



Independent Practitioner’s Limited Assurance Report¹

To Aareal Bank AG, Wiesbaden

We have been engaged to perform a limited assurance engagement on selected sustainability information marked with a symbol (✔) in the Sustainability Disclosures of Aareal Bank Group for the period from 1 January to 31 December 2016 (hereafter “Sustainability Disclosures”).

Management’s Responsibility

The management of Aareal Bank AG, Wiesbaden (hereafter the “Company”) is responsible for the preparation and presentation of the Sustainability Disclosures in accordance with the criteria as set out in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (hereafter the “GRI-Criteria”) and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Disclosures as well as the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Sustainability Disclosures, which is free of material misstatements due to intentional or unintentional errors.

Audit Firm’s Independence and Quality Control

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

The audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer“: “BS WP/vBP”) as well as the Institut der Wirtschaftsprüfer (“Institute of Public Auditors in Germany; IDW”): Requirements to quality control for audit firms (“Entwurf eines IdW Qualitätssicherungsstandards 1 „Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis” (IdW EQS 1)”) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s Responsibility

Our responsibility is to express an opinion on selected sustainability information marked with ✔ in the Sustainability Disclosures based on our work performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Sustainability Disclosures.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the sections marked with ✔ in the Sustainability Disclosures has not been prepared, in all material respects, in accordance with the GRI-Criteria.

¹ Our engagement applied to the German version of the Sustainability Disclosures (“Nachhaltigkeitsbilanz”). This text is a translation of the Independent Assurance Report issued in German—the German text is authoritative.



In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgement. This includes the assessment of the risks of material misstatements in the Sustainability Disclosures with regard to the GRI-Criteria.

Within the scope of our work we performed amongst others the following procedures:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement;
- Inquiries of personnel involved in the preparation of the Sustainability Disclosures regarding the preparation process, the underlying internal control system and the **selected sustainability information**;
- Analytical procedures on selected information of the Sustainability Disclosures;
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report ;
- Assessment of the presentation of selected sustainability information regarding the sustainability performance;
- Gaining further evidence for selected data of the Sustainability Disclosures due to inspection of internal documents, contracts and invoices/reports from external service providers.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability information marked with  in the Sustainability Disclosures of the Company for the period from 1 January to 31 December 2016 has not been prepared, in all material respects, in accordance with the GRI-Criteria.

Emphasis of Matter – Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- Further development of management approach and reporting for the material sustainability issues, e.g. by increased emphasis on Key Performance Indicators (KPIs) with (ideally quantified) targets and disclosing results related to implemented improvement measures;
- Further standardization and formalization of the reporting process and the underlying internal control system for sustainability information, e. g. by preparing a reporting manual, by using a standardized software solution for data gathering and by defining key controls to ensure data quality.



Restriction on Use and Distribution

We issue this report on the basis of the engagement agreed with Aareal Bank AG. The review has been performed for purposes of the Company and is solely intended to inform the Company about the results of the review. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

Munich, May 3, 2016

**PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft**

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Wirtschaftsprüfer

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