



Press Call

Q3 2022 results

10 November 2022

Jochen Klösger (CEO)

Marc Hess (CFO)

Aareal
YOUR COMPETITIVE ADVANTAGE.

Agenda

- **Highlights**
 - Group results
 - Segments
 - Funding & Capital
 - Outlook
- Appendix

Highlights

Ongoing strong operating performance in Q3 despite LLP on Russian exposure

- 1 Q3 operating profit increased by 32% to € 66 mn, despite additional LLP of € 43 mn on remaining Russian exposure
- 2 Strong earnings momentum:
Q3 NII increased by 19% (yoy), NCI up by 20%
- 3 Strict cost discipline, strategy of growth at low marginal cost successfully executed, CIR of banking business further reduced to 39%
- 4 2022 capital market funding plan already fulfilled
CET1 ratio (19.4%) remains at a comfortable level
- 5 Operating profit outlook 2022 confirmed¹⁾, despite 9M-LLP on Russian exposure and negative impact of ECB's decision on TLTRO in Q4
- 6 Investors expect completion of qualifying holding procedure in spring 2023

1) Developments in the macroeconomic environment remain uncertain

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Group Results

Strong earnings momentum offsetting additional LLP on remaining Russian exposure

€ mn	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	9M '21	9M '22	9M Comments
Net interest income	155	162	159	171	184	435	514	Significant increase of 18% mainly driven by portfolio growth and first positive effects of higher interest rates
Loss allowance	39	54	49	58	63	79	170	LLP dominated by additional provision on remaining Russian exposure (9M: € 126 mn)
Net commission income	56	71	64	68	67	174	199	Both Aareon and BDS contribute to 14% increase
Derecognition result	7	8	9	13	2	15	24	Includes positive effects of elevated market volatility
FV- / hedge-result	-5	-24	2	9	5	-11	16	
Admin expenses	125	135	153	142	128	393	423	Reflects investments in Aareon growth. Bank largely stable despite PTO one-offs
<i>Others</i>	1	4	-2	0	-1	-18	-3	
Operating profit (EBT)	50	32	30	61	66	123	157	Strong earnings momentum offsetting add. LLP on remaining Russian exposure
Income taxes	27	20	11	22	24	67	57	
Minorities	0	-1	1	0	-1	2	0	
AT1	3	4	3	4	4	10	11	
Consolidated net income allocated to ord. shareholders	20	9	15	35	39	44	89	
Earnings per share (€)	0.33	0,16	0.25	0.59	0.65	0.73	1,49	
RoE after taxes (%) ^{1) 2)}						2.3	4.3	
Cost/income ratio (%) ³⁾	45	52	43	39	35	50	39	Successful execution of growth at low marginal cost strategy

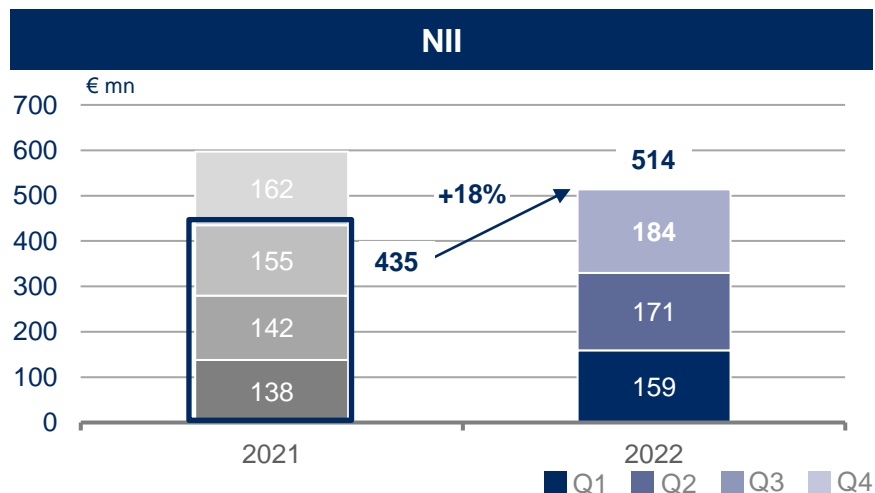
1) The allocation of earnings is based on the assumption that net interest payable on the AT1 bond is recognised on an accrual basis

2) Annualized

3) Structured Property Financing and Banking & Digital Solutions (excl. bank levy and contributions to the deposit guarantee scheme)

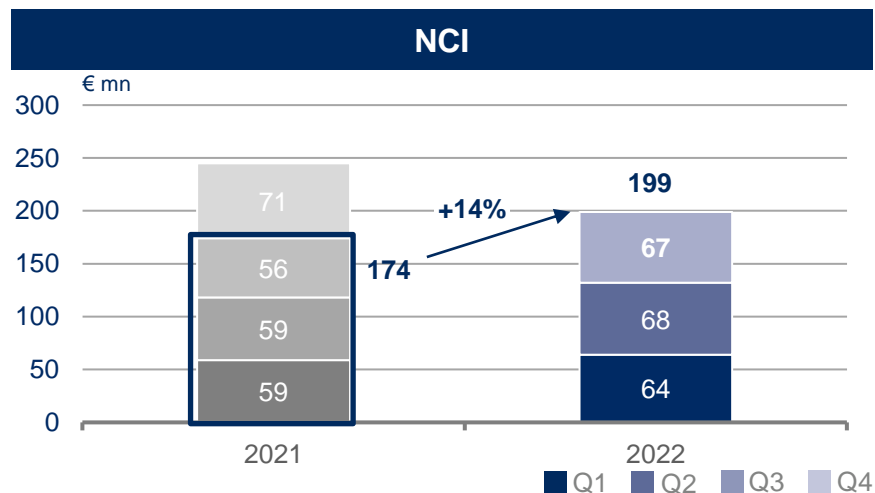
Net interest income (NII) / Net commission income (NCI)

Strong earnings momentum



Significant increase of 18% mainly driven by portfolio growth and first positive effects of higher interest rates

- RSF
Strong new business generation focusing on attractive return profiles while strictly adhering to unchanged conservative risk standards
- BDS
Rising interest rates generated significant increase in NII
 - Q3 up from € 11 mn to € 26 mn (yoy)
 - 9M up from € 33 mn to € 49 mn

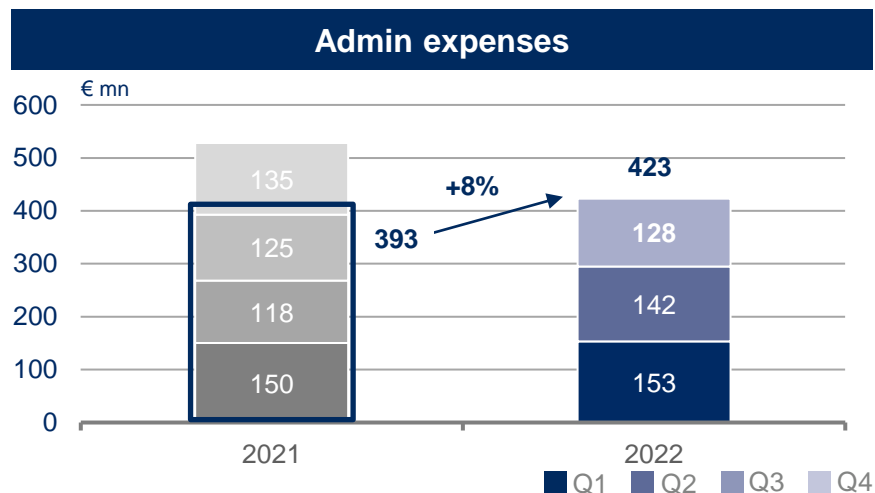


Both Aareon and BDS contribute to 14% increase

- Aareon
 - 9M NCI increased by € 23 mn to € 180 mn (+15% yoy)
 - Shift from license to SaaS/Subscription making further progress - SaaS shows strong growth of >20% in 9M (yoy), supported by strong organic performance
- BDS
 - 9M NCI increased by € 3 mn to € 23 mn (+15% yoy)

Admin expenses / Loan loss provisions (LLP)

High cost discipline, LLP dominated by provisions on remaining Russian exposure



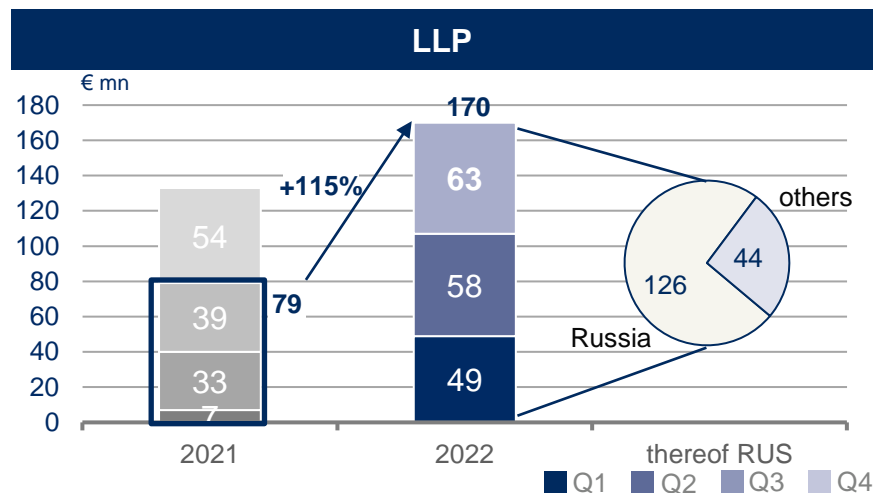
Reflects investments in Aareon growth, bank largely stable despite PTO one-offs

Bank¹⁾:

- 9M € 245 mn (vs. € 237 mn yoy); incl. € 12 mn PTO one-offs
- Growing at low marginal costs; CIR²⁾ beating own target
- Improved CIR at 39% demonstrates very efficient operations based on high cost discipline

Aareon:

- Increase driven by M&A related costs
- 9M: € 178 mn (vs. € 156 mn yoy)



Dominated by additional provision on remaining Russian exposure

- Additional € 43 mn provision on Russian exposure due to the worsening prospects of a rapid de-escalation in Ukraine
 - Total of € 126 mn Russian LLP represents 60% of gross exposure of € ~210 mn²⁾
 - Post provision net exposure is ~30% of 10/21 appraisal value
- 9M LLP ex Russia of only € 44 mn is evidence of high quality portfolio and strong recovery after Covid-crisis

1) Structured Property Financing and Banking & Digital Solutions

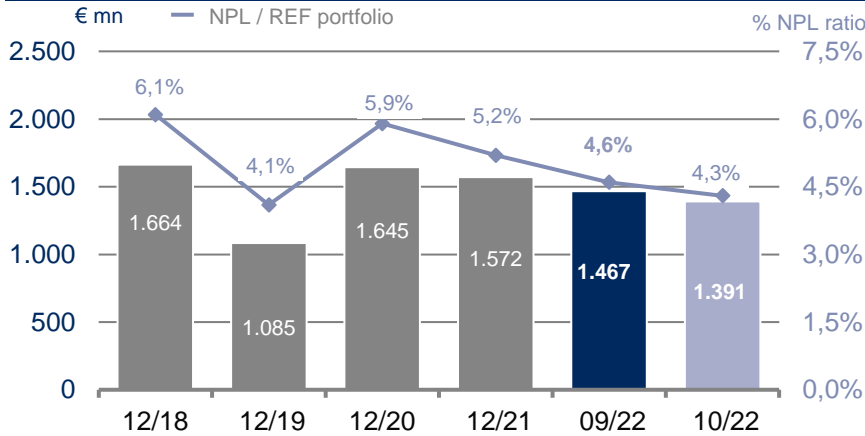
2) Structured Property Financing and Banking & Digital Solutions (excl. bank levy and contributions to the deposit guarantee scheme)

3) Incl. interest

Non performing loans (NPL)

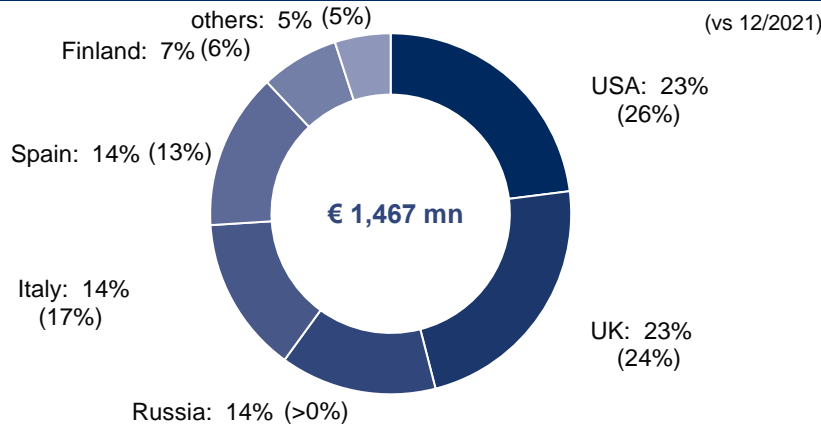
NPLs further reduced

Development of NPLs

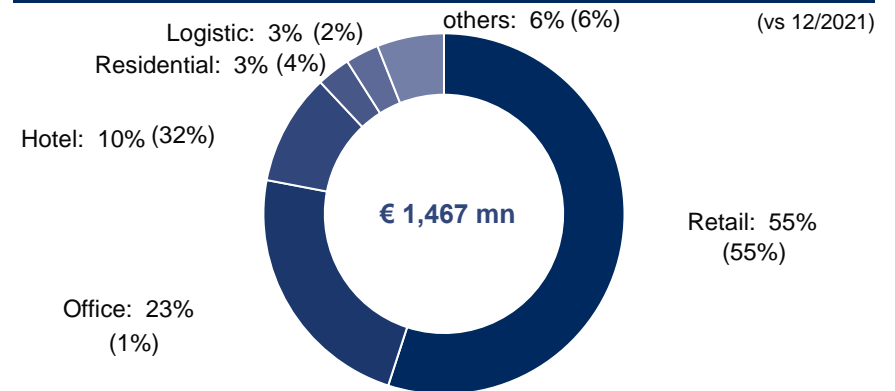


- NPLs include € ~210 mn remaining Russian exposure
- One new NPL in Q3, office in New York
- Reduction predominantly in the hotel segment, in Q4 all US-hotels back to performing
- End of October 2022: Underlying NPL portfolio ex Russia significantly reduced by € ~390 mn (-25%) in 2022 witnessing post Covid-19 recovery

NPLs by country



NPLs by property type



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Segment Highlights

Growth in all three segments continued

Structured Property Financing

- Strong new business generation of € 6.9 bn in 9M strictly adhering to unchanged, conservative risk standards
- Portfolio increased to € 31.9 bn (12/2021: € 30.0 bn) above original target partly FX driven, continuously growing green loans portfolio
- Strong loan margins mitigate the temporarily elevated funding spreads
- Fast recovery of KPIs to pre-Covid crisis levels is evidence of high overall portfolio resilience

Banking & Digital Solutions

- NCI increased by 15% to € 23 mn in 9M (€ 20 mn in 9M 2021)
- Rising interest rates generate significant increase in NII
- Ø-deposit volume at € 13.5 bn (from € 12.4 bn in Q4 '21)

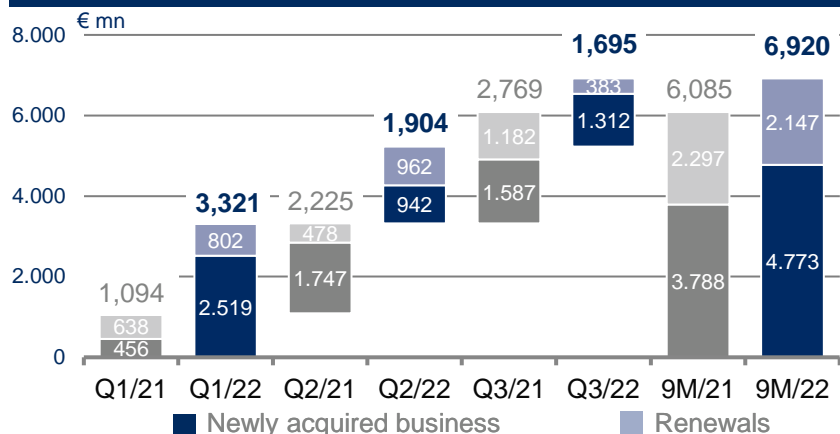
Aareon

- Switch of revenue model from license to SaaS/Subscription underpins healthy recurring revenue growth
- Share of recurring revenues above 70%
- New management focus on execution of Aareon's growth plan and efficiency of product portfolio

Segment: Structured Property Financing

New business generation strictly adhering to unchanged conservative risk standards

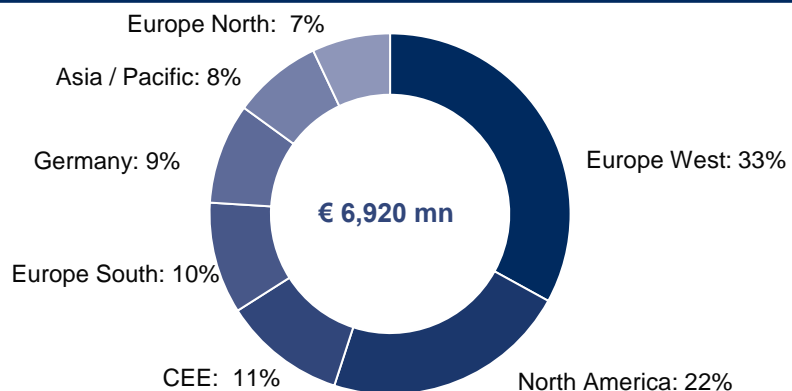
New business



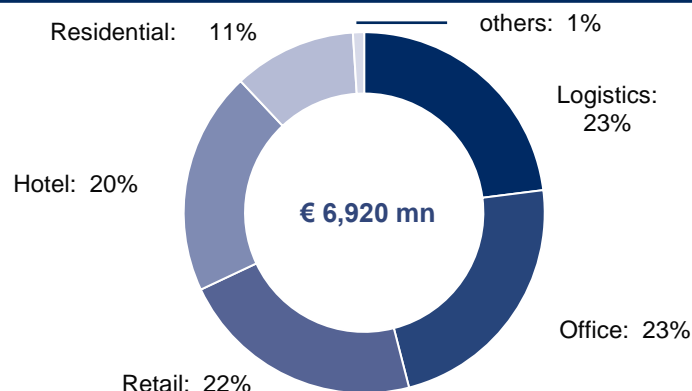
Newly acquired business

- 9M Ø-margin¹⁾ of 227 bps (FY plan 2022: ~205 bps)
- Conservative 9M Ø-LtV of 56% (54% in Q3)
- 9M shows logistics with largest share
- Green loans²⁾:
€ ~600 mn new business in 9M, additional € ~800 mn existing loans qualifying after clients' application

9M new business by country



9M new business by property type

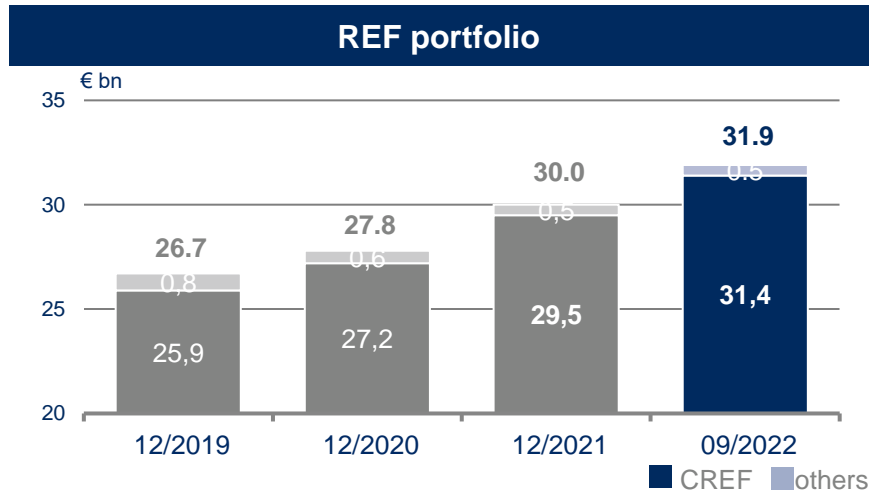


1) Pre FX

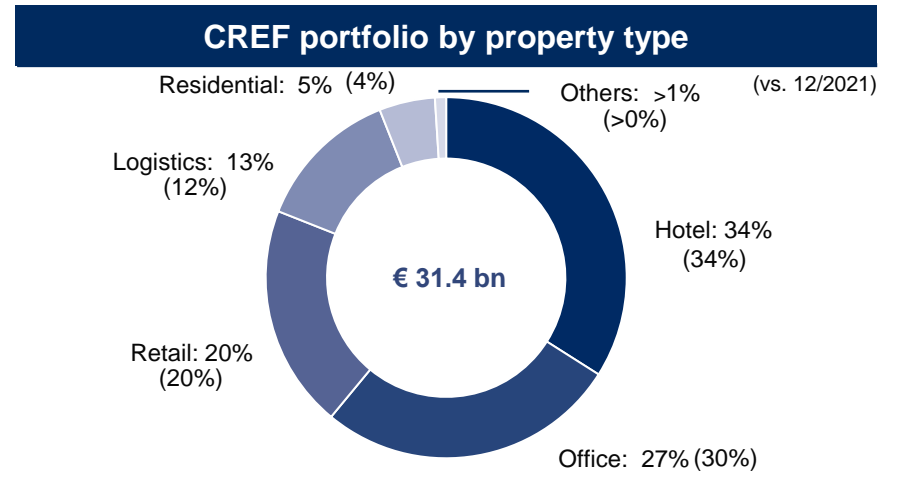
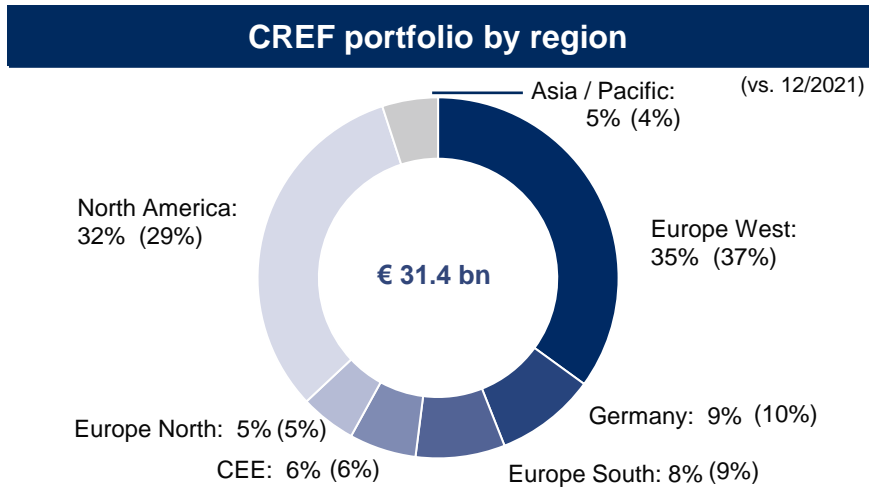
2) Governed by "Green Finance Framework"

Segment: Structured Property Financing

Portfolio volume further increased, healthy KPIs at pre-Covid levels



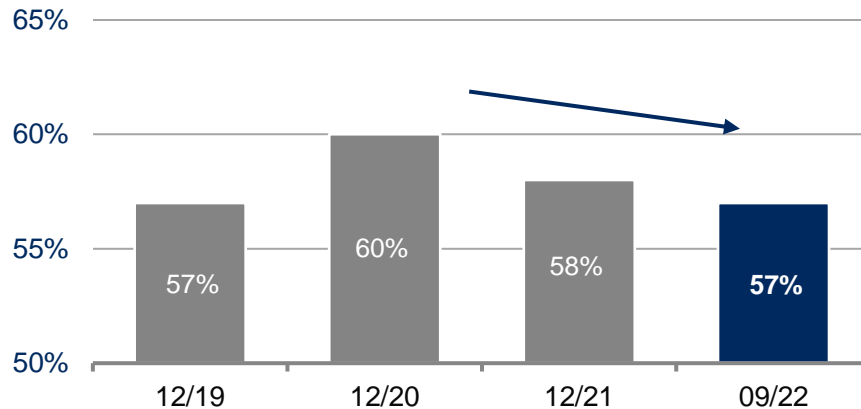
- Sticking to overall country and asset diversification with increasing importance of logistics financings, as well as portfolio-transactions with risk reducing cross collateralisation
- Green property financing portfolio at € 6.4 bn or 21% of total CREF portfolio (12/21: 17%)
- Germany remaining at low 9% portfolio share
- Virtually no financing of developments (~0.5%)
- Portfolio-LtV at 57% (12/21: 58%)
- Portfolio-YoD further improved to 8.1% (12/21: 7.1%)



Segment: Structured Property Financing

KPIs continue to improve with the Covid-19 pandemic subsiding, overall portfolio-LtV and YoD back on pre-crisis levels

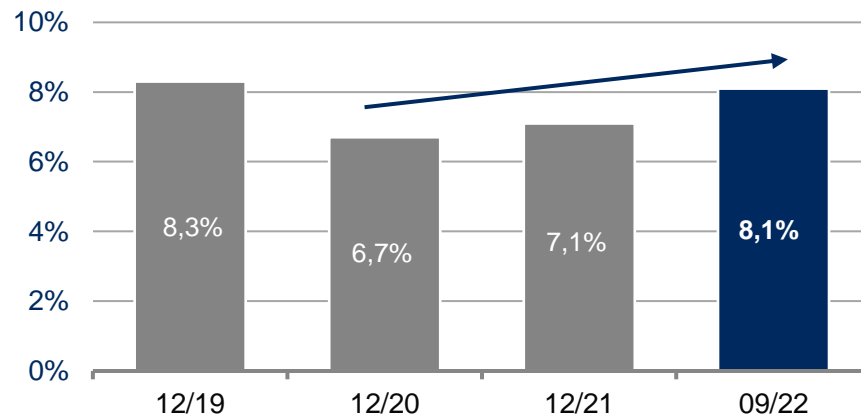
LtV development¹⁾



Overall LtVs are declining on improvements in all segment

- Hotel LtVs at 58% (62% at 12/20)
- Retail LtVs at 57% (61% at 12/20)
- Office LtVs at 57% (58% at 12/20)
- Logistic LtVs at 53% (55% at 12/20)

YoD development¹⁾



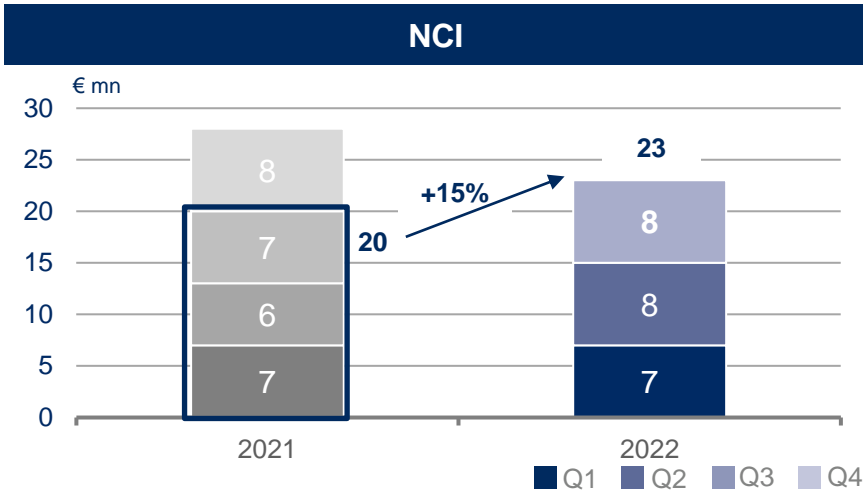
Overall YoDs are increasing on improvements in the hotel and retail segment, YoD in office segment down

- Hotel YoD at 8.1% (3.0% at 12/20)
- Retail YoD at 9.7% (8.8% at 12/20)
- Office YoD at 6.8% (8.1% at 12/20)
- Logistic YoD at 8.6% (8.7% at 12/20)

1) Performing CREF-portfolio only (exposure)

Segment: Banking & Digital Solutions

NII benefitting from rising interest rates

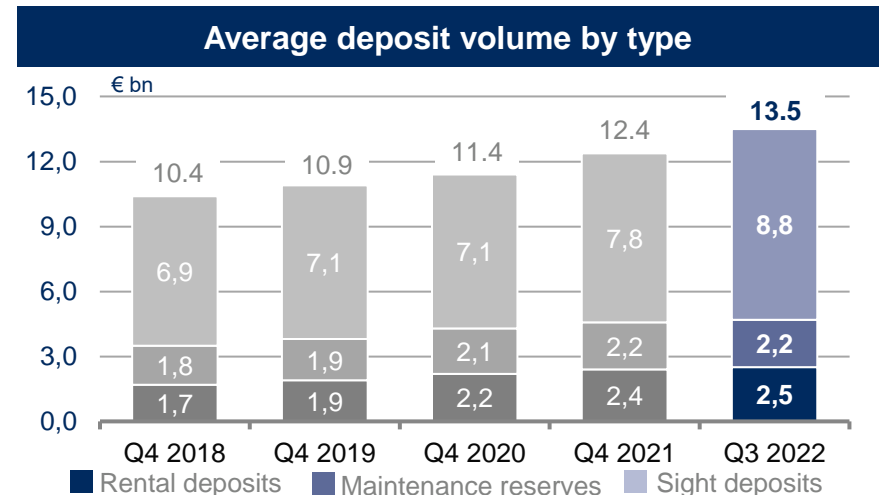
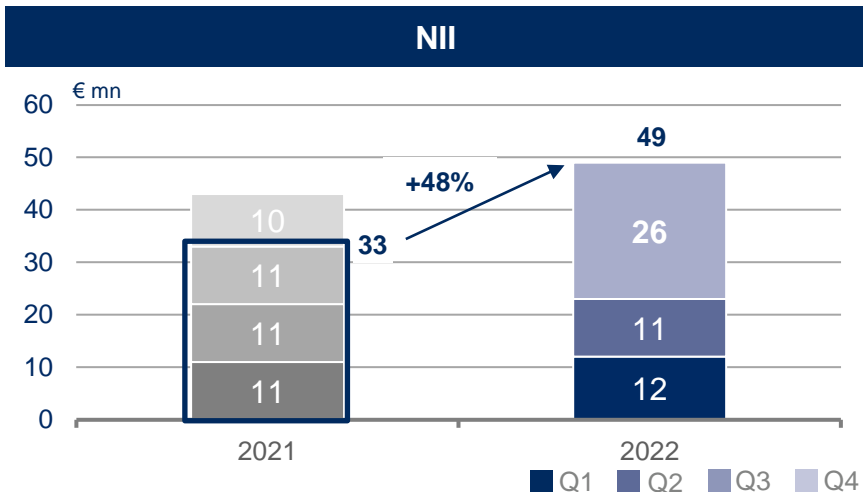


Positive development in NCI as planned

- CollectAI contributing to NCI development
- Growth on recurring revenues on banking-, software fees

Deposit volume increased significantly above target level of € ~12 bn supporting CREF portfolio growth

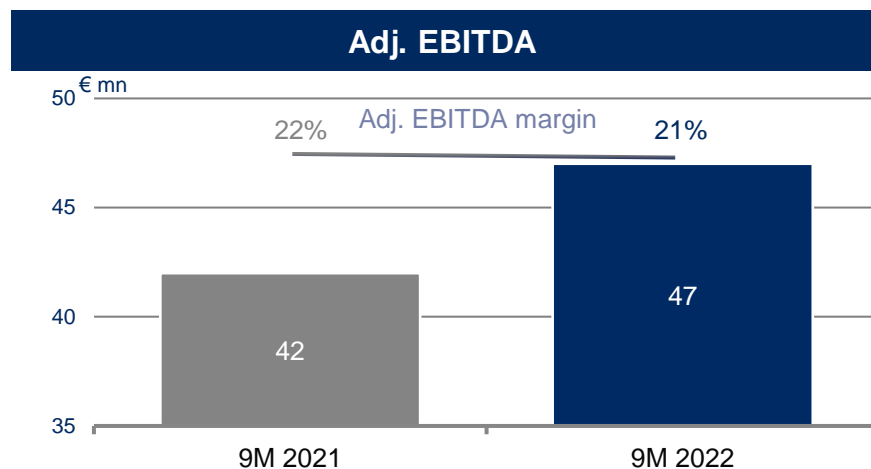
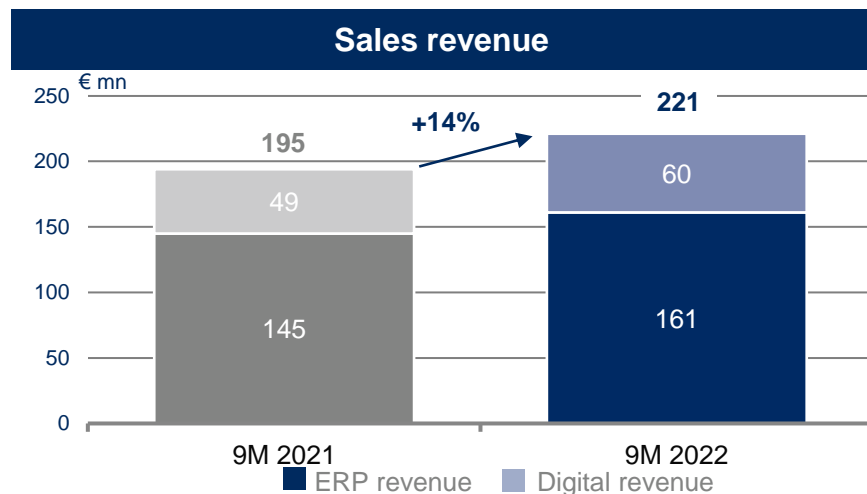
- Rising interest rates generating significant increase in NII at segment and group level
- Limited outflow of deposits expected due to
 - Rising energy prices
 - ESF¹⁾ reform in 2023



1) ESF: Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.)

Segment: Aareon

Ongoing revenue growth, management focus on execution of Aareon's growth plan and efficiency of product portfolio



Note: Numbers not adding up refer to rounding

1) PS (Professional Services) = Consulting business

- Switch of revenue model from license to SaaS/ Subscription underpins healthy recurring revenue growth
 - SaaS growth accelerated to > 20% yoy, supported by strong organic performance
 - Run-rate recurring revenues is expected significantly above 70% going forward
- Sales revenues increased by € 27 mn to € 221 mn (+14% yoy); PS¹) continues to be challenging
 - Digital revenues up 22%, thereof 13% organically
 - ERP revenues up 11%, thereof 4% organically
- Adj. EBITDA increased by € 5 mn to € 47 mn (+12% yoy)
- Integration of Swedish Momentum Software Group AB well underway
- New management focus on
 - Implementation / Execution of Aareon's growth plan, organically and M&A
 - Efficiency of product portfolio
 - Improving Aareon in an evolutionary transition to a rule of 40 SaaS company

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Funding & Capital

Conservative line-up

Funding

- Funding mix further diversified
- Successful 9M funding activities
- 2022 funding plan already fulfilled despite PTO-related uncertainties and very challenging environment

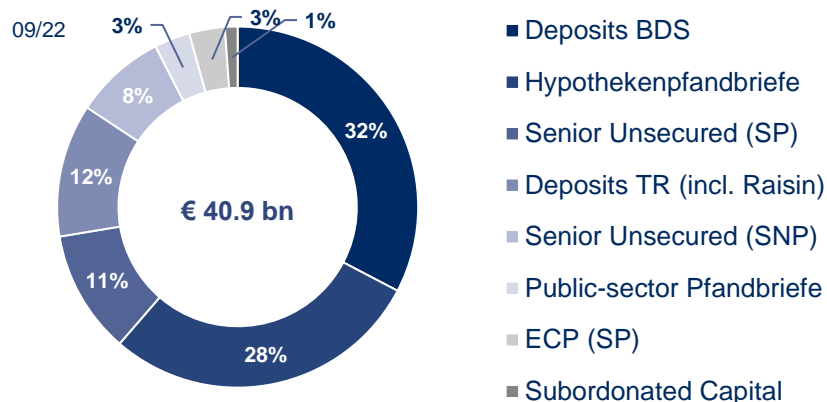
Capital

- Comfortable capital ratios supporting controlled portfolio growth, strictly adhering to unchanged conservative risk standards
- Capital ratios significantly above regulatory requirements

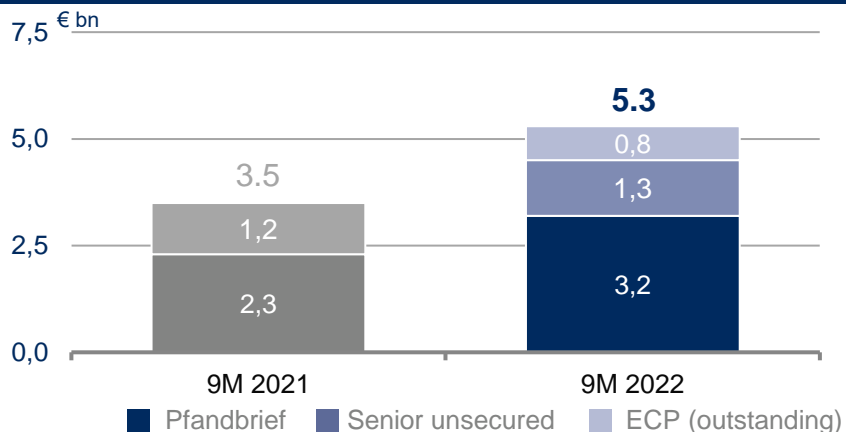
Funding

2022 funding plan already fulfilled in Q3; funding mix further diversified

Funding by type



(Capital market) Issuance volume



Funding mix further diversified

- Cooperation with Raisin/Deutsche Bank started in Q2 extended to include Weltsparen in Q3 to access retail deposits as additional funding source
- Commercial Paper Program successfully launched, offering ECPs in Green format and EUR, GBP & USD. Outstanding volume of € ~800 mn
- Second issue Rating from Moody's (A3) launched in Q2

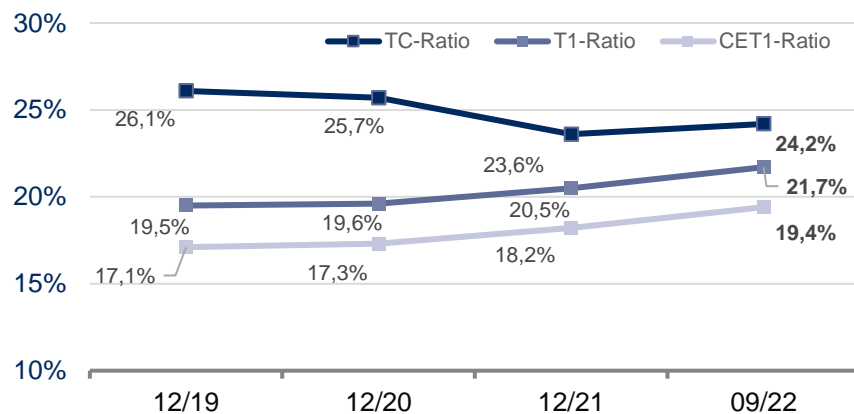
Successful 9M funding activities

- Pfandbrief and Senior totalling € ~4.5 bn incl.
 - 2 Green Senior Benchmarks (€ 1 bn)
 - 4 Pfandbrief Benchmarks (€ 2.6 bn)
- € 1.2 bn ECP incl.
 - € 700 mn conventional ECPs in EUR, USD and GBP (€ ~400 mn outstanding)
 - € ~500 mn additional Green ECPs (€ ~400 mn outstanding)
- Strong and proven access to the institutional private placement market with unsecured and mortgage backed products of € >800 mn

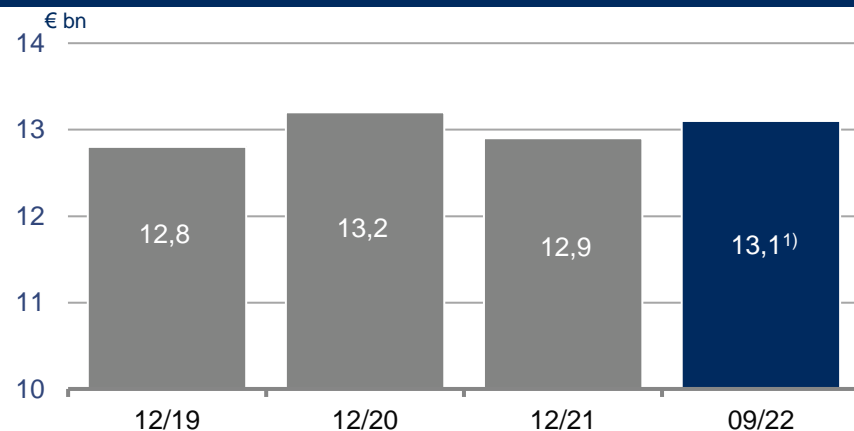
Capital

Maintaining robust capital base

B4 (phase in) capital ratios



B4 (phase in) RWA



1) Underlying RWA estimate based on the revised CRSA (phase-in) output floor, resulting from a "higher of" comparison with the RWA estimate based on the CRR in its current version plus revised AIRBA requirements for commercial property finance in line with the draft version dated 27 October 2021 of the European implementation of Basel IV by the European Commission which officially enter into force as of 1 January 2025

CET1 ratio

- Very solid throughout Covid-19 crisis
- 9M increase mainly due to retention of originally announced dividend pay-out (1.60 € per share), retained profits for the current year and reduced pension liabilities
- Solid T1-Leverage ratio at 5.4%

RWA

- Increase from CREF portfolio growth compensated by portfolio quality improvements

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Outlook 2022

Operating profit guidance confirmed despite 9M-LLP on Russian exposure and negative impact of ECB's decision on TLTRO in Q4

Group	METRIC	2021	OUTLOOK 2022
	<ul style="list-style-type: none"> Net interest income Net commission income LLP¹⁾ Admin expenses 	<ul style="list-style-type: none"> € 597 mn € 245 mn € 169 mn € 528 mn 	<ul style="list-style-type: none"> € 660 - 690 mn (€ 600 - 630 mn) € 270 - 290 mn € 140 - 180 mn upper end incl. € 126 mn Russia (€ 100 - 140 mn) € 550 - 580 mn (€ 540 - 570 mn)
<ul style="list-style-type: none"> Operating profit Net income²⁾ Earnings per share (EPS) 	<ul style="list-style-type: none"> € 155 mn € 53 mn € 0.89 	<ul style="list-style-type: none"> €210-250mn lower end (€210-250mn) €120-150 mn³⁾ lower end (€120-150mn) €2.00-2.50³⁾ lower end (€2.00-2.50) 	
Outlook 2022: Developments in the macroeconomic environment remain uncertain			

Segments	METRIC	2021	OUTLOOK 2022
	Structured Property Financing	<ul style="list-style-type: none"> REF Portfolio New business 	<ul style="list-style-type: none"> € 30.0 bn € 8.5 bn
Banking & Digital Solutions	<ul style="list-style-type: none"> Deposit volume NCI 	<ul style="list-style-type: none"> € 12.4 bn € 28 mn 	<ul style="list-style-type: none"> € >12 bn (€ ~12 bn) ~13% CAGR
Aareon	<ul style="list-style-type: none"> Revenues Adj. EBITDA 	<ul style="list-style-type: none"> € 269 mn € 67 mn 	<ul style="list-style-type: none"> € 305 - 325 mn € 73 - 78 mn

Note: () = original guidance Feb. 2022

1) Incl. value adjustments from NPL fvpl

2) Net income attributable to ordinary shareholder

3) Based on expected FY-tax ratio of ~36%

4) Subject to FX development

Key takeaways

Aareal's next level strategy pays off

Ongoing strong operating performance even in a difficult environment; operational profitability and efficiency sustainably strengthened

Outlook confirmed

Aareal Bank confirms its 2022 outlook despite 9M-LLP on Russian exposure, PTO-related one offs and negative impact of ECB's decision on TLTRO in Q4

Well prepared...

...for the challenges ahead, thanks to Aareal Bank's earnings power and financial strength

Group Results

Appendix

Aareal Bank Group

Results Q3 2022

	01.07.- 30.09.2022 € mn	01.07.- 30.09.2021 € mn	Change
Profit and loss account			
Net interest income	184	155	19%
Loss allowance	63	39	62%
Net commission income	67	56	20%
Net derecognition gain or loss	2	7	-71%
Net gain or loss from financial instruments (fvpl)	4	-3	
Net gain or loss on hedge accounting	1	-2	
Net gain or loss from investments accounted for using the equity method	0	0	0%
Administrative expenses	128	125	2%
Net other operating income / expenses	-1	1	
Operating Profit	66	50	32%
Income taxes	24	27	-11%
Consolidated net income	42	23	83%
Consolidated net income attributable to non-controlling interests	-1	0	
Consolidated net income attributable to shareholders of Aareal Bank AG	43	23	87%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	43	23	87%
of which: allocated to ordinary shareholders	39	20	95%
of which: allocated to AT1 investors	4	3	33%
Earnings per ordinary share (in €) ²⁾	0.65	0.33	97%
Earnings per ordinary AT1 unit (in €) ³⁾	0.04	0.03	33%

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 Q3 2022 by segments

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation/ Reconciliation		Aareal Bank Group	
	01.07.- 30.09. 2022	01.07.- 30.09. 2021	01.07.- 30.09. 2022	01.07.- 30.09. 2021	01.07.- 30.09. 2022	01.07.- 30.09. 2021	01.07.- 30.09. 2022	01.07.- 30.09. 2021	01.07.- 30.09. 2022	01.07.- 30.09. 2021
	€ mn									
Net interest income	162	146	26	11	-4	-2	0	0	184	155
Loss allowance	63	39	0		0	0			63	39
Net commission income	1	2	8	7	61	50	-3	-3	67	56
Net derecognition gain or loss	2	7							2	7
Net gain or loss from financial instruments (fvpl)	4	-3	0						4	-3
Net gain or loss on hedge accounting	1	-2							1	-2
Net gain or loss from investments accounted for using the equity method					0	0			0	0
Administrative expenses	54	59	17	17	60	52	-3	-3	128	125
Net other operating income / expenses	-2	-1	0	0	1	2	0	0	-1	1
Operating profit	51	51	17	1	-2	-2	0	0	66	50
Income taxes	18	28	6	0	0	-1			24	27
Consolidated net income	33	23	11	1	-2	-1	0	0	42	23
Allocation of results										
Cons. net income attributable to non-controlling interests	0	0	0	0	-1	0			-1	0
Cons. net income attributable to shareholders of Aareal Bank AG	33	23	11	1	-1	-1	0	0	43	23

Aareal Bank Group

Results 9M 2022

	01.01.- 30.09.2022 € mn	01.01.- 30.09.2021 € mn	Change
Profit and loss account			
Net interest income	514	435	18%
Loss allowance	170	79	115%
Net commission income	199	174	14%
Net derecognition gain or loss	24	15	60%
Net gain or loss from financial instruments (fvpl)	22	-7	
Net gain or loss on hedge accounting	-6	-4	50%
Net gain or loss from investments accounted for using the equity method	-2	-1	100%
Administrative expenses	423	393	8%
Net other operating income / expenses	-1	-17	-94%
Operating Profit	157	123	28%
Income taxes	57	67	-15%
Consolidated net income	100	56	79%
Consolidated net income attributable to non-controlling interests	0	2	-100%
Consolidated net income attributable to shareholders of Aareal Bank AG	100	54	85%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	100	54	85%
of which: allocated to ordinary shareholders	89	44	102%
of which: allocated to AT1 investors	11	10	10%
Earnings per ordinary share (in €) ²⁾	1.49	0.73	104%
Earnings per ordinary AT1 unit (in €) ³⁾	0.11	0.10	10%

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.

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Aareal Bank Group

Results 9M 2022 by segments

	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation/ Reconciliation		Aareal Bank Group	
	01.01.- 30.09. 2022	01.01.- 30.09. 2021	01.01.- 30.09. 2022	01.01.- 30.09. 2021	01.01.- 30.09. 2022	01.01.- 30.09. 2021	01.01.- 30.09. 2022	01.01.- 30.09. 2021	01.01.- 30.09. 2022	01.01.- 30.09. 2021
	€ mn									
Net interest income	475	406	49	33	-10	-4	0	0	514	435
Loss allowance	170	79	0		0	0			170	79
Net commission income	5	6	23	20	180	157	-9	-9	199	174
Net derecognition gain or loss	24	15							24	15
Net gain or loss from financial instruments (fvpl)	22	-7	0		0				22	-7
Net gain or loss on hedge accounting	-6	-4							-6	-4
Net gain or loss from investments accounted for using the equity method	0		-1	-1	-1	0			-2	-1
Administrative expenses	200	193	54	53	178	156	-9	-9	423	393
Net other operating income / expenses	-4	-21	-1	0	4	4	0	0	-1	-17
Operating profit	146	123	16	-1	-5	1	0	0	157	123
Income taxes	52	68	6	-2	-1	0			57	67
Consolidated net income	94	55	10	0	-4	1	0	0	100	56
Allocation of results										
Cons. net income attributable to non-controlling interests	0	0	0	0	0	2			0	2
Cons. net income attributable to shareholders of Aareal Bank AG	94	55	10	0	-4	-1	0	0	100	54

Aareal Bank Group

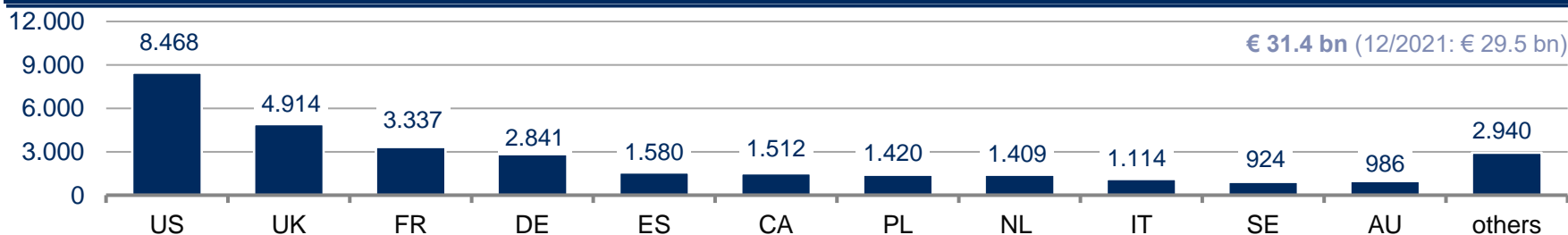
Preliminary results – quarter by quarter

	Structured Property Financing					Banking & Digital Solutions					Aareon					Consolidation / Reconciliation					Aareal Bank Group				
	Q3	Q2	Q1	Q4	Q3	Q3	Q2	Q1	Q4	Q3	Q3	Q2	Q1	Q4	Q3	Q3	Q2	Q1	Q4	Q3	Q3	Q2	Q1	Q4	Q3
	2022		2021			2022		2021			2022		2021			2022		2021			2022		2021		
€ mn																									
Net interest income	162	163	150	154	146	26	11	12	10	11	-4	-3	-3	-2	-2	0	0	0	0	0	184	171	159	162	155
Loss allowance	63	58	49	54	39	0		0			0	0	0	0	0						63	58	49	54	39
Net commission income	1	2	2	2	2	8	8	7	8	7	61	61	58	64	50	-3	-3	-3	-3	-3	67	68	64	71	56
Net derecognition gain or loss	2	13	9	8	7																2	13	9	8	7
Net gain / loss from fin. instruments (fvpl)	4	12	6	-23	-3	0	0		0			0									4	12	6	-23	-3
Net gain or loss on hedge accounting	1	-3	-4	-1	-2																1	-3	-4	-1	-2
Net gain / loss from investments acc. for using the equity method				0			-1	0	0		0	-1	0	-1	0						0	-2	0	-1	0
Administrative expenses	54	61	85	63	59	17	19	18	20	17	60	65	53	55	52	-3	-3	-3	-3	-3	128	142	153	135	125
Net other operating income / expenses	-2	1	-3	8	-1	0	-1	0	-1	0	1	2	1	-2	2	0	0	0	0	0	-1	2	-2	5	1
Operating profit	51	69	26	31	51	17	-2	1	-3	1	-2	-6	3	4	-2	0	0	0	0	0	66	61	30	32	50
Income taxes	18	24	10	14	28	6	0	0	0	0	0	-2	1	6	-1						24	22	11	20	27
Consolidated net income	33	45	16	17	23	11	-2	1	-3	1	-2	-4	2	-2	-1	0	0	0	0	0	42	39	19	12	23
Cons. net income attributable to non-controlling interests	0	0	0	0	0	0	0	0	0	0	-1	0	1	-1	0						-1	0	1	-1	0
Cons. net income attributable to ARL shareholders	33	45	16	17	23	11	-2	1	-3	1	-1	-4	1	-1	-1	0	0	0	0	0	43	39	18	13	23

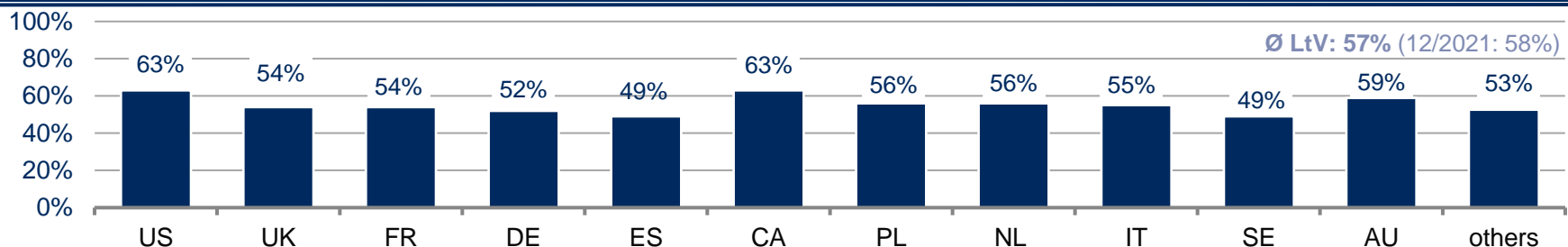
CREF portfolio by country

€ 31.4 bn highly diversified

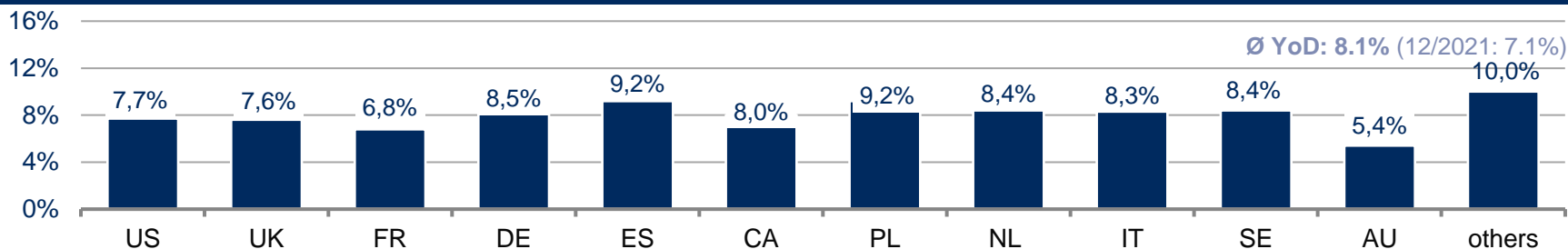
CREF portfolio (€ mn)



LtV¹⁾



YoD¹⁾

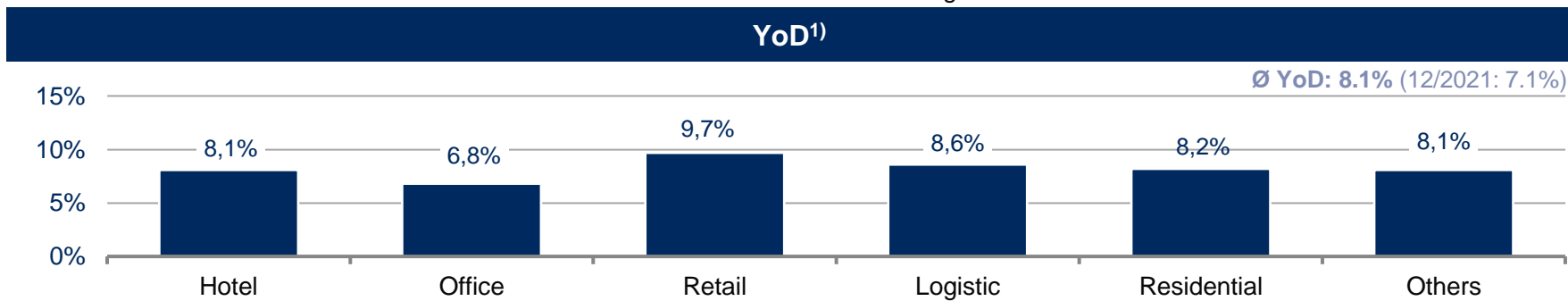
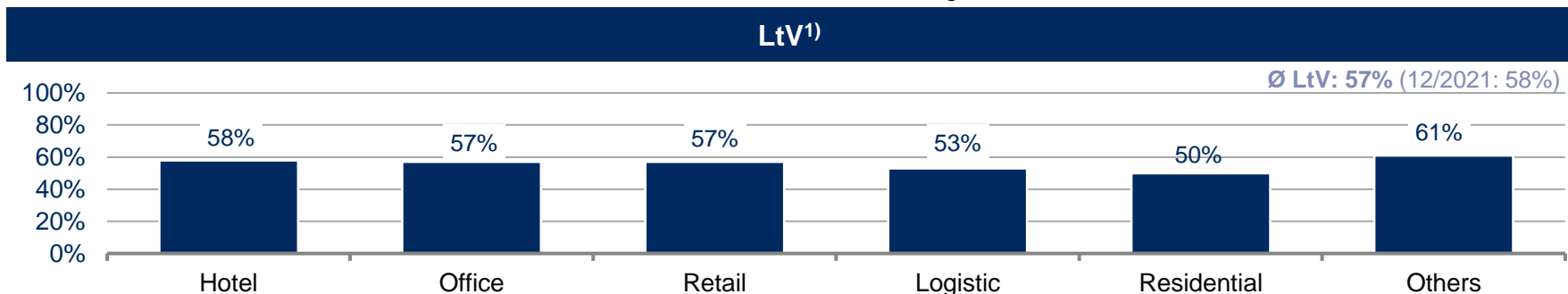
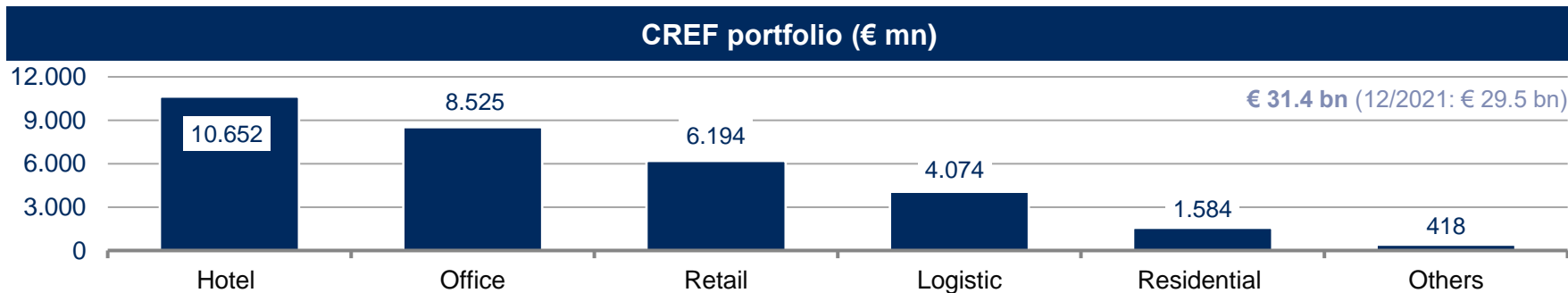


Note: others incl. countries with a portfolio below € 500 mn

1) Performing CREF-portfolio only (exposure)

CREF portfolio by property types

€ 31.4 bn highly diversified



1) Performing CREF-portfolio only (exposure)

ESG

Appendix

Major Milestones in Sustainable Finance Strategy achieved

Increasing transparency reveals strong share of green properties

Significant progress¹⁾ in ESG transparency and performance:

Verified²⁾ ESG-Transparency for

~45%

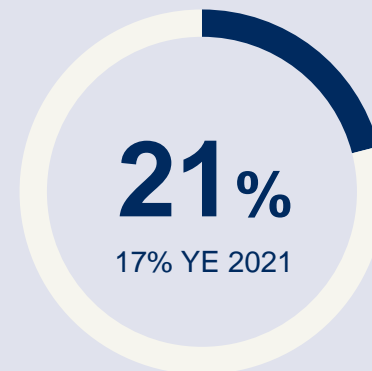
of our portfolio through documentation of proof in IT systems

Since the launch in June 2021

€ ~1.9 bn

qualified for Green Loan

Green Property Financings²⁾



of CREF⁴⁾ portfolio

with more potential subject to ongoing validation

Since implementation of Green Finance Framework – Funding

> € 1.5 bn

has been issued via Senior Preferred Green Bonds as well as via the green Commercial Paper Program

1) As at 30.09.2022

2) Valid certificate is documented

3) Conversions: Existing loans converted into green loans

4) CREF excl. not directly by properties collateralized business

Definitions and contacts

Definitions

New Business	$\text{New business} = \text{Newly acquired business} + \text{renewals}$
Common Equity Tier 1 ratio	$\frac{\text{CET 1}}{\text{Risk weighted assets}}$
Pre tax RoE	$\frac{\text{Operating profit/income} \text{ ./. loss attributable to non-controlling interests} \text{ ./. AT1 coupon}}{\text{Average IFRS equity excl. non-controlling interests, AT1 and dividends}}$
CIR	$\frac{\text{Admin expenses (excl. bank levy, et al.)}}{\text{Net income}}$
Net income	Net interest income + Net commission income + Net derecognition gain or loss + Net gain or loss from financial instruments (fvpl) + Net gain or loss on hedge accounting + Net gain or loss from investments accounted for using the equity method + Net other operating income / expense
Net stable funding ratio	$\frac{\text{Available stable funding}}{\text{Required stable funding}}$
Liquidity coverage ratio	$\frac{\text{Total stock of high quality liquid assets}}{\text{Net cash outflows under stress}}$
Earnings per share	$\frac{\text{operating profit} \text{ ./. income taxes} \text{ ./. income/loss attributable to non controlling interests} \text{ ./. net AT1 coupon}}{\text{Number of ordinary shares}}$
Yield on Debt	$\frac{\text{NOI} \times 100 \text{ (Net operating income, 12-months forward looking)}}{\text{Outstanding incl. prior/pari-passu loans (without developments)}}$
CREF-portfolio	Commercial real estate finance portfolio excl. private client business and WIB's public sector loans
REF-portfolio	Real estate finance portfolio incl. private client business and WIB's public sector loans
NPL-ratio	$\frac{\text{NPL-exposure acc. CRR (excl. exposure in cure period)}}{\text{Total REF Portfolio}}$

Contacts

Margarita Thiel

Managing Director Group Communications & Governmental Affairs

Phone: +49 611 348 2306

margarita.thiel@aareal-bank.com

Christian Feldbrügge

Director Group Communications & Governmental Affairs

Phone: +49 611 348 2280

christian.feldbruegge@aareal-bank.com

Yannick Houdard

Manager Group Communications & Governmental Affairs

Phone: +49 611 348 2462

yannick.houdard@aareal-bank.com

Oliver Tross

Manager Group Communications & Governmental Affairs

Phone: +49 611 348 2183

oliver.tross@aareal-bank.com



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