Aareal Bank Group – Interim Financial Information

1 January to
30 September 2026

Aareal
YOUR COMPETITIVE ADVANTAGE.

Key Indicators

	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025
Results		
Adjusted operating profit (€ mn)[1]	143	306
Operating profit (€ mn)	123	281
Net profit (€ mn)[2][4]	34	173
Cost/income ratio (%)[3]	31.4	31.5
Earnings per ordinary share (€)[4][5]	0.56	2.89
Adjusted RoE after taxes (%)[1][4][6]	2.0	8.0

	30 Sep 2026	31 Dec 2025
Statement of Financial Position		
Property finance (€ mn)	33,297	34,336
Equity (€ mn)	3,704	3,752
Total assets (€ mn)	47,460	46,853
Regulatory Indicators[7]		
Basel IV (phase-in)		
Risk-weighted assets (€ bn)	13.7	13.1
Common Equity Tier 1 ratio (CET1 ratio) (%)	20.3	22.2
Tier 1 ratio (T1 ratio) (%)	23.3	25.3
Total capital ratio (TC ratio) (%)	27.9	30.3
Basel IV (fully phased)		
Common Equity Tier 1 ratio (CET1 ratio) (%)	15.4	15.5
Employees	**1,180**	**1.167**

	30 Sep 2026	31 Dec 2025
Moody's		
Issuer rating	Baa1	Baa1
Senior Preferred	Baa1	Baa1
Senior Non-Preferred	Baa3	Baa3
Bank deposit rating	Baa1	Baa1
Outlook	stable	stable
Mortgage Pfandbrief rating	Aaa	Aaa
Fitch Ratings		
Issuer default rating	A-	BBB
Senior Preferred	A-	BBB+
Senior Non-Preferred	BBB	BBB
Deposit ratings	A-	BBB+
Outlook	positive	positive
ESG Ratings[8]		
MSCI	A	A
ISS-ESG	prime (C+)	prime (C)
CDP	Management Level C	Management Level C

[1] Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring items
[2] Consolidated net income allocated to ordinary shareholders
[3] 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 items are also excluded.
[4] The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis.
[5] Without taking into account non-controlling interest income
[6] On an annualised basis
[7] 31 December 2025: including annual results for 2025 less dividends (which have already been distributed) and including the accrual of interest on the AT1 bond.
30 September 2026 (preliminary): including interim profits for 2026 net of expected dividends 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 30 September 2026, amounts to 19.8 %.
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.
[8] Please refer to our website (www.aareal-bank.com/en/responsibility/reporting-on-our-progress/ratings) 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

Key Business Developments during the First Nine Months

In the third quarter of 2026, Aareal Bank took decisive steps to significantly enhance its strategic flexibility. Building on the Bank's strong underlying operational performance, management decided to take an additional loan impairment charge of € 160 million to accelerate the de-risking of its loan portfolio.

The adjusted operating profit for the first nine months of the year was consequently € 143 million compared with € 306 million in the same period last year. Without these additional charges, the adjusted operating profit would have been € 303 million, which is similar to the prior year. Aareal consequently remains on track to deliver the previously guided full-year adjusted operating profit approaching € 400 million prior to these charges, or around € 240 million after it.

Its fully-loaded capital ratio was 15.4 %, significantly above regulatory requirements.

Aareal's two businesses performed strongly in the first nine months with Structured Property Financing continuing to focus on quality over quantity and making further progress in reducing its US office exposures. New business (including renewals) was € 6.8 billion in the first nine months of the year and the credit portfolio was € 33.3 billion as at the reporting date, both of which are consistent with the previously communicated full-year outlook. Its adjusted operating profit for the first nine months after the above charges was € 28 million (€ 188 million before the charges) compared with € 210 million in the prior year.

Banking & Digital Solutions continued to attract strong deposit volumes from the housing industry and made tangible progress in advancing its international ambitions. In September the average volume of deposits from the housing industry reached a new record of € 15.1 billion compared with average year-to-date volumes of € 14.7 billion. The total average year-to-date deposit volume, including retail deposits, amounted to € 17.4 billion. Its adjusted operating profit for the nine months 2026 was € 115 million compared with € 96 million in the prior year.

Report on the Economic Position

Financial Performance

Group result

€ mn	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025
Net interest income	722	691
Net commission income	-10	4
Loan impairment charges (LICs)[1]	-365	-190
Administrative expenses (adjusted)[2]	-233	-229
Other items	29	30
Adjusted operating profit[2]	**143**	**306**
Non-recurring items	-20	-25
Operating profit	**123**	**281**
Income taxes	-61	-76
Consolidated net income	**62**	**205**
Interest on the AT1 bond	-28	-32
Net profit[3]	**34**	**173**

[1] This includes credit-related changes in the value of non-performing financial instruments (fvpl) as well as measurement losses from foreclosures. The latter were included for the first time this quarter and prior-year figures were adjusted accordingly.
[2] Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring items
[3] Consolidated net income allocated to ordinary shareholders

Net interest income rose to € 722 million (9m 2025: € 691 million), driven by a slight year-on-year increase in the credit portfolio and the continued expansion of deposit volumes. The spread of net interest income across the quarters was relatively even.

Net commission income was a cost of € 10 million during the period under review compared with an income of € 4 million in 2025, the decrease being primarily due to the ongoing costs of the Significant Risk Transfer (SRT) transaction executed in the fourth quarter of 2025.

Loan impairment charges (LICs) were € 365 million including the additional loan impairment charges of € 160 million or € 205 million excluding them, compared with € 190 million in the prior year. This includes € 54 million in credit-related changes for NPLs recognised at fair value through profit or loss and € 17 million in measurement losses from foreclosures. Part of the additional charges in the third quarter have been reflected as a management overlay. The management overlay as at the reporting date is € 98 million.

Adjusted administrative expenses of € 233 million remained stable year-on-year (9m 2025: € 229 million). This reflects both our effective cost control and the positive impact of the efficiency measures that have been implemented. Non-recurring items include expenses for efficiency measures implemented within the Bank, IT infrastructure investments or other material non-recurring items, and totalled approximately € 20 million in the period under review. At 31.4 % (excluding the bank levy and contributions to the deposit guarantee scheme, as is customary in the banking sector, and also excluding the aforementioned non-recurring items), the cost/income ratio remained at a very low level during the first nine months of the 2026 financial year, even by international standards.

Other items totalled € 29 million (9m 2025: € 30 million); this includes net derecognition gain or loss, net gain or loss from financial instruments designated at fair value through profit or loss and hedging relationships, and current results from foreclosures as well as from further subsidiaries and other entities. The prior-year figure was mainly influenced by the non-recurring income resulting from the disposal of our former hotel operations in Italy.

All in all, the adjusted operating profit of € 143 million including the additional charges of € 160 million (€ 303 million excluding the additional charges) compares with € 306 million in the prior year period. Operating profit amounted to € 123 million (9m 2025: € 281 million). The decline was due to additional loan impairment charges recognised by virtue of a management action. The effective tax rate on the profit before the additional charges was similar to the prior year, with only partial tax credit taken on the additional charges at this stage. Taking into account tax expenses of € 61 million (9m 2025: € 76 million) and the accrual of interest on the AT1 bond, net profit was € 34 million (9m 2025: € 173 million). As a result, adjusted RoE after taxes also declined from 8.0 % in the previous year to 2.0 %. Without the additional charges the adjusted RoE after taxes would have been 8.0 %.

Financial Position – Assets

€ mn	30 Sep 2026	31 Dec 2025
Assets		
Financial assets (ac)	**39,553**	**39,111**
Cash funds (ac)	177	328
Loan receivables (ac)	32,707	33,839
Money market and capital market receivables (ac)	6,620	4,876
Receivables from other transactions (ac)	49	68
Loss allowance (ac)	-516	-429
Financial assets (fvoci)	**5,611**	**5,371**
Money market and capital market receivables (fvoci)	5,568	5,370
Equity instruments (fvoci)	43	1
Financial assets (fvpl)	**1,471**	**1,619**
Loan receivables (fvpl)	250	324
Money market and capital market receivables (fvpl)	3	6
Equity instruments (fvpl)	0	0
Positive market value of designated hedging derivatives (fvpl)	491	452
Positive market value of other derivatives (fvpl)	727	837
Non-current assets held for sale	13	128
Investments accounted for using the equity method	73	74
Intangible assets	44	44
Property and equipment	78	23
Income tax assets	25	39
Deferred tax assets	266	216
Other assets	842	657
Total	**47,460**	**46,853**

At € 47.5 billion, Aareal Bank Group's consolidated total assets were virtually unchanged compared with the previous year-end. The volume of the Group's property financing portfolio declined to € 33.3 billion (31 December 2025: € 34.3 billion), reflecting early loan repayments. New business originated during the first nine months of 2026 totalled € 6.8 billion and was below the previous year's figure of € 8.5 billion. This included around € 2.6 billion in green financings[1]. The total portfolio volume of green financings amounted to € 12.5 billion as at the reporting date.

[1] Green financings meet the high energy efficiency requirements of the Aareal Green Finance Framework and the client undertakes to meet these requirements throughout the term of the loan.

Financial Position – Equity and Liabilities

€ mn	30 Sep 2026	31 Dec 2025
Equity and liabilities		
Financial liabilities (ac)	**41,413**	**41,165**
Money market and capital market liabilities (ac)	26,938	27,169
Deposits from the housing industry (ac)	13,765	13,213
Liabilities from other transactions (ac)	58	60
Subordinated liabilities (ac)	652	723
Financial liabilities (fvpl)	**2,137**	**1,705**
Negative market value of designated hedging derivatives (fvpl)	1,312	988
Negative market value of other derivatives (fvpl)	825	717
Non-current assets held for sale	0	0
Provisions	126	152
Income tax liabilities	51	33
Deferred tax liabilities	1	1
Other liabilities	28	45
Equity	**3,704**	**3,752**
Subscribed capital	180	180
Capital reserves	721	721
Retained earnings	2,464	2,548
AT1 bond	407	407
Other reserves	-93	-129
Non-controlling interests	25	25
Total	**47,460**	**46,853**

At € 47.5 billion, Aareal Bank Group's consolidated total equity and liabilities were virtually unchanged compared with the previous year-end. The average volume of deposits from the housing industry amounted to € 14.7 billion in the first nine months of 2026 (full year 2025: € 14.1 billion). The total average deposit volume including retail deposits was € 17.4 billion.

Aareal Bank Group successfully raised approximately € 2.2 billion on the capital markets during the first nine months of 2026, placing three benchmark Pfandbrief issues with a total volume of around € 1.7 billion, including a GBP 250 million Pfandbrief transaction. One of the benchmark Pfandbrief issues was placed as a green issue for the first time. Most recently, a green senior non-preferred € 300 million issue was successfully placed on the market.

Report on Forecasts

As a result of the management action to recognise additional loan impairment charges, some of the targets that we communicated for 2026 as a whole will be lower than the initially indicated figure. Adjusted operating profit is expected to be around € 240 million at the end of the year. Accordingly, adjusted return on equity (RoE) is likely to be around 4 % at the end of the year. However, without these additional loan impairment charges, the existing full-year guidance of approaching € 400 million and approaching 8 % is retained.

With regard to capitalisation, we continue to expect a Basel IV fully phased CET1 ratio of between approximately 15.5 % and 16 % at year-end.

Key performance indicators for our two segments are developing in line with the communicated targets. We continue to expect our credit portfolio to be around € 34 billion at year-end, assuming unchanged exchange rates, with new business (including renewals) at the lower end of the € 10 – 12 billion range. We also expect the average volume of deposits from the housing industry, which continues to grow steadily, to reach approximately € 15 billion by the end of the year.

Segment Results [1)]

	Structured Property Financing		Banking & Digital Solutions		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025	1 Jan – 30 Sep 2026	1 Jan – 30 Sep 2025
€ mn								
Net interest income	529	519	193	172	0	0	722	691
Net commission income	-2	11	-8	-7	0	0	-10	4
Loan impairment charges (LICs)[2)]	-365	-190	0	0	0	0	-365	-190
Administrative expenses (adjusted)[3)]	-161	-158	-72	-71	0	0	-233	-229
Other items	27	28	2	2	0	0	29	30
Adjusted operating profit[3)]	**28**	**210**	**115**	**96**	**0**	**0**	**143**	**306**
Non-recurring items	-13	-21	-7	-4	0	0	-20	-25
Operating profit	**15**	**189**	**108**	**92**	**0**	**0**	**123**	**281**
Income taxes	-29	-48	-32	-28	0	0	-61	-76
Consolidated net income	**-14**	**141**	**76**	**64**	**0**	**0**	**62**	**205**
Interest on AT1 bond	-21	-25	-7	-7	0	0	-28	-32
Net profit[4)]	**-35**	**116**	**69**	**57**	**0**	**0**	**34**	**173**

[1)] The previous year's figures were adjusted to reflect the new transfer prices.
[2)] This includes credit-related changes in the value of non-performing financial instruments (fvpl) as well as measurement losses from foreclosures. The latter were included for the first time this quarter and prior-year figures were adjusted accordingly.
[3)] Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring items
[4)] Consolidated net income allocated to ordinary shareholders

As a result of its annual transfer pricing review for the purposes of internal management and reporting (and consequently also for external segment reporting), the cost of the liquidity provided by Banking and Digital Solutions to Structured Property Financing has been reduced from 1 January 2026 to better reflect economic reality. The respective segmental income, expenses and profits have been adjusted by a total of € 21 million in favour of the Structured Property Financing segment for the full year 2025 to ensure comparability of results between years. This adjustment will result in an impact of a similar magnitude for 2026 as a whole.

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.

Financial Calendar

4 March 2027	Results for the 2026 financial year
25 March 2027	Publication of annual report as at 31 December 2026
5 May 2027	Publication of results as as at 31 March 2027
5 August 2027	Publication of results as at 30 June 2027
4 November 2027	Publication of results as at 30 September 2027

Imprint

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Aareal Bank Group

This report is also available in German.

Aareal

YOUR COMPETITIVE ADVANTAGE.

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