9M 2024 results

7th November 2024

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Aareal
YOUR COMPETITIVE ADVANTAGE.

Agenda

Highlights

Maintaining strong performance, 9M operating profit up significantly

- 19% increase in nine month cumulative operating profit to € 261 mn
- Strong contributions from both business segments
- Increase in new business - particularly renewals - with good margins
- Non-performing loans actively managed down
- Loan loss charges excluding US offices at normal level
- Strong capital and liquidity and 2024 funding already complete
- Full year profit outlook confirmed even after absorbing likely efficiency charges
- Aareon gain on sale to be booked in the fourth quarter
- Full year net income likely to be around € 2.2 bn

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Group structure
Two strong segments

Diversified business model - strong operating resilience

Structured Property Financing (SPF)

- Supporting our clients with large-sized commercial property investments
- Focus on hotel, logistics, shopping centres / retail, alternative residential properties and office buildings

Banking & Digital Solutions (BDS)

- Leading provider of payment transaction services to the German housing industry
- Process optimisation of payment and business transactions
- Rental deposit and guarantee management

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- Highlights
- **Financial Performance**
- Business Development
- Funding, Liquidity & Capital
- Outlook
- Appendix

Financial Performance - Group Profit & Loss

9M operating profit up 19%

Profit & loss (€ mn)	9M ’23	9M ’24	∆ 9M ’24/’23
Net interest income (NII)	734	792	8%
Net commission income (NCI)	30	-1	-
Admin expenses	-248	-253	2%
Others	*20*	*11*	*-45%*
Loan loss provision incl. FVPL	-316	-288	-9%
Operating profit	**220**	**261**	**19%**
Income taxes	-66	-76	15%
Consolidated net income from continuing operations	**154**	**185**	**20%**
Return on equity (RoE)[1)]	*6.0*	*7.4*	
Consolidated net income from discontinued operations	-50	-161	
Consolidated net income	**104**	**24**	
Net income attributable to ordinary shareholders of Aareal Bank AG	**96**	**37**	

1) After tax, annualized

- NII up 8%
  - Increased average loan portfolio
  - Good margins on lending business
  - Diversified funding mix at improved spreads
  - Payment business of BDS
- Positive NCI offset by fees paid to payment-transaction-JV (“First Financial Software”), established with Aareon
- Admin expenses largely stable
- LLP down 9%, but, as expected, still at elevated level from ongoing challenges in the US office market
- Operating profit (€ 261 mn) up 19%, both segments contributing similarly
  - SPF: € 136 mn (9M/23: € 100 mn)
  - BDS: € 125 mn (9M/23: € 120 mn)
- Consolidated net income from discontinued operations includes costs relating to the sale of Aareon
- Gain on sale will be recognised in Q4

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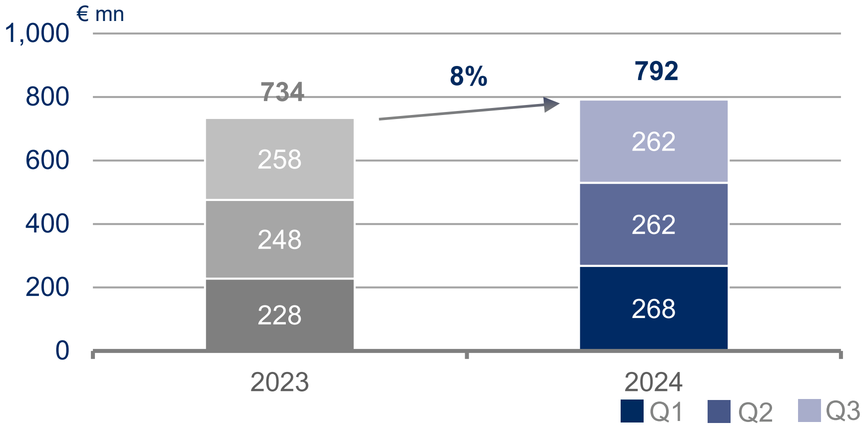
Financial Performance
Leveraging business model on stable cost base

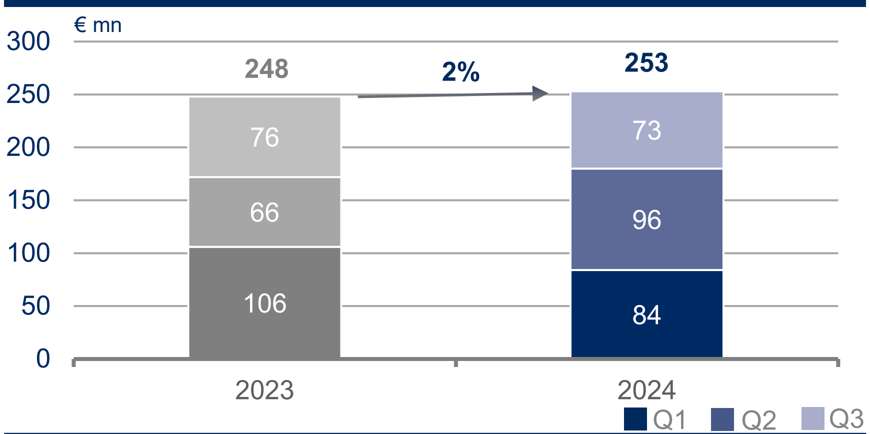
NII



Up 8%

- Increase based on
  - Increased average loan portfolio
  - Good new business margins
  - Diversified funding mix at improved spreads
  - Positive interest rate effects on BDS deposits
- FY NII above last years' level expected

Admin expenses



Largely stable

- Decrease in Q1 due to reduced bank levies offset by one-off effects in Q2
- Cost/income ratio (CIR)[1)] of 32% (9M/23: 31%) at benchmark leading level
- One-off charges for efficiency enhancement measures in Q4

1) Segment SPF & BDS excluding bank levy/deposit guarantee scheme

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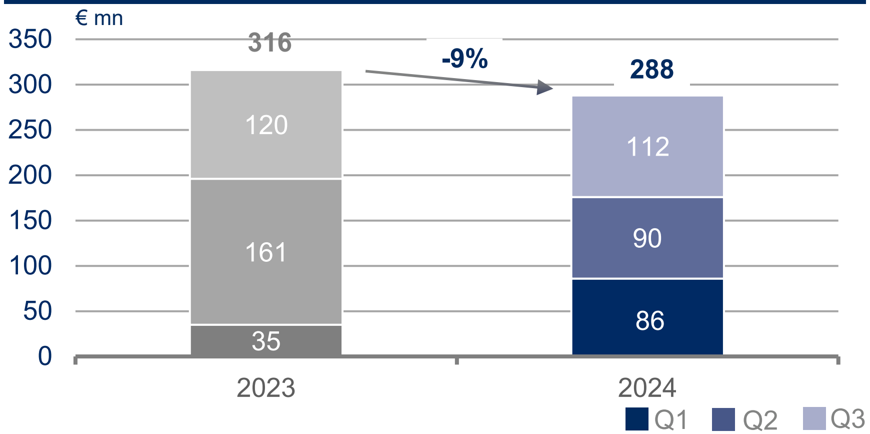
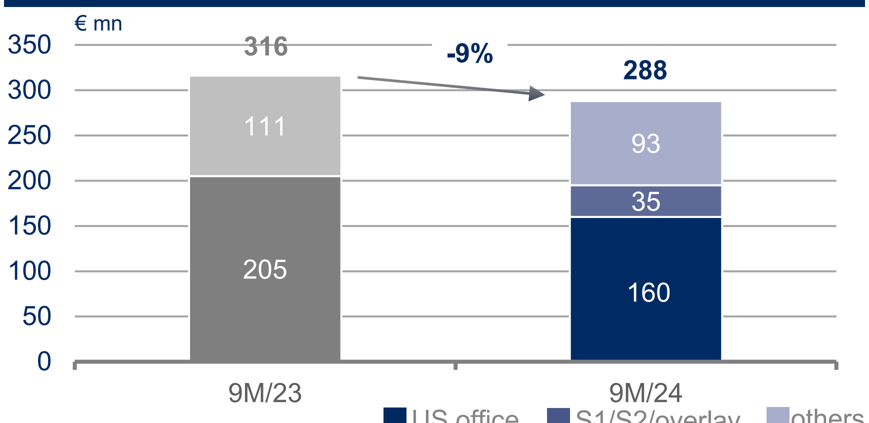
Financial Performance

LLP (incl. FVPL) charge down 9%

LLP (incl. FVPL) charge



Split of LLP (incl. FVPL) charge



1) Excluding management overlay

LLP already down on last year but still at an elevated level

- Total LLP of € 288 mn (9M/23: € 316 mn) includes € 31 mn FVPL (9M/23: € 54 mn)
- 9M LLP reflects
  - Costs of active NPL management
  - € 35 mn net additions to management overlays (aggregated management overlays at € 60 mn)

Ongoing challenges in the US office market

- US office charge represents 60% of total ytd charge (incl. management overlay)
- Rest of portfolio on normal level with risk costs of ~45 bps[1)]

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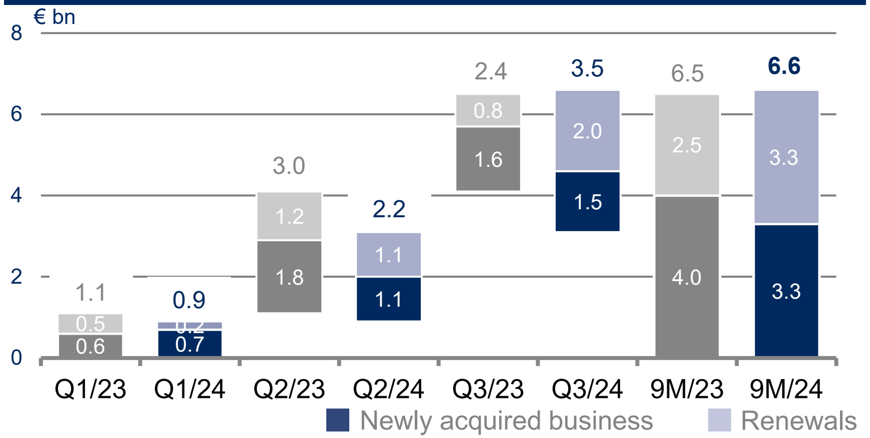
Structured Property Financing

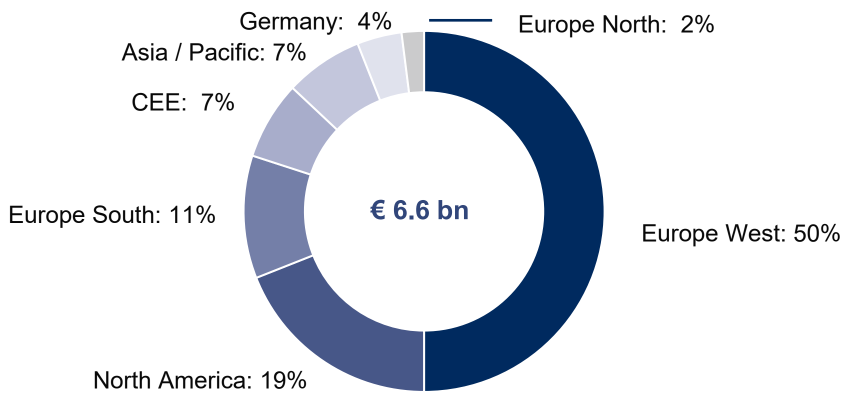
Strong Q3 new business mainly driven by renewals

New business by quarter

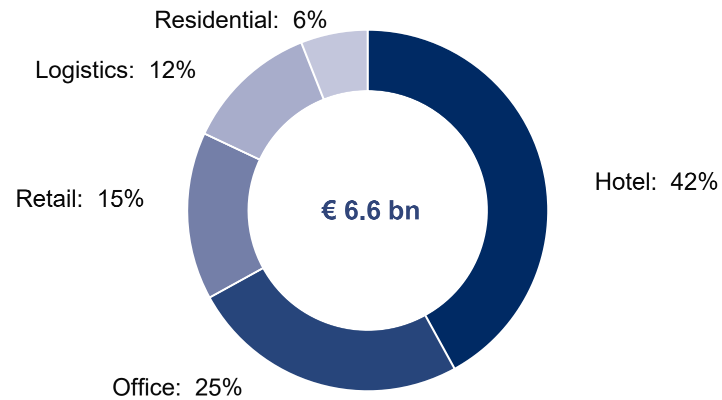


- Strong new business generation in Q3. Continuing low market transaction volume but existing clients renewing
- Mix has changed towards renewals
- Raising FY target to € 9-10 bn (from € 8-9 bn)
- Newly acquired business
  - Very conservative avg. LTV of 50% (2023: 54%)
  - Avg. margin of 280 bps (2023: 291 bps) above plan
  - Newly acquired office loans in Europe on average LTV of only 48%
  - Incl. € 1.6 bn green loans[1], additional € 0.4 bn conversions

New business by region



New business by property type

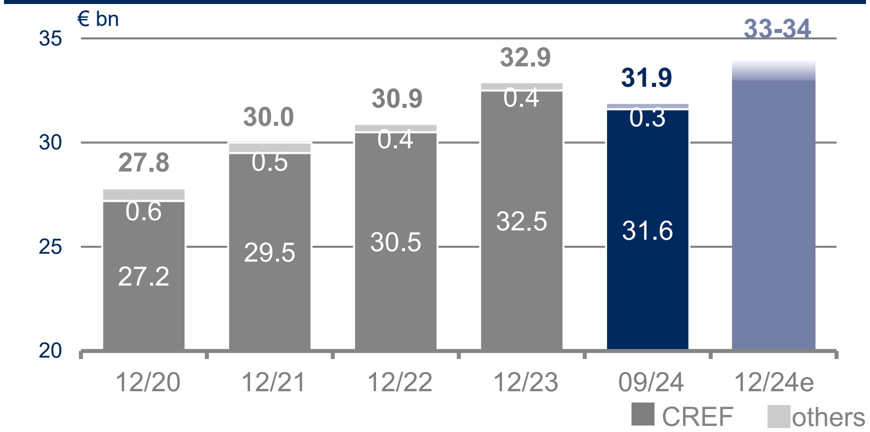


1) Governed by "Green Finance Framework"

Structured Property Financing

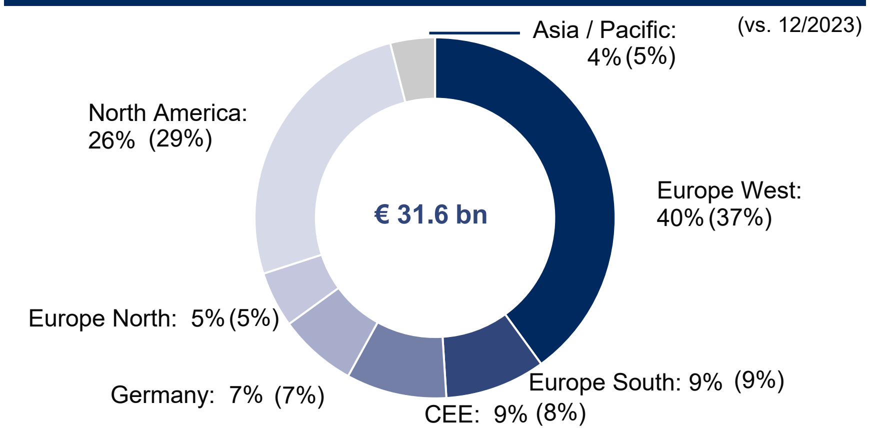
Confirming YE portfolio target of € 33-34 bn

REF portfolio

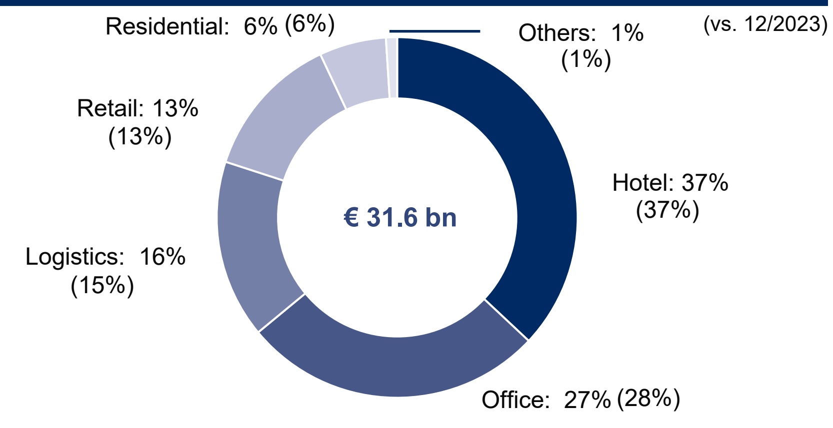


- Portfolio highly diversified by region and property type, primarily in major global metropolitan areas
  - No Signa loan exposure
  - Virtually no developments
  - Limited exposure in Germany (~7% of CREF portfolio)
  - No exposure to Russia, China, Middle East
- Financing of refurbishments to foster green transition
- Green loan volume of € 6.0 bn (12/23: € 4.8 bn)

CREF portfolio by region



CREF portfolio by property type



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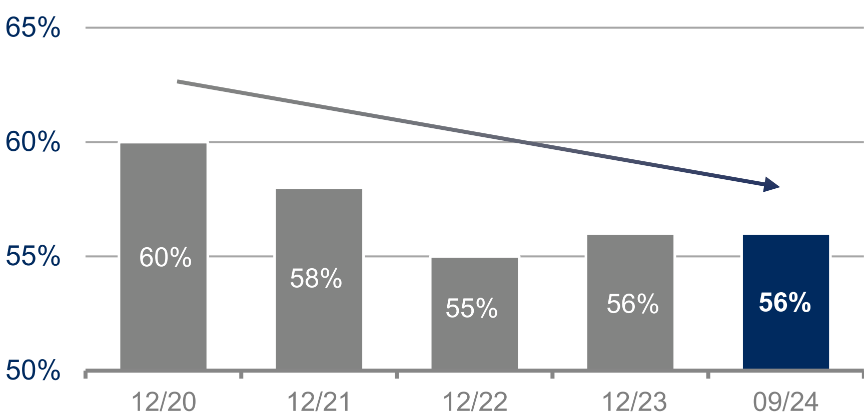
Structured Property Financing

Asset quality improved by strict low-risk focus on new business

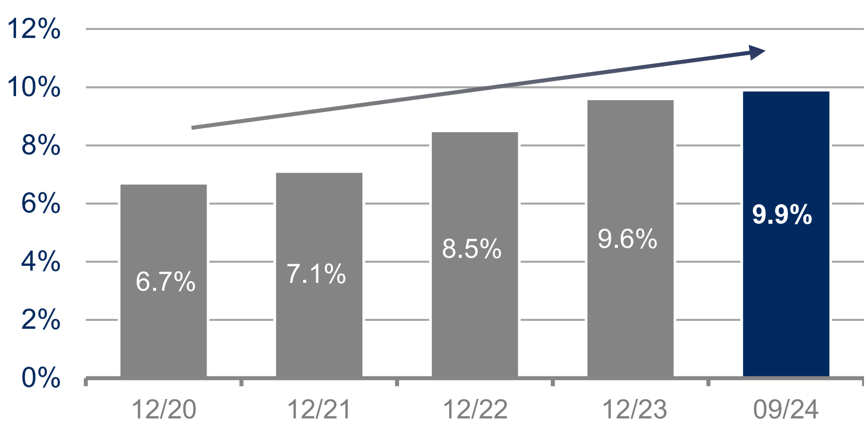
Performing portfolio loan-to-value (LTV)



Loan-to-value (LTV)[1] by property type

%	12 '20	12 '21	12 '22	12 '23	09 '24
Hotel	62	60	56	54	53
Logistics	56	55	52	55	56
Office	58	58	57	62	63
Retail	61	59	56	58	56

Performing portfolio yield-on-debt (YoD)



Yield-on-debt (YoD)[1] by property type

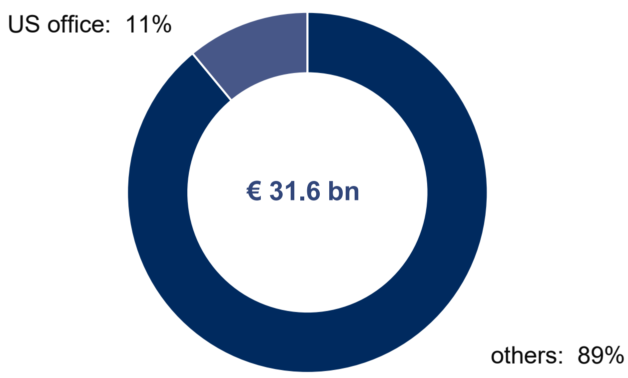
%	12 '20	12 '21	12 '22	12 '23	09 '24
Hotel	3.0	5.0	9.0	10.6	10.8
Logistics	9.2	8.7	9.0	9.3	10.0
Office	8.1	7.6	6.9	7.5	7.6
Retail	8.8	9.1	9.8	11.3	12.2

1) Including undrawn commitments, performing only

Structured Property Financing

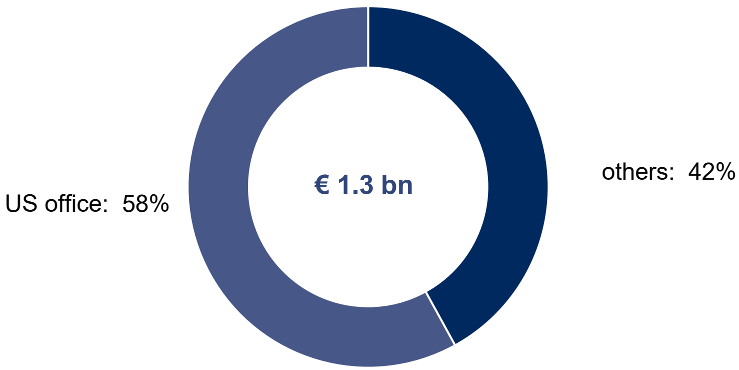
Ongoing challenges in the US market, rest of the portfolio performing well

CREF portfolio



- US office portfolio (€ 3.4 bn)
  - 11% of total CREF portfolio
  - € ~2.7 bn performing
  - € ~750 mn are non performing
- Rest of portfolio (€ 28.2 bn)
  - 89% of total CREF portfolio
  - € 27.7 bn performing
  - € ~0.5 bn non performing, NPL ratio below 2%
  - Risk costs at normal level of ~45 bps[1)]

NPLs as of 30.9.24



9M/24 LLP charges (incl. FVPL)

1) Excluding management overlay

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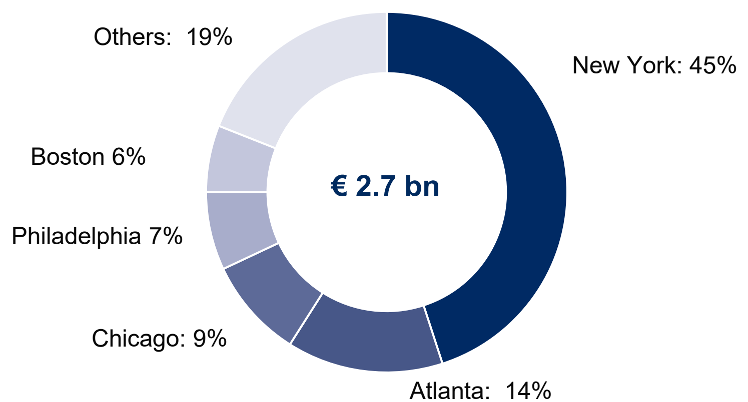
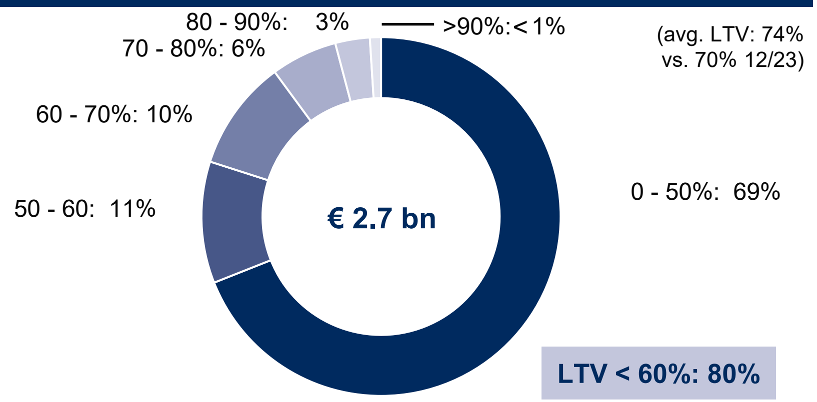
Structured Property Financing
US office: Still challenging

Performing US office portfolio by top 5 cities



- No newly acquired business in 2024
- Concentrating on high quality class A properties in A markets
- New York represents ~45% of the US office portfolio, rest largely spread throughout major US cities

Performing US office portfolio by (layered) LTVs

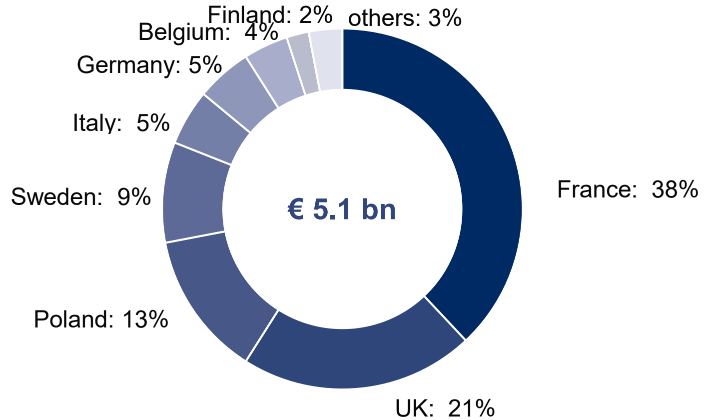


- Loans are being monitored closely on a regular basis
- 80% of portfolio has a (layered) LTV < 60%
  - (Layered) LTV 80 - 100%: 4% (€ ~100 mn)
  - (Layered) LTV above 100%: none

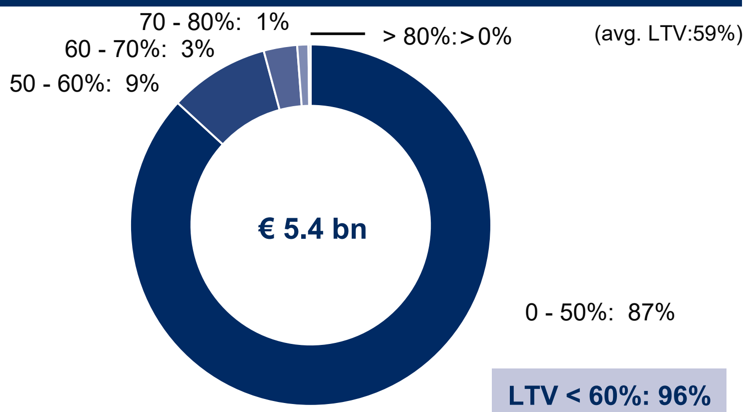
Structured Property Financing

European office portfolio performing well

European office portfolio[1] by region



European office portfolio by (layered) LTVs[2]



- No new office NPLs in Europe since 2022
- French office portfolio mainly in Paris
  - High share of planned refurbishments into green assets (~1/3 of total French office portfolio)
- UK portfolio mainly in London city centre, no Canary Wharf
- Structural differences European vs US office markets
  - Different interest rate environment
  - Lower vacancy rates in European markets
  - Longer investment horizons in Europe
  - Tighter interest rate hedges in Europe
  - Higher equity share / limited subordinated debt structures in Europe resulting in lower LTVs
  - Longer commuting time and larger homes in the US, European cities offer larger mix of attractive areas to live and work
  - Subleasing not common in Europe

Note: others including countries with a portfolio below € 100 mn
1) Excluding undrawn commitments
2) Including undrawn commitments

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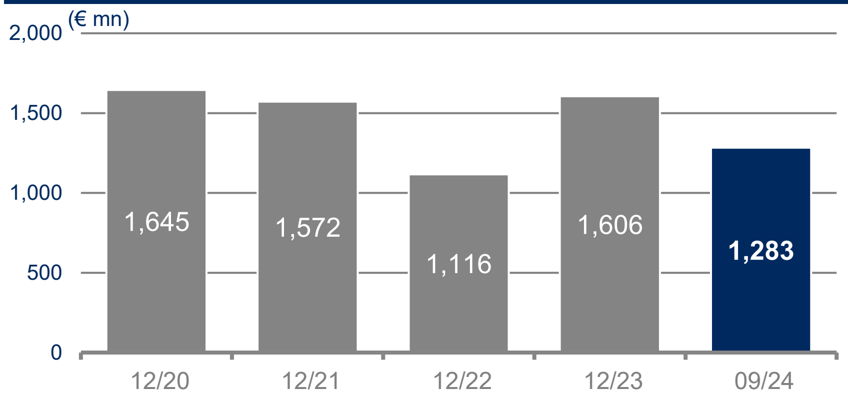
Structured Property Financing
NPLs further reduced by ongoing active management

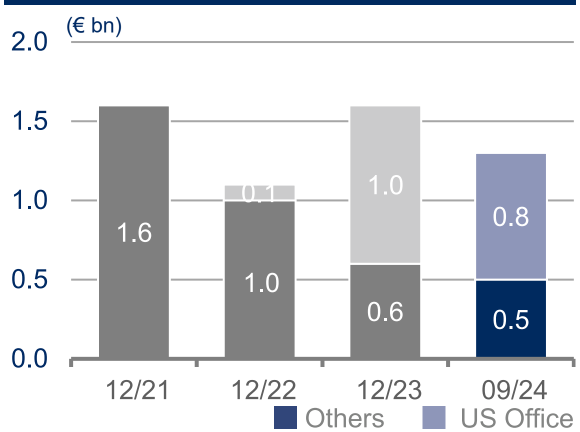
NPL development



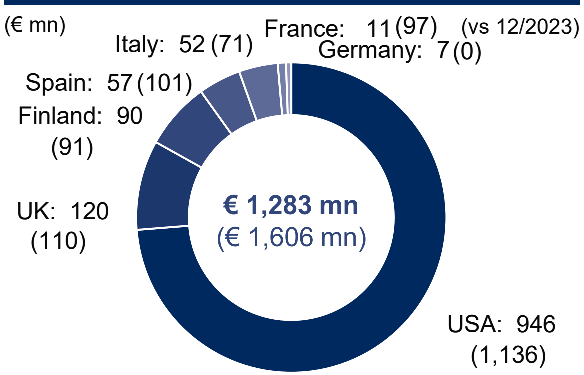
Ongoing active NPL management

- Resolution of already announced € ~300 mn without further P/L charge
- Up to € ~500 mn NPLs prepared for resolution
- Two exposures moved into NPL in Q3
- NPL-portfolio, outside US office, significantly reduced from € 1.6 bn in 12/21 to € 0.5 bn 09/24
- NPE ratio as of 09/24 acc. to EBA methodology[1)]: 3.0% (12/23: 3.4%)
- Coverage ratio (incl. FVPL) of 30% (12/23: 24%)

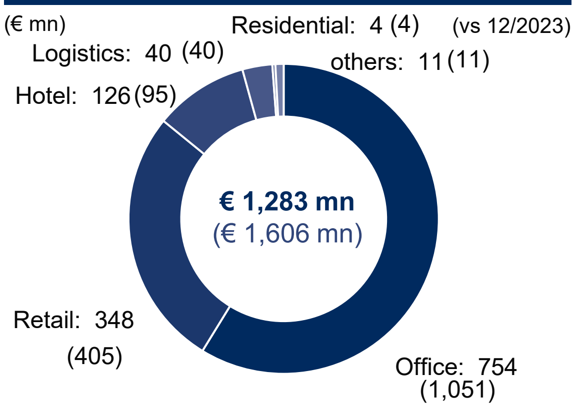
NPL split: US office vs others



NPLs by country



NPLs by property type



1) NPE ratio according to EBA Risk Dashboard definition

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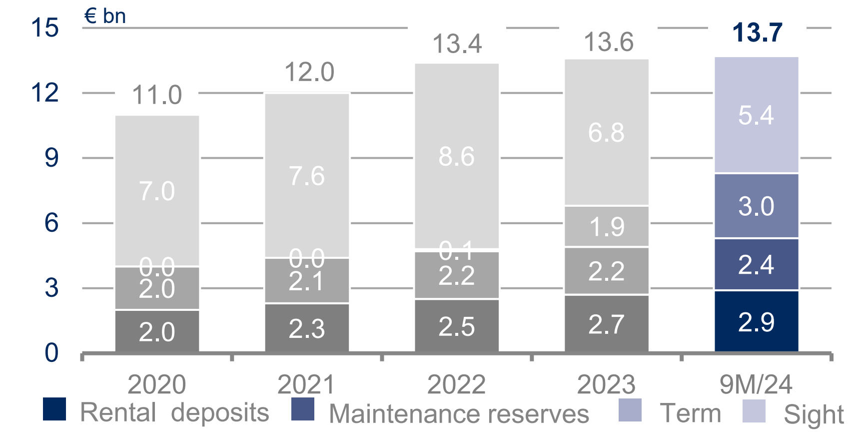
Banking & Digital Solutions

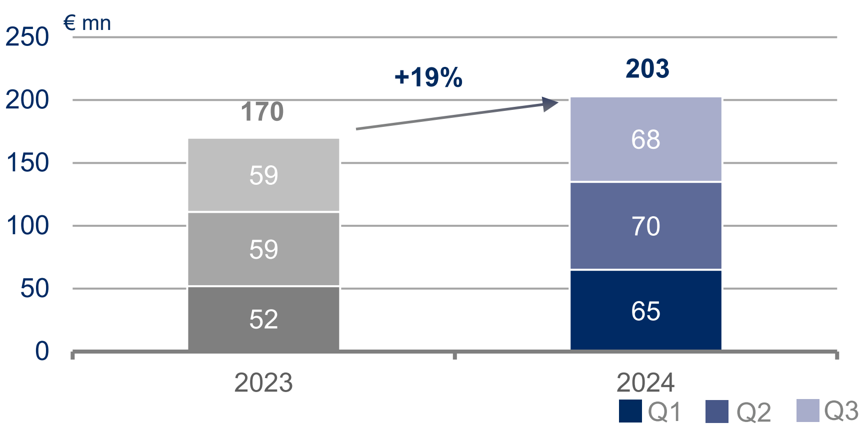
High deposit base stable

Average Housing Industry (BDS) deposits by type[1)]

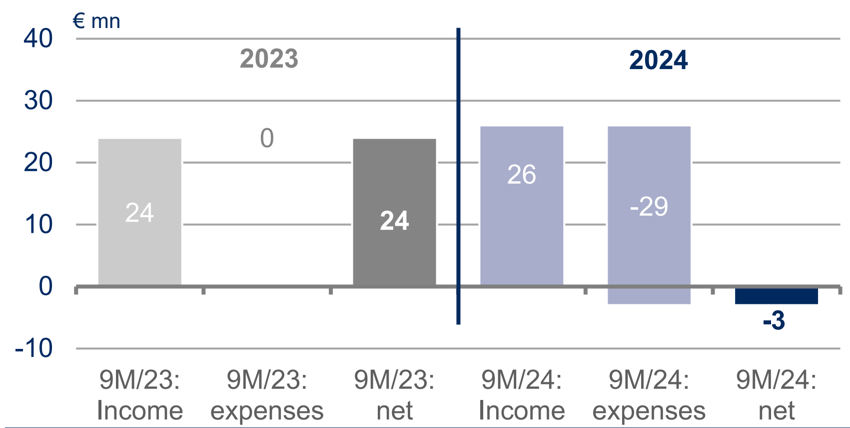


- Segment NII increased vs. 9M/23
  - Deposit volume above earlier expectations of € ~13 bn
  - Normalised interest rate environment
- Segment NCI decreased vs. 9M/23
  - Commission income (CI) increase offset by fees paid to First Financial Software (9M/24: € 29 mn)
  - First Financial Software already attracting new clients to secure and enhance deposits for the Bank

NII



NCI



1) Average on annual / YtD-basis

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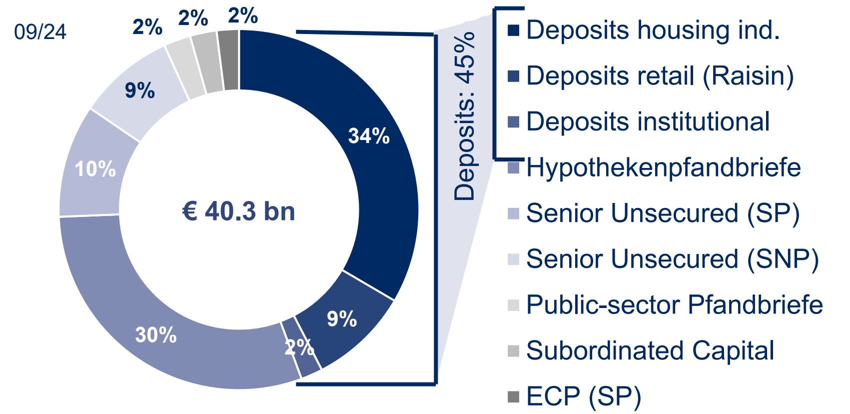
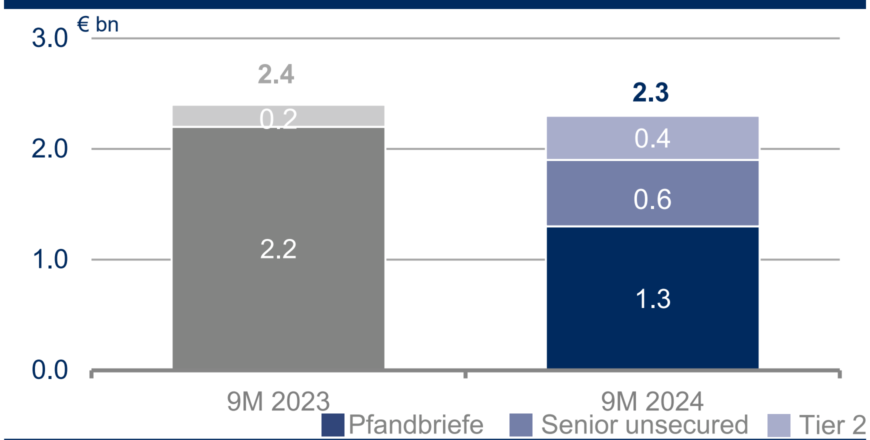
Funding & Liquidity

Successfully diversified funding activities / 2024 funding plan fulfilled

Funding by type



Capital market funding activities



- Solid liquidity ratios:
  - NSFR 122%[1)]
  - LCR 250%[2)]
- Deposits from housing industry stable at € 13.7 bn[3)]
- € 3.6 bn retail term deposits through cooperation with Raisin, slightly above the target volume of € 3.5 bn (12/23: € 2.6 bn), ~97% with a maturity ≥ 2 years

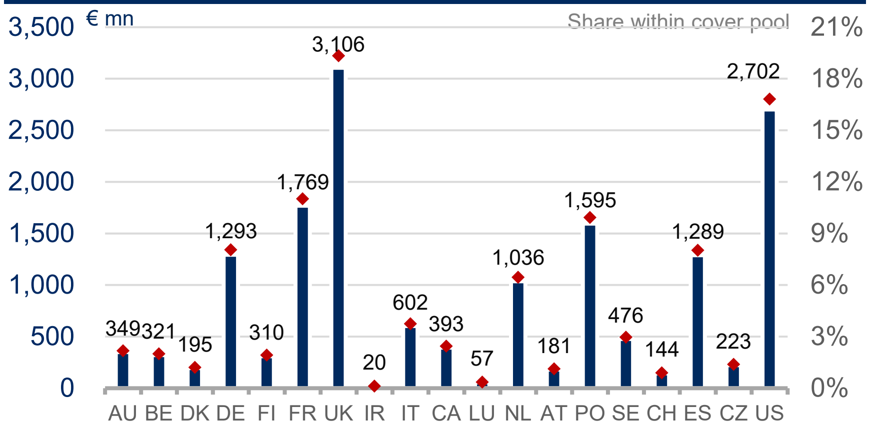
- 2024 funding plan fulfilled
  - Tier 2 benchmark after absence from market in over a decade successfully placed
  - Inaugural green senior non-preferred benchmark, with strong performance in the secondary market
  - Three benchmark Pfandbriefe, thereof one in 10/24
- 2025 focus on
  - Pfandbrief benchmark issuance
  - Further deposit optimisation; no significant Senior unsecured needs
  - Additional funding and capital management activities depending on market conditions

1) As at 30.09.2024
2) Q3 average
3) 9M average

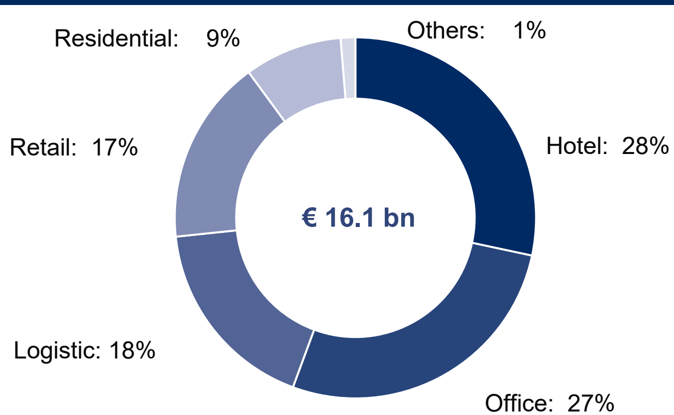
Funding & Liquidity

Strong Mortgage Cover Pool and Aaa Rating for Pfandbriefe

Cover Pool by Country



Cover Pool by Property Type



As at 30.09.2024

Pfandbrief funding cornerstone of wholesale issuance

- Cover pool of € 16.8 bn incl. € 0.7 bn substitute assets diversified over 19 countries
- High quality assets: first-class mortgage loans (mortgage-lending-value 55.6%)
- Mortgage-lending-value with high discount from market-value
- Avg. LTV of the mortgage cover pool 34.7%
- Moody´s has calculated a 'Aaa' supporting over-collateralisation ratio of 16.0% on a PV basis
- Over-collateralisation on a PV basis as of 30.09.2024: 19.4%
- High diversification within property types and countries

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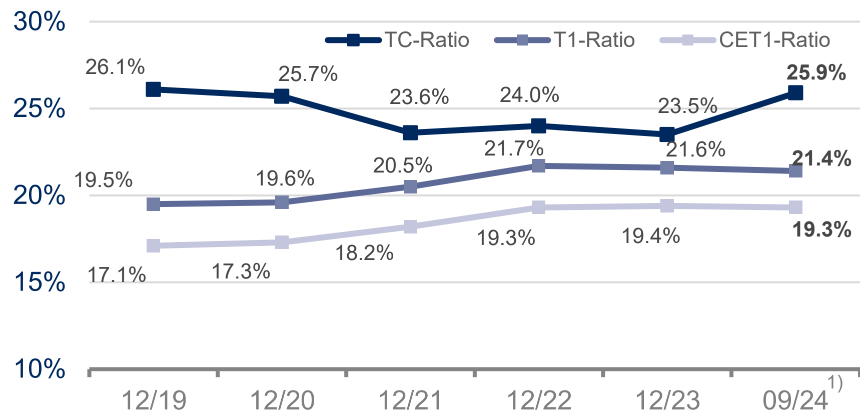
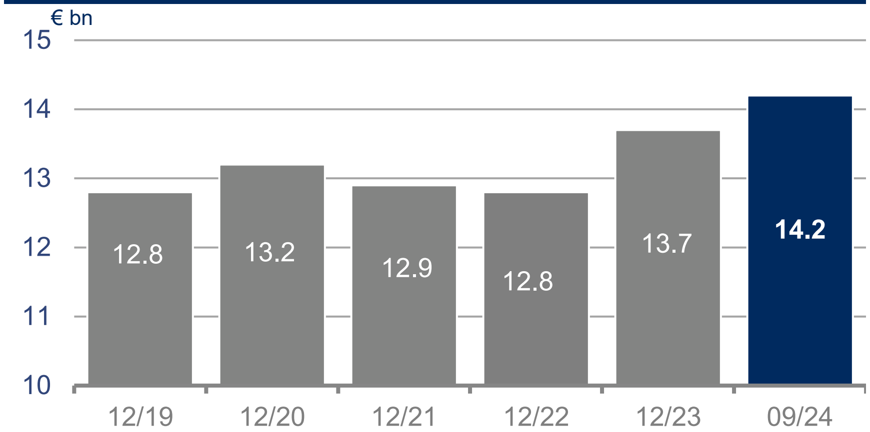
Capital
Solid capital ratios

B4 (phase in) capital ratios



B4 (phase in) RWA[2)3)]



- B4 CET1 (phase-in) remaining resilient at 19.3%
- B4 CET1 (fully phased) ratio at 15.2%[1)] (12/23: 13.4%). Strong increase in 9M/24 mainly resulting from first-time adoption of the SME factor within the B4 CRSA
- T1-Leverage ratio at 6.8%[1)] (12/23: 6.6%)

1) (Proforma) Ratios solely based on continuing operations according to IFRS 5. Capital ratios (phase-in) as at 30.9.24 acc. COREP stood at 16.9% (CET1), 18.9% (T1), 23.2% (TC)
2) Based on the European Commission's final version for implementation of Basel IV (CRR III) on the Regulation 2024/1623 of 31 May 2024
3) B4 (phase-in) capital ratios are based on RWA calculation taking the higher-of RWAs from Advanced Internal Rating Based Approach (A-IRBA) and B4 Revised Credit Risk Standard Approach (CRSA@50% output floor)

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Outlook 2024

Confirming operating profit target range

		METRIC	2023	OUTLOOK 2024
Bank	Structured Property Financing	▪ REF Portfolio ▪ New business	€ 32.9 bn € 10.0 bn	€ 33 - 34 bn[1)] € 9-10 bn
	Banking & Digital Solutions	▪ Deposit volume	€ ~13.6 bn	€ >13 bn
	Operating profit (EBT)		**€ 221 mn**	**€ 250-300 mn**

Aareon	**Net capital gain from sale of approx. € ~2 bn**

	OUTLOOK 2024
Group net income	**€ ~2.2 bn**

Confirming operating profit target range based on a strong operating performance after expected one-off charges for efficiency enhancement measures in Q4

1) Subject to FX development

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Key takeaways

- ✓ **Aareal Bank has a strong balance sheet and industry leading capital ratios**
- ✓ **Diversified business model with two high-performance segments – high-yielding and resilient**
- ✓ **Good progress in resolving problematic US office loans; others performing normally**
- ✓ **Investing in efficiency and future viability**
- ✓ **Well positioned to generate further profitable growth**

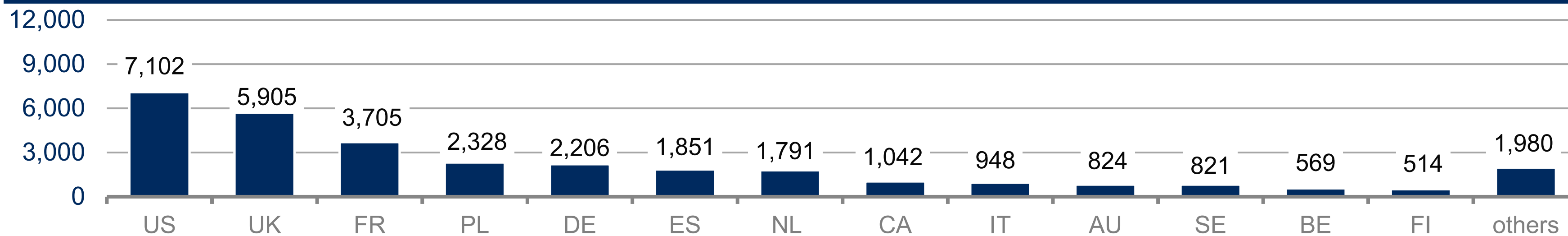
Appendix

Business Development

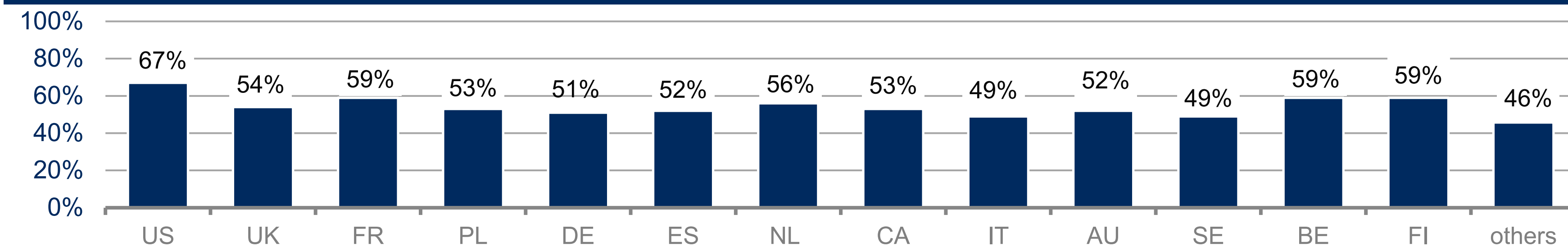
Segment SPF: CREF portfolio by country

€ 31.6 bn well diversified

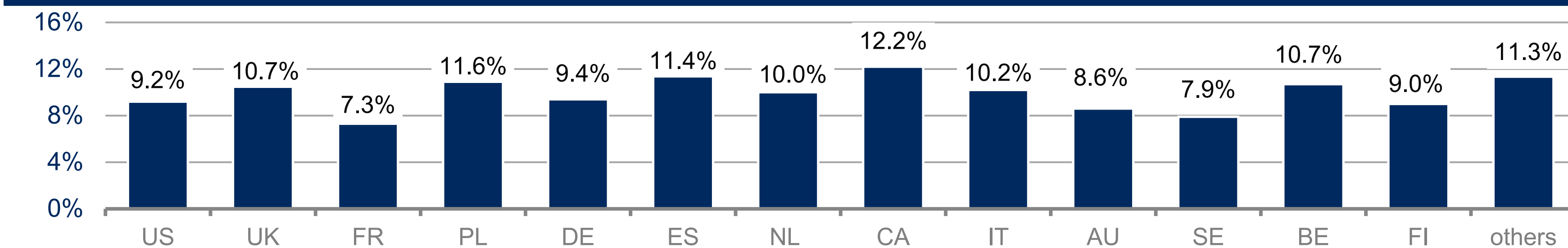
CREF portfolio (€ mn) — **€ 31.6 bn** (12/2023: € 32.5 bn)



LTV[1)] — **Ø LTV: 56%** (12/2023: 56%)



YoD[1)] — **Ø YoD: 9.9%** (12/2023: 9.6%)



Note: others, including countries with a portfolio below € 500 mn
1) Including undrawn commitments, performing only

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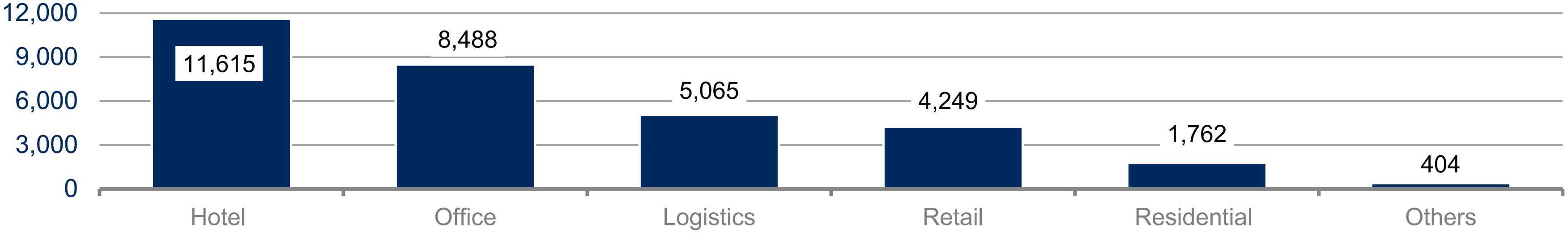
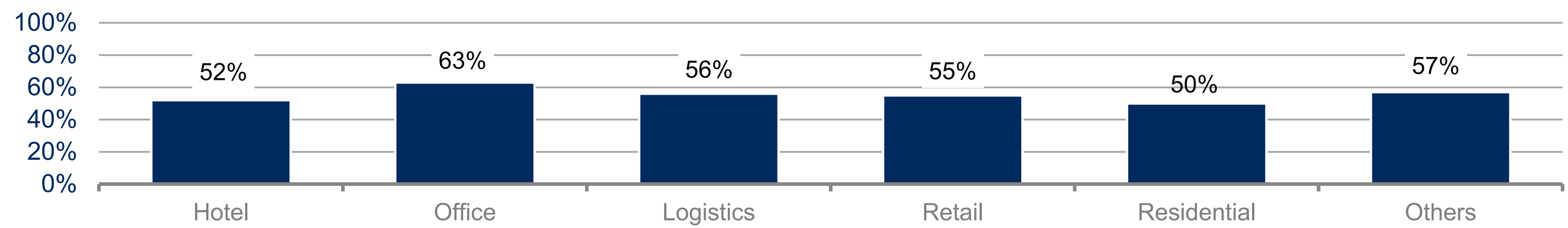
Segment SPF: CREF portfolio by property types

€ 31.6 bn well diversified

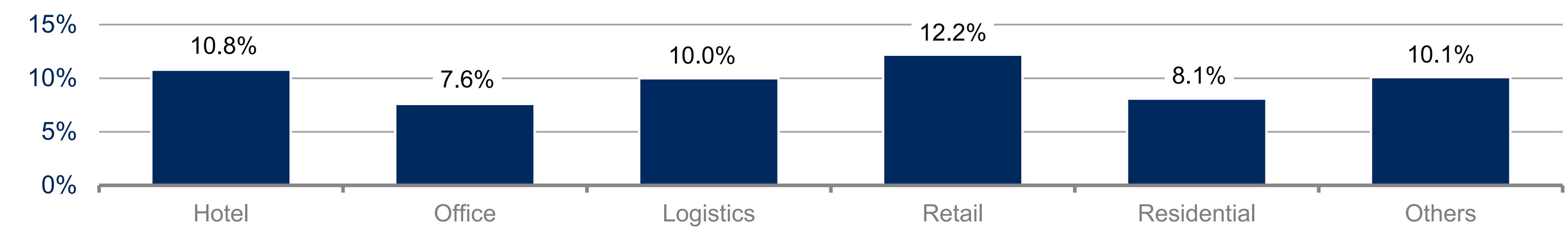
CREF portfolio (€ mn) **€ 31.6 bn** (12/2023: € 32.5 bn)



LTV[1)] **Ø LTV: 56%** (12/2023: 56%)



YoD[1)] **Ø YoD: 9.9%** (12/2022: 8.5%)



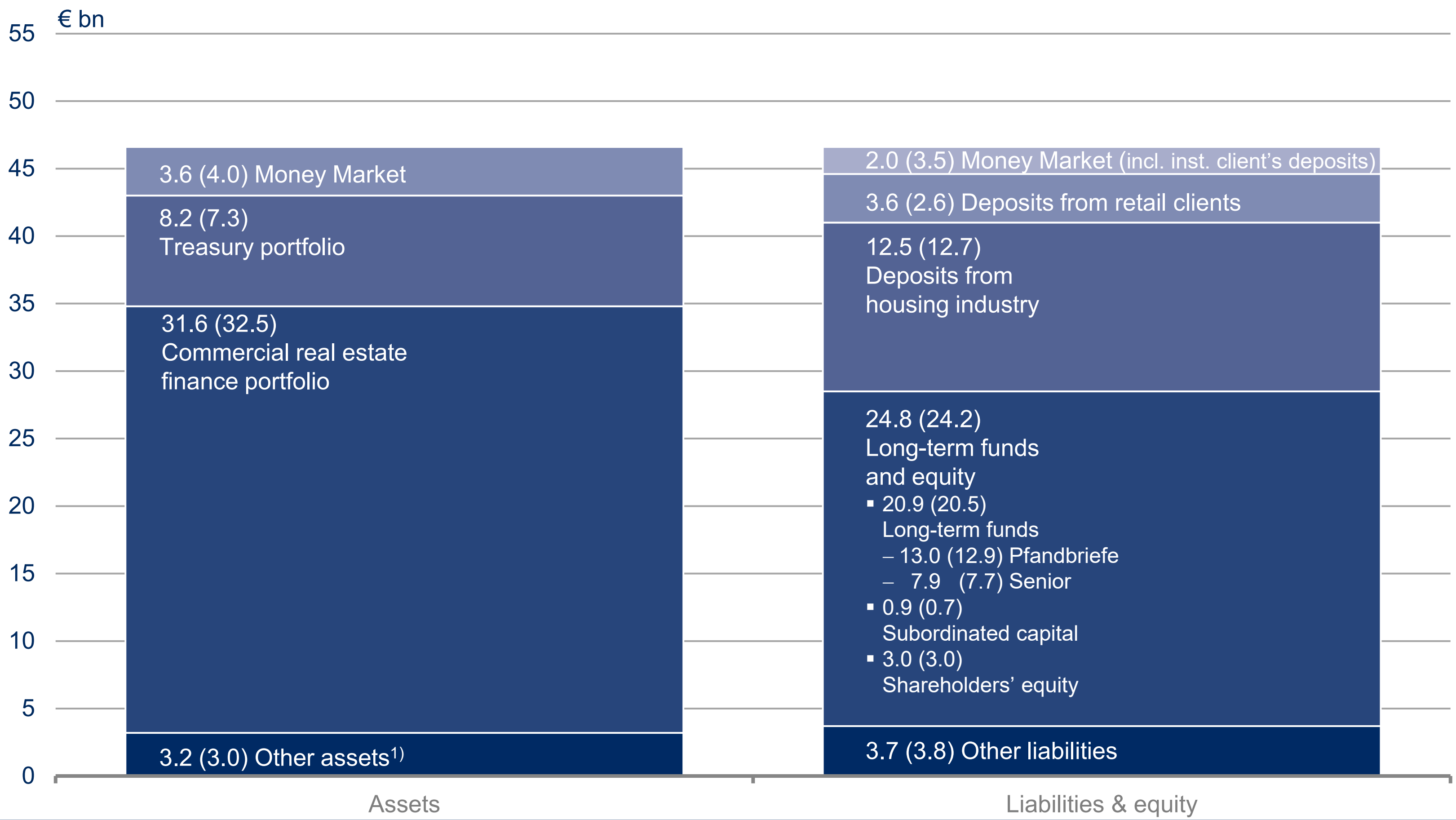
1) Including undrawn commitments, performing only

Appendix

Funding, Liquidity & Capital

Funding & Liquidity
Comfortable liquidity position

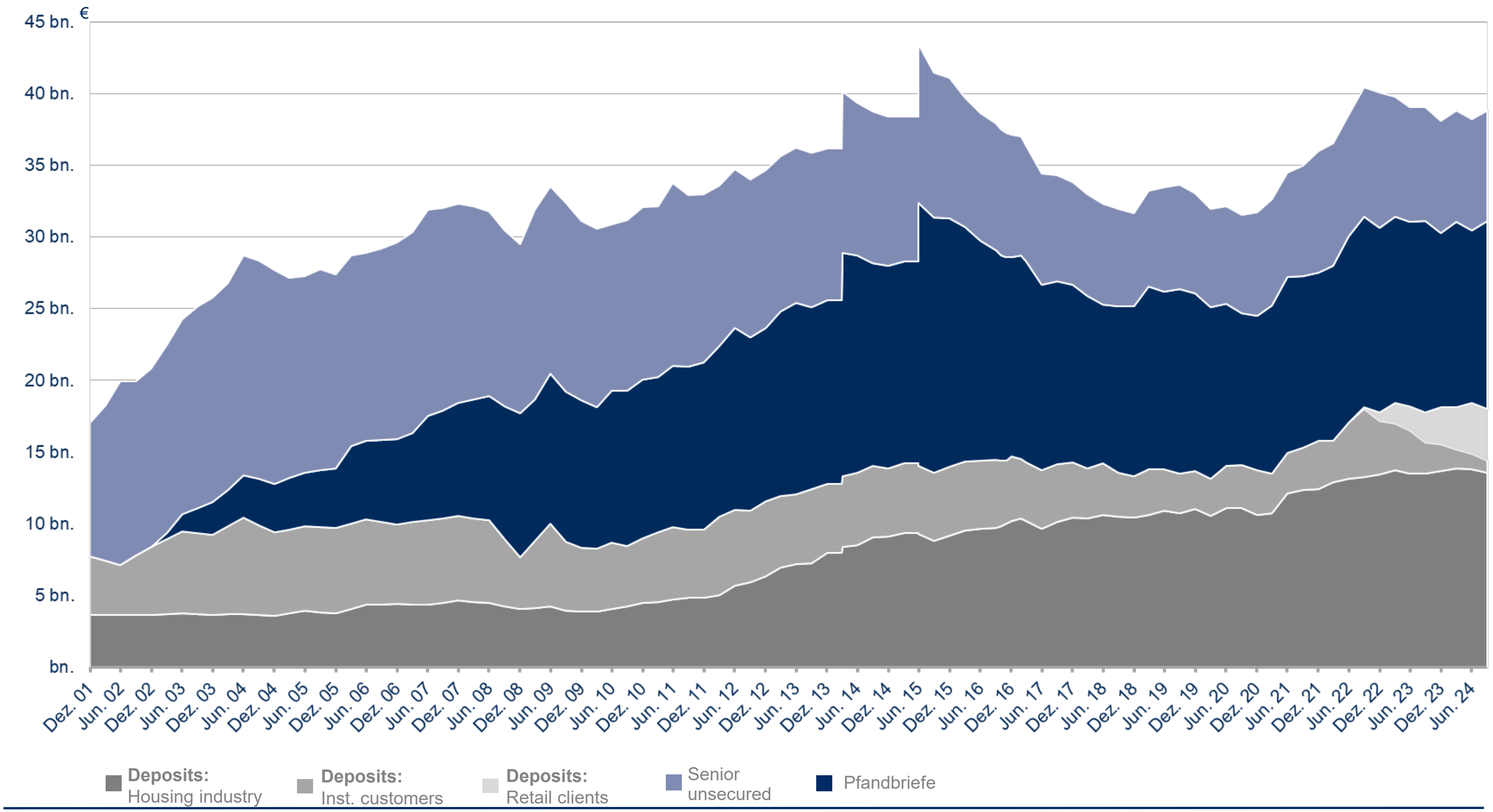
Balance sheet as at 30.09.2024: € 46.6 bn (31.12.2023: € 46.8 bn)



1) Other assets includes € 0.1 bn private client portfolio and WIB's € 0.2 bn public sector loans

Funding & Liquidity

Diversified funding sources and distribution channels



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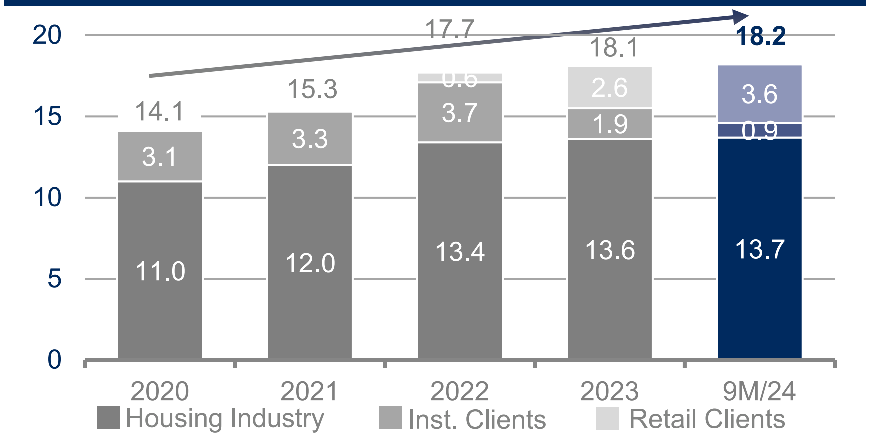
Funding & Liquidity

Strong deposit franchise reduces dependence on capital markets

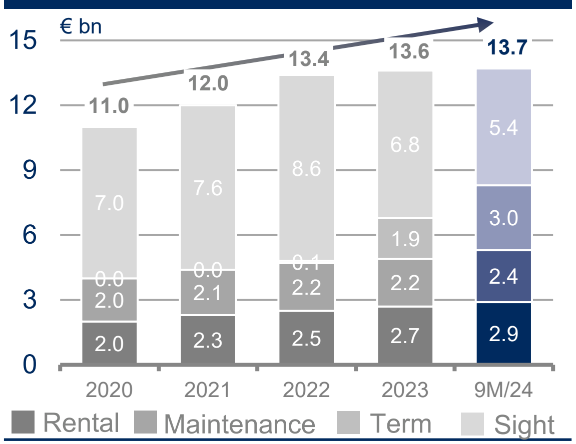
Total deposit volume by client groups



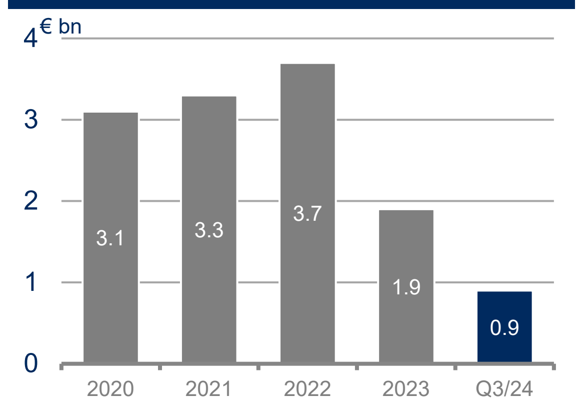
Deposit base consistently increased

- Total deposit base with three strong pillars significantly improved over time
- Granular and sticky Housing Industry (BDS) deposit structure from ~4,000 clients managing more than 9 mn units
- Retail clients as additional source for term deposit introduced in 2022 anticipating expected decrease of Institutional Clients deposits caused by reform of the German deposit protection

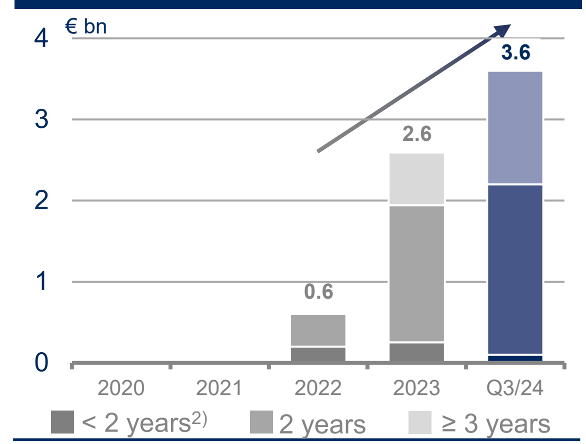
Housing Industry (BDS)[1]



Institutional Clients



Retail Clients (Raisin)[2]



1) Average on annual / YtD-basis
2) Initial contractual maturity, > 9 month

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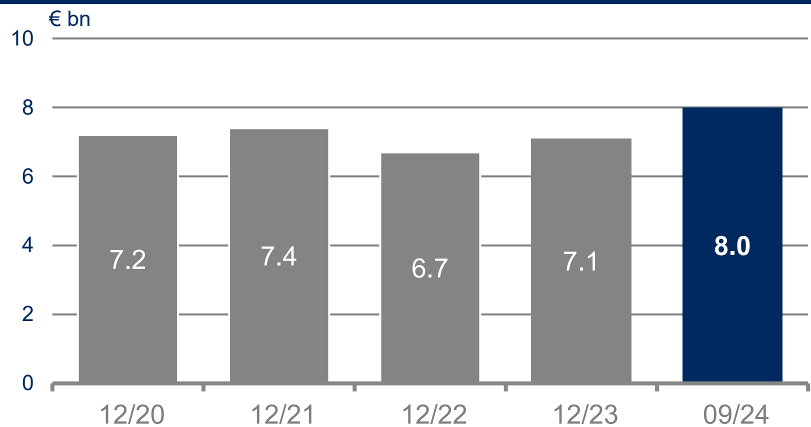
Funding & Liquidity

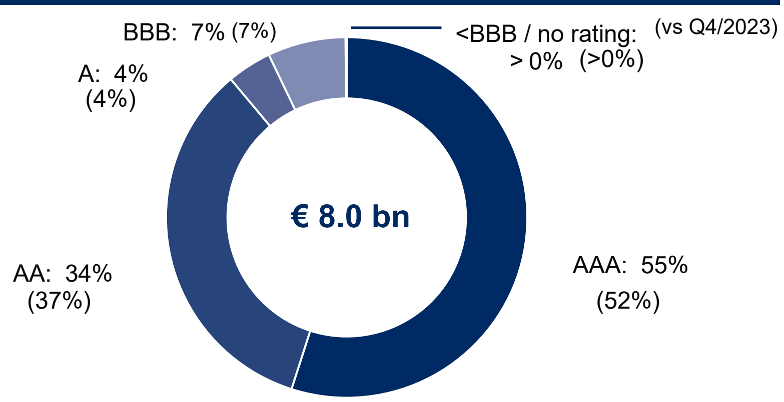
Treasury portfolio of € 8.0 bn ensures comfortable liquidity buffer

TR portfolio development

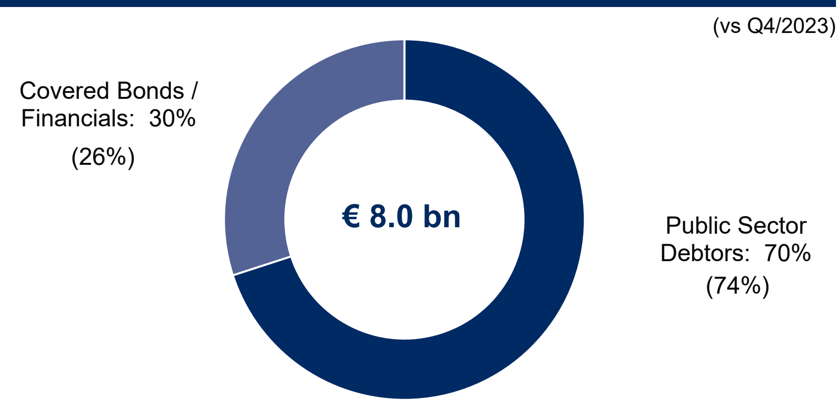


- Strong liquidity profile due to highly-rated SSAs and Covered Bond focus
- Asset-swap purchases ensure low interest-rate risk exposure
- Well-balanced maturity profile

TR portfolio by rating[1)]



TR portfolio by asset class

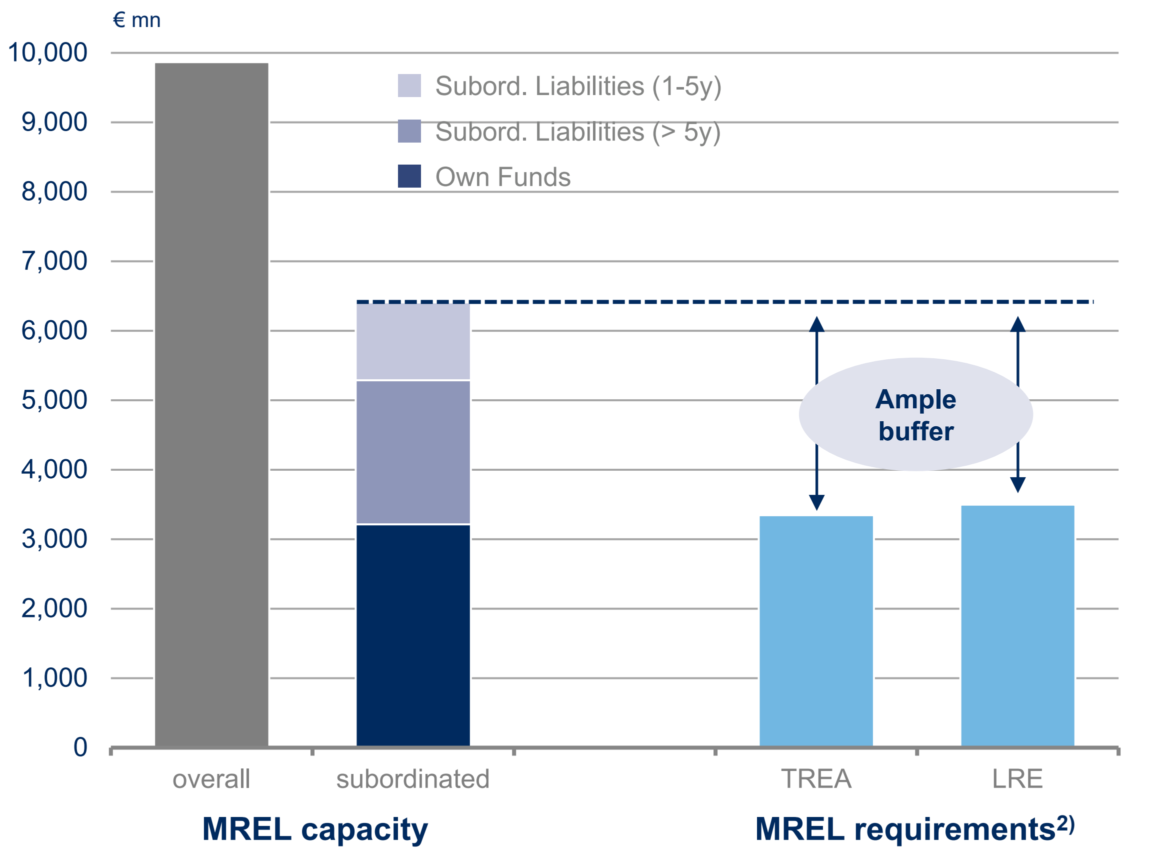


As of 30.09.2024 – all numbers refer to nominal amounts
1) Composite Rating

Funding & Liquidity

MREL capacity well above regulatory requirements

MREL capacity vs. requirements (30.06.2024)



- Senior Preferred have significant protection from subordinated liabilities and own funds
- Run-down of subordinated liabilities well manageable, after 5 years cet.par. still comfortably complying with requirements
- (Subordinated) MREL ratios as at 30.06.2024:

%	TREA	LRE
Actual	46.10	14.55
Requirements[1)]	24.07	7.94

1) (Subordinated) MREL Requirements coming in effect in 2025
2) Based on 2025 requirements in relation to current RWAs (phase-in) and leverage ratio exposure

Funding & Liquidity
Rating profile

Financial Ratings			
Fitch Ratings		**Moody's**	
Issuer default rating (Stable)	BBB	Issuer rating (stable)	Baa1
Short-term issuer rating	F2	Short-term issuer rating	P-2
Deposit rating	BBB+	**Senior preferred**	**Baa1**
Senior preferred	**BBB+**	Senior non preferred	Baa3
Senior non preferred	BBB	Bank deposit rating	Baa1
Viability rating	BBB	BCA	Ba1
Subordinated debt (Tier 2)	BB+	Mortgage Pfandbriefe	Aaa
Additional Tier 1	BB-		

ESG-Ratings	
MSCI	A
ISS-ESG	prime (C)
Sustainalytics	Low (20-10)
CDP	Managment Level B

Financial Ratings

- Ratings reflect strong credit profile based on solid capital and liquidity position

ESG-Ratings

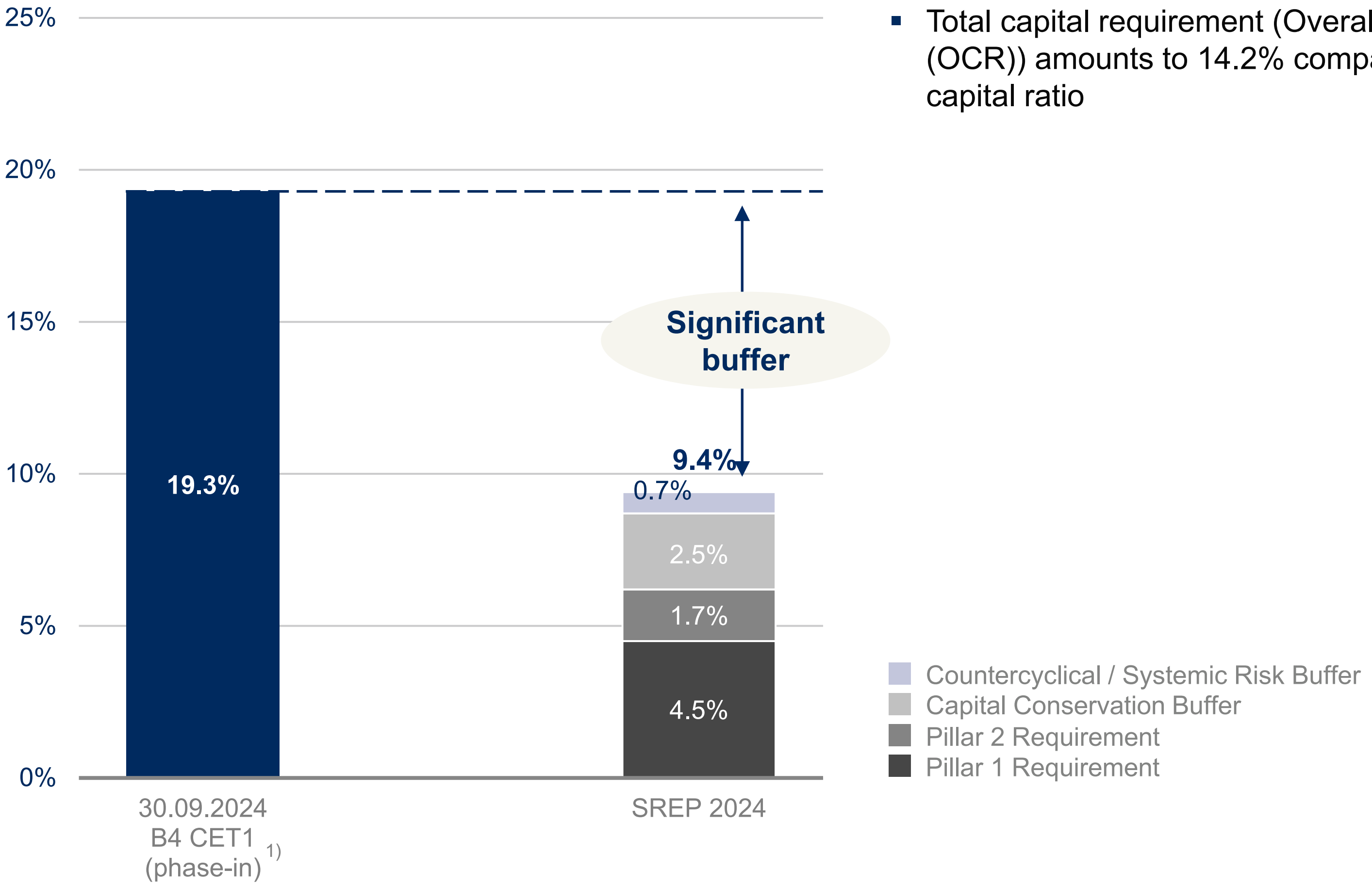
Aareal's ESG performance has been rewarded by the rating agencies:

- MSCI:
  "A" Rating shows strong ESG Performance in the upper midfield in relative comparison to our industry peers
- ISS ESG:
  Prime Status confirms ESG performance above sector-specific Prime threshold
- Sustainalytics:
  "Low" risk classification", Rank 214 of 1043 in Sector Banks, 15 of 105 in Thrifts and Mortgages
- CDP:
  Management Level B in CDP's Climate Change survey, affirms Aareal addressed the environmental impacts of its business and ensures good environmental management

Note: ESG-Ratings and Benchmarks as of 18/10/2024

Capital
SREP (CET 1) requirements

CET1 ratio vs. SREP (CET1) requirements



- Capital ratios significantly above SREP requirements
- Total capital requirement (Overall Capital Requirement (OCR)) amounts to 14.2% compared to 25.9% total capital ratio

1) (Proforma) Ratio solely based on continuing operations according to IFRS 5

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Appendix

ESG

ESG is fundamental to our business and therefore, part of our corporate strategy

Supporting our clients on their „Road to Paris“

Real Estate is transitioning to a more…

…sustainable digitized and connected future

We are fostering the transition…

- **Deep integration of ESG** into business, credit, investment, risk and funding strategies
- Comprehensive **Green** Finance and Green Funding **frameworks** in place
- Continuously **leveraging our Green product portfolio**
- Consistently **positive ESG-rating results** rewarding Aareal's ESG performance

…because it is important to us

- We are **aware of our responsibility** for the environment and strive to make a **positive contribution to a green future**
- Our **aim** is to **integrate ESG considerations** into **all business decisions**
- We are **committed to transparency, integrity and continuous improvement and** to working together with our clients for a sustainable world

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ESG in our daily business

Sustainability at the core of our decisions since Q2 2021

SUSTAINALYTICS
a Morningstar company
SECOND-PARTY OPINION

ESG in our lending business

Aareal Bank "Green Finance Framework – Lending" put into place

- Aareal Bank's Green Finance Framework – Lending confirmed through a Second Party Opinion (SPO) by Sustainalytics
- Ambition to extend ESG assessment in our day-to-day lending activities
- Explicit customer demand for Aareal Bank's green lending approach identified internationally and interest is high for the new product
- Green lending within a regularly updated framework provided

ESG in our funding activity

Aareal Bank "Green Finance Framework – Liabilities" forms basis for Green Bonds

- In addition to the lending framework, Aareal Bank has implemented an accompanying and regularly updated liability-side / use-of-proceeds framework - confirmed through SPO by Sustainalytics - that allows issuance of green financing instruments
- "Green Finance Framework – Liabilities" is intended to not only reflect our sustainable lending activities but also our strategic approach towards sustainability
- Bond issuances under this framework invite open discussion and engagement with investors on the progress we have made and, on the path, forward

Continue to enlarge climate transparency in the portfolio

- Portfolio transparency and data accumulation significantly improved for both existing and new lending and to be continued
- Aareal Bank involved in international initiatives to calculate financed emissions (PCAF)

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Aareal's 'credible and impactful' Green Finance Framework

SUSTAINALYTICS
a Morningstar company
SECOND-PARTY OPINION

Aareal Green Finance Framework (GFF) in place

Green Property Financing:
Requirements to qualify as green property (as set out below under "Eligibility criteria")
- Meets EU Taxonomy criteria

and / or
- Certified with an above-average ratings

and / or
- Classified as nearly zero-energy building (nZEB) / thresholds as defined in Aareal GFF

+

Green Loan Rider:
Customer of a Green Loan agrees to

Maintaining "Aareal Green Finance Framework" requirements during the term of the loan

→

Green Loan:
Combination of
- Green property[1)]

and
- Agreement

Eligibility category	Eligibility criteria (alternatives)		
Green Buildings	**1. EU taxonomy compliant:** Buildings meet the EU Taxonomy criteria according to the EU Commission Delegated Regulation, Chapter 7.7 "Acquisition and ownership of existing buildings"	**2. Green building certification:** ▪ BREEAM: "Very Good" and above ▪ LEED: "Gold" and above ▪ DGNB: "Gold" and above ▪ Green Star: "5 Stars" and above ▪ NABERS: "4.5 Stars" and above ▪ HQE: "Excellent" and above ▪ Energy Star. "80" or above	**3. Energy efficiency:** Classified as a nearly zero-energy building (nZEB) **and / or** property falls **below** the maximum energy reference values 75 kWh/m² p.a. – Residential 140 kWh/m² p.a. – Office, Hotel, Retail 65 kWh/m² p.a. – Logistics
Energy efficiency upgrades	**1. EU taxonomy compliant:** Modernisation measures meet the EU Taxonomy criteria acc. EU Commission Delegated Regulation[3)]	**2. Upgrade to Green Building:** Completion of the measure brings the property up to the green building standard defined above.	**3. Energy efficiency improvement:** Completion of the measure results in an energy efficiency improvement of at least 30%.

1) All buildings within a financing have to qualify as green buildings according to Aareal GFF
2) Partnership for Carbon Accounting Financials
3) Chapter 7.2 "Renovation of existing buildings"

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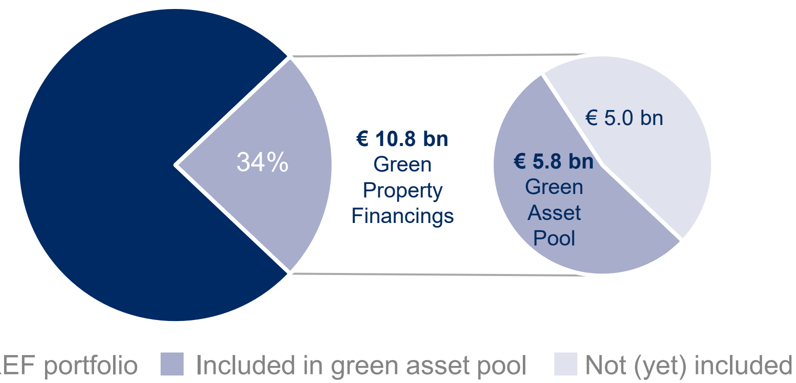
34% of CREF portfolio classified as Green Property Financings

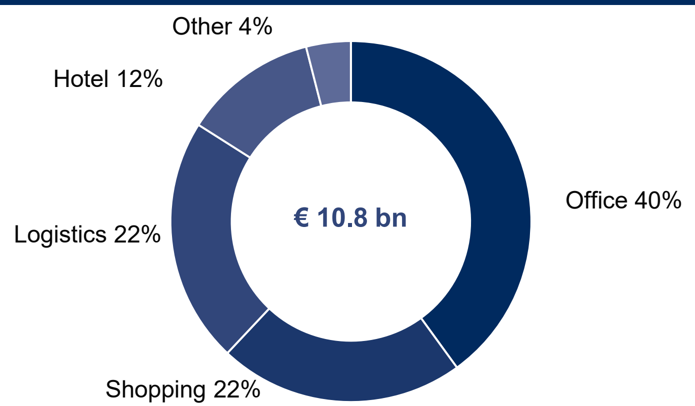
CREF[1] portfolio



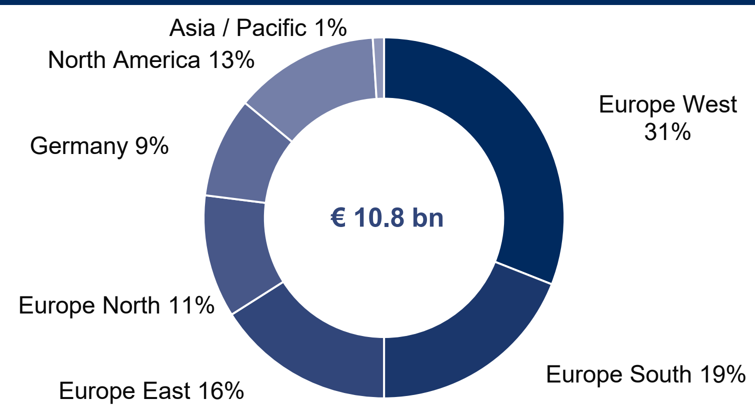
€ 10.8 bn[1] or 34% of total CREF portfolio fulfilling Aareal's Green Finance Framework and are classified as "Green Property Financings", thereof

- € 5.8 bn included in green asset pool for underlying of Green bond issues
- € 5.0 bn green property financings not (yet) included

Green Property Financings[2] by property type



Green Property Financings[2] by region



1) CREF excluding business not directly collateralized by properties
Portfolio data as at 30.09.2024 – ESG Data as at 30.09.2024
2) Valid certificate is documented

Published Feb. 2024

ESG@Aareal target setting

On the „Road to Paris“ we are supporting our clients and enhancing our own ambition

Clients

Successes in 2023	Short-term ambition 2024	Mid-term ambition
Green Loan volume **€ 4.8 bn** *(as per 31.12.2023)*	Expansion of Green Financing: **+ € 1.5 bn additional Green Loans**[1]	**€ ~6-7 bn total Green Loan volume**[1] by 2026
Green Funding volume **€ 1.0 bn green bonds + € 0.4 bn green CPs** *(as per 31.12.2023)*	**+ € 0.5 bn** green long-term funding in 2024	Continuously **leverage our Green Asset Pool** for long-term funding

Publish PCAF report on financed emissions in `24 / Provide further transparency for CREF portfolio

Further develop **ESG products**

Internal

Deep ESG integration in business, credit, investment, risk and refinancing strategies and decision-making process
ESG continues to be part of our Management Board's variable remuneration
+ additionally, workforce's variable remuneration is partly linked to ESG since 2023

Limiting our own Greenhouse Gas emissions
Carbon-neutrality through compensation of our business operations worldwide

1) Assuming current Green Finance Framework (vintage 2023)

Aareal

Consistently positive rating results

Rewarding Aareal's ESG performance

MSCI
since 2024

CCC | B | BB | BBB | **A** | AA | AAA

Aareal: A

- "A" Rating shows strong ESG Performance in the upper midfield in relative comparison to our industry peers
- Above average score in social issues (4.6) vs. Industry average (3.9)

ISS ESG
since 2024

Prime threshold

D- | D | D+ | C- | **C** | C+ | B- | B | B+ | A- | A | A+

Aareal: C

- Prime Status confirms ESG performance above sector-specific Prime threshold, which means Aareal fulfils ambitious absolute performance requirements
- Range of 125 rated companies in the Mortgage & Public Sector Finance sector between D and B, Aareal on Decile Rank 2

SUSTAINALYTICS
since 2022

SEVERE (40+) | HIGH (40-30) | MEDIUM (30-20) | **LOW (20-10)** | NEGLIGIBLE (10-0)

Aareal: LOW (20-10)

- Aareal is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues (negligible or low risk rating in five out of six material ESG issues)
- Still "Low" risk classification (18.1), Rank 214 of 1043 in Sector Banks, 15 of 105 in Thrifts and Mortgages

CDP DISCLOSURE INSIGHT ACTION
since 2022

D- | D | C- | C | B- | **B** | A- | A

Aareal: B

- Management Level B in CDP's Climate Change survey, which affirms Aareal addressed the environmental impacts of its business and ensure good environmental management

Note: Results and Benchmarks as of 18/10/2024

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Appendix

ADI of Aareal Bank

Interest payments and ADI of Aareal Bank AG

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

Published Feb. 2024

€ mn	31.12. 2020	31.12. 2021	31.12. 2022	31.12. 2023
Net Retained Profit	90	96	61	452
▪ *Net income*	*90*	*30*	*61*	*391*
▪ *Profit carried forward from previous year*	*-*	*66*	*-*	*61*
▪ *Net income attribution to revenue reserves*	*-*	*-*	*-*	*-*
+ Other revenue reserves after net income attribution	840	840	936	936
= Total dividend potential before amount blocked[1)]	930	936	997	1.388
./. Dividend amount blocked under section 268 (8) of the German Commercial Code	320	386	466	487
./. Dividend amount blocked under section 253 (6) of the German Commercial Code	43	36	24	6
= Available Distributable Items[1)]	566	515	507	895
+ Increase by aggregated amount of interest expenses relating to Distributions on Tier 1 Instruments[1)]	21	20	21	29
= 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)]	588	535	529	924

Note: Calculation refers to unrounded numbers
1) Unaudited figures for information purposes only

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Appendix

Group Results

Aareal Bank Group

Results 9M 2024[1)]

€ mn	01.01.-30.09.2024	01.01.-30.09.2023	Change
Net income from continuing operations			
Net interest income	792	734	8%
Loss allowance	257	262	-2%
Net commission income	-1	30	
Net derecognition gain or loss	19	18	6%
Net gain or loss from financial instruments (fvpl)	-51	-58	-12%
Net gain or loss from hedge accounting	2	-2	
Net gain or loss from investments accounted for using the equity method	-	2	
Administrative expenses	253	248	2%
Net other operating income / expenses	10	6	67%
Operating profit from continuing operations	**261**	**220**	**19%**
Income taxes	76	66	15%
Consolidated net income from continuing operations	**185**	**154**	**20%**
Net income from discontinued operations	-161	-50	222%
Consolidated net income	**24**	**104**	**-77%**
Consolidated net income attributable to non-controlling interests	-37	-13	185%
Consolidated net income attributable to shareholders of Aareal Bank AG	61	117	-48%

1) In accordance with IFRS 5, net income from discontinued operations is disclosed separately; the previous year's figures have been adjusted

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Aareal Bank Group

Results 9M 2024 by segments[1)]

€ mn	Structured Property Financing		Banking & Digital Solutions		Consolidation/ Reconciliation		Aareal Bank Group	
	01.01.-30.09. 2024	01.01.-30.09. 2023	01.01.-30.09. 2024	01.01.-30.09. 2023	01.01.-30.09. 2024	01.01.-30.09. 2023	01.01.-30.09. 2024	01.01.-30.09. 2023
Net interest income	589	564	203	170	0	0	792	734
Loss allowance	257	262	0	0			257	262
Net commission income	2	6	-3	24	0	0	-1	30
Net derecognition gain or loss	19	18					19	18
Net gain or loss from financial instruments (fvpl)	-50	-58	-1	0			-51	-58
Net gain or loss from hedge accounting	2	-2					2	-2
Net gain or loss from investments accounted for using the equity method				2				2
Administrative expenses	180	173	73	75			253	248
Net other operating income / expenses	11	7	-1	-1	0	0	10	6
Operating profit from continuing operations	**136**	**100**	**125**	**120**	**0**	**0**	**261**	**220**
Income taxes	36	28	40	38			76	66
Consolidated net income from continuing operations	**100**	**72**	**85**	**82**	**0**	**0**	**185**	**154**
Net income from discontinued operations					-161	-50	-161	-50
Consolidated net income	**100**	**72**	**85**	**82**	**-161**	**-50**	**24**	**104**
Allocation of results								
Cons. net income attributable to non-controlling interests	0	0	0	0	-37	-13	-37	-13
Cons. net income attributable to shareholders of Aareal Bank AG	100	72	85	82	-124	-37	61	117

1) Presentation in line with the structure prescribed by IFRS 5

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Aareal Bank Group

Results[1] - quarter by quarter

€ mn	Structured Property Financing					Banking & Digital Solutions					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
	2024			2023		2024			2023		2024			2023		2024			2023	
Net interest income	194	192	203	212	199	68	70	65	68	59	0	0	0	0	0	262	262	268	280	258
Loss allowance	94	80	83	179	102	0	0	0	0	0	0	0				94	80	83	179	102
Net commission income	1	2	-1	0	5	0	-2	-1	9	8	0	0	0	0	0	1	0	-2	9	6
Net derecognition gain or loss	10	6	3	5	6											10	6	3	5	6
Net gain / loss from fin. instruments (fvpl)	-22	-11	-17	-13	-17	0	0	-1	0	0						-22	-11	-18	-13	-17
Net gain or loss from hedge accounting	-6	0	8	3	-2											-6	0	8	3	-2
Net gain / loss from investments acc. for using the equity method				1						2									1	2
Administrative expenses	48	72	60	58	53	25	24	24	35	23	0	0				73	96	84	89	76
Net other operating income / expenses	2	9	0	-11	0	0	0	-1	-1	0	0	0	0	0	0	2	9	-1	-12	0
Operating profit from continuing operations	**37**	**46**	**53**	**-40**	**36**	**43**	**44**	**38**	**41**	**46**	**0**	**0**	**0**	**0**	**0**	**80**	**90**	**91**	**1**	**82**
Income taxes	9	15	12	16	0	14	14	12	12	15						23	29	24	28	18
Consolidated net income from continuing operations	**28**	**31**	**41**	**-56**	**33**	**29**	**30**	**26**	**29**	**31**	**0**	**0**	**0**	**0**	**0**	**57**	**61**	**67**	**-27**	**64**
Net income from discontinued operations											-25	-142	6	-29	-18	-25	-142	6	-29	-18
Consolidated net income	**28**	**31**	**41**	**-56**	**33**	**29**	**30**	**26**	**29**	**31**	**-25**	**-142**	**6**	**-29**	**-18**	**32**	**-81**	**73**	**-56**	**46**
Cons. net income attributable to non-controlling interests	0	0	0	-1	0	0	0	0	0	0	-7	-32	2	-9	-4	-7	-32	2	-10	-4
Cons. net income attributable to ARL shareholders	28	31	41	-55	33	29	30	26	29	31	-18	-110	4	-20	-14	39	-49	71	-46	50

1) Presentation in line with the structure prescribed by IFRS 5

Appendix

Definitions and contacts

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Definitions

New Business	New business = Newly acquired business + renewals
Common Equity Tier 1 ratio	$\frac{\text{CET 1}}{\text{Risk weighted assets}}$
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	$\frac{\text{operating profit ./. income taxes ./. income/loss attributable to non controlling interests ./. AT1 coupon}}{\text{Number of ordinary shares}}$
Yield on Debt	$\frac{\text{NOI x 100 (Net operating income, 12-months forward looking)}}{\text{Outstanding incl. prior/pari-passu loans}}$ (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
Exposure (performing)	Maximum [actual commitment (performing) or Outstanding (performing)]

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Thank you.
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