b>18</b>	<b>-29</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-56</b>	<b>53</b>
Consolidated net income attributable to non-controlling interests	-1	0	0	0	-9	0			-10	0
Consolidated net income attributable to shareholders of Aareal Bank AG	-55	36	29	18	-20	-1	0	0	-46	53