

## PRESS RELEASE

### Successful start to 2026 financial year for Aareal Bank

- **Adjusted operating profit up 13 per cent to €121 million in the first quarter**
- **Adjusted return on equity rises to 9.8 per cent**
- **Net interest income remains high at €237 million**
- **Loan impairment charges stable, NPL volumes further reduced**
- **Cost/income ratio remains very low at 30 per cent**
- **BDS deposit volumes of €17.5 billion markedly higher than in Q1 2025**
- **High-quality new property finance business, with healthy margins**
- **Solid capital ratios and comfortable liquidity position**

Wiesbaden, 7 May 2026 – Aareal Bank recorded a successful start to the 2026 financial year. The Bank's first quarter **adjusted operating profit** rose by 13 per cent to €121 million (Q1 2025: €107 million). The operating profit including non-recurring costs was €117 million, an increase of 17 per cent (Q1 2025: €100 million), making the first quarter of 2026 one of the best underlying first quarters on record.

At €237 million, **net interest income** was slightly below the corresponding prior-year figure (Q1 2025: €249 million) but was at a high level nonetheless. An increase in the credit loan portfolio and higher deposit volumes largely offset the adverse effects of lower interest rates.

**Loan impairment charges** of €58 million were stable year-on-year (Q1 2025: €55 million). Aareal Bank is monitoring the situation in the Middle East closely but is not directly affected by developments there and has not extended any loans in the region.

The inventory of **non-performing loans (NPLs)** was further reduced. At the end of the quarter it stood at €1.12 billion which was less than in the same quarter of the previous year (31 Mar 2025: €1.30 billion) and slightly less than in the previous quarter (31 Dec 2025: €1.15 billion). The NPL ratio stood at 3.2 per cent at the end of March (31 Dec 2025: 3.2 per cent). Aareal Bank remains committed to its target of reducing its NPL portfolio to below one billion euros in the current financial year.

As CEO **Dr Christian Ricken** explained: "We have achieved a strong quarterly result in a challenging environment. This is clear evidence of the quality of our two client segments and demonstrates the success of our Aareal Ambition strategy. We will continue to monitor geopolitical events closely."

Aareal Bank has its costs firmly under control. **Adjusted administrative expenses** were reduced by 14 per cent to €76 million (Q1 2025: €88 million) on the back of strong cost discipline and positive effects from efficiency measures. Non-recurring costs totalled €4 million in the first quarter of the year (Q1 2025: €7 million). The cost/income ratio was a very healthy 30 per cent.

In addition, income totalling €21 million was recorded under **other items** in the first quarter (Q1 2025: €0 million) relating to mark-to-market effects and loan repayment fees.

Taking tax deductions and interest payable on the AT1 bond into account, **net profit** rose by 27 per cent to €76 million (Q1 2025: €60 million). **Adjusted return on equity** after taxes increased to 9.8 per cent (Q1 2025: 8.2 per cent).

The **Common Equity Tier 1 ratio** (Basel IV CET1 ratio, fully phased) stood at 15.5 per cent at the end of the quarter (31 Dec 2025: 15.5 per cent). The total capital ratio (Basel IV, fully phased) was 21.0 per cent (31 Dec 2025: 21.1 per cent).

In addition, Aareal Bank successfully continued its **funding activities**, placing bonds and Pfandbriefe totalling €1.1 billion in the capital markets during the first quarter. This included a €750 million benchmark Pfandbrief issue and a GBP 250 million Pfandbrief in pounds sterling. These placements underscore Aareal Bank's strong market access, even in a volatile market environment.

**Liquidity ratios** were very healthy, with an LCR of 178 per cent and an NSFR of 114 per cent.

### **Developments by business segment**

In the **Banking & Digital Solutions** (BDS) segment, average deposit volumes rose to €17.5 billion in the first quarter (Q1 2025: €16.7 billion). Of this figure, €14.6 billion (Q1 2025: €13.4 billion) related to deposits from housing and energy industry clients and €2.9 billion (Q1 2025: €3.3 billion) to retail deposits.

Net interest income totalled €61 million in the first quarter (Q1 2025: €57 million), reflecting the higher deposit volumes. As a result, BDS – which is set to be significantly expanded as part of the Aareal Ambition business strategy – already accounted for a quarter of the Bank's aggregate net interest income. Operating profit rose by 7 per cent to €32 million (Q1 2025: €30 million).

In the **Structured Property Financing** business segment, Aareal Bank successfully underwrote new business at favourable terms, in an increasingly competitive market. New business volume totalled €1.4 billion in the first quarter (31 Mar 2025: €2.3 billion). This was a good first-quarter performance by historical standards, even though it was lower than the record highs achieved in 2025. All financings were extended in Europe. Newly originated loans accounted for €0.8 billion, with loan renewals of €0.6 billion. The average gross margin on new loans was 264 basis points (Q1 2025: 234 basis points). Average loan-to-value ratios stood at a very conservative 49 per cent (Q1 2025: 57 per cent).

The portfolio volume was €34.1 billion at the end of the quarter (31 Dec 2025: €34.3 billion), matching the year-end target level of around €34 billion. Portfolio indicators continued to show a conservative risk level – average loan-to-value ratios in the existing portfolio

amounted to 56 per cent, with average yield on debt at 9.9 per cent. Operating profit rose by 21 per cent to €85 million (Q1 2025: €70 million).

SPFs' key transactions in the first quarter included a refinancing for a high-quality logistics portfolio in Germany with a total volume of €264 million. The portfolio comprises eight modern logistics properties in prime locations, with a total lettable area of around 258,000 square metres. The refinancing was structured as a club deal.

## **Outlook**

The positive performance in the first quarter is in line with the targets communicated by Aareal Bank for the full year. Aareal Bank will continue to closely monitor geopolitical events.

## **Contacts for the media:**

Christian Feldbrügge  
Phone: +49 611 348 2280  
Mobile: +49 171 866 7919  
[christian.feldbruegge@aareal-bank.com](mailto:christian.feldbruegge@aareal-bank.com)

Nadine Klees  
Phone: +49 611 348 2488  
Mobile: +49 151 633 29175  
[nadine.klees@aareal-bank.com](mailto:nadine.klees@aareal-bank.com)

Thomas Rutzki  
Phone: +49 611 348 2947  
Mobile: +49 170 543 1458  
[thomas.rutzki@aareal-bank.com](mailto:thomas.rutzki@aareal-bank.com)

## **Contact for investors:**

Aareal Bank AG – Investor Relations  
Phone: +49 611 348 3009  
[ir@aareal-bank.com](mailto:ir@aareal-bank.com)

## **About Aareal Bank Group**

Aareal Bank Group, headquartered in Wiesbaden, Germany, is a leading specialist in international property. The Bank uses its expertise to identify trends, challenges and opportunities at an early stage and to exploit them for the benefit of its stakeholders. Aareal Bank Group provides financings, banking services and payments solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance (ESG) aspects forming an integral part of this strategy.

Aareal Bank AG comprises the business segments Structured Property Financing and Banking & Digital Solutions. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank assists its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments. In the Banking & Digital Solutions segment, Aareal Bank Group serves the needs of businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking.

## Aareal Bank – Key Indicators

	1 Jan-31 Mar 2026	1 Jan-31 Mar 2025
<b>Results</b>		
Adjusted operating profit (€ mn) <sup>1)</sup>	121	107
Operating profit (€ mn)	117	100
Net profit (€ mn) <sup>2)4)</sup>	76	60
Cost/income ratio (%) <sup>3)</sup>	29.7	35.0
Earnings per ordinary share (€) <sup>4)5)</sup>	1.26	1.00
Adjusted RoE after taxes (%) <sup>1)4)6)</sup>	9.8	8.2
<b>Statement of Financial Position</b>		
Property finance (€ mn)	34,101	34,336
Equity (€ mn)	3,861	3,752
Total assets (€ mn)	47,373	46,853
<b>Regulatory Indicators<sup>7)</sup></b>		
Basel IV (phase-in)		
Risk-weighted assets (€ bn)	14.2	13.1
Common Equity Tier 1 ratio (CET1 ratio) (%)	20.7	22.2
Tier 1 ratio (T1 ratio) (%)	23.5	25.3
Total capital ratio (TC ratio) (%)	28.1	30.3
Basel IV (fully phased)		
Common Equity Tier 1 ratio (CET1 ratio) (%)	15.5	15.5
<b>Employees</b>	<b>1,170</b>	<b>1,167</b>

<sup>1)</sup> Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring effects

<sup>2)</sup> Consolidated net income allocated to ordinary shareholders

<sup>3)</sup> In line with common practice in the banking sector, bank levy and contributions to the deposit guarantee scheme are not included; costs for efficiency measures, IT infrastructure investments and other material non-recurring effects are also excluded.

<sup>4)</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>5)</sup> Without taking into account non-controlling interest income

<sup>6)</sup> On an annualised basis

<sup>7)</sup> 31 December 2025: including profits for 2025 less dividends (which have already been distributed) and including the accrual of interest on the AT1 bond.

31 March 2026: including interim profits for 2026, deducting a planned dividend in line with the dividend policy and incorporating the accrual of interest payable on the AT1 bond. The CET1 ratio (phase-in), as shown in Aareal Bank's regulatory report as at 31 March 2026, amounts to 20.0%.

The SREP recommendations concerning the non-performing loans (NPL) inventory were taken into account, as well as the ECB's NPL guidelines for the regulatory capital for new NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB inspections.

## Financial Performance

	1 Jan-31 Mar 2026	1 Jan-31 Mar 2025
€ mn		
Net interest income	237	249
Net commission income	-3	1
Loan impairment charges (LICs) <sup>1)</sup>	-58	-55
Administrative expenses (adjusted) <sup>2)</sup>	-76	-88
Other items	21	0
<b>Adjusted operating profit<sup>2)</sup></b>	<b>121</b>	<b>107</b>
Non-recurring effects	-4	-7
<b>Operating profit</b>	<b>117</b>	<b>100</b>
Income taxes	-31	-27
<b>Consolidated net income</b>	<b>86</b>	<b>73</b>
Interest on the AT1 bond	-9	-13
<b>Net profit<sup>3)</sup></b>	<b>76</b>	<b>60</b>

<sup>1)</sup> Including credit-related changes in the value of non-performing financial instruments (fvpl)

<sup>2)</sup> Adjusted for costs for efficiency measures, IT infrastructure investments and other material non-recurring effects

<sup>3)</sup> Consolidated net income allocated to ordinary shareholders

## Segment Results<sup>1)</sup>

	Structured Property Financing		Banking & Digital Solutions		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025
€ mn								
Net interest income	176	192	61	57	0	0	237	249
Net commission income	0	3	-3	-2	0	0	-3	1
Loan impairment charges	-58	-55	0	0	0	0	-58	-55
Administrative expenses (adjusted)	-51	-64	-25	-24	0	0	-76	-88
Other items	20	-1	1	1	0	0	21	0
<b>Adjusted operating profit</b>	<b>87</b>	<b>75</b>	<b>34</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>121</b>	<b>107</b>
Non-recurring effects	-2	-5	-2	-2	0	0	-4	-7
<b>Operating profit</b>	<b>85</b>	<b>70</b>	<b>32</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>100</b>
Income taxes	-22	-18	-10	-9	0	0	-32	-27
<b>Consolidated net income</b>	<b>63</b>	<b>52</b>	<b>22</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>73</b>
Interest on the AT1 bond	-7	-10	-2	-3	0	0	-9	-13
<b>Net profit</b>	<b>56</b>	<b>42</b>	<b>20</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>60</b>

<sup>1)</sup> The previous year's figures were adjusted to reflect the new transfer prices.