

Rotation of external auditors:

To comply with the provisions set out in Regulation (EU) No. 537/2014 on the obligation to rotate external auditors, Aareal Bank published the procedure for the selection of new external auditors for Aareal Bank AG and Aareal Bank Group for the 2021 financial year via the German Federal Gazette at the beginning of the 2019 financial year. An internal project team at Aareal Bank AG, set up by the Audit Committee, will carry out the selection process. The Audit Committee also resolved the material process steps, selection criteria, and material decisions. It received regular progress reports concerning the procedure, discussing, and if applicable, deciding upon any further steps. The project team comprised the Chairman of the Audit Committee, the Chief Financial Officer, Chief Risk Officer, the member of the Management Board responsible for Credit Management and executives of the divisions primarily concerned. In line with EU provisions, the entire process was designed in a fair, transparent, and non-discriminatory manner. Following the announcement in the German Federal Gazette, auditors were prompted to voice their interest in participating in the selection process. In a next step, the interested parties received comprehensive documentation, enabling them to hand in a substantiated written tender. Following the expression of interest, the candidates were given the opportunity to resolve unanswered questions in the next phase. The project team and the Chairman of the Audit Committee then analysed and assessed the tenders subsequently submitted in writing, selected the four candidates fulfilling most of the criteria determined by the Audit Committee, and invited these contenders to present their tender and introduce the most important team members in person. All members of the project team attended these presentations. Based on assessment of the presentations, the team narrowed the selection to two candidates, KPMG AG Wirtschaftsprüfungsgesellschaft and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, voicing a preference for KPMG AG Wirtschaftsprüfungsgesellschaft, and stating the reasons. This final report was submitted to the Audit Committee at its November 2019 meeting, which

the two final applicants also attended to introduce themselves personally. Based on this comprehensive reporting, the Audit Committee recommended to the Supervisory Board to propose that KPMG AG Wirtschaftsprüfungsgesellschaft be appointed to review, if applicable, any additional financial information required, within the meaning of section 115 (7) of the WpHG, during the 2021 financial year, until the next Annual General Meeting. They will then be appointed as external auditors for the financial and consolidated financial statements 2021 by the 2021 Annual General Meeting. The Supervisory Board has resolved to follow the preferential recommendation made by the Audit Committee.