

Consolidated Financial Statements

193 Notes to the Statement of Financial Position

| | |
|-----|--|
| 193 | (44) Financial assets (ac) |
| 193 | (45) Loss allowance (ac) |
| 194 | (46) Financial assets (fvoci) |
| 194 | (47) Financial assets (fvpl) |
| 195 | (48) Non-current assets held for sale |
| 195 | (49) Investments accounted for using the equity method |
| 195 | (50) Intangible assets |
| 197 | (51) Property and equipment |
| 198 | (52) Income tax assets |
| 198 | (53) Deferred tax assets |
| 199 | (54) Other assets |
| 199 | (55) Financial liabilities (ac) |
| 200 | (56) Financial liabilities (fvpl) |
| 200 | (57) Non-current liabilities held for sale |
| 200 | (58) Provisions |
| 208 | (59) Income tax liabilities |
| 208 | (60) Deferred tax liabilities |
| 209 | (61) Other liabilities |
| 209 | (62) Equity |

213 Notes to Financial Instruments

| | |
|-----|---|
| 213 | (63) Net gains/losses of financial instruments by category |
| 213 | (64) Fair value hierarchy in accordance with IFRS 13 |
| 216 | (65) Comparison of carrying amounts and fair values of financial instruments |
| 216 | (66) Financial instruments that have not yet been switched to an alternative benchmark rate |
| 217 | (67) Disclosures on credit risk |
| 220 | (68) Reconciliation of gross carrying amounts of financial assets |
| 221 | (69) Modification effects |
| 222 | (70) Offsetting financial instruments |
| 224 | (71) Assets provided or accepted as collateral |
| 224 | (72) Transfer of financial assets without derecognition |
| 225 | (73) Derivative financial instruments |
| 227 | (74) Disclosures on hedging relationships |
| 230 | (75) Maturities of financial liabilities |

231 Segment Reporting

| | |
|-----|--|
| 231 | (76) Operating segments of Aareal Bank |
| 232 | (77) Segment results |
| 233 | (78) Breakdown of income and non-current assets by geographical market |

233 Other Notes

| | |
|-----|---|
| 233 | (79) Assets and liabilities in foreign currency |
| 234 | (80) Subordinated assets |
| 234 | (81) Leases |
| 235 | (82) Contingent liabilities and loan commitments |
| 236 | (83) Regulatory capital and capital management |
| 236 | (84) Disclosures on remuneration |
| 238 | (85) Related party disclosures in accordance with IAS 24 |
| 239 | (86) Events after the reporting date |
| 239 | (87) Contingencies |
| 239 | (88) Disclosures pursuant to section 160 (1) no. 8 of the AktG |
| 240 | (89) Statement pursuant to section 312 of the AktG |
| 240 | (90) Employees |
| 240 | (91) Nature and extent of interests in unconsolidated structured entities |
| 241 | (92) Country-by-Country Reporting |
| 243 | (93) List of shareholdings |
| 244 | (94) Executive Bodies of Aareal Bank AG |

Consolidated Financial Statements

Statement of Comprehensive Income

Income Statement¹⁾

| € mn | Note | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|---|------|---------------------|---------------------|
| Interest income from financial instruments (ac and fvoci) | | 2,129 | 2,618 |
| Interest income from financial instruments (fvpl) | | 45 | 65 |
| Market-driven modification gains | | 1 | 2 |
| Interest expenses for financial instruments (ac and fvoci) | | -956 | -1,372 |
| Interest expenses for financial instruments (fvpl) | | -285 | -251 |
| Market-driven modification losses | | 0 | -2 |
| Net interest income | 33 | 934 | 1,060 |
| Loss allowance excluding credit-driven net modification gain or loss | | -325 | -340 |
| Credit-driven net modification gain or loss | | 11 | -30 |
| Loss allowance | 34 | -314 | -370 |
| Commission income | | 54 | 47 |
| Commission expenses | | -50 | -51 |
| Net commission income | 35 | 4 | -4 |
| Net gain or loss on the derecognition of financial assets (ac) | | 27 | 31 |
| Net gain or loss on the derecognition of financial liabilities (ac) | | 1 | 0 |
| Net gain or loss on the derecognition of financial assets (fvoci) | | 0 | 0 |
| Net derecognition gain or loss | 36 | 28 | 31 |
| Net gain or loss from financial instruments (fvpl) | 37 | -5 | -44 |
| Net gain or loss from hedge accounting | 38 | -12 | 3 |
| Net gain or loss from investments accounted for using the equity method | 39 | 4 | 1 |
| Administrative expenses | 40 | -347 | -377 |
| Net other operating income/expenses | 41 | 4 | -6 |
| Operating profit (from continuing operations) | | 296 | 294 |
| Income taxes | 42 | -118 | -82 |
| Consolidated net income (from continuing operations) | | 178 | 212 |
| Net income from sold operations | 43 | 0 | 2,062 |
| Consolidated net income | | 178 | 2,274 |
| Consolidated net income attributable to: | | | |
| Non-controlling interests | | 0 | 0 |
| Shareholders of Aareal Bank AG | | 178 | 2,274 |
| Consolidated net income | | 178 | 2,274 |

¹⁾ In accordance with IFRS 5, net income from sold operations (see Note 43 for explanations) is reported separately.

Statement of Comprehensive Income

Reconciliation from Consolidated Net Income to Total Comprehensive Income

| € mn | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|---|---------------------|---------------------|
| Consolidated net income | 178 | 2,274 |
| Items that will not be reclassified subsequently to profit or loss | | |
| Changes in the reserve from remeasurements of defined benefit plans | 3 | 27 |
| Remeasurements of defined benefit plans | 5 | 40 |
| Taxes on remeasurements of defined benefit plans | -2 | -13 |
| Changes in the reserve from the measurement of equity instruments (fvoci) | 0 | 0 |
| Gains and losses from equity instruments (fvoci) | 0 | 0 |
| Reclassifications to retained earnings from equity instruments (fvoci) | 0 | 0 |
| Taxes on gains and losses from equity instruments (fvoci) | 0 | 0 |
| Items that are reclassified subsequently to profit or loss | | |
| Changes in the reserve from the measurement of debt instruments (fvoci) | 27 | -21 |
| Gains and losses from debt instruments (fvoci) | 40 | -30 |
| Reclassifications to the income statement from debt instruments (fvoci) | 0 | -1 |
| Taxes on gains and losses from debt instruments (fvoci) | -13 | 10 |
| Changes in the reserve from foreign currency basis spreads | 16 | -8 |
| Gains and losses from foreign currency basis spreads | 25 | -11 |
| Reclassifications to the income statement from foreign currency basis spreads | 0 | 0 |
| Taxes on gains and losses from foreign currency basis spreads | -9 | 3 |
| Changes in currency translation reserves | -55 | 21 |
| Gains and losses from translating foreign operations' financial statements | -38 | 5 |
| Reclassifications to the income statement from translating foreign operations' financial statements | 0 | 9 |
| Taxes on gains and losses arising from translating foreign operations' financial statements | -17 | 7 |
| Other comprehensive income | -9 | 19 |
| Total comprehensive income | 169 | 2,293 |
| Total comprehensive income attributable to: | | |
| Non-controlling interests | -1 | 6 |
| Shareholders of Aareal Bank AG | 170 | 2,287 |
| Total comprehensive income | 169 | 2,293 |

Statement of Financial Position

| € mn | Note | 31 Dec 2025 | 31 Dec 2024 |
|--|--------|---------------|---------------|
| Assets | | | |
| Financial assets (ac) | 44 | 39,111 | 40,428 |
| Cash funds (ac) | 11 | 328 | 2,605 |
| Loan receivables (ac) | 12 | 33,839 | 32,611 |
| Money market and capital market receivables (ac) | 13 | 4,876 | 5,142 |
| Receivables from other transactions (ac) | 15 | 68 | 70 |
| Loss allowance (ac) | 45 | -429 | -402 |
| Financial assets (fvoci) | 46 | 5,371 | 4,823 |
| Money market and capital market receivables (fvoci) | 13 | 5,370 | 4,822 |
| Equity instruments (fvoci) | 14 | 1 | 1 |
| Financial assets (fvpl) | 47 | 1,619 | 1,530 |
| Loan receivables (fvpl) | 12 | 324 | 381 |
| Money market and capital market receivables (fvpl) | 13 | 6 | 5 |
| Positive market value of designated hedging derivatives (fvpl) | 16 | 452 | 673 |
| Positive market value of other derivatives (fvpl) | 17 | 837 | 471 |
| Non-current assets held for sale | 28, 48 | 128 | 282 |
| Investments accounted for using the equity method | 18, 49 | 74 | 75 |
| Intangible assets | 19, 50 | 44 | 45 |
| Property and equipment | 20, 51 | 23 | 79 |
| Income tax assets | 21, 52 | 39 | 40 |
| Deferred tax assets | 22, 53 | 216 | 274 |
| Other assets | 23, 54 | 657 | 640 |
| Total | | 46,853 | 47,814 |
| Equity and liabilities | | | |
| Financial liabilities (ac) | 55 | 41,165 | 39,486 |
| Money market and capital market liabilities (ac) | 24 | 27,169 | 26,557 |
| Deposits from the housing industry (ac) | 25 | 13,213 | 12,216 |
| Liabilities from other transactions (ac) | 26 | 60 | 72 |
| Subordinated liabilities (ac) | 27 | 723 | 641 |
| Financial liabilities (fvpl) | 56 | 1,705 | 2,566 |
| Negative market value of designated hedging derivatives (fvpl) | 16 | 988 | 1,057 |
| Negative market value of other derivatives (fvpl) | 17 | 717 | 1,509 |
| Non-current liabilities held for sale | 57 | 0 | 9 |
| Provisions | 29, 58 | 152 | 159 |
| Income tax liabilities | 59 | 33 | 91 |
| Deferred tax liabilities | 22, 60 | 1 | 1 |
| Other liabilities | 30, 61 | 45 | 42 |
| Equity | 31, 62 | 3,752 | 5,460 |
| Subscribed capital | | 180 | 180 |
| Capital reserves | | 721 | 721 |
| Retained earnings | | 2,548 | 4,359 |
| AT1 bond | | 407 | 300 |
| Other reserves | | -129 | -121 |
| Non-controlling interests | | 25 | 21 |
| Total | | 46,853 | 47,814 |

Statement of Changes in Equity

| | Subscribed capital | Capital reserves | Retained earnings | AT1 bond | Other reserves | | | | | Total | Non-controlling interests | Equity |
|--|--------------------|------------------|-------------------|------------|--|--|--|---|------------------------------|---------------|---------------------------|---------------|
| | | | | | Reserve from remeasurements of defined benefit plans | Reserve from the measurement of equity instruments (fvoci) | Reserve from the measurement of debt instruments (fvoci) | Reserve from changes in the value of foreign currency basis spreads | Currency translation reserve | | | |
| € mn | | | | | | | | | | | | |
| Equity as at 1 January 2025 | 180 | 721 | 4,359 | 300 | -61 | -4 | -39 | -30 | 13 | 5,439 | 21 | 5,460 |
| Total comprehensive income for the period | 0 | 0 | 178 | 0 | 3 | 0 | 27 | 16 | -54 | 170 | -1 | 169 |
| Consolidated net income | 0 | 0 | 178 | 0 | 0 | 0 | 0 | 0 | 0 | 178 | 0 | 178 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 3 | 0 | 27 | 16 | -54 | -8 | -1 | -9 |
| Payments to non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | -1,941 | 0 | 0 | 0 | 0 | 0 | 0 | -1,941 | 0 | -1,941 |
| AT1 coupon | 0 | 0 | -68 | 0 | 0 | 0 | 0 | 0 | 0 | -68 | 0 | -68 |
| Increase in AT1 bond | 0 | 0 | 0 | 407 | 0 | 0 | 0 | 0 | 0 | 407 | 0 | 407 |
| Decrease in AT1 bond | 0 | 0 | 0 | -300 | 0 | 0 | 0 | 0 | 0 | -300 | 0 | -300 |
| Changes in ownership interests in subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 5 | 25 |
| Equity as at 31 December 2025 | 180 | 721 | 2,548 | 407 | -58 | -4 | -12 | -14 | -41 | 3,727 | 25 | 3,752 |

| | Subscribed capital | Capital reserves | Retained earnings | AT1 bond | Other reserves | | | | | Total | Non-controlling interests | Equity |
|--|--------------------|------------------|-------------------|------------|--|--|--|---|------------------------------|--------------|---------------------------|--------------|
| | | | | | Reserve from remeasurements of defined benefit plans | Reserve from the measurement of equity instruments (fvoci) | Reserve from the measurement of debt instruments (fvoci) | Reserve from changes in the value of foreign currency basis spreads | Currency translation reserve | | | |
| € mn | | | | | | | | | | | | |
| Equity as at 1 January 2024 | 180 | 721 | 2,128 | 300 | -86 | -4 | -18 | -22 | -4 | 3,195 | 105 | 3,300 |
| Total comprehensive income for the period | 0 | 0 | 2,274 | 0 | 25 | 0 | -21 | -8 | 17 | 2,287 | 6 | 2,293 |
| Consolidated net income | 0 | 0 | 2,274 | 0 | 0 | 0 | 0 | 0 | 0 | 2,274 | 0 | 2,274 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 25 | 0 | -21 | -8 | 17 | 13 | 6 | 19 |
| Payments to non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -2 | -2 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AT1 coupon | 0 | 0 | -33 | 0 | 0 | 0 | 0 | 0 | 0 | -33 | 0 | -33 |
| Increase in AT1 bond | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease in AT1 bond | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in ownership interests in subsidiaries | 0 | 0 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | -5 | -91 | -96 |
| Other changes | 0 | 0 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | -5 | 3 | -2 |
| Equity as at 31 December 2024 | 180 | 721 | 4,359 | 300 | -61 | -4 | -39 | -30 | 13 | 5,439 | 21 | 5,460 |

Statement of Cash Flows

| € mn | Cash flow 1 Jan – 31 Dec 2025 | Cash flow 1 Jan – 31 Dec 2024 |
|--|----------------------------------|----------------------------------|
| Consolidated net income | 178 | 2,274 |
| Additions to and reversals of loss allowances | 320 | 373 |
| Amortisation, depreciation, impairment and write-ups of non-current assets | 15 | 15 |
| Other non-cash changes | -230 | -126 |
| Interest expenses/income | -934 | -1,060 |
| Income tax expenses/benefit | 119 | 82 |
| Gains/losses on the disposal of non-current assets | 0 | 0 |
| Other adjustments | -144 | -47 |
| Adjusted consolidated net income | -676 | 1,511 |
| Changes in financial assets (ac) (excluding cash funds) | -2,280 | -418 |
| Changes in financial assets (fvoci) | -453 | -346 |
| Changes in financial assets (fvpl) | 160 | -123 |
| Changes in non-current assets held for sale | 138 | 97 |
| Changes in other assets | 15 | -19 |
| Changes in financial liabilities (ac) (excluding subordinated capital) | 1,767 | 35 |
| Changes in financial liabilities (fvpl) | -13 | -26 |
| Changes in provisions | -41 | -77 |
| Changes in other liabilities | -62 | 15 |
| Income taxes paid/income tax refunds | -119 | -137 |
| Interest received | 2,089 | 2,292 |
| Interest paid | -1,075 | -1,276 |
| Cash flow from operating activities | -550 | 1,528 |
| Proceeds from the disposal of equity instruments and investments accounted for using the equity method | 0 | 0 |
| Proceeds from the disposal of property and equipment and intangible assets | 0 | 2 |
| Payments for the acquisition of property and equipment and intangible assets | -15 | -18 |
| Effect of changes in reporting entity structure | 144 | -98 |
| Cash flow from investing activities | 129 | -114 |
| Dividends paid and AT1 coupon payments | -2,009 | -33 |
| Changes in subordinated liabilities | 44 | 253 |
| Changes due to other financing activities | 109 | -6 |
| Cash flow from financing activities | -1,856 | 214 |
| Cash and cash equivalents as at 1 January | 2,605 | 977 |
| Cash flow from operating activities | -550 | 1,528 |
| Cash flow from investing activities | 129 | -114 |
| Cash flow from financing activities | -1,856 | 214 |
| Cash and cash equivalents as at 31 December | 328 | 2,605 |

Notes

Basis of Accounting

Aareal Bank AG is a public limited company incorporated under German law, with its registered office in Paulinenstrasse 15, 65189 Wiesbaden, Germany. It is the parent company of an international property finance and services group, and registered under no. HRB 13 184 in the Commercial Register at the Wiesbaden local court (Germany). It is owned by Atlantic BidCo GmbH, which in turn is a subsidiary of Atlantic Lux HoldCo S.à r.l.

As a public limited company, Aareal Bank AG has prepared its consolidated financial statements for the financial year ended on 31 December 2025 in accordance with International Financial Reporting Standards (IFRSs) applicable within the European Union (EU) as at the reporting date, in connection with the provisions pursuant to Section 315e of the German Commercial Code (Handelsgesetzbuch – HGB). The reporting currency is the euro (€). In addition, the consolidated financial statements were prepared using the European Single Electronic Format pursuant to Commission Delegated Regulation (EU) No. 2019/815 as amended (i.e. in the XHTML format) and were complemented with tags based on Inline XBRL technology.

The Management Board approved the consolidated financial statements for publication on 24 February 2026; they will be published in the German Company Register (Unternehmensregister).

This report contains rounded numbers, which may result in slight differences when aggregating figures and calculating percentages.

Accounting Policies

(1) Accounting standards

Recognition and measurement within Aareal Bank Group are based on accounting policies applied consistently throughout the Group. The consolidated financial statements are prepared on a going concern basis.

We apply accounting policies – and the presentation of financial statements – consistently, in order to ensure the comparability of financial statements over time.

Information is presented in accordance with the principle of materiality. Minor differences may occur regarding the figures stated, due to rounding.

The Bank observes the general prohibition of setting off assets against liabilities. To the extent that the criteria of IAS 12.74 are met, deferred tax assets and deferred tax liabilities are offset. If the requirements set out in IAS 32.42 are met, financial assets and liabilities are reported on a net basis.

Income and expenses are recognised on an accrual basis and recorded in the income statement in the period to which they relate.

Interest income and expenses are recognised using the effective interest method (financial assets (ac) and (fvoci) as well as financial liabilities (ac)). In the case of impaired receivables, interest income and expenses are recognised only on the basis of the net carrying amount. Interest from derivatives designated for hedge accounting and economic hedging relationships is included in net interest income. Interest from derivative hedging instruments is shown under interest from financial instruments (ac and fvoci), while interest from economic hedging relationships is reported under interest from financial instruments (fvpl). We provide specific information on negative interest from financial assets or positive interest from financial liabilities in the Notes, under net interest income. These assets and liabilities are deposits as well as money market and securities repurchase transactions. The interest benefit from the ECB's Targeted Longer-Term Refinancing Operations (TLTRO) is recognised if there is reasonable certainty that it will be granted.

Dividend income is recognised when there is a corresponding legal title.

Commission income and expenses include revenue from the provision of services in the ordinary course of business. These services mainly include financings, sector-specific payments processes, digital tenant deposit solutions and investment offerings.

An asset is recognised in the statement of financial position when it is probable that an associated future economic benefit will flow to the Company and the asset can be measured reliably.

A liability is recognised if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when the settlement amount of the liability can be measured with sufficient reliability.

Aareal Bank provides risk information concerning financial instruments both in its Risk Report and in the Notes. For information on credit risks please refer to the presentation of credit default risk related to on-balance-sheet and off-balance-sheet transactions in the Risk Report as part of the Management Report and to Note 67 on credit risks. Further loss allowance scenario analyses are set out in Note 34. Information on interest rate sensitivities (section on interest rate risks) are disclosed in the Risk Report as part of the Management Report, where market price risks are also outlined. The risk-bearing capacity calculation (which is also a part of the Risk Report) aggregates the individual risk contributions of the individual risk types to overall risk, while the liquidity risks section of the Risk Report (as part of the Management Report) provides information on how we manage the liquidity risks related to financial instruments. Note 73 on derivative financial instruments details the cash flows from these instruments, whereas non-derivative financial liabilities are presented in Note 75 “Maturities of financial liabilities”.

(2) Management estimates and judgements

Aareal Bank’s consolidated financial statements permissibly include estimates and assumptions regarding the valuation of assets and liabilities. All estimates and assumptions required for accounting and valuation purposes in accordance with IFRSs are made in line with the respective standard, reviewed on an ongoing basis and based on historical experience and other factors, including planning details and expectations of future events that are probable, based on today’s information, and appear reasonable under the given circumstances.

In particular, the following topics are subject to estimation uncertainty and management judgements:

- the allocation to stages and the determination of loss allowance as part of the IFRS 9 impairment requirements (cf. section Loss allowance in Note (10) Recognition and measurement of financial instruments);
- the definition of business models and classification of financial instruments in accordance with IFRS 9 (cf. section Classification in Note (10) Recognition and measurement of financial instruments);
- the determination of fair values, including the assessment of the existence of an active or inactive market (cf. Note (9) Determination of fair value);
- the calculation of provisions (cf. Note (29) Provisions and Note (58) Provisions);
- the measurement of goodwill (cf. Note (19) Intangible assets and Note (50) Intangible assets);
- the valuation of properties (cf. Note (23) Other assets and Note (54) Other assets);
- the valuation of tax assets and liabilities (cf. Note (21) Tax assets and liabilities and Note (59) Income tax liabilities);
- the recognition and valuation of deferred taxes (cf. Note (22) Deferred tax assets / deferred tax liabilities and Note (53) Deferred tax assets and Note (60) Deferred tax liabilities).

Where there is significant estimation uncertainty, the assumptions made are explained in detail in the notes to the corresponding items.

(3) Changes in accounting policies

The following financial reporting standards (IASs/IFRSs) were applied for the first time in the reporting period:

- **IAS 21 Lack of Exchangeability**

The amendments to IAS 21 require an entity to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The new and revised standards and interpretations did not have material consequences for the consolidated financial statements of Aareal Bank Group.

Until 31 December 2025, the following financial reporting standards (IASs/IFRSs) and interpretations (IFRICs), which are required to be applied in future financial years, had been published by the International Accounting Standards Board (IASB) and endorsed by the EU Commission:

| New International Financial Reporting Standards / Interpretations | Issued | Endorsed | Effective date |
|---|------------|----------|--|
| IFRS 18 Presentation and Disclosure in Financial Statements | April 2024 | | Financial years beginning on or after 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | May 2024 | | Financial years beginning on or after 1 January 2027 |

| Revised International Financial Reporting Standards | Issued | Endorsed | Effective date |
|---|---------------|-----------|--|
| IFRS 9 Amendments to the Classification and Measurement of Financial Instruments | May 2024 | May 2025 | Financial years beginning on or after 1 January 2026 |
| Annual Improvements Volume 11 | July 2024 | July 2025 | Financial years beginning on or after 1 January 2026 |
| IFRS 9 Contracts Referencing IFRS 7 Nature-dependent Electricity | December 2024 | June 2025 | Financial years beginning on or after 1 January 2026 |
| IFRS 19 Amendments to Subsidiaries without Public Accountability: Disclosures | August 2025 | | Financial years beginning on or after 1 January 2027 |
| IAS 21 Amendments to The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency | November 2025 | | Financial years beginning on or after 1 January 2027 |

- **IFRS 18 Presentation and Disclosure in Financial Statements**

The new standard will replace the existing IAS I. IFRS 18 aims to improve the presentation of financial information, enhancing the transparency and comparability of financial statements. This involves fundamental changes to the structure of the statement of profit or loss, including the introduction of additional mandatory defined subtotals in the statement of profit or loss, such as the indication of operating profit. Moreover, income and expenses must be clearly allocated to one of the following five categories: operating, investing, financing, income taxes and discontinued operations (if applicable). Additional requirements apply for companies that provide financing to clients or invest in assets as a main business activity, such as banks and insurance companies. Where senior management uses self-defined performance indicators (that are not governed by other IFRSs) to manage the business, such management-defined performance measures (“MPMs”) will have to be disclosed in the Notes. The new standard will also impact the statement of cash flows: the option to present interest and dividend payments made and received in cash flow from operating activities or in cash flow from investing activities has been abolished. Instead, interest and dividends paid will generally be classified in cash flows from financing activities, and interest and dividends received in cash flows from investing activities.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 provides for significant relief in disclosure obligations for subsidiaries that are not themselves subject to public accountability and whose parent entity publish their consolidated financial statements in accordance with IFRSs. An entity has no public accountability if it has not issued (and is not in the process of issuing) any exchange-listed debt or equity instruments, and does not hold assets in a fiduciary capacity for a broad group of outsiders. The objective of the new standard is to reduce the effort and cost involved in the preparation of IFRS financial statements for eligible subsidiaries (that are not themselves obliged to prepare financial statements in accordance with IFRSs) while preserving the usefulness of information for users of financial statements.

- **IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments**

The amendments provide more detailed guidance regarding the measurement of financial instruments with environmental, social and governance (ESG)-linked features, observing the SPPI criterion. This facilitates carrying such instruments at amortised cost, provided that cash flows are not materially affected by ESG-linked features. Furthermore, the amendment covers the settlement of liabilities via electronic payment systems.

- **Annual Improvements Volume 11**

Improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

- **IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity**

The IASB has implemented amendments to IFRS 9 and IFRS 7 to clarify the accounting of electricity procurement contracts from renewable energies. The adjustments to IFRS 9 relate to the 'own-use' exemption and the accounting of hedges, including the option of including variable power volumes as hedged items. In IFRS 7, disclosure requirements have been added that require specific information on contracts referencing nature-dependent electricity, such as the type of transactions and the associated risks.

- **IFRS 19 Amendments to Subsidiaries without Public Accountability: Disclosures**

The adjustments to IFRS 19 provide relief for subsidiaries regarding various recent IASB announcements and reflect the IFRS amendments that will enter into force by 1 January 2027, i.e. when IFRS 19 is applicable for the first time.

- **IAS 21 Amendments to The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency**

The amendments include requirements on how enterprises must translate financial statements from a non-hyperinflationary currency into a hyperinflationary currency.

Aareal Bank Group did not opt for early application of these standards in the 2025 financial year, which are required to be applied in future financial years.

Aareal Bank Group is currently reviewing the effects of the application of the new and amended financial reporting standards on the consolidated financial statements.

(4) Consolidation

Consolidation principles

The consolidated financial statements present the parent company, Aareal Bank AG, and the subsidiaries included in the reporting entity structure as a single economic unit. The consolidated financial statements include all subsidiaries which are controlled directly or indirectly. A parent entity controls an investee when it has the power to direct the investee's relevant activities, has an exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of such returns. If control is exercised via voting rights, a parent-subsidiary relationship is deemed to exist if more than half of the voting rights are held directly or indirectly. In cases where voting rights are not conclusive in determining control relationships, other factors are used to assess whether the Group has the power over the company. For this purpose, an assessment is made of the following: purpose and design of an investee, what are the relevant activities of the company, what is the decision-making process in relation to these relevant activities and whether the Group, by virtue of its rights, currently has the ability to direct these relevant activities. In addition, an assessment is required as to whether the Group exercises control as principal or as agent, or whether a

third party acts as agent for the Group. If the assessment shows that the Group has the sole power over an investee and additionally has the ability to use its power over the investee to affect the amount of the investor's returns, the investee is included in the consolidated financial statements.

Consolidation of a subsidiary begins from the date the Group obtains significant influence (full consolidation). Subsidiaries are deconsolidated when there is no longer the ability to exercise significant influence.

Any non-controlling interests resulting from full consolidation are shown in the statement of financial position, as a separate item of equity. This also applies to a partial disposal without the loss of control over the subsidiary (sale of a non-controlling interest).

Initial consolidation of an entity in the event of an acquisition is based on the purchase method, in accordance with IFRS 3, whereby remeasured amounts must be used when recognising assets and liabilities (including any hidden reserves and hidden encumbrances) of an entity to be consolidated. This may lead to the recognition of new assets and liabilities (including contingent liabilities) that were previously not reported in the statement of financial position of the company to be consolidated. Any excess of acquisition cost over the Group's interest in the fair value of net assets is recognised as (positive) goodwill. Any negative goodwill resulting from this comparison is charged against income.

Intragroup transactions, balances and results of transactions between Group entities are eliminated. Accounting policies applied by subsidiaries were amended for the purpose of preparing consolidated financial statements to the extent required to ensure consistent accounting throughout the Group.

Joint arrangements are defined as contractual arrangements where two or more parties carry out business activities that are subject to joint control. Joint control only exists when the decisions about the relevant activities require unanimous consent of the parties sharing control. In general, a distinction is made between joint operations and joint ventures. The parties to a joint operation that have joint control have the rights to the assets, and the obligations for the liabilities, relating to the arrangement. Assets and obligations, as well as revenue and expenses are carried on a pro-rata basis. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are measured using the equity method.

Associates are companies in which the Group has an equity interest and may exercise significant influence, without having control. Significant influence is deemed to exist when an investor holds 20%-50% of the voting rights of a company. Associates are also measured using the equity method.

In accordance with the equity method, the Group's share in the profit or loss of associates and joint ventures is recognised in the consolidated income statement from the date of acquisition and is included in the carrying amount of the equity investment, taking into account interim distributions. Further information on investments accounted for using the equity method is included in Note (49).

Associates and joint ventures are no longer accounted for using the equity method from the date when the Group loses significant influence over the company or when joint control ends.

As at the reporting date, the Group was not exposed to material limitations as regards the access to, or use of, assets of the Group and as regards the settlement of liabilities of the Group.

Reporting entity structure

As at 31 December 2025, the reporting entity structure comprised 44 companies (2024: 52), including Aareal Bank AG as well as 40 (2024: 47) subsidiaries, no joint arrangements (2024: 0) and three associates (2024: four).

Two companies constituted the material removals from the reporting entity structure during the period under review; one company was added.

Within the scope of the sale of its Italian hotel operations to an external investor, Aareal Bank sold 100% of its shares in the two Italian subsidiaries La Sessola S.r.l. and La Sessola Service S.r.l. in April 2025. The sale price amounted to € 132 million.

Aareal Bank carried out a foreclosure in the USA, acquiring a US property; the RSP Owner LLC property was valued at € 65 million upon acquisition.

There were no other material changes to the reporting entity structure.

Note (93) “List of shareholdings” includes an overview of the Group companies.

(5) Currency translation

Individual line items in the financial statements of each Group entity are measured on the basis of the currency of the primary economic environment the respective entity operates in (“functional currency”).

The consolidated financial statements are prepared in euro, being both the functional and the reporting currency.

Monetary assets and liabilities denominated in a foreign currency, unsettled cash market/spot transactions and non-monetary items measured at fair value are all translated to the functional currency on the basis of the ECB reference rate prevailing on the balance sheet date. Non-monetary items measured at amortised cost are translated using historical rates.

Currency translation adjustments on monetary assets and liabilities must be recognised in income. Depending on the relevant measurement category, currency translation adjustments on non-monetary items are either recognised directly in equity (in the currency translation reserves), or recognised in the income statement (in net gain or loss from transactions measured at fair value).

Financial statements of consolidated subsidiaries, which are presented in a currency other than the euro, are translated at the ECB reference rate prevailing at the reporting date (statement of financial position) and at (monthly) average rates (income statement). Translation differences are recognised in equity, in the currency translation reserves.

(6) Revenue recognition

Aareal Bank Group recognises revenue in both segments. Revenue or other income is recognised when the performance obligation is satisfied which means that the services have been provided, i.e. the customer has obtained control.

Revenue recognition in the banking business mainly refers to the provision of loans, the administration of syndicated loans, payments processes or tenant deposit solutions for the property and energy industries. Aareal Bank Group recognises revenue in the same period in which the services are provided. When contracts comprise various performance obligations, each of the performance obligations are priced separately. Mostly, fixed fees are agreed. Commissions from the lending business mainly arise over a specified period of time, while commissions from other banking business arise mainly at a certain point in time. The customer obtains control over the service while Aareal Bank is providing the service. The agreed transaction price is invoiced to the customer on a pro-rata basis as at the end of an agreed period (normally monthly or quarterly). The Bank recognises the invoiced amount as revenue when it is entitled to a consideration in an amount that directly corresponds to the value of the services already provided. Invoiced amounts are payable immediately in the agreed amounts. Since the service has already been provided at the time the invoice is issued, an unconditional right to consideration arises, and a receivable due from the customer is recorded.

Standardised contracts are concluded within Aareal Bank Group for the vast majority of contracts with customers. This does not involve costs of obtaining a contract. In addition, there are no material amounts of variable consideration for the various services. The customers are not granted significant financing components.

(7) Leases

A lease is a contract or a part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In accordance with IFRS 16, a lessee has to recognise a liability for lease payments as well as an asset for the right to use the underlying asset during the lease term. The practical relief provided for by the IFRS 16 as regards short-term lease agreements and low-value leased assets is made use of. The lease liabilities include the present value of the lease payments to be made over the lease term. Lease payments may comprise:

- fixed payments less any lease incentives receivable,
- variable lease payments that depend on an index or interest rate,
- amounts expected to be payable under residual value guarantees,
- the exercise price of a purchase option if the exercise of the option is reasonably certain, and
- payments of penalties for terminating the lease if terminating the lease is reasonably certain.

To determine the present value, the lease payments are discounted using the interest rate implicit in the lease. If such rate cannot be determined, discounting is based on Aareal Bank Group's incremental borrowing rate for the corresponding maturity band and the corresponding currency. The lease term is determined as the non-cancellable period of a lease, taking into account both extension options and termination options if it is reasonably certain that such options will be exercised.

The right-of-use asset is measured upon initial measurement at cost which comprises the following amounts:

- the amount of the lease liability,
- any lease payments made to the lessor at or before the commencement date, less any lease incentives received from the lessor,
- any initial direct costs, and
- asset retirement obligations.

These items are re-measured at amortised cost. The right-of-use assets are depreciated on a straight-line basis over the lease term. Aareal Bank Group does not apply the IFRS 16 rules to leases where the Bank acts as the lessee involving intangible assets. If contracts include both lease components and non-lease components, the practical expedient as provided for by the standard not to separate these components is made use of.

Aareal Bank Group also acts as lessor, in which case a distinction has to be made between operating and finance leases. The basis for this classification is the extent to which the risks and rewards incidental to ownership of an underlying asset are attributable to either the lessor or the lessee. If a substantial portion of the risks and rewards remain with the lessor, the lease is classified as an operating lease. Where a substantial portion of the risks and rewards are transferred to the lessee, the lease is classified as a finance lease.

The major rental contracts of Aareal Bank Group as lessor are operating leases and mainly refer to let property. They are reported in the statement of financial position under "Other assets". Lease contracts are entered into individually and include various terms and conditions.

In the case of operating leases, the leased asset continues to be recognised as an asset at amortised cost. The lease payments received are reported in the income statement in "Net other operating income/expenses".

In the case of finance leases, Aareal Bank Group derecognises the carrying amount of the leased asset as at the commencement date and recognises a receivable at an amount equal to the net investment in the lease. Any gains or losses on disposal are recognised in the income statement.

For subsequent measurement, interest income from the lease receivable is recognised and the net investment in the lease is reduced by the lease payments received. Any impairment resulting from these lease receivables are included in the loss allowance in accordance with IFRS 9.

(8) Consolidated statement of cash flows

Aareal Bank Group's statement of cash flows records cash flows pertaining to the areas of operating activities, investing activities and financing activities for the period under review. The starting point of the consolidated statement of cash flows is the amount of cash and cash equivalents at the start of the reporting period, consisting of cash on hand, balances with central banks as well as public-sector debt instruments and bills of exchange eligible for refinancing at central banks.

Cash flows from operating activities are calculated using the indirect method, i.e. operating profit is adjusted for non-cash earnings components and cash changes in assets and liabilities used in operating activities are included.

Cash flows from investing activities include proceeds from and payments for property and equipment, intangible assets, equity instruments and investments ("effect of changes in reporting entity structure"). The "effect of changes in reporting entity structure" also includes purchases and disposals of foreclosures.

Cash flows from financing activities include cash flows from transactions with providers of equity and subordinated capital.

(9) Determination of fair value

The determination of fair value is governed by IFRS 13 and applies to both financial instruments and non-financial assets or liabilities. In accordance with IFRS 13.9, the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction under current market conditions at the measurement date. The determination of the fair value is based on the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. Another factor to be taken into account is whether Aareal Bank can enter into a transaction for the relevant asset or liability at the price in that market at the measurement date. The principal market is the market with the greatest volume and the highest level of activity for the asset or liability to which Aareal Bank has access. The most advantageous market is the market that maximises the amount that would be received to sell the asset, or minimises the amount that would be paid to transfer the liability.

Responsibility for the measurement of financial instruments lies with the Risk Controlling division and is made as part of the risk management process. Risk Controlling continually reviews the valuations and inputs and performs the necessary updates. This also includes the review and allocation of financial instruments to the fair value hierarchy. The measurement methodologies are validated on a regular basis by cross-divisional teams.

Fair value hierarchy

In accordance with IFRS 13.72 et seqq., the fair value determination is based on the fair value hierarchy pursuant to which the inputs used are classified into various hierarchy levels on the basis of their respective market proximity and objectivity. The fair value of assets and liabilities is allocated to Level 1 of the fair value hierarchy if it is determined on the basis of unadjusted qualifying prices in active markets for identical assets or liabilities. Fair values determined using inputs other than qualifying prices included within Level 1 that are observable for the financial instrument, either directly or indirectly, are included in Level 2 of the fair value hierarchy. Fair values determined using valuation techniques where one or more material inputs are not based on observable market data are assigned to Level 3 of the fair value hierarchy. The estimation uncertainties as regards fair value measurement increase the higher the level is.

To determine the reclassification of a financial instrument, the level at the beginning of the reporting period is compared with the level at the end of the reporting period, and any changes are disclosed.

Measurement methods

The property and public-sector loans included in loan receivables are measured using the discounted cash flow method for the purpose of the determination of fair value. Discounting of future cash flows of a transaction is based on transaction-specific risk-adjusted interest rates. These are derived on the basis of a virtually risk-free market interest rate for each currency depending on

the relevant term, taking into account add-ons for risks specific to the counterparty as well as credit costs based on the assumption that a regular-way transaction existed when the transaction was entered into. In the case of loans subject to fixed interest rates, the contractually agreed payments are used as future cash flows. The future cash flows for floating-rate loans are derived using the future forward interest rates, taking into account the relevant spread for customer-specific terms and conditions. In the case of defaulted loans, future cash flows are reduced by the expected losses. Debt securities for which no current market price is available in an active market and capital markets liabilities (including subordinated liabilities) and promissory note loans (receivables and liabilities) are measured through an analysis of future payments using the fully-capitalised earnings value approach, where the inputs are based on observable market data to the extent possible. These approaches include the discounted cash flow (DCF) method which is used to determine the present value of contractual cash flows until the expected end of the term. The present value is determined based on the benchmark curve applicable for the relevant market, taking into account mark-ups based on credit quality and liquidity. The valuation model used for options included in the transaction is the commonly used Black-Scholes model or numerical procedures. Money market receivables and liabilities are also measured using the discounted cash flow method.

The fair value of OTC derivatives is determined on the basis of sector-specific standardised measurement models, such as the present value method or option pricing models. These techniques are based on inputs of active markets, such as interest rates, yield curves and credit spreads. Since the derivatives are part of highly effective collateral agreements (Credit Support Annex to the ISDA Master Agreement and Collateral Annex to the German Master Agreement on Financial Derivatives Transactions) which are each subject to a master collateralisation agreement, measurement adjustments to reflect any potential counterparty credit risk or own credit risk (CVA and DVA) are not required for reasons of materiality. Nevertheless, with respect to defaulted property loans, receivables arising from associated derivatives are taken into account in the determination of loss allowances. The Bank uses the overnight interest rate swap curve (OIS curve) for the measurement of derivatives secured by cash collateral.

Amortised cost is an adequate estimate of fair value for cash funds, other loan receivables, deposits from the housing industry and liabilities from other transactions due to the short-term nature of these items.

(10) Recognition and measurement of financial instruments

Pursuant to IAS 32, a financial instrument is any contract that gives rise to a financial asset at one contracting party and a financial liability or equity instrument at another contracting party.

Recognition

Financial instruments (including derivative financial instruments) must be recognised if the reporting entity has become a party to the contractual provisions of such financial instruments. Trade date and settlement date are not the same for regular way purchases and sales of financial assets. Such regular way purchases and sales may be accounted for either at trade date or at settlement date. At Aareal Bank Group, financial instruments (fvpl) are recognised at the trade date, while all other financial instruments are recognised at the settlement date. This does not apply to financial guarantees and irrevocable loan commitments.

Financial instruments have to be derecognised when the contractual rights to the cash flows from the financial asset expire or an entity transfers the financial asset, including substantially all its risks and rewards. The modification of the contractual terms may also result in the derecognition of a financial instrument and the recognition of a new financial instrument.

Where risks and rewards are neither transferred nor retained, the financial asset is derecognised only up to the value of its continuing involvement. The value of the continuing involvement corresponds to the extent to which the Company continues to be exposed to changes in the value of the financial asset. A financial liability is derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged.

Modification

As a matter of principle, a modification is defined as any change made to existing terms of a loan agreement or a contractual adjustment during the loan or contract term. This applies regardless of the reasons for the modification (credit-driven or market-driven).

Contractual adjustments may either lead to the derecognition of the “old” and the recognition of a “new” asset when such adjustments are substantial to the extent that they, in essence, constitute a new asset (hereinafter referred to as “substantial modification”) or to the recalculation of the carrying amount and the recognition of a net modification gain or loss, when such adjustments constitute an adjustment of an existing asset (hereinafter referred to as “non-substantial modification”).

The contractual adjustments subject to modifications may generally be caused by the borrower’s credit quality and solvency (credit-driven modifications) or the granting of more favourable terms and conditions in an existing contract or the adjustment of the framework for financings as a result of changes in the customer’s financing needs (market-driven modifications).

Both substantial and non-substantial modifications have an impact on profit or loss.

The amount of net modification gains or losses arising from non-substantial modifications is determined by the difference of the gross carrying amounts before and after the modification. Net modification gains or losses arising from market-driven modifications are recognised in net interest income, while credit-driven modifications are reported in the loss allowance. Subsequently, the modified carrying amount of the receivable is amortised over the remaining term of the receivable and recorded in net interest income.

In the case of a substantial modification, the old asset has to be derecognised, and a new asset has to be recognised at fair value. In the case of market-driven modifications, the difference of the gross carrying amount to fair value is reported as net derecognition gain or loss after utilisation of the existing loss allowance. The basis for the assessment initially are qualitative criteria such as obligor change or the extension of terms of loans that are not subject to an impaired credit quality. If these criteria do not apply, it is reviewed whether the present value of the newly agreed cash flows discounted with the original effective interest rate deviate by at least 10% from the present value that results from discounting the original cash flows with the original effective interest rate. If this is the case, the matter also qualifies as a substantial modification. The derecognition and new recognition of the loan results in a new significance level being determined for a later migration in Stage 2. Credit-driven modifications in Stage 3 do not lead to derecognition; a loss allowance is recorded in an amount that covers the entire difference between the carrying amount and the fair value.

Measurement

Upon initial recognition, financial instruments are measured at fair value, for subsequent measurement at ac or fvoci (cf. section Classification), in each case plus any transaction costs.

Subsequent measurement of financial assets is based on the classification of the financial instrument. Depending on the classification, financial assets are measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. Investments in equity instruments are measured at fair value through profit or loss, unless an irrevocable election is made at initial recognition to present subsequent changes in fair value in other comprehensive income. Within Aareal Bank Group, this election is exercised as a rule due to the investment characteristics of the equity instruments.

Financial liabilities are measured at amortised cost.

In addition, financial assets and liabilities may be designated as at fair value through profit or loss if certain prerequisites are met. Aareal Bank Group does not make use of this option.

Classification

The classification, i.e. the determination of the measurement category of a financial asset, is to be assessed on the basis of two criteria. The objective criterion refers to the contractual design as to whether the payments solely represent payments of interest and principal on the principal amount outstanding (SPPI = solely payments of principal and interest). Relevant criteria were defined that are reviewed at initial recognition. For example, this may be financings with a primary investment risk or contractually agreed payments that depend on the borrower’s economic performance. The subjective classification criterion refers to the business model, i.e. the aim that a company pursues for a group of assets. Both the definition of business models and the allocation of financial instruments and portfolios to said business models are key judgements.

Subsequent measurement has to be based on amortised cost (ac) when the financial instrument is held in order to collect contractual cash flows (business model “Hold”) and additionally the contractual cash flows represent solely payments of principal and interest, i. e. are SPPI compliant. This classification category is used for a large portion of the lending and securities business.

Subsequent measurement at fair value, with changes in fair value being recognised initially directly in equity and subsequently reclassified to profit or loss (so-called recycling) (fair value through other comprehensive income (fvoci)), has to be made when financial instruments are SPPI compliant and are held either to collect contractual cash flows or to be sold (business model “Hold & Sell”). This applies to part of the securities business (liquidity reserve).

Subsequent measurement at fair value, with changes in fair value being recognised through profit or loss (fvpl), has to be made if the financial instrument is not SPPI compliant or cannot be allocated to one of the two business models mentioned above. The latter is the case for example when there is an intent of selling loans in the near term due to syndication covenants.

Loss allowance

Loss allowance is based on the internal staging and expected credit loss (ECL/EL) model of Aareal Bank. For this purpose, financial instruments measured at amortised cost and at fair value through other comprehensive income as well as irrevocable loan commitments and financial guarantees are allocated to various stages at both initial recognition and subsequent measurement. The related loss allowances are recognised in the amount of the twelve-month or the lifetime expected credit loss.

Stage 1: All financial instruments without impairment trigger are allocated to this stage at initial recognition. Any disposal and addition involving a substantial modification does not result in a change of allocation. If the counterparty credit risk is not significantly increased, the financial instrument has to remain in Stage 1 for subsequent measurement as well. Loss allowances are recognised in the amount of the losses expected from defaults occurring in the following twelve months and interest income is calculated on the basis of the gross carrying amount, applying the effective interest method. Loss allowances have to be recognised on a present value basis.

Stage 2: All financial instruments where credit risk has increased significantly since initial recognition are allocated to this stage. The determination of the significance level is a key judgement. Loss allowances are recognised in the amount of the losses expected for the entire remaining term of the instrument and interest income is calculated on the basis of the gross carrying amount, applying the effective interest method. Loss allowances have to be recognised on a present value basis. The significant increase in credit risk for the allocation to Stage 2 is determined using the so-called expected downgrade bank-internal staging model and taking into consideration quantitative and qualitative criteria. These criteria are the client’s credit rating, the intensity of client handling (intensified handling), the existence of forbearance measures and/or payment defaults for more than 30 days. If the significant increase in credit risk no longer applies, the financial instrument is re-transferred to Stage 1. A description of the credit risk methods and systems in place at Aareal Bank AG is presented in the Risk Report as part of the Group Management Report.

Stage 3: This stage includes all financial instruments where there is objective evidence of impairment (impairment trigger or credit impaired). Loss allowances are recognised in the amount of the losses of the lifetime expected credit loss, and interest income is calculated on the basis of the net carrying amount (i. e. gross carrying amount less loss allowance) using the effective interest method. The lifetime expected credit loss in Stage 3 is determined as the difference between the gross carrying amount and the present value of expected future cash flows (discounted using the original effective interest). If the impairment triggers no longer apply, the financial instrument is re-transferred to Stage 1 or 2.

POCI (purchased or originated credit impaired): This category includes all financial instruments that were subject to an impairment trigger at initial recognition. The loss allowance is recorded in the amount of the lifetime expected credit loss.

The expected credit loss is generally determined by Aareal Bank using a model-based procedure where, depending on the stage, one- or multi-year parameters are used. The calculation of the expected loss in Stage 1 and of lifetime expected credit loss in Stage 2 is based on the one-year or lifetime probability of default (PD), respectively, the loss given default (LGD), the expected exposure at default (EAD), a discount factor (DF) and the expected contractual term. Current and expected country-specific economic conditions such as the GDP, long-term interest rates, property price developments and unemployment rate are included in the LGD by means

of a scenario-weighted market value forecast, for the purpose of interpreting forward-looking information. This probability-weighted scenario mix reflects uncertainty concerning geopolitical and macroeconomic estimates and supplements our baseline scenario through the addition of divergent developments over an observation period of three years. In addition, the economic outlook is taken into consideration implicitly in the estimation of the future development of the borrowers' financial position and performance and the expected property cash flows and, hence, in the probability of default (PD).

Intensified handling triggers recognition of loss allowance, in the amount of lifetime expected credit loss for the financial instrument concerned (Stage 2). The same applies for financings for which a forbearance measure has been granted.

Model-based calculations of loss allowance may involve specific aspects related to the reporting date which require adjustments to the calculation (post-model adjustments). These may be related to known model weaknesses, technical processing issues or data deficiencies, as well as expert estimates of risks designed to remedy possible gaps in the model. Post-model adjustments – to the extent they were required as at the reporting date – are described in Note (34) on loss allowance.

A period of not more than twelve months is assessed for Stage 1, while the expected contractual term of the financial instrument has to be taken into account for Stages 2 and 3 (and, in addition, the expected term for repayment of the financial instrument in Stage 3).

The expected loss in Stage 3 is usually determined on the basis of individually estimated cash flows (ECF procedure) in three probability-weighted scenarios. The amount of the loss allowance is determined as being the difference between the gross carrying amount of the asset and the present value of the expected future cash flows from realising the collateral provided, discounted using the original effective interest rate applicable at initial recognition. For variable-rate financial instruments, the most recent interest rate fixing is used. Collateral is largely provided in the form of land charges or mortgages; these are measured at fair value of the respective scenario which is generally based on either the income capitalisation approach or the discounted cash flow method. The net carrying amount of the asset therefore corresponds to the present value of the expected future cash flows of the collateral provided.

According to the Bank's criteria for default, a debtor has defaulted if:

- the Bank considers it unlikely that the debtor will settle their liabilities in full without the Bank resorting to measures such as the realisation of collateral and/or
- a material liability of the debtor is more than 90 days past due.

The following criteria are indications that item a. is met and that the debtor is unlikely to settle their liability:

- waiving contractually agreed interest payments;
- specific credit risk adjustments;
- disposal of the liability at a significant credit-induced economic loss;
- crisis-related restructuring where this is likely to lead to a reduction in the debtor's liabilities through a significant waiver or forbearance;
- insolvency filing by the debtor or comparable measures taken against the debtor, preventing or delaying repayment;
- other indications that suggest that it is unlikely that the liabilities will be settled.

When assessing the criteria, the Bank includes other financial indicators such as the debt servicing capacity. Nevertheless, the assessment is subject to estimation uncertainty.

The recovery period begins as soon as the default criteria no longer apply. Where a debtor has fulfilled their interest rate and debt servicing capacity for at least three months and default criteria no longer apply during this time, the debtor is deemed to have recovered. In the event of contractual adjustments due to financial difficulties, the period is extended to 12 months and further criteria

must be met. In some cases, longer periods apply for regulatory purposes, meaning that there may be differences between the classification for accounting purposes and regulatory classification.

The loss allowance for debt instruments measured at amortised cost is reported in the item “Loss allowance (ac)”, for debt instruments measured at fair value through other comprehensive income in the item “Reserve from the measurement of debt instruments (fvoci)” and for loan commitments and financial guarantees under provisions. Debt instruments reported under POCI are accounted for on a net basis, i.e. without any loss allowance. Changes in loss allowance are reflected by increasing or decreasing the carrying amount through other loss allowance.

If the receivables are not recoverable, the corresponding loss allowance is utilised, and the receivable is written off. Direct write-offs are not made.

The loss allowance for receivables from other transactions is determined using a simplified procedure in the amount of the lifetime expected credit losses.

To the extent that receivables are hedged via the Significant Risk Transfer (SRT), expenses for loss allowance are reduced by any refund claims. The premium for the hedge is recognised in commission expenses.

The Bank does not use the option to recognise certain financial instruments as having a low default risk.

Hedging relationships

The risk management strategy set out in the Risk Report of the Group Management Report is the basis for the recognition of hedging relationships. At Aareal Bank Group, risks from value fluctuations are hedged in the case of transactions not measured at fair value through profit or loss. In this context, the risks from hedged items are intended to be offset by entering into hedging derivatives where the fair value changes have the opposite direction compared to those of the hedged item. Average prices of the hedges are not relevant for risk management. Hedging relationships are not recorded for transactions that are measured at fair value through profit or loss. The results from economic hedging relationships are offset in net gain or loss from transactions measured at fair value.

Hedge accounting in accordance with IFRS 9 distinguishes various forms of hedging relationships.

Fair value hedges are used to hedge hedged items against fair value changes resulting from changes in interest rates or from changes in interest and exchange rates that are determined accordingly as hedged risk. At Aareal Bank Group, property loans, securities and promissory note loans are typically hedged using interest rate swaps and cross-currency swaps. The derivatives used for hedging are accounted for at fair value through profit or loss. The offsetting fair value changes of the hedged item resulting from the hedged risk are also recognised through profit or loss. The proportion of the fair value changes of the hedged item not attributable to the hedged risk is accounted for in line with the classification of the hedged item. A fully effective hedging relationship results in offsetting measurement results. The hedging relationship may result in adjustments in the carrying amount of the underlying transaction. Such adjustments will only be recognised in income at the end of the transaction term.

Hedges of a net investment in a foreign operation are used to hedge currency risks arising on the translation of the net assets of foreign Group companies. The effective portion of measurement gains or losses from derivative hedging instruments is recognised directly in equity in the currency translation reserve. The ineffective portion of the hedging derivative's fair value changes has to be recognised in the income statement. The gain or loss on the hedging derivative relating to the effective portion of the hedge that has been recognised directly in equity shall be recognised in profit or loss on disposal of the foreign operation. Any translation differences resulting from the translation of the financial statements of a foreign operation with a different functional currency into the Group currency also have to be recognised directly in equity in the currency translation reserve; they will be reclassified to the income statement upon disposal of the foreign operation.

The effectiveness of hedging relationships is reviewed by way of a forward-looking sensitivity analysis regarding the hedged risks. For this purpose, basis point values, i.e. sensitivities of the IFRS carrying amounts of the hedged items and the hedging transactions, are compared. Currency basis spreads are accounted for as hedging costs, with fair value changes of this element recognised in

other comprehensive income. In the event of any changes to hedging relationships occurring in the course of risk management, the hedge ratio of existing hedges and/or hedged items is adjusted accordingly.

Please also refer to our explanations in Notes (38) and (74).

(11) Cash funds

Cash funds include cash on hand and balances with central banks. Cash funds are exclusively allocated to the measurement category “ac”.

(12) Loan receivables

The item “Loan receivables” comprises property loans, public-sector loans and other loan receivables, including deferred interest. Loan receivables can be allocated to all measurement categories. At present, they are allocated to the ac and fvpl measurement categories. The portion of loan commitments not disbursed is reported as contingent liabilities.

(13) Money market and capital market receivables

The item “Money market and capital market receivables” comprises money market receivables, promissory note loans and debt securities, including deferred interest. Money market and capital market receivables may generally be allocated to all measurement categories.

(14) Equity instruments

This item includes unconsolidated equity instruments. They are allocated to the measurement category “fvoci”.

(15) Receivables from other transactions

The item “Receivables from other transactions” comprises trade receivables and other financial receivables. Receivables from other transactions are exclusively allocated to the measurement category “ac”.

(16) Positive market value of designated hedging derivatives/Negative market value of designated hedging derivatives

The items “Positive market value of designated hedging derivatives” and “Negative market value of designated hedging derivatives” include derivatives with positive or negative market values from fair value hedges and hedges of a net investment in a foreign operation, including deferred interest. Derivatives are exclusively allocated to the measurement category “fvpl”. The basis for the recognition of hedging relationships is described in the chapter “Recognition and measurement of financial instruments” in this section. Effects from the measurement of these derivatives are reported in the item “Net gain or loss from hedge accounting”, together with the effects from the measurement of the transactions.

(17) Positive market values of other derivatives/Negative market value of other derivatives

Derivative financial instruments that are not part of recognised hedging relationships are reported in Aareal Bank Group under positive or negative market values of other derivatives. They are mainly used to hedge economic market price risks. Derivatives are exclusively allocated to the measurement category “fvpl”. Results from the measurement and the termination of the derivatives are reported in the item “Net gain or loss from financial instruments (fvpl)”. Interest received or paid in connection with these derivatives is also recorded generally in the item “Net gain or loss from financial instruments (fvpl)”. Interest received or paid for derivatives

entered into for hedging purposes which, however, do not meet the hedge accounting criteria, is reported in net interest income. Effects from the measurement of these derivatives are reported in the item “Net gain or loss from financial instruments (fvpl)”, together with the effects from the measurement of the transactions.

(18) Investments accounted for using the equity method

The item “Investments accounted for using the equity method” includes shares in companies where Aareal Bank Group can exercise significant influence (associates) as well as shares in joint ventures.

Investments in associates included in this item are recognised at cost when the significant influence arises, and subsequently carried at amortised cost whereby, in particular, the share of results of operations of any financial year is recognised in income.

The equity method applied to the major associates was based on the most recent available financial statements.

(19) Intangible assets

The item “Intangible assets” consists of proprietary software, goodwill and other intangible assets such as purchased software and licences.

Intangible assets (except goodwill) are carried at cost, less accumulated amortisation and any impairment losses.

Research costs incurred in connection with software development are expensed as they are incurred. Development costs are capitalised from the time when the software development can be regarded as completed from a technical perspective, if the production of the internally developed software is likely to generate an economic benefit and the costs can be reliably determined. They are amortised on a straight-line basis, using an estimated economic life of generally five years. Purchased software is also deemed to have a limited useful life. Amortisation is recognised in administrative expenses.

Goodwill is defined as the excess of the cost of acquisition over the fair value of the Group’s interest in the net assets of an acquired entity, at the time of acquisition (positive difference). Goodwill is carried at historical cost less accumulated impairments. Any negative goodwill arising upon acquisition is immediately recognised in income.

In case the annual impairment test (which must be carried out at least on an annual basis) shows that there are indications of impairment of intangible assets (as set out in IAS 36) and that the recoverable amount is lower than the carrying amount of the asset concerned, the asset is written down through profit or loss, to the estimated recoverable amount.

If it is impossible to estimate the recoverable amount for a specific asset, the recoverable amount of the cash-generating unit that the asset belongs to must be determined. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Aareal Bank Group defines cash-generating units either on the basis of a single subsidiary or on product level. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs to sell and value in use. Value in use is the present value of future cash flows expected to arise from the continuing use of an asset or cash-generating unit. Future cash flows are determined based on medium-term projections. The present value of the future cash flows is determined using discount factors which are in line with the risks involved. Accordingly, the recognition of intangible assets and the impairment test are also subject to estimation uncertainties.

(20) Property and equipment

Property and equipment includes owner-occupied land and buildings as well as office furniture and equipment, and their right-of-use assets. Property and equipment is measured at cost, less accumulated depreciation, impairment losses and write-downs. Depreciation, impairment losses and write-downs are reported under administrative expenses, while those of the owner-operated hotel are shown in net other operating income/expenses.

Owner-occupied buildings reported under property and equipment are depreciated on a straight-line basis, over a period of 25 to 50 years. Owner-occupied land is not depreciated. Please refer to the explanations in the Notes on other assets for the accounting method to be applied for land and buildings which are not owner-occupied. Office furniture and equipment items are depreciated using the straight-line method, applying the following periods:

| | Depreciation period |
|--------------------------------------|---------------------|
| Other property and equipment | |
| IT equipment | 3-7 years |
| Other office furniture and equipment | 5-13 years |

Tenant improvements are depreciated based on the principles applicable for the relevant building.

For details on recognising impairments as defined in IAS 36, please refer to the explanations in the Note on intangible assets in this section.

Gains and losses upon disposal of property and equipment are recognised in income (in net other operating income/expenses).

The costs to purchase property and equipment in the amount of up to € 250.00 (low-value assets) are expensed as they are incurred.

Any items of property and equipment with a cost of more than € 250.00 net, but not exceeding € 1,000.00, can be combined in a collective account for the year, which is then depreciated on a straight-line basis over a period of five years.

(21) Income tax assets/income tax liabilities

The measurement of uncertain tax positions is made using the best estimate of the expenditure required to settle the obligation (most likely amount). In contrast, measurement is based on the expected value if this helps to achieve a more precise estimate.

In 2021, the OECD adopted regulations aimed at ensuring effective global minimum taxation levels, and at counteracting aggressive tax arrangements (the so-called Pillar Two rules), which were implemented by the EU in 2022. Germany announced the adoption of the Minimum Taxation Directive Implementation Act (Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – “MinStG”) on 27 December 2023, transposing these international regulations into German law. The rules have been applicable for the first time for financial years beginning after 30 December 2023. As part of a multinational group of companies, Aareal Bank AG has consolidated revenue in excess of € 750 million, which means that minimum taxation rules are applicable to the Group. Based on current information, this will involve business units in 12 countries, bearing in mind that the rules have also been adopted in these countries (with the exception of the US).

However, Aareal Bank AG is not the ultimate parent pursuant to section 4 (3) of the MinStG: this is Atlantic LuxCo S.à r.l.; Atlantic BidCo GmbH is the group responsible entity (“Gruppenträger”) in Germany pursuant to section 3 (3) sentence 2 of the MinStG. Aside from significant implementation costs due to additional tax reporting, no material tax effects or top-up taxes are anticipated since the effective tax rate (considering all tax adjustments) is above 15% in all countries in which the Bank is active. To the extent possible, Aareal Bank will use the transitional provisions and simplification rules provided by sections 79-81, 84-87 and 89 of the MinStG. The Bank has determined that global minimum tax is an income tax. Pursuant to section 274 (3) of the HGB, any differences arising from application of the MinStG (or comparable foreign tax regulations) need not be taken into account when determining deferred taxes.

(22) Deferred tax assets/deferred tax liabilities

Deferred tax assets are recognised when they are deemed recoverable. The recoverability is assessed using tax planning (internal assessment) on the basis of medium-term Group planning. Accordingly, deferred tax assets are only recognised to the extent that we deem it probable that future taxable profits will be available against which the temporary differences and tax loss carryforwards can be utilised. In this context, the matters underlying the deferred tax items were subjected to a maturity analysis. Deferred taxes

are calculated on the basis of country- and company-specific tax rates expected to apply at the time of the realisation of temporary differences and set-off against loss carryforwards.

Deferred tax assets and deferred tax liabilities are offset in accordance with IAS 12.74 when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or tax group.

We generally assume that the deferred tax items are of a long-term nature. The remaining maturity or the time of the expected realisation is long-term when there is more than one year between the reporting date and the maturity date.

(23) Other assets

The item “Other assets” includes, amongst other things, properties and contract assets. Properties reported under “Other assets” are intended for disposal. They are measured at the lower of cost or net realisable value, in accordance with IAS 2, and therefore are subject to estimation uncertainties.

The properties are generally valued using the discounted cash flow (DCF) method, based on valuation reports. Within the DCF method, the expected future cash flows of a property are forecast over a period of time and then discounted to the measurement date as the present value. Estimation uncertainties arise from the macroeconomic environment, expected cash flows, property-specific features and capitalisation rates as key valuation parameters. The sensitivity is disclosed in Note (54) Other assets. For the range of potential profits and losses for the next financial year, please refer to the property risk amount in the risk-bearing capacity calculation presented in the Risk Report as part of the Management Report.

(24) Money market and capital market liabilities

The item “Money market and capital market liabilities” comprises money market liabilities, mortgage Pfandbriefe, registered public-sector Pfandbriefe, promissory note loans and other debt securities, including deferred interest. Money market and capital market liabilities are allocated to the measurement category “ac”.

(25) Deposits from the housing industry

The item “Deposits from the housing industry” includes deposits payable on demand and term deposits, including deferred interest. Deposits from the housing industry are allocated to the measurement category “ac”.

(26) Liabilities from other transactions

The item “Liabilities from other transactions” comprises trade payables and other financial liabilities. Liabilities from other transactions are exclusively allocated to the measurement category “ac”.

(27) Subordinated liabilities

Subordinated funds raised do not provide for any early repayment obligation. In the event of liquidation or insolvency, claims on interest and principal from these liabilities are subordinated to the claims of all other creditors, which are not subordinated themselves. Subordinated liabilities are allocated to the measurement category “ac”.

(28) Non-current assets held for sale and discontinued operations (IFRS 5)

Assets or business areas (disposal groups) held for sale are reported under the item “Assets held for sale and discontinued operations (IFRS 5). An asset is classified as “held for sale” and reported in a separate category if its disposal within the next twelve months is

highly probable. In accordance with IFRS 5, the asset is measured at the lower of carrying value and fair value, except for financial assets covered by IFRS 9 “Financial Instruments”. Income and expenses of a disposal group (for instance, a sold business) are reported separately in the income statement to ensure reporting transparency.

(29) Provisions

The item “Provisions” comprises provisions for pensions and similar obligations, provisions for staff expenses and non-staff operating costs, provisions for risks related to unrecognised items in the lending business, provisions for legal or tax risks, as well as other provisions. Other provisions also include restructuring provisions. Provisions are recognised when there is a present legal or constructive obligation towards third parties as at the reporting date arising from a past event, the outflow of resources to meet this obligation is probable and the amount of the obligation can be reliably estimated. The measurement of provisions is made using the best estimate of the expenditure required to settle the obligation (most likely amount). In the context of acquisitions in accordance with IFRS 3, contingent liabilities were also recognised at their fair value (expected value). These are released when the reasons for their recognition cease to exist.

Measurement is subject to numerous uncertainty factors and often requires significant estimates made by management in relation to various factors. Such estimates may subsequently turn out to be incorrect. The final amount of the liabilities may deviate significantly from the measurement previously made in accounting. For example, the outcome of individual legal proceedings may not be predicted with certainty.

If utilisation from the obligation is not expected in the short term, i.e. within twelve months, the provision will be recognised at present value.

Provisions for pensions and similar obligations

Aareal Bank Group maintains various pension plans as defined in IAS 19. For the purpose of reporting pension obligations, IAS 19 makes a distinction between defined contribution plans and defined benefit plans.

Under defined contribution plans, an enterprise pays fixed contributions into a separate entity or a fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions paid to the statutory pension insurance scheme are also classified as defined contribution plans. The contributions paid to a defined contribution plan are recorded as staff expenses.

Defined benefit obligations are all pension obligations that do not meet the criteria of a defined contribution obligation. The amount of obligations usually depends on one or several factors, including age, length of service, and salary.

The Group’s obligations under defined benefit plans are recognised as a provision in the consolidated statement of financial position. These are based on general works agreements on an employee pension scheme, individual agreements with executive staff as well as individual agreements concluded with the members of the Company’s senior management. Projected economic and demographic developments as well as salary trends must be applied to the calculation of the provisions. Calculating the amount of provisions in the Group is based on actuarial opinions which are prepared by external actuaries on the basis of Aareal Bank-specific and Group-wide standardised parameters.

Provisions for pensions and similar obligations under defined benefit plans are determined based on actuarial opinions in accordance with IAS 19 on the basis of the projected unit credit method; the various defined benefit plans are measured separately. The fair value of the plan assets is deducted from the present value of the pension obligation, taking into account, if applicable, the rules for the asset ceiling in relation to a surplus of plan assets over the benefit obligation. The resulting amount represents the net defined benefit liability (provision) or the net defined benefit asset. Net interest expense in the financial year is determined by applying the discount rate calculated at the beginning of the financial year to the net liability calculated as at that date. The discount rate used to determine the present value of the obligation is based on the capital market rate of high quality corporate bonds with comparable maturities at the reporting date. Determination is based on the GlobalRate:Link method by Willis Towers Watson. The data basis consists of corporate bonds recorded by Bloomberg which have a rating of at least “AA” and are denominated in the same currency as

the underlying pension obligation. The GlobalRate:Link method was refined in the reporting year, effective 31 July 2025, and expanded to include callable corporate bonds with a remaining term of up to one year. The adjustment to the method represents a change in an accounting estimate in accordance with IAS 8.39. The conversion effect amounted to approximately +25 basis points as at 31 December 2025 and led to a reduction in the pension obligation at Group level by approximately € 12.1 million. Actuarial gains and losses (remeasurements), which – in connection with the amount of obligations – arise on changes in expectations regarding life expectancy, occurrence of insured events, pension increases, salary development and discount rate compared to the estimation made at the beginning of the period or compared to the actual trend during the period, are recorded in other comprehensive income in the item “Changes in the reserve from remeasurements of defined benefit plans”. Actuarial gains and losses (remeasurements) recorded in other comprehensive income may not be reclassified subsequently to profit or loss (recycling). Differences between the expected return on plan assets, determined at the beginning of the period using the then applicable discount rate, and the actual return on plan assets (remeasurement) at the end of the period are also recognised in other comprehensive income. Actuarial gains and losses as well as the difference between expected and actual return on plan assets are included in other reserves. They are reported separately in the statement of changes in equity. Thus, the recognition of pension obligations is also based on estimates which are subject to uncertainty.

Share-based payment

Aareal Bank Group maintains share-based payment plans subject to cash settlement in accordance with IFRS 2. We refer to our comments in Note (84) to the consolidated financial statements, which include a detailed description of the plans and their scope as well as information on the valuation model applied and the effects of share-based payments on the Group’s financial position and performance.

Provisions for obligations arising from share-based remuneration plans are recognised under administrative expenses, in the amount of the fair value of the relevant obligation as at the reporting date.

(30) Other liabilities

The item “Other liabilities” includes, among other things, contract liabilities, deferred income and liabilities from other taxes.

(31) Equity

The item “Equity” comprises subscribed capital, capital reserves, retained earnings and other reserves. Other reserves include the reserve from remeasurements of defined benefit plans, the reserves from the measurement of equity and debt instrument at fair value through other comprehensive income, the reserve from changes in the value of foreign currency basis spreads and the currency translation reserve. In addition, the item “Equity” includes non-controlling interests as well as the so-called Additional Tier I bond (AT I bond). The AT I bond is classified as equity since there is neither an obligation to repay the bond nor is there an obligation for ongoing debt service (payment of a dividend). The transaction costs directly attributable to the issue of the AT I bond as well as dividends paid are deducted directly from equity, net of taxes.

(32) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when due. A guarantor recognises a financial guarantee contract as a liability at the date of addition, using the fair value of the guarantee obligation. The obligation is subsequently measured at the greater of the impaired amount determined via the IFRS 9 impairment method and the original amount which, upon addition, corresponds to the premium, less any accumulated amortisation. Within Aareal Bank Group, financial guarantee contracts are presented based on the present value of the claim resulting from the future premium payments of the holder, and offset with the obligation for the guarantee (net basis).

Notes to the Statement of Comprehensive Income

(33) Net interest income

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|--|---------------------|---------------------|
| Interest income from financial assets (ac and fvoci) | 2,129 | 2,618 |
| Loan receivables | 1,896 | 2,291 |
| Money market and capital market receivables | 233 | 327 |
| Interest income from financial instruments (fvpl) | 45 | 65 |
| Loan receivables | 20 | 37 |
| Other derivatives | 25 | 28 |
| Market-driven modification gains | 1 | 2 |
| Total interest and similar income | 2,175 | 2,685 |
| Interest expenses from financial liabilities (ac) | -956 | -1,372 |
| Money market and capital market liabilities | -809 | -1,201 |
| Deposits from the housing industry | -106 | -145 |
| Liabilities from other transactions | -2 | -2 |
| Subordinated liabilities | -39 | -24 |
| Interest expenses for financial instruments (fvpl) | -285 | -251 |
| Other derivatives | -285 | -251 |
| Market-driven modification losses | 0 | -2 |
| Total interest and similar expenses | -1,241 | -1,625 |
| Total | 934 | 1,060 |

As expected, net interest income decreased year-on-year, to € 934 million (2024: € 1,060 million), mainly as a result of the lower interest rate levels. Historically, however, the net interest income figure remained at a high level, thanks to a year-on-year increase in the credit portfolio size, healthy margins and high average deposit volumes.

(34) Loss allowance

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|---|---------------------|---------------------|
| Additions | 459 | 444 |
| Reversals | -118 | -99 |
| Recoveries on loans and advances previously written off | -6 | -4 |
| Loss allowance – other items | -10 | -1 |
| Credit-driven net modification gain or loss | -11 | 30 |
| Total | 314 | 370 |

Loss allowance totalled € 314 million (2024: € 370 million), which was largely attributable to individual new loan defaults of US property finance exposures plus expenses of € 55 million for additional loss allowance recognised for stage 1 and 2 exposures (management overlay).

Model-based loss allowance (stages 1 and 2) totalling € 146 million was determined on the basis of the default forecasts using an enhanced rating procedure, for which we also expect final regulatory approval in the first half of 2026. Technical implementation of the new rating model permits the model-based determination of credit ratings using the enhanced rating model. Further develop-

ments based on most recent observations in an environment of higher interest rates were taken into account as at the valuation date. This constitutes a change in accounting estimates in accordance with IAS 8.39. These further developments resulted in an increase in model-based loss allowance of approximately € 45 million.

A post-model adjustment (management overlay) of € 55 million was recognised on top of this. This overlay reflects higher migration risks in the credit portfolio in 2025 compared with the long-term average, driven in particular by the US portfolio. 2025 was an exceptional year in view of the volatile external environment and a number of unusual developments in the credit portfolio, especially in the US business. Given these circumstances and the existing geopolitical volatility, particularly in the US portfolio, an overlay was quantified on the basis of observations of loan defaults during the reporting year, using the commercial property financing credit portfolio as an overall population. A significant amount of the post-model adjustment recognised is attributable to the US portfolio.

The methodology for determining loss allowance is outlined in the chapter “Accounting policies”: Note (10) Recognition and measurement of financial instruments.

The recognition of loss allowance and the collateral values used are based on the evaluation of seven different macroeconomic scenarios, which are given different weightings. The most probable of these is called the “Baseline” scenario and is described in detail in the chapter “Macroeconomic environment”. Adverse scenarios designed to reflect downturns on the financial markets and the escalation of geopolitical and trade conflicts together have an aggregate weight of 28 %.

A stress scenario (based on this year’s ECB stress test) with a 10 % probability is included in the calculations, as well as an ESG scenario, also with a probability of 10 %.

In the following, three major macroeconomic factors are compared in order to classify the evaluated scenarios:

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|-------|-------|-------|
| % | | | | |
| “Positive” scenario (16 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | 1.1 | 2.1 | 2.1 |
| USA | 2.0 | 3.1 | 3.6 | 2.8 |
| UK | 1.4 | 1.1 | 1.7 | 2.1 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.3 | 6.1 | 5.9 |
| USA | 4.3 | 4.3 | 3.8 | 3.7 |
| UK | 4.4 | 4.6 | 4.4 | 4.1 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.3 | 3.6 | 3.6 |
| USA | 4.3 | 4.3 | 4.5 | 4.6 |
| UK | 4.6 | 4.7 | 4.5 | 4.1 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 100 % | 102 % | 103 % |

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|-------|-------|-------|
| % | | | | |
| “Baseline” scenario (36 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | 0.9 | 1.6 | 1.7 |
| USA | 2.0 | 2.5 | 2.4 | 2.3 |
| UK | 1.4 | 1.0 | 1.4 | 1.5 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.4 | 6.3 | 6.1 |
| USA | 4.3 | 4.4 | 4.2 | 4.2 |
| UK | 4.4 | 4.6 | 4.6 | 4.4 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.2 | 3.3 | 3.3 |
| USA | 4.3 | 4.1 | 4.2 | 4.2 |
| UK | 4.6 | 4.5 | 4.1 | 3.8 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 100 % | 101 % | 103 % |

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|------|-------|-------|
| % | | | | |
| “Adverse 1” scenario (12 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | 0.0 | 1.1 | 2.5 |
| USA | 2.0 | 0.8 | 2.0 | 3.0 |
| UK | 1.4 | 0.4 | 0.8 | 2.2 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.6 | 6.7 | 6.3 |
| USA | 4.3 | 4.7 | 4.7 | 4.3 |
| UK | 4.4 | 4.7 | 5.0 | 4.7 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.0 | 2.8 | 2.9 |
| USA | 4.3 | 3.3 | 3.2 | 3.6 |
| UK | 4.6 | 4.2 | 3.6 | 3.2 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 99 % | 100 % | 103 % |

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|------|-------|-------|
| % | | | | |
| “Adverse 2” scenario (8 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | 0.4 | 1.1 | 1.3 |
| USA | 2.0 | 1.4 | 2.4 | 2.8 |
| UK | 1.4 | 0.6 | 0.8 | 1.0 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.5 | 6.6 | 6.5 |
| USA | 4.3 | 4.7 | 4.4 | 4.2 |
| UK | 4.4 | 4.7 | 5.0 | 5.1 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.7 | 3.2 | 3.0 |
| USA | 4.3 | 4.4 | 4.0 | 4.1 |
| UK | 4.6 | 4.9 | 4.1 | 3.6 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 99 % | 100 % | 102 % |

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|------|------|-------|
| % | | | | |
| “Adverse 3” scenario (8 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | -0.6 | 0.5 | 2.3 |
| USA | 2.0 | -1.0 | -0.5 | 2.8 |
| UK | 1.4 | 0.0 | 0.6 | 1.7 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.8 | 7.0 | 6.6 |
| USA | 4.3 | 5.3 | 6.0 | 5.8 |
| UK | 4.4 | 4.8 | 5.2 | 5.0 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.4 | 3.2 | 3.3 |
| USA | 4.3 | 4.3 | 4.0 | 4.0 |
| UK | 4.6 | 4.6 | 4.0 | 3.6 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 98 % | 98 % | 100 % |

| | 2025 | 2026 | 2027 | 2028 |
|--|-------|-------|-------|-------|
| % | | | | |
| “ESG” scenario (10 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | 0.8 | 1.2 | 1.0 |
| USA | 2.0 | 2.1 | 0.4 | -0.4 |
| UK | 1.4 | 0.9 | 1.2 | 1.1 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 6.5 | 6.4 | 6.3 |
| USA | 4.3 | 4.5 | 4.7 | 5.1 |
| UK | 4.4 | 4.6 | 4.6 | 4.6 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 3.2 | 3.4 | 3.7 |
| USA | 4.3 | 4.1 | 4.3 | 4.7 |
| UK | 4.6 | 4.5 | 4.3 | 4.2 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 100 % | 100 % | 100 % |
| | | | | |
| | | | | |
| % | | | | |
| “Stress” scenario (10 % weight) | | | | |
| Gross domestic product (in real terms, year-on-year change in %) | | | | |
| Euro zone | 1.4 | -2.3 | -4.0 | 0.0 |
| USA | 2.0 | -5.1 | -2.5 | 4.3 |
| UK | 1.4 | -4.5 | -4.5 | -1.3 |
| Unemployment (%) | | | | |
| Euro zone | 6.4 | 8.1 | 10.6 | 11.9 |
| USA | 4.3 | 8.9 | 10.0 | 8.6 |
| UK | 4.4 | 7.2 | 9.6 | 10.2 |
| Long-term interest rates (10-year government bonds) (%) | | | | |
| Euro zone | 3.2 | 4.6 | 4.5 | 4.3 |
| USA | 4.3 | 5.7 | 5.7 | 5.7 |
| UK | 4.6 | 6.0 | 5.9 | 5.7 |
| Portfolio-weighted property price development (2025 basis = 100 %) | 100 % | 90 % | 83 % | 82 % |

The portfolio-weighted property price development comprises the respective portfolio share for the years analysed, using 2025 as a reference and base year to determine relative changes in property price trends within each scenario.

The Stage 1 and Stage 2 loss allowances in the property finance business are calculated using the probability of default (PD) and the loss given default (LGD) based on models, and materially depend upon the market value of the properties. In this context, the scenarios presented above are taken into account in the LGD calculation using the respective weights. Moreover, economic and inflationary developments in the scenarios are reflected in estimating the probability of default (PD). As part of the assessment of sensitivity, we present the loss allowance for each scenario with a 100 % weight in each case. This calculation includes the so-called quantitative stage transfer to Stage 2 based on the so-called expected downgrade model, but does not include qualitative criteria for a significant increase in credit risk.

Stage 1 and Stage 2 model-based loss allowance for the property finance business

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|--|---------------------|---------------------|
| Scenario-weighted (recognised amount) | 143 | 152 |
| “Positive” scenario (100 %) | 117 | 104 |
| “Baseline” scenario (100 %) | 127 | 111 |
| “Adverse 1” scenario (100 %) | 129 | 115 |
| “Adverse 2” scenario (100 %) | 133 | 118 |
| “Adverse 3” scenario (100 %) | 158 | 113 |
| “ESG” scenario (100 %) | 156 | 0 |
| “Stress” scenario (100 %) | 237 | 309 |

Assuming a flat increase/decrease in market values by 5 % at year-end and the probabilities of default as at the reporting date, loss allowance would have decreased by around € 6 million or increased by around € 20 million, respectively.

Please also refer to our explanations in Note (67).

(35) Net commission income

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|---------------------------------------|---------------------|---------------------|
| Commission income from | | |
| software-based services | 11 | 11 |
| banking business and other activities | 43 | 36 |
| Total commission income | 54 | 47 |
| Commission expenses for | | |
| purchased services | 0 | 0 |
| banking business and other activities | -50 | -51 |
| Total commission expenses | -50 | -51 |
| Total | 4 | -4 |

Commission income and expenses nearly offset each other during the year, leading to slightly positive net commission income of € 4 million (2024: € -4 million). Commission expenses were predominantly affected by the strategic partnership with Aareon and First Financial Software GmbH, and by the premium payment from the SRT transaction.

The net amount of commission income and commission expenses from financial assets and financial liabilities not measured at fair value through profit or loss amounts to € 7 million (2024: € 2 million).

(36) Net derecognition gain or loss

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|--|---------------------|---------------------|
| Net gain or loss on the derecognition of financial assets (ac) | | |
| Loan receivables | 27 | 29 |
| Money market and capital market receivables | 0 | 2 |
| Other financial assets (ac) | 0 | 0 |
| Net gain or loss on the derecognition of financial liabilities (ac) | | |
| Money market and capital market liabilities | 1 | 0 |
| Net gain or loss on the derecognition of financial assets (fvoci) | | |
| Loan receivables (fvoci) | 0 | 0 |
| Money market and capital market receivables | 0 | 0 |
| Total | 28 | 31 |

Net derecognition gain of € 28 million (2024: € 31 million) was almost exclusively attributable to positive market-induced effects from early loan repayments, which had also been the nearly exclusive influencing factor in the previous year.

(37) Net gain or loss from financial instruments (fvpl)

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|---|---------------------|---------------------|
| Net gain or loss from loan receivables | -1 | -19 |
| Net gain or loss from money market and capital market receivables | 0 | 0 |
| Net gain or loss from other derivatives | 1 | -26 |
| Currency translation | -5 | 1 |
| Total | -5 | -44 |

Net gain or loss from financial instruments fvpl of € -5 million (2024: € -44 million) was primarily attributable to the currency translation of financial assets and liabilities (largely versus the US dollar). In the previous year, this figure resulted from negative valuation effects from credit risk-induced valuation losses on property loans, especially in the US. Due to strong market dynamics, negative valuation effects from market developments for currency and interest rate hedging derivatives also played a role.

(38) Net gain or loss from hedge accounting

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|--|---------------------|---------------------|
| Ineffective portion of fair value hedges | -12 | 3 |
| Ineffective portion of net investment hedges | 0 | 0 |
| Total | -12 | 3 |

Please also refer to our explanations in the Notes (10) and (74).

(39) Net gain or loss from investments accounted for using the equity method

In the past financial year, there was a net gain from investments accounted for using the equity method of € 4 million (2024: € 1 million); this was also in line with the pro-rata results from associates.

(40) Administrative expenses

| € mn | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|---|---------------------|---------------------|
| Staff expenses | 186 | 225 |
| Wages and salaries | 160 | 197 |
| Social security contributions | 20 | 19 |
| Pensions | 6 | 9 |
| Other administrative expenses | 142 | 136 |
| Depreciation, amortisation and impairment of property and equipment and intangible assets | 19 | 16 |
| Total | 347 | 377 |

Administrative expenses declined from € 377 million in the previous year to € 347 million in the year under review, reflecting both our efficient cost management and the ongoing positive impact of our efficiency measures implemented. These efficiency measures as well as investments in IT infrastructure and other significant non-recurring effects totalled around € 30 million for 2025 (2024: around € 34 million).

Staff expenses include contributions to defined contribution plans in the amount of € 8 million (2024: € 7 million).

The total fees charged by the auditors of the consolidated financial statements in the 2025 financial year are reported in “Other administrative expenses” and consist of the following sub-items:

| € 000's | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|--------------------------|---------------------|---------------------|
| Auditing fees | 4,434 | 3,523 |
| Other assurance services | 576 | 640 |
| Tax advisory services | 0 | 0 |
| Other services | 152 | 4 |
| Total | 5,162 | 4,167 |

The fee for auditing services includes the audit of the annual financial statements of Aareal Bank AG and its subsidiaries, the audit of the consolidated financial statements and the review of the half-year financial report, as well as services provided in the context of a financial statements audit carried out by BaFin. Other assurance services relate to the audit in accordance with the German Securities Trading Act, the comfort letter, the review of the Sustainability Statement and other contractually agreed assurance services. Other services were provided in connection with corporate governance advice, regulatory matters and training.

(41) Net other operating income/expenses

| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|--|---------------------|---------------------|
| € mn | | |
| Income from properties | 30 | 51 |
| Income from the reversal of provisions | 1 | 3 |
| Income from goods and services | 0 | 0 |
| Other operating income | 37 | 49 |
| Total other operating income | 68 | 103 |
| Expenses for properties | -43 | -81 |
| Expenses for other taxes | -11 | -10 |
| Other operating expenses | -10 | -18 |
| Total other operating expenses | -64 | -109 |
| Total | 4 | -6 |

Net other operating income/expenses totalled € 4 million (2024: € -6 million). The figure includes non-recurring income resulting from the disposal of our former hotel operations in Italy, plus net other operating income/expenses (and any writedowns) from our foreclosures as well as from further subsidiaries and other entities.

(42) Income taxes

| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|----------------------|---------------------|---------------------|
| € mn | | |
| Current income taxes | 116 | 137 |
| Deferred taxes | 2 | -55 |
| Total | 118 | 82 |

The differences between calculated and reported income taxes are presented in the following reconciliation:

| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|---|---------------------|---------------------|
| € mn | | |
| Operating profit (before income taxes) | 296 | 294 |
| Expected tax rate | 31.8% | 31.3% |
| Calculated income taxes | 94 | 92 |
| Reconciliation to reported income taxes | | |
| Different foreign tax burden | 4 | -1 |
| Tax attributable to tax-exempt income | -34 | -17 |
| Tax attributable to non-deductible expenses | 7 | 16 |
| Modification to the recognition and measurement of deferred taxes | 41 | -10 |
| Taxes for previous years | 3 | 2 |
| Effect of changes in tax rates | 3 | 0 |
| Non-controlling interest income | 0 | 0 |
| Other tax effects | 0 | 0 |
| Reported income taxes | 118 | 82 |
| Effective tax rate | 40% | 28% |

The German Act for an Immediate Tax Investment Support Programme to Strengthen Germany as a Business Location (known as the “Growth Booster Act”) provides for certain tax changes: the current corporation tax rate of 15 % (that will continue to apply until the 2027 assessment period) will be reduced by one percentage point in each assessment period, starting in 2028. This means that the tax rate will be 10% starting from the 2032 assessment period (section 23 (1) of the German Corporation Tax Act (amended)).

To determine the effects of this change on the measurement of deferred tax assets and deferred tax liabilities, the Bank has carried out what is termed a “scheduling” in accordance with IAS 12.47, estimating the timing of the reversal of individual temporary differences. The Bank determined a tax rate for both non-current and current deferred tax assets and liabilities and then weighted these two tax rates according to their share in total deferred tax assets. This analysis resulted in a weighted deferred tax rate of 30.6 % (2024: 31.3 %). The changed tax rate has an effect of € 4.5 million, comprising an expense of € 2.9 million recognised in income and a € 1.6 million charge to other comprehensive income. The weighted tax rate will be analysed annually and adjusted if necessary.

(43) Net income from sold operations (Aareon)¹⁾

| € mn | 1 Jan – 31 Dec 2025 | 1 Jan – 31 Dec 2024 |
|--|---------------------|---------------------|
| Net interest income | 0 | -44 |
| Loss allowance | 0 | 0 |
| Net commission income | 0 | 280 |
| Net gain or loss from financial instruments (fvpl) | 0 | 0 |
| Administrative expenses | 0 | 237 |
| Net other operating income/expenses | 0 | 2,101 |
| Operating profit | 0 | 2,100 |
| Income taxes | 0 | 38 |
| Net income from sold operations | 0 | 2,062 |

The item “Net income from sold operations” shown for the previous year (€ 2,062 million) relates to the sale of the Aareon subgroup.

¹⁾ IFRS 5 requires the separate presentation of net income from sold operations, as well as a breakdown of revenue, expenses, profit or loss and related income taxes, in a separate note to the financial statements.

Notes to the Statement of Financial Position

(44) Financial assets (ac)

| | 31 Dec 2025 | 31 Dec 2024 |
|---|---------------|---------------|
| € mn | | |
| Cash funds (ac) | 328 | 2,605 |
| Cash on hand | 0 | 0 |
| Balances with central banks | 328 | 2,605 |
| Loan receivables (ac) | 33,839 | 32,611 |
| Property loans | 33,651 | 32,391 |
| Public-sector loans | 162 | 198 |
| Other loan receivables | 26 | 22 |
| Money market and capital market receivables (ac) | 4,876 | 5,142 |
| Money market receivables | 1,055 | 1,523 |
| Promissory note loans | 1,060 | 1,111 |
| Bonds | 2,761 | 2,508 |
| Receivables from other transactions (ac) | 68 | 70 |
| Trade receivables | 10 | 8 |
| Other financial receivables | 58 | 62 |
| Total | 39,111 | 40,428 |

(45) Loss allowance (ac)

31 December 2025

| | Stage 1 | Stage 2 | Stage 3 | Receivables from other transactions (ac) | Total loss allowance (ac) |
|---------------------------------------|-----------|------------|------------|---|------------------------------|
| € mn | | | | | |
| Balance as at 1 January | 40 | 149 | 210 | 3 | 402 |
| Additions | 36 | 115 | 302 | 1 | 454 |
| Utilisation | 0 | 0 | -206 | 0 | -206 |
| Reversals | -27 | -71 | -15 | 0 | -113 |
| Transfer to Stage 1 | 6 | -6 | 0 | 0 | 0 |
| Transfer to Stage 2 | -5 | 10 | -5 | 0 | 0 |
| Transfer to Stage 3 | 0 | -42 | 42 | 0 | 0 |
| Interest rate effect | 0 | 0 | 27 | 0 | 27 |
| Currency adjustments | -1 | -13 | -25 | -1 | -40 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | -95 | 0 | -95 |
| Balance as at 31 December | 49 | 142 | 235 | 3 | 429 |

The loss allowance for financial assets measured at amortised cost refers to loan receivables, money and capital market receivables as well as receivables from other transactions (largely trade receivables) that are measured at amortised cost.

The methodology for calculating loss allowance is outlined in the chapter “Accounting policies”, Note (9). A detailed breakdown of loss allowance by classes of financial assets is disclosed in Note (66) in the chapter “Notes related to financial instruments”.

31 December 2024

| | Stage 1 | Stage 2 | Stage 3 | Receivables from other transactions (ac) | Total loss allowance (ac) |
|---------------------------------------|-----------|------------|------------|---|------------------------------|
| € mn | | | | | |
| Balance as at 1 January | 38 | 83 | 304 | 3 | 428 |
| Additions | 21 | 112 | 294 | 2 | 429 |
| Utilisation | 0 | 0 | -305 | -1 | -306 |
| Reversals | -14 | -49 | -32 | 0 | -95 |
| Transfer to Stage 1 | 3 | -3 | 0 | 0 | 0 |
| Transfer to Stage 2 | -7 | 14 | -7 | 0 | 0 |
| Transfer to Stage 3 | -2 | -11 | 13 | 0 | 0 |
| Interest rate effect | 0 | 0 | 27 | 0 | 27 |
| Currency adjustments | 1 | 3 | 20 | 0 | 24 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | -104 | -1 | -105 |
| Balance as at 31 December | 40 | 149 | 210 | 3 | 402 |

(46) Financial assets (fvoci)

| | 31 Dec 2025 | 31 Dec 2024 |
|--|--------------|--------------|
| € mn | | |
| Money market and capital market receivables (fvoci) | 5,370 | 4,822 |
| Promissory note loans | 0 | 0 |
| Bonds | 5,370 | 4,822 |
| Equity instruments (fvoci) | 1 | 1 |
| Equities and other non-fixed income securities | 0 | 0 |
| Other investments | 1 | 1 |
| Miscellaneous | 0 | 0 |
| Total | 5,371 | 4,823 |

(47) Financial assets (fvpl)

| | 31 Dec 2025 | 31 Dec 2024 |
|---|--------------|--------------|
| € mn | | |
| Loan receivables (fvpl) | 324 | 381 |
| Property loans | 324 | 381 |
| Money market and capital market receivables (fvpl) | 6 | 5 |
| Fund units | 6 | 5 |
| Positive market value of designated hedging derivatives (fvpl) | 452 | 673 |
| Positive market value of fair value hedges | 421 | 673 |
| Positive market value of net investment hedges | 31 | 0 |
| Positive market value of other derivatives (fvpl) | 837 | 471 |
| Positive market value of economic hedging derivatives | 565 | 153 |
| Positive market value of miscellaneous derivatives | 272 | 318 |
| Total | 1,619 | 1,530 |

Loan receivables (fvpl) include € 210 million allocated to the residual business model while € 114 million do not fulfil the SPPI criterion.

(48) Non-current assets held for sale

A total of € 69 million of non-current assets held for sale relates to two property loans in the USA, which are earmarked for sale in 2026 in order to reduce the NPL portfolio. € 59 million relates to our operating property that is also set to be sold in the course of 2026. The planned sale of the operating property reflects the changed space requirements and the desire for modern forms of use. The building is recognised at its carrying amount as at the reporting date, since its fair value less costs to sell exceeds the carrying amount. Accordingly, no impairment was recognised. Overall, the disposals are expected to realise a substantial amount of hidden reserves. Compared to the previous year, this item decreased primarily due to the sale of our former hotel operations in Italy in the second quarter of 2025.

(49) Investments accounted for using the equity method

Aareal Bank holds interests in three associates (2024: four) and no joint venture (2024: nil) that are accounted for using the equity method. The sum total of carrying amounts of the equity investments amounted to € 74 million (2024: € 75 million).

(50) Intangible assets

| | 31 Dec 2025 | 31 Dec 2024 |
|-------------------------|-------------|-------------|
| € mn | | |
| Goodwill | 9 | 9 |
| Proprietary software | 30 | 31 |
| Other intangible assets | 5 | 5 |
| Total | 44 | 45 |

Goodwill is entirely attributable to the Banking & Digital Solutions segment.

As part of our regular processes, goodwill is tested for impairment as at 30 September each year within the context of an impairment test for each cash-generating unit (“CGU”). An impairment test is carried out as at the reporting date where a material need for change to the relevant parameters arises by the end of the reporting period. Following the sale of Aareon last year, the Banking & Digital Solutions segment is the only CGU that contains goodwill. The basis for the valuation is the present value of future cash flows (value in use), which are determined using medium-term projections. There is an individual planning of revenue and cost items within the first three to a maximum of six years. The parameters underlying the major assumptions are based on internal and external factors as well as on past experience. The major basis is the previous year’s planning. Revenue projections are largely subject to assumptions in relation to new business, as well as renewals of contracts and follow-up business with existing customers. At the same time, these represent the key sources for estimation uncertainty. Regular sales revenues, such as maintenance and fees from transactions with existing customers, are normally not subject to major estimation uncertainty. The projections for cost of materials are derived from revenue projections. The projections for staff expenses predominantly take into account the number of employees, as well as wage and salary trends. Other costs are projected based on the previous year’s figures, taking into account known one-off effects. Estimation uncertainties in relation to costs arise as a result of unplanned price increases or unforeseeable one-off effects. In principle, estimation uncertainty increases if assumptions are made further into the future. Cash flows beyond the individual planning horizon are usually determined by way of a perpetual annuity.

The present values of future cash flows were determined on the basis of a risk-adequate discount factor of 12.16% after taxes for the Banking & Digital Solutions segment. The discount factor for the segment is calculated based on an underlying risk-free interest rate of 3.25% plus a market risk premium of 6.7%, multiplied with a beta factor of 1.33. In view of the uncertainty surrounding planning beyond the detailed planning phase, the segment’s growth rate is assumed to be 2% based on a cautious view of the market environment. The recoverable amounts show an excess compared to the carrying amounts. No impairment is incurred even if, ceteris paribus, one of the above-mentioned material assumptions were to change significantly (such as a 1% increase in the risk-adequate discount factor or a decrease in the growth rate to 1%).

Other intangible assets, and property and equipment, are tested for impairment if certain events (triggering events) or changed circumstances suggest that an impairment may have been incurred. If a potential impairment is identified (triggering event), an impairment test is conducted on the concerned asset CGU in accordance with IAS 36 and in line with the principles applicable for intangible assets. In the event that an asset is impaired, the remaining useful life will be adapted accordingly, if necessary. If the reasons for a previously recognised impairment no longer apply, the concerned assets are written up through profit or loss; the write-back, however, may not exceed the carrying amount which would have been recognised if no impairment had been incurred in earlier periods.

Intangible assets developed as follows:

| | 2025 | | | | 2024 | | | |
|---|-----------|----------------------|-------------------------|-------------|------------|----------------------|-------------------------|---------------|
| | Goodwill | Proprietary software | Other intangible assets | Total | Goodwill | Proprietary software | Other intangible assets | Total |
| € mn | | | | | | | | |
| Cost | | | | | | | | |
| Balance as at 1 January | 13 | 86 | 37 | 136 | 532 | 219 | 224 | 975 |
| Additions | 0 | 7 | 2 | 9 | 0 | 19 | 2 | 21 |
| Transfers | 0 | 0 | 0 | 0 | -617 | -182 | -229 | -1,028 |
| Disposals | 0 | 0 | -1 | -1 | 0 | -1 | -7 | -8 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 | 98 | 30 | 47 | 175 |
| Currency translation differences | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31 December | 13 | 93 | 38 | 144 | 13 | 86 | 37 | 136 |
| Amortisation and impairment losses | | | | | | | | |
| Balance as at 1 January | -4 | -55 | -32 | -91 | -46 | -113 | -96 | -255 |
| Amortisation and impairment losses | 0 | -8 | -2 | -10 | 0 | -21 | -18 | -39 |
| of which: impairment losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Write-ups | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 43 | 93 | 78 | 214 |
| Disposals | 0 | 0 | 1 | 1 | 0 | 1 | 6 | 7 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 | -1 | -14 | -2 | -17 |
| Currency translation differences | 0 | 0 | 0 | 0 | 0 | -1 | 0 | -1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31 December | -4 | -63 | -33 | -100 | -4 | -55 | -32 | -91 |
| Carrying amount as at 1 January | 9 | 31 | 5 | 45 | 486 | 106 | 128 | 720 |
| Carrying amount as at 31 December | 9 | 30 | 5 | 44 | 9 | 31 | 5 | 45 |

(51) Property and equipment

| | 31 Dec 2025 | 31 Dec 2024 |
|---|-------------|-------------|
| € mn | | |
| Land and buildings and construction in progress | 15 | 70 |
| Office furniture and equipment | 8 | 9 |
| Total | 23 | 79 |

Property and equipment developed as follows:

| | 2025 | | | 2024 | | |
|---|---|--------------------------------------|------------|---|--------------------------------------|-------------|
| | Land and buildings and construction in progress | Office furniture and equipment | Total | Land and buildings and construction in progress | Office furniture and equipment | Total |
| € mn | | | | | | |
| Cost | | | | | | |
| Balance as at 1 January | 134 | 38 | 172 | 185 | 80 | 265 |
| Additions | 9 | 2 | 11 | 13 | 14 | 27 |
| Transfers | -113 | 0 | -113 | -56 | -49 | -105 |
| Disposals | -8 | -2 | -10 | -9 | -8 | -17 |
| Changes in the basis of consolidation | 3 | 0 | 3 | 0 | 1 | 1 |
| Currency translation differences | -1 | 0 | -1 | 1 | 0 | 1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31 December | 24 | 38 | 62 | 134 | 38 | 172 |
| Amortisation and impairment losses | | | | | | |
| Balance as at 1 January | -64 | -29 | -93 | -89 | -57 | -146 |
| Amortisation and impairment losses | -6 | -3 | -9 | -10 | -9 | -19 |
| of which: impairment losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Write-ups | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 53 | 0 | 53 | 34 | 33 | 67 |
| Disposals | 7 | 2 | 9 | 1 | 4 | 5 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences | 1 | 0 | 1 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31 December | -9 | -30 | -39 | -64 | -29 | -93 |
| Carrying amount as at 1 January | 70 | 9 | 79 | 96 | 23 | 119 |
| Carrying amount as at 31 December | 15 | 8 | 23 | 70 | 9 | 79 |

(52) Income tax assets

Income tax assets in a total amount of € 39 million as at 31 December 2025 (2024: € 40 million) include € 12 million (2024: € 13 million) expected to be realised after a period of more than twelve months.

(53) Deferred tax assets

When recognising deferred taxes, claims and liabilities arising vis-à-vis the same tax authority, which may be netted and paid in one amount, were offset in the amount of € 376 million (2024: € 356 million).

Deferred tax assets were recognised in relation to the following items of the statement of financial position:

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|--|-------------|-------------|
| Financial assets (ac) | 75 | 115 |
| Financial assets (fvoci) | 32 | 41 |
| Financial assets (fvpl) | 20 | 17 |
| Non-current assets held for sale and discontinued operations | 0 | 0 |
| Investments accounted for using the equity method | 0 | 0 |
| Investment property | 0 | 0 |
| Intangible assets | 0 | 0 |
| Property and equipment | 0 | 0 |
| Other assets | 3 | 3 |
| Financial liabilities (ac) | 7 | 4 |
| Financial liabilities (fvpl) | 264 | 243 |
| Obligations included in disposal groups held for sale and in discontinued operations | 0 | 0 |
| Provisions | 52 | 66 |
| Other liabilities | 1 | 1 |
| Tax loss carryforwards | 138 | 140 |
| Deferred tax assets | 592 | 630 |

The Group reported deferred taxes on loss carryforwards of € 138 million as at 31 December 2025 (31 December 2024: € 140 million) for operations or entities that incurred losses in the current or the previous period. € 41 million of these deferred taxes were attributable to foreign permanent establishments (2024: € 37 million). Deferred taxes are recognised based on senior management's assessment that the respective entities are likely to generate taxable income over the planning period (the next five to seven years) against which unused tax losses and deductible temporary differences can be offset. For the purpose of determining the amount of deferred tax assets to be recognised, senior management uses information on historical profitability as well as information on projected profits based on approved business plans. This process also includes an examination as to whether the current management and the present orientation of the business model will in fact lead to planned results being achieved, with any necessary adjustments carried out. In this context, Aareal Capital Corporation, New York, the Bank's subsidiary active on the US market, has fundamentally revised its planning and now envisages lower lending volumes. Senior management has revised projections for future taxable profits on this basis; it calculated and recognised deferred taxes on loss carryforwards in the amount of € 97 million (2024: € 103 million). Based on this planning, senior management considers it likely that the planned taxable profits will be realised in the future, allowing them to be offset against these losses.

The deferred tax assets not recognised or not subject to valuation adjustments amount to € 26 million (2024: € 68 million). No deferred tax assets were recognised on unlimited tax loss carryforwards of € 120 million (2024: € 272 million) since it is not probable that future taxable profit will be available against which the unused tax loss carryforwards can be utilised.

Deferred tax assets in the amount of € 29 million (2024: € 69 million) were recognised directly in equity, under "Other reserves".

(54) Other assets

| | 31 Dec 2025 | 31 Dec 2024 |
|-----------------|-------------|-------------|
| € mn | | |
| Properties | 568 | 550 |
| Contract assets | 0 | 0 |
| Miscellaneous | 89 | 90 |
| Total | 657 | 640 |

The property portfolio was reduced by a total of two properties as at the end of the reporting period. During the course of the year, two properties from an Italian loan exposure and one property from a former Spanish loan exposure were sold, while one property from a US loan exposure was added.

Two US properties with carrying amounts of € 49 million and € 38 million were impaired, reflecting lower expectations for future earnings due to the delayed economic recovery. The impairment charges amounted to approximately € 9 million and € 1 million, respectively.

Besides general economic conditions and property-specific features, the valuation also depends in particular on the capitalisation rates – and hence, on interest rate developments. Assuming the properties have been completed, a 1 % increase in the capitalisation rate would lead to an imputed reduction in the carrying amount of the property portfolio of approximately 13 %. However, this only has an effect where the carrying amount corresponds to the market value.

Costs for value-enhancing measures were capitalised in the reporting year.

The carrying amounts of US properties were also reduced due to exchange rate fluctuations.

(55) Financial liabilities (ac)

| | 31 Dec 2025 | 31 Dec 2024 |
|---|---------------|---------------|
| € mn | | |
| Money market and capital market liabilities (ac) | 27,169 | 26,557 |
| Money market liabilities | 6,738 | 5,439 |
| Promissory note loans | 2,342 | 2,617 |
| Mortgage Pfandbriefe | 12,843 | 12,385 |
| Public-sector Pfandbriefe | 728 | 1,011 |
| Other debt securities | 4,515 | 5,104 |
| Other financial liabilities | 3 | 1 |
| Deposits from the housing industry (ac) | 13,213 | 12,216 |
| Payable on demand | 9,095 | 8,365 |
| Term deposits | 4,118 | 3,851 |
| Liabilities from other transactions (ac) | 60 | 72 |
| Trade payables | 22 | 21 |
| Other liabilities | 38 | 51 |
| Subordinated liabilities (ac) | 723 | 641 |
| Total | 41,165 | 39,486 |

The changes in subordinated liabilities in the amount of € 82 million (2024: € 285 million) consist of € 82 million (2024: € 283 million) related to cash payments of principal as well as an amount of € 0 million (2024: € 2 million) related to non-cash changes in fair value and changes of accrued interest.

(56) Financial liabilities (fvpl)

| | 31 Dec 2025 | 31 Dec 2024 |
|---|--------------|--------------|
| € mn | | |
| Negative market value of designated hedging derivatives (fvpl) | 988 | 1,057 |
| Negative market value of fair value hedges | 988 | 1,022 |
| Negative market value of cash flow hedges | 0 | 0 |
| Negative market value of net investment hedges | 0 | 35 |
| Negative market value of other derivatives (fvpl) | 717 | 1,509 |
| Negative market value of economic hedging derivatives | 62 | 667 |
| Negative market value of other derivatives | 655 | 842 |
| Total | 1,705 | 2,566 |

(57) Non-current liabilities held for sale

Aareal Bank does not have any non-current liabilities held for sale following the disposal of its hotel operations in Italy.

(58) Provisions

| | 31 Dec 2025 | 31 Dec 2024 |
|---|-------------|-------------|
| € mn | | |
| Provisions for pensions and similar obligations | 4 | 8 |
| Provisions for unrecognised lending business | 18 | 19 |
| Other provisions | 130 | 132 |
| Total | 152 | 159 |

Changes in the discount rate applicable to pensions require a revaluation of the amount of obligations. This is recognised directly in “Other comprehensive income”, under “Changes in the reserve from defined benefit plans”.

A detailed breakdown of the provisions for unrecognised lending business by classes of financial assets is disclosed in Note (66) in the chapter “Notes related to financial instruments”.

Provisions for pensions and similar obligations

The pension obligations result mainly from retirement benefit plans maintained at Aareal Bank AG and Westdeutsche Immobilien Servicing GmbH (former Westlmmo), which are classified as defined benefit plans in accordance with IAS 19. In addition to these, there are also defined contribution plans in accordance with IAS 19, which are not part of the pension obligations.

Aareal Bank contributed assets held to cover existing pension obligations into a Contractual Trust Arrangement (CTA). This is to ensure improved insolvency protection of the pension claims as a result of the limited protection provided by the German Pension Guarantee Association (Pensionsversicherungsverein; PSVaG). For this purpose, a bilateral trust was agreed between Aareal Bank AG (trustor) and Aareal Pensionsverein e.V. as legally independent third party (trustee). The trustee is registered in the Register of Associations at the Wiesbaden District Court.

The trustee holds in trust the special fund for the trustor (administrative trust). Simultaneously, but senior to the administrative trust, the trustee holds the special fund for all beneficiaries on trust to secure the recorded entitlements (security trust).

The security trust is established in the interest of the beneficiaries by way of a genuine agreement for the benefit of third parties (section 328 (1) of the German Civil Code (Bürgerliches Gesetzbuch – BGB)). On the basis of this security trust, the beneficiaries may request from the trustee that the trustee holds and manages this special fund pursuant to the regulations of this trust agreement for the purpose of securing the recorded entitlements. Upon the occurrence of an insured event, the beneficiaries may, based on the security trust, request from the trustee that the trustee satisfies their recorded entitlements pursuant to the regulations of this trust agreement out of the special fund.

The Bank is the economic beneficiary of the assets. The assets are managed by HSBC INKA in a special fund under German investment law (“Spezialfonds”). Based on an investment guideline, HSBC INKA takes investment decisions for staff pensions. A joint investment committee was established, comprising staff from HSBC INKA and Aareal Bank. The Bank transfers new assets to be invested to Aareal Pensionsverein e.V. on an annual basis, which in turn acquires additional units in the special fund. The fund manager invests interest income during the course of the year.

The Bank has taken out reinsurance policies for a portion of the benefit entitlements of active members of the Management Board and former Management Board members. These policies were also transferred to Aareal Pensionsverein e.V. on a trust basis. The Bank provides corresponding funds for contribution paid to these policies.

Transferring assets to Aareal Pensionsverein e.V. on the one hand secures benefit entitlements and claims under occupational pension schemes, and on the other hand creates plan assets within the meaning of IAS 19 which may be offset with benefit obligations of the trustor.

Brief description of the material pension plans

DePfa Bank Betriebsvereinbarung dated 14 December 1999 (BV 97)

BV 97 applies for new joiners since 1 January 1997. The following benefits are granted after a waiting period of five pensionable service years: old-age pension after the statutory retirement age (also after previous disability); early retirement pension; disability pension up to the statutory retirement age; and widow’s and widower’s pension.

The Bank shall grant its employees a basic pension from own contributions and additional benefits in the form of corresponding individual agreements on deferred compensation. The basic pension for the pensionable service period is calculated based on an annual benefit expense of 3.5 % for portions of the pensionable income below the contribution ceiling and 10 % for portions of pensionable income above the contribution ceiling. The employer contributions thus calculated as well as the contributions from deferred compensation are contributed into a CTA at the end of each financial year. The benefit assets, including any allocated surpluses, bear interest at a rate of at least 4 %. The annual benefit payments are calculated based on an annuitisation of the benefit assets upon occurrence of the insured event, using a fixed annuitisation table.

The pensionable service period is deemed to be the period from completing the 20th year of age to completing the 67th year of age. Pensionable income is the gross remuneration received within one year.

Any actuarial deductions upon claiming old-age pensions before reaching the statutory retirement age are taken into account through an annuitisation of the benefit assets. The widow(er)’s pension amounts to 60 % of the employee pension. The Bank increases the current benefit payments annually by 1 %; there is no obligation to provide for an inflation adjustment.

Management Board

Three of the four active Management Board members receive their benefits based on individual commitments. These individual commitments involve the provision of an annual fixed employer’s contribution which is credited to the personal benefit account. The benefit assets bear interest that corresponds to the capital gains generated in the form of a real or virtual financial investment. The investment is made in form of a real investment as part of the Contractual Trust Agreement (CTA) to the extent that the benefit contribution is paid into the CTA established for the Bank as trust assets. To the extent that the benefit contribution is not paid into the CTA’s trust assets, the investment is made and the capital gains are determined on a virtual basis so that the result of the virtual investment corresponds to the result of the investment as if the investment had been made entirely in form of a real investment. In the case of disability or death, the existing benefit assets are increased by the sum total of the amounts that would have been credited in future (up to a maximum contribution period of five years) for each full calendar year prior to turning 62. The benefit assets

are generally disbursed in form of a one-off payment; a pension payment is possible upon request. The pension for the surviving dependants amounts to 60 % of the beneficiary's pension entitlement. To the extent that the benefits are paid in form of an annuity, the benefits are increased by 1 % each year.

DePfa Bank Dienstvereinbarung dated 30 December 1955 (DePfa 55)

DePfa 55 is a pay-related benefit commitment for new entrants before 31 December 1988. It provides for benefit payments after completing the 65th year of age after a waiting period of five service years and benefits paid in case of occupational incapacity (disability) as well as benefits for surviving dependants, each in form of a monthly annuity.

The amount of the entitlement is based on the following increases: 5 % of the last annual salary for the first five service years each, 2 % of the last annual salary for the next 20 service years each, and 1 % of the last annual salary for any following service year, up to a maximum percentage of 75 % of the last annual salary after 35 service years. The widow(er)'s pension amounts to 60 % of the old-age or disability pension. Benefits paid by social security insurance and VBL/Gerling are charged to the benefit entitlements. DePfa 55 does not include any provision allowing for an early payout of old-age pensions or for an adjustment of current benefit payments.

These commitments are based on final salary. The obligation resulting from the respective benefit commitment is therefore very sensitive to unexpected salary changes.

Current benefits are not subject to a fixed adjustment rate; therefore, the adjustment is made pursuant to section 16 of the German Occupational Pensions Act (BetrAVG). Accordingly, an inflation adjustment has to be made every three years given an appropriate economic situation of the Bank. Changes in inflation and, hence, pension increases have an impact on the benefit volume as regards these commitments.

BauBoden agreement dated 1 July 1968 (BauBoden 68)

This agreement applies to employees after completing their 18th year of age who were employed by the Bank on 1 January 1967 or joined the Bank not later than on 31 December 1983. The following benefits are granted after a waiting period of ten service years: old-age pension after completing the 65th year of age, early old-age pension, (total) occupational incapacity pension as well as widow(er)'s pension.

Benefits consist of an overall pension, comprising the statutory pension insurance scheme, the additional pension insurance scheme at VBL or BVV (which is taken into account), or the group insurance contracts and the bank subsidy. The overall pension amounts to 55 % of the pensionable salary after ten years of service. The overall pension is increased by 1 % of the pensionable salary for any further service year, up to the maximum rate of 75 %. The pensionable salary is the last monthly gross salary received during service.

No actuarial deductions are made upon claiming old-age pensions before completing the 65th year of age. The widow(er)'s pension amounts to 60 % of the bank subsidy. The current pension payments are adjusted pursuant to section 16 of the German Occupational Pensions Act (Betriebsrentengesetz – BetrAVG).

These commitments are based on final salary. The obligation resulting from the respective benefit commitment is therefore very sensitive to unexpected salary changes.

Current benefits are not subject to a fixed adjustment rate; therefore, the adjustment is made pursuant to section 16 of the German Occupational Pensions Act (BetrAVG). Accordingly, an inflation adjustment has to be made every three years given an appropriate economic situation of the Bank. Changes in inflation and, hence, pension increases have an impact on the benefit volume as regards these commitments.

BauBoden agreement dated 12 December 1984 (BauBoden 84) and DePfa Bank pension scheme dated 28 November 1990 (DePfa 90)

BauBoden 84 applies to employees who joined the Company after 31 December 1983 and have completed their 20th year of age. DePfa 90 applies to employees who joined the Company after 31 December 1988. The following benefits are granted after a waiting period of ten service years: old-age pension and early old-age pension, (total) occupational incapacity pension as well as widow(er)'s pension.

The benefit entitlements of the employees vest after completing their 65th year of age. The amount of the monthly pension entitlement is calculated for each pensionable service year (up to a maximum of 40 service years) as follows: 0.6 % of pensionable salary up to the contribution ceiling, 2 % of the portion of pensionable salary exceeding the contribution ceiling, with pensionable salary and contribution ceiling being calculated using the average for the last twelve months. Benefits paid by BVV are charged to the benefit entitlements under BauBoden 84.

The Bank does not make any actuarial deductions upon claiming early old-age pensions. The widow(er)'s pension amounts to 60 % of the entitlements to benefit payments. The current pension payments are adjusted pursuant to section 16 of the German Occupational Pensions Act (Betriebsrentengesetz – BetrAVG).

These commitments are based on final salary. The obligation resulting from the respective benefit commitment is therefore very sensitive to unexpected salary changes.

Current benefits are not subject to a fixed adjustment rate; therefore, the adjustment is made pursuant to section 16 of the German Occupational Pensions Act (BetrAVG). Accordingly, an inflation adjustment has to be made every three years given an appropriate economic situation of the Bank. Changes in inflation and, hence, pension increases have an impact on the benefit volume as regards these commitments.

AHB – General works agreement on additional pension benefits (company pension scheme) of former Corealcredit

The pension benefits to former employees of Allgemeine Hypothekenbank AG, whose employment relationship began prior to 1 January 1994, are governed by the additional benefit arrangement dated 29 August 1995 on the basis of the complementing general works agreement dated 7 March 1995.

This benefit commitment is based on aggregate benefits derived from pension benefits for civil servants. After a waiting period of five years of service, the aggregate benefit rate is 50 % of pensionable income. For each year of service after completing the 37th year of age, the aggregate benefit rate increases by 1 % of pensionable income, up to a maximum 75 % of pensionable income. The entitlement amounts to at least 65 % of pensionable income in the case of (total) occupational incapacity and 75 % of pensionable income in the case of workplace accidents. Pensionable income is the annual income (calculated on the basis of 14 monthly salaries), divided by 12.

The pension benefits of the statutory pension insurance and the BVV, which are based on mandatory contributions, are taken into account in the pension determined as described. To that extent, the benefit obligation directly depends on the development of the level of pensions from the statutory pension insurance on the one hand and from the BVV on the other.

As a result of the German Pension Reform Act of 1992 and the associated cuts in statutory pension insurance, the pension scheme was restructured in 1995. The main pillar of the new structure is the limitation of the Bank's deficiency guarantee for the declining level of statutory pensions due to deduction factors applied at early retirement (Rentenzugangsfaktor) and the lower adjustment of the pension value. Accordingly, the Bank continues to assume the deficiency guarantee on a pro-rata basis for the periods of service until the restructuring on 31 December 1995 in relation to the deduction factors applied at early retirement and for the reduced level of the current pension value (net adjustment factor). The reduction in the level of statutory pensions that occurred during the service periods from the restructuring date until retirement is taken into account at the expense of the beneficiary.

From the start of retirement, the AHB pension is decoupled from the development of the statutory pension and the BVV pension already prior to the restructuring since only the AHB pension is adjusted for inflation on an annual basis.

Accordingly, the obligation for the pension commitment during the qualification period is, on the one hand, directly dependent upon the development of the statutory pension and the BVV pension. On the other hand, it is fully dependent upon salary development for all years of service, even including past service. The volume of the obligation also depends upon the fluctuation of inflation and hence pension increases.

Rheinboden Hypothekenbank AG – pension scheme in the version dated 1 December 1991 of former Corealcredit

The former employees of Rheinboden Hypothekenbank AG are entitled to old-age and disability pensions as well as surviving dependant's benefits in accordance with the pension schemes in the version dated 1 December 1991.

The monthly benefits for employees who commenced service prior to 1 October 1978 amount to 5 % of pensionable remuneration (most recent monthly salary based on collective or individual agreements) after ten service years and increase by 0.5 % of pensionable remuneration for each service year, up to 14 % of pensionable remuneration after 15 service years. The monthly benefit entitlement increases by 0.3 % of pensionable remuneration for any additional service years, up to a maximum of 20 %. The BVV benefits are taken into account in such entitlement to the extent that these are based on employer contributions.

The benefits for employees who commenced service after 30 September 1978 amount to 0.15 % of pensionable remuneration up to the contribution ceiling as well as 1.5 % of pensionable remuneration above the contribution ceiling for each year of service between the 25th and 65th year of age. The maximum number of recognisable service years is 35.

The old-age pension under the Rheinboden pension schemes is paid after completing the 65th year of age or upon commencement of old-age pension under the statutory pension insurance scheme (full pension). In case of early retirement, the benefits are subject to deductions of 0.3 % per month of early retirement prior to the age of 65 as a partial compensation for the additional costs associated with early retirement. The surviving dependant's benefits amount to 60 % of the employee's pension entitlement for widow(er)s as well as 15 % for half-orphans and 20 % for orphans, however, in aggregate not exceeding the amount of the employee's pension entitlement.

Supplementary individual contractual arrangements were agreed with individual pensioners and leavers with vested benefits for the purpose of the transition from the old to the new Rheinboden pension scheme and the application of the BVV benefits.

In addition, individual contractual commitments apply to former management board members and general managers – currently pensioners and one leaver with vested benefits.

The adjustment of current pensions on the basis of the Rheinboden commitments is performed on the basis of the inflation allowance set out in section 16 of the BetrAVG, with the exception of a small group of approximately ten pensioners where adjustment is made pursuant to the collective agreement for banks.

WestImmo – Pension scheme dated 1 October 1995

The pension scheme dated 1 October 1995 is a defined contribution scheme. The following benefits are paid after a waiting period of five year of service: old-age pension, early old-age pension, (total) occupational incapacity pension as well as widow(er)'s and orphan's pension.

The amount of the old-age pension, the early old-age pension and the (total) occupational incapacity pension is calculated based on the sum of the pension components earned during the pensionable service period. If the pensionable service period exceeds 40 years, the monthly pension is calculated based on the sum of the highest 40 pension components earned during the pensionable service period. The amount of one pension component is derived from multiplying the reference contribution (since 2021: € 311), the personal earnings relation (relation between pensionable income and contribution ceiling of the German statutory pension insurance; earnings components above the contribution ceiling are weighted with a factor of 3.75) and the annuitisation factor in the relevant age pursuant to the annuitisation table. The amount of the early old-age pension is reduced by 0.5 % for each month in which annuity is paid prior to completing the 65th year of age. The widow(er)'s pension entitlement amounts to 60 %.

If necessary, the determination of the amount of pension obligations is based on the following actuarial assumptions applied consistently throughout the Group:

| | 31 Dec 2025 | 31 Dec 2024 |
|----------------------------------|---|---|
| Calculation method | Projected unit credit method | Projected unit credit method |
| Calculation basis | “Richttafeln 2018G” mortality tables by K. Heubeck | “Richttafeln 2018G” mortality tables by K. Heubeck |
| Actuarial assumptions (%) | | |
| Interest rate used for valuation | 4.24 | 3.44 |
| Development of salaries | 2.25 | 2.25 |
| Pension increase | 1.70 | 1.72 |
| Rate of inflation | 2.25 | 2.25 |
| Staff turnover rate | 3.00 | 3.00 |

Development of net pension liabilities:

| | Present value of pension obligations | Fair value of plan assets | Net pension liability |
|--|---|------------------------------|--------------------------|
| € mn | | | |
| Balance as at 1 January 2025 | 377 | -369 | 8 |
| Pension expense | 17 | -12 | 5 |
| Current service cost | 5 | 0 | 5 |
| Net interest cost | 12 | -12 | 0 |
| Payments | -11 | 8 | -3 |
| Pension benefits paid | -15 | 14 | -1 |
| Employer's contributions | 0 | -2 | -2 |
| Contributions made by beneficiaries of defined benefit plans | 4 | -4 | 0 |
| Remeasurements | -43 | 37 | -6 |
| due to experience adjustments | -1 | 0 | -1 |
| due to changes in financial assumptions | -42 | 0 | -42 |
| due to changes in demographic assumptions | 0 | 0 | 0 |
| Difference between actual return and return calculated using an internal rate of interest (plan assets) | 0 | 37 | 37 |
| Changes in the basis of consolidation | 0 | 0 | 0 |
| Balance as at 31 December 2025 | 340 | -336 | 4 |

| | Present value of pension obligations | Fair value of plan assets | Net pension liability |
|--|---|------------------------------|--------------------------|
| € mn | | | |
| Balance as at 1 January 2024 | 416 | -340 | 76 |
| Pension expense | 18 | -11 | 7 |
| Current service cost | 6 | 0 | 6 |
| Net interest cost | 12 | -11 | 1 |
| Payments | -11 | -5 | -16 |
| Pension benefits paid | -15 | 3 | -12 |
| Employer's contributions | 0 | -4 | -4 |
| Contributions made by beneficiaries of defined benefit plans | 4 | -4 | 0 |
| Remeasurements | -15 | -15 | -30 |
| due to experience adjustments | 2 | 0 | 2 |
| due to changes in financial assumptions | -17 | 0 | -17 |
| due to changes in demographic assumptions | 0 | 0 | 0 |
| Difference between actual return and return calculated using an internal rate of interest (plan assets) | 0 | -15 | -15 |
| Changes in the basis of consolidation | -31 | 2 | -29 |
| Balance as at 31 December 2024 | 377 | -369 | 8 |

The weighted duration of pension liabilities is 14.6 years as at 31 December 2025 (2024: 15.7 years). The net pension obligation is relatively low due to the high level of funding and the alignment of the plan assets with the pension obligations.

Expected maturities of the defined benefit obligation (DBO):

| | 31 Dec 2025 | 31 Dec 2024 |
|------------------------------|-------------|-------------|
| € mn | | |
| Up to 1 year | 16 | 14 |
| Between 1 year and 5 years | 66 | 66 |
| Between 5 years and 10 years | 95 | 92 |
| Total | 177 | 172 |

Plan contributions in the amount of € 3 million (2025: € 5 million) are expected to be paid in the financial year 2026.

Sensitivity of the defined benefit obligation (DBO) compared to the central actuarial assumptions

Based on the qualitative plan description, the valuation parameters significant for calculating the amount of the obligation were derived and corresponding calculations were made as regards sensitivity:

| | Defined benefit obligation 2025 | Change | Defined benefit obligation 2024 | Change |
|-------------------------------------|------------------------------------|--------|------------------------------------|--------|
| | € mn | % | € mn | % |
| Present value of obligations | 340 | | 377 | |
| Interest rate used for valuation | | | | |
| Increase by 1.0 percentage points | 298 | -12 | 326 | -14 |
| Decrease by 1.0 percentage points | 394 | 16 | 442 | 17 |
| Development of salaries | | | | |
| Increase by 0.5 percentage points | 344 | 1 | 382 | 1 |
| Decrease by 0.5 percentage points | 336 | -1 | 373 | -1 |
| Pension increase | | | | |
| Increase by 0.25 percentage points | 343 | 1 | 381 | 1 |
| Decrease by 0.25 percentage points | 337 | -1 | 373 | -1 |
| Life expectancy | | | | |
| Increase by 1 year | 354 | 4 | 394 | 5 |
| Decrease by 1 year | 326 | -4 | 360 | -5 |

The sensitivity analysis described takes into account, in each case, the change of an assumption, while the other assumptions remain unchanged compared to the original calculation, i.e. any potential correlation effects between the individual assumptions are not taken into consideration.

Plan assets can be broken down as follows:

| | 31 Dec 2025 | 31 Dec 2024 |
|--|-------------|-------------|
| € mn | | |
| Cash | 0 | 0 |
| Investment funds including derivatives | 314 | 344 |
| Reinsurance | 23 | 25 |
| Total | 337 | 369 |

Apart from the usual actuarial risks, the risks associated with defined benefit obligations primarily relate to financial risks in connection with plan assets. Amongst others, these may include counterparty credit risks and market price risks. These risks are taken into account in the risk management of Aareal Bank Group. The measurement of investment funds (including derivatives) has to be allocated to Level 2 of the fair value hierarchy.

Other provisions

Other provisions developed as follows:

| | Provisions for staff expenses and non-staff operating costs | Provisions for legal and tax risks | Other provisions | Total |
|---|---|------------------------------------|------------------|------------|
| € mn | | | | |
| Carrying amount as at 1 January 2025 | 125 | 3 | 4 | 132 |
| Additions | 65 | 0 | 1 | 66 |
| Utilisation | -45 | 0 | -3 | -48 |
| Reversals | -15 | -1 | 0 | -16 |
| Interest | -1 | 0 | 0 | -1 |
| Reclassifications | 0 | 0 | 0 | 0 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 |
| Exchange rate fluctuations | -3 | 0 | 0 | -3 |
| Carrying amount as at 31 December 2025 | 126 | 2 | 2 | 130 |

| | Provisions for staff expenses and non-staff operating costs | Provisions for legal and tax risks | Other provisions | Total |
|---|---|------------------------------------|------------------|------------|
| € mn | | | | |
| Carrying amount as at 1 January 2024 | 101 | 3 | 30 | 134 |
| Additions | 108 | 0 | 6 | 114 |
| Utilisation | -38 | 0 | -23 | -61 |
| Reversals | -3 | 0 | -2 | -5 |
| Interest | 0 | 0 | 0 | 0 |
| Reclassifications | -44 | 0 | -7 | -51 |
| Changes in the basis of consolidation | 0 | 0 | 0 | 0 |
| Exchange rate fluctuations | 1 | 0 | 0 | 1 |
| Carrying amount as at 31 December 2024 | 125 | 3 | 4 | 132 |

Other provisions of € 130 million include € 48 million expected to be realised after a period exceeding twelve months (2024: € 40 million).

Provisions for staff expenses and non-staff operating costs refer to personnel provisions in the amount of € 98 million (2024: € 100 million) and provisions for non-staff operating costs in the amount of € 29 million (2024: € 24 million). Provisions for staff expenses consist of, among other things, provisions for bonuses (cash and share-based), partial retirement, severance payments and existing working hours accounts. Specifically, these include € 22 million in provisions for severance payments and for partial retirement (2024: € 28 million), which include restructuring provisions in the same amount (2024: € 27 million). These extend into 2027 and will be incurred mainly in 2026. Provisions for non-staff operating expenses mainly include provisions for professional and legal advice.

(59) Income tax liabilities

Income tax liabilities in a total amount of € 33 million as at 31 December 2025 (2024: € 91 million) include € 0 million (2024: € 5 million) expected to be realised after a period of more than twelve months.

(60) Deferred tax liabilities

When recognising deferred taxes, claims and liabilities arising vis-à-vis the same tax authority, which may be netted and paid in one amount, were offset in the amount of € 376 million (2024: € 356 million).

Share price losses of approximately € 47 million may arise in connection with a special investment fund which would be taxable upon disposal of that special fund. However, since there are no plans to dispose of this special fund, no deferred tax liabilities need to be recognised.

Deferred tax liabilities were recognised in relation to the following items of the statement of financial position:

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|---------------------------------|-------------|-------------|
| Financial assets (ac) | 109 | 141 |
| Financial assets (fvoci) | 5 | 5 |
| Financial assets (fvpl) | 1 | 0 |
| Intangible assets | 11 | 12 |
| Property and equipment | 0 | 0 |
| Other assets | 9 | 3 |
| Financial liabilities (ac) | 236 | 188 |
| Provisions | 6 | 8 |
| Other liabilities | 0 | 0 |
| Deferred tax liabilities | 377 | 357 |

(61) Other liabilities

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|------------------------------|-------------|-------------|
| Lease liabilities | 18 | 12 |
| Deferred income | 2 | 1 |
| Liabilities from other taxes | 21 | 24 |
| Contract liabilities | 0 | 0 |
| Miscellaneous | 4 | 5 |
| Total | 45 | 42 |

(62) Equity

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|--|--------------|--------------|
| Subscribed capital | 180 | 180 |
| Capital reserves | 721 | 721 |
| Retained earnings | 2,548 | 4,359 |
| AT1 bond | 407 | 300 |
| Other reserves | | |
| Reserve from remeasurements of defined benefit plans | -58 | -61 |
| Reserve from the measurement of equity instruments (fvoci) | -4 | -4 |
| Reserve from the measurement of debt instruments (fvoci) | -12 | -39 |
| Reserve from foreign currency basis spreads | -14 | -30 |
| Currency translation reserves | -41 | 13 |
| Non-controlling interests | 25 | 21 |
| Total | 3,752 | 5,460 |

Equity includes the positive net consolidated income for 2025. The year-on-year decrease was due to the fact that in 2024, consolidated net income was strongly influenced by the one-off gain on the disposal of Aareon and the subsequent dividend distribution.

Subscribed capital

Aareal Bank AG's subscribed capital amounted to € 180 million as at the reporting date (2024: € 180 million). It is divided into 59,857,221 notional fully-paid no-par value shares ("unit shares") with a notional value of € 3 per share. The shares are registered shares. Each share carries one vote. There are no pre-emptive rights or constraints with respect to dividend payouts.

Authorised capital

Aareal Bank has authorised capital pursuant to the resolution by the Annual General Meeting held on 10 August 2023. Accordingly, the Management Board is authorised to increase, on one or more occasions, the Company's registered share capital by up to a maximum total amount of € 89,785,830 via the issuance of new no-par value registered shares for contribution in cash or in kind, subject to the approval of the Supervisory Board (Authorised Capital 2023); this authorisation will expire on 9 August 2028. In the event of a capital increase against cash contributions, the shareholders shall be granted a subscription right, unless the Management Board exercises its authority to exclude shareholder's pre-emptive subscription rights. The Management Board may exclude shareholders' subscription rights, subject to approval by the Supervisory Board and the conditions set out below:

- a) In the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly below the prevailing stock exchange price of the Company's listed shares at the time of the final determination of the issue price.

However, this authorisation shall be subject to the proviso that the aggregate value of shares issued to the exclusion of shareholders' subscription rights, in accordance with section 203 (1) and (2) and section 186 (3) sentence 4 of the AktG, shall not exceed ten per cent (10 %) of the registered share capital at the time said authorisation comes into effect or – if lower – at the time it is exercised. Any shares that were issued or sold during the term and prior to the exercising of said authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, shall count towards the above threshold of ten per cent (10 %) of the issued share capital. Said ten-per-cent threshold shall also include shares the issuance of which is required under the terms of debt securities with embedded conversion or option rights on shares issued pursuant to section 186 (3) sentence 4 of the AktG (excluding shareholders' subscription rights), which were (or may be) issued during the validity of this authorisation; or

- b) for fractional amounts arising from the determination of the applicable subscription ratio; or
- c) where this is necessary to grant subscription rights to the holders of bonds with warrants or convertible bonds issued (or to be issued) by the Company or its affiliated companies, which subscription rights are required to entitle these holders to the same extent as they would have been entitled to upon exercising their conversion or option rights or upon performance of a conversion obligation, if any, thus protecting such holders against dilution; or
- d) for an amount of up to € 4,000,000, to offer employees (of the Company or its affiliated companies) shares for subscription; or
- e) in the event of a capital increase against contributions in kind for the purpose of acquiring companies, parts thereof or participating interests or any other assets.

The above authorisation for the exclusion of shareholders' subscription rights in the case of capital increases against contributions in cash is limited to a total of 10 % of the share capital; this limit may be exceeded neither at the time said authorisation comes into effect, nor at the time it is exercised. The above-mentioned ten-per-cent threshold shall furthermore include treasury shares which are sold to the exclusion of shareholders' subscription rights during the validity of this authorisation as well as such shares which are issued to service debt securities, provided that the debt securities were issued to the exclusion of shareholders' subscription rights during the validity of this authorisation. When a new authorisation for the exclusion of shareholders' subscription rights is resolved by the Annual General Meeting after the lowering and said new authorisation comes into effect, the upper limit lowered in accordance with the specifications above shall be increased again to the amount permitted by the new authorisation, with a maximum total of 10 % of the registered share capital in accordance with the above specifications.

The authorised capital has not yet been utilised.

Conditional capital

Based on a resolution passed by the General Meeting on 10 August 2023, the Management Board was authorised to issue, on one or more occasions until 9 August 2028, profit-participation certificates with a limited or unlimited term for contribution in cash or in kind of up to a total of € 1,000,000,000. The profit-participation certificates must be constructed in such a way that the funds paid for them after issuance can be recognised as banking regulatory capital pursuant to the legal regulations applicable as at the time of issuance. Profit-participation certificates and other hybrid promissory note loans to be issued according to this authorisation may provide for conversion rights, entitling or compelling, in accordance with their respective conditions, the holder to purchase Company shares. Conversion rights or obligations may be attached exclusively to no-par value registered shares and are limited to a maximum amount of € 89,785,830 of the Company's share capital. The sum of shares to be issued so as to service conversion or option rights or conversion obligations from profit-participation certificates or hybrid promissory note loans issued pursuant to this authorisation, including shares issued during validity of this authorisation as a result of another authorisation (especially from authorised capital), may not exceed an amount of € 89,785,830 (which equals approx. 50 % of the current share capital). Subject to the approval of the Supervisory Board, the Management Board may exclude shareholders' pre-emptive rights in relation to the profit-participation rights in certain cases.

Accordingly, the share capital is subject to a conditional capital increase not exceeding € 89,785,830 by issuance of up to 29,928,610 new no-par value registered shares ("Conditional Capital 2023"). The conditional capital increase shall be implemented only to the extent that (i) the holders of convertible bonds issued by the Company (or by an enterprise in which the Company either directly or indirectly holds a majority interest) until 9 August 2028 on the basis of the Annual General Meeting's authorisation resolution of

10 August 2023 exercise their conversion rights from these convertible bonds or (ii) the holders of convertible bonds issued by the Company (or by an enterprise in which the Company either directly or indirectly holds a majority interest) until 9 August 2028 on the basis of the Annual General Meeting's authorisation resolution of 10 August 2023, with such holders being obliged to exercise those rights, fulfil their obligation or (iii) the Company exercises its right of substitution, except where treasury shares are used to service the rights or, in the aforementioned cases (i) and (ii), cash compensation is granted. The new shares shall be entitled to a share in the profits from the beginning of the financial year in which they come into existence through the exercise of conversion rights or the fulfilment of conversion obligations. The Management Board shall be authorised to determine the further details of the conditional capital increase.

To date, the Conditional Capital has not yet been utilised.

Capital reserves

The capital reserves contain premiums received upon the issuance of shares. Costs incurred within the framework of a capital increase reduce capital reserves.

Retained earnings

Retained earnings are comprised of statutory reserves (pursuant to section 150 of the AktG) of € 5 million (2024: € 5 million) and of other retained earnings of € 2,543 million (2024: € 4,354 million).

Additional Tier 1 bond (AT1 notes)

On 13 November 2014, Aareal Bank issued notes in an aggregate nominal amount of € 300 million with a denomination of € 200,000 and an initial coupon of 7.625 % p.a. (AT1 notes – ISIN DE000A1TNDK2), based on the authorisation granted by the Annual General Meeting on 21 May 2014. The notes are classified as Additional Tier I capital for regulatory purposes.

The notes bore interest of 7.625 % p.a. from the interest commencement date to 30 April 2020. The rate of interest for any interest period commencing on or after 30 April 2020 shall be equal to the reference rate (one-year EUR swap rate) determined on the relevant interest determination date plus a spread of 7.18 % p.a.

The notes constitute unsecured and subordinated obligations on the part of the issuer.

Upon the occurrence of a trigger event, the redemption amount and the principal amount of each note shall be reduced by the amount of the relevant write-down. The write-down shall be effected pro rata with all other Additional Tier I instruments within the meaning of the CRR, the terms of which provide for a write-down upon the occurrence of the trigger event. A trigger event occurs if the Common Equity Tier I capital ratio, pursuant to Article 92 (1) (a) CRR or a successor provision, and determined on a consolidated basis, falls below 7.0%. After a write-down has been effected, the principal amount and the redemption amount of each note may be written up, subject to certain conditions, in each of the financial years of the issuer subsequent to such write-down until the full initial principal amount has been reached.

The notes may be redeemed, in whole but not in part, at any time at the option of the issuer, subject to prior consent of the competent supervisory authority, upon not less than 30 and not more than 60 days' prior notice of redemption at their redemption amount (taking into account a potential write-down) together with interest accrued until the redemption date (to the extent that interest payment is not cancelled or ruled out in accordance with the terms and conditions of the notes), when the tax or regulatory reasons set out in the terms and conditions of the notes apply. The issuer may also redeem the notes, in whole but not in part, at any time, subject to the prior consent of the competent supervisory authority, upon not less than 30 days' notice of redemption for the first time with effect as at 30 April 2020 and, thereafter, with effect as at each interest payment date at their redemption amount together with interest (if any) accrued to the redemption date.

Aareal Bank terminated the AT1 notes (ISIN DE000A1TNDK2) on 20 February 2025, effective 30 April 2025, and repaid the notes in full on the effective date.

On 22 January 2025, Aareal Bank issued notes in an aggregate nominal amount of US\$ 425 million with a denomination of US\$ 200,000 and an initial coupon of 9.875 % p. a. (AT I notes – ISIN XS2971584813), based on the authorisation granted by the Annual General Meeting on 10 August 2023. The notes are classified as Additional Tier I capital for regulatory purposes and have a first call date on 31 July 2030. Unless the notes are terminated at the end of 31 July 2030, the amount of interest payable on the notes for each further interest period is to be determined from the sum of a reference rate (5-year CMT rate, expressed in percentage points p.a.) and a fixed spread of 5.068 % p. a. The purpose of the notes is to further optimise Aareal Bank's capital structure. The notes constitute unsecured and subordinated obligations on the part of the issuer.

If a trigger event occurs (if the CET I ratio falls below a threshold of 5.125 %), the (original) nominal amount of the notes will either be written down or converted into Common Equity Tier I instruments. In the event of a write-down, the redemption amount of the notes will be reduced in line with the write-down ratio (to the current nominal amount), unless the notes are written up (in full) over their term. A shortfall below the threshold value must be assumed in the event that the Common Equity Tier I ratio pursuant to Article 92(1)(a) of the CRR falls below the threshold of 5.125 % set out above, on a stand-alone basis and/or on a (partially) consolidated basis. The notes will only participate in a write-down or conversion into Common Equity Tier I instruments to the extent that is necessary for the Common Equity Tier I ratio to be restored to 5.125 % on a stand-alone and/or (partially) consolidated basis. After a write-down has been effected, the principal amount (and hence the redemption amount) of each note may be written up, subject to certain conditions, in each of Aareal Bank's financial years subsequent to such a write-down until the full initial principal amount has been reached.

The notes do not have a scheduled maturity date. Unless a special event occurs giving the Bank a right to early redemption (i.e. redemption at the option of the issuer, redemption after the occurrence of a regulatory event or a tax event, or redemption due to the low outstanding nominal amount), the notes will only be due for early redemption in the event of the dissolution, insolvency or liquidation of Aareal Bank and in accordance with the relevant requirements of the terms and conditions of the notes. Early redemption in accordance with the special events referred to above is subject to predefined deadlines; the redemption conditions for the notes must otherwise be observed. In addition, there is the option of early repurchase that is also subject to special repurchase conditions. Redemption or repurchase is subject to the approval of the competent supervisory authority and the requirement to provide evidence of sufficient regulatory capital (excluding the bonds to be redeemed or repurchased). Repayment is made at the original nominal amount or at the current nominal amount (in the case of a write-down for which no full write-up has taken place).

Distributions

The Annual General Meeting held on 7 March 2025 resolved that € 1,941,312,740.00 of the total net retained profit (Bilanzgewinn) of € 2,440,400,000.00 for the 2024 financial year, determined in accordance with German Commercial law, be distributed as dividends and that the residual amount of € 499,087,260.00 be carried forward. The distribution was made shortly afterwards.

The Management Board proposes to the Annual General Meeting that the net retained profit of € 418,030,000.00 for the 2025 financial year, as reported under the German Commercial Code (HGB), be carried forward.

In addition, on 31 July 2026, the Management Board will resolve on a distribution in relation to the AT I instruments, pursuant to the terms and conditions of the notes.

Notes to Financial Instruments

(63) Net gains/losses of financial instruments by category

The following overview shows the net gains or net losses from financial instruments in accordance with the classification and measurement categories of financial assets and liabilities (from which the results are generated):

| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|---|---------------------|---------------------|
| € mn | | |
| Net gain or loss from financial assets (ac) | -295 | -329 |
| Net gain or loss from financial liabilities (ac) | 1 | 0 |
| Net gain or loss from financial assets (fvoci) recognised in other comprehensive income | 40 | -30 |
| Net gain or loss from financial assets (fvoci) transferred to the income statement | 0 | 1 |
| Net gain or loss from equity instruments (fvoci) | 0 | 0 |
| Net gain or loss from financial instruments (fvpl) | -5 | -44 |
| Net gain or loss from financial guarantee contracts and loan commitments | -1 | -13 |

The net results include measurement gains and losses, realised gains/losses on disposal, subsequent recoveries on loans and advances previously written off in relation to all financial instruments of the respective measurement category. The net gain or loss from financial instruments (fvpl) also comprises the net gain or loss from currency translation.

The hedge result from hedged items is aggregated with the hedge result from derivative hedging instruments in one line item, and amounted to € -12 million (2024: € 3 million) in the year under review. Moreover, the change in the reserve from foreign-currency basis spreads amounted to € 25 million (2024: € -11 million).

(64) Fair value hierarchy in accordance with IFRS 13

The carrying amounts of financial instruments held by Aareal Bank Group which are reported at fair value in the statement of financial position are presented in the following table according to the three-tier fair value hierarchy pursuant to IFRS 13.72 et seq. The presentation is made for each class of financial instrument.

31 December 2025

| | Total fair value | Fair value level 1 | Fair value level 2 | Fair value level 3 |
|--|------------------|--------------------|--------------------|--------------------|
| € mn | | | | |
| Financial assets (fvoci) | 5,371 | 4,755 | 615 | 1 |
| Money market and capital market receivables (fvoci) | 5,370 | 4,755 | 615 | 0 |
| Equity instruments (fvoci) | 1 | 0 | 0 | 1 |
| Financial assets (fvpl) | 1,619 | 1 | 1,289 | 329 |
| Loan receivables (fvpl) | 324 | 0 | 0 | 324 |
| Money market and capital market receivables (fvpl) | 6 | 1 | 0 | 5 |
| Positive market value of designated hedging derivatives (fvpl) | 452 | 0 | 452 | 0 |
| Positive market value of other derivatives (fvpl) | 837 | 0 | 837 | 0 |
| Financial liabilities (fvpl) | 1,705 | 0 | 1,705 | 0 |
| Negative market value of designated hedging derivatives (fvpl) | 988 | 0 | 988 | 0 |
| Negative market value of other derivatives (fvpl) | 717 | 0 | 717 | 0 |

As at year-end, € 75 million (2024: € 0 million) in financial assets (fvoci) (money market and capital market receivables (fvoci)) were transferred from Level 1 to Level 2; financial assets (fvoci) of € 21 million were transferred from Level 2 to Level 1 (2024: € 22 million).

31 December 2024

| | Total fair value | Fair value level 1 | Fair value level 2 | Fair value level 3 |
|--|---------------------|-----------------------|-----------------------|-----------------------|
| € mn | | | | |
| Financial assets (fvoci) | 4,823 | 4,741 | 81 | 1 |
| Money market and capital market receivables (fvoci) | 4,822 | 4,741 | 81 | 0 |
| Equity instruments (fvoci) | 1 | 0 | 0 | 1 |
| Financial assets (fvpl) | 1,530 | 1 | 1,144 | 385 |
| Loan receivables (fvpl) | 381 | 0 | 0 | 381 |
| Money market and capital market receivables (fvpl) | 5 | 1 | 0 | 4 |
| Positive market value of designated hedging derivatives (fvpl) | 673 | 0 | 673 | 0 |
| Positive market value of other derivatives (fvpl) | 471 | 0 | 471 | 0 |
| Financial liabilities (fvpl) | 2,566 | 0 | 2,566 | 0 |
| Negative market value of designated hedging derivatives (fvpl) | 1,057 | 0 | 1,057 | 0 |
| Negative market value of other derivatives (fvpl) | 1,509 | 0 | 1,509 | 0 |

The fair values of loan receivables recognised at fair value in the statement of financial position that are assigned to Level 3 of the fair value hierarchy developed as follows during the period under review:

Loan receivables (fvpl)

| | 2025 | 2024 |
|-------------------------------------|------------|------------|
| € mn | | |
| Fair value as at 1 January | 381 | 255 |
| Change in measurement | 42 | -3 |
| Portfolio changes | | |
| Additions | 9 | 148 |
| Derecognition | 108 | 19 |
| Deferred interest | 0 | 0 |
| Fair value as at 31 December | 324 | 381 |

Receivables held in the Bank's portfolio contributed € 36 million to the net gain or loss from loan receivables (fvpl) (2024: € -18 million). The net gain or loss from loan receivables (fvpl) is reported in the net gain or loss from financial instruments (fvpl).

Regarding loan receivables (fvpl), the add-ons for risks specific to the counterparty and transaction represent the material input parameter not observable in the market. The relevant add-ons averaged approximately 630 bp. Regarding the non-defaulted loans, increasing/decreasing this parameter by 1 % would lead to a decrease/increase of the fair value by € 4 million (2024: € 4 million). No reclassifications were carried out in the year under review.

The fair values of financial instruments held by Aareal Bank Group which are reported at amortised cost in the statement of financial position are presented in the following table according to the three-tier fair value hierarchy pursuant to IFRS 13.72 et seq. The presentation is made for each class of financial instrument:

31 December 2025

| | Total fair value | Fair value level 1 | Fair value level 2 | Fair value level 3 |
|--|---------------------|-----------------------|-----------------------|-----------------------|
| € mn | | | | |
| Financial assets (ac) | 38,931 | 2,052 | 3,056 | 33,823 |
| Cash funds (ac) | 328 | 0 | 328 | 0 |
| Loan receivables (ac) | 33,790 | 0 | 0 | 33,790 |
| Money market and capital market receivables (ac) | 4,750 | 2,052 | 2,695 | 3 |
| Receivables from other transactions (ac) | 63 | 0 | 33 | 30 |
| Financial liabilities (ac) | 41,151 | 12,686 | 28,330 | 135 |
| Money market and capital market liabilities (ac) | 27,123 | 12,686 | 14,341 | 96 |
| Deposits from the housing industry (ac) | 13,213 | 0 | 13,213 | 0 |
| Liabilities from other transactions (ac) | 61 | 0 | 22 | 39 |
| Subordinated liabilities (ac) | 754 | 0 | 754 | 0 |

31 December 2024

| | Total fair value | Fair value level 1 | Fair value level 2 | Fair value level 3 |
|--|---------------------|-----------------------|-----------------------|-----------------------|
| € mn | | | | |
| Financial assets (ac) | 40,159 | 1,920 | 5,691 | 32,548 |
| Cash funds (ac) | 2,605 | 0 | 2,605 | 0 |
| Loan receivables (ac) | 32,516 | 0 | 0 | 32,516 |
| Money market and capital market receivables (ac) | 4,973 | 1,920 | 3,053 | 0 |
| Receivables from other transactions (ac) | 65 | 0 | 33 | 32 |
| Financial liabilities (ac) | 39,252 | 9,538 | 29,647 | 67 |
| Money market and capital market liabilities (ac) | 26,315 | 9,538 | 16,756 | 21 |
| Deposits from the housing industry (ac) | 12,216 | 0 | 12,216 | 0 |
| Liabilities from other transactions (ac) | 71 | 0 | 25 | 46 |
| Subordinated liabilities (ac) | 650 | 0 | 650 | 0 |

(65) Comparison of carrying amounts and fair values of financial instruments

The fair values of financial instruments are compared with their carrying amounts (including loss allowance) in the following table. The presentation is made for each class of financial instrument:

| | 31 Dec 2025 Carrying amount | 31 Dec 2025 Fair Value | 31 Dec 2024 Carrying amount | 31 Dec 2024 Fair Value |
|--|--------------------------------|---------------------------|--------------------------------|---------------------------|
| € mn | | | | |
| Financial assets (ac) | 38,682 | 38,931 | 40,025 | 40,159 |
| Cash funds (ac) | 328 | 328 | 2,605 | 2,605 |
| Loan receivables (ac) | 33,414 | 33,790 | 32,213 | 32,516 |
| Money market and capital market receivables (ac) | 4,875 | 4,750 | 5,141 | 4,973 |
| Receivables from other transactions (ac) | 65 | 63 | 66 | 65 |
| Financial assets (fvoci) | 5,371 | 5,371 | 4,823 | 4,823 |
| Money market and capital market receivables (fvoci) | 5,370 | 5,370 | 4,822 | 4,822 |
| Equity instruments (fvoci) | 1 | 1 | 1 | 1 |
| Financial assets (fvpl) | 1,619 | 1,619 | 1,530 | 1,530 |
| Loan receivables (fvpl) | 324 | 324 | 381 | 381 |
| Money market and capital market receivables (fvpl) | 6 | 6 | 5 | 5 |
| Positive market value of designated hedging derivatives (fvpl) | 452 | 452 | 673 | 673 |
| Positive market value of other derivatives (fvpl) | 837 | 837 | 471 | 471 |
| Financial liabilities (ac) | 41,165 | 41,151 | 39,486 | 39,252 |
| Money market and capital market liabilities (ac) | 27,169 | 27,123 | 26,557 | 26,315 |
| Deposits from the housing industry (ac) | 13,213 | 13,213 | 12,216 | 12,216 |
| Liabilities from other transactions (ac) | 60 | 61 | 72 | 71 |
| Subordinated liabilities (ac) | 723 | 754 | 641 | 650 |
| Financial liabilities (fvpl) | 1,705 | 1,705 | 2,566 | 2,566 |
| Negative market value of designated hedging derivatives (fvpl) | 988 | 988 | 1,057 | 1,057 |
| Negative market value of other derivatives (fvpl) | 717 | 717 | 1,509 | 1,509 |

(66) Financial instruments that have not yet been switched to an alternative benchmark rate

The following table presents the nominal amounts for derivative and non-derivative financial instruments for which no official cessation effective date has been communicated and/or for which no contractual arrangements for transition have been made. Aareal Bank has become an adhering party to the ISDA protocol and is gradually concluding so-called IBOR Supplemental Agreements to the German Master Agreement for Financial Derivatives Transactions (Deutscher Rahmenvertrag für Finanztermingeschäfte) on a bilateral basis with the counterparties. In the case of derivatives, the presentation is made per cash flow leg:

2025

| | Non-derivative financial assets | Non-derivative financial liabilities | Derivative financial assets | Derivative financial liabilities |
|--------------------------|------------------------------------|---|--------------------------------|-------------------------------------|
| € mn | | | | |
| EURIBOR ¹⁾ | 8,652 | 254 | 19,914 | 24,967 |
| SEK STIBOR ¹⁾ | 182 | 171 | 582 | 634 |
| DKK CIBOR ¹⁾ | 292 | 0 | 229 | 392 |
| Total | 9,126 | 425 | 20,725 | 25,993 |

¹⁾ cessation effective date not yet announced

2024

| € mn | Non-derivative financial assets | Non-derivative financial liabilities ²⁾ | Derivative financial assets | Derivative financial liabilities |
|--------------------------|------------------------------------|---|--------------------------------|-------------------------------------|
| EURIBOR ¹⁾ | 6,786 | 169 | 22,656 | 26,205 |
| SEK STIBOR ¹⁾ | 315 | 6 | 726 | 965 |
| DKK CIBOR ¹⁾ | 252 | 0 | 315 | 475 |
| NZD BKBM | 8 | 0 | 0 | 0 |
| Total | 7,361 | 175 | 23,697 | 27,645 |

¹⁾ cessation effective date not announced as at year-end closing 2024

²⁾ including AT1 bond

The effects of the IBOR reform were analysed and monitored, and any resulting new requirements implemented, as part of a separate project. The transition of collateral agreements and of discounting OTC derivatives was implemented on a case-by-case basis until 2021 in accordance with the bilateral agreements between the counterparties. Any existing hedging relationships did not have to be discontinued.

The necessary adjustments for new business were made to account for the new benchmark interest rates; corresponding transactions were concluded. The adjustments referred to the currencies EUR (€STR), GBP (SONIA), USD (SOFR), CHF (SARON), CAD (CORRA) and JPY (TONA).

The existing transactions will be changed on a currency-by-currency basis. Transactions based on EONIA interest and on CHF, GBP or USD LIBOR, respectively, were modified. This was partly implemented using the practical relief applicable to the accounting treatment for modifications. The modification was made using prevailing market conditions; there were no material effects from transition. Such effects are neither expected from further transition.

The new yield curves were taken into account as part of the risk management strategy and integrated into risk management so that transactions based on new reference interest rates can be appropriately assessed and managed. Apart from the major market price risks (interest rate and basis risks), additional risks such as process, legal and documentation risks were addressed and implemented within the context of the project. Where the discontinuation of reference interest rates required contracts to be modified, such modifications were discussed with clients and contracts adjusted accordingly. Any newly concluded contracts already refer to the new reference interest rates to the extent possible. Any necessary adjustments to processes, the Written Set of Procedural Rules and documentation requirements were developed as part of the project and transferred to line activities.

(67) Disclosures on credit risk

For information on risk management practice and input factors, please refer to the chapter “Credit default risk” in the Risk Report included in the Management Report. The chapter also provides a breakdown of gross carrying amounts of on-balance sheet as well as off-balance sheet credit business, money-market business, and capital markets business, by rating class and loss allowance stages. The definition of the individual stages as well as the methodology for determining loss allowance are outlined in the chapter “Accounting policies”; Note (10) Recognition and measurement of financial instruments.

The following overviews present the loss allowance and the provisions for credit risks per stage and separately by product groups.

Loss allowance (ac)

2025

| | Balance as at 1 Jan | Additions | Utilisation | Reversals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Interest effect | Currency adjustment | Transfers | Balance as at 31 Dec |
|--|---------------------|------------|-------------|-------------|---------------------|---------------------|---------------------|-----------------|---------------------|------------|----------------------|
| € mn | | | | | | | | | | | |
| Stage 1 | 40 | 36 | 0 | -27 | 6 | -5 | 0 | 0 | -1 | 0 | 49 |
| Loan receivables (ac) | 39 | 36 | 0 | -27 | 6 | -5 | 0 | 0 | -1 | 0 | 48 |
| Money market and capital market receivables (ac) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Stage 2 | 149 | 115 | 0 | -71 | -6 | 10 | -42 | 0 | -13 | 0 | 142 |
| Loan receivables (ac) | 149 | 115 | 0 | -71 | -6 | 10 | -42 | 0 | -13 | 0 | 142 |
| Money market and capital market receivables (ac) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stage 3 | 210 | 302 | -206 | -15 | 0 | -5 | 42 | 27 | -25 | -95 | 235 |
| Loan receivables (ac) | 210 | 302 | -206 | -15 | 0 | -5 | 42 | 27 | -25 | -95 | 235 |
| Receivables from other transactions (ac) | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | -1 | 0 | 3 |
| Total | 402 | 454 | -206 | -113 | 0 | 0 | 0 | 27 | -40 | -95 | 429 |

2024

| | Balance as at 1 Jan | Additions | Utilisation | Reversals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 2 | Interest effect | Currency adjustment | Transfers | Balance as at 31 Dec |
|--|---------------------|------------|-------------|------------|---------------------|---------------------|---------------------|-----------------|---------------------|-------------|----------------------|
| € mn | | | | | | | | | | | |
| Stage 1 | 38 | 21 | 0 | -14 | 3 | -7 | -2 | 0 | 1 | 0 | 40 |
| Loan receivables (ac) | 37 | 21 | 0 | -14 | 3 | -7 | -2 | 0 | 1 | 0 | 39 |
| Money market and capital market receivables (ac) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Stage 2 | 83 | 112 | 0 | -49 | -3 | 14 | -11 | 0 | 3 | 0 | 149 |
| Loan receivables (ac) | 83 | 112 | 0 | -49 | -3 | 14 | -11 | 0 | 3 | 0 | 149 |
| Money market and capital market receivables (ac) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stage 3 | 304 | 294 | -305 | -32 | 0 | -7 | 13 | 27 | 20 | -104 | 210 |
| Loan receivables (ac) | 304 | 294 | -305 | -32 | 0 | -7 | 13 | 27 | 20 | -104 | 210 |
| Receivables from other transactions (ac) | 3 | 2 | -1 | 0 | 0 | 0 | 0 | 0 | 0 | -1 | 3 |
| Total | 428 | 429 | -306 | -95 | 0 | 0 | 0 | 27 | 24 | -105 | 402 |

The loss allowance for financial assets (ac) is reported in the item “Loss allowance (ac)” on the assets side of the statement of financial position.

Provisions for unrecognised lending business

2025

| | Provisions as at 1 Jan | Additions | Utilisation | Reversals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Interest effect | Currency adjustment | Provisions as at 31 Dec |
|--------------|------------------------|-----------|-------------|-----------|---------------------|---------------------|---------------------|-----------------|---------------------|-------------------------|
| € mn | | | | | | | | | | |
| Stage 1 | 1 | 6 | 0 | -1 | 0 | 0 | 0 | 0 | 0 | 6 |
| Stage 2 | 7 | 1 | 0 | -3 | 0 | 0 | 0 | 0 | 0 | 5 |
| Stage 3 | 11 | 0 | 0 | -2 | 0 | 0 | 0 | 0 | -2 | 7 |
| Total | 19 | 7 | 0 | -6 | 0 | 0 | 0 | 0 | -2 | 18 |

2024

| | Provisions as at 1 Jan | Additions | Utilisation | Reversals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Interest effect | Currency adjustment | Provisions as at 31 Dec |
|--------------|------------------------|-----------|-------------|-----------|---------------------|---------------------|---------------------|-----------------|---------------------|-------------------------|
| € mn | | | | | | | | | | |
| Stage 1 | 2 | 1 | 0 | -1 | 0 | -1 | 0 | 0 | 0 | 1 |
| Stage 2 | 3 | 4 | 0 | -2 | 0 | 1 | 0 | 0 | 1 | 7 |
| Stage 3 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 11 |
| Total | 5 | 15 | 0 | -3 | 0 | 0 | 0 | 0 | 2 | 19 |

The provisions for unrecognised lending business refer to loan commitments and contingent liabilities and are reported on the equity and liabilities side of the statement of financial position under provisions.

No impaired financial assets were recognised for the first time in the 2025 financial year. Assets of € 65 million (2024: € 121 million) were acquired within the context of the realisation of collateral.

Aareal Bank successfully implemented its first Significant Risk Transfer (SRT) in October 2025. This purely synthetic transaction relates to a broadly diversified portfolio of non-impaired European commercial property loans totalling € 2.0 billion, which constitutes a cross-section of the Bank's loan book. A defined portion of the credit risk was transferred as part of a structured two-tranche solution using a funded credit-linked note and an unfunded financial guarantee. The transaction hedges approximately 7% of the credit risk exposure of the € 2.0 billion portfolio. The Bank pays a premium in return that is recognised in commission expenses.

Credit quality of financial receivables from other transactions

Financial receivables from other transactions are also subject to credit risk. Of the receivables from other transactions in the amount of € 68 million (2024: € 70 million), € 62 million (2024: € 65 million) were neither overdue nor impaired, € 2 million (2024: € 1 million) were overdue but not impaired and € 4 million (2024: € 4 million) were impaired.

(68) Reconciliation of gross carrying amounts of financial assets

The following tables show the development of the gross carrying amounts of financial assets that are subject to the impairment rules and to which the loss allowance mentioned above can be attributed.

Financial assets (ac)**2025**

| | Gross carrying amount as at 1 Jan | Additions | Disposals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Impairment and reversals of impairment | Net modification gain or loss | Currency and other changes | Gross carrying amount as at 31 Dec |
|---|-----------------------------------|--------------|---------------|---------------------|---------------------|---------------------|--|-------------------------------|----------------------------|------------------------------------|
| € mn | | | | | | | | | | |
| Loan receivables (ac) | 32,771 | 6,554 | -4,274 | 0 | 0 | 0 | -161 | 12 | -1,063 | 33,839 |
| Stage 1 | 26,453 | 6,454 | -2,994 | 923 | -1,757 | -49 | 0 | 0 | -565 | 28,465 |
| Stage 2 | 5,223 | 81 | -842 | -896 | 1,924 | -643 | -56 | 1 | -349 | 4,443 |
| Stage 3 | 1,095 | 19 | -438 | -27 | -167 | 692 | -105 | 11 | -149 | 931 |
| Money market and capital market receivables (ac) | 5,154 | 1,215 | -1,396 | 0 | 0 | 0 | 0 | 0 | -97 | 4,876 |
| Stage 1 | 5,154 | 1,215 | -1,396 | 0 | -421 | 0 | 0 | 0 | -76 | 4,476 |
| Stage 2 | 0 | 0 | 0 | 0 | 421 | 0 | 0 | 0 | -21 | 400 |
| Receivables from other transactions (ac) | 70 | 12 | -9 | 0 | 0 | 0 | 0 | 0 | -5 | 68 |
| Total | 37,995 | 7,781 | -5,679 | 0 | 0 | 0 | -161 | 12 | -1,165 | 38,783 |

2024

| | Gross carrying amount as at 1 Jan | Additions | Disposals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Impairment and reversals of impairment | Net modification gain or loss | Currency and other changes | Gross carrying amount as at 31 Dec |
|--|-----------------------------------|--------------|---------------|---------------------|---------------------|---------------------|--|-------------------------------|----------------------------|------------------------------------|
| € mn | | | | | | | | | | |
| Loan receivables (ac)¹⁾ | 32,318 | 5,393 | -5,289 | 0 | 0 | 0 | -330 | -30 | 709 | 32,771 |
| Stage 1 | 25,352 | 5,287 | -3,505 | 1,342 | -2,392 | -109 | 0 | 0 | 478 | 26,453 |
| Stage 2 | 5,496 | 79 | -1,264 | -1,342 | 2,658 | -549 | -78 | 0 | 223 | 5,223 |
| Stage 3 | 1,470 | 27 | -520 | 0 | -266 | 658 | -252 | -30 | 8 | 1,095 |
| Money market and capital market receivables (ac)¹⁾ | 5,878 | 1,326 | -782 | 0 | 0 | 0 | 0 | 0 | -51 | 6,371 |
| Stage 1 | 5,869 | 1,326 | -781 | 8 | 0 | 0 | 0 | 0 | -51 | 6,371 |
| Stage 2 | 9 | 0 | -1 | -8 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables from other transactions (ac) | 117 | 80 | -68 | 0 | 0 | 0 | 0 | 0 | -59 | 70 |
| Total | 38,313 | 6,799 | -6,139 | 0 | 0 | 0 | -330 | -30 | 599 | 39,212 |

¹⁾ Including non-current assets held for sale

Financial assets (fvoci)

2025

| | Gross carrying amount as at 1 Jan | Additions | Disposals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Impairment and reversals of impairment | Net modification gain or loss | Currency and other changes | Gross carrying amount as at 31 Dec |
|--|-----------------------------------|--------------|-------------|---------------------|---------------------|---------------------|--|-------------------------------|----------------------------|------------------------------------|
| € mn | | | | | | | | | | |
| Money market and capital market receivables (fvoci) | 4,822 | 1,021 | -506 | 0 | 0 | 0 | 0 | 0 | 33 | 5,370 |
| Stage 1 | 4,787 | 1,021 | -476 | 35 | -287 | 0 | 0 | 0 | 32 | 5,112 |
| Stage 2 | 35 | 0 | -30 | -35 | 287 | 0 | 0 | 0 | 1 | 258 |
| Equity instruments (fvoci) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Stage 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 4,823 | 1,021 | -506 | 0 | 0 | 0 | 0 | 0 | 33 | 5,371 |

2024

| | Gross carrying amount as at 1 Jan | Additions | Disposals | Transfer to Stage 1 | Transfer to Stage 2 | Transfer to Stage 3 | Impairment and reversals of impairment | Net modification gain or loss | Currency and other changes | Gross carrying amount as at 31 Dec |
|--|-----------------------------------|--------------|-------------|---------------------|---------------------|---------------------|--|-------------------------------|----------------------------|------------------------------------|
| € mn | | | | | | | | | | |
| Money market and capital market receivables (fvoci) | 4,401 | 1,060 | -706 | 0 | 0 | 0 | 0 | 0 | 67 | 4,822 |
| Stage 1 | 4,255 | 1,060 | -706 | 146 | -33 | 0 | 0 | 0 | 65 | 4,787 |
| Stage 2 | 146 | 0 | 0 | -146 | 33 | 0 | 0 | 0 | 2 | 35 |
| Equity instruments (fvoci) | 2 | 0 | -1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Stage 1 | 2 | 0 | -1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 4,403 | 1,060 | -707 | 0 | 0 | 0 | 0 | 0 | 67 | 4,823 |

Please refer to the presentation of the items of the statement of financial position in the section “Notes to the statement of financial position” for information on maximum credit risk exposure of on-balance-sheet financial assets since the carrying amount corresponds to the maximum credit risk exposure of Aareal Bank as at the balance sheet date, for both items that are subject to the impairment rules and for financial assets that are not subject to the impairment rules. The collateral received is described in the Report on the Economic Position and in the Risk Report as part of the Group Management Report.

As at the current reporting date, no receivables from the lending business were written off during the reporting year, while receivables of € 10 million were the subject matter of foreclosure proceedings (2024: € 10 million).

(69) Modification effects

If modifications are made to financial assets during the contract term leading to changes in the contractual cash flows and if these changes are not that extensive that the financial asset is derecognised and a new asset is recognised, such modifications are non-substantial modifications. Following a non-substantial modification, the carrying amount of a financial asset is remeasured and a net modification gain or loss is recorded in net interest income or in the loss allowance.

The following table shows the amortised cost before modification of financial assets that were subject to non-substantial modifications in the reporting period as well as the related modification gain or loss.

| | 2025 | | | 2024 | | |
|--|----------|------------|------------|------------|------------|------------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| € mn | | | | | | |
| Amortised cost before modification | 0 | 276 | 469 | 309 | 111 | 371 |
| Net gain or loss on modification | 0 | 1 | 11 | 0 | 0 | -30 |
| Amortised cost after modification | 0 | 277 | 480 | 309 | 111 | 341 |

During the 2025 financial year, € 117 million in receivables from the lending business were reclassified from Stage 2 or Stage 3 to Stage 1, which had been modified since they were first classified as Stage 2 or Stage 3 receivables (2024: nil).

(70) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when currently there is a legally enforceable right to set off the recognised amounts, and when the Bank intends either to settle on a net basis – or to realise the asset and settle the liability simultaneously. The following overviews show whether and to what extent financial instruments were actually offset as at the current reporting date. The tables also include disclosures on financial instruments that are part of an enforceable master netting or similar arrangement that do not meet the criteria for offsetting in the statement of financial position.

Financial assets

31 December 2025

| | Gross carrying amounts of recognised financial assets | Gross carrying amounts of offset amounts | Net carrying amount reported in the statement of financial position | Financial liabilities which were not subject to offsetting | Collateral received | Remaining net amount |
|---------------|---|--|---|--|---------------------|----------------------|
| € mn | | | | | | |
| Derivatives | 1,294 | 0 | 1,294 | 1,219 | 480 | 0 |
| Reverse repos | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,294 | 0 | 1,294 | 1,219 | 480 | 0 |

31 December 2024

| | Gross carrying amounts of recognised financial assets | Gross carrying amounts of offset amounts | Net carrying amount reported in the statement of financial position | Financial liabilities which were not subject to offsetting | Collateral received | Remaining net amount |
|---------------|---|--|---|--|---------------------|----------------------|
| € mn | | | | | | |
| Derivatives | 1,140 | 0 | 1,140 | 1,055 | 159 | 0 |
| Reverse repos | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,140 | 0 | 1,140 | 1,055 | 159 | 0 |

Financial liabilities

31 December 2025

| | Gross carrying amounts of recognised financial liabilities | Gross carrying amounts of offset amounts | Net carrying amount reported in the statement of financial position | Financial assets which were not subject to offsetting | Collateral provided | Remaining net amount |
|---------------------|--|--|---|---|---------------------|----------------------|
| € mn | | | | | | |
| Derivatives | 1,698 | 0 | 1,698 | 1,219 | 887 | 0 |
| Repos ¹⁾ | 1,453 | 0 | 1,453 | 1,453 | 743 | 0 |
| Total | 3,151 | 0 | 3,151 | 2,672 | 1,630 | 0 |

¹⁾ Own securities in the amount of € 1,072 million not carried on the balance sheet were pledged as collateral, in addition to the collateral shown in the table.

31 December 2024

| | Gross carrying amounts of recognised financial liabilities | Gross carrying amounts of offset amounts | Net carrying amount reported in the statement of financial position | Financial assets which were not subject to offsetting | Collateral provided | Remaining net amount |
|---------------------|--|--|---|---|---------------------|----------------------|
| € mn | | | | | | |
| Derivatives | 2,570 | 0 | 2,570 | 1,055 | 1,891 | 0 |
| Repos ¹⁾ | 965 | 0 | 965 | 965 | 675 | 0 |
| Total | 3,535 | 0 | 3,535 | 2,020 | 2,566 | 0 |

¹⁾ Own securities in the amount of € 610 million not carried on the balance sheet were pledged as collateral, in addition to the collateral shown in the table.

To reduce counterparty risk, Aareal Bank Group concludes standardised master agreements for financial derivatives and securities repurchase agreements, such as the ISDA Master Agreement, the German Master Agreement on Financial Derivatives or the Master Agreement for Securities Repurchase Transactions. In addition, Aareal Bank enters into collateral agreements (Credit Support Annex to the ISDA Master Agreement and Collateral Annex to the German Master Agreement on Financial Derivatives) in which a mutual collateralisation of all claims between the contracting parties is agreed and which include netting arrangements.

The master agreements for financial derivatives used by Aareal Bank include netting arrangements at a single transaction level (so-called “payment netting”), which provide for a netting of payments when both parties need to make payments in the same currency on the same date, as set out in the contract. Aareal Bank does not offset financial derivatives according to the rules related to payment netting, as the transactions are not settled on a net basis. Aareal Bank Group has not entered into arrangements providing for netting of derivatives across several transactions.

For securities repurchase transactions (repo), depending on the counterparty, payment or delivery netting is made. In line with the rules set out in the master agreement for repo transactions, payments or deliveries of securities may be offset when both counterparties have to make payments in the same currency on the same date, or have to deliver securities of the same type. This was not the case as at the reporting date.

(71) Assets provided or accepted as collateral

Assets provided as collateral

Aareal Bank Group has provided financial assets as collateral for its liabilities or contingent liabilities. The following overview shows the carrying amount and fair value of the collateral provided and the items of the statement of financial position in which they are reported.

| | 31 Dec 2025 Carrying amount | 31 Dec 2025 Fair value | 31 Dec 2024 Carrying amount | 31 Dec 2024 Fair value |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
| € mn | | | | |
| Loan receivables (ac) | 314 | 320 | 303 | 303 |
| Money market and capital market receivables (ac) | 1,357 | 1,354 | 1,667 | 1,665 |
| Money market and capital market receivables (fvoci) | 257 | 257 | 315 | 315 |
| Receivables from other transactions (ac) | 34 | 34 | 34 | 34 |
| Total | 1,962 | 1,965 | 2,319 | 2,317 |

The protection buyer in a securities repurchase transaction has the right to sell or re-pledge any of the financial assets pledged as collateral. There is a fully-collateralised and irrevocable payment obligation in the amount of € 34 million (2024: € 34 million) from the bank levy. This obligation is reported under “Receivables from other transactions (ac)”. In addition, repo transactions entered into were collateralised by repurchased own securities having a nominal volume of € 1,072 million.

Assets accepted as collateral

Aareal Bank Group accepts financial assets as collateral within the scope of securities repurchase (repo) transactions. These assets may be sold or pledged without the collateral owner being in default. No fixed-income securities were accepted as collateral for repo transactions as at the reporting date (2024: € 0 million).

Collateral is provided and accepted predominantly on the basis of standardised agreements on repo transactions and on the collateralisation of forward transactions.

(72) Transfer of financial assets without derecognition

Aareal Bank Group sells securities subject to a take-back requirement as borrower within the framework of genuine repurchase agreements. Within the scope of such agreements, securities are transferred to lenders without resulting in the securities being derecognised since Aareal Bank Group retains the substantial risks and rewards from the securities. The risks to which Aareal Bank Group is still exposed comprise the default risk, the interest rate risk and other price risks. The equivalent values received as collateral during the transfer of securities are accounted as money-market receivables or liabilities. Within the context of securities repurchase transactions, the unrestricted title and the unrestricted power of disposition is transferred to the lender upon delivery of the securities. The lender has the right to sell or pledge these securities, however, he is required to retransfer securities of the same type and in the same amount as at the repurchase date.

Securities repurchase transactions with a carrying amount of € 1,453 million (2024: € 965 million) and a fair value of € 1,455 million (2024: € 897 million) were outstanding as at the reporting date. These are recognised as money market and capital market liabilities (ac). For these transactions, securities with a carrying amount of € 467 million (carried as money market and capital market receivables (ac) and (fvoci)) and loans with a carrying amount of € 272 million (carried as loan receivables (ac)) were pledged as collateral.

Furthermore, derivative financial liabilities with a carrying amount of € 1,698 million (2024: € 2,570 million) as at the reporting date were reported as financial liabilities (fvpl). Collateral with a carrying amount of € 887 million was pledged for these transactions (reported as money market and capital market receivables (ac)).

Open market transactions with a nominal amount and fair value of € 1,001 million were also executed, for which collateral in the form of a portfolio of securities and promissory note loans amounting to around € 5 billion was pledged.

(73) Derivative financial instruments

The following table shows positive and negative market values (including pro-rata interest) of all derivative financial instruments by hedge and risk types:

| | 31 Dec 2025 | | | 31 Dec 2024 | | |
|--|----------------|--------------|--------------|----------------|--------------|--------------|
| | Nominal amount | Fair value | | Nominal amount | Fair value | |
| | | positive | negative | | positive | negative |
| € mn | | | | | | |
| Fair value hedge derivatives | 38,749 | 421 | 988 | 40,300 | 673 | 1,023 |
| Interest rate risk | 38,634 | 413 | 988 | 40,179 | 670 | 1,023 |
| Interest rate swaps | 38,634 | 413 | 988 | 40,179 | 670 | 1,023 |
| Interest rate and currency risk | 115 | 8 | 0 | 121 | 3 | 0 |
| Cross-currency swaps | 115 | 8 | 0 | 121 | 3 | 0 |
| Hedge of net investments | 483 | 31 | 0 | 882 | 0 | 34 |
| Currency risk | 483 | 31 | 0 | 882 | 0 | 34 |
| Cross-currency swaps | 483 | 31 | 0 | 882 | 0 | 34 |
| Other derivatives | 62,720 | 837 | 717 | 49,634 | 471 | 1,509 |
| Interest rate risk | 44,860 | 247 | 595 | 34,866 | 325 | 842 |
| Interest rate swaps | 33,548 | 230 | 578 | 24,929 | 293 | 810 |
| Caps, floors | 11,312 | 16 | 16 | 9,937 | 29 | 29 |
| Other | 0 | 1 | 1 | 0 | 3 | 3 |
| Interest rate and currency risk | 17,860 | 590 | 122 | 14,768 | 146 | 667 |
| Spot and forward foreign exchange transactions | 2,513 | 3 | 12 | 2,018 | 11 | 1 |
| Cross-currency swaps | 15,347 | 587 | 110 | 12,750 | 135 | 666 |
| Total | 101,952 | 1,289 | 1,705 | 90,816 | 1,144 | 2,566 |

Derivatives have been entered into with the following counterparties:

| | Fair value as at 31 Dec 2025 | | Fair value as at 31 Dec 2024 | |
|------------------------------------|------------------------------|--------------|------------------------------|--------------|
| | positive | negative | positive | negative |
| € mn | | | | |
| OECD banks and central governments | 1,256 | 1,677 | 1,107 | 2,518 |
| Companies and private individuals | 33 | 28 | 37 | 48 |
| Total | 1,289 | 1,705 | 1,144 | 2,566 |

The following overview shows the cash flows of derivative financial instruments by risk types, based on the contractual maturity. The amounts shown in the table represent the contractually agreed future undiscounted cash flows.

31 December 2025

| | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|--|-------------------|-----------------------|----------------------|----------------------|---------------|
| € mn | | | | | |
| Interest rate risk | | | | | |
| Interest rate swaps | | | | | |
| Cash inflows | 467 | 1,150 | 3,390 | 1,768 | 6,775 |
| Cash outflows | 534 | 1,176 | 3,712 | 1,874 | 7,296 |
| Caps, floors | | | | | |
| Cash inflows | 2 | 4 | 14 | 0 | 20 |
| Cash outflows | 2 | 4 | 14 | 0 | 20 |
| Interest rate and currency risk | | | | | |
| Spot and forward foreign exchange transactions | | | | | |
| Cash inflows | 2,135 | 423 | 0 | 0 | 2,558 |
| Cash outflows | 2,143 | 421 | 0 | 0 | 2,564 |
| Cross-currency swaps | | | | | |
| Cash inflows | 626 | 4,634 | 11,289 | 6 | 16,555 |
| Cash outflows | 647 | 4,608 | 11,105 | 0 | 16,360 |
| Total cash inflows | 3,230 | 6,211 | 14,693 | 1,774 | 25,908 |
| Total cash outflows | 3,326 | 6,209 | 14,831 | 1,874 | 26,240 |

31 December 2024

| | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|--|-------------------|-----------------------|----------------------|----------------------|---------------|
| € mn | | | | | |
| Interest rate risk | | | | | |
| Interest rate swaps | | | | | |
| Cash inflows | 498 | 1,053 | 3,086 | 1,550 | 6,187 |
| Cash outflows | 594 | 1,085 | 3,373 | 1,660 | 6,712 |
| Caps, floors | | | | | |
| Cash inflows | 8 | 11 | 17 | 0 | 36 |
| Cash outflows | 8 | 11 | 17 | 0 | 36 |
| Interest rate and currency risk | | | | | |
| Spot and forward foreign exchange transactions | | | | | |
| Cash inflows | 2,058 | 0 | 0 | 0 | 2,058 |
| Cash outflows | 2,050 | 0 | 0 | 0 | 2,050 |
| Cross-currency swaps | | | | | |
| Cash inflows | 1,278 | 3,266 | 9,567 | -13 | 14,098 |
| Cash outflows | 1,332 | 3,634 | 10,235 | 0 | 15,201 |
| Total cash inflows | 3,842 | 4,330 | 12,670 | 1,537 | 22,379 |
| Total cash outflows | 3,984 | 4,730 | 13,625 | 1,660 | 23,999 |

The procedure for measuring and monitoring liquidity risk is described in the Risk Report, part of the Group Management Report.

(74) Disclosures on hedging relationships**Disclosures on hedging derivatives**

The following tables show designated hedging derivatives separately for each type of hedging relationship, risk category and product type:

Positive market value of designated hedging derivatives

| | Carrying amount 31 Dec 2025 | Nominal amount 31 Dec 2025 | Fair value change 1 Jan - 31 Dec 2025 | Carrying amount 31 Dec 2024 | Nominal amount 31 Dec 2024 | Fair value change 1 Jan - 31 Dec 2024 |
|--|--------------------------------|-------------------------------|---|--------------------------------|-------------------------------|---|
| € mn | | | | | | |
| Fair value hedges | | | | | | |
| Interest rate risk | | | | | | |
| Interest rate swaps | 413 | 15,862 | -208 | 670 | 21,269 | -91 |
| Interest rate and currency risk | | | | | | |
| Cross-currency swaps | 8 | 115 | -1 | 3 | 121 | 5 |
| Hedge of net investments | | | | | | |
| Currency risk | | | | | | |
| Cross-currency swaps | 31 | 456 | 0 | 0 | 0 | 0 |
| Spot and forward foreign exchange transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 452 | 16,433 | -209 | 673 | 21,390 | -86 |

Negative market value of designated hedging derivatives

| | Carrying amount 31 Dec 2025 | Nominal amount 31 Dec 2025 | Fair value change 1 Jan - 31 Dec 2025 | Carrying amount 31 Dec 2024 | Nominal amount 31 Dec 2024 | Fair value change 1 Jan - 31 Dec 2024 |
|---------------------------------|--------------------------------|-------------------------------|---|--------------------------------|-------------------------------|---|
| € mn | | | | | | |
| Fair value hedges | | | | | | |
| Interest rate risk | | | | | | |
| Interest rate swaps | 988 | 22,772 | 50 | 1,023 | 18,910 | -208 |
| Hedge of net investments | | | | | | |
| Currency risk | | | | | | |
| Currency swaps | 0 | 27 | 0 | 34 | 882 | 0 |
| Total | 988 | 22,799 | 50 | 1,057 | 19,792 | -208 |

The following overview presents the nominal amounts of the hedging derivatives by maturities:

31 December 2025

| | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|----------------------------------|-------------------|-----------------------|----------------------|----------------------|---------------|
| € mn | | | | | |
| Fair value hedges | | | | | |
| Interest rate risk | | | | | |
| Interest rate swaps | 2,481 | 5,861 | 24,622 | 5,670 | 38,634 |
| Interest rate and currency risks | | | | | |
| Cross-currency swaps | 0 | 0 | 115 | 0 | 115 |
| Hedge of net investments | | | | | |
| Currency risk | | | | | |
| Cross-currency swaps | 308 | 175 | 0 | 0 | 483 |
| Total nominal amounts | 2,789 | 6,036 | 24,737 | 5,670 | 39,232 |

Aareal Bank applies the standard amendments from the first part of the effects of the interest rate benchmark reform (IBOR reform) on financial reporting in the period prior to the replacement of an existing interest rate benchmark. The uncertainties refer to the hedging of changes in fair value from interest rate risk. This applies to variable reference rates with terms of one to six months for the currencies DKK, EUR and SEK. An amount of € 14.9 billion of the total of € 39.2 billion is attributable to benchmark interest rates for which no official cessation effective date has been announced and/or for which no contractual arrangements for transition have yet been made. Aareal Bank still does not expect the changes from the IBOR reform to require the discontinuation of hedging relationships.

31 December 2024

| | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|----------------------------------|-------------------|-----------------------|----------------------|----------------------|---------------|
| € mn | | | | | |
| Fair value hedges | | | | | |
| Interest rate risk | | | | | |
| Interest rate swaps | 2,418 | 4,751 | 26,541 | 6,470 | 40,180 |
| Interest rate and currency risks | | | | | |
| Cross-currency swaps | 0 | 0 | 120 | 0 | 120 |
| Hedge of net investments | | | | | |
| Currency risk | | | | | |
| Cross-currency swaps | 359 | 75 | 448 | 0 | 882 |
| Total nominal amounts | 2,777 | 4,826 | 27,109 | 6,470 | 41,182 |

Disclosures on hedged items

Hedged items of fair value hedges

The following tables show hedged items and hedge adjustments from discontinued hedging relationships separately for each type of hedging relationship and risk category:

| | Active hedging relationships | | | Discontinued hedging relationships |
|---|--------------------------------|--|--|--|
| | Carrying amount 31 Dec 2025 | Accumulated hedge adjustment 31 Dec 2025 | Change in hedged fair values 1 Jan - 31 Dec 2025 | Balance of hedge adjustments 31 Dec 2025 |
| € mn | | | | |
| Interest rate risk | | | | |
| Loan receivables (ac) | 7,646 | 6 | 33 | -15 |
| Money market and capital market receivables (ac) | 2,373 | 47 | -39 | 57 |
| Money market and capital market receivables (fvoci) | 5,322 | -90 | -19 | 0 |
| Money market and capital market liabilities (ac) | 22,077 | -600 | -210 | -168 |
| Subordinated liabilities (ac) | 721 | -2 | -3 | 0 |
| Interest rate and currency risk | | | | |
| Money market and capital market receivables (ac) | 120 | 5 | 1 | 0 |

| | Active hedging relationships | | | Discontinued hedging relationships |
|---|--------------------------------|--|--|--|
| | Carrying amount 31 Dec 2024 | Accumulated hedge adjustment 31 Dec 2024 | Change in hedged fair values 1 Jan - 31 Dec 2024 | Balance of hedge adjustments 31 Dec 2024 |
| € mn | | | | |
| Interest rate risk | | | | |
| Loan receivables (ac) | 9,607 | -87 | 104 | -16 |
| Money market and capital market receivables (ac) | 2,429 | 90 | 0 | 85 |
| Money market and capital market receivables (fvoci) | 4,724 | -77 | 58 | 0 |
| Money market and capital market liabilities (ac) | 22,676 | -401 | 317 | -262 |
| Subordinated liabilities (ac) | 603 | 1 | 6 | 1 |
| Interest rate and currency risk | | | | |
| Money market and capital market receivables (ac) | 125 | 4 | -6 | 0 |

Hedge of net investments

The change in value of currency-hedged net investments in foreign operations amounted to € 44 million (2024: € -44 million) in the financial year under review. The balance of the hedging reserve (net) stood at € -31 million (2024: € -75 million) at year-end.

Net gain or loss from hedge accounting

Fair value hedges

The net gain or loss from hedge accounting includes the following ineffective portions of fair value hedges by risk categories:

| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
|----------------------------------|---------------------|---------------------|
| € mn | | |
| Interest rate risks | -12 | 4 |
| Interest rate and currency risks | 0 | 0 |
| Total | -12 | 4 |

Hedge of net investments

The ineffective portion of currency-hedged net investments in foreign operations amounted to € 0 million (2024: € 0 million), reported in the item “Net gain or loss from hedge accounting”. As in the previous year, no amounts were reclassified from the reserve for currency-hedged net investments to the income statement.

Reasons for ineffectiveness across all risk and hedge types included mismatches in the term of transactions or payment dates, or diverging market conventions for underlying transactions and related hedges which affect the relevant measurement parameters (e.g. discounting using an OIS rate).

The ineffectiveness results from diverging fair value changes of hedging derivatives and their underlying transactions, which are shown in the tables above. Please also refer to our explanations in Notes (10) and (38).

(75) Maturities of financial liabilities

The following overview shows the future undiscounted cash flows of non-derivative financial liabilities and of loan commitments.

Maturities as at 31 December 2025

| | Payable on demand | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|--|-------------------|----------------|--------------------|-------------------|-------------------|--------|
| € mn | | | | | | |
| Money market and capital market liabilities (ac) | 832 | 3,343 | 4,370 | 15,368 | 6,748 | 30,661 |
| Deposits from the housing industry (ac) | 9,133 | 3,765 | 231 | 85 | 0 | 13,214 |
| Subordinated liabilities (ac) | 0 | 11 | 94 | 285 | 638 | 1,028 |
| Financial liabilities from other transactions (ac) | 59 | 0 | 1 | 0 | 0 | 60 |
| Lease liabilities | 0 | 1 | 4 | 8 | 6 | 19 |
| Financial guarantees | 144 | 0 | 0 | 0 | 2 | 146 |
| Loan commitments | 1,211 | 0 | 0 | 0 | 0 | 1,211 |

Maturities as at 31 December 2024

| | Payable on demand | Up to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|--|-------------------|----------------|--------------------|-------------------|-------------------|--------|
| € mn | | | | | | |
| Money market and capital market liabilities (ac) | 487 | 2,766 | 3,497 | 16,319 | 6,762 | 29,831 |
| Deposits from the housing industry (ac) | 8,481 | 3,500 | 217 | 18 | 0 | 12,216 |
| Subordinated liabilities (ac) | 0 | 1 | 50 | 336 | 516 | 903 |
| Financial liabilities from other transactions (ac) | 64 | 0 | 8 | 0 | 0 | 72 |
| Lease liabilities | 0 | 1 | 4 | 8 | 0 | 13 |
| Financial guarantees | 147 | 0 | 0 | 0 | 2 | 149 |
| Loan commitments | 1,334 | 0 | 0 | 0 | 0 | 1,334 |

The Risk Report, part of the Group Management Report, includes a detailed description of the liquidity risk associated with financial liabilities.

Segment Reporting

(76) Operating segments of Aareal Bank

Aareal Bank prepares its segment reporting in accordance with IFRS 8 Operating Segments.

In accordance with the “management approach” set out in IFRS 8, the segment report discloses, on a segment-specific basis, financial information which is relevant for internal control of an entity and which is also used by such entity’s management to make decisions on the allocation of resources as well as to measure the financial performance of segments.

Two operating segments were defined within Aareal Bank in line with internal management reporting, based on the organisational structure established according to the various products and services offered.

The **Structured Property Financing segment** comprises the property financing and refinancing activities. In this segment, Aareal Bank facilitates property investments for its domestic and international clients, and is active in Europe, North America and Asia-Pacific. It offers commercial property financing solutions, especially for hotels, alternative living, retail, logistics, offices and residential properties, with a focus on existing buildings. Its particular strength lies in its success in combining local market expertise and specific know-how in these sectors, covering its clients with specialist teams in the Group’s head office. The sector experts work closely with the local teams, ensuring that the full scope of requisite know-how is available for every transaction. This enables Aareal Bank to offer tailor-made financing concepts that meet the special requirements of its national and international clients, and to conclude structured portfolio and cross-border financings.

Aareal Bank is an active issuer of Pfandbriefe, which account for a major share of its long-term funding. Moody’s Aaa rating of the Pfandbriefe confirms the quality of the cover assets pool. To cater to a broad investor base, Aareal Bank uses a wide range of funding tools, including senior preferred and senior non-preferred bonds, as well as promissory notes and bonds. Depending on market conditions, the Bank places large-sized public issues or private placements. In the Banking & Digital Solutions segment, the Bank also generates deposits from the housing industry, which represent a strategically important additional source of funding. Furthermore, it has recourse to institutional money market deposits, and to retail deposits via a trust model.

In the **Banking & Digital Solutions segment**, Aareal Bank Group provides sector-specific payments processes to its clients from the institutional housing industry, the commercial property sector, as well as to the energy and utilities industry. Aareal Bank helps its clients structure their core business processes more efficiently so they are fit for purpose for the long term. It does so in combination with the BK01 software suite provided by First Financial Software GmbH, which facilitates integrated payment flow processing between ERP systems and the Bank’s accounts platform. Aareal Bank, First Financial Software GmbH and Aareon have agreed on a strategic partnership to jointly distribute the BK01 functionality. Wherever the property sector and the energy industry cross over, Aareal Bank and its partners contribute to optimising payments and adjacent processes. Payments processed using BK@1 on Aareal Bank’s accounts platform generate deposits that factor into the Group’s funding. The digital tenant deposit solutions and selected financing products enhance the range of services the B&DS segment offers the German property sector. Aareal Bank’s investment offerings for property and energy industry companies support clients to actively manage their investments and cash.

Income and expenses within Aareal Bank are predominantly attributable to transactions with third parties, and are directly allocated to the responsible business segment. Revenue from transactions between Aareal Bank’s segments was not generated in a significant amount. Therefore, we elected not to distinguish between internal and external revenue in the following disclosures. Administrative expenses not directly attributable to any of the business segments are segmented in line with the internal cost allocation, based on the principle of causation.

The results of the business segments are measured by the operating profit and the return on equity (RoE). RoE, which expresses the Bank’s segment profitability, is calculated as the ratio of the segment’s operating profit (after non-controlling interests and after ATI interest) to the portion of equity allocated to that segment on average. Allocated equity is calculated on the basis of standardised capital requirements pursuant to Basel IV (fully phased) of 13,5 %.

(77) Segment results¹⁾

| | Structured Property Financing | | Banking & Digital Solutions | | Consolidation/ Reconciliation | | Aareal Bank Group | |
|---|-------------------------------|---------------------|-----------------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------|
| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
| € mn | | | | | | | | |
| Net interest income | 688 | 791 | 246 | 269 | 0 | 0 | 934 | 1,060 |
| Loss allowance | -314 | -370 | 0 | 0 | 0 | 0 | -314 | -370 |
| Net commission income | 6 | 1 | -2 | -5 | 0 | 0 | 4 | -4 |
| Net derecognition gain or loss | 28 | 31 | 0 | 0 | 0 | 0 | 28 | 31 |
| Net gain or loss from financial instruments (fvpl) | -5 | -43 | 0 | -1 | 0 | 0 | -5 | -44 |
| Net gain or loss from hedge accounting | -12 | 3 | 0 | 0 | 0 | 0 | -12 | 3 |
| Net gain or loss from investments accounted for using the equity method | 0 | 0 | 4 | 1 | 0 | 0 | 4 | 1 |
| Administrative expenses | -247 | -278 | -100 | -99 | 0 | 0 | -347 | -377 |
| Net other operating income/expenses | 5 | -5 | -1 | -1 | 0 | 0 | 4 | -6 |
| Operating profit (from continuing operations) | 149 | 130 | 147 | 164 | 0 | 0 | 296 | 294 |
| Income taxes | -73 | -30 | -45 | -52 | 0 | 0 | -118 | -82 |
| Net income (from continuing operations) | 76 | 100 | 102 | 112 | 0 | 0 | 178 | 212 |
| Net income from sold operations | 0 | 0 | 0 | 0 | 0 | 2,062 | 0 | 2,062 |
| Consolidated net income | 76 | 100 | 102 | 112 | 0 | 2,062 | 178 | 2,274 |
| Consolidated net income attributable to: | | | | | | | | |
| Non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders of Aareal Bank AG | 76 | 100 | 102 | 112 | 0 | 2,062 | 178 | 2,274 |
| Consolidated net income | 76 | 100 | 102 | 112 | 0 | 2,062 | 178 | 2,274 |
| Allocated equity ²⁾ | 2,151 | 1,659 | 381 | 411 | 635 | 946 | 3,167 | 3,016 |
| RoE after taxes (%) ³⁾ | 1.9 | 4.0 | 25.1 | 27.4 | 0 | 0 | 4.3 | 5.9 |
| Employees (average) | 773 | 800 | 401 | 401 | 0 | 0 | 1,174 | 1,201 |
| Segment assets | 32,743 | 32,775 | 14,110 | 13,712 | 0 | 1,327 | 46,853 | 47,814 |

¹⁾ Presentation in line with the structure prescribed by IFRS 5.

²⁾ For management purposes, the allocated equity is calculated for all segments on the basis of a standardised capital requirement pursuant to Basel IV (fully phased) of 13.5%.

³⁾ The allocation of earnings is based on the assumption that interest payable on the AT1 bond is recognised on an accrual basis.

Commission income from contracts with clients (revenue within the meaning of IFRS 15) is allocated to the segments as follows:

| | Structured Property Financing | | Banking & Digital Solutions | | Consolidation/ Reconciliation | | Aareal Bank Group | |
|---------------------------------------|-------------------------------|---------------------|-----------------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------|
| | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 | 1 Jan - 31 Dec 2025 | 1 Jan - 31 Dec 2024 |
| € mn | | | | | | | | |
| Software-based services | 1 | 0 | 10 | 10 | 0 | 0 | 11 | 10 |
| Banking business and other activities | 18 | 12 | 25 | 25 | 0 | 0 | 43 | 37 |
| Total | 19 | 12 | 35 | 35 | 0 | 0 | 54 | 47 |

(78) Breakdown of income and non-current assets by geographical market

The following table provides a breakdown of income by geographical market:

| | 2025 | 2024 |
|--------------------------|------------|--------------|
| € mn | | |
| Germany | 696 | 797 |
| Europe excluding Germany | 162 | 121 |
| North America | 94 | 112 |
| Asia / Pacific | 9 | 13 |
| Total | 961 | 1,043 |

Income shown includes net interest income (excluding loss allowance), net commission income, net gain or loss on derecognition and net gain or loss from financial instruments (fvpl). The majority of non-current assets is attributable to Germany. Allocation to geographical markets is based on the registered office or domicile of the Group company or branch office.

Other Notes

(79) Assets and liabilities in foreign currency

Foreign currency assets

| | 31 Dec 2025 | 31 Dec 2024 |
|--------------|---------------|---------------|
| € mn | | |
| USD | 11,236 | 11,374 |
| GBP | 6,535 | 6,404 |
| CAD | 1,162 | 921 |
| SEK | 644 | 858 |
| CHF | 249 | 260 |
| DKK | 327 | 466 |
| Other | 777 | 1,062 |
| Total | 20,930 | 21,345 |

Foreign currency liabilities

| | 31 Dec 2025 | 31 Dec 2024 |
|--------------|---------------|---------------|
| € mn | | |
| USD | 11,254 | 11,385 |
| GBP | 6,493 | 6,358 |
| CAD | 1,157 | 915 |
| SEK | 641 | 854 |
| CHF | 247 | 257 |
| DKK | 325 | 466 |
| Other | 772 | 1,057 |
| Total | 20,889 | 21,292 |

(80) Subordinated assets

In the event of insolvency or liquidation of the issuer, subordinated assets are those subordinate to the claims of all other creditors. Subordinated assets amounted to € 150 million in the 2025 financial year (2024: € 119 million).

(81) Leases**Leases where the Bank acts as the lessee**

The following overview shows the movements in the right-of-use assets from leases where Aareal Bank Group acts as the lessee.

| | 2025 | | | 2024 | | |
|--|---|--|-----------|---|--|----------|
| | Right-of-use assets in land and buildings | Right-of-use assets in office furniture and equipment | Total | Right-of-use assets in land and buildings | Right-of-use assets in office furniture and equipment | Total |
| € mn | | | | | | |
| Cost | | | | | | |
| Balance as at 1 January | 7 | 2 | 9 | 25 | 5 | 30 |
| Additions | 9 | 0 | 9 | 6 | 10 | 16 |
| Transfers | 0 | 0 | 0 | -37 | -15 | -52 |
| Depreciation, amortisation and impairment losses | -2 | -1 | -3 | 21 | 6 | 27 |
| Disposals | -1 | 0 | -1 | -8 | -4 | -12 |
| Changes in the basis of consolidation | 3 | 0 | 3 | 0 | 0 | 0 |
| Currency translation differences | -1 | 0 | -1 | 0 | 0 | 0 |
| Balance as at 31 December | 15 | 1 | 16 | 7 | 2 | 9 |

Right-of-use assets are recognised under “Property and equipment”.

Aareal Bank Group primarily rents properties which are, in some cases, subject to longer-term rental agreements with extension options of up to ten years where the exercise is reasonably certain. The leases are not subject to material residual value guarantees.

The entire cash outflows from leases where Aareal Bank Group is the lessee in the current period amount to € 5 million (2024: € 5 million) as at the reporting date.

Expenses and income from Aareal Bank Group include the following amounts from leases with Aareal Bank Group as the lessee:

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|---|-------------|-------------|
| Interest expenses for lease liabilities | 1 | 1 |
| Expenses for short-term leases | 2 | 1 |

In the 2025 financial year, no material variable lease payments were agreed upon (2024: none).

The future undiscounted cash flows from lease liabilities based on their maturities are disclosed in the Note “Maturities of financial liabilities”.

Leases where the Bank acts as the lessor

Aareal Bank Group acts as lessor as regards the lease of property. The material rental contracts are classified as operating leases. Properties leased by the Group are reported under the item “Other assets”. Not all properties reported under the item “Other assets” are currently let. The risks of these properties are included in property risk management.

Income from operating leases amounted to € 23 million (2024: € 14 million) in the year under review. It is recognised in the income statement on a straight-line basis over the lease term.

The following overview shows the future undiscounted payments under operating leases based on their maturities where Aareal Bank Group acts as the lessor.

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|---------------------------------------|-------------|-------------|
| Up to 1 year | 27 | 25 |
| Longer than 1 year, and up to 5 years | 90 | 90 |
| Longer than 5 years | 44 | 46 |
| Total minimum lease payments | 161 | 161 |

(82) Contingent liabilities and loan commitments

| € mn | 31 Dec 2025 | 31 Dec 2024 |
|------------------------|-------------|-------------|
| Contingent liabilities | 146 | 150 |
| Loan commitments | 1,211 | 1,334 |
| of which: irrevocable | 976 | 1,099 |

Contingent liabilities include € 33 million in irrevocable payment obligations regarding the bank levy, € 13 million to the compensation scheme of German banks (statutory deposit protection scheme) and € 6 million to the deposit protection fund. During the reporting year, irrevocable payment obligations regarding the bank levy were unchanged against the previous year, those to the compensation scheme of German banks increased by € 1 million. These and the values reported under “Loan commitments” given represent the maximum default risk to which Aareal Bank Group is exposed at the end of the reporting period.

Furthermore, the Bank is involved in legal disputes. Based on a legal analysis, successful outcome of these disputes is more likely than not. Essentially, these are legal disputes with borrowers (or former borrowers) who claim damages against the Bank. These are included in the table above, with a probability-weighted amount of € 33 million (2024: € 32 million), but have not been recognised

as liabilities. The maximum non-probability-weighted default risk – assuming the Bank were to lose all such legal disputes – is estimated in the high double-digit million range. The respective duration of proceedings depends on the complexity of each individual litigation and the legal remedies available in each case. Likewise, the final amount in the event of defeat may vary considerably, depending upon the duration of proceedings and the legal remedies. Refunds of litigation costs are possible.

Tax risks were also included in contingent liabilities in the year under review, at a probability-weighted amount of € 53 million (2024: € 54 million). They result from the diverging assessment of tax matters and potential legal changes. This is offset by opportunities, albeit to a lesser extent. We estimate the maximum tax risk to be in the low triple-digit million range.

Accordingly, the recognition of contingent liabilities is also subject to estimation uncertainties.

(83) Regulatory capital and capital management

As regards meeting minimum capital ratios, Aareal Bank Group has to comply with the capital adequacy requirements set out in the Capital Requirements Regulation (CRR), the Capital Requirements Directive (CRD), the German Banking Act (Kreditwesengesetz – KWG) and the German Solvency Regulation (Solvabilitätsverordnung – SolvV). This requires Aareal Bank to comply with a Total SREP Capital Requirement (TSCR) in 2026 of 10.75 % (2025: 11.00 %) on a consolidated basis (at the level of Aareal Bank AG). This includes the requirement to maintain additional own funds (capital buffer) for risks other than the risk of excessive leverage (Pillar 2 requirements – P2R) of 2.75 % (2025: 3.00 %), which must be maintained in the form of at least 56.25 % Common Equity Tier I (CET1) capital and 75 % Tier I (T1) capital, respectively. The Overall Capital Requirement (OCR) of Aareal Bank in 2026 amounts to 13.99 % (2025: 14.16 – 14.24 %), resulting from the TSCR plus the capital conservation buffer of 2.5 %, the currently applicable countercyclical capital buffer of 0.73 % (2025: 0.65 – 0.73 %), and the sector-specific systemic risk buffer of 0.01 % (2025: 0.02 – 0.01 %). Each of these buffers has to be maintained in the form of Common Equity Tier I capital. Compliance with the capital requirements has to be reported to the competent supervisory authorities on a quarterly basis.

The objectives of capital management are optimising the capital base as well as an efficient capital allocation to the individual business areas in terms of risk and income. Aareal Bank has defined the CET1 ratio (Basel IV (fully phased)) as a key management indicator, subject to further regulatory changes.

Within the context of capital management, projections are made on a regular basis showing the changes of the individual capital components and risk-weighted assets, as well as the resulting capital ratios. This is reported regularly to the Management Board within the framework of management reporting. The strategic allocation of capital to the individual business segments forms part of the Group's annual overall planning process.

(84) Disclosures on remuneration

Management and Supervisory Board

In the 2025 financial year, the Management Board's total remuneration, excluding benefits from pension commitments, amounted to € 9 million (2024: € 12 million), of which € 5 million (2024: € 7 million) referred to variable components.

Payments to former Management Board members and their surviving dependants totalled € 2 million in 2025 (2024: € 2 million).

The amount of pension obligations to active and former members of the Management Board was € 48 million as at 31 December 2025 (2024: € 52 million). Of that amount, € 5 million (2024: € 5 million) related to members of the Management Board active at the end of the financial year and € 43 million to former members of the Management Board and their surviving dependants (2024: € 47 million).

The total remuneration of members of the Supervisory Board for the 2025 financial year amounted to € 2 million (2024: € 2 million). The remuneration for any financial year shall be due and payable one month after the end of the respective financial year.

Remuneration for key executives

The definition of executives in key positions within Aareal Bank Group includes members of management or supervisory bodies of Aareal Bank AG.

Total remuneration of executives in key positions is analysed below:

| | 31 Dec 2025 | 31 Dec 2024 |
|--------------------------|---------------|---------------|
| € 000's | | |
| Short-term benefits | 7,048 | 7,804 |
| Post-employment benefits | 493 | 1,327 |
| Other long-term benefits | 1,330 | 1,826 |
| Termination benefits | 0 | 5,359 |
| Share-based remuneration | 2,925 | 4,018 |
| Total | 11,796 | 20,334 |

Post-employment benefits reported comprise service cost resulting from pension provisions for Management Board members who were in active service during the financial year as well as past service cost.

Provisions for pension obligations concerning key executives totalled € 10 million as at 31 December 2025 (2024: € 8 million).

Disclosures on share-based remuneration

Share-based remuneration for risk takers

In the case of risk takers whose variable remuneration exceeds an exemption threshold, a portion of the variable remuneration is granted in form of a share-based payment, with the amount of such remuneration upon disbursement depending on the value of one Aareal Bank AG share. In this context, a distinction is made between a share bonus that is immediately due and subject to a holding period (20% to 30% of the variable remuneration) and a deferred share-based payment (also 20% to 30% of the variable remuneration). The deferral period of the deferred share-based payment amounts to four or five years, with disbursement being made annually pro rata temporis, also after a holding period. Disbursement is made via cash settlement. Until the disbursement of the share-based remuneration components, these components are also subject to defined penalty conditions that enable a subsequent reduction up to a full elimination. In addition, share-based payment elements that were granted after 2017, may be reclaimed in certain situations ("clawback").

These rules also apply to the members of the Management Board, with the deferral period amounting to at least five years since the financial year 2018 and the deferred share-based payment amounting to at least 35%. The deferral period is also increased for newly appointed Management Board members for the first year of service to seven years and for the second year of service to six years. The deferral period is five years from the third year of service.

Valuation model and valuation assumptions

The obligations resulting from share-based payment arrangements as at the balance sheet date correspond to the remuneration granted, discounted to the balance sheet date. The discount period corresponds to the period from the balance sheet date to the earliest exercise or payout date, per plan and per tranche.

Amount of cash-settled share-based payment transactions

The total amount of outstanding virtual shares in relation to existing share-based payment arrangements changed as follows:

| | 2025 | 2024 |
|--|------------------|----------------|
| Quantity (number) | | |
| Balance (outstanding) as at 1 January | 618,739 | 624,735 |
| Granted during the reporting period | 835,347 | 193,087 |
| Expired during the reporting period | 0 | 0 |
| Exercised during the reporting period | 208,700 | 199,083 |
| Balance (outstanding) as at 31 December | 1,245,386 | 618,739 |
| of which: exercisable | 0 | 0 |

As at the reporting date, the total amount of virtual shares granted during the reporting period amounted to € 16 million (2024: € 9 million). A special dividend was distributed in the 2025 financial year, the effect of which led to an arithmetical reduction in the company value. To neutralise the impact on share-based payments, a value adjustment was effected for vested virtual shares through a corresponding increase in the number of virtual shares. As a result, the total economic value of the remuneration granted remained unchanged despite the special dividend payment.

The virtual shares exercised during the reporting period were converted at a weighted average price of the Aareal Bank AG share of € 41.57 (2024: € 36.30). Since Aareal Bank's delisting on 21 November 2023, the applicable value of one virtual share has been determined by dividing the company value of Aareal Bank Group by the number of real Aareal Bank shares at the relevant point in time. The enterprise value is determined using a valuation of Aareal Bank in accordance with the IDW S1 standard.

Impact on financial performance

The total amount expensed for share-based payment transactions was € 9 million during the 2025 financial year (2024: € 8 million). The obligation from share-based payment transactions as at 31 December 2025 amounted to € 44 million (2024: € 41 million). It is reported in the statement of financial position in the line item "Provisions".

(85) Related party disclosures in accordance with IAS 24

The group of related parties of Aareal Bank Group comprises the members of Aareal Bank AG's management or supervisory bodies (cf. the preceding Note), the Managing Directors of Atlantic BidCo GmbH and Atlantic Lux HoldCo S.à r.l., as well as close family members and related companies of these persons. Intra-group receivables and liabilities, as well as consolidated income and expenses, are not shown here.

The following list provides an overview of the balances of existing transactions with related parties:

Aareal Bank AG

| | 31 Dec 2025 | 31 Dec 2024 |
|-------------------------|-------------|-------------|
| € mn | | |
| Management Board | 0.0 | 0.7 |
| Supervisory Board | 0.0 | 0.4 |
| Other related parties | 0.0 | 0.0 |
| Other related companies | 0.0 | 1.6 |
| Total | 0.0 | 2.7 |

Atlantic BidCo GmbH

| | 31 Dec 2025 | 31 Dec 2024 |
|-------------------------|-------------|-------------|
| € mn | | |
| Managing Director | 0.0 | 0.4 |
| Other related parties | 0.0 | 0.0 |
| Other related companies | 0.3 | 1.6 |
| Total | 0.3 | 2.0 |

Atlantic Lux HoldCo S.à r.l.

| | 31 Dec 2025 | 31 Dec 2024 |
|-------------------------|-------------|-------------|
| € mn | | |
| Managing Director | 0.0 | 0.0 |
| Other related parties | 0.0 | 0.0 |
| Other related companies | 0.9 | 1.2 |
| Total | 0.9 | 1.2 |

No new transactions with related parties or related companies occurred during the reporting period. The volume of transactions with related parties or related companies to Aareal Bank AG amounted to € 2 million at the beginning of the reporting period, relating to a perpetual subordinated bond issue that was repaid during the reporting period.

A company related to one of Atlantic BidCo GmbH's Managing Directors holds a debt security of Aareal Bank AG in the amount of € 0.3 million. Since the managing director in question acquired this debt security before he took up the board function, the transaction does not fall under related-party transactions made in the reporting period within the meaning of IAS 24. This is nevertheless disclosed for transparency reasons.

Atlantic Lux HoldCo S.à r.l. refunds costs incurred prior to and after the takeover to Aareal Bank AG. Since the takeover, these were primarily related to the preparation of Atlantic Group's opening balance sheet and subsequently the preparation of further consolidated financial statements. Costs incurred in the 2025 financial year totalled € 0.9 million (2024: € 1.2 million).

There were no further significant transactions within the meaning of IAS 24 in the reporting period.

(86) Events after the reporting date

There were no significant events after the reporting date that had a material impact on Aareal Bank Group's financial position and financial performance.

(87) Contingencies

By means of a Letter of Comfort in favour of the Monetary Authority of Singapore, Aareal Bank AG has undertaken to ensure that Aareal Bank Asia Ltd. is able to fulfil its obligations at any time.

(88) Disclosures pursuant to section 160 (1) no. 8 of the AktG

In accordance with the notification pursuant to section 20 (6) of the AktG dated 11 December 2023, Atlantic BidCo GmbH directly holds more than 50%, and Atlantic Lux HoldCo S.à r.l. indirectly holds more than 50% of shares in Aareal Bank AG. Atlantic BidCo GmbH's holding is attributable to Atlantic Lux HoldCo S.à r.l.

(89) Statement pursuant to section 312 of the AktG

Aareal Bank AG has prepared a subordinate status report (Abhängigkeitsbericht) in accordance with section 312 of the AktG for the 2025 financial year.

(90) Employees

The number of Aareal Bank Group employees is shown below:

| | 31 Dec 2025 | Average 1 Jan – 31 Dec 2025 ¹⁾ | 31 Dec 2024 ²⁾ | Average 1 Jan – 31 Dec 2024 ¹⁾ |
|-------------------------------|--------------|--|---------------------------|--|
| Salaried employees | 1,130 | 1,136 | 1,158 | 1,159 |
| Executives | 37 | 38 | 40 | 42 |
| Total | 1,167 | 1,174 | 1,198 | 1,201 |
| of which: part-time employees | 184 | 187 | 192 | 193 |

¹⁾ This number does not include 64 employees of the hotel business (1 January to 31 December 2024: 213 employees).

²⁾ This number does not include 57 employees of the hotel business.

(91) Nature and extent of interests in unconsolidated structured entities

In accordance with IFRS 12.24, the nature and extent of interests in unconsolidated structured entities as well as the nature of, and changes in, the risks associated with such interests have to be disclosed in the consolidated financial statements. An interest in a structured entity arises from a contractual and/or non-contractual involvement which entitles the Group to receive variable returns from the relevant activities of the structured entity. Examples for this are equity or debt instruments of structured entities or the provision of financing, collateral and guarantees to structured entities.

Structured entities are companies where voting rights or similar rights are not the dominant factor to assess control of the company. The relevant activities of structured entities are directed by means of contractual arrangements; any voting rights relate to administrative tasks only. Structured entities are characterised by features or attributes such as restricted activities, a narrow and well-defined objective and/or insufficient equity. In addition, structured entities may relate to financings in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks. Examples of structured entities are securitisation vehicles, asset-backed financings and some investment funds.

Aareal Bank Group interacts with structured entities established by a leased property company. In this context, the Group provides financing to structured entities in the form of loans or guarantees. The leased property company was established by third parties for the financing of particular transactions and has the legal form of a German private limited company with a limited liability company as general partner (GmbH & Co KG). The following table (cf. "Other") shows a strategic investment made by the Group in a European PropTech start-up sponsored by a venture capital fund, with a focus on the property industry. In the year under review and the previous year, Aareal Bank Group did not provide any non-contractual support for unconsolidated structured entities.

To the extent that this is relevant, the following table shows the carrying amounts of assets and liabilities recognised by Aareal Bank Group as at the reporting date as well as the existing off-balance sheet risk exposures that relate to unconsolidated structured entities. The carrying amounts of the assets and off-balance sheet items correspond to the Group's maximum loss exposure from interests in unconsolidated structured entities (without taking into account collateral). The size of the structured entities was determined on the basis of the net fund assets (for other vehicles) and on the basis of total assets for leased property companies.

31 December 2025

| | Leased property companies | Other | Total |
|---|---------------------------|----------------|-------|
| € mn | | | |
| Assets | 14 | 4 | 18 |
| Loan receivables | 14 | 4 | 18 |
| Off-balance sheet exposures | – | 0 | 0 |
| Loan commitments and guarantees (nominal value) | – | 0 | 0 |
| Size range of structured units | € 47 mn | € 45 mn | |

31 December 2024

| | Leased property companies | Other | Total |
|---|---------------------------|------------------|-------|
| € mn | | | |
| Assets | 15 | 4 | 19 |
| Loan receivables | 15 | 4 | 19 |
| Off-balance sheet exposures | – | 1 | 1 |
| Loan commitments and guarantees (nominal value) | – | 1 | 1 |
| Size range of structured units | € 48 mn | € 43.5 mn | |

(92) Country-by-Country Reporting

The disclosure requirements refer to information on registered office, revenue, profit or loss, taxes on profit or loss, received government assistance as well as wage and salary earners of Aareal Bank AG, together with its foreign branches and domestic and foreign subsidiaries included in the reporting entity-structure, prior to consolidation.

For this purpose, the Bank's entities – subsidiaries as well as Aareal Bank AG's foreign branches – are allocated to our two business segments, Structured Property Financing and Banking & Digital Solutions.

Aareal Bank defines the entities' operating profit, which is used as a proxy for revenue, as the sum of the following consolidated income statement items (in accordance with IFRSs):

- Net interest income before loss allowance
- Net commission income
- Net derecognition gain or loss
- Net gain or loss from financial instruments (fvpl)
- Net gain or loss from hedge accounting
- Net gain or loss from investments accounted for using the equity method;
- Net other operating income/expenses

Taxes disclosed are tax expenses in accordance with IFRSs.

The number of wage and salary earners relates to average full-time equivalent staff employed during the financial year.

The following overview shows all countries where Aareal Bank AG has offices, including foreign branches and subsidiaries. Please refer to the list of shareholdings as regards the allocation of individual subsidiaries to the relevant country of domicile. Aareal Bank AG's foreign branches are located in France, Ireland, Italy, Poland, Sweden and the UK.

2025

| | Revenues | Profit/loss before taxes | Taxes on profit or loss | Number of wage and salary earners |
|--|-----------------|-------------------------------------|------------------------------------|--|
| | € mn | € mn | € mn | Full-time equivalents |
| Structured Property Financing segment | 710 | 149 | 73 | 878 |
| Germany | 430 | 210 | 61 | 772 |
| France | 29 | 24 | 6 | 10 |
| UK | 8 | 3 | 1 | 10 |
| Ireland | 3 | 3 | 0 | 1 |
| Italy | 123 | 78 | 5 | 25 |
| Poland | 12 | 9 | 2 | 8 |
| Sweden | 8 | 6 | 1 | 3 |
| Singapore | 8 | 5 | 0 | 8 |
| Spain | -1 | -1 | 0 | 0 |
| USA | 90 | -188 | -3 | 41 |
| Consolidation | 0 | 0 | 0 | 0 |
| Banking & Digital Solutions segment | 247 | 147 | 45 | 159 |
| Germany | 247 | 147 | 45 | 159 |
| Consolidation | 0 | 0 | 0 | 0 |
| Total | 957 | 296 | 118 | 1,037 |

Government assistance was not received in the 2025 financial year (2024: none).

Aareal Bank Group's return on assets, calculated as the ratio of net profit to total assets, was 0.29% as at the record date.

2024

| | Revenues | Profit/loss before taxes | Taxes on profit or loss | Number of wage and salary earners |
|--|-----------------|-------------------------------------|------------------------------------|--|
| | € mn | € mn | € mn | Full-time equivalents |
| Structured Property Financing segment | 778 | 130 | 30 | 902 |
| Germany | 537 | 190 | 42 | 791 |
| France | 32 | 27 | 7 | 10 |
| UK | 13 | 9 | 2 | 10 |
| Ireland | 1 | 1 | 0 | 1 |
| Italy | 75 | 27 | -12 | 26 |
| Poland | 11 | 7 | 1 | 8 |
| Sweden | 3 | 2 | 0 | 4 |
| Singapore | 13 | 9 | 2 | 9 |
| Spain | -2 | -2 | 0 | 0 |
| USA | 95 | -140 | -12 | 43 |
| Consolidation | 0 | 0 | 0 | 0 |
| Banking & Digital Solutions segment | 263 | 164 | 52 | 208 |
| Germany | 263 | 164 | 52 | 208 |
| Consolidation | 0 | 0 | 0 | 0 |
| Total | 1,041 | 294 | 82 | 1,110 |

(93) List of shareholdings

The list of shareholdings is prepared pursuant to section 313 (2) of the HGB. The disclosures in relation to the companies' equity and results are retrieved from the financial statements in accordance with IFRSs. The shares in the capital correspond to the voting rights.

31 December 2025

| No. | Company name | Registered office | Shareholding | Equity | Results |
|---|--|-------------------|--------------|--------------|-----------------------------|
| | | | % | € mn | € mn |
| 1 | Aareal Bank AG | Wiesbaden | | | |
| I. Fully-consolidated subsidiaries | | | | | |
| 2 | Aareal Bank Asia Ltd. | Singapore | 100.0 | SGD 75.1 mn | SGD 6.7 mn ¹⁾ |
| 3 | Aareal Capital Corporation | Wilmington | 100.0 | USD 238.9 mn | USD -200.2 mn ¹⁾ |
| 4 | Aareal Gesellschaft für Beteiligungen und Grundbesitz Erste mbH & Co. KG | Wiesbaden | 94.9 | 1.6 | 0.0 ¹⁾ |
| 5 | Aareal Holding Realty LP | Wilmington | 100.0 | USD 503.4 mn | USD -0.9 mn ¹⁾ |
| 6 | Aareal Immobilien Beteiligungen GmbH | Wiesbaden | 100.0 | 665.0 | 1.2 ³⁾ |
| 7 | Apex Owner NY LLC | Wilmington | 100.0 | USD 39.0 mn | USD 0.0 ¹⁾ |
| 8 | BauGrund Immobilien-Management GmbH (in liquidation) | Bonn | 100.0 | 0.5 | 0.0 ²⁾ |
| 9 | BVG – Grundstücks- und Verwertungsgesellschaft mit beschränkter Haftung | Wiesbaden | 100.0 | 0.3 | 0.0 ³⁾ |
| 10 | Cave Nuove S.p.A. | Rome | 100.0 | -16.3 | 8.7 ¹⁾ |
| 11 | Chronos Beteiligungen GmbH (formerly: Aareal Beteiligungen AG) | Frankfurt | 100.0 | 225.5 | 0.0 ³⁾ |
| 12 | collect Artificial Intelligence GmbH | Hamburg | 100.0 | 6.6 | -0.4 ³⁾ |
| 13 | DBB Inka | Düsseldorf | 100.0 | 107.1 | 2.0 ¹⁾ |
| 14 | Deutsche Bau- und Grundstücks-Aktiengesellschaft (in liquidation) | Bonn | 100.0 | -0.1 | -1.0 ¹⁾ |
| 15 | Deutsche Structured Finance GmbH | Wiesbaden | 100.0 | 2.8 | -0.2 ¹⁾ |
| 16 | Galleria City Holding Company LLC | Wilmington | 100.0 | USD 159.2 mn | USD -4.4 mn ¹⁾ |
| 17 | Galleria City Holding Company Member 2 LLC | Wilmington | 100.0 | USD 0.0 | USD 0.0 ¹⁾ |
| 18 | Galleria City Partners LP | Wilmington | 95.0 | USD 177.9 mn | USD 0.0 ¹⁾ |
| 19 | Galleria Manager Realty LLC | Wilmington | 100.0 | USD 0.0 | USD 0.0 ¹⁾ |
| 20 | Manager Realty LLC | Wilmington | 100.0 | USD 0.0 | USD 0.0 ¹⁾ |
| 21 | Mercadea S.r.l. | Rome | 100.0 | 16.1 | 0.3 ¹⁾ |
| 22 | Met Manager Realty LLC | Wilmington | 100.0 | USD 0.0 | USD 0.0 ¹⁾ |
| 23 | Met Tower Owner LLC | Wilmington | 100.0 | USD 29.0 mn | USD -4.5 mn ¹⁾ |
| 24 | Met Tower Venture LP | Wilmington | 98.0 | USD 114.9 mn | USD 3.1 mn ¹⁾ |
| 25 | Northpark Realty LP | Wilmington | 100.0 | USD 62.2 mn | USD -9.5 mn ¹⁾ |
| 26 | Oakland Beneficiary LLC | Wilmington | 100.0 | USD 0.0 | USD 0.0 ¹⁾ |
| 27 | Participation Achte Beteiligungs GmbH | Wiesbaden | 100.0 | 4.7 | 0.0 ³⁾ |
| 28 | Participation Elfte Beteiligungs GmbH | Wiesbaden | 100.0 | 0.0 | 0.0 ³⁾ |
| 29 | Participation Zehnte Beteiligungs GmbH | Wiesbaden | 100.0 | 20.5 | 0.0 ³⁾ |
| 30 | Participation Zwölfte Beteiligungs GmbH | Wiesbaden | 100.0 | 0.0 | 0.0 ³⁾ |
| 31 | plusForta GmbH | Düsseldorf | 100.0 | 0.9 | -0.2 ³⁾ |
| 32 | RSP Owner LLC | Wilmington | 100.0 | USD 76.5 mn | USD 16.5 mn ¹⁾ |
| 33 | Summit Holdings NY LLC | Wilmington | 100.0 | USD 39.0 mn | USD 0.0 ¹⁾ |
| 34 | Terrain Beteiligungen GmbH | Wiesbaden | 94.0 | 39.1 | -0.3 ¹⁾ |

¹⁾ Preliminary figures as at 31 December 2025; ²⁾ Equity and results as at 31 December 2024;

³⁾ Profit and loss transfer agreement/control and profit transfer agreement; ⁴⁾ Equity and results as at 31 December 2023

| No. | Company name | Registered office | Shareholding | Equity | Results |
|-------------------------------|--|-------------------|--------------|-------------|---------------------------|
| | | | % | € mn | € mn |
| 35 | Terrain Herzogpark GmbH & Co. KG | Wiesbaden | 100.0 | 21.9 | -0.7 ¹⁾ |
| 36 | Terrain Management GmbH | Wiesbaden | 100.0 | 2.2 | 0.0 ¹⁾ |
| 37 | Tintoretto Rome S.r.l. | Rome | 100.0 | 48.5 | 1.3 ¹⁾ |
| 38 | Westdeutsche Immobilien Servicing AG | Mainz | 100.0 | 63.1 | 2.1 ³⁾ |
| 39 | 146 Geary CA LLC | Wilmington | 100.0 | USD 20.1 mn | USD -0.1 mn ¹⁾ |
| 40 | 220 Post CA LLC | Wilmington | 100.0 | USD 48.9 mn | USD -0.2 mn ¹⁾ |
| 41 | 1015 15TH Street DC LLC | Wilmington | 100.0 | USD 50.9 mn | USD 4.7 mn ¹⁾ |
| II. Joint arrangements | | | | | |
| – | – | – | – | – | – |
| III. Associates | | | | | |
| 42 | DSF PP Justizzentrum Thüringen GmbH & Co. KG | Bremen | 48.4 | 0.2 | 0.0 ⁴⁾ |
| 43 | First Financial Software GmbH | Mainz | 25.1 | 9.2 | 18.5 ¹⁾ |
| 44 | Mount Street Group Limited | London | 20.0 | GBP -4.7 mn | GBP 2.2 mn ²⁾ |
| IV. Other enterprises | | | | | |
| 45 | PropTech1 Fund I GmbH & Co. KG | Berlin | 9.6 | 31.1 | -2.4 ²⁾ |

¹⁾ Preliminary figures as at 31 December 2025; ²⁾ Equity and results as at 31 December 2024;

³⁾ Profit and loss transfer agreement/control and profit transfer agreement; ⁴⁾ Equity and results as at 31 December 2023

(94) Executive Bodies of Aareal Bank AG

Composition of Supervisory Board's committees

Executive and Nomination Committee

| | |
|----------------------|-------------------|
| Jean Pierre Mustier | Chairman |
| Barbara Knoflach | Deputy Chairwoman |
| Hans-Hermann Lotter | |
| Marika Lulay | |
| Klaus Novatius | |
| José Sevilla Álvarez | |

Remuneration Control Committee

| | |
|------------------------|-----------------|
| Jean Pierre Mustier | Chairman |
| Hans-Hermann Lotter | Deputy Chairman |
| Henning Giesecke | |
| Petra Heinemann-Specht | |
| Maximilian Rinke | |
| Klaus Novatius | |

Audit Committee

| | |
|------------------------|-----------------|
| Denis Hall | Chairman |
| José Sevilla Álvarez | Deputy Chairman |
| Henning Giesecke | |
| Petra Heinemann-Specht | |
| Hans-Hermann Lotter | |
| Maximilian Rinke | |

Technology and Innovation Committee

| | |
|----------------------|-------------------|
| Marika Lulay | Chairwoman |
| Barbara Knoflach | Deputy Chairwoman |
| Denis Hall | |
| Sascha Schmitt | |
| José Sevilla Álvarez | |
| Markus Zywitza | |

Risk Committee

| | |
|------------------------|-----------------|
| José Sevilla Álvarez | Chairman |
| Henning Giesecke | Deputy Chairman |
| Denis Hall | |
| Petra Heinemann-Specht | |
| Barbara Knoflach | |
| Maximilian Rinke | |

Supervisory Board

Jean Pierre Mustier, Chairman of the Supervisory Board

Former CEO of UniCredit S.p.A. and former President of the European Banking Federation

Henning Giesecke

Former Chief Risk Officer of UniCredit S.p.A. and UniCredit Bank AG

Denis Hall, Chairman of the Audit Committee

Former Chief Risk Officer Global Consumer Banking of GE Capital EMEA

Petra Heinemann-Specht*, Deputy Chairwoman of the Supervisory Board (since 19 March 2025)

Aareal Bank AG

Barbara Knoflach, Deputy Chairwoman of the Supervisory Board

Former Global Head of BNP Paribas Real Estate Investment Management and Deputy Chief Executive Officer of BNP Paribas Real Estate S.A.

Hans-Hermann Lotter, Deputy Chairman of the Supervisory Board

Self-employed consultant for private equity investments, mergers, takeovers and restructurings

Marika Lulay, Chairwoman of the Technology and Innovation Committee

Former Chief Executive Officer and former Managing Director of GFT Technologies SE

Klaus Novatius*¹⁾

Aareal Bank AG

Maximilian Rinke

Senior Managing Director of Centerbridge Partners L.P.

Sascha Schmitt*

Aareal Bank AG

since 7 March 2025

José Sevilla Álvarez, Chairman of the Risk Committee

Former Chief Executive Officer of Bankia S.A.

Markus Zywitza*

Aareal Bank AG

Retired members

Nicole Schäfer*

Aareal Bank AG

until 7 March 2025

* Employee representative member of the Supervisory Board of Aareal Bank AG

¹⁾ Klaus Novatius was Deputy Chairman of the Supervisory Board until 19 March 2025

Management Board

Dr Christian Ricken, Chairman of the Management Board (CEO)

Banking & Digital Solutions, Chief Operating Office/Chief Technology Office, Corporate Affairs, Human Resources & Communications, Internal Audit, Strategy & Corporate Development, CollectAI, plusForta

(Membership of statutory supervisory bodies or similar bodies of corporations within the meaning of Section 267 (3) of the HGB)

EUWAX AG

Deputy Chairman of the Supervisory Board

Nina Babic, Member of the Management Board (CRO)

Compliance and Non Financial Risk, Credit Management, Regulatory Affairs, Risk Controlling, USA – Credit Management, USA – Distressed Loans, Workout

(Membership of statutory supervisory bodies or similar bodies of corporations within the meaning of Section 267 (3) of the HGB)

Aareal Capital Corporation (Aareal Bank Group)

Member of the Board of Directors

Volkswagen Financial Services AG

Member of the Supervisory Board

since 1 August 2025

Andrew Halford, Member of the Management Board (CFO)

Finance, Performance Management, Treasury

since 8 October 2024

(Membership of statutory supervisory bodies or similar bodies of corporations within the meaning of Section 267 (3) of the HGB)

RELX Group PLC

Member of the Board of Directors

since 24 April 2025

Christof Winkelmann, Member of the Management Board (CMO)

Credit Legal, Euro Hub, Loan Markets & Syndication, Special Property Finance I, Special Property Finance II, USA – Origination, Aareal Bank Asia Ltd., Aareal Capital Corporation

(Membership of statutory supervisory bodies or similar bodies of corporations within the meaning of Section 267 (3) of the HGB)

Aareal Capital Corporation (Aareal Bank Group)

Chairman of the Board of Directors

Wiesbaden, 24 February 2026

The Management Board



Dr Christian Ricken



Nina Babic



Andrew Halford



Christof Winkelmann