

Aareal Bank Group – Key Indicators

	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Reference values		
Operating profit (€ mn)	155	-75
Consolidated net income (€ mn)	68	-69
Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾	53	-90
Cost/income ratio (%) ²⁾	43.6	44.2
Dividend per share (€) ³⁾	1.60	0.40
Earnings per ordinary share (€) ¹⁾	0.89	-1.50
RoE before taxes (%) ¹⁾	5.3	-4.1
RoE after taxes (%) ¹⁾	2.1	-3.6

	31 December 2021	31 December 2020
Statement of Financial Position		
Property finance (€ mn)	30,048	27,834
Equity (€ mn)	3,061	2,967
Total assets (€ mn)	48,728	45,478
Regulatory Indicators ⁴⁾		
Basel IV (phase-in) ⁵⁾		
Risk-weighted assets (€ mn)	12,817	13,195
Common Equity Tier 1 ratio (CET1 ratio) (%)	18.2	17.3
Tier 1 ratio (T1 ratio) (%)	20.5	19.6
Total Capital Ratio (TC ratio) (%)	23.6	25.7
Basel III		
Common Equity Tier 1 ratio (CET1 ratio) (%)	22.2	18.8
Employees		
	3,170	2,982

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; in line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included.

³⁾ 2020: with regard to the takeover offer and the Investment Agreement entered with Atlantic BidCo GmbH, only € 0.40 per share of the intended € 1.50 was distributed in 2021.

2021: Proposal to be submitted to the Annual General Meeting to pay a dividend in a total amount of € 1.60 per share in 2022 for the financial year 2021, including the amount of € 1.10 per share not paid out in 2021.

⁴⁾ 31 December 2020: excluding planned dividend of € 1.50 per share in 2021 and including pro rata temporis accrual of net interest payments on the AT1 bond;

31 December 2021: excluding planned dividend of € 1.60 per share in 2022 for the 2021 financial year, including € 1.10 per share not distributed in 2021, and the pro rata temporis accrual of net interest payments on the AT1 bond. The appropriation of profits is subject to approval by the Annual General Meeting.

The SREP recommendations concerning the NPL inventory and the ECB's NPL guidelines for the regulatory capital of NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB tests were taken into account.

⁵⁾ Underlying RWA estimate in accordance with the current version of the CRR plus revised AIRBA requirements for commercial property lending, based on the European Commission's draft for the European implementation of Basel IV dated 27 October 2021. The calculation also includes a buffer (maintaining the scaling factor of 1.06 for AIRBA risk weights, and the 370% risk weight for the IRBA equity exposure class), to account for the uncertainty surrounding the final wording of CRR III as well as the implementation of further regulatory requirements such as EBA requirements for internal Pillar 1 models. When Basel IV enters into force on 1 January 2025, RWA will be calculated based on the European requirements, which will have been finalised by then, and the higher of the revised AIRBA and the revised CRSA (standardised approach for credit risk) phase-in output floor.

Consolidated Income Statement of Aareal Bank Group
Preliminary results for the 2021 financial year
(unaudited, in accordance with IFRSs)

	1 Jan - 31 Dec 2021	1 Jan-31 Dec 2020	Change
	€ mn	€ mn	%
Net interest income	597	512	17
Loss allowance	133	344	-61
Net commission income	245	234	5
Net derecognition gain or loss	23	28	-18
Net gain or loss from financial instruments (fvpl)	-30	-32	-6
Net gain or loss from hedge accounting	-5	6	-183
Net gain or loss from investments accounted for using the equity method	-2	1	-300
Administrative expenses	528	469	13
Net other operating income/expenses	-12	-11	9
Operating profit	155	-75	-307
Income taxes	87	-6	
Consolidated net income	68	-69	-199
Consolidated net income attributable to non-controlling interests	1	5	-80
Consolidated net income attributable to shareholders of Aareal Bank AG	67	-74	-191
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	67	-74	-191
of which: allocated to ordinary shareholders	53	-90	-159
of which: allocated to AT1 investors	14	16	-13
Earnings per ordinary share (€)	0.89	-1.50	-159
Earnings per AT1 unit (€)	0.14	0.16	-13

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

Consolidated Income Statement of Aareal Bank Group
Preliminary results for the fourth quarter of 2021
(in accordance with IFRSs)

	Q4 2021	Q4 2020	Change
	€ mn	€ mn	%
Net interest income	162	139	17
Loss allowance	54	177	-69
Net commission income	71	66	8
Net derecognition gain or loss	8	9	-11
Net gain or loss from financial instruments (fvpl)	-23	-21	10
Net gain or loss from hedge accounting	-1	2	-150
Net gain or loss from investments accounted for using the equity method	-1	1	-200
Administrative expenses	135	117	15
Net other operating income/expenses	5	-1	-600
Operating profit	32	-99	-132
Income taxes	20	-13	-254
Consolidated net income	12	-86	-114
Consolidated net income attributable to non-controlling interests	-1	3	-133
Consolidated net income attributable to shareholders of Aareal Bank AG	13	-89	-115
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	13	-89	-115
of which: allocated to ordinary shareholders	9	-93	-110
of which: allocated to AT1 investors	4	4	
Earnings per ordinary share (€)	0.16	-1.56	-110
Earnings per AT1 unit (€)	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.

Segment Results of Aareal Bank Group
Preliminary results for the 2021 financial year
(unaudited, in accordance with IFRSs)

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
€ mn										
Net interest income	560	474	43	39	-6	-1	0	0	597	512
Loss allowance	133	344	0	0	0	0			133	344
Net commission income	8	8	28	26	221	213	-12	-13	245	234
Net derecognition gain or loss	23	28							23	28
Net gain or loss from financial instruments (fvpl)	-30	-32	0	0		0			-30	-32
Net gain or loss from hedge accounting	-5	6							-5	6
Net gain or loss from investments accounted for using the equity method	0	2	-1		-1	-1			-2	1
Administrative expenses	256	227	73	68	211	188	-12	-14	528	469
Net other operating income/expenses	-13	-14	-1	0	2	4	0	-1	-12	-11
Operating profit	154	-99	-4	-3	5	27	0	0	155	-75
Income taxes	82	-14	-1	-1	6	9			87	-6
Consolidated net income	72	-85	-3	-2	-1	18	0	0	68	-69
Consolidated net income attributable to non-controlling interests	0	0	0	0	1	5			1	5
Consolidated net income attributable to shareholders of Aareal Bank AG	72	-85	-3	-2	-2	13	0	0	67	-74

Segment Results of Aareal Bank Group
Preliminary results for the fourth quarter of 2021
(unaudited, in accordance with IFRSs)

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020
€ mn										
Net interest income	154	129	10	10	-2	0	0	0	162	139
Loss allowance	54	177	0	0	0	0			54	177
Net commission income	2	4	8	8	64	58	-3	-4	71	66
Net derecognition gain or loss	8	9							8	9
Net gain or loss from financial instruments (fvpl)	-23	-21	0			0			-23	-21
Net gain or loss from hedge accounting	-1	2							-1	2
Net gain or loss from investments accounted for using the equity method	0	2	0		-1	-1			-1	1
Administrative expenses	63	54	20	18	55	50	-3	-5	135	117
Net other operating income/expenses	8	-3	-1	0	-2	3	0	-1	5	-1
Operating profit	31	-109	-3	0	4	10	0	0	32	-99
Income taxes	14	-18	0	1	6	4			20	-13
Consolidated net income	17	-91	-3	-1	-2	6	0	0	12	-86
Consolidated net income attributable to non-controlling interests	0	0	0	0	-1	3			-1	3
Consolidated net income attributable to shareholders of Aareal Bank AG	17	-91	-3	-1	-1	3	0	0	13	-89