

Aareal Bank Group – key indicators

	1 Jan-30 Sep 2016	1 Jan-30 Sep 2015
Results ¹⁾		
Operating profit (€ mn)	281	378
Consolidated net income (€ mn)	193	306
Consolidated net income allocated to ordinary shareholders (€ mn) ²⁾	166	279
Cost / income ratio (%) ³⁾	41.6	44.9
Earnings per ordinary share (€) ²⁾	2.78	4.65
RoE before taxes (%) ^{2) 4)}	13.5	20.1
RoE after taxes (%) ^{2) 4)}	9.0	16.2

	30 Sep 2016	31 Dec 2015
Statement of financial position		
Property finance (€ mn) ⁵⁾	28,429	30,894
of which: international (€ mn)	24,059	25,243
Equity (€ mn)	3,064	3,044
Total assets (€ mn)	50,534	51,948
Regulatory indicators		
Risk-weighted assets (€ mn)	15,445	16,709
Common Equity Tier 1 ratio (CET1 ratio) (%)	14.3	13.8
Tier 1 ratio (T1 ratio) (%)	17.6	17.2
Total capital ratio (TC ratio) (%)	24.7	23.8
Common Equity Tier 1 ratio (CET1 ratio) (%) – fully phased –	13.6	13.1
Employees	2,818	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) Adjustment of previous year's figures due to completion of purchase price allocation for Westdeutsche ImmobilienBank AG (WestImmo), in accordance with IFRS 3

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

3) Structured Property Financing segment only

4) On an annualised basis

5) Excluding € 1.2 billion in private client business (31 December 2015: € 1.5 billion) and € 0.6 billion in local authority lending business by WestImmo (31 December 2015: € 0.6 billion).

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

Consolidated income statement¹⁾ for the first nine months of 2016 (in accordance with IFRSs)

	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015	Change
	€ mn	€ mn	%
Net interest income	532	583	-9
Allowance for credit losses	64	86	-26
Net interest income after allowance for credit losses	468	497	-6
Net commission income	137	123	11
Net result on hedge accounting	4	5	-20
Net trading income / expenses	21	8	163
Results from non-trading assets	66	-15	
Results from investments accounted for using the equity method	0	0	
Administrative expenses	417	415	0
Net other operating income / expenses	2	25	-92
Negative goodwill from acquisitions	-	150	
Operating profit	281	378	-26
Income taxes	88	72	22
Consolidated net income	193	306	-37
Consolidated net income attributable to non-controlling interests	15	15	0
Consolidated net income attributable to shareholders of Aareal Bank AG	178	291	-39
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ²⁾	178	291	-39
of which: allocated to ordinary shareholders	166	279	-40
of which: allocated to AT1 investors	12	12	0
Earnings per ordinary share (in €) ³⁾	2.78	4.65	-40
Earnings per AT1 unit (in €) ⁴⁾	0.12	0.12	0

1) Adjustment of previous year's figures due to completion of purchase price allocation for WestImmo, in accordance with IFRS 3

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

3) 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.

4) 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 third quarter of 2016 (in accordance with IFRSs)

	Quarter 3 2016	Quarter 3 2015	Change
	€ mn	€ mn	%
Net interest income	175	214	-18
Allowance for credit losses	33	37	-11
Net interest income after allowance for credit losses	142	177	-20
Net commission income	44	40	10
Net result on hedge accounting	3	-3	
Net trading income / expenses	4	13	-69
Results from non-trading assets	5	-13	
Results from investments accounted for using the equity method	0	0	
Administrative expenses	127	147	-14
Net other operating income / expenses	3	15	-80
Negative goodwill from acquisitions	-	-	
Operating profit	74	82	-10
Income taxes	23	26	-12
Consolidated net income	51	56	-9
Consolidated net income attributable to non-controlling interests	5	5	0
Consolidated net income attributable to shareholders of Aareal Bank AG	46	51	-10
Earnings per share (Eps)			
Consolidated net income attributable to shareholders of Aareal Bank AG ¹⁾	46	51	-10
of which: allocated to ordinary shareholders	42	47	-10
of which: allocated to AT1 investors	4	4	0
Earnings per ordinary share (in €) ²⁾	0.70	0.78	-10
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 results¹⁾ for the first nine months of 2016 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation		Aareal Bank Group	
	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
€ mn								
Net interest income	542	584	0	0	-10	-1	532	583
Allowance for credit losses	64	86					64	86
Net interest income after allowance for credit losses	478	498	0	0	-10	-1	468	497
Net commission income	5	4	124	120	8	-1	137	123
Net result on hedge accounting	4	5					4	5
Net trading income / expenses	21	8	0				21	8
Results from non-trading assets	66	-15					66	-15
Results from investments accounted for using the equity method		0	0	0			0	0
Administrative expenses	266	274	153	143	-2	-2	417	415
Net other operating income / expenses	1	23	1	2	0	0	2	25
Negative goodwill from acquisitions		150						150
Operating profit	309	399	-28	-21	0	0	281	378
Income taxes	98	79	-10	-7			88	72
Consolidated net income	211	320	-18	-14	0	0	193	306
Consolidated net income attributable to non-controlling interests	13	13	2	2			15	15
Consolidated net income attributable to shareholders of Aareal Bank AG	198	307	-20	-16	0	0	178	291
Allocated equity	1,587	1,613	133	127	741	555	2,461	2,295
Cost / income ratio (%)	41.6	44.9	122.2	117.1			54.7	56.9
RoE before taxes (%) ²⁾³⁾	23.5	30.5	-30.3	-24.5			13.5	20.1

1) Adjustment of previous year's figures due to completion of purchase price allocation for Westlmmo, in accordance with IFRS 3

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 third quarter of 2016 (in accordance with IFRSs)

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation		Aareal Bank Group	
	Quarter 3 2016	Quarter 3 2015	Quarter 3 2016	Quarter 3 2015	Quarter 3 2016	Quarter 3 2015	Quarter 3 2016	Quarter 3 2015
€ mn								
Net interest income	179	214	0	0	-4	0	175	214
Allowance for credit losses	33	37					33	37
Net interest income after allowance for credit losses	146	177	0	0	-4	0	142	177
Net commission income	2	2	39	39	3	-1	44	40
Net result on hedge accounting	3	-3					3	-3
Net trading income / expenses	4	13					4	13
Results from non-trading assets	5	-13					5	-13
Results from investments accounted for using the equity method		0	0	0			0	0
Administrative expenses	77	101	51	47	-1	-1	127	147
Net other operating income / expenses	2	14	1	1	0	0	3	15
Negative goodwill from acquisitions								
Operating profit	85	89	-11	-7	0	0	74	82
Income taxes	27	29	-4	-3			23	26
Consolidated net income	58	60	-7	-4	0	0	51	56
Consolidated net income attributable to non-controlling interests	5	5	0	0			5	5
Consolidated net income attributable to shareholders of Aareal Bank AG	53	55	-7	-4	0	0	46	51
Allocated equity	1,587	1,613	133	127	741	555	2,461	2,295
Cost / income ratio in %	39.7	44.4	126.7	116.2			54.4	55.1
RoE before taxes in % ¹⁾²⁾	18.8	19.4	-34.0	-22.4			10.3	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.