

Updating of remuneration indicators under Section 7 and Section 8, "German Ordinance governing supervisory requirements for remuneration systems of institutions" (InstitutsVergV)

Remuneration Report 2012 pursuant to InstitutsVergV



Aareal Bank

Updating of remuneration indicators under Section 7 and Section 8, „German Ordinance governing supervisory requirements for remuneration systems of institutions“ (InstitutsVergV)¹⁾

Remuneration information under Section 7 IVV: all employees²⁾

The disclosure under Section 7 InstitutsVergV includes the remuneration for all staff for 2012 and is made below for Aareal Bank AG and for its subsidiaries as defined under Section 10a of the German Banking Act, where these are subject to InstitutsVergV.

	Structured Property Financing	Consulting/Services	Total
€ mn			
Total remuneration	87.57	13.03	100.60
of which:			
fixed remuneration	61.24	10.99	72.23
of which:			
variable remuneration for 2012 ³⁾	26.33	2.04	28.37
No. of beneficiaries	(751)	(169)	(920)

³⁾ including payments at termination of employment contract

¹⁾ Reference is made here to the Remuneration reports for 2010 and 2011. They describe in detail the unaltered remuneration system of the "risk takers" and the remuneration system of the members of the management board. The reader's attention is drawn to the 2010 Remuneration report regarding the also unchanged composition, tasks and organisational involvement of the bank's Remuneration Committee. The Remuneration reports are published on the Internet on the Aareal Bank AG home page.

²⁾ Excluding the Management Board of Aareal Bank AG (see here annual report 2012, p. 209 ff.).

Remuneration information under Section 8 (3) InstitutsVergV: Risk Takers¹⁾

In 2012, a total of 49 employees were employed as risk takers at Aareal Bank AG and in its subsidiaries as defined in Section 10a of the German Banking Act.²⁾

	Total
€ mn	
1) Total remuneration	16.95
No. of beneficiaries	(49)
of which: fixed remuneration	9.00
of which: variable remuneration (total incentive)	7.95
of which: cash bonus	1.90
of which: agreed but not yet disbursed bonus that depends on the sustainable profitability of the bank and is paid out after a deferral period of two years following on the origination of the claim (share bonus)	1.90
of which: foreshadowed and initially deferred components of the variable remuneration, extended over the deferral period of at least three years	4.14
of which: component granted as Restricted Cash Award	2.07
of which: component granted as Restricted Virtual Share Award	2.07
Components of the variable remuneration that depend on the bank's sustainable profitability	3.97
Component of variable remuneration reduced by malus provisions (penalty-triggering events)	0.00
2) Guaranteed remuneration at commencement of an employment contract ³⁾	0.00
No. of beneficiaries	(0)
3) Payments at termination of employment contract ⁴⁾	1.00
No. of beneficiaries	(2)

³⁾ Including payments on the basis of guarantee commitments

⁴⁾ The highest individual sum within the cited total sum is € 0.80 mn

¹⁾ Excluding the Management Board of Aareal Bank AG (see here annual report 2012, p. 209 ff)

²⁾ Of these, 47 risk takers are in Structured Property Financing and only two in Consulting/Services. Hence pursuant to Section 26a (2) of the German Banking Act, remuneration information at the segment level has been waived for reasons of confidentiality.

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