

## Aareal Bank Group – Key Indicators

	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
<b>Results</b>		
Operating profit (€ mn)	239	155
Consolidated net income (€ mn)	153	68
Consolidated net income allocated to ordinary shareholders (€ mn) <sup>1)</sup>	138	53
Cost/income ratio (%) <sup>2)</sup>	40.3	49.9
Dividend per share (€) <sup>3)</sup>	-	1.60
Earnings per ordinary share (€) <sup>1)</sup>	2.32	0.89
RoE before taxes (%) <sup>1)</sup>	7.9	5.3
RoE after taxes (%) <sup>1)</sup>	5.0	2.1
<b>Statement of Financial Position</b>		
Property finance (€ mn)	30,901	30,048
Equity (€ mn)	3,258	3,061
Total assets (€ mn)	47,331	48,728
<b>Regulatory indicators<sup>4)</sup></b>		
Basel IV (phase-in)		
Risk-weighted assets (€ mn)	12,782	12,817
Common Equity Tier 1 ratio (CET1 ratio) (%)	19.3	18.2
Tier 1 ratio (T1 ratio) (%)	21.7	20.5
Total Capital Ratio (TC ratio) (%)	24.0	23.6
Basel III		
Common Equity Tier 1 ratio (CET1 ratio) (%)	19.3	22.2
<b>Employees</b>		
	3,316	3,170

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

<sup>2)</sup> Structured Property Financing and Banking & Digital Solutions segments: in line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included.

<sup>3)</sup> In line with the strategy for 2023, there are no plans to distribute any dividends. On 31 August 2022, the Annual General Meeting had resolved not to distribute any dividends for the 2021 financial year. In compliance with the requirements published by the European Central Bank (ECB) on 15 December 2020, the Bank distributed €0.40 per share in 2021 for the 2020 financial year.

<sup>4)</sup> 31 December 2021: excluding originally proposed dividend of €1.60 per share in 2022 for the financial year 2021, including the dividend of €1.10 per share not distributed in 2021 as well as the pro rata temporis accrual of net interest on the AT1 bond.  
31 December 2022: including originally proposed dividend of €1.60 per share in 2022 and pro rata temporis accrual of net interest on the AT1 bond, excluding profits for 2022 under commercial law. There are no plans to distribute any dividends, in line with the strategy for 2023. 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 new NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB tests were taken into account. Adjusted total risk exposure amount (as defined in Article 92 (3) CRR – RWAs), in accordance with applicable law as at 31 December 2022 (CRR II) and applying the partial regulation for the "output floor" in connection with commercial property lending and equity exposures, based on the European Commission's proposal dated 27 October 2021 for implementation of Basel IV. The adjusted risk-weighted exposure amount for commercial property lending and equity exposures is determined using the higher of (i) total RWAs calculated in accordance with CRR II currently in force, and (ii) the figure calculated in accordance with the revised CRSA (pursuant to CRR III), applying the transitional provisions for 2025 (50% output floor). This forms the basis for the development of Basel III ratios during the 2022 financial year, as shown; said 'higher-of' comparison was not carried out in this respect as at 31 December 2021.

**Consolidated Income Statement of Aareal Bank Group**  
**Preliminary results for the financial year 2022**  
**(unaudited, in accordance with IFRSs)**

	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	Change
	€ mn	€ mn	%
Net interest income	702	597	18
Risk provisioning	192	133	44
Net commission income	277	245	13
Net derecognition gain or loss	1	23	-96
Net gain or loss from financial instruments (fvpl)	26	-30	
Net gain or loss from hedge accounting	-2	-5	-60
Net gain or loss from investments accounted for using the equity method	-2	-2	0
Administrative expenses	571	528	8
Net other operating income/expenses	0	-12	
<b>Operating profit</b>	<b>239</b>	<b>155</b>	<b>54</b>
Income taxes	86	87	-1
<b>Consolidated net income</b>	<b>153</b>	<b>68</b>	<b>125</b>
Consolidated net income attributable to non-controlling interests	0	1	
Consolidated net income attributable to shareholders of Aareal Bank AG	153	67	128
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	153	67	128
of which: allocated to ordinary shareholders	138	53	160
of which: allocated to AT1 investors	15	14	7
Earnings per ordinary share (€) <sup>2)</sup>	2.32	0.89	161
Earnings per AT1 unit (€) <sup>3)</sup>	0.15	0.14	7

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

<sup>2)</sup> 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.

<sup>3)</sup> 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 of 2022**  
**(in accordance with IFRSs)**

	Q4 2022	Q4 2021	Change
	€ mn	€ mn	%
Net interest income	188	162	16
Risk provisioning	22	54	-59
Net commission income	78	71	10
Net derecognition gain or loss	-23	8	
Net gain or loss from financial instruments (fvpl)	4	-23	
Net gain or loss from hedge accounting	4	-1	
Net gain or loss from investments accounted for using the equity method	0	-1	
Administrative expenses	148	135	10
Net other operating income/expenses	1	5	-80
<b>Operating profit</b>	<b>82</b>	<b>32</b>	<b>156</b>
Income taxes	29	20	45
<b>Consolidated net income</b>	<b>53</b>	<b>12</b>	<b>342</b>
Consolidated net income attributable to non-controlling interests	0	-1	
Consolidated net income attributable to shareholders of Aareal Bank AG	53	13	308
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	53	13	308
of which: allocated to ordinary shareholders	49	9	444
of which: allocated to AT1 investors	4	4	
Earnings per ordinary share (€) <sup>2)</sup>	0.83	0.16	419
Earnings per AT1 unit (€) <sup>3)</sup>	0.04	0.04	

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

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<sup>3)</sup> 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 2022 financial year**  
**(unaudited, in accordance with IFRSs)**

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
€ mn										
Net interest income	627	560	92	43	-17	-6	0	0	702	597
Risk provisioning	192	133	0	0	0	0			192	133
Net commission income	6	8	31	28	252	221	-12	-12	277	245
Net derecognition gain or loss	1	23							1	23
Net gain or loss from financial instruments (fvpl)	26	-30	0	0	0				26	-30
Net gain or loss from hedge accounting	-2	-5							-2	-5
Net gain or loss from investments accounted for using the equity method	0	0	-1	-1	-1	-1			-2	-2
Administrative expenses	260	256	79	73	244	211	-12	-12	571	528
Net other operating income/expenses	-6	-13	-1	-1	7	2	0	0	0	-12
<b>Operating profit</b>	<b>200</b>	<b>154</b>	<b>42</b>	<b>-4</b>	<b>-3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>239</b>	<b>155</b>
Income taxes	70	82	14	-1	2	6			86	87
<b>Consolidated net income</b>	<b>130</b>	<b>72</b>	<b>28</b>	<b>-3</b>	<b>-5</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>153</b>	<b>68</b>
Consolidated net income attributable to non-controlling interests	0	0	0	0	0	1			0	1
Consolidated net income attributable to shareholders of Aareal Bank AG	130	72	28	-3	-5	-2	0	0	153	67

**Segment Results of Aareal Bank Group**  
**Preliminary results for the fourth quarter of 2022**  
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	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation / Reconciliation		Aareal Bank Group	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
€ mn										
Net interest income	152	154	43	10	-7	-2	0	0	188	162
Risk provisioning	22	54	0	0	0	0			22	54
Net commission income	1	2	8	8	72	64	-3	-3	78	71
Net derecognition gain or loss	-23	8							-23	8
Net gain or loss from financial instruments (fvpl)	4	-23	0	0	0				4	-23
Net gain or loss from hedge accounting	4	-1							4	-1
Net gain or loss from investments accounted for using the equity method	0	0		0	0	-1			0	-1
Administrative expenses	60	63	25	20	66	55	-3	-3	148	135
Net other operating income/expenses	-2	8	0	-1	3	-2	0	0	1	5
<b>Operating profit</b>	<b>54</b>	<b>31</b>	<b>26</b>	<b>-3</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>32</b>
Income taxes	18	14	8	0	3	6			29	20
<b>Consolidated net income</b>	<b>36</b>	<b>17</b>	<b>18</b>	<b>-3</b>	<b>-1</b>	<b>-2</b>	<b>0</b>	<b>0</b>	<b>53</b>	<b>12</b>
Consolidated net income attributable to non-controlling interests	0	0	0	0	0	-1			0	-1
Consolidated net income attributable to shareholders of Aareal Bank AG	36	17	18	-3	-1	-1	0	0	53	13