



Additional information on agenda item 5, Passing of a resolution on appointment of the external auditors

Information on auditors fees

As in previous years, we will propose the appointment of external auditors at our Annual General Meeting on 25 May 2016 under agenda item 5. Based on the recommendation of the Audit Committee, the Supervisory Board proposes that auditors PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the external auditors for the annual financial statements and the consolidated annual financial statements of the 2016 financial year.

The fees paid to the external auditors for the financial years 2014 and 2015 are shown as follows in the Notes to the consolidated financial statements under Note (34) Administrative Expenses in the Group Annual Report:

	1 Jan-31 Dec 2015	1 Jan-31 Dec 2014
€ 000's		
Auditing fees	4,252	3,563
Other assurance services	561	327
Tax advisory services	255	73
Other services	3,948	3,211
Total	9,016	7,174

The increase of **auditing fees** from € 3,563 mn in the 2014 financial year to € 4,252 mn in the 2015 financial year was mainly due to the auditing services rendered in connection with the acquisition of Westdeutsche Immobilienbank AG.

Fees for **other assurance services** increased from € 327,000 (2014) to € 561,000 (2015). The main driver of this development were expenses incurred for the review of regulatory processes at former Corealcredit Bank AG until the acquisition of its banking operations by Aareal Bank AG (€ 240,000). These services comprised e.g. the review of requirements under the German Banking Act (*Kreditwesengesetz*) and MaRisk in relation to risk management, the requirements concerning the Pfandbrief business, the requirements of the German Ordinance on Remuneration in Financial Institutions (*Institutsvergütungsverordnung*), money laundering regulations and other regulatory requirements.

The detailed breakdown of the figure of € 561,000 shows that the services listed under this item solely consist of assurance and auditing services.



Expenses for other assurance and evaluation services	-560.831,61
of which:	
Review of regulatory processes until split-off Corealcredit Bank AG	240.000,00
Review of capital base (review of declaration of financial solidity)	96.004,12
Assurance services Wodis 7+Wodis 6	51.000,00
Review split-off Banking Business Corealcredit	49.556,92
Other audits and reviews	124.260,57

Other services amount to € 3,948 mn in total (2014: € 3,211 mn). Of this amount, approx. three quarters (€ 3.0 mn) relate to services in conjunction with the acquisition of Westdeutsche Immobilienbank AG and the integration projects for former Corealcredit Bank AG. Due to a lack of time, but also for economic reasons we considered it to be inefficient to appoint a second external auditor for these services. As the integration schedule was very tight and in order to avoid double costs we decided to commission PwC with the consultancy services required in this context. The independence of the external auditor was duly respected and maintained at any time.

In previous years, "Other assurance services" were also considered to be audit-related. The ratio of audit-related and other consultancy services thus exceeds 100 %.

Responsible lead auditor

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (WC), the auditors of the 2015 financial statements – as elected by the Annual General Meeting 2015 and instructed accordingly by the Supervisory Board – have exercised their audit activities under the management of Messrs Stefan Palm and Kay Böhm. In Accordance with internal regulations, all employees of the external auditors, including the responsible partners and lead auditors, rotate their assignment to specific audit assignments on a regular basis – in this case, every five years.

Mr Palm, PWC's responsible partner, has audited Aareal Bank since 2013; Mr Böhm, the responsible lead auditor, since 2012.
