

**Joint report**  
**on the agreement**  
**to amend the Control and Profit Transfer Agreement agreement dated 2 January 2019**

The Management Board of Aareal Bank AG, Paulinenstrasse 15, 65189 Wiesbaden, Germany, registered under no. HRB 13184 in the commercial register at the Wiesbaden local court (Amtsgericht Wiesbaden),

and

the Management Board of DHB Verwaltungs AG, Paulinenstrasse 15, 65189 Wiesbaden, Germany, registered under no. HRB 31248 in the commercial register at the Wiesbaden local court (Amtsgericht Wiesbaden),

have issued the following joint report pursuant to sections 295 (1) sentence 2, 293a of the German Public Limited Companies Act (Aktiengesetz – "AktG") on an amendment to the control and profit transfer agreement entered into by the two parties.

Participation Neunte Beteiligungs GmbH and Düsseldorfer Hypothekenbank AG entered into a control and profit transfer agreement on 2 January 2019. Following the merger of Participation Neunte Beteiligungs GmbH with Aareal Bank AG, this agreement was transferred to Aareal Bank AG by way of partial universal succession. In addition, Düsseldorfer Hypothekenbank was renamed DHB Verwaltungs AG. Aareal Bank AG and DHB Verwaltungs AG entered into an agreement to amend the aforementioned control and profit transfer agreement on 20 December 2019.

The purpose of the control and profit transfer agreement now in force between Aareal Bank AG and DHB Verwaltungs AG is to create a tax group between the parties for the purpose of income tax and value-added tax. The tax group subsidiary, DHB Verwaltungs AG, is a wholly-owned subsidiary of Aareal Bank AG (tax group parent). In the agreement, the tax group subsidiary delegates its corporate management to Aareal Bank AG and undertakes to transfer any profits to it. In turn, Aareal Bank AG undertakes to absorb all losses incurred during the term of the agreement.

The amendment agreement entered into on 20 December 2019 amends the wording of the provisions governing the termination of the control and profit transfer agreement contained in article 4 (2) as follows:

"Either Party's right to terminate the Agreement without notice for good cause shall not be prejudiced. Aareal Bank may particularly terminate the Agreement for good cause if it no longer holds a majority interest in DHBV or in the event of any other material reason anticipated by R 14.5 (6) of the Corporate Tax Guideline 2015 or a corresponding regulation applicable on the date on which this Agreement is terminated."

The final sentence in this provision in the original control and profit transfer agreement has been deleted "This shall not prejudice the right to terminate the agreement subject to mutual consent in lieu of such termination for good cause."

This amendment reflects information provided by the Wiesbaden Tax Office I according to which this sentence could be construed as meaning that the agreement can be terminated in the absence of good cause, i.e. at any time and without any restrictions. Accordingly, the purpose of the amendment agreement is to clarify that the control and profit transfer agreement can only be terminated with immediate effect for good cause. There are no changes to any of the other provisions of the control and profit transfer agreement dated 2 January 2019.

Wiesbaden, 20 December 2019

Aareal Bank AG

DHB Verwaltungs AG

Management Board

Management Board