



**Aareal Bank Group – Key Indicators**

	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016
<b>Results</b>		
Operating profit (€ mn)	71	87
Consolidated net income (€ mn)	47	60
Consolidated net income allocated to ordinary shareholders (€ mn) <sup>1)</sup>	38	51
Cost/income ratio (%) <sup>2)</sup>	53.1	49.2
Earnings per ordinary share (€) <sup>1)</sup>	0.63	0.85
RoE before taxes (%) <sup>1) 3)</sup>	9.6	12.4
RoE after taxes (%) <sup>1) 3)</sup>	6.1	8.3

	31 Mar 2017	31 Dec 2016
<b>Statement of financial position</b>		
Property finance (€ mn) <sup>4)</sup>	28,003	27,928
of which: international (€ mn)	23,651	23,423
Equity (€ mn)	2,906	3,129
Total assets (€ mn)	46,135	47,708
<b>Regulatory indicators <sup>5)</sup></b>		
Risk-weighted assets (€ mn)	13,958	14,540
Common Equity Tier 1 ratio (%)		
(CET 1 ratio) (%)	16.4	16.2
Tier 1 ratio (T1 ratio) (%)	19.2	19.9
Total capital ratio (%)	26.5	27.5
Common Equity Tier 1 ratio		
(CET1 ratio) (%) - fully phased -	16.2	15.7
<b>Employees</b>	2,724	2,728

	31 Mar 2017	31 Dec 2016
<b>Fitch Ratings</b>		
Issuer rating	BBB+	BBB+
long-term	(outlook:stable)	(outlook:stable)
short-term	F2	F2
Pfandbrief rating	AAA	AAA
<b>Moody's <sup>6)</sup></b>		
Issuer rating	Baa1	Baa1
long-term	(outlook:stable)	(outlook:stable)
short-term	P-2	P-2
Pfandbrief rating	AAA	AAA
<b>Sustainability <sup>7)</sup></b>		
MSCI	AA	AA
oekom	prime (C)	prime (C)
Sustainalytics	71	71

- 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 € 1.0 billion in private client business (31 December 2016: € 1.1 billion) and € 0.6 billion in local authority lending business by Westdeutsche ImmobilienBank AG (WestImmo) (31 December 2016: € 0.6 billion)
- 5) The calculation of regulatory capital takes into account the Management and Supervisory Board's proposal for the appropriation of profits for the financial year 2016. The appropriation of profits is subject to approval by the Annual General Meeting.
- 6) First published on 12 January 2017
- 7) Please refer to our Sustainability Report for more details.

## Consolidated income statement for the first quarter of 2017 (in accordance with IFRSs)

	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	Change
			%
Net interest income	164	180	-9
Allowance for credit losses	2	2	0
<b>Net interest income after allowance for credit losses</b>	<b>162</b>	<b>178</b>	<b>-9</b>
Net commission income	48	46	4
Net result on hedge accounting	-3	1	
Net trading income / expenses	-1	9	
Results from non-trading assets	-	0	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	139	146	-5
Net other operating income / expenses	4	-1	
<b>Operating profit</b>	<b>71</b>	<b>87</b>	<b>-18</b>
Income taxes	24	27	-11
<b>Consolidated net income</b>	<b>47</b>	<b>60</b>	<b>-22</b>
Consolidated net income attributable to non-controlling interests	5	5	0
Consolidated net income attributable to shareholders of Aareal Bank AG	42	55	-24
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	42	55	-24
of which: allocated to ordinary shareholders	38	51	-25
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) <sup>2)</sup>	0.63	0.85	-26
Earnings per AT1 unit (in €) <sup>3)</sup>	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 2017 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016
€ mn								
Net interest income	167	182	0	0	-3	-2	164	180
Allowance for credit losses	2	2					2	2
<b>Net interest income after allowance for credit losses</b>	<b>165</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>-2</b>	<b>162</b>	<b>178</b>
Net commission income	1	2	45	42	2	2	48	46
Net result on hedge accounting	-3	1					-3	1
Net trading income / expenses	-1	9		0			-1	9
Results from non-trading assets		0						0
Results from investments accounted for using the equity method				0				0
Administrative expenses	89	95	51	51	-1	0	139	146
Net other operating income / expenses	4	-1	0	0	0	0	4	-1
<b>Operating profit</b>	<b>77</b>	<b>96</b>	<b>-6</b>	<b>-9</b>	<b>0</b>	<b>0</b>	<b>71</b>	<b>87</b>
Income taxes	26	30	-2	-3			24	27
<b>Consolidated net income</b>	<b>51</b>	<b>66</b>	<b>-4</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>60</b>
Consolidated net income attributable to non-controlling interests	4	4	1	1			5	5
Consolidated net income attributable to shareholders of Aareal Bank AG	47	62	-5	-7	0	0	42	55
Allocated equity	1,853	1,627	146	109	509	695	2,508	2,431
Cost / income ratio (%)	53.1	49.2	113.4	122.4			65.9	62.2
RoE before taxes (%) <sup>1) 2)</sup>	14.5	21.2	-19.2	-37.7			9.6	12.4

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.