

Aareal Bank Group - Key Indicators

	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014
	€ mn	€ mn
Results ¹⁾		
Operating profit (€ mn)	67	219
Consolidated net income (€ mn)	45	199
Consolidated net income attributable to ordinary shareholders (€ mn) ²⁾	36	189
Cost / income ratio (%) ³⁾	48.3	34.3
Earnings per ordinary share (€) ²⁾	0.60	3.16
RoE before taxes (%) ^{2) 4)}	10.3	40.3
RoE after taxes (%) ^{2) 4)}	6.6	36.7
	31 Mar 2015	31 Dec 2014
Statement of financial position		
Property finance (€ mn)	29,314	28,987
of which: international (€ mn)	23,692	22,894
Equity (€ mn)	2,800	2,723
Total assets (€ mn)	50,878	49,557
Regulatory indicators		
Risk-weighted assets (€ mn)	15,815	15,492
Common Equity Tier 1 ratio (CET1 ratio) (%)	13.1	13.6
Tier 1 ratio (T1 ratio) (%)	16.7	17.7
Total capital ratio (TC ratio) (%)	23.8	24.7
Common Equity Tier 1 ratio (CET1 ratio) (%) – fully phased –	12.6	12.9
Employees	2,546	2,548
Ratings		
Fitch Ratings, London		
long-term ⁵⁾	A - (outlook: negative)	A - (outlook: negative)
short-term ⁵⁾	F1 (outlook: negative)	F1 (outlook: negative)
Fitch Pfandbrief ratings	AAA	AAA
oekom	prime	prime

- 1) The figures for the comparative period include negative goodwill (day-one gain) in the amount of € 154 million from the acquisition of COREALCREDIT BANK AG (Corealcredit) on 31 March 2014. Corealcredit's operating results have been included in the Income Statement of Aareal Bank Group since the beginning of Q2 2014.
- 2) The allocation of earnings is based on the assumption of pro-rata temporis accrual of net interest payments on the AT1 bond. SoFFin's silent participation was repaid on 30 October 2014. To facilitate comparison, and for the purposes of economic analysis, net interest paid on the SoFFin silent participation (in the amount of € 5 million) was deducted in the calculation of the comparative figure as at 31 March 2014 when determining the EpS attributable to ordinary shareholders and RoE. Likewise, the SoFFin silent participation (in the amount of € 300 million) was deducted from equity when calculating RoE.
- 3) Structured Property Financing segment only
- 4) On an annualised basis
- 5) At the end of the first quarter of 2014, rating agency Fitch Ratings changed its outlook for the Long-Term Issuer Default Rating (IDR) of 18 banks within the European Union from "stable" to "negative". The corresponding outlook for an additional 18 European commercial banks remained "negative". This revision reflected a global re-assessment of government support for banks.

Consolidated income statement for the first quarter of 2015 (in accordance with IFRSs)

	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014	Change
	€ mn	€ mn	%
Net interest income	178	144	24
Allowance for credit losses	18	37	-51
Net interest income after allowance for credit losses	160	107	50
Net commission income	41	40	3
Net result on hedge accounting	11	2	450
Net trading income / expenses	-7	2	
Results from non-trading assets	-3	0	
Results from investments accounted for using the equity method	0	-	
Administrative expenses	132	102	29
Net other operating income / expenses	-3	16	
Negative goodwill from acquisitions	-	154	
Operating profit	67	219	-69
Income taxes	22	20	10
Consolidated net income	45	199	-77
Consolidated net income attributable to non-controlling interests	5	5	0
Consolidated net income attributable to shareholders of Aareal Bank AG	40	194	-79
Earnings per share (Eps) ¹⁾			
Consolidated net income attributable to shareholders of Aareal Bank AG	40	189	-79
of which: attributable to ordinary shareholders ²⁾	36	189	-81
of which: attributable to AT1 investors	4	-	
Basic earnings per ordinary share (in €) ^{2) 3)}	0,60	3,16	-81
Basic earnings per AT1 unit (in €) ⁴⁾	0,04	-	

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

2) SoFFin's silent participation was repaid on 30 October 2014. In order to facilitate comparability and for the purpose of an economic analysis, net interest payable on the SoFFin silent participation was deducted when determining the comparative figure as at 31 March 2014 (€ 5 million) in the Eps calculation.

3) Earnings per ordinary share are determined by dividing the earnings attributable to ordinary shareholders of Aareal Bank AG by the weighted average of ordinary shares outstanding during the financial year (59,857,221 shares). Basic earnings per ordinary share correspond to diluted earnings per ordinary share.

4) Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of € 3 each) are determined by dividing the earnings attributable to AT1 investors by the weighted average of AT1 units outstanding during the financial year. Earnings per AT1 unit (basic) correspond to (diluted) earnings per AT1 unit.

Segment results for the first quarter of 2015 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014
€ mn								
Net interest income	178	143	0	0	0	1	178	144
Allowance for credit losses	18	37					18	37
Net interest income after allowance for credit losses	160	106	0	0	0	1	160	107
Net commission income	0	1	41	40	0	-1	41	40
Net result on hedge accounting	11	2					11	2
Net trading income / expenses	-7	2					-7	2
Results from non-trading assets	-3	0					-3	0
Results from investments accounted for using the equity method			0				0	
Administrative expenses	84	56	48	46	0	0	132	102
Net other operating income / expenses	-3	16	0	0	0	0	-3	16
Negative goodwill from acquisitions		154						154
Operating profit	74	225	-7	-6	0	0	67	219
Income taxes	24	22	-2	-2			22	20
Consolidated net income	50	203	-5	-4	0	0	45	199
Consolidated net income attributable to non-controlling interests	4	4	1	1			5	5
Consolidated net income attributable to shareholders of Aareal Bank AG	46	199	-6	-5	0	0	40	194
Allocated equity	1.526	1.258	120	103	542	699	2.188	2.060
Cost / income ratio in %	48,3	34,3	117,7	114,5			61,0	49,8
RoE before taxes in % ¹⁾²⁾	16,9	68,3	-27,1	-26,4			10,3	40,3

1) On an annualised basis

2) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis. SoFFin's silent participation was repaid on 30 October 2014. In order to facilitate comparability and for the purpose of an economic analysis, net interest payable on the SoFFin silent participation (€ 5 million) was deducted when determining the comparative figure as at 31 March 2014 in the RoE calculation. Likewise, the SoFFin silent participation (€ 300 million) was deducted from equity used to calculate the RoE.