

Preliminary results for the financial year ^{ISEP}(unaudited, in accordance with IFRSs)

	1 Jan-31 Dec 2019		1 Jan-31 Dec 2018		Change
	€ mn		€ mn		%
Net interest income	533	535			0
Loss allowance	90	72			25
Net commission income	229	215			7
Net derecognition gain or loss	64	24			167
Net gain or loss from financial instruments (fvpl)	1	-2			-150
Net gain or loss from hedge accounting	-4	-2			100
Net gain or loss from investments accounted for using the equity method	1	0			
Administrative expenses	488	462			6
Net other operating income/expenses	2	25			-92
Negative goodwill from acquisitions	-	55			
Operating profit	248	316			-22
Income taxes	85	90			-6
Consolidated net income	163	226			-28
Consolidated net income attributable to non-controlling interests	2	2			0
Consolidated net income attributable to shareholders of Aareal Bank AG	161	224			-28
Earnings per share (EpS)					
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	161	224			-28
of which: allocated to ordinary shareholders	145	208			-30
of which: allocated to AT1 investors	16	16			
Earnings per ordinary share (€) ²⁾	2.42	3.48			-30
Earnings per AT1 unit (€) ³⁾	0.16	0.16			

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⁾ 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.

³⁾ Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of € 3 each) are determined by dividing the earnings allocated 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 of Aareal Bank Group
Preliminary results for the fourth quarter
(unaudited, in accordance with IFRSs)

	Q4 2019	Q4 2018	Change
	€ mn	€ mn	%
Net interest income	130	135	-4
Loss allowance	35	39	-10
Net commission income	65	63	3
Net derecognition gain or loss	22	8	175
Net gain or loss from financial instruments (fvpl)	-4	-1	
Net gain or loss from hedge accounting	0	0	0
Net gain or loss from investments accounted for using the equity method	1	0	
Administrative expenses	118	118	0
Net other operating income/expenses	1	14	-93
Negative goodwill from acquisitions	-	55	
Operating profit	62	117	-47
Income taxes	20	22	-9
Consolidated net income	42	95	-56
Consolidated net income attributable to non-controlling interests	0	0	0
Consolidated net income attributable to shareholders of Aareal Bank AG	42	95	-56
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	42	95	-56
of which: allocated to ordinary shareholders	38	91	-58
of which: allocated to AT1 investors	4	4	
Earnings per ordinary share (€) ²⁾	0.62	1.51	-58
Earnings per AT1 unit (€) ³⁾	0.04	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⁾ 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.

³⁾ Earnings per AT1 unit (based on 100,000,000 AT1 units with a notional amount of € 3 each) are determined by dividing the earnings allocated 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 of Aareal Bank Group
Preliminary results for the financial year
(unaudited, in accordance with IFRSs)

	Structured Property Financing		Consulting/Services		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018
€ mn								
Net interest income ¹⁾	549	547	-16	-12	0	0	533	535
Loss allowance	90	73	0	-1			90	72
Net commission income ¹⁾	10	9	227	212	-8	-6	229	215
Net derecognition gain or loss	64	24					64	24
Net gain or loss from financial instruments (fvpl)	1	-2	0	0			1	-2
Net gain or loss from hedge accounting	-4	-2					-4	-2
Net gain or loss from investments accounted for using the equity method	1	0	0				1	0
Administrative expenses	254	241	242	227	-8	-6	488	462
Net other operating income/expenses	-1	21	3	4	0	0	2	25
Negative goodwill from acquisitions		55						55
Operating profit	276	338	-28	-22	0	0	248	316
Income taxes	95	99	-10	-9			85	90
Consolidated net income	181	239	-18	-13	0	0	163	226
Consolidated net income attributable to non-controlling interests	0	0	2	2			2	2
Consolidated net income attributable to shareholders of Aareal Bank AG	181	239	-20	-15	0	0	161	224

¹⁾ As of this reporting year, interest from housing industry deposits is shown in net interest income of the Consulting/Services segment (previously included in net commission income). The previous year's figures were adjusted accordingly.

Segment Results of Aareal Bank Group
Preliminary results for the fourth quarter
(unaudited, in accordance with IFRSs)

	Structured Property Financing		Consulting/Services		Consolidation / Reconciliation		Aareal Bank Group	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
€ mn								
Net interest income ¹⁾	135	138	-5	-3	0	0	130	135
Loss allowance	35	40	0	-1			35	39
Net commission income ¹⁾	4	3	64	62	-3	-2	65	63
Net derecognition gain or loss	22	8					22	8
Net gain or loss from financial instruments (fvpl)	-4	-1	0	0			-4	-1
Net gain or loss from hedge accounting	0	0					0	0
Net gain or loss from investments accounted for using the equity method	1	0	0				1	0
Administrative expenses	59	59	62	61	-3	-2	118	118
Net other operating income/expenses	-1	12	2	2	0	0	1	14
Negative goodwill from acquisitions		55						55
Operating profit	63	116	-1	1	0	0	62	117
Income taxes	21	22	-1	0			20	22
Consolidated net income	42	94	0	1	0	0	42	95
Consolidated net income attributable to non-controlling interests	0	0	0	0			0	0
Consolidated net income attributable to shareholders of Aareal Bank AG	42	94	0	1	0	0	42	95

¹⁾ As of this reporting year, interest from housing industry deposits is shown in net interest income of the Consulting/Services segment (previously included in net commission income). The previous year's figures were adjusted accordingly.