

QUALITY®
made by **AAREAL**

Fixed Income Presentation

Preliminary Results 2016

March 2017

Aareal

Agenda

- **Aareal Bank Group**
Overview
- **Results 2016:**
What we achieved
- **Outlook 2017:**
What we target
- **Aareal 2020:**
How we have started

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Aareal Bank Group Overview

Aareal

Business segments

Aareal Bank Group

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Structured Property Financing

International presence and business activities on three continents – in Europe, North America and Asia

Industry experts for hotel, logistics and office properties as well as shopping centers

International real estate financing in more than 20 countries

Total portfolio: € 27,9 billion

Consulting / Services for the property industry

Market-leading integrated payment transaction system for the housing, commercial property and energy sector

Market-leading IT systems for the management of residential and commercial property in Europe

Around 7 million units under management in the key market Germany

International presence: France, the Netherlands, UK and Scandinavia

Structured Property Financing

Aareal Bank AG

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Focus on senior lending

Cash-flow driven collateralised business with focus on first-ranking mortgage loans

Typical products, for example:

- Single asset investment finance
- Portfolio finance (local or cross-border)

In-depth know-how in local markets and special properties

- Local expertise at our locations
- Additional industry expertise at the head offices

International experience with employees from over 25 nations



Aareal Bank Group

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Aareon Group IT Services

Market-leading European IT-system house for the management of residential and commercial property portfolios

Highly automated ERP systems : license and SaaS solutions

Comprehensive range of integrated services and consulting

Key client base: large size property owners / managers

~ 60 % market share in German key market: >2,500 customers with ~7 mn units under management in Germany

International presence: F, NL, UK, SWE and NOR

Aareal Bank Transaction banking

Market-leading integrated payment transaction systems for the institutional housing industry in Germany

Key client base: large size property owners / managers and utility companies

Key market: Germany

~ 100 mn transactions p.a.

Deposit volume 2016: Ø € 9.6 bn, strategically important as an additional source of funding

Transaction volume: ~ € 50 bn p.a.



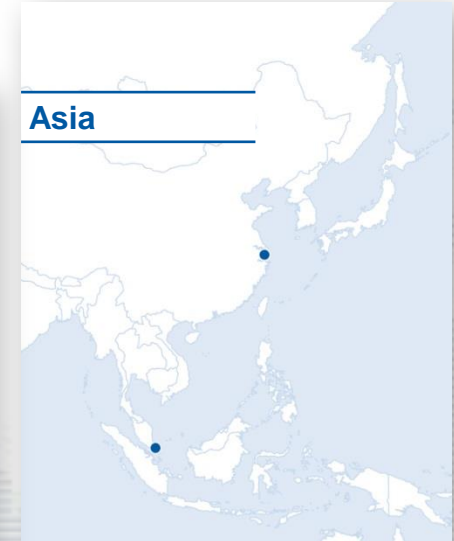
Structured Property Financing



Structured Property Financing



Consulting / Services



Structured Property Financing

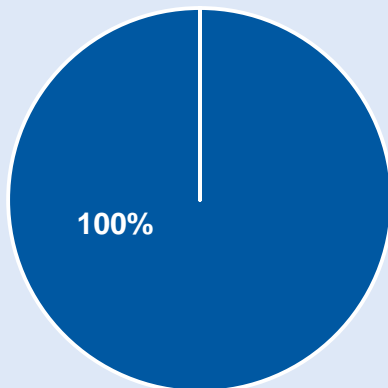
Aareal Bank, Real Estate Structured Finance: Brussels, Copenhagen, Dublin, Istanbul, London, Madrid, Moscow, New York, Paris, Rome, Shanghai, Singapore, Stockholm, Warsaw, Wiesbaden | **Aareal Valuation GmbH:** Wiesbaden | **Aareal Estate AG:** Wiesbaden

Aareal Bank, Institutional Housing Unit: Berlin, Essen, Hamburg, Leipzig, Munich, Stuttgart, Wiesbaden | **Aareon AG:** Berlin, Coventry, Dortmund, Emmen, Enschede, Erfurt, Gorinchem, Gothenburg, Hamburg, Hilversum, Hückelhoven, Karlskrona, Leipzig, Lund, Mainz, Meudon-la-Forêt, Munich, Nantes, Norrtälje, Orléans, Oslo, Piteå, Southampton, Stockholm, Stuttgart, Swansea, Toulouse | **Deutsche Bau- und Grundstücks-AG:** Berlin, Bonn, Moscow, Munich | **Aareal First Financial Solutions AG:** Mainz

Aareal's ownership structure

Successful placement underlines confidence in ARL

Ownership structure since 03.02.2015



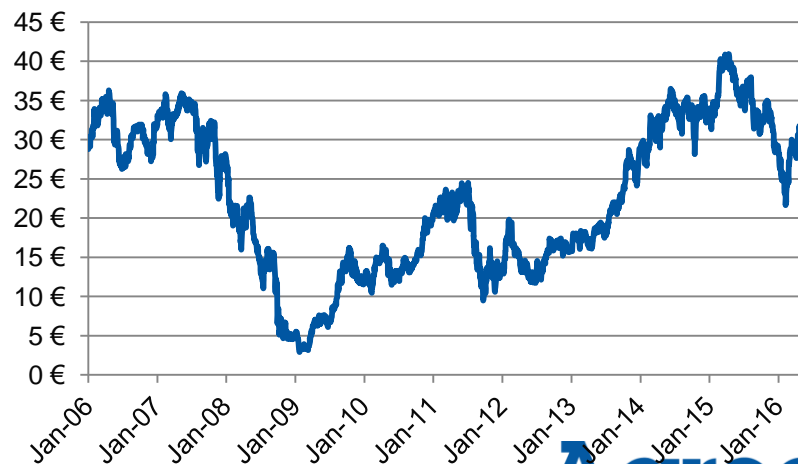
■ Public float

- Aareal Holding successfully completed the placement of its 28.9% stake Aareal Bank shares worth € 545 mn in 2015
- Priced at a small discount of 4.6% to the previous close
- The books were covered within 1 hour post launch - final orderbook was multiple times oversubscribed
- The transaction saw high quality demand particularly from the UK, Germany and USA

Aareal Bank AG

- Listed in the German MDAX
- 59,857,221 outstanding shares
- 100% free float
- Approximately 2,600 employees
- Balance Sheet: 47.7 bln. €
- Flat hierarchies

Stock performance since 01. Jan 2006



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Aareal Bank Ratings



Long-term	BBB+ <i>stable</i>
Short-term	F2
Viability Rating	bbb+
Subordinated Debt (T2)	BBB
Additional Tier 1	BB-
Mortgage Pfandbriefe	AAA <i>stable</i>
Public sector Pfandbriefe	AAA <i>stable</i>



Long-term Issuer Rating	Baa1 <i>stable</i>
Short-term Issuer Rating	P-2
Long-term Bank Deposits	A3 <i>stable</i>
Baseline Credit Assessment	baa3
Mortgage Pfandbriefe	Aaa <i>stable</i>



Preliminary 2016 results at a glance

Aareal

Highlights 2016

Continued positive development in challenging 2016

Highlights



Positive development in challenging environment continued

Aareal Bank Group with strong 2016 results – fulfilling raised guidance



New business

Stable margin due to flexible new business allocation towards attractive markets



Successful growing IT-business

Aareons EBT up by more than 25% and further strengthened it's leading market position



Adequate shareholders participation

Significant dividend increase by more than 20%: DpS proposal of 2.00 € (from 1,65 € for 2015)



Well prepared for regulatory challenges

Capital ratio significantly strengthened further



Implementation of „Aareal 2020“ successfully launched

Future program showing first success: US-lending business and international cross selling (in the IT business) enhanced, redesign of IT-infrastructure started and cooperation with start-ups initiated.

Preliminary FY-2016 results

Another strong operating profit

	2016	2015	Comments
€ mn			
Net interest income	701	781	<ul style="list-style-type: none"> Core-portfolio: strong performance NCA-portfolio: planned portfolio reduction Early repayments: lower effects € 41 mn (FY '15: € 75 mn)
Allowance for credit losses	97	128	Conservative lending policies paying off
Net commission income	193	175	Successful growth of IT-business
Net result from trading / non-trading / hedge acc.	86	4	Incl. € 61 mn from closing Aquatrium / Fatburen
Admin expenses	547	553	FY-2016 includes € 64 mn costs from integration as well as from projects / investment (FY 2015: € 56 mn)
<i>Others</i>	30	41	Incl. effects from resolution of CCB litigation, (2015 included € 22 mn from property sale / revaluation)
Negative goodwill	-	150	2015: Gain from initial WestImmo consolidation
Operating profit	366	470	Another strong operating profit
Income taxes	132	96	Effects from resolution of CCB litigation triggers higher tax ratio
Minorities / AT1	35	35	
Consolidated net income allocated to ord. shareholders	199	339	
Earnings per share [€]	3.33	5.66 3.16	EpS incl. neg. goodwill (2015) EpS excl. neg. goodwill (2015)

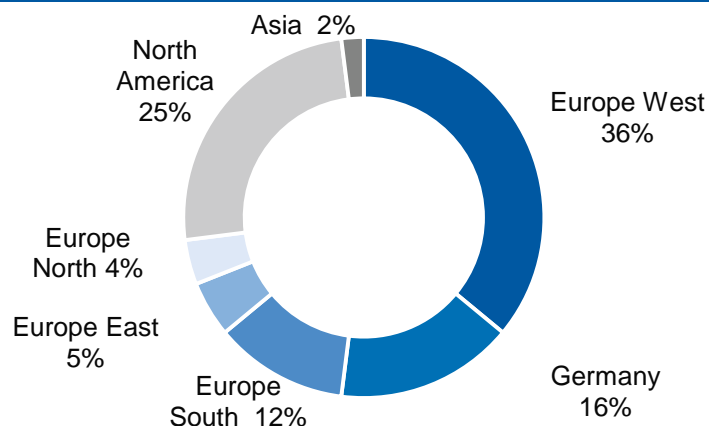


Segment performance

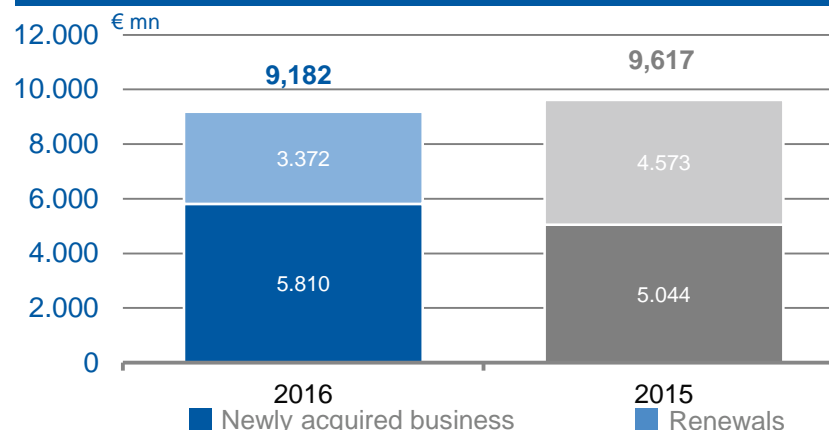
Structured property financing

Stable margins due to flexible new business allocation

New business by region 2016¹⁾



New business origination



P&L SPF Segment	2016	2015	Change
€ mn			
Net interest income	716	783	-9%
Allow. for credit losses	97	128	-24%
Net commission income	10	6	67%
Net result from trading / non-trading / hedge acc.	85	4	-
Admin expenses	346	359	-4%
Others	27	37	-30%
Negative goodwill	-	150	-
Operating profit	395	493	-20%

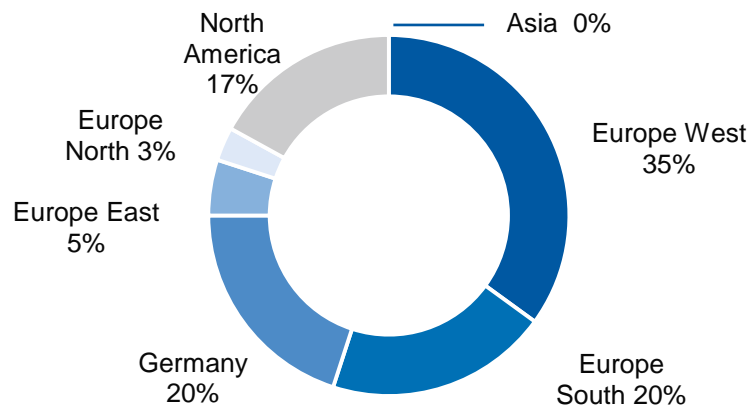
- Newly acquired business up by 15% YoY
- Gross margins
 - Q4 2016: ~220 bps, ~200 bps after FX
 - FY-2016: ~235 bps, ~210 bps after FX (FY-2015: ~230 bps, ~210 bps after FX)
- € 41 mn effects from early repayments (FY '15: € 75 mn)
- Syndicated volume of € 1.8 bn in 2016 showing active portfolio management (FY 2015: € 0.9 bn)
- Despite steering the portfolio (€ 25.4 bn) towards lower end of targeted size (€ 25-27 bn), strong margins supported achievement of targeted NII-range

1) Incl. renewals

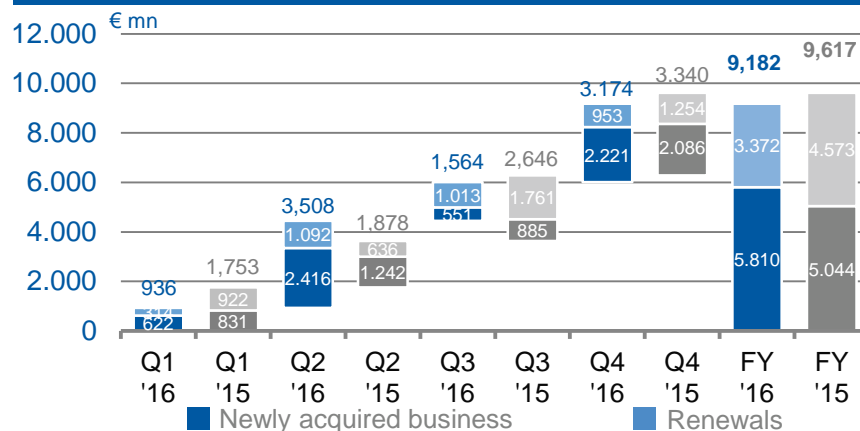
Structured property financing

Strong new business but portfolio reduction

New business by region Q4 2016¹⁾



New business origination



P&L SPF Segment	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
€ mn					
Net interest income	174	179	181	182	199
Allowance for credit losses (LLP)	33	33	29	2	42
Net commission income	5	2	1	2	2
Net result from trading / non-trading / hedge acc.	-6	12	69 ²⁾	10	6
Admin expenses	80	77	94	95	85
Others	26	2	0	-1	14
Operating profit	86	85	128²⁾	96	94

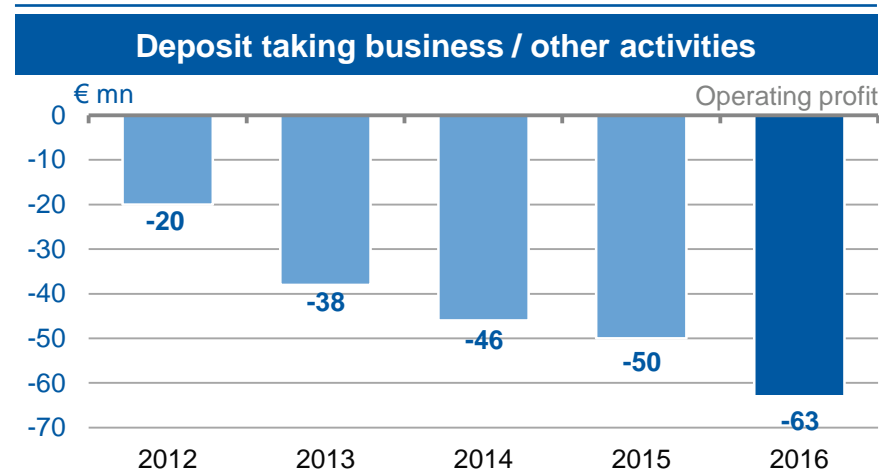
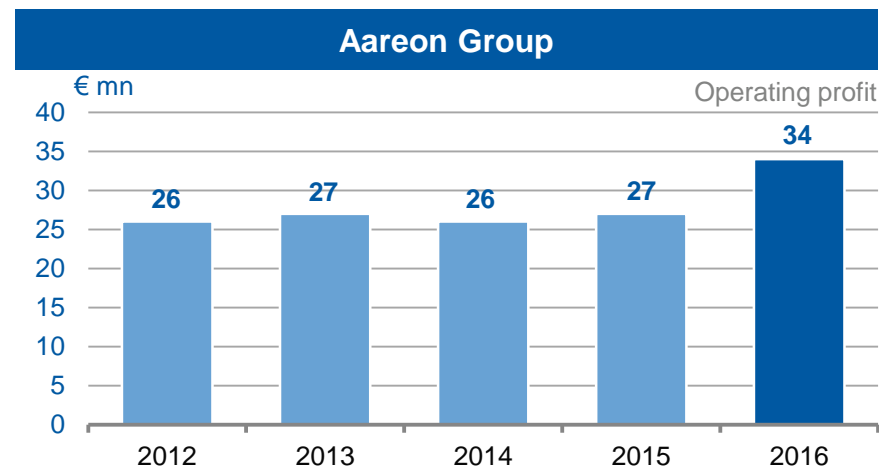
1) Incl. renewals

2) Incl. € 61 mn from closing Aqvatrium / Fatburen

Consulting / Services

Aareon with strong results but burdening deposit margins

P&L C/S Segment	2016	2015	Change
€ mn			
Sales revenue	206	193	7%
Own work capitalised	6	4	50%
Other operating income	7	9	-22%
Cost of materials purchased	35	24	46%
Staff expenses	144	139	4%
D, A, impairment losses	11	12	-8%
Other op. expenses	58	54	7%
Others	0	0	-
Operating profit	-29	-23	-21%



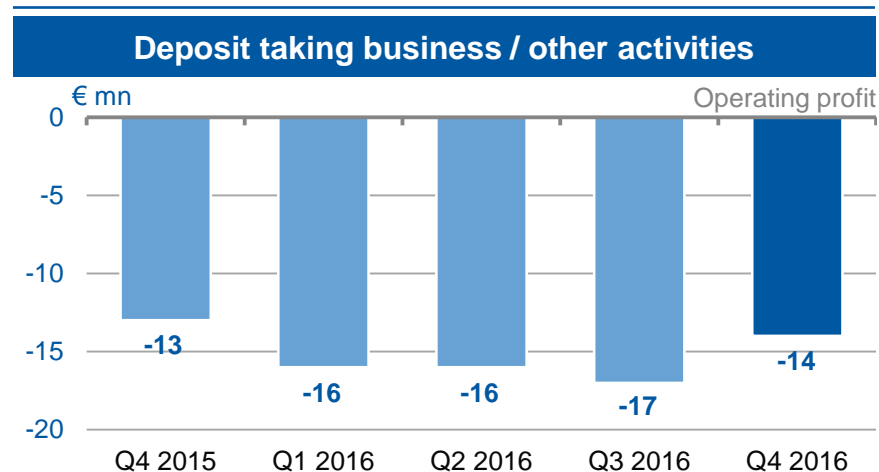
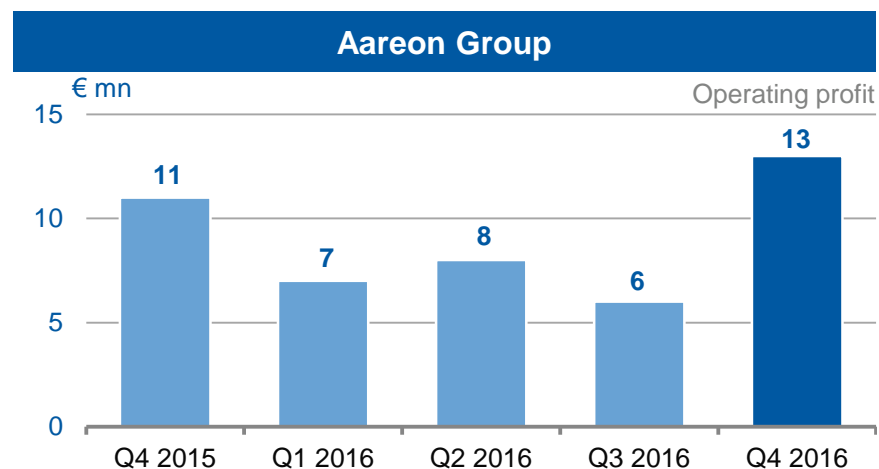
- Aareon revenues of € 211 mn (FY 2015: € 187 €), EBT of € 34 mn, EBT margin ~16%
- Stronger Aareon revenues resulting from growth in all product lines, digital products with highest growth rates
- Deposit volume further increased acc. to Aareal 2020 to Ø of € 9.6 bn in 2016 (Ø of € 9.0 bn in 2015)
- Deposit margins further burden segment result due to low-interest environment
- Housing industry deposits generate a stable funding base, crisis-proven

Consulting / Services

Aareon above previous year-level

P&L C/S Segment	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
€ mn					
Sales revenue	58	47	52	49	56
Own work capitalised	2	1	2	1	0
Other operating income	4	2	0	1	4
Cost of material purchased	11	8	9	7	7
Staff expenses	37	36	35	36	37
D, A, impairment losses	2	3	3	3	3
Other operating expenses	15	14	15	14	15
Others	0	0	0	0	0
Operating profit	-1	-11	-8	-9	-2

- Deposit further increased to an Ø of € 10.0 bn in Q4 2016 (Ø of € 9.0 bn in Q4 2015)
- Focussing on further shift into sustainable deposits
- Q4 regularly includes positive seasonal effects



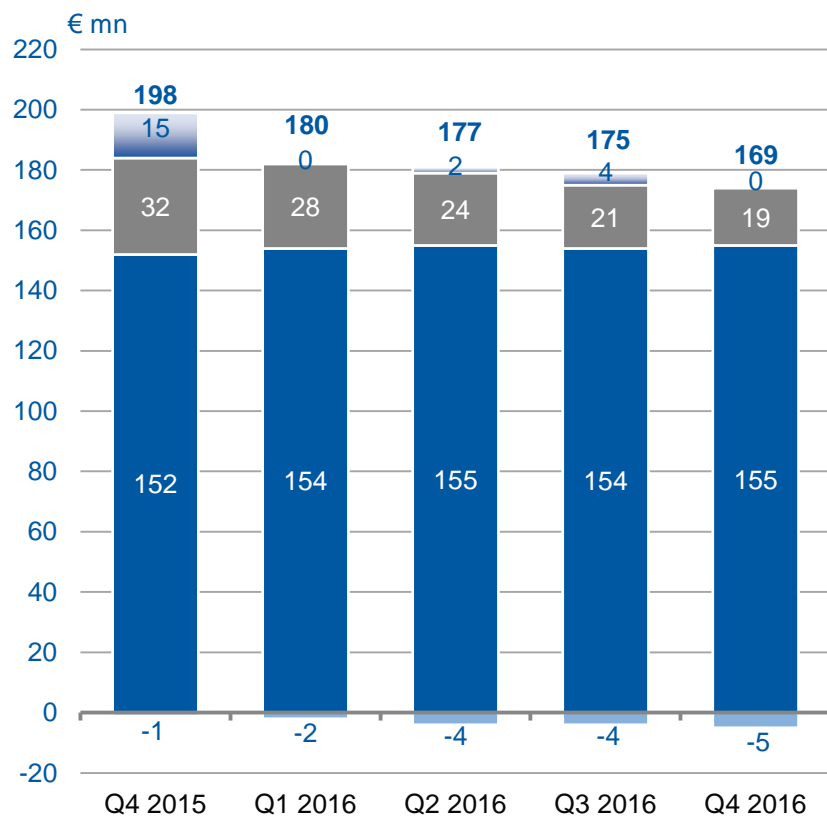


Preliminary group results 2016

Aareal

Net interest income

Stable margins – declining NCA



- NII effects from early repayments²⁾
- NII NCA (linear approximation)
- NII Core
- NII C/S

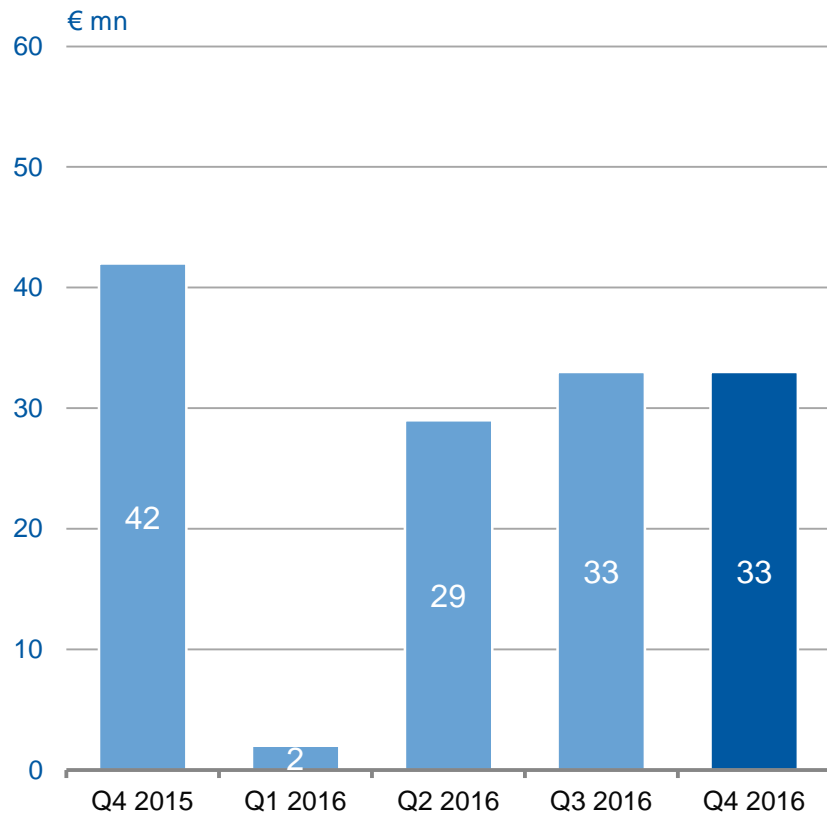
1) Newly acquired business

2) Additional effects exceeding originally planned repayments

- NII core stable despite portfolio size at lower end
- Gross margins¹⁾
 - Q4 2016: ~220 bps, ~200 bps after FX
 - FY 2016: ~235 bps, ~210 bps after FX (FY 2015: ~230 bps, ~210 bps after FX)
- NII effected by run down of non core assets as planned
- € 41 mn effects from early repayments (FY 2015 of € 75 mn)
- NII Consulting / Services further burdened by interest rate environment
- Aareal Bank already fulfils future NSFR / LCR requirements

Allowance for credit losses (LLP)

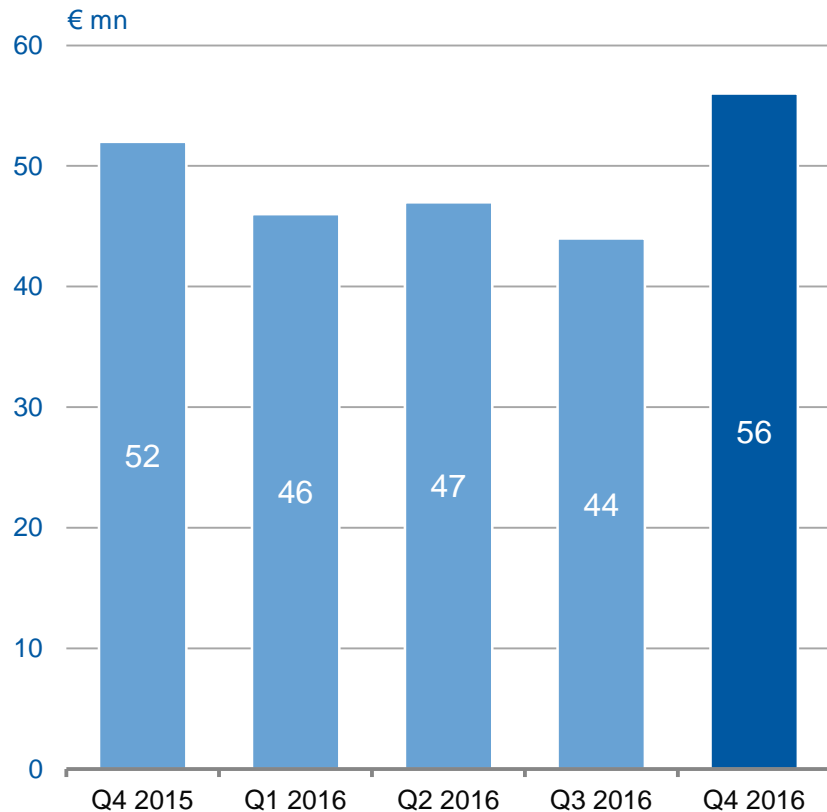
In line with full year target



- FY 2016 LLP of € 97 mn fully in line with guidance (FY 2015: € 128 mn)
- Conservative lending policies paying off
- Further reduction of risk costs proves high portfolio quality: 2016: 33 bp (2015: 43 bp / 2014: 54 bp)
- No additional NPL's in Italian portfolio

Net commission income

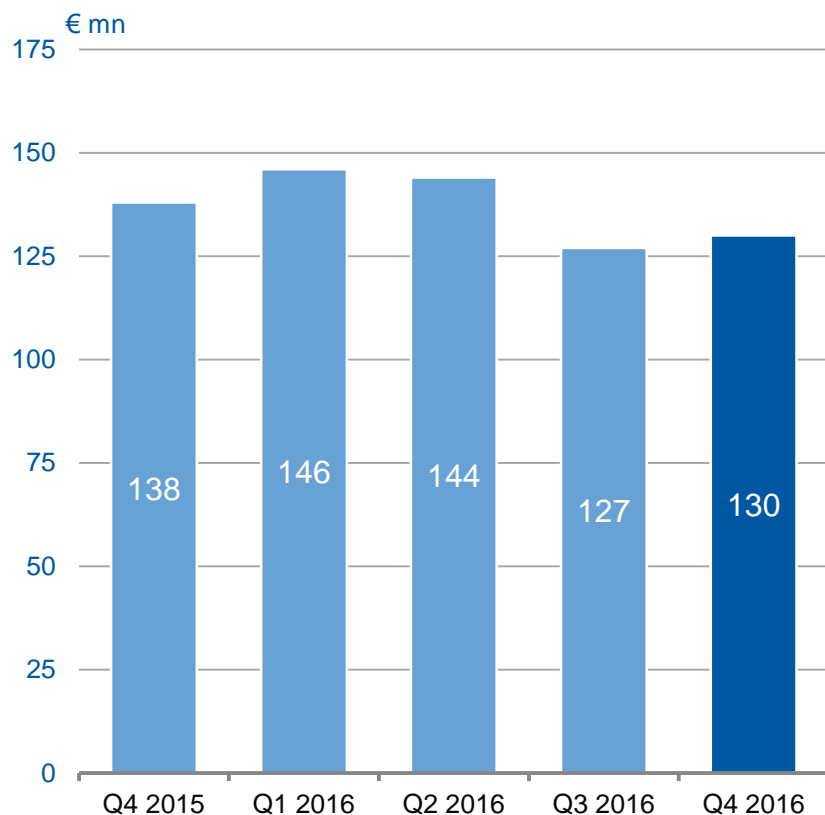
Aareon above previous year level



- Net commission income of € 193 mn in 2016 (FY 2015: € 175 mn)
- Stronger Aareon revenues resulting from growth in all product lines, digital products with highest growth rates
- Q4 regularly includes positive seasonal effects

Admin expenses

Integration costs above guidance, but FY-admin expenses within range



- Admin expenses of € 547 mn in 2016 (FY 2015: € 553 mn)
- FY 2016 costs from integration as well as from projects / investment costs of € 64 mn
 - Q4 figures include € 17 mn
 - Q3 figures include € 7 mn
 - Q2 figures include € 30 mn
 - Q1 figures include € 10 mn as well as € 17 mn for the European bank levy for the fiscal year 2016
- WIB integration faster than originally planned



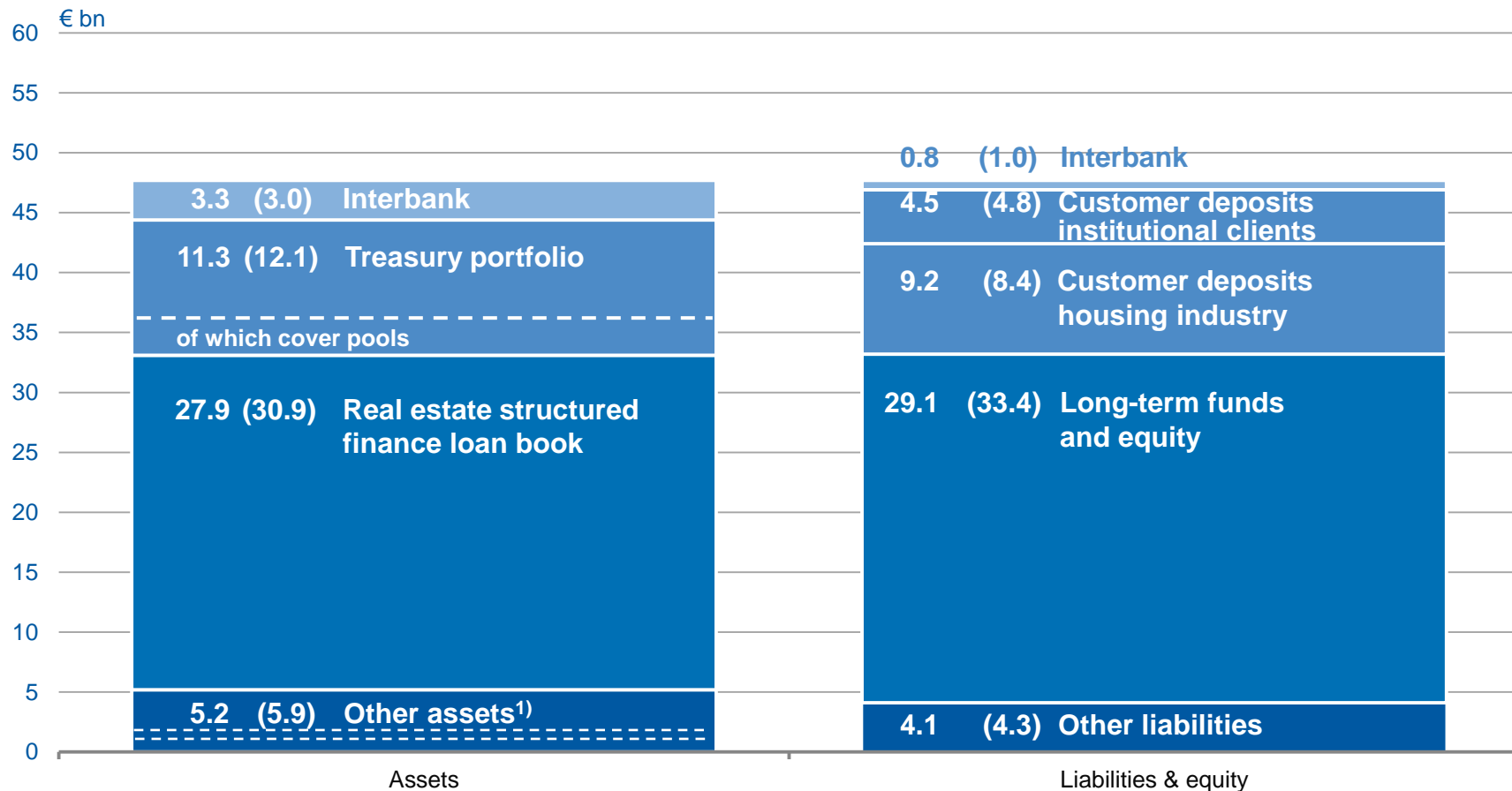
B/S structure, capital & funding position

Aareal

Asset- / Liability structure according to IFRS

As at 31.12.2016: € 47.7 bn (31.12.2015: € 51.9)

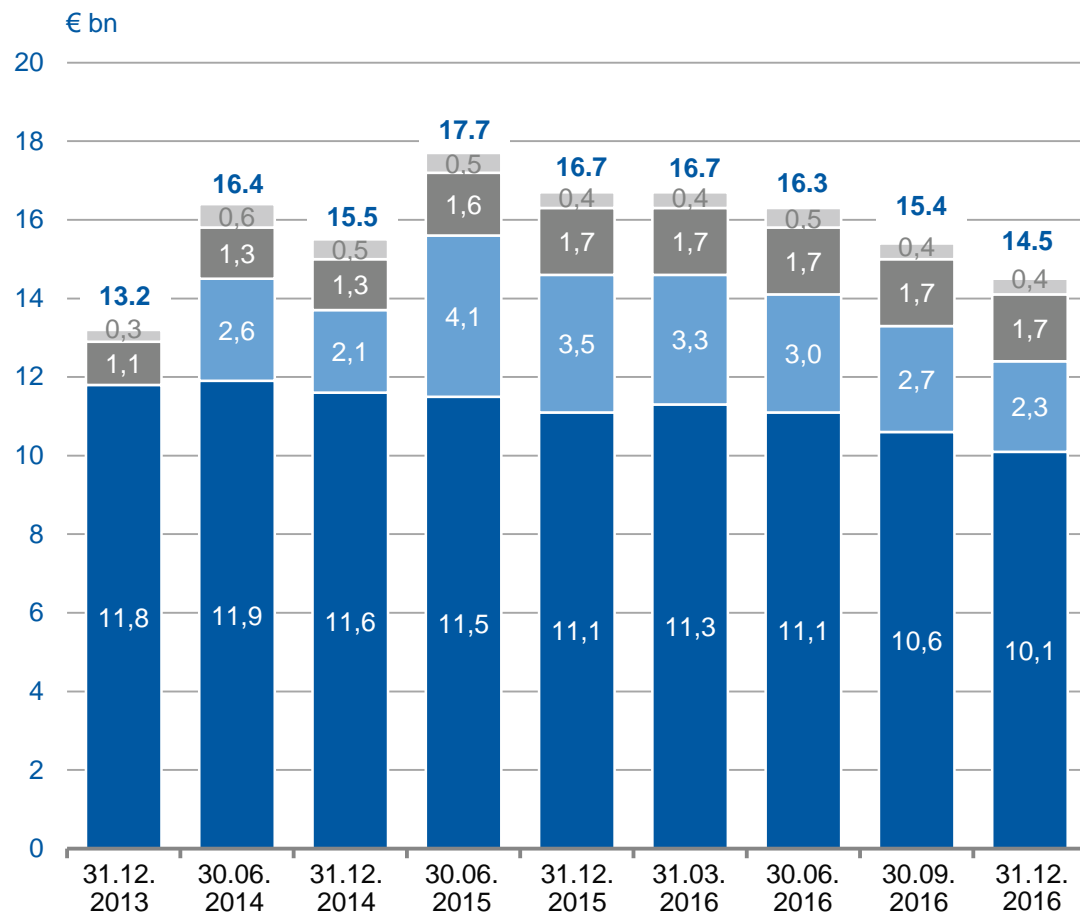
- Conservative balance sheet with structural over borrowed position
- Average maturity of long term funding > average maturity of RSF loans



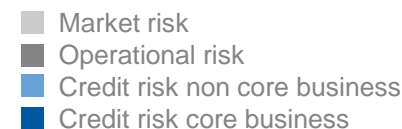
1) Other assets includes € 1.1 bn private client portfolio and WIB's € 0.6 bn public sector loans

RWA development

Successful run down of NCA

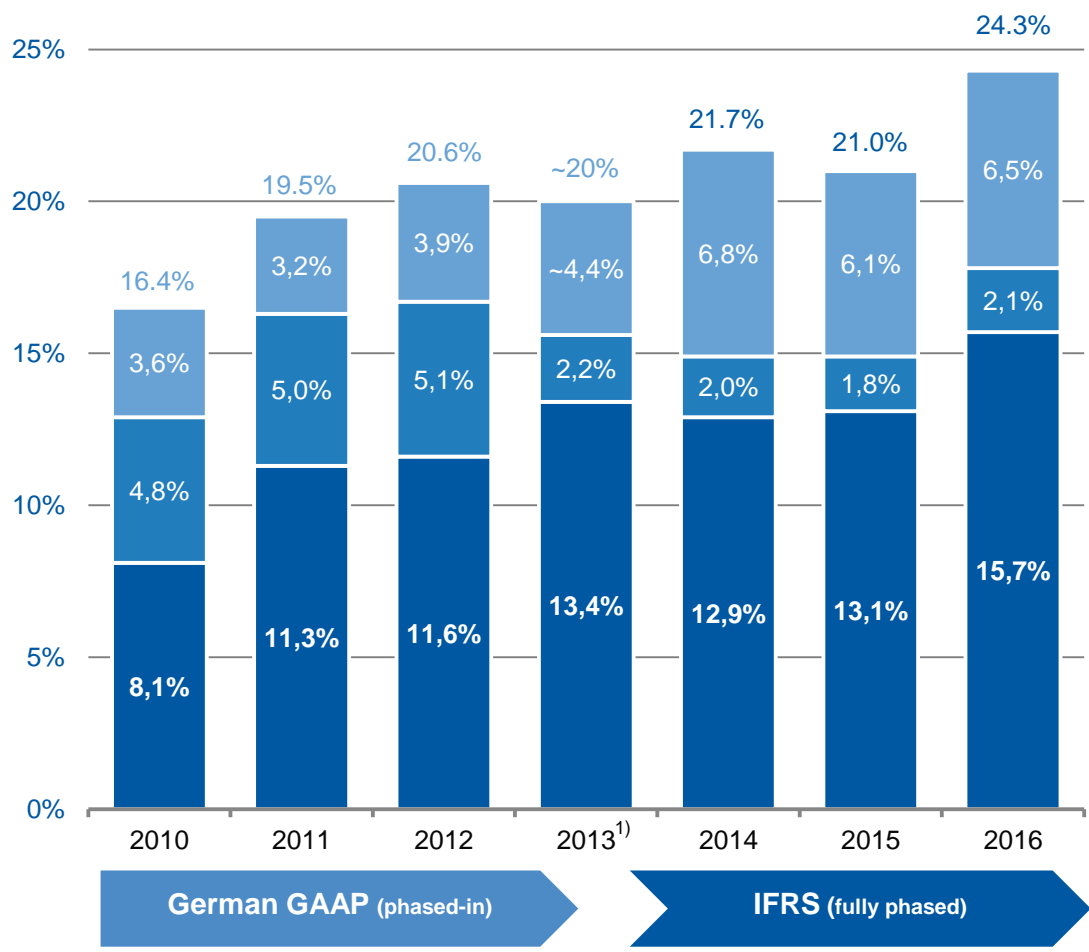


- Decreasing RWA from NCA reduction and from steering the core portfolio towards the lower end of range
- Operational risk already based on standardised approach
- RWA from “Financials” already close to CRSA-level



Capital ratios

Strong development



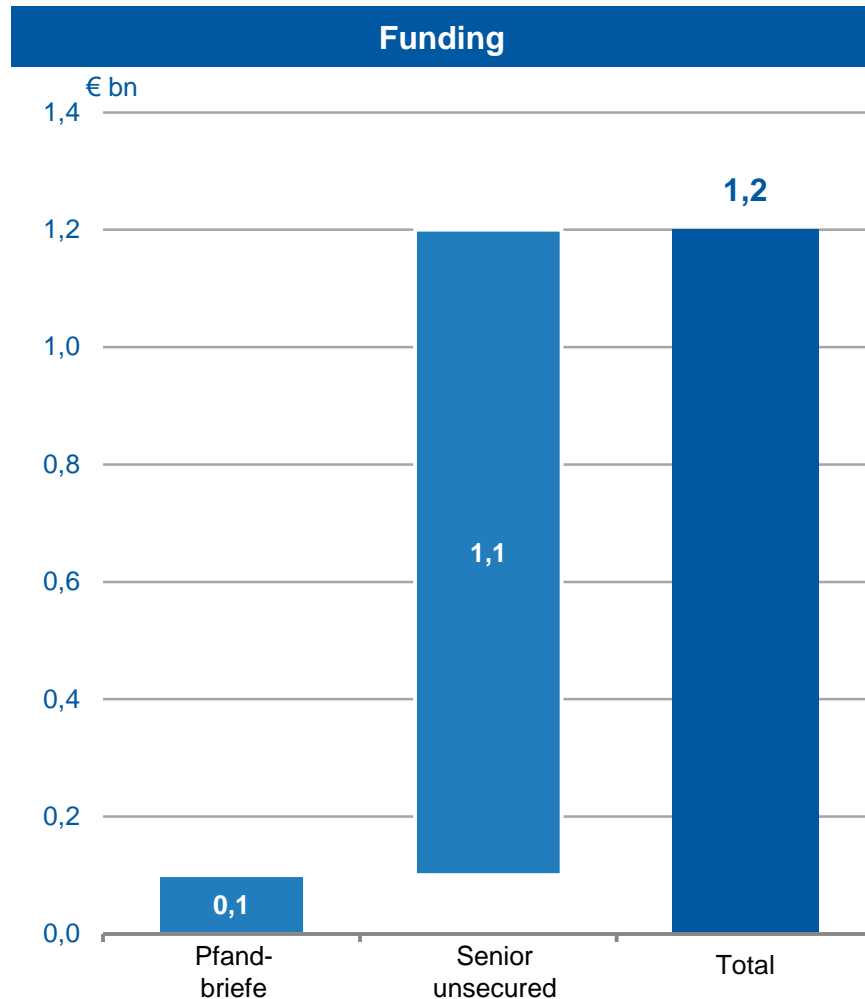
- Regulatory uncertainties buffered by very strong capital ratios
- Instruments assumed to mature until 2019 (planning period) are excluded from the fully phased ratios
- Bail-in capital ratio (acc. to our definition): above 8%
- T1-Leverage ratio as at 31.12.2016: 5.7% (fully phased)

■ Tier 2 (T2)
■ Additional Tier 1 (AT1)
■ Common Equity Tier 1 (CET1)

1) As at 01.01.2014, published 20.02.2014

Capital market funding activity 2016

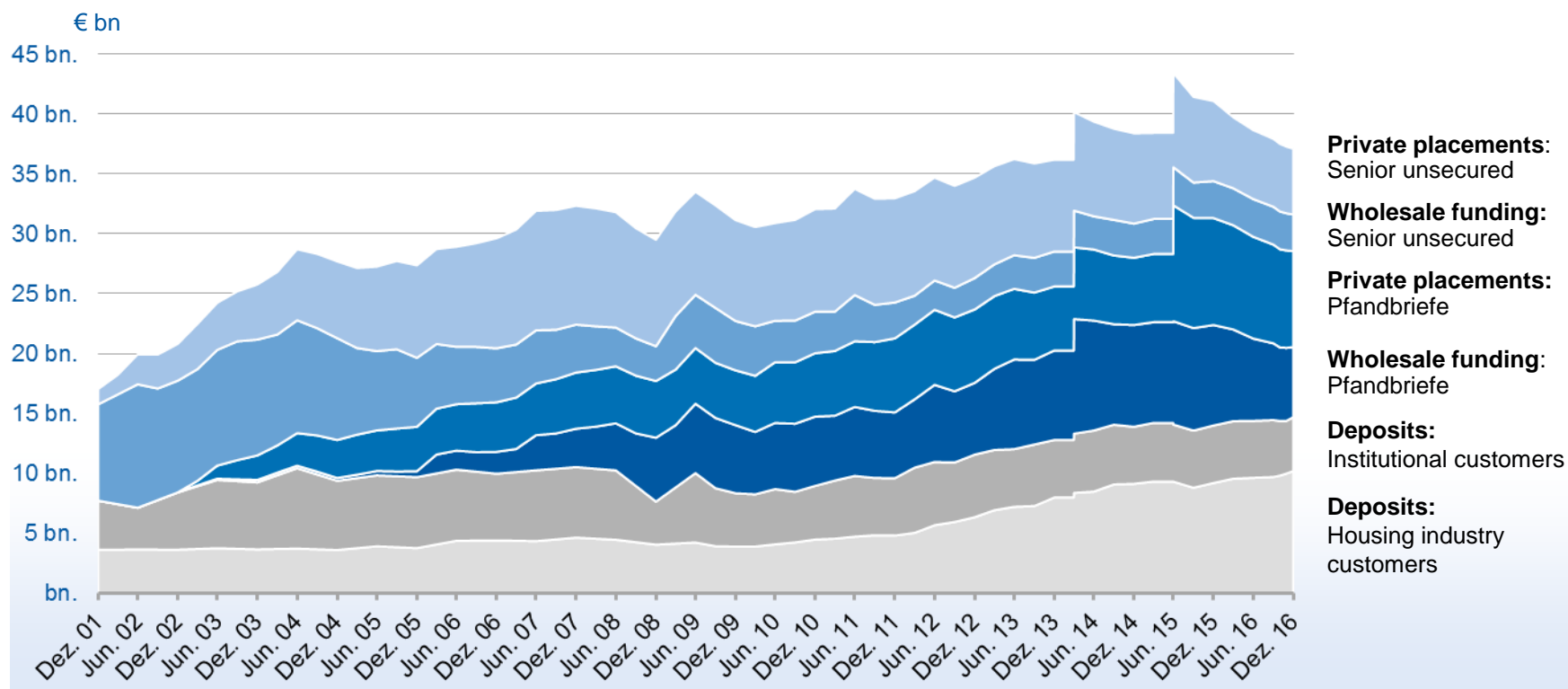
Sound liquidity position



- Total funding raised in 2016: € 1.2 bn mainly senior unsecured (€ 1.1 bn)
- Low Pfandbrief issuance due to acquisition of Westlmmo
- Backbone of capital market funding is a loyal, granular, domestic private placement investor base
 - Hold-to-maturity investors: over 600
 - Ticket size: € 10 mn - € 50 mn
- Fulfilling liquidity KPIs
 - NSFR > 1
 - LCR >> 1

Refinancing situation

Diversified funding sources and distribution channels



- Aareal Bank has clearly reduced its dependency on wholesale funding
- 2002 long term wholesale funding accounted for 47% of overall funding volumes – by 31.12.2016, this share has fallen below 25% (or even below 10% without Pfandbriefe)

As at 31.12.2016

Capital Markets benchmark activities

Pfandbriefe / Senior unsecured / Subordinated benchmark transactions




Aareal Bank Group

EUR 500,000,000
Hypothekendarlehen

5½ Years
Maturity 04.07.2022
ISIN: DE000AAR0199

Lead Managers
Commerzbank, DekaBank,
DZ Bank, LBBW, UniCredit
2017




Aareal Bank Group

USD 500,000,000
Hypothekendarlehen

4 Years
Maturity 01.04.2019
ISIN: XS1204620915

Lead Managers
Citi, Credit Suisse,
Goldman Sachs, LBBW
2015




Aareal Bank Group

EUR 300,000,000
Additional Tier 1

7.625%
Perpetual nc 5 years
First call date 30.04.2020
ISIN: DE000A1TNDK2

Lead Managers
BNP, Deutsche Bank,
HSBC
2014




Aareal Bank Group

EUR 500,000,000
Hypothekendarlehen

3 Years
Maturity 19.09.2017
ISIN: DE000AAR0181

Lead Managers
Commerzbank, LBBW,
NordLB, SocGen,
Unicredit
2014




Aareal Bank Group

EUR 300,000,000
Tier 2

4.25% 12nc7
Maturity 18.03.2021/26
ISIN: DE000A1TNC94

Lead Managers
BNP, Deutsche Bank,
HSBC
2014



Aareal Bank Group

EUR 500,000,000
Senior Unsecured

5 Years FIXED
Maturity 05.02.2019
ISIN: DE000A1TNC78

Lead Managers
Deka Bank, DZ Bank,
HSBC
2014




Aareal Bank Group

EUR 500,000,000
Hypothekendarlehen

5 Years
Maturity 21.01.2019
ISIN: DE000AAR0173

Lead Managers
Deka Bank, DZ Bank,
HSBC, LBBW, Unicredit
2014




Aareal Bank Group

EUR 500,000,000
Hypothekendarlehen

5 Years
Maturity 28.06.2018
ISIN: DE000AAR0165

Lead Managers
BNP, Deutsche Bank, DZ
Bank, HSBC, LBBW
2013



Aareal Bank Group

GBP 200,000,000
Hypothekendarlehen

3 Years FRN
Maturity 02.05.2016
ISIN: XS0924112658

Lead Managers
BNP Paribas, Deutsche
Bank, HSBC
2013



Aareal Bank Group

EUR 625,000,000
Hypothekendarlehen

5 Years
Maturity 15.01.2018
ISIN: DE000AAR0157

Lead Managers
BNP, Commerzbank, DZ
Bank, NordLB, UniCredit
2013



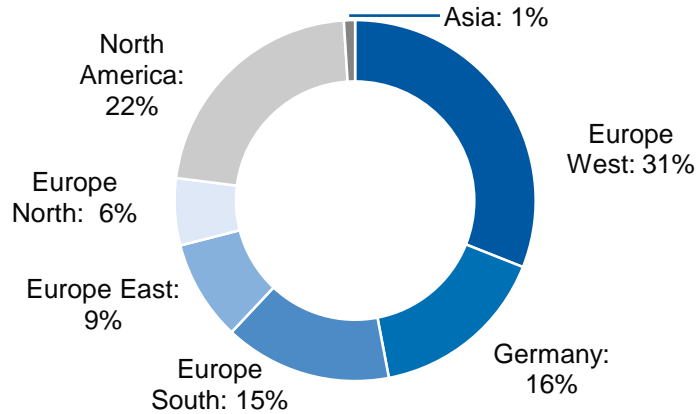
Asset quality

Aareal

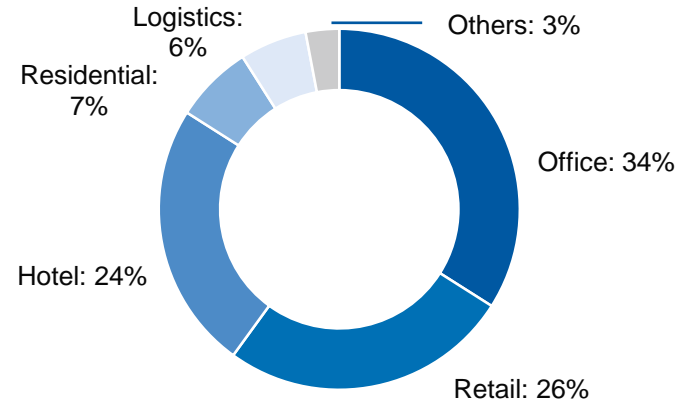
Property finance portfolio¹⁾

€ 27.9 bn highly diversified and sound

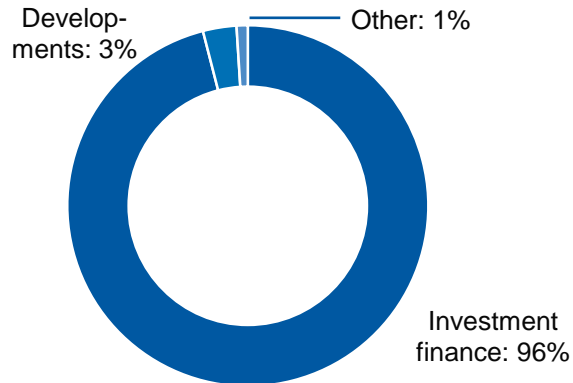
Portfolio by region



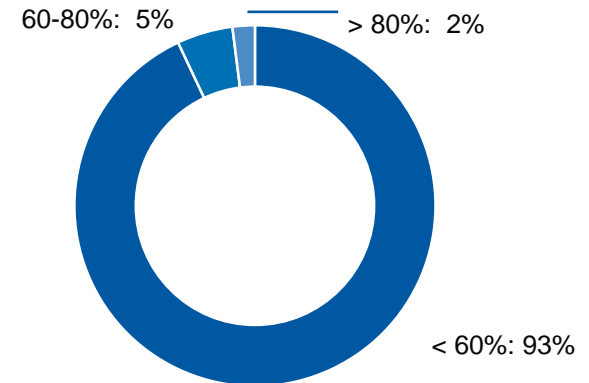
Portfolio by property type



Portfolio by product type



Portfolio by LTV ranges²⁾



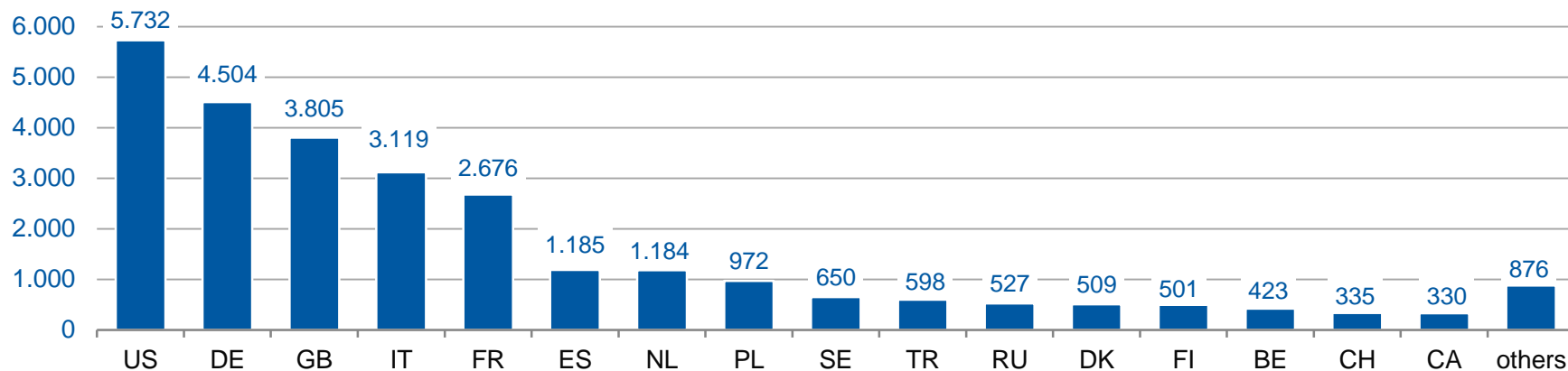
1) CRE business only, private client business (€ 1.1 bn) and WIB's public sector loans (€ 0.6 bn) not included

2) Performing business only, exposure as at 31.12.2016

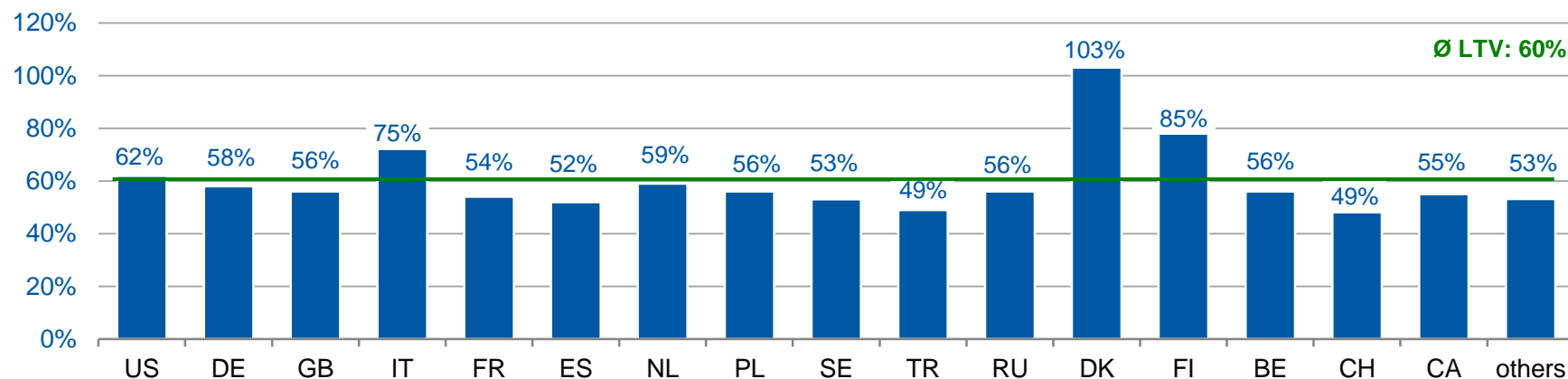
Property finance portfolio¹⁾

Portfolio details

Total property finance portfolio by country (€ mn)



LTV by country²⁾



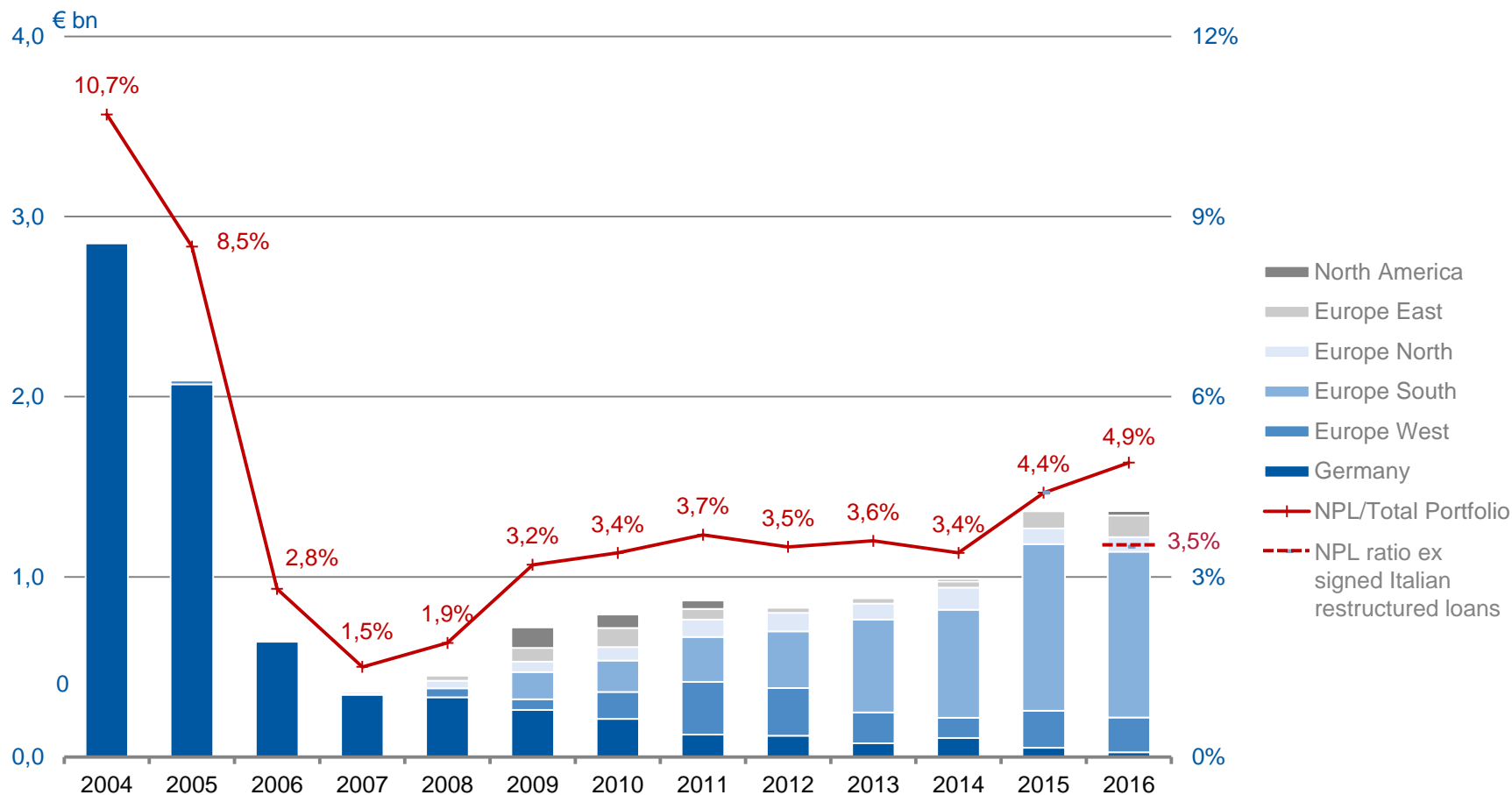
1) CRE business only, private client business (€ 1.1 bn) and WIB's public finance (€ 0.6 bn) not included

2) Performing business only, exposure as at 31.12.2016

Property finance portfolio

Stable NPL volume but decreasing portfolio

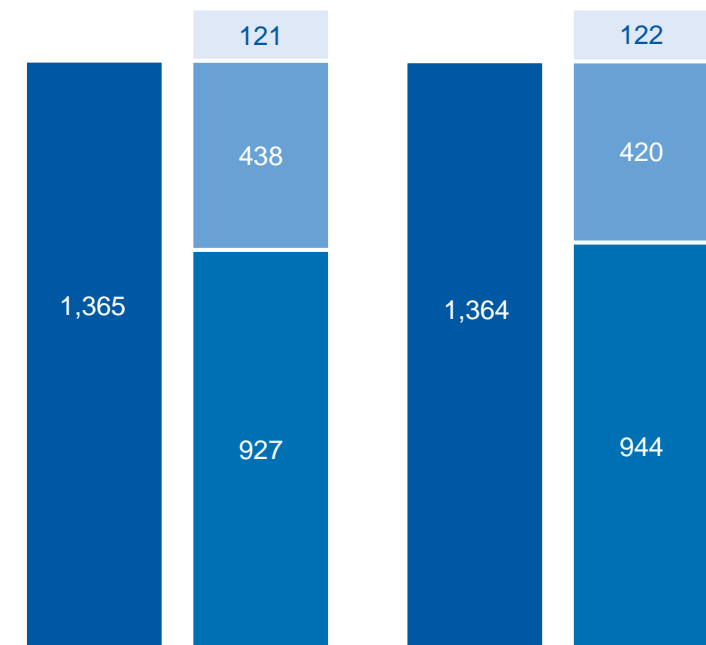
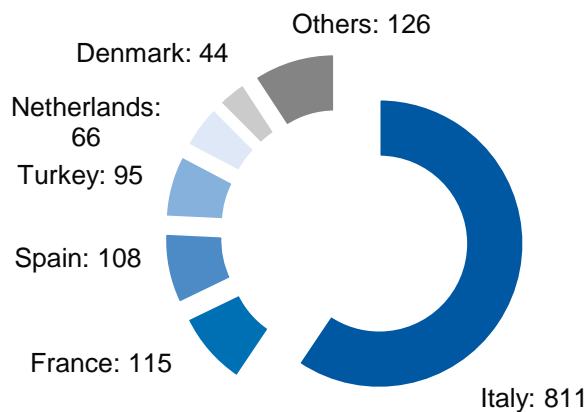
NPL and NPL-ratio (since 12.2004)



Property finance portfolio

NPL exposure fully covered including collaterals

NPL- and LLP development (€ mn)



	31.12.2016	31.12.2015
Coverage ratio specific allowance	32%	31%
Coverage ratio including portfolio allowance	41%	40%

- NPL exposure
- Portfolio allowance
- Specific allowance
- Collaterals

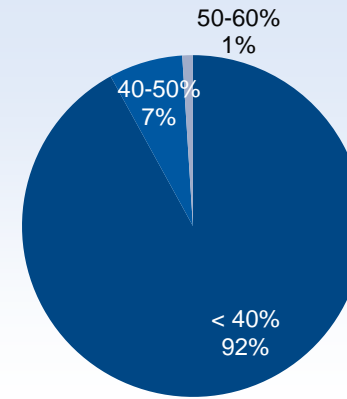
Mortgage Cover Pool

Well diversified regarding Geography and Property Type

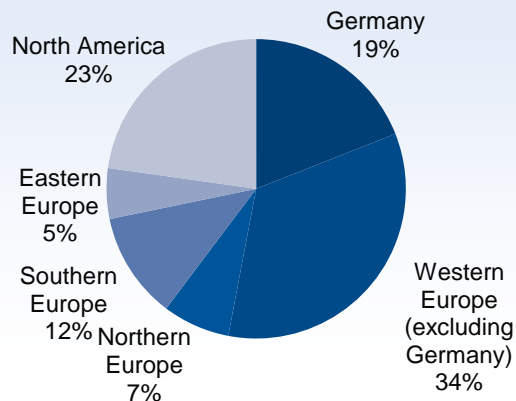
- Ø LTV of the mortgage cover pool 37.8%
- High diversification within property types
- Cover pool (€ 11.1 bn) diversified in 19 countries
- High quality of assets: first-class mortgage loans (mortgage-lending-value 57.5%%)
- Mortgage-lending-value with high discount from market-value
- Fitch has calculated a 'AAA' supporting over-collateralisation ratio (SOC) of 24%
- Moody's has calculated a 'Aaa' supporting over-collateralisation ratio of 14,5% on a PV basis



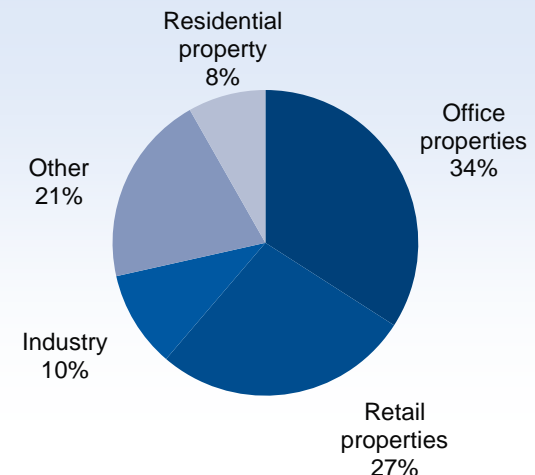
Mortgage Cover Pool by LTVs



Cover Pool by Geography



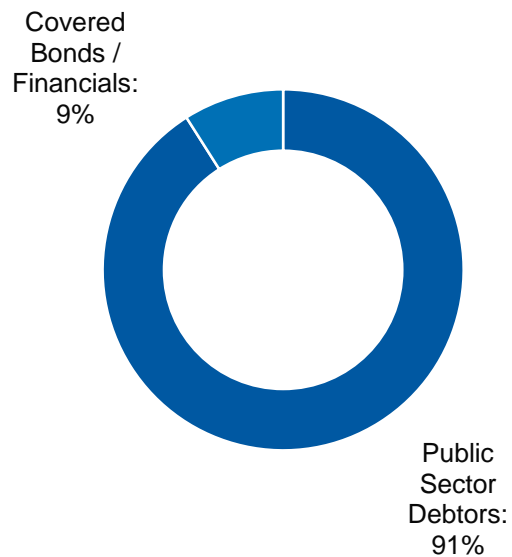
Cover Pool by Property Typ



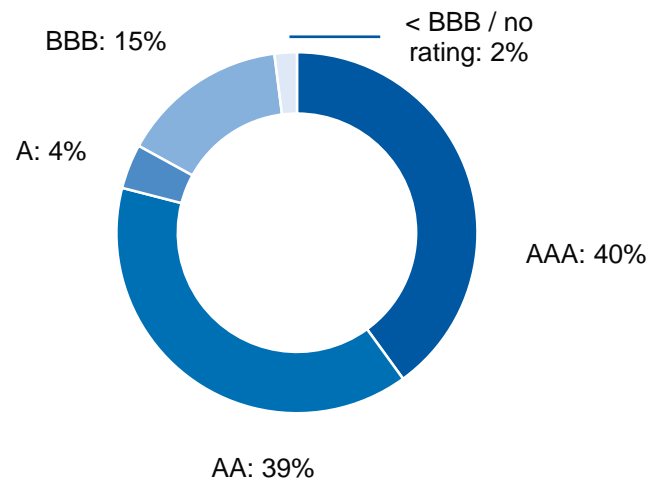
Treasury portfolio

€ 9.3 bn of high quality and highly liquid assets

by asset class



by rating¹⁾



As at 31.12.2016 – all figures are nominal amounts

1) Composite Rating



Outlook 2017

Aareal

Outlook 2017

2017	
Net interest income	▪ € 620 mn - € 660 mn incl. planned effects from early repayments (€ 35 mn - € 75 mn)
Allow. for credit losses¹⁾	▪ € 75 mn - € 100 mn
Net commission income	▪ € 195 mn - € 210 mn
Admin expenses	▪ € 470 mn - € 510 mn incl. expenses for projects and investments / effects from integration
Operating profit	▪ € 260 mn - € 300 mn
Pre-tax RoE	▪ 9% - 10.5%
EpS	▪ € 2.45 - € 2.90
Target portfolio size	▪ € 25 bn - € 28 bn
New business origination²⁾	▪ € 7 bn - € 8 bn
Operating profit Aareon³⁾	▪ € 34 mn - € 35 mn

1) As in 2016, the bank cannot rule out additional allowances for credit losses

2) Incl. renewals

3) After segment adjustments

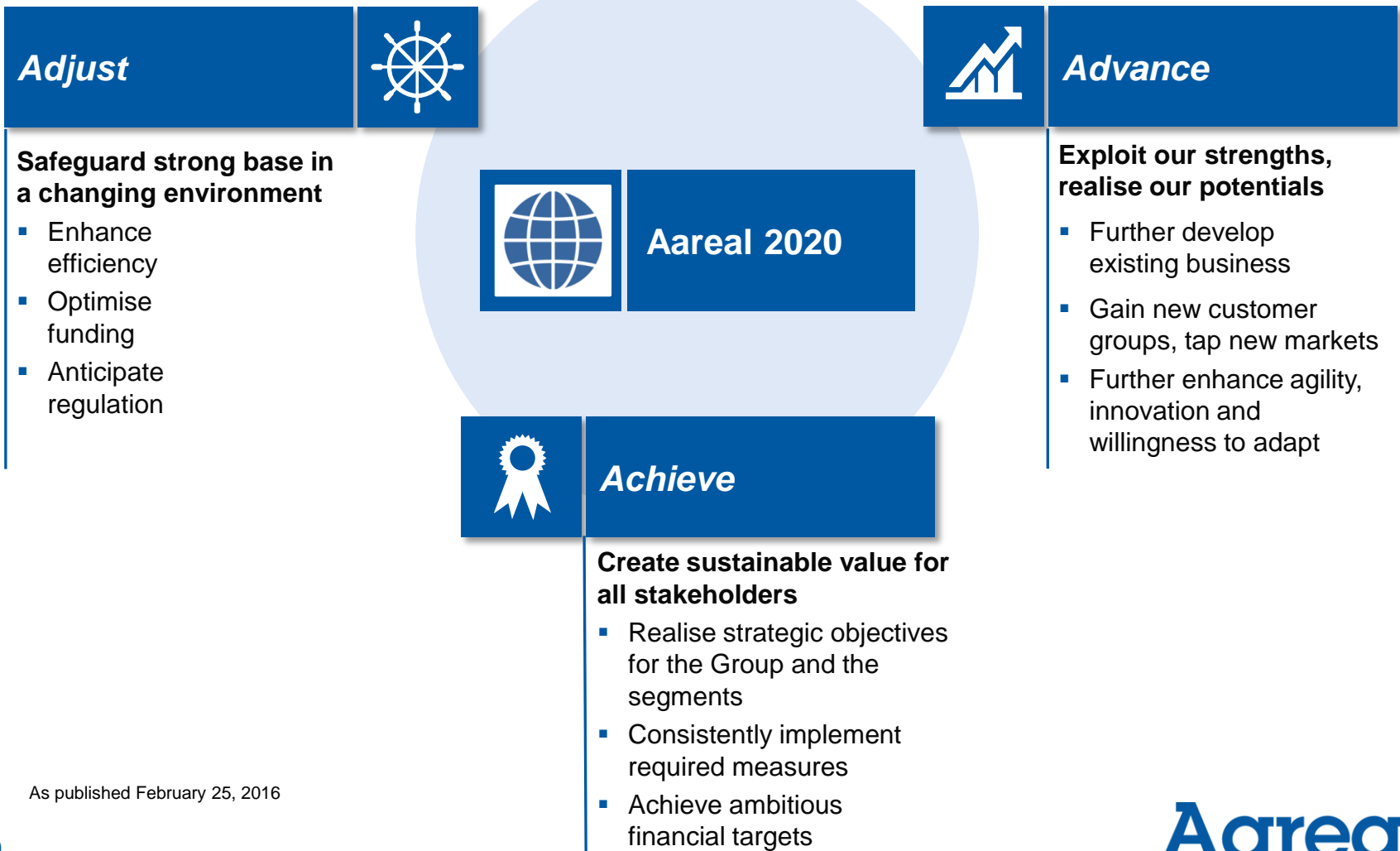


Aareal 2020

Aareal

Aareal 2020 – *Adjust. Advance. Achieve.*

Our way ahead



As published February 25, 2016





Aareal 2020 – *Adjust. Advance. Achieve.*

We successfully started – in our operational business ...

	Achievements so far 	Focus 2017 	Targets 2020 Plus 
 RSF	<ul style="list-style-type: none"> ✓ US-portfolio enhanced ✓ Non-core assets reduced ✓ Syndication volume increased ✓ Servicing platform, cooperation signed 	<ul style="list-style-type: none"> ▪ Further enhancing of attractive markets, e.g. USA ▪ Further reduction of non-core assets ▪ Further increasing syndication, enhancing investor bases and product scope ▪ Digitalisation of internal processes as well as clients' interface 	<ul style="list-style-type: none"> ▪ Expansion in markets with attractive risk return profile ▪ Strengthened portfolio- and balance sheet management ▪ New (digital) opportunities taken by enhancing value chain
 C/DL	<ul style="list-style-type: none"> ✓ Core business successfully enhanced ✓ Digital platform developed and new digital solutions launched ✓ International cross-selling increased ✓ Network with start-ups enlarged, first cooperation signed 	<ul style="list-style-type: none"> ▪ Enlarging digital solutions portfolio ▪ Tapping joint markets and customer groups, e.g. utilities and CRE ▪ Intensifying cooperation, in particular with start-ups 	<ul style="list-style-type: none"> ▪ Eco system housing industry and utilities expanded ▪ Existing platform products for the B2C business for the housing industry further developed ▪ Further development of our payment transaction system and IT products as well as enlarging our customer base

Aareal 2020 – *Adjust. Advance. Achieve*

... and investing in our organisation and IT

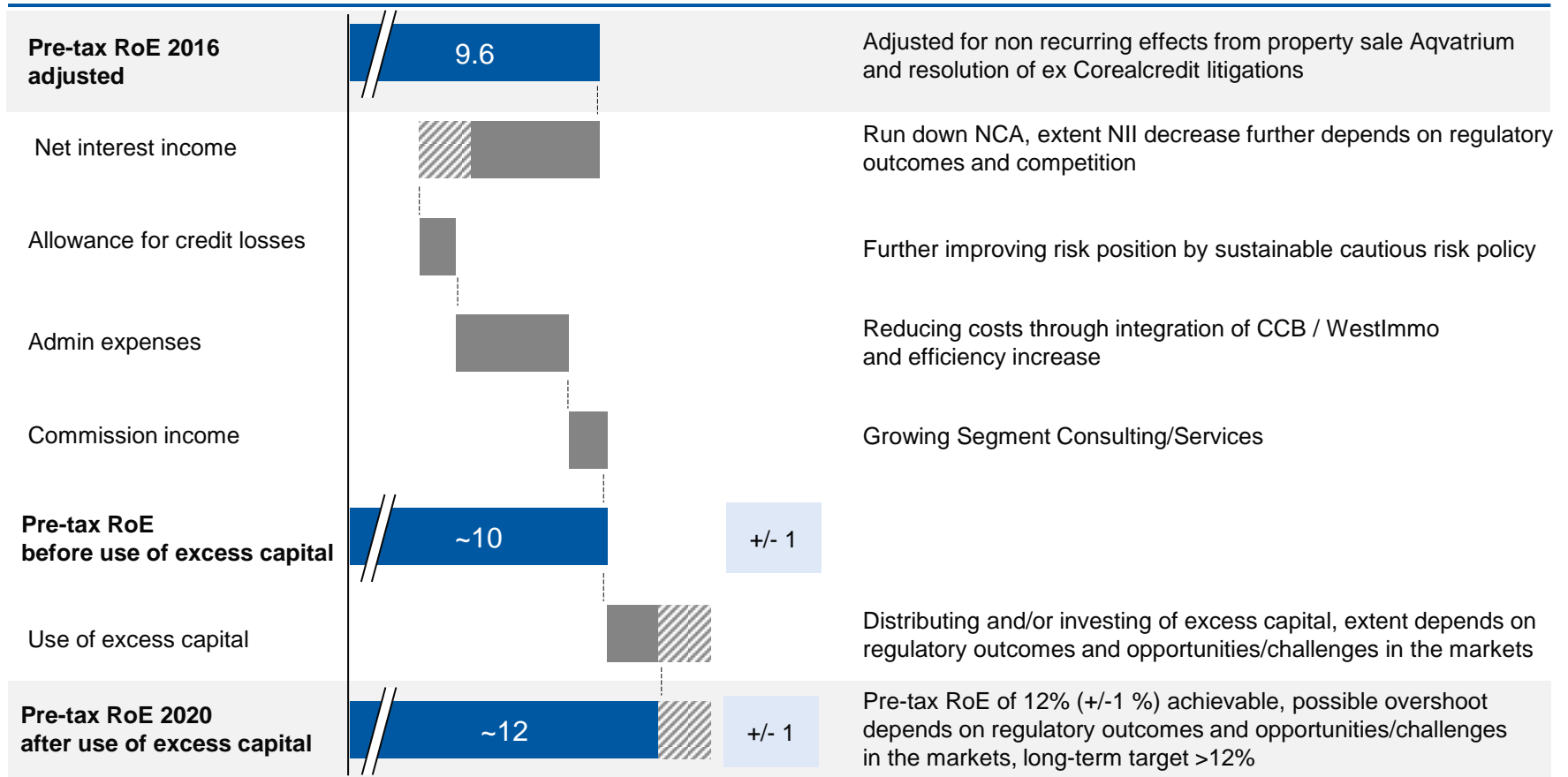
	Achievements so far 	Focus 2017 	Targets 2020 Plus 
	<ul style="list-style-type: none"> ✓ New governance model established ✓ Requirement of new IT-infrastructure defined ✓ WIB integration faster than originally planned ✓ Funding optimised and flexibility via second rating gained ✓ Regulation anticipated, Basel III requirements already fulfilled 	<ul style="list-style-type: none"> ▪ Optimising group structure and exploiting synergies ▪ Set-up of new IT-infrastructure ▪ Optimising deposit structure and making use of second rating ▪ Constant monitoring of regulation and anticipation possible changes 	<ul style="list-style-type: none"> ▪ Enhancing flexibility and efficiency ▪ Reducing complexity ▪ Optimising IT and digital processes ▪ Equilibrating capital structure ▪ Safeguarding broadly diversified funding base



Achieve.

Keep RoE on an attractive level despite difficult environment

RoE-Development (%)



Further medium-term increase is possible on the basis of a positive development of interest rate levels



Achieve.

Increase payout ratio (up to 80%)¹⁾

Base dividend

We intend to distribute **approx. 50% of the earnings per ordinary share (EpS)** as base dividend

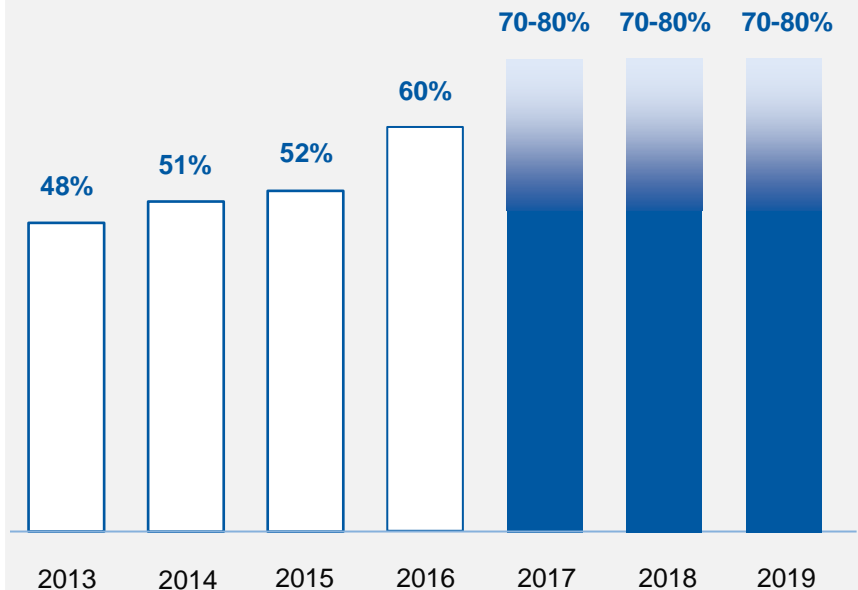
Supplementary dividend

In addition, we plan to distribute **supplementary dividends, from 10% increasing up to 20-30% of the EpS**

Prerequisites:

- No material deterioration of the environment (with longer-term and sustainably negative effects)
- Nor attractive investment opportunities neither positive growth environment

Payout ratio 2013 - 2019



1) The future dividend policy applies provided that the dividend payments resulting from it are consistent with a long-term and sustained business development of Aareal Bank AG. In addition, the dividend payments are subject to the proviso that corresponding dividend proposals have been made by the Management Board and the Supervisory Board for the respective year.

Conclusion

Aareal Bank Group well positioned to continue successful development

Key takeaways



Aareal Bank Group with very successful operating development despite challenging environment:

Strong new business and stable margins in attractive markets as well as growth in the IT-business emphasis sustainable business model



Aareal Bank Group's strategy program „Aareal 2020“ successfully launched:

Requirements for implementation of strategic measures accomplished



Aareal Bank Group remains an attractive investment:

Shareholders participate from once more significantly increased dividend proposal, dividend policy confirmed



Aareal Bank Group looking ahead optimistically:

Solid capital base, proven sustainable business model as well as “Aareal 2020” are key to continue its success story



Appendix
Group results

Preliminary 2016 figures at a glance

Fully in line with raised targets – dividend proposal: 2.00€

Targets	Original guidance (Q1 / 2016)	Latest guidance (Q4 / 2016)	Preliminary
Dividend proposal	60% payout ratio		➡ € 2.00 pS (60%)
Net interest income	€ 700 mn - € 740 mn	€ 700 mn - € 740 mn	➡ € 701 mn
Allowance for credit losses (LLP)	€ 80 - 120 mn	€ 80 - 120 mn	➡ € 97 mn
Net commission income	€ 190 - 200 mn	€ 190 - 200 mn	➡ € 193 mn
Admin expenses	€ 520 - 550 mn	€ 520 - 550 mn	➡ € 547 mn
Operating profit	€ 300 - 330 mn	€ 360 - 380 mn	➡ € 366 mn
Pre-tax RoE	~ 11%	~13% ¹⁾	➡ 13.2% ²⁾
EpS	€ 2.85 - € 3.19 ³⁾	€ 3.20 - € 3.43 ⁴⁾	➡ € 3.33
Target portfolio size (ARL core portfolio)	€ 25 bn - € 27 bn	€ 25 bn - € 27 bn	➡ € 25.4 bn
New business origination ⁵⁾	€ 7 bn - € 8 bn	€ 8 - 9 bn	➡ € 9.2 bn
Operating profit Aareon ⁶⁾	€ 33 mn - € 35 mn	€ 33 mn - € 35 mn	➡ € 34 mn

1) ~12% adjusted by € 28 mn gain from resolution of litigations incurred in connection with acquisition of former Corealcredit, but including non-recurring effect from property sale 'Aqvatrium'

2) 12.0% adjusted by € 28 mn gain from resolution of litigations incurred in connection with acquisition of former Corealcredit, but including non-recurring effect from property sale 'Aqvatrium' (excluding 'Aqvatrium': 9.6%)

3) Earnings per ordinary share, tax rate of ~31% assumed

4) Considering € 28 mn gain from resolution of litigations incurred in connection with acquisition of former Corealcredit and corresponding tax losses of € 27 mn, tax rate of ~37% assumed

5) Incl. renewals

6) After segment adjustments

Note: All 2016 figures preliminary and unaudited

Aareal Bank Group

Results 2016

	01.01.- 31.12.2016 € mn	01.01.- 31.12.2015 € mn	Change
Profit and loss account			
Net interest income	701	781	-10%
Allowance for credit losses	97	128	-24%
Net interest income after allowance for credit losses	604	653	-8%
Net commission income	193	175	10%
Net result on hedge accounting	0	8	
Net trading income / expenses	19	13	46%
Results from non-trading assets	67	-17	
Results from investments accounted for at equity	0	0	
Administrative expenses	547	553	-1%
Net other operating income / expenses	30	41	-27%
Negative goodwill	-	150	
Operating Profit	366	470	-22%
Income taxes	132	96	38%
Consolidated net income	234	374	-37%
Consolidated net income attributable to non-controlling interests	19	19	0%
Consolidated net income attributable to shareholders of Aareal Bank AG	215	355	-39%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	215	355	-39%
of which: allocated to ordinary shareholders	199	339	-10%
of which: allocated to AT1 investors	16	16	0%
Earnings per ordinary share (in €) ²⁾	3.33	5.66	-41%
Earnings per ordinary AT1 unit (in €) ³⁾	0.16	0.16	0%

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.

Aareal Bank Group

Results 2016 by segments

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	01.01.- 31.12. 2016	01.01.- 31.12. 2015	01.01.- 31.12. 2016	01.01.- 31.12. 2015	01.01.- 31.12. 2016	01.01.- 31.12. 2015	01.01.- 31.12. 2016	01.01.- 31.12. 2015
€ mn								
Net interest income	716	783	0	0	-15	-2	701	781
Allowance for credit losses	97	128					97	128
Net interest income after allowance for credit losses	619	655	0	0	-15	-2	604	653
Net commission income	10	6	171	169	12	0	193	175
Net result on hedge accounting	0	8					0	8
Net trading income / expenses	19	13	0	0			19	13
Results from non-trading assets	66	-17	1				67	-17
Results from investments accounted for at equity		0	0	0			0	0
Administrative expenses	346	359	204	197	-3	-3	547	553
Net other operating income / expenses	27	37	3	5	0	-1	30	41
Negative goodwill		150						150
Operating profit	395	493	-29	-23	0	0	366	470
Income taxes	143	106	-11	-10			132	96
Consolidated net income	252	387	-18	-13	0	0	234	374
Allocation of results								
Cons. net income attributable to non-controlling interests	16	16	3	3			19	19
Cons. net income attributable to shareholders of Aareal Bank AG	236	371	-21	-16	0	0	215	355

Aareal Bank Group

Results Q4 2016

	01.10.- 31.12.2016	01.10.- 31.12.2015	Change
	€ mn	€ mn	
Profit and loss account			
Net interest income	169	198	-15%
Allowance for credit losses	33	42	-21%
Net interest income after allowance for credit losses	136	156	-13%
Net commission income	56	52	8%
Net result on hedge accounting	-4	3	
Net trading income / expenses	-2	5	
Results from non-trading assets	1	-2	
Results from investments accounted for at equity	0	0	
Administrative expenses	130	138	-6%
Net other operating income / expenses	28	16	75%
Negative goodwill	-	-	
Operating Profit	85	92	-8%
Income taxes	44	24	83%
Consolidated net income	41	68	-40%
Consolidated net income attributable to non-controlling interests	4	4	0%
Consolidated net income attributable to shareholders of Aareal Bank AG	37	64	-42%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	37	64	-42%
of which: allocated to ordinary shareholders	33	60	-10%
of which: allocated to AT1 investors	4	4	0%
Earnings per ordinary share (in €) ²⁾	0.55	1.01	-46%
Earnings per ordinary AT1 unit (in €) ³⁾	0.04	0.04	0%

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.

Aareal Bank Group

Results Q4 2016 by segments

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	01.10.- 31.12. 2016	01.10.- 31.12. 2015	01.10.- 31.12. 2016	01.10.- 31.12. 2015	01.10.- 31.12. 2016	01.10.- 31.12. 2015	01.10.- 31.12. 2016	01.10.- 31.12. 2015
€ mn								
Net interest income	174	199	0	0	-5	-1	169	198
Allowance for credit losses	33	42					33	42
Net interest income after allowance for credit losses	141	157	0	0	-5	-1	136	156
Net commission income	5	2	47	49	4	1	56	52
Net result on hedge accounting	-4	3					-4	3
Net trading income / expenses	-2	5		0			-2	5
Results from non-trading assets	0	-2	1				1	-2
Results from investments accounted for at equity			0	0			0	0
Administrative expenses	80	85	51	54	-1	-1	130	138
Net other operating income / expenses	26	14	2	3	0	-1	28	16
Negative goodwill								
Operating profit	86	94	-1	-2	0	0	85	92
Income taxes	45	27	-1	-3			44	24
Consolidated net income	41	67	0	1	0	0	41	68
Allocation of results								
Cons. net income attributable to non-controlling interests	3	3	1	1			4	4
Cons. net income attributable to shareholders of Aareal Bank AG	38	64	-1	0	0	0	37	64

Aareal Bank Group

Results – quarter by quarter

	Structured Property Financing					Consulting / Services					Consolidation / Reconciliation					Aareal Bank Group				
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
€ mn																				
Net interest income	174	179	181	182	199	0	0	0	0	0	-5	-4	-4	-2	-1	169	175	177	180	198
Allowance for credit losses	33	33	29	2	42											33	33	29	2	42
Net interest income after allowance for credit losses	141	146	152	180	157	0	0	0	0	0	-5	-4	-4	-2	-1	136	142	148	178	156
Net commission income	5	2	1	2	2	47	39	43	42	49	4	3	3	2	1	56	44	47	46	52
Net result on hedge accounting	-4	3	0	1	3											-4	3	0	1	3
Net trading income / expenses	-2	4	8	9	5			0	0	0						-2	4	8	9	5
Results from non-trading assets	0	5	61	0	-2	1										1	5	61	0	-2
Results from results accounted for at equity						0	0	0	0	0						0	0	0	0	0
Administrative expenses	80	77	94	95	85	51	51	51	51	54	-1	-1	-1	0	-1	130	127	144	146	138
Net other operating income / expenses	26	2	0	-1	14	2	1	0	0	3	0	0	0	0	-1	28	3	0	-1	16
Negative goodwill																				
Operating profit	86	85	128	96	94	-1	-11	-8	-9	-2	0	0	0	0	0	85	74	120	87	92
Income taxes	45	27	41	30	27	-1	-4	-3	-3	-3						44	23	38	27	24
Consolidated net income	41	58	87	66	67	0	-7	-5	-6	1	0	0	0	0	0	41	51	82	60	68
Cons. net income attributable to non-controlling interests	3	5	4	4	3	1	0	1	1	1						4	5	5	5	4
Cons. net income attributable to shareholders of Aareal Bank AG	38	53	83	62	64	-1	-7	-6	-7	0	0	0	0	0	0	37	46	77	55	64

Material litigations concerning the former Corealcredit concluded: Successful conclusion with no material EPS impact as expected

Impact on P/L			
€ mn			
Reversal of provisions for litigation and considering compensation claims	28		
Total operating profit		28	
Reversal of deferred tax assets and provisions	-27		
Total income taxes		-27	
Total net income			1

- To comprehensively cover risks from ongoing litigations, assumed within the framework of acquiring the former Corealcredit (SPA), provisions were recognised on the date of acquisition. Moreover, the Bank contractually agreed upon mutual compensation claims with the former owner of Corealcredit, depending upon the outcome of the litigations.
- Given the conclusion of the litigations, the Bank will be able to reverse these provisions during the fourth quarter. The reversal of provisions will partially be offset by considering contractually-agreed compensation claims.
- The resulting net income of €28 million will be offset by the reversal of deferred tax assets and provisions recognised in connection with the former Corealcredit (in the amount of €27 million); as expected. Overall, this issue will have only a minor impact on results after taxes (around €1 million).
- Specifically, negative goodwill of €154 million recognised upon acquisition will remain unaffected.

Appendix

AT1: ADI and SREP of Aareal Bank AG

Interest payments and ADI of Aareal Bank AG

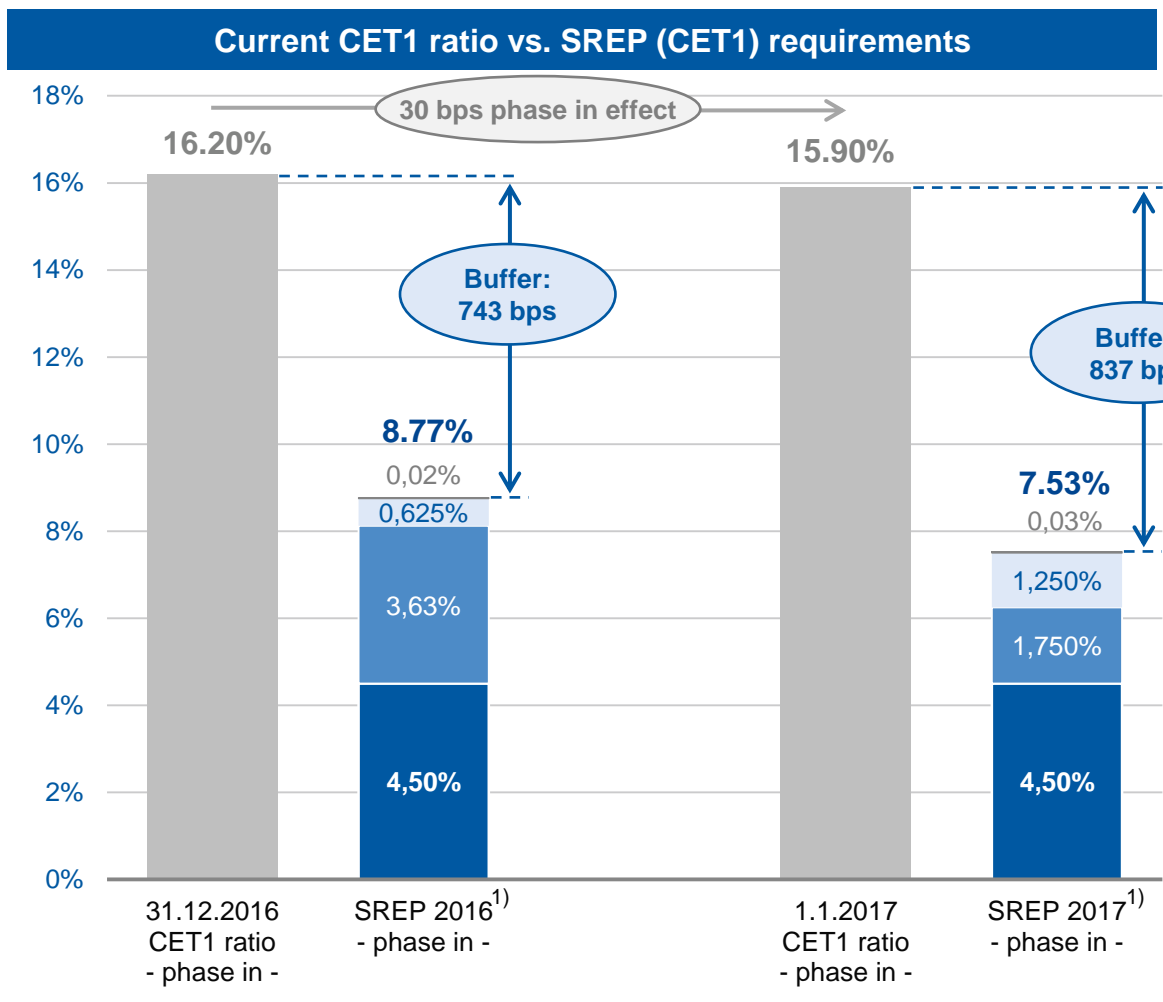
Available Distributable Items (as of end of the relevant year)

	31.12. 2016	31.12. 2015	31.12. 2014	31.12. 2013
€ mn				
Net Retained Profit	122	99	77	50
▪ <i>Net income</i>	122	99	77	50
▪ <i>Profit carried forward from previous year</i>	-	-	-	-
▪ <i>Net income attribution to revenue reserves</i>	-	-	-	-
+ Other revenue reserves after net income attribution	720	720	715	710
= Total dividend potential before amount blocked ¹⁾	842	819	792	760
./. Dividend amount blocked under section 268 (8) of the German Commercial Code	235	287	240	156
./. Dividend amount blocked under section 253 (6) of the German Commercial Code	28	-	-	-
= Available Distributable Items ¹⁾	579	532	552	604
+ Increase by aggregated amount of interest expenses relating to Distributions on Tier 1 Instruments ¹⁾	46	46	57	57
= Amount referred to in the relevant paragraphs of the terms and conditions of the respective Notes as being available to cover Interest Payments on the Notes and Distributions on other Tier 1 Instruments ¹⁾	625	578	609	661

1) Unaudited figures for information purposes only

SREP (CET 1) requirements

Demonstrating conservative and sustainable business model



- SREP requirement 2017 conceptual adjusted from CET1 approach to total SREP capital requirements (TSCR) approach
- Corresponding total capital requirement 2017 (Overall Capital Requirement (OCR) incl. buffers, phase-in) amounts to 11.03%. As of 31 Dec 2016 total capital ratio (phase-in) amounts to 27.5%

- Current CET 1 ratio
- Countercyclical Buffer
- Capital Conservation Buffer
- Pillar 2 Requirement
- Pillar 1 Requirement

1) SREP-CET1 Requirements incl. buffers (Capital Conservation and Countercyclical)

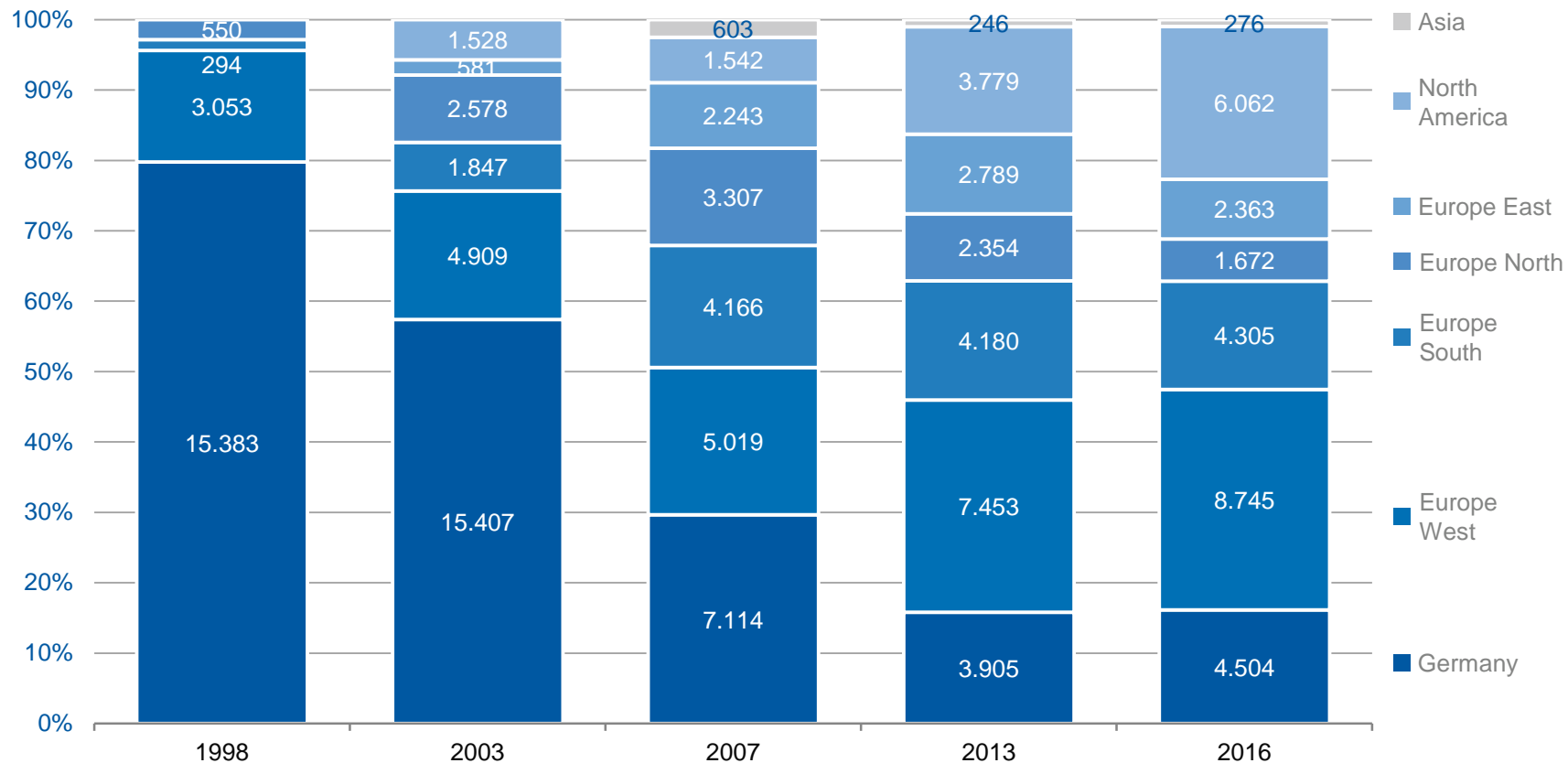


Appendix

Development property finance portfolio

Development property finance portfolio

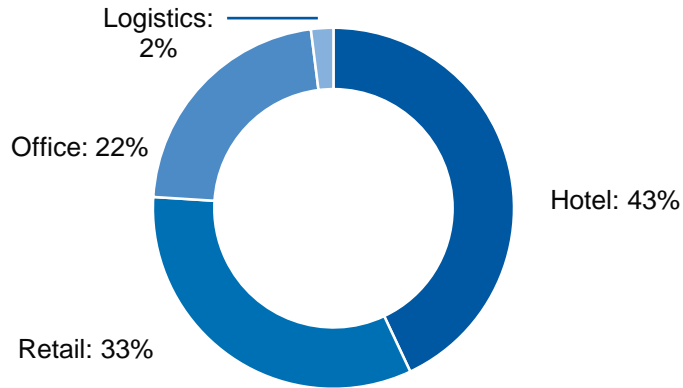
Diversification continuously strengthened (in € mn)



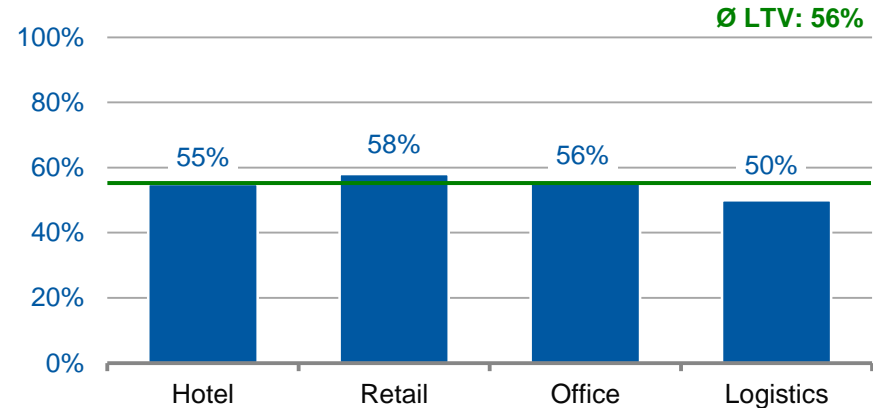
Spotlight: UK property finance portfolio

€ 3.8 bn (~14% of total portfolio)

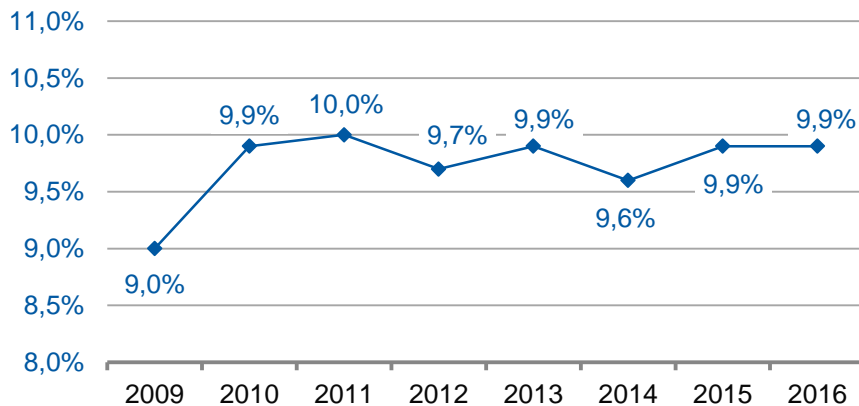
Total portfolio by property type



Average LTV by property type¹⁾



Yield on debt¹⁾



1) Performing business only

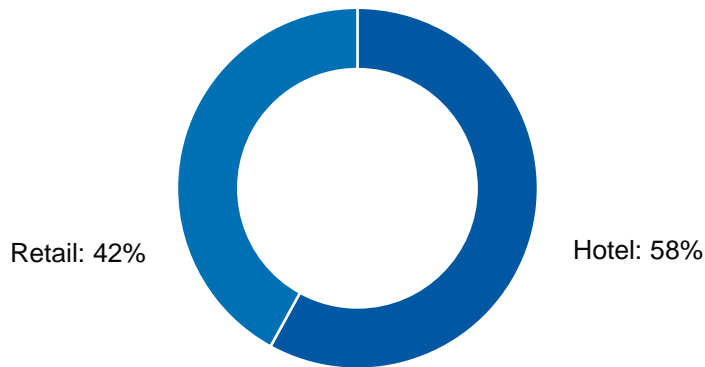
Comments

- Performing:
 - ~ 100 properties financed, no developments
 - ~ 55% of total portfolio in Greater London area, emphasising on hotels
 - € 117 mn with an LTV > 60%
 - Theoretical stress on property values (-20%): would lead to portfolio LTV of approx. 70%
- NPL: € 12 mn

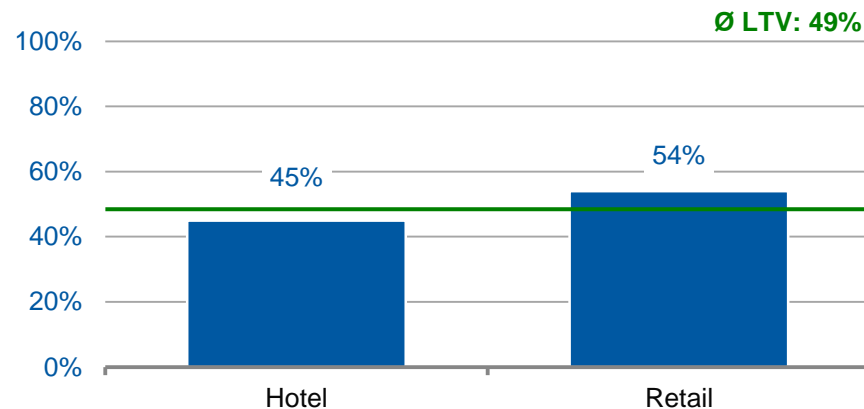
Spotlight: Turkey property finance portfolio

€ 0.6 bn (~2% of total portfolio)

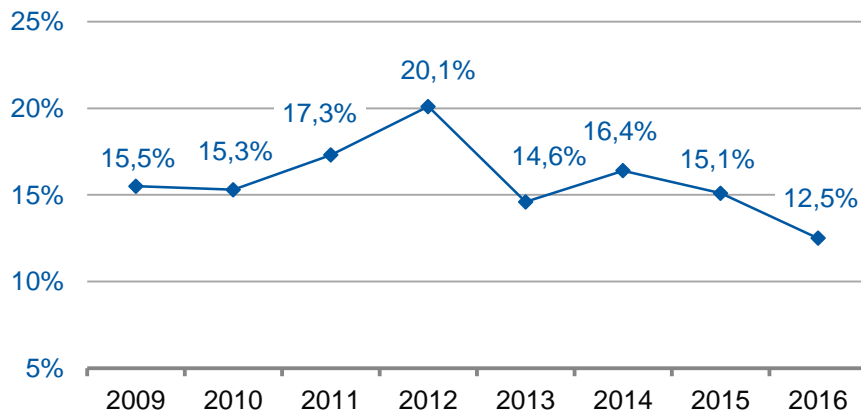
Total portfolio by property type



Average LTV by property type¹⁾



Yield on debt¹⁾



1) Performing business only

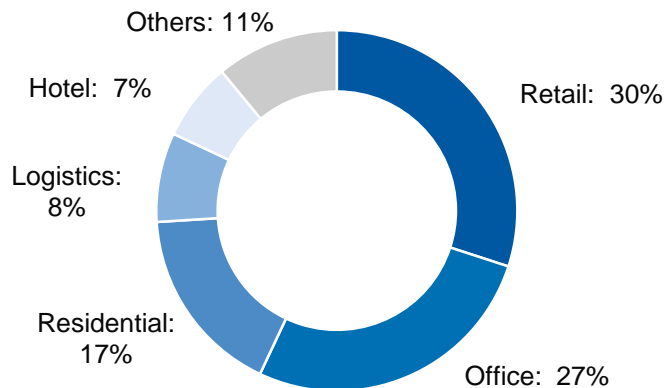
Comments

- Performing:
 - 10 properties financed: 7 hotels, 3 retail, no logistics, no developments
 - > 55% of total portfolio in Istanbul / Antalya
 - Total portfolio with an LTV < 60%
 - Theoretical stress on property values (-20%): would lead to portfolio LTV of approx. 61%
- NPL: € 95 mn, 2 deals (hotel, retail)

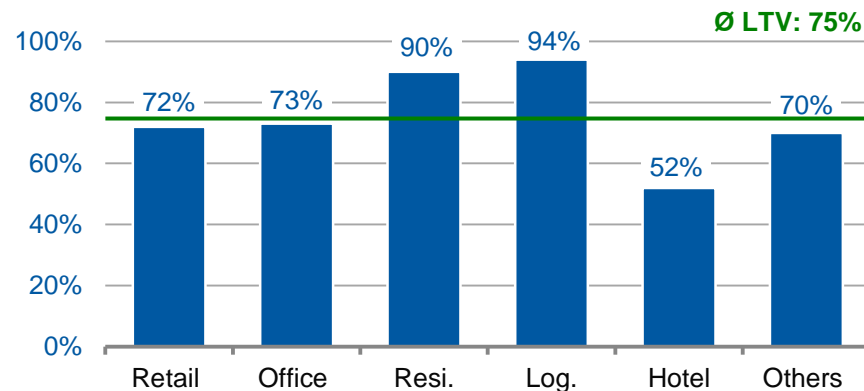
Spotlight: Italian property finance portfolio

€ 3.1 bn (~11% of total portfolio)

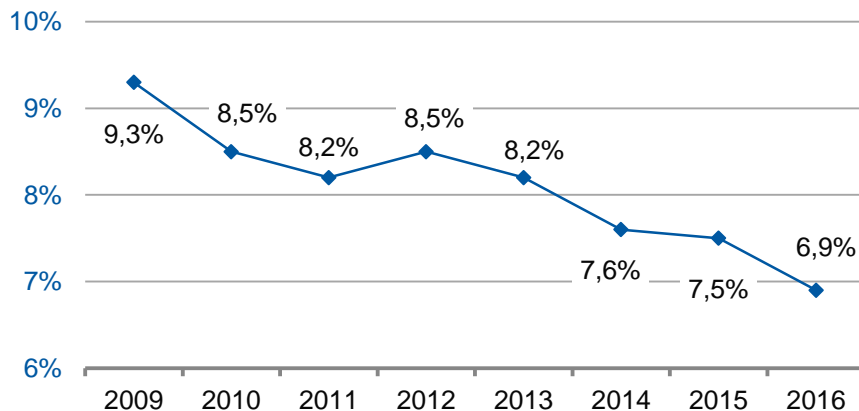
Total portfolio by property type



Average LTV by property type¹⁾



Yield on debt¹⁾



1) Performing business only

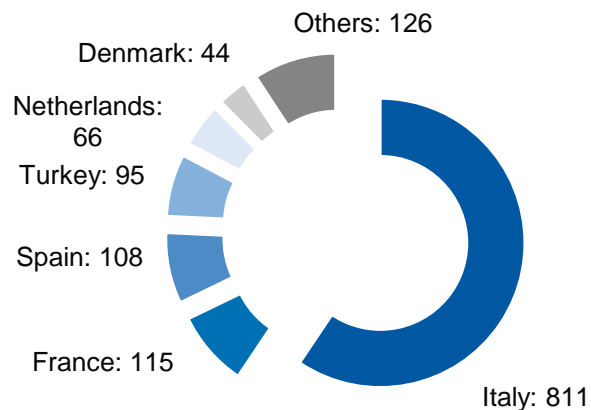
Comments

- Performing:
 - ~ 200 properties financed, < 10% developments
 - > 50% of total portfolio in Greater Rome or Milan area
 - € 444 mn with an LTV > 60%
 - Theoretical stress on property values (-20%): would lead to portfolio LTV of approx. 94%
- NPL: € 811 mn (further details on slide 55)

Spotlight Italy

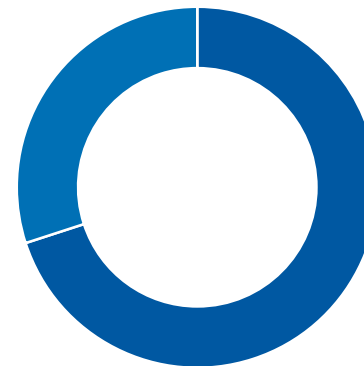
Italian NPL: clear going forward strategy

Total NPL portfolio: € 1,364 mn



Italian NPL by status

Enforcement:
30%



Restructured /
agreement in place
or planned:
70%

Italian NPL

- Restructuring period: vast majority to be solved till 2020
- Current enforcement period 3-4 years, but improving due to new legislation

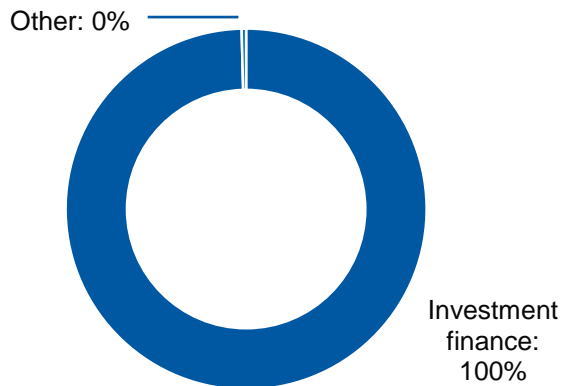


All Italian NPL are fully covered despite being in different workout-stages

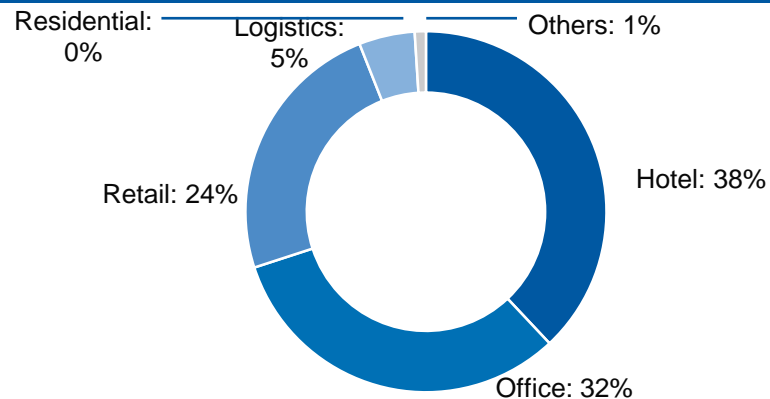
Western Europe (ex Germany) credit portfolio

Total volume outstanding as at 31.12.2016: € 8.7 bn

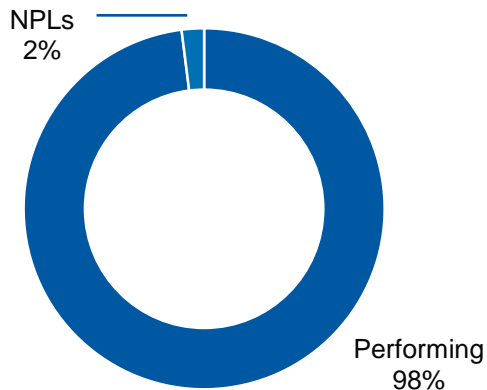
by product type



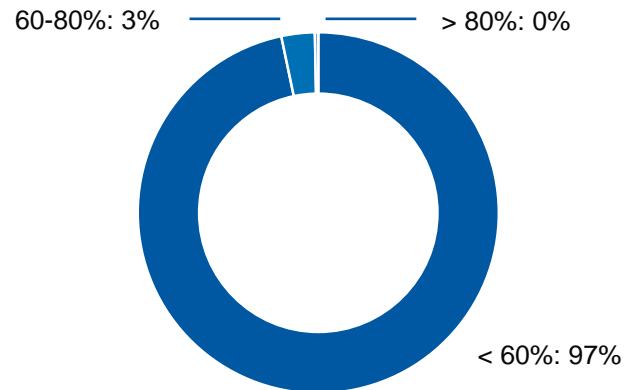
by property type



by performance



by LTV ranges¹⁾

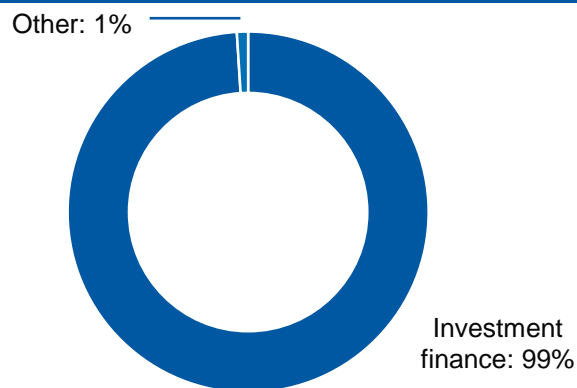


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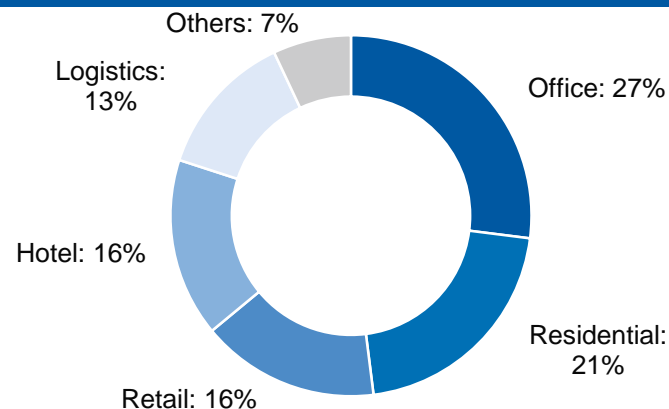
German credit portfolio

Total volume outstanding as at 31.12.2016: € 4.5 bn

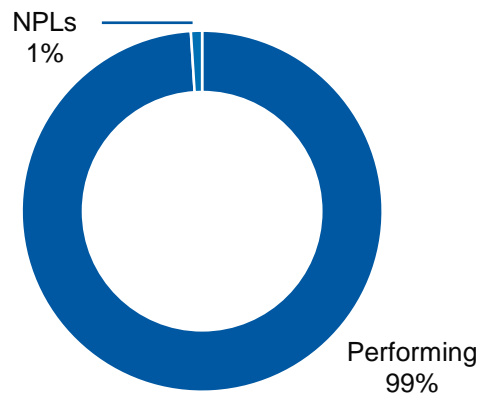
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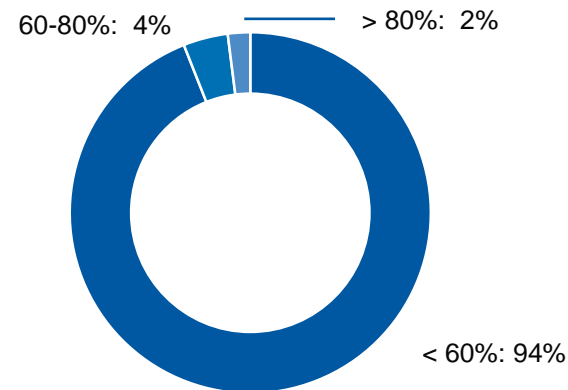
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by performance



by LTV ranges¹⁾

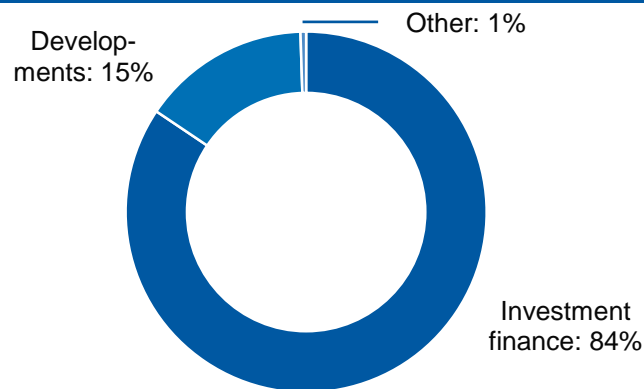


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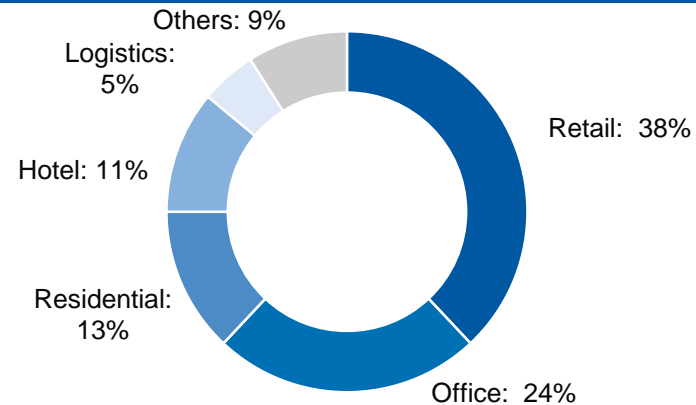
Southern Europe credit portfolio

Total volume outstanding as at 31.12.2016: € 4.3 bn

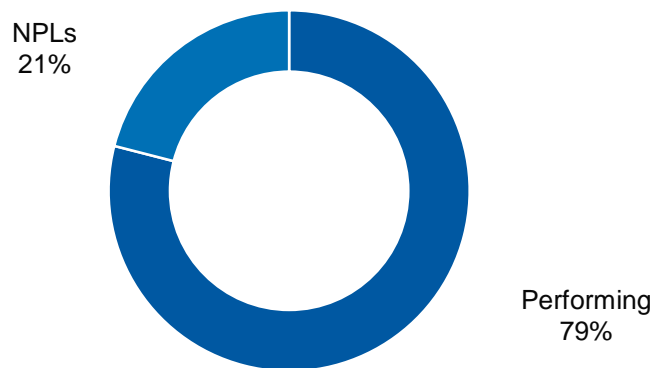
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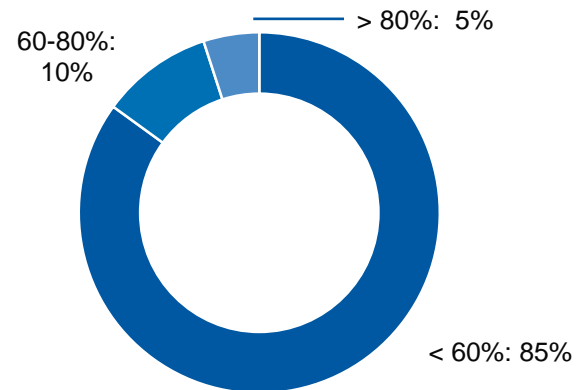
by property type



by performance



by LTV ranges¹⁾

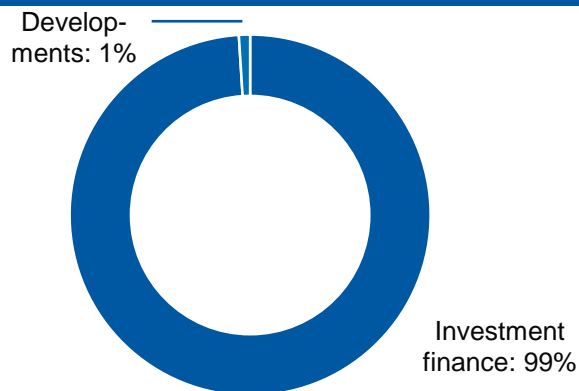


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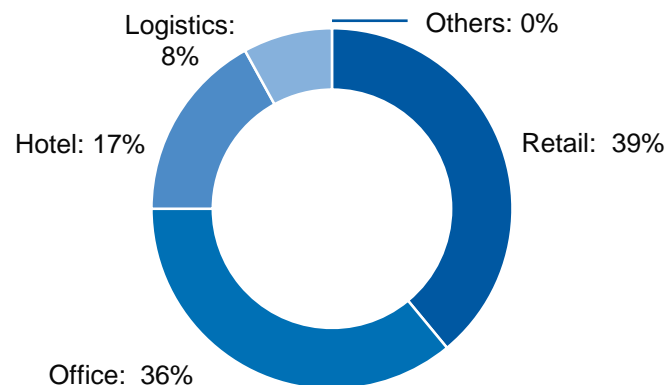
Eastern Europe credit portfolio

Total volume outstanding as at 31.12.2016: € 2.4 bn

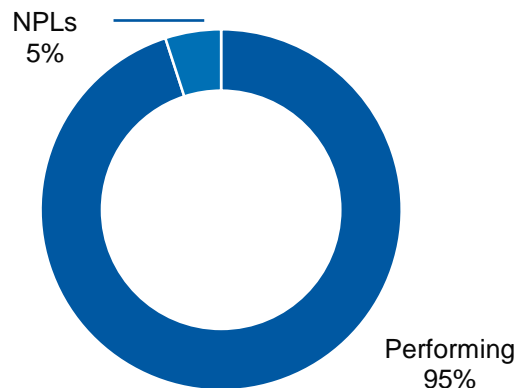
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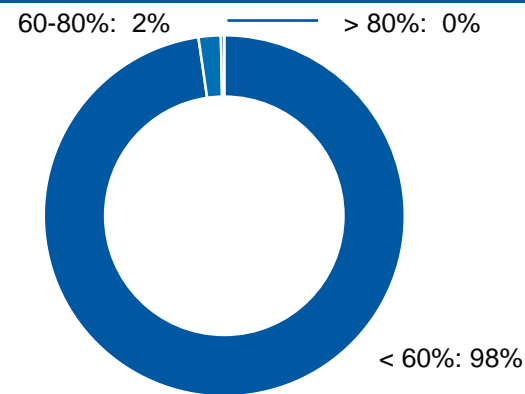
by property type



by performance



by LTV ranges¹⁾

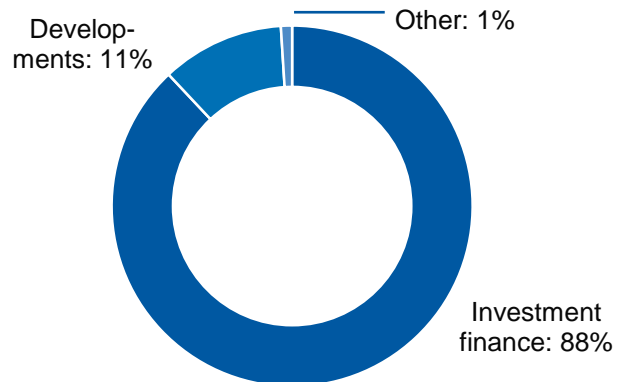


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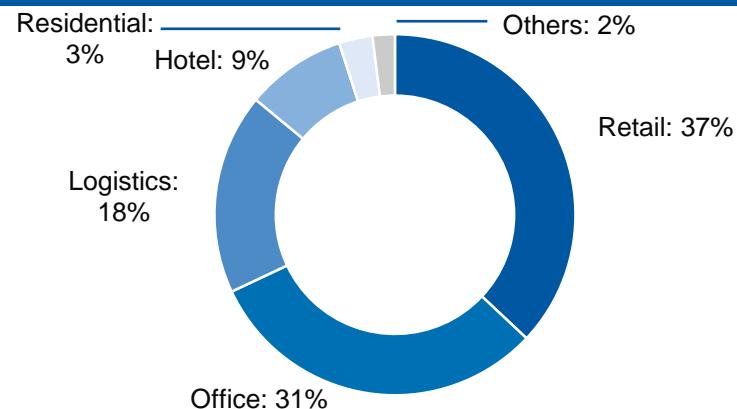
Northern Europe credit portfolio

Total volume outstanding as at 31.12.2016: € 1.7 bn

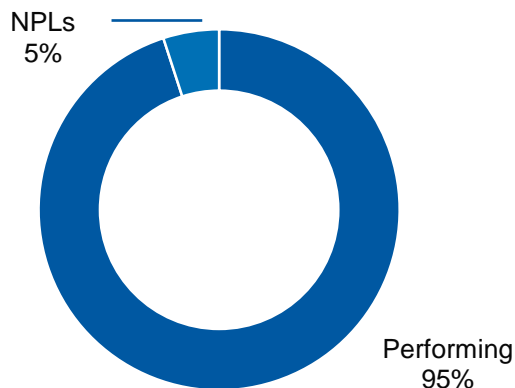
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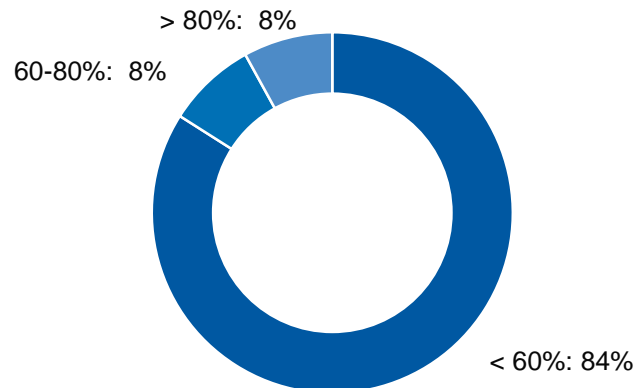
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by performance



by LTV ranges¹⁾

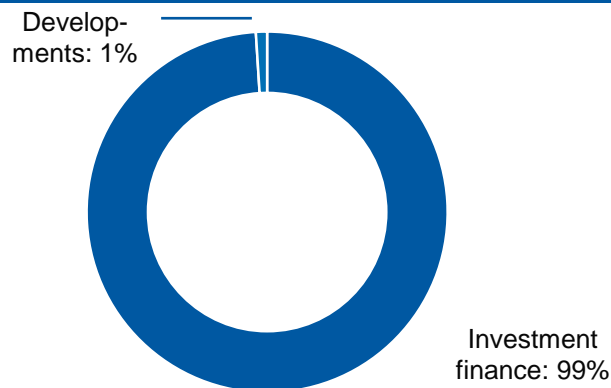


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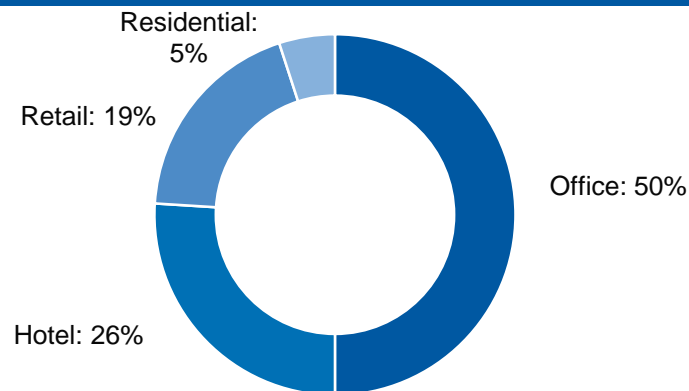
North America credit portfolio

Total volume outstanding as at 31.12.2016: € 6.1 bn

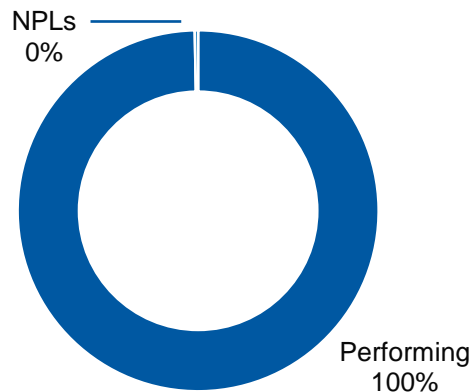
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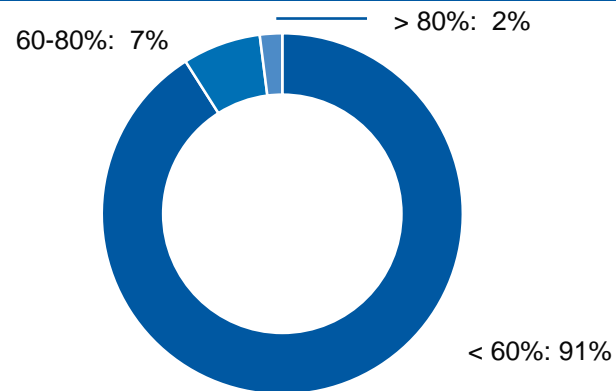
by property type



by performance



by LTV ranges¹⁾



1) Performing business only, exposure as at 31.12.2016

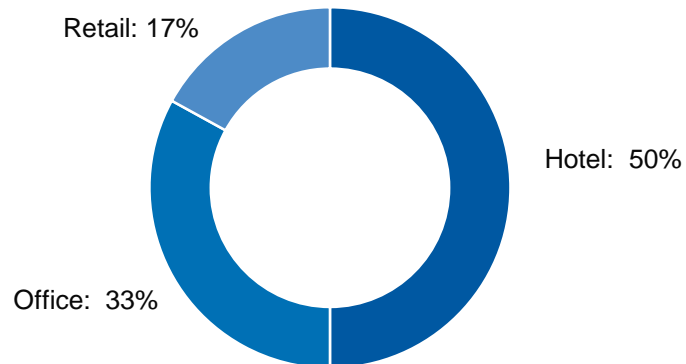
Asia credit portfolio

Total volume outstanding as at 31.12.2016: € 0.3 bn

by product type



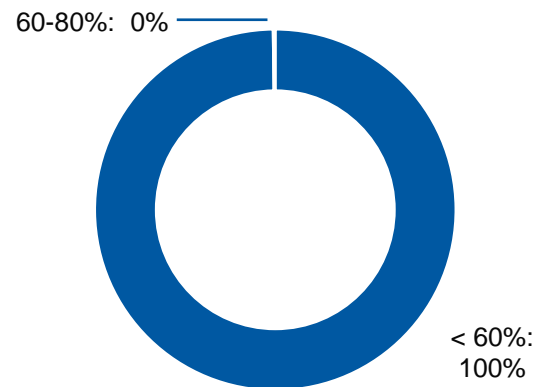
by property type



by performance



by LTV ranges¹⁾



1) Performing business only, exposure as at 31.12.2016



Appendix
§ 28

Mortgage business - Overview asset pool (§ 28 PfandBG)

Full amount of Pfandbrief asset pool, and mortgage Pfandbriefe (in Euro million) section 28 para. 1 nos. 1 and 3

	Asset pool *	Pfandbriefe outstanding	Overcollateralisation
Nominal amount	11.712,0	9.036,7	2.675,3
thereof derivatives	-101,7	0,0	
Present value	12.830,8	9.650,5	3.180,3
thereof derivatives	85,2	0,0	
Risk present value over coverage*	12.819,4	9.746,5	3.072,9

* dynamic method according §5 BarWertVO /
static method according §6 BarWertVO

Full amount of Pfandbrief asset pool, and mortgage Pfandbriefe (in Euro million) according to the VDP credit-worthiness differentiation model

	Asset pool *	Pfandbriefe outstanding	Overcollateralisation
Nominal amount	11.712,0	9.036,7	2.675,3
Present value	12.830,8	9.650,5	3.180,3

Maturity structure of Mortgage Pfandbriefe and the fixed-interest periods of the corresponding cover pool (in Euro million) section 28 para. 1 no. 2

Maturity structure	Asset pool	Pfandbriefe outstanding
Up to 6 months	768,2	1.204,0
more than 6 months up to 12 Months	760,3	837,5
more than 12 months up to 18 Months	694,5	1.504,0
more than 18 months up to 2 years	712,9	754,4
more than 2 up to 3 years	2.784,4	1.850,6
more than 3 up to 4 years	2.305,8	482,9
more than 4 up to 5 years	1.415,0	561,9
more than 5 up to 10 years	2.008,0	1.581,0
more than 10 years	262,9	260,4
Total	11.712,0	9.036,7

Breakdown of covered assets by nominal values (in Euro million) section 28 para. 2 no. 1a

Tranches	Cover pool
up to Euro 300,000	16,1
more than Euro 300,000 up to € 1 million	64,2
more than Euro million up to € 10 million	628,7
more than Euro 10 million	10.405,2
Total	11.114,2

Further cover assets according to section 28 para. 1 nos. 4, 5 and 6 - detailed overview (in Euro million)

Countries	equalisation claims according to §19 clause 1 number 1	Money claims according to §19 clause 1 number 2			Bonds according to §19 clause 1 number 3	Total
		Total	of which covered bonds in the legal sense of clause 129 EU act number 575/2013			
Germany		0,0	0,0	0,0	445,5	445,5
EU-institutions		0,0	0,0	0,0	30,0	30,0
France		0,0	0,0	0,0	95,0	95,0
Austria		0,0	0,0	0,0	129,0	129,0
Total		0,0	0,0	0,0	699,5	699,5

Key figures about outstanding Pfandbriefe and Cover Pool (in Euro million)

Outstanding Pfandbriefe	9.036,7	Euro million
thereof percentage share of fixed-rate Pfandbriefe (section 28 para. 1 no. 9)	53,9	%
Cover Pool	11.712,0	Euro million
thereof total amount of claims which exceed the limits laid down in section 13 para. 1 (section 28 para. 1 no. 7)	0,0	Euro million
thereof total amount of the claims which exceed the limits laid down in section 19 para. 1 no. 2 (section 28 para. 1 no. 8)	0,0	Euro million
thereof total amount of the claims which exceed the limits laid down in section 19 para. 1 no. 3 (section 28 para. 1 no. 8)	0,0	Euro million
thereof percentage share of fixed-rate cover assets (section 28 para. 1 no. 9)	39,2	%
volume-weighted average of the maturity that has passed since the loan was granted (seasoning) (section 28 para. 1 no. 11)	5,0	years
average loan-to-value ratio, weighted using the mortgage lending value (section 28 para. 2 no. 3)	57,5	%
average loan-to-value ratio, weighted using the market value	37,8	%

Net present value according to section 6 Pfandbrief-Net Present Value Regulation per currency (section 28 para. 1 no. 10)

Currency	Balance from aus assets/ liability in Euro million
CAD	31,9
CHF	10,4
DKK	82,0
EUR	2.757,8
GBP	174,8
NOK	0,5
SEK	24,5
USD	40,7

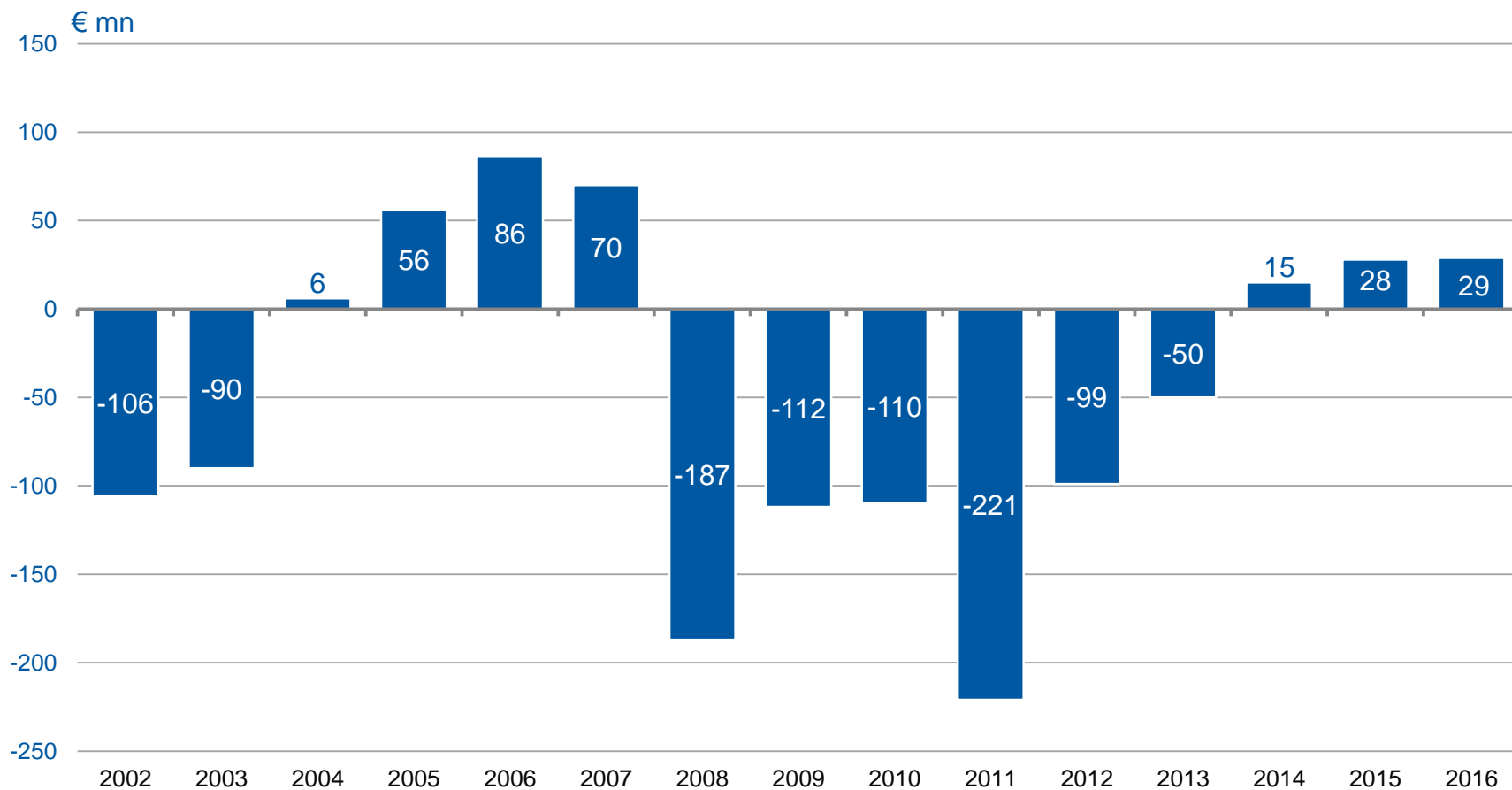
Datum: 31.12.2016



Appendix
Revaluation surplus

Revaluation surplus

Change mainly driven by asset spreads



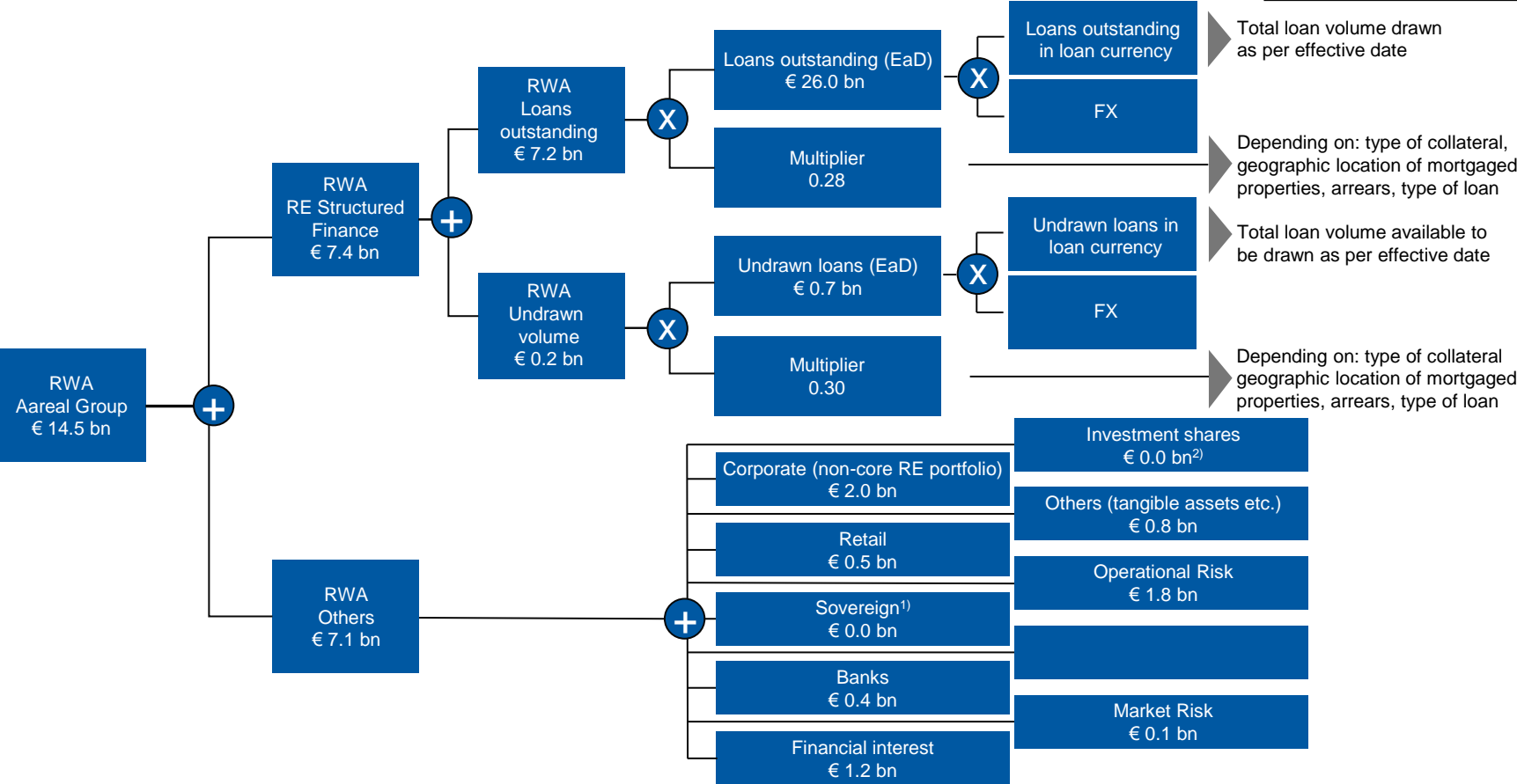


Appendix
RWA-split

From asset to risk weighted asset (RWA)

Essential factors affecting volume of RWA

Effective date 31/12/2016



1) Amounts to € 36 mn
2) Amounts to € 1 mn



Sustainability Performance

Aareal

Aareal Bank Group

Stands for solidity, reliability and predictability

Doing business sustainably

15.7% Common Equity Tier 1 ratio¹⁾, exceeds the statutory requirements



€ 27.9 bn Valuable Property Finance Portfolio²⁾



Aareon's products & services boost our client's sustainability records



Aareal Bank awarded as top employer for the 9th time in succession



Systematic approach: Code of Conduct for employees & suppliers



Solid refinancing base: Covered Bonds³⁾ with best possible ratings



Aareal Bank & Aareon: Certified Ecoprofit companies, by using

100%
green electricity⁴⁾

Above-average results in sustainability ratings



1) full Basel III implementation, as at 31. December 2016

2) CRE business only, private client business (€ 1.1 bn) and WIB's public sector loans (€ 0.6 bn) not included, as at 31 December 2016

3) Mortgage Pfandbriefe and Public-sector Pfandbriefe rated AAA by Fitch; Mortgage Pfandbriefe rated Aaa by Moody's

4) at our main locations in Wiesbaden and Mainz, selected other German sites as well as at our Stockholm branch

Note: All 2016 figures preliminary and unaudited

Sustainability data

Extends the financial depiction of the Group

Key takeaways at a glance



Transparent Reporting – facilitating informed investment decisions

- 4th Sustainability Report “In Dialogue. By conviction.” published on 10 May 2016 (online-version¹⁾)
- Based on Global Reporting Initiative (GRI) G4 guidelines, in compliance with “in accordance - core” option, including GRI Materiality Disclosures Services check
- PricewaterhouseCoopers AG prepared a limited assurance engagement on materiality analysis / selected data



Sustainability Ratings – confirming the company’s sustainability performance



MSCI – Aareal Bank Group with “AA ESG Rating” and in highest scoring range for all the companies assessed relative to global peers with respect to Corporate Governance practices [\[as per 12/2016\]](#)



oekom research – Aareal Bank Group holds “prime status”, ranking among the leaders in its industry [\[since 2012\]](#)



Sustainalytics – Aareal Bank Group was classified as “outperformer”, ranking among the best 16% of its industry [\[as per 12/2015\]](#)



CDP – Aareal Bank Group achieved a result of “Management Level B”, well above average of peer group Financials (DACH region) / MDAX companies (“Awareness Level C”) [\[Report 2016\]](#)



imug – Aareal Bank was rated “positive BBB” in the category “Uncovered Bonds” [\[as per 01/2017\]](#)

1) http://www.aareal-bank.com/fileadmin/DAM_Content/Konzern/dokumente/06_nachhaltigkeitsbericht2015_en.pdf



Definitions and contacts

Definitions

- **Structured Property Financing Portfolio** = Paid-out financings on balance sheet
- **New Business** = Newly acquired business incl. renewals + Contract is signed by customer + Fixed loan value and margin
- **Common Equity Tier 1 ratio** =
$$\frac{\text{CET1}}{\text{Risk weighted assets}}$$
- **Pre tax RoE** =
$$\frac{\text{Operating profit ./. income/loss attributable to non-controlling interests ./. AT1 coupon}}{\text{Average IFRS equity excl. non-controlling interests, other reserves, AT1 and dividends}}$$
- **CIR** =
$$\frac{\text{Admin expenses}}{\text{Net income}}$$
- **Net income** = net interest income + net commission income + net result on hedge accounting + net trading income + results from non-trading assets + results from investments accounted for at equity + results from investment properties + net other operating income
- **Net stable funding ratio** =
$$\frac{\text{Available stable funding}}{\text{Required stable funding}} \geq 100\%$$
- **Liquidity coverage ratio** =
$$\frac{\text{Total stock of high quality liquid assets}}{\text{Net cash outflows under stress}} \geq 100\%$$
- **Bail-in capital ratio** =
$$\frac{\text{Equity + subordinated capital}}{(\text{Long + short term funding}) - (\text{Equity + subordinated capital})}$$
- **Earnings per share** =
$$\frac{\text{operating profit ./. income taxes ./. income/loss attributable to non controlling interests ./. net AT1 coupon}}{\text{Number of ordinary shares}}$$

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- ◆ Homepage <http://www.aareal-bank.com>
 - ◆ Fitch www.fitchratings.com
 - ◆ Bloomberg Equity: ARL GR, Bond: AARB
 - ◆ Reuters ARLG.F
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