

Aareal Bank Group – Key Indicators

	1 Jan-31 Mar 2016	1 Jan-31 Mar 2015
Results		
Operating profit (€ mn)	87	67
Consolidated net income (€ mn)	60	45
Consolidated net income allocated to ordinary shareholders (€ mn) ¹⁾	51	36
Cost / income ratio (%) ²⁾	49.2	48.3
Earnings per ordinary share (€) ¹⁾	0.85	0.60
RoE before taxes (%) ³⁾	12.4	10.3
RoE after taxes (%) ³⁾	8.3	6.6
Statement of financial position		
Property finance (€ mn) ⁴⁾	30,137	30,894
of which: international (€ mn)	24,882	25,243
Equity (€ mn)	3,079	3,044
Total assets (€ mn)	51,784	51,948
Regulatory indicators ⁵⁾		
Risk-weighted assets (€ mn)	16,658	16,709
Common Equity Tier 1 ratio (CET1 ratio) (%)	13.6	13.8
Tier 1 ratio (T1 ratio) (%)	16.9	17.2
Total capital ratio (TC ratio) (%)	23.7	23.8
Common Equity Tier 1 ratio (CET1 ratio) (%) – fully phased –	13.2	13.1
Employees	2,840	2,861
Ratings		
Fitch Ratings, London		
long-term	BBB+ (outlook: stable)	BBB+ (outlook: stable)
short-term	F2	F2
Fitch Pfandbrief ratings	AAA	AAA
Sustainability ⁶⁾		
oekom	prime (C)	prime (C)
Sustainalytics	68	68

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) Structured Property Financing segment only

3) On an annualised basis

4) Excluding € 1.4 billion (31 December 2015: € 1.5 billion) in private client business and € 0.6 billion (31 December 2015: € 0.6 billion) in local authority lending business by Westdeutsche ImmobilienBank AG (WestImmo).

5) The calculation of regulatory capital takes into account the Management Board's proposal for the appropriation of profits for the financial year 2015. The appropriation of profits is subject to approval by the Annual General Meeting.

6) Please refer to the Sustainability Report for more details.

Consolidated income statement for the first quarter of 2016 (in accordance with IFRSs)

	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	Change
			%
Net interest income	180	178	1
Allowance for credit losses	2	18	-89
Net interest income after allowance for credit losses	178	160	11
Net commission income	46	41	12
Net result on hedge accounting	1	11	-91
Net trading income / expenses	9	-7	
Results from non-trading assets	0	-3	
Results from investments accounted for using the equity method	0	0	
Administrative expenses	146	132	11
Net other operating income / expenses	-1	-3	
Negative goodwill from acquisitions	-	-	
Operating profit	87	67	30
Income taxes	27	22	23
Consolidated net income	60	45	33
Consolidated net income attributable to non-controlling interests	5	5	0
Consolidated net income attributable to shareholders of Aareal Bank AG	55	40	38
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	55	40	38
of which: allocated to ordinary shareholders	51	36	42
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) ²⁾	0.85	0.60	42
Earnings per 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.

Segment results for the first quarter of 2016 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015
€ mn								
Net interest income	182	178	0	0	-2	0	180	178
Allowance for credit losses	2	18					2	18
Net interest income after allowance for credit losses	180	160	0	0	-2	0	178	160
Net commission income	2	0	42	41	2	0	46	41
Net result on hedge accounting	1	11					1	11
Net trading income / expenses	9	-7	0				9	-7
Results from non-trading assets	0	-3					0	-3
Results from investments accounted for using the equity method			0	0			0	0
Administrative expenses	95	84	51	48	0	0	146	132
Net other operating income / expenses	-1	-3	0	0	0	0	-1	-3
Negative goodwill from acquisitions								
Operating profit	96	74	-9	-7	0	0	87	67
Income taxes	30	24	-3	-2			27	22
Consolidated net income	66	50	-6	-5	0	0	60	45
Consolidated net income attributable to non-controlling interests	4	4	1	1			5	5
Consolidated net income attributable to shareholders of Aareal Bank AG	62	46	-7	-6	0	0	55	40
Allocated equity	1,627	1,526	109	120	695	542	2,431	2,188
Cost / income ratio (%)	49.2	48.3	122.4	117.7			62.2	61.0
RoE before taxes (%) ^{1) 2)}	21.2	16.9	-37.7	-27.1			12.4	10.3

1) On an annualised basis

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