



## Aareal Bank Group – Key Indicators

	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016
<b>Results</b>		
Operating profit (€ mn)	180	207
Consolidated net income (€ mn)	114	142
Consolidated net income allocated to ordinary shareholders (€ mn) <sup>1)</sup>	100	124
Cost/income ratio (%) <sup>2)</sup>	43.0	42.4
Earnings per ordinary share (€) <sup>1)</sup>	1.68	2.08
RoE before taxes (%) <sup>1) 3)</sup>	13.0	15.1
RoE after taxes (%) <sup>1) 3)</sup>	8.0	10.1

	30 Jun 2017	31 Dec 2016
<b>Statement of financial position</b>		
Property finance (€ mn) <sup>4)</sup>	27,172	27,928
of which: international (€ mn)	23,082	23,423
Equity (€ mn)	2,833	3,129
Total assets (€ mn)	44,113	47,708
<b>Regulatory indicators</b>		
Risk-weighted assets (€ mn)	13,345	14,540
Common Equity Tier 1 ratio (CET 1 ratio) (%)	16.9	16.2
Tier 1 ratio (T1 ratio) (%)	19.7	19.9
Total capital ratio (%)	27.6	27.5
Common Equity Tier 1 ratio (CET1 ratio) (%) - fully phased -	16.6	15.7
<b>Employees</b>	2,759	2,728

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 former Westdeutsche ImmobilienBank AG (former Westimmo) (31 December 2016: € 0.6 billion)

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

	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016	Change
	€ mn	€ mn	%
Net interest income	322	357	-10
Allowance for credit losses	27	31	-13
<b>Net interest income after allowance for credit losses</b>	<b>295</b>	<b>326</b>	<b>-10</b>
Net commission income	97	93	4
Net result on hedge accounting	-6	1	
Net trading income / expenses	3	17	-82
Results from non-trading assets	0	61	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	268	290	-8
Net other operating income / expenses	59	-1	
<b>Operating profit</b>	<b>180</b>	<b>207</b>	<b>-13</b>
Income taxes	66	65	2
<b>Consolidated net income</b>	<b>114</b>	<b>142</b>	<b>-20</b>
Consolidated net income attributable to non-controlling interests	6	10	-40
Consolidated net income attributable to shareholders of Aareal Bank AG	108	132	-18
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	108	132	-18
of which: allocated to ordinary shareholders	100	124	-19
of which: allocated to AT1 investors	8	8	0
Earnings per ordinary share (in €) <sup>2)</sup>	1.68	2.08	-19
Earnings per AT1 unit (in €) <sup>3)</sup>	0.08	0.08	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.

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

	Quarter 2 2017	Quarter 2 2016	Change
	€ mn	€ mn	%
Net interest income	158	177	-11
Allowance for credit losses	25	29	-14
<b>Net interest income after allowance for credit losses</b>	<b>133</b>	<b>148</b>	<b>-10</b>
Net commission income	49	47	4
Net result on hedge accounting	-3	0	
Net trading income / expenses	4	8	-50
Results from non-trading assets	0	61	
Results from investments accounted for using the equity method	-	0	
Administrative expenses	129	144	-10
Net other operating income / expenses	55	0	
<b>Operating profit</b>	<b>109</b>	<b>120</b>	<b>-9</b>
Income taxes	42	38	11
<b>Consolidated net income</b>	<b>67</b>	<b>82</b>	<b>-18</b>
Consolidated net income attributable to non-controlling interests	1	5	-80
Consolidated net income attributable to shareholders of Aareal Bank AG	66	77	-14
<b>Earnings per share (EpS)</b>			
Consolidated net income attributable to shareholders of Aareal Bank AG <sup>1)</sup>	66	77	-14
of which: allocated to ordinary shareholders	62	73	-15
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) <sup>2)</sup>	1.05	1.23	-15
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 half of 2017 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2017	1 Jan - 30 Jun 2016
	€ mn							
Net interest income	327	363	0	0	-5	-6	322	357
Allowance for credit losses	27	31					27	31
<b>Net interest income after allowance for credit losses</b>	<b>300</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>-6</b>	<b>295</b>	<b>326</b>
Net commission income	3	3	91	85	3	5	97	93
Net result on hedge accounting	-6	1					-6	1
Net trading income / expenses	3	17		0			3	17
Results from non-trading assets	0	61					0	61
Results from investments accounted for using the equity method				0				0
Administrative expenses <sup>1)</sup>	166	189	104	102	-2	-1	268	290
Net other operating income / expenses	58	-1	1	0	0	0	59	-1
<b>Operating profit</b>	<b>192</b>	<b>224</b>	<b>-12</b>	<b>-17</b>	<b>0</b>	<b>0</b>	<b>180</b>	<b>207</b>
Income taxes	70	71	-4	-6			66	65
<b>Consolidated net income</b>	<b>122</b>	<b>153</b>	<b>-8</b>	<b>-11</b>	<b>0</b>	<b>0</b>	<b>114</b>	<b>142</b>
Consolidated net income attributable to non-controlling interests	4	8	2	2			6	10
Consolidated net income attributable to shareholders of Aareal Bank AG	118	145	-10	-13	0	0	108	132
Allocated equity	1,813	1,614	152	114	548	728	2,513	2,456
Cost / income ratio (%)	43.0	42.4	112.8	120.2			56.3	54.9
RoE before taxes (%) <sup>2) 3)</sup>	19.5	25.4	-17.7	-33.3			13.0	15.1

1) € 24 million in provisions for staff-related measures recognised during the first half of 2017, resulting from the optimisation of processes and structures within the scope of the "Aareal 2020" programme for the future, was allocated to the Structured Property Financing segment in full.

2) On an annualised basis

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

Segment results for the second quarter of 2017 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation		Aareal Bank Group	
	Quarter 2 2017	Quarter 2 2016	Quarter 2 2017	Quarter 2 2016	Quarter 2 2017	Quarter 2 2016	Quarter 2 2017	Quarter 2 2016
€ mn								
Net interest income	160	181	0	0	-2	-4	158	177
Allowance for credit losses	25	29					25	29
<b>Net interest income after allowance for credit losses</b>	<b>135</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-4</b>	<b>133</b>	<b>148</b>
Net commission income	2	1	46	43	1	3	49	47
Net result on hedge accounting	-3	0					-3	0
Net trading income / expenses	4	8		0			4	8
Results from non-trading assets	0	61					0	61
Results from investments accounted for using the equity method				0				0
Administrative expenses <sup>1)</sup>	77	94	53	51	-1	-1	129	144
Net other operating income / expenses	54	0	1	0	0	0	55	0
<b>Operating profit</b>	<b>115</b>	<b>128</b>	<b>-6</b>	<b>-8</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>120</b>
Income taxes	44	41	-2	-3			42	38
<b>Consolidated net income</b>	<b>71</b>	<b>87</b>	<b>-4</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>67</b>	<b>82</b>
Consolidated net income attributable to non-controlling interests	0	4	1	1			1	5
Consolidated net income attributable to shareholders of Aareal Bank AG	71	83	-5	-6	0	0	66	77
Allocated equity	1,813	1,614	152	114	548	728	2,513	2,456
Cost / income ratio in %	35.2	37.2	112.2	118.0			48.7	49.0
RoE before taxes in % <sup>2) 3)</sup>	24.2	29.5	-16.9	-30.7			16.4	17.9

1) € 24 million in provisions for staff-related measures recognised during the first half of 2017, resulting from the optimisation of processes and structures within the scope of the "Aareal 2020" programme for the future, was allocated to the Structured Property Financing segment in full.

2) On an annualised basis

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

