

# **Aareal Bank Group – Interim Financial Information**

1 January to  
31 March 2026

# Key Indicators

	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025		31 Mar 2026	31 Dec 2025
<b>Results</b>			<b>Moody's</b>		
Adjusted operating profit (€ mn) <sup>1)</sup>	121	107	Issuer Rating	Baa1	Baa1
Operating profit (€ mn)	117	100	Senior Preferred	Baa1	Baa1
Net profit (€ mn) <sup>2)</sup>	76	60	Senior Non-Preferred	Baa3	Baa3
Cost/income ratio (%) <sup>3)</sup>	29.7	35.0	Bank deposit rating	Baa1	Baa1
Earnings per ordinary share (€) <sup>4)</sup>	1.26	1.00	Outlook	stable	stable
Adjusted RoE after taxes (%) <sup>1)</sup>	9.8	8.2	Mortgage Pfandbrief Rating	Aaa	Aaa
			<b>Fitch Ratings</b>		
	<b>31 Mar 2026</b>	<b>31 Dec 2025</b>	Issuer default rating	BBB	BBB
<b>Statement of Financial Position</b>			Senior Preferred	BBB+	BBB+
Property finance (€ mn)	34,101	34,336	Senior Non-Preferred	BBB	BBB
Equity (€ mn)	3,861	3,752	Deposit ratings	BBB+	BBB+
Total assets (€ mn)	47,370	46,853	Outlook	positive	positive
			<b>ESG Ratings<sup>8)</sup></b>		
<b>Regulatory Indicators<sup>7)</sup></b>			MSCI	A	A
Basel IV (phase-in)			ISS-ESG	prime (C)	prime (C)
Risk-weighted assets (€ bn)	14.2	13.1	CDP	Management Level C	Management Level C
Common Equity Tier 1 ratio (CET1 ratio) (%)	20.7	22.2			
Tier 1 ratio (T1 ratio) (%)	23.5	25.3			
Total capital ratio (TC ratio) (%)	28.1	30.3			
Basel IV (fully phased)					
Common Equity Tier 1 ratio (CET1 ratio) (%)	15.5	15.5			
<b>Employees</b>	<b>1,170</b>	<b>1,167</b>			

<sup>1)</sup> Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring effects

<sup>2)</sup> Consolidated net income allocated to ordinary shareholders

<sup>3)</sup> In line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included; costs for efficiency measures, IT infrastructure investments and other material non-recurring effects are also excluded.

<sup>4)</sup> The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.

<sup>5)</sup> Without taking into account non-controlling interest income

<sup>6)</sup> On an annualised basis

<sup>7)</sup> 31 December 2025: including profits for 2025 less dividends (which have already been distributed) and including the accrual of interest on the AT1 bond.

31 March 2026: including interim profits for 2026, deducting a planned dividend in line with the dividend policy and incorporating the accrual of interest payable on the AT1 bond. The CET1 ratio (phase-in), as shown in Aareal Bank's regulatory report as at 31 March 2026, amounts to 20.0%.

The SREP recommendations concerning the non-performing loans (NPL) inventory were taken into account, as well as the ECB's NPL guidelines for the regulatory capital for new NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB inspections.

<sup>8)</sup> Please refer to our website ([www.aareal-bank.com/en/responsibility/reporting-on-our-progress/](http://www.aareal-bank.com/en/responsibility/reporting-on-our-progress/)) for more details.

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

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# Business Development

## Highlights of First-Quarter Business Development

Aareal Bank Group enjoyed a successful start to the 2026 financial year in order to achieve adjusted consolidated operating profit approaching € 400 million for the financial year as a whole. We refer to our comments in the Report on Forecasts.

The commercial property market environment is highly competitive. Moreover, new and heightened geopolitical risks and the macro-economic fallout from the war in Iran are causing uncertainty and are difficult to gauge at this stage. The extent of this impact depends largely on the duration of the conflict.

In spite of this, business in both our segments performed well during the first three months of the financial year.

New business in the Structured Property Financing segment totalled € 1.4 billion in the first quarter of 2026. Owing to our deliberate focus on Europe, this was lower than the previous year's figure of € 2.3 billion. The credit portfolio was € 34.1 billion as at the reporting date, virtually unchanged from the 2025 year-end (€ 34.3 billion) and within the scope of our expectations. In the Banking & Digital Solutions segment, the average volume of deposits from the housing industry continued to rise, reaching € 14.6 billion in the first quarter. This was significantly higher than the previous year's figure (€ 13.4 billion) but, as expected, was slightly below the approximate figure of € 15 billion communicated for 2026 as a whole. The total average deposit volume, including retail deposits, amounted to € 17.5 billion.

## Report on the Economic Position

### Financial Performance

	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025
€ mn		
Net interest income	237	249
Net commission income	-3	1
Loan impairment charges (LICs) <sup>1)</sup>	-58	-55
Administrative expenses (adjusted) <sup>2)</sup>	-76	-88
Other items	21	0
<b>Adjusted operating profit<sup>2)</sup></b>	<b>121</b>	<b>107</b>
Non-recurring effects	-4	-7
<b>Operating profit</b>	<b>117</b>	<b>100</b>
Income taxes	-32	-27
<b>Consolidated net income</b>	<b>85</b>	<b>73</b>
Interest on the AT1 bond	-9	-13
<b>Net profit<sup>3)</sup></b>	<b>76</b>	<b>60</b>

<sup>1)</sup> Including credit-related changes in the value of non-performing financial instruments (fvpl)

<sup>2)</sup> Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring effects

<sup>3)</sup> Consolidated net income allocated to ordinary shareholders

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Net interest income remained high at € 237 million, thanks to a year-on-year increase in the credit portfolio size, healthy margins and increased average deposit volumes. However, as interest rates were lower than in 2025, the figure was – as expected – slightly less than the strong prior-year figure of € 249 million.

Commission income and expenses nearly offset each other during the period under review, leading to slightly negative net commission income of € -3 million (Q1 2025: € 1 million).

Loan impairment charges (LICs) of € 58 million (including € 4 million in credit-related changes in the value of non-performing financial instruments (fvpl)) were on previous year's level of € 55 million and in line with expectations for the full year. This also includes a € 1 million increase in the post-model adjustment during the first quarter, bringing it to a total of € 56 million as at the end of the reporting period.

Adjusted administrative expenses declined significantly to € 76 million (Q1 2025: € 88 million), partly due to lower project and IT costs in the first quarter, although some of these costs will be incurred in subsequent quarters. Furthermore, the reduction reflects the results of our effective cost control and also the impact of efficiency measures, which are leading to ongoing benefits. Adjustments include expenses for efficiency measures implemented within the Bank, IT infrastructure investments or other material non-recurring effects and totalled approximately € 4 million during the first three months of the 2026 financial year. At 29.7%, the cost/income ratio remained at a very low – and therefore very positive – level during the first quarter of the 2026 financial year, even by international standards. (As is customary in the banking sector, this figure excludes the bank levy and contributions to the deposit guarantee scheme and also excludes the non-recurring effects mentioned.)

Other items totalled € 21 million (Q1 2025: € 0 million); this includes the net derecognition gain or loss, the net gain or loss from financial instruments designated at fair value through profit or loss and hedging relationships, as well as the results from foreclosures.

All in all, adjusted operating profit for the quarter under review was € 121 million (Q1 2025: € 107 million) and operating profit amounted to € 117 million (Q1 2025: € 100 million). Taking into account tax expenses of € 32 million (Q1 2025: € 27 million) and the accrual of interest on the AT1 bond, net profit was € 76 million (Q1 2025: € 60 million). Reflecting higher profits, adjusted RoE after taxes also increased from 8.2% in the previous year to 9.8% in the period under review.

## Financial Position – Assets

€ mn	31 Mar 2026	31 Dec 2025
<b>Assets</b>		
<b>Financial assets (ac)</b>	<b>39,475</b>	<b>39,111</b>
Cash funds (ac)	488	328
Loan receivables (ac)	33,576	33,839
Money market and capital market receivables (ac)	5,357	4,876
Receivables from other transactions (ac)	54	68
Loss allowance (ac)	-436	-429
<b>Financial assets (fvoci)</b>	<b>5,679</b>	<b>5,371</b>
Money market and capital market receivables (fvoci)	5,637	5,370
Equity instruments (fvoci)	42	1
<b>Financial assets (fvpl)</b>	<b>1,440</b>	<b>1,619</b>
Loan receivables (fvpl)	272	324
Money market and capital market receivables (fvpl)	6	6
Equity instruments (fvpl)	1	0
Positive market value of designated hedging derivatives (fvpl)	426	452
Positive market value of other derivatives (fvpl)	735	837
Non-current assets held for sale	121	128
Investments accounted for using the equity method	75	74
Intangible assets	43	44
Property and equipment	21	23
Income tax assets	33	39
Deferred tax assets	231	216
Other assets	688	657
<b>Total</b>	<b>47,370</b>	<b>46,853</b>

Aareal Bank Group's consolidated total assets of € 47.4 billion were up slightly from the previous year-end, reflecting higher cash funds and increased money market and capital market receivables.

The volume of Aareal Bank Group's property financing amounted to € 34.1 billion (31 December 2025: € 34.3 billion). New business originated during the first quarter of 2026 totalled € 1.4 billion and was lower than the previous year's figure (Q1 2025: € 2.3 billion). The total figure comprised approximately € 0.5 billion in green financings<sup>1)</sup>. Non-current assets held for sale comprise two property loans in the USA and our operating property. These assets are earmarked for sale in 2026.

<sup>1)</sup> "Green" financings meet the high energy efficiency requirements of the Aareal Green Finance Framework, with which the client undertakes to comply throughout the term of the loan.

## Financial Position – Equity and Liabilities

€ mn	31 Mar 2026	31 Dec 2025
<b>Equity and liabilities</b>		
<b>Financial liabilities (ac)</b>	<b>41,510</b>	<b>41,165</b>
Money market and capital market liabilities (ac)	27,771	27,169
Deposits from the housing industry (ac)	12,976	13,213
Liabilities from other transactions (ac)	49	60
Subordinated liabilities (ac)	714	723
<b>Financial liabilities (fvpl)</b>	<b>1,768</b>	<b>1,705</b>
Negative market value of designated hedging derivatives (fvpl)	1,065	988
Negative market value of other derivatives (fvpl)	703	717
Non-current liabilities held for sale	0	0
Provisions	149	152
Income tax liabilities	51	33
Deferred tax liabilities	1	1
Other liabilities	30	45
<b>Equity</b>	<b>3,861</b>	<b>3,752</b>
Subscribed capital	180	180
Capital reserves	721	721
Retained earnings	2,634	2,548
AT1 bond	407	407
Other reserves	-107	-129
Non-controlling interests	26	25
<b>Total</b>	<b>47,370</b>	<b>46,853</b>

Aareal Bank Group's consolidated equity and liabilities of € 47.4 billion were up slightly from the previous year-end, due to increased money market and capital market liabilities and higher retained earnings. The average volume of deposits from the housing industry amounted to € 14.6 billion in the first quarter of 2026 (full year 2025: € 14.1 billion). The total average deposit volume, including retail deposits, amounted to € 17.5 billion.

Aareal Bank Group successfully raised approximately € 1.1 billion on the capital markets during the first quarter of 2026, comprising two benchmark Pfandbrief issues, one for € 750 million and one for £ 250 million.

## Report on Forecasts

Our successful quarterly results have laid the groundwork for achieving the outlook we communicated for 2026 as a whole. While it is not yet possible to determine the macroeconomic impact of the war in Iran and other geopolitical risks at this stage, Aareal Bank does not currently expect this to have a negative influence on its results.

## Events after the Reporting Date

The ordinary Annual General Meeting held on 21 April 2026 resolved to pay dividends of € 109,532,591.00, which have already been distributed.

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

## Segment Results<sup>1)</sup>

	Structured Property Financing		Banking & Digital Solutions		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025
€ mn								
Net interest income	176	192	61	57	0	0	237	249
Loss allowance	-54	-54	0	0	0	0	-54	-54
Net commission income	0	3	-3	-2	0	0	-3	1
Net derecognition gain or loss	10	4	0	0	0	0	10	4
Net gain or loss from financial instruments (fvpl)	0	1	0	0	0	0	0	1
Net gain or loss from hedge accounting	5	-4	0	0	0	0	5	-4
Net gain or loss from investments accounted for using the equity method	0	0	1	1	0	0	1	1
Administrative expenses	-53	-69	-27	-26	0	0	-80	-95
Net other operating income/expenses	1	-3	0	0	0	0	1	-3
<b>Operating profit</b>	<b>85</b>	<b>70</b>	<b>32</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>100</b>
Income taxes	-22	-18	-10	-9	0	0	-32	-27
<b>Consolidated net income</b>	<b>63</b>	<b>52</b>	<b>22</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>73</b>
<b>Consolidated net income attributable to:</b>								
Non-controlling interests	0	0	0	0	0	0	0	0
Shareholders of Aareal Bank AG	63	52	22	21	0	0	85	73
<b>Consolidated net income</b>	<b>63</b>	<b>52</b>	<b>22</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>73</b>

<sup>1)</sup> The previous year's figures were adjusted to reflect the new transfer prices.

As part of an annual review of transfer pricing between the Structured Property Financing and Banking & Digital Solutions segments, transfer prices were adjusted with effect from the start of the 2026 financial year. The adjustments were in favour of the Structured Property Financing segment and impacted the segment profits. The previous year's figures were adjusted accordingly.

# Financial Calendar

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6 August 2026

Publication of results as at 30 June 2026

5 November 2026

Publication of results as at 30 September 2026

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## Imprint

### Contents:

Aareal Bank AG

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S/COMPANY · Die Markenagentur GmbH

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This report is also available in German.



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