



| | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 |
|---|------------------------|------------------------|
| Results | | |
| Operating profit (€ mn) | 129 | 180 |
| Consolidated net income (€ mn) | 85 | 114 |
| Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾ | 76 | 100 |
| Cost/income ratio (%) ²⁾ | 44.2 | 43.0 |
| Earnings per ordinary share (€) ¹⁾ | 1.27 | 1.68 |
| RoE before taxes (%) ¹⁾³⁾ | 9.4 | 13.0 |
| RoE after taxes (%) ¹⁾³⁾ | 6.1 | 8.0 |

| | 30 June 2018 | 31 Dec 2017 |
|---|--------------|-------------|
| Statement of financial position | | |
| Property finance (€ mn) ⁴⁾ | 25,307 | 25,088 |
| Equity (€ mn) | 2,798 | 2,924 |
| Total assets (€ mn) | 40,162 | 41,908 |
| Regulatory indicators | | |
| Risk-weighted assets (€ mn) | 10,615 | 11,785 |
| Common Equity Tier 1 ratio (CET1 ratio) (%) | 19.9 | 19.6 |
| Tier 1 ratio (T1 ratio) (%) | 22.7 | 22.1 |
| Total capital ratio (TC ratio) (%) | 31.3 | 30.0 |
| Common Equity Tier 1 ratio (CET1 ratio) (%) – Basel IV (estimated) ⁵⁾ – | 13.5 | 13.4 |
| Employees | 2,769 | 2,800 |

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) Structured Property Financing segment only

3) On an annualised basis

4) Excluding € 0.7 billion in private client business (31 December 2017: € 0.8 billion) and € 0.5 billion in local authority lending business by former Westdeutsche ImmobilienBank AG (WestImmo) (31 December 2017: € 0.5 billion)

5) Underlying RWA estimate, given a 72.5 % output floor based on the final Basel Committee framework dated 7 December 2017. The calculation of the material impact upon Aareal Bank is subject to the outstanding EU implementation as well as the implementation of additional regulatory requirements (CRR II, EBA requirements, TRIM, etc.).

Consolidated Income Statement for the first half of (in accordance with IFRSs)

| | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 ¹⁾ | Change |
|---|------------------------|--------------------------------------|------------|
| | € mn | € mn | % |
| Net interest income | 269 | 305 | -12 |
| Loss allowance | 19 | 27 | -30 |
| Net commission income | 101 | 97 | 4 |
| Net derecognition gain or loss | 11 | 17 | -35 |
| Gains/losses from financial instruments (fvpl) | -1 | 3 | |
| Net result on hedge accounting | -3 | -6 | |
| Results from investments accounted for using the equity method | - | - | |
| Administrative expenses | 237 | 268 | -12 |
| Net other operating income/expenses | 8 | 59 | -86 |
| Operating profit | 129 | 180 | -28 |
| Income taxes | 44 | 66 | -33 |
| Consolidated net income | 85 | 114 | -25 |
| Consolidated net income attributable to non-controlling interests | 1 | 6 | -83 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 84 | 108 | -22 |
| Earnings per share (Eps) | | | |
| Consolidated net income attributable to shareholders of Aareal Bank AG 2) | 84 | 108 | -22 |
| of which: allocated to ordinary shareholders | 76 | 100 | -24 |
| of which: allocated to AT1 investors | 8 | 8 | 0 |
| Earnings per ordinary share (in €) ³⁾ | 1.27 | 1.68 | -24 |
| Earnings per AT1 unit (€) ⁴⁾ | 0.08 | 0.08 | 0 |

1) Comparative amounts reclassified according to the new classification format

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

3) Earnings per ordinary share are determined by dividing the earnings allocated 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.

Consolidated Income Statement for the second quarter of (in accordance with IFRSs)

| | Q2 2018 | Q2 2017 ¹⁾ | Change |
|---|------------|--------------------------|------------|
| | € mn | € mn | % |
| Net interest income | 136 | 151 | -10 |
| Loss allowance | 19 | 25 | -24 |
| Net commission income | 51 | 49 | 4 |
| Net derecognition gain or loss | 5 | 7 | -29 |
| Gains/losses from financial instruments (fvpl) | -4 | 4 | |
| Net result on hedge accounting | -1 | -3 | |
| Results from investments accounted for using the equity method | - | - | |
| Administrative expenses | 109 | 129 | -16 |
| Net other operating income/expenses | 3 | 55 | -95 |
| Operating profit | 62 | 109 | -43 |
| Income taxes | 21 | 42 | -50 |
| Consolidated net income | 41 | 67 | -39 |
| Consolidated net income attributable to non-controlling interests | 0 | 1 | |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 41 | 66 | -38 |
| Earnings per share (Eps) | | | |
| Consolidated net income attributable to shareholders of Aareal Bank AG 2) | 41 | 66 | -38 |
| of which: allocated to ordinary shareholders | 37 | 62 | -40 |
| of which: allocated to AT1 investors | 4 | 4 | 0 |
| Earnings per ordinary share (in €) ³⁾ | 0.62 | 1.05 | -40 |
| Earnings per AT1 unit (€) ⁴⁾ | 0.04 | 0.04 | 0 |

1) Comparative amounts reclassified according to the new classification format

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

3) Earnings per ordinary share are determined by dividing the earnings allocated 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 half of (in accordance with IFRSs)

| | Structured Property Financing | | Consulting/Services | | Consolidation/Reconciliation | | Aareal Bank Group | |
|--|-------------------------------|-----------------------------------|---------------------|---------------------|------------------------------|---------------------|---------------------|-----------------------------------|
| | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 ¹⁾ | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 | 1 Jan - 30 Jun 2018 | 1 Jan - 30 Jun 2017 ¹⁾ |
| € mn | | | | | | | | |
| Net interest income | 275 | 310 | 0 | 0 | -6 | -5 | 269 | 305 |
| Loss allowance | 19 | 27 | 0 | | | | 19 | 27 |
| Net commission income | 4 | 3 | 93 | 91 | 4 | 3 | 101 | 97 |
| Net derecognition gain or loss | 11 | 17 | | | | | 11 | 17 |
| Gains/losses from financial instruments (fvpl) | -1 | 3 | | | | | -1 | 3 |
| Net result on hedge accounting | -3 | -6 | | | | | -3 | -6 |
| Results from investments accounted for using the equity method | | | | | | | | |
| Administrative expenses | 129 | 166 | 110 | 104 | -2 | -2 | 237 | 268 |
| Net other operating income/expenses | 7 | 58 | 1 | 1 | 0 | 0 | 8 | 59 |
| Operating profit | 145 | 192 | -16 | -12 | 0 | 0 | 129 | 180 |
| Income taxes | 50 | 70 | -6 | -4 | | | 44 | 66 |
| Consolidated net income | 95 | 122 | -10 | -8 | 0 | 0 | 85 | 114 |
| Consolidated net income attributable to non-controlling interests | 0 | 4 | 1 | 2 | | | 1 | 6 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 95 | 118 | -11 | -10 | 0 | 0 | 84 | 108 |
| | | | | | | | | |
| Allocated equity | 1,788 | 1,813 | 172 | 152 | 520 | 548 | 2,480 | 2,513 |
| Cost/income ratio (%) | 44.2 | 43.0 | 116.4 | 112.8 | | | 61.6 | 56.3 |
| RoE before taxes (%) ^{2) 3)} | 14.9 | 19.5 | -19.9 | -17.7 | | | 9.4 | 13.0 |

1) Comparative amounts reclassified according to the new classification format

2) On an annualised basis

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

Segment Results for the second quarter of (in accordance with IFRSs)

| | Structured Property Financing | | Consulting/Services | | Consolidation/Reconciliation | | Aareal Bank Group | |
|--|-------------------------------|--------------------|---------------------|-----------|------------------------------|----------|-------------------|--------------------|
| | Q2 | Q2 | Q2 | Q2 | Q2 | Q2 | Q2 | Q2 |
| | 2018 | 2017 ¹⁾ | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 ¹⁾ |
| € mn | | | | | | | | |
| Net interest income | 139 | 153 | 0 | 0 | -3 | -2 | 136 | 151 |
| Loss allowance | 19 | 25 | 0 | | | | 19 | 25 |
| Net commission income | 3 | 2 | 46 | 46 | 2 | 1 | 51 | 49 |
| Net derecognition gain or loss | 5 | 7 | | | | | 5 | 7 |
| Gains/losses from financial instruments (fvpl) | -4 | 4 | | | | | -4 | 4 |
| Net result on hedge accounting | -1 | -3 | | | | | -1 | -3 |
| Results from investments accounted for using the equity method | | | | | | | | |
| Administrative expenses | 55 | 77 | 55 | 53 | -1 | -1 | 109 | 129 |
| Net other operating income/expenses | 2 | 54 | 1 | 1 | 0 | 0 | 3 | 55 |
| Operating profit | 70 | 115 | -8 | -6 | 0 | 0 | 62 | 109 |
| Income taxes | 24 | 44 | -3 | -2 | | | 21 | 42 |
| Consolidated net income | 46 | 71 | -5 | -4 | 0 | 0 | 41 | 67 |
| Consolidated net income attributable to non-controlling interests | 0 | 0 | 0 | 1 | | | 0 | 1 |
| Consolidated net income attributable to shareholders of Aareal Bank AG | 46 | 71 | -5 | -5 | 0 | 0 | 41 | 66 |
| | | | | | | | | |
| Allocated equity | 1,788 | 1,813 | 172 | 152 | 520 | 548 | 2,480 | 2,513 |
| Cost/income ratio (%) | 38.8 | 35.2 | 114.9 | 112.2 | | | 57.5 | 48.7 |
| RoE before taxes (%) ^{2) 3)} | 14.3 | 24.2 | -18.4 | -16.9 | | | 9.0 | 16.4 |

1) Comparative amounts reclassified according to the new classification format

2) On an annualised basis

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