Conference Call
H1 2023 results

August 10, 2023

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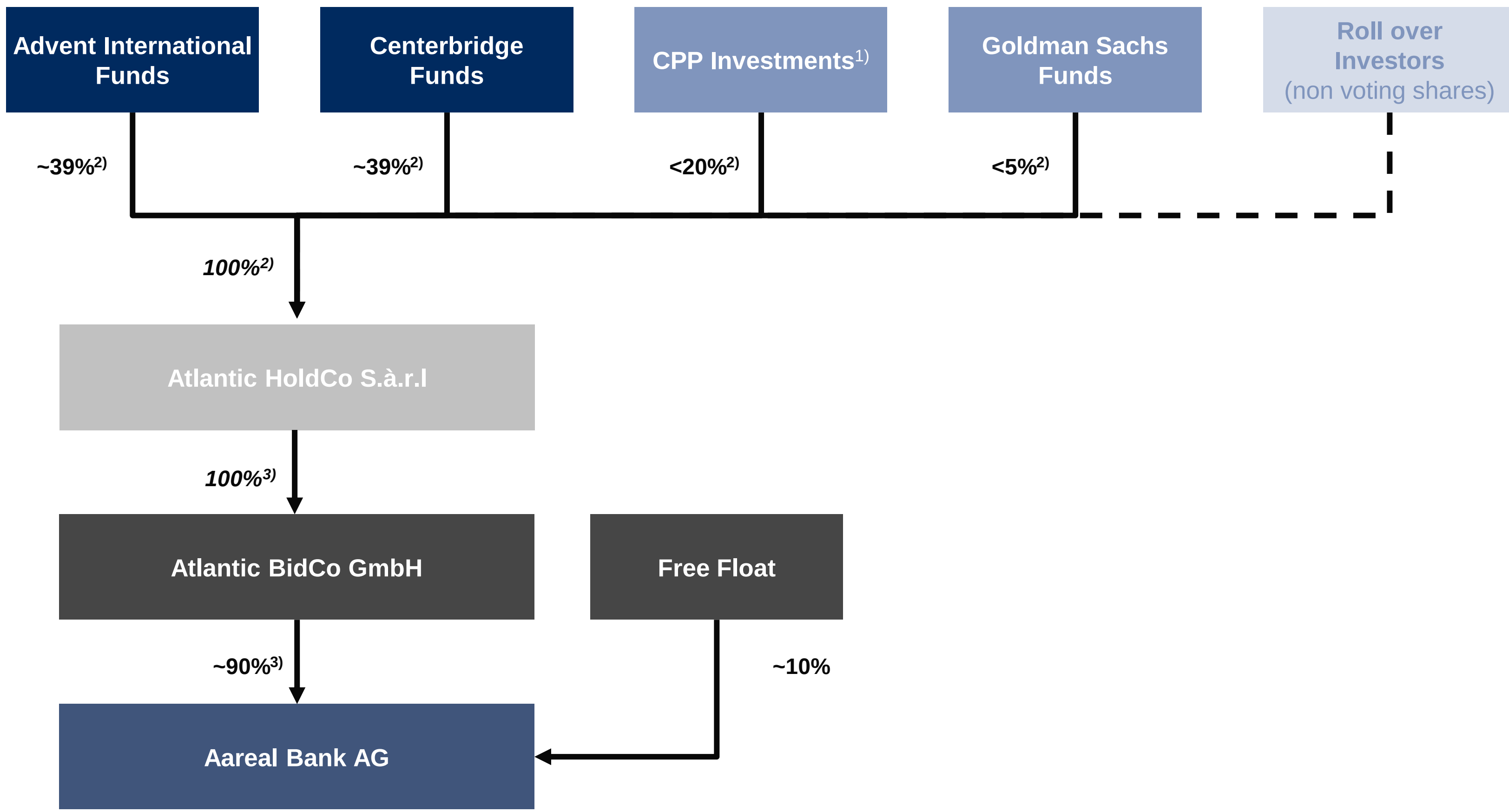
100 Years Building Your Tomorrow

Aareal
YOUR COMPETITIVE ADVANTAGE.

Successful Takeover

Further pursuing our strategy Aareal Next Level

New shareholder structure (as of 9 June 2023)



1) CPP Investment Board Europe S.à r.l, a wholly owned subsidiary of Canada Pension Plan Investment Board (“CPP Investments”)
2) Voting rights Indirect holding of participation in Atlantic Lux HoldCo S.à r.l
3) https://www.aareal-bank.com/en/about-us/corporate-governance/share-voting-rights-disclosures

Agenda

- **Recent Financial Performance**
- Loan Book & Asset Quality
- Liquidity & Funding
- Capital
- Outlook
- Appendix

Recent Financial Performance - Highlights

Strong increase in income ensures high level of operating resilience

- Robust 6M results matched previous years' level despite significant investments in the announced strategic measures and headwinds from US office market
- Strong operating resilience further improved
- Resolution of legacy NPLs largely compensated NPL increase from US offices, no Russian exposure left
- Successful funding activities, deposit volume above plan, comfortable liquidity position
- Capital ratios stable at 19.4% despite portfolio growth and macro economic headwinds, above average results in recent ECB stress test
- **Outlook 2023**
  Operating profit targets confirmed

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Recent Financial Performance - Group Profit & Loss

Robust 6M results matched PY level despite significant investments in the announced strategic measures and headwinds from US office market

Profit & loss (€ mn)	Q2 '22	Q1 '23	Q2 '23	6M '22	6M '23	Δ 6M '23/'22
Net interest income (NII)	171	222	240	330	462	+40%
Net commission income (NCI)	68	72	77	132	149	+13%
Admin expenses	142	199	143	295	342	+16%
Other op. income / expenses[1)]	22	-1	-21	31	-22	./.
Pre-provision profit	**119**	**94**	**153**	**198**	**247**	**+25%**
Loan loss provision (LLP)	58	32	128	107	160	+50%
Operating profit (EBT)	**61**	**62**	**25**	**91**	**87**	**-4%**
Profit after tax	**39**	**42**	**16**	**58**	**58**	**./.**

H1 operating profit of € 87 mn, incl. almost € 120 mn expenses for strategic measures

- Further significant increase in NII and NCI reflecting strong operating performance
- Costs under control
  - H1 increase in admin expenses mainly due to investments in efficiency measures and inorganic growth at Aareon
  - Costs in the banking business largely stable in H1 (CIR Bank[2)]: 32%)
- LLP and other operating income / expenses (FVPL result) reflect effect of announced swift NPL reduction and headwinds from US office market; remaining Russian exposure sold
- Investments in Aareon dilute strong increase in pre-provision profit. Hence operating resilience is even stronger than shown

1) Includes Net derecognition gain or loss, Net gain or loss from financial instruments (fvpl), Net gain or loss from hedge accounting, Net gain or loss from investments accounted for using the equity method, Net other operating income/expenses
2) Segment SPF & BDS, excl. bank levy/deposit guaranty scheme

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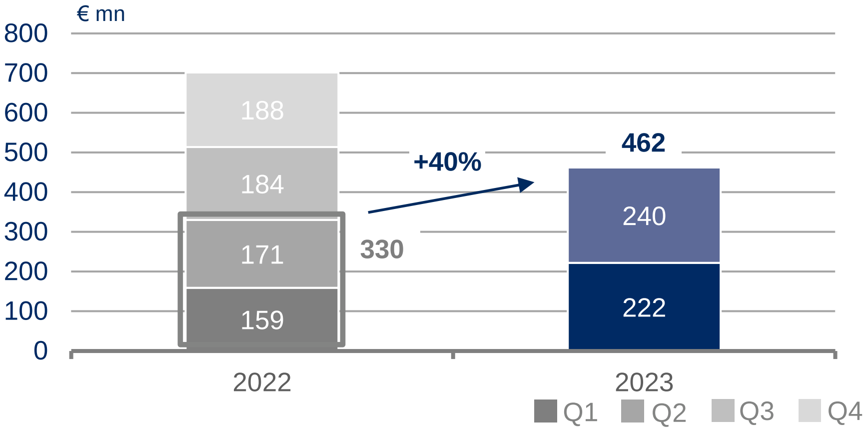
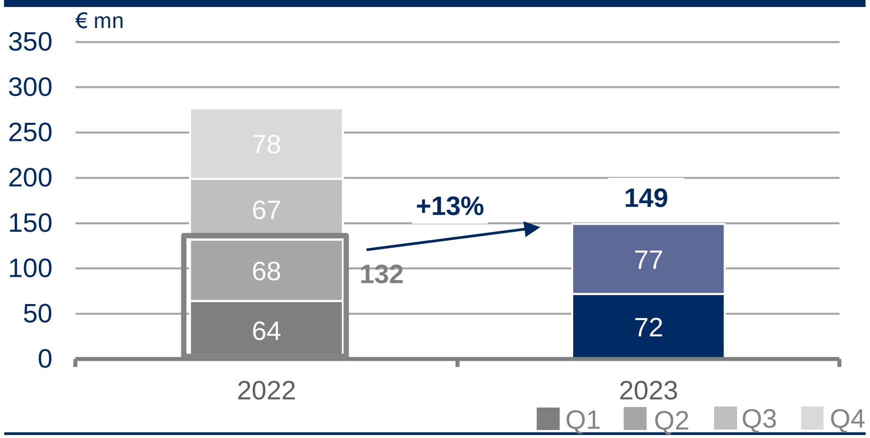
Recent Financial Performance – NII & NCI

Significant increase in income reflecting strong operating performance

NII



NCI



Both segments contributed to increase

- SPF
  - NII increased to € 365 mn (6M/22: € 313 mn) supported by portfolio growth, good margins and diversified funding mix
  - ~80% of TLTRO repaid in Q4/22
- BDS
  - NII increased to € 111 mn (6M/22: € 23 mn)
  - Positive effects from rising interest rate environment
  - Deposits from housing industry above targeted level

Aareon and BDS continue to grow

- Aareon
  - NCI increased to € 137 mn (6M/22: € 119 mn) supported by healthy growth in recurring revenues
  - Recurring revenues increased to 76%[1)] of total revenues (6M/22: 73%[1)])
- BDS
  - NCI further increased to € 16 mn (6M/22: € 15 mn)
  - High share of recurring revenues

1) LTM = Last Twelve Months

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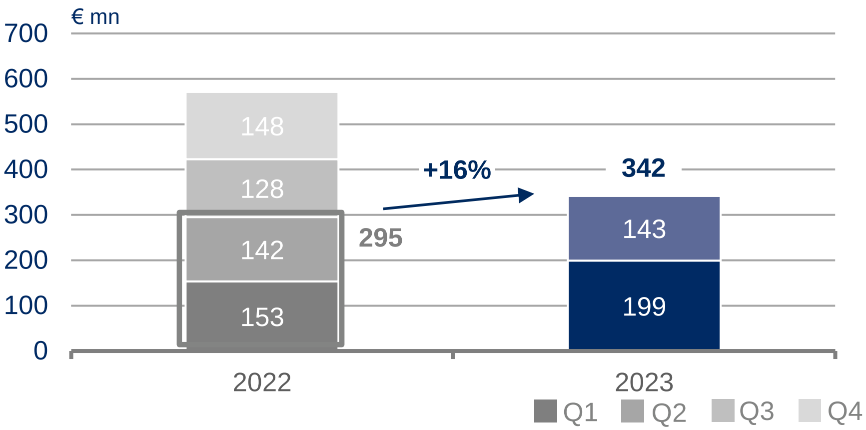
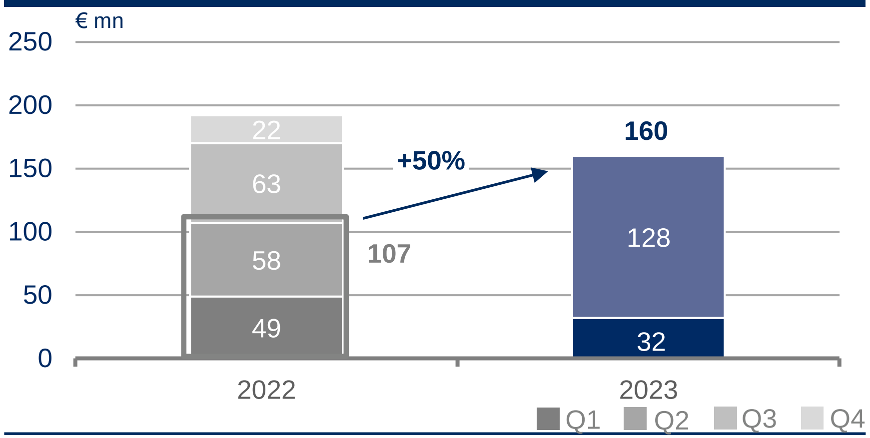
Recent Financial Performance - Admin expenses / LLP

Increase in admin expenses and LLP reflect significant investments in the announced strategic measures and headwinds from US office market

Admin expenses



LLP



1) Segment SPF & BDS
2) Excl. bank levy/deposit guarantee scheme

Bank expenses largely unchanged, Aareon expenses incl. almost € 60 mn for efficiency measures

Bank[1)]

- Stable at € 172 mn (6M/22: € 183 mn, incl. PTO related one-off € 12 mn)
- H1/23 CIR[2)] Bank at 32% (H1/22: 41%)

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- Expenses increased to € 175 mn (6M/22: € 118 mn) due to efficiency measures of almost € 60 mn and inorganic growth

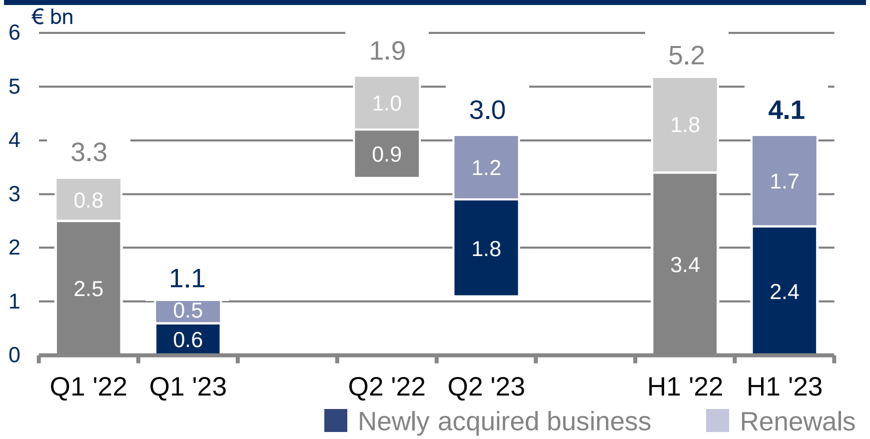
Q2 LLP incl. € ~60 mn for swift NPL reduction

- € ~60 mn budget fully allocated
  - Thereof € ~35 mn for sale of Russian exposure
  - Further (legacy) NPLs prepared for resolution in H2
- Total 6M LLP at € 196 mn (incl. € 36 mn FVPL)

Recent Financial Performance – Segment SPF

Selective new business with good LTVs and margins above plan

New business by quarter



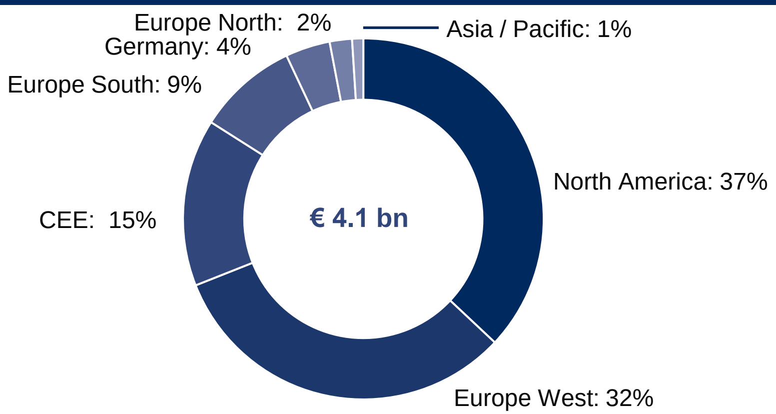
Selective new business

- Conservative avg. LTV of 53%[1] (6M/22: 57%)
- Avg. margin of ~290 bps[1] (6M/22: 227 bps) (FY plan 2023: 240-250 bps[1])
- YE portfolio target for 2023 confirmed

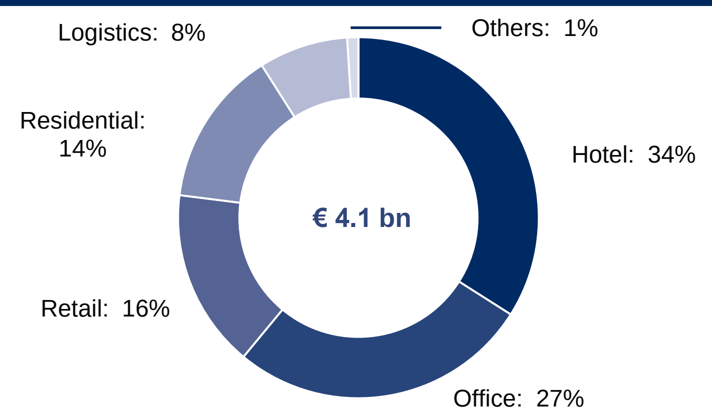
Additional € ~1.4 bn Green loans[2] in 6M/23

- € ~900 mn new business
- € ~500 mn eligible existing loans with clients' agreement converted

New business by country



New business by property type



1) Newly acquired business
2) Governed by "Green Finance Framework"

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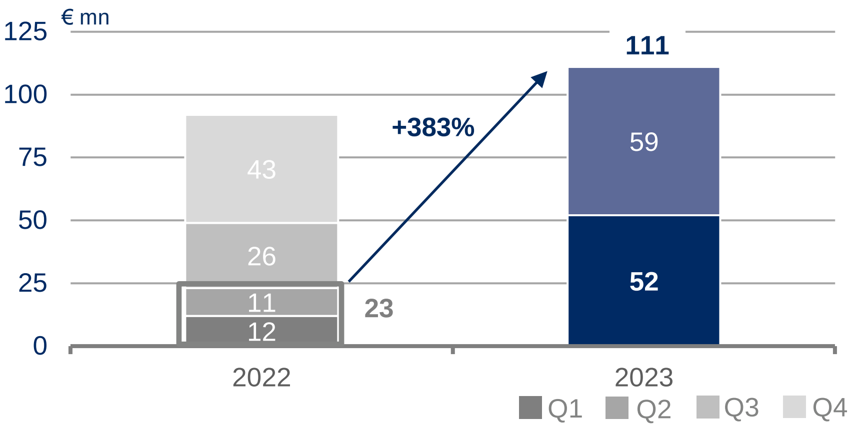
Recent Financial Performance - Segment BDS

NII further benefitting from interest rate environment

NII



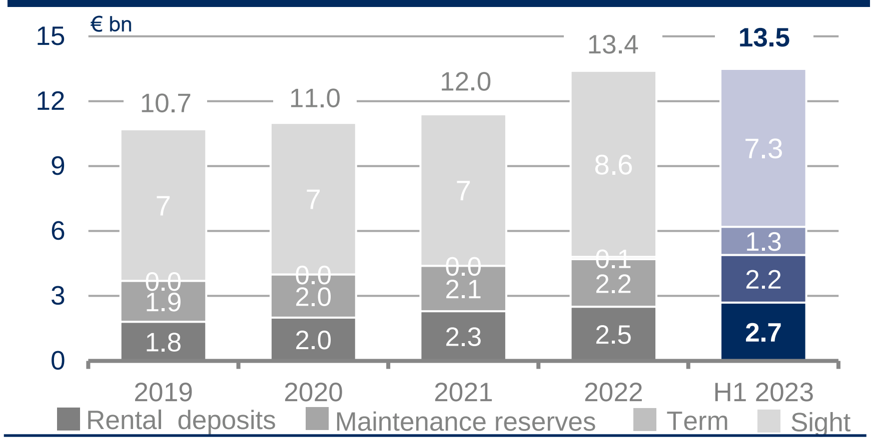
NII increase driven by rising interest rates

- Deposit volume above targeted level of € ~13 bn
- Granular deposit structure from more than 3,700 housing industry clients managing ~8 mn rental units
- Sticky rental deposits continuously growing
- Continuous shift from sight into term deposits

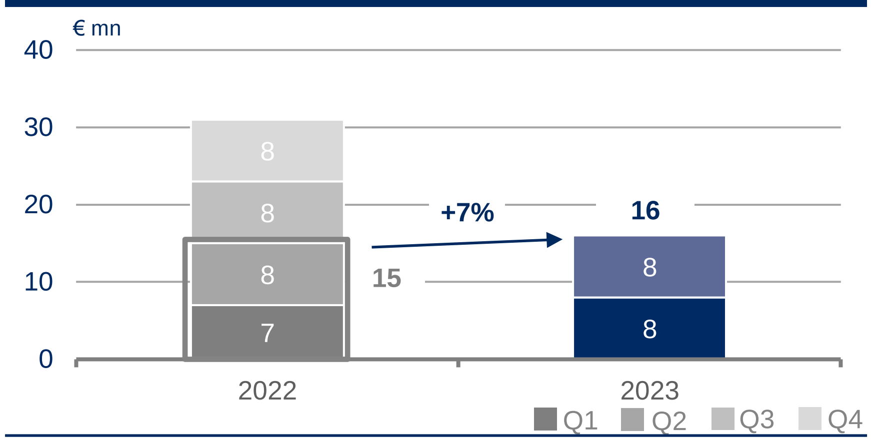
NCI increased as planned

- High share of recurring revenues (banking and software fees)
- New products and services providing growth potential

Average deposit volume by type



NCI



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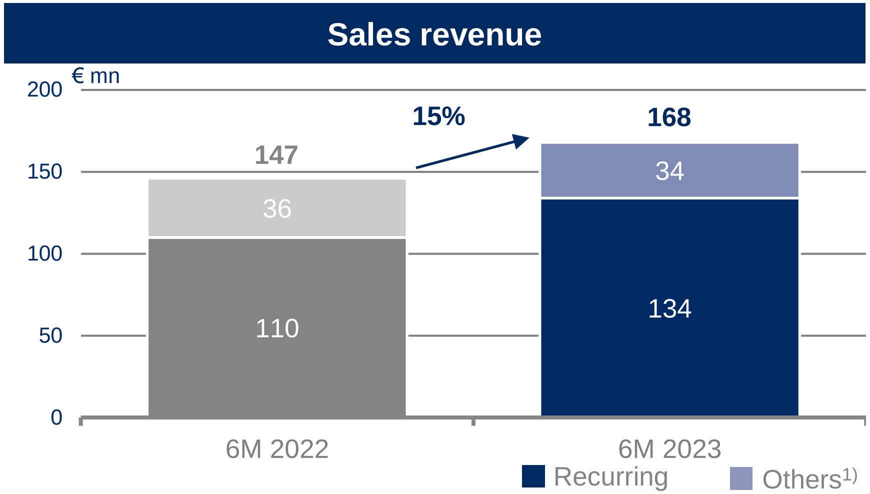
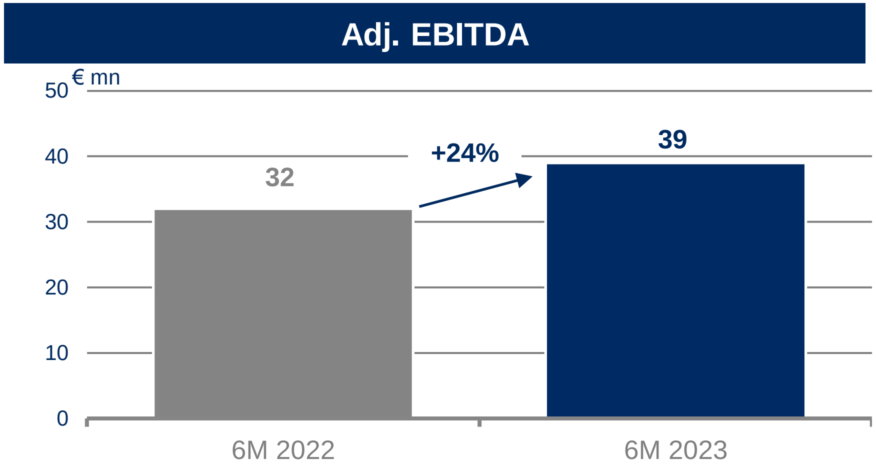
Recent Financial Performance - Segment Aareon

Strong recurring revenue growth, adjusted EBITDA margin and cash generation improved by strategic and efficiency measures





- Overall, sales revenues increased by € 21 mn (+15%)
  - Recurring revenue grew by 21% (incl. SaaS)
  - Share of recurring increased to 76%[2] of total revenues (H1/22: 73%)
- Adj. EBITDA increased by € 7 mn to € 39 mn (+24%), adj. EBITDA margin increased to 23% (H1/22: 22%) leading to stronger cash position (Adjusted EBITDAC)
- Major activities in Q2/23:
  - Launch of partner program Aareon Connect in Germany, further increase to more than 20 partners and first customers via platform contracted
  - Continuation of efficiency measures started in Q1/23 with investment in workforce transformation, additional streamlining of UK product portfolio and further process efficiency measures
- Noticeable savings from investments already in H2 expected

Note: Numbers not adding up refer to rounding
1) Other = Licenses and PS (Professional Services = Consulting business)
2) Last Twelve Months

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- **Loan Book & Asset Quality**
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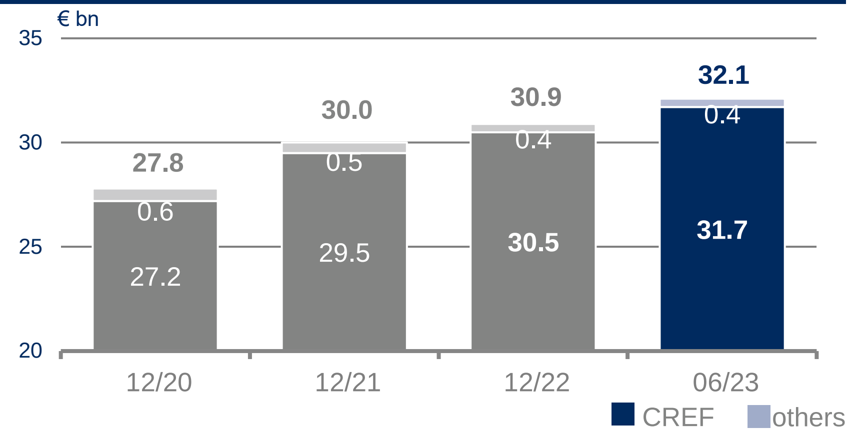
Loan Book & Asset Quality

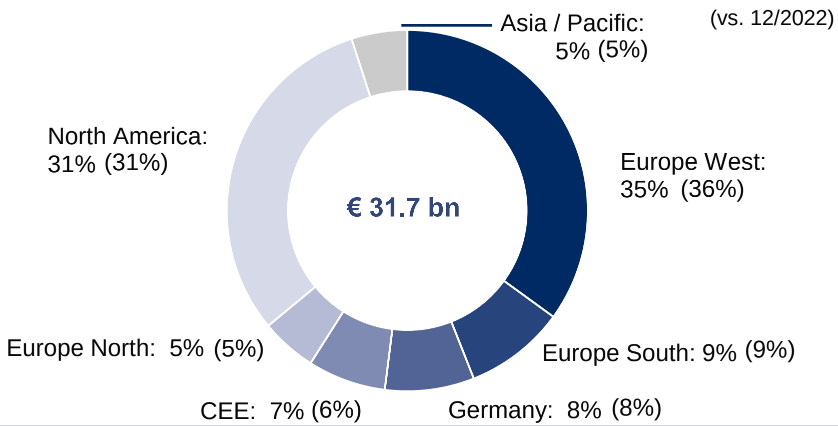
Portfolio volume increased by selective new business

REF portfolio

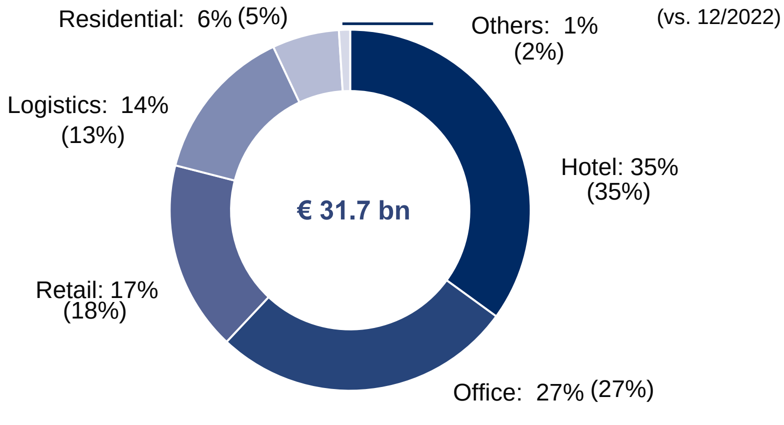


- Sticking to overall country and asset diversification
- YE portfolio target for 2023 of € 32 - 33 bn confirmed
- Virtually no financing of developments (< 1%) however, refurbishments to foster green transition
- Green loan volume at € 3.0 bn (06/22: € 1.5 bn)
- Green property financing portfolio at € 7.7 bn or 24% of total CREF portfolio

CREF portfolio by region



CREF portfolio by property type



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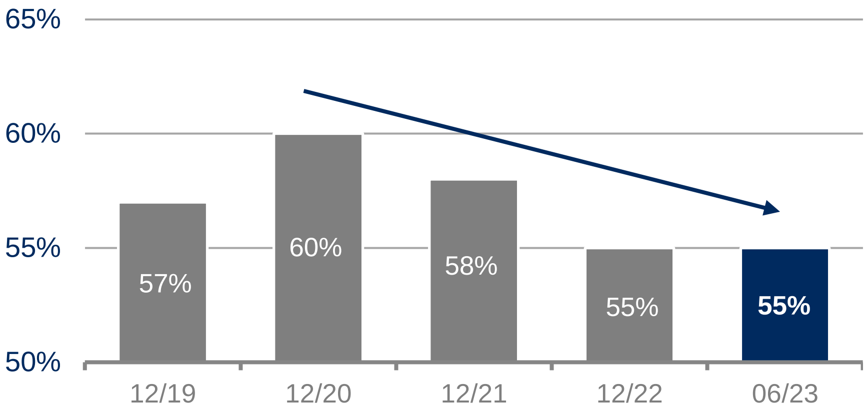
Loan Book & Asset Quality

YoD further increased, stable LTV

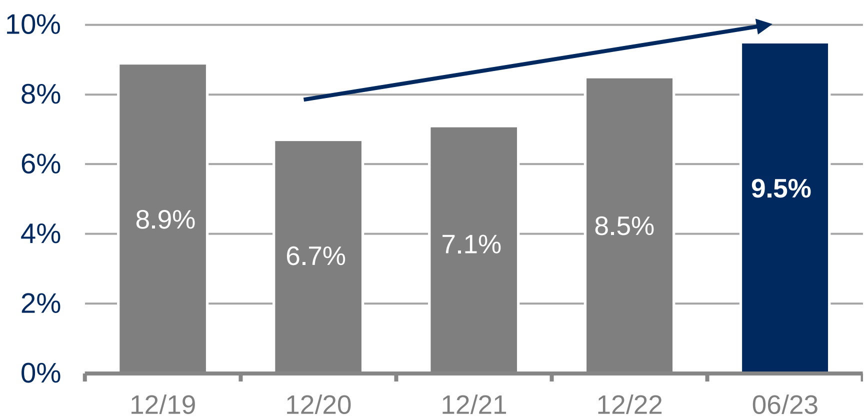
LTV[1)]



LTV[1)] by property type

%	12 '19	12 '20	12 '21	12 '22	06 '23
Hotel	55	62	60	56	55
Logistics	54	56	55	52	53
Office	57	58	58	57	58
Retail	61	61	59	56	56

YoD[1)]



YoD[1)] by property type

%	12 '19	12 '20	12 '21	12 '22	06 '23
Hotel	9.6	3.0	5.0	9.0	10.9
Logistics	8.5	9.2	8.7	9.0	9.2
Office	7.7	8.1	7.6	6.9	7.0
Retail	9.6	8.8	9.1	9.8	10.7

1) Performing CREF-portfolio only (exposure)

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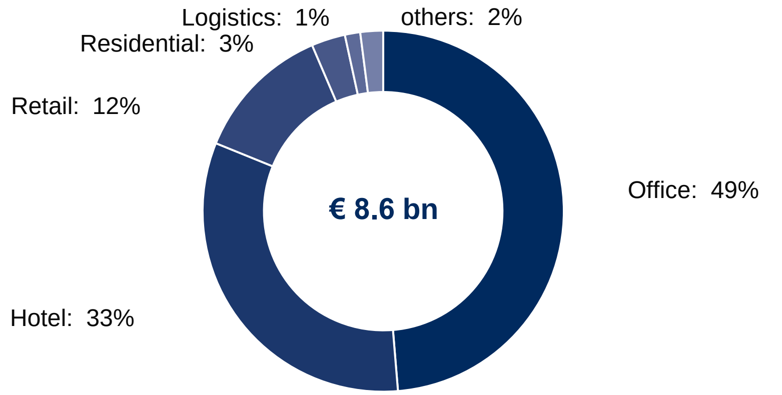
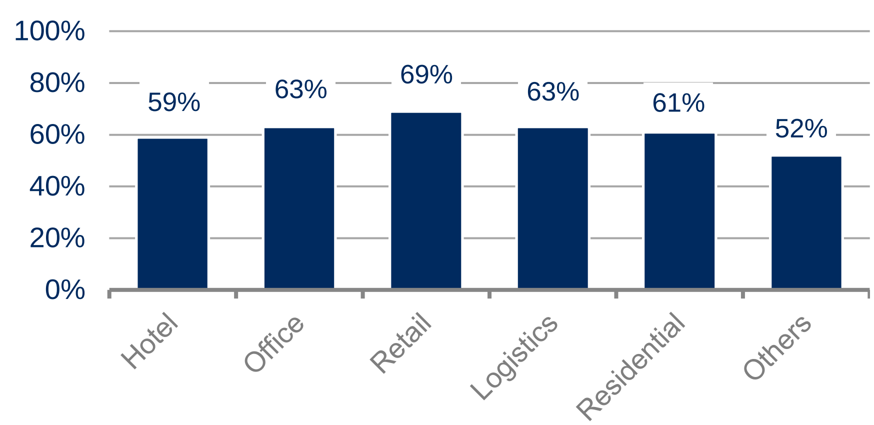
Loan Book & Asset Quality

US portfolio broadly diversified

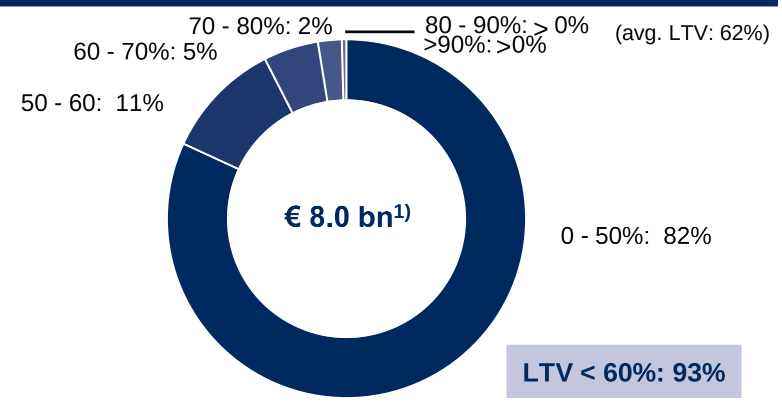
US portfolio by property type



Avg. LTV[1] of US portfolio by property type



US portfolio by (layered) LTVs[1]



- Continuing selective new business approach
- Headwinds in the office sector, stable performance within the other property types
- Less than € 50 mn with an LTV above 80%
- 93% of exposure below LTV of 60%

1) Performing CREF-portfolio only (exposure)

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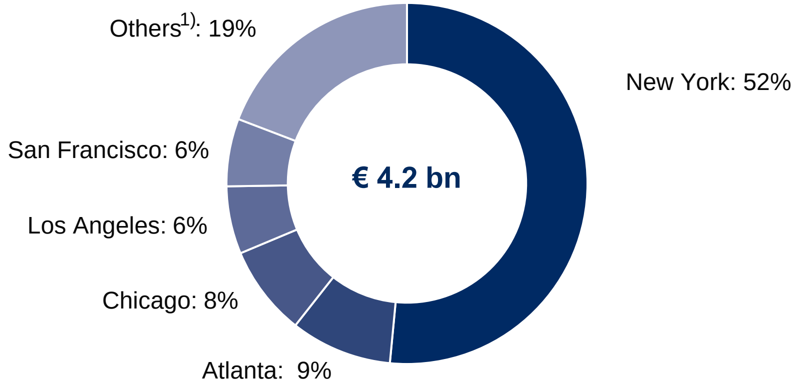
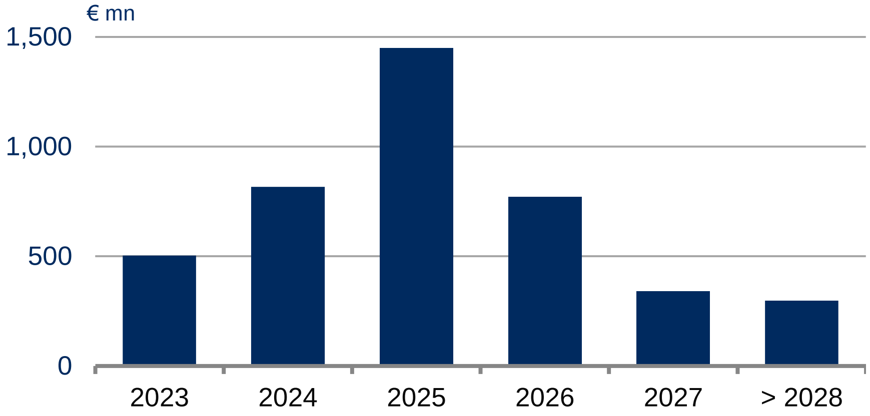
Loan Book & Asset Quality
US office portfolio: Update

Top 5 cities



Maturities



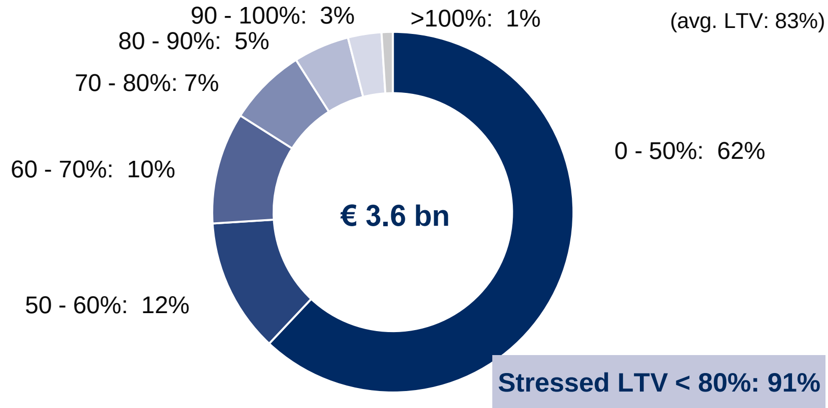
- ~50 US office finance projects concentrating on high quality A properties in Class A markets
  - New York represents >50% of the total US-office portfolio
  - Rest largely spread throughout major US cities
- Focus on cash flow
  - YoD[2)] in US office of ~7.3%
  - Only 11% of leases expire in 2023, 8% in 2024
- Maturities widely spread with a peak in 2025

1) Others incl. all cities with a portfolio below € 200 mn
2) Performing CREF-portfolio only (exposure)

Loan Book & Asset Quality

US office portfolio: Update

Stressed (layered) LTVs[1] – Market values down by 25%



Assumed market value decrease of ~20%

- Avg. / weighted assumed market value decrease in US office of ~15% (class A), ~40% (class B) and ~60% (class C) leads to an average decline ~35%
- This translates into an assumed ~20% decrease for Aareal's portfolio due to focus on prime markets

Portfolio stressed with 25% market value decrease

- Average LTV up to 83% (from ~62% YE 2022)
- (Layered) LTV above 100%: 1% (< € 50 mn) of exposure
- (Layered) LTV 80%-100%: 8% (< € 300 mn) of exposure

➔ Sound headroom even under stress assumptions

Total US office portfolio has been revalued in 2023

- Values of all US office loans reviewed in 2023, thereof ~50% by external appraiser
- External appraisals 2023:
  - Non-performing: Value decrease of 20 - 35%
    → Value decrease adequately considered in risk provisioning
  - Performing: Average value decrease of ~12%
    → Extrapolation to 100% of performing portfolio results in a pro-forma average LTV of ~70%

➢ Considering location & quality of the respective properties, value decreases are in general as expected and are comfortably within the headroom assumed in the stressed scenario

1) Performing CREF-portfolio only (exposure)

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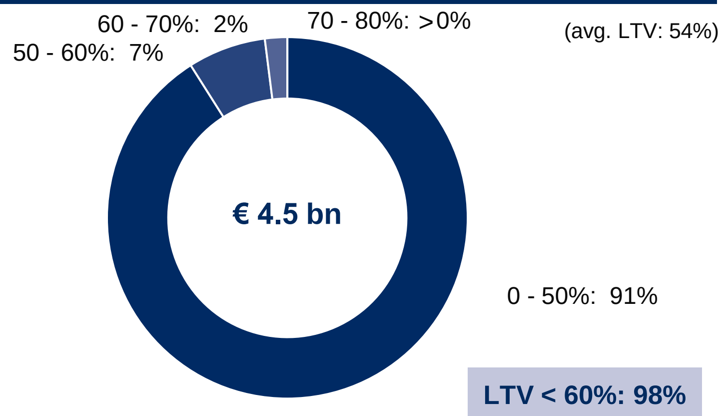
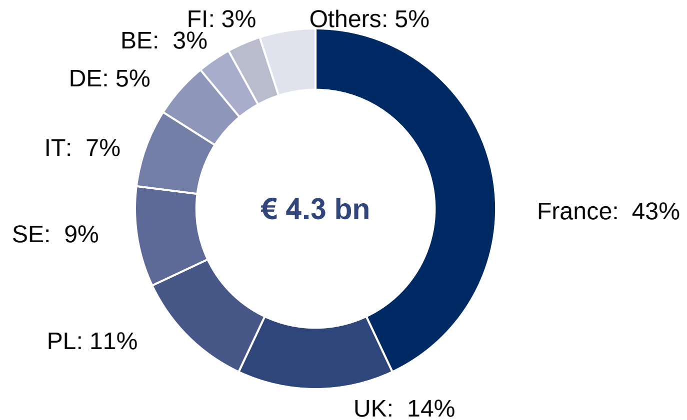
Loan Book & Asset Quality

European office portfolio well positioned

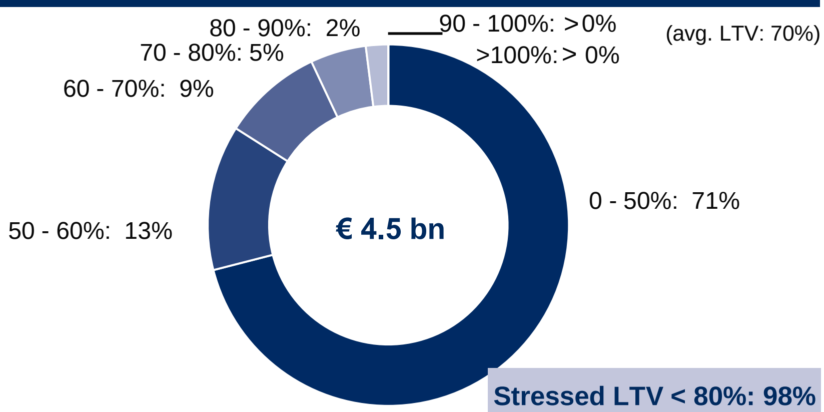
European office portfolio by (layered) LTVs[1)]



European office portfolio by region



Stressed (layered) LTVs[1)] – Market values down by 25%



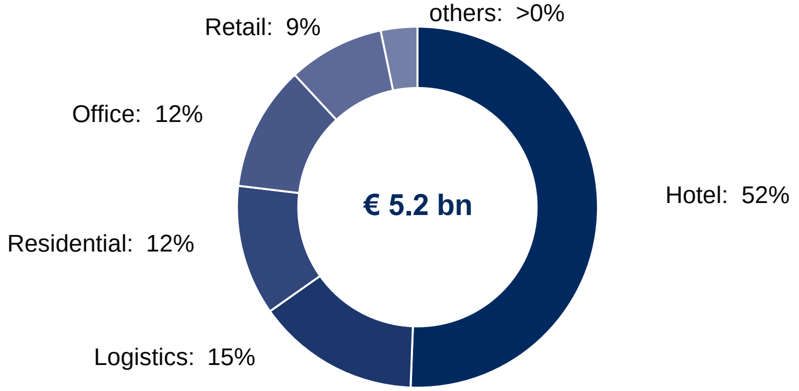
- France (Paris only) with high share of planned refurbishments into green assets (~1/3 of total French office portfolio)
- UK with 9 deals mainly in London area totalling € 0.6 bn
- Structural differences between Europe and US
  - Commuting generally takes longer in the US
  - More IT jobs in the US with more remote work
  - Lower vacancy rates in the Europe
  - Europe with tighter interest rate hedges

Note: others incl. countries with a portfolio below € 100 mn
1) Performing CREF-portfolio only (exposure)

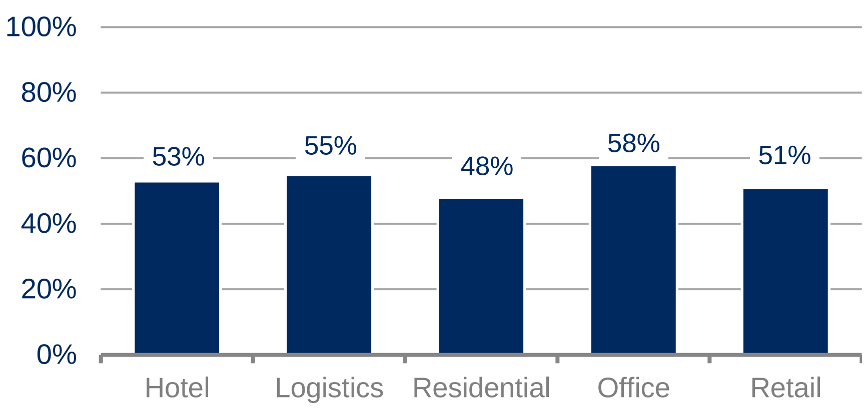
Loan Book & Asset Quality

UK portfolio focusing on hotels in the London metropolitan area

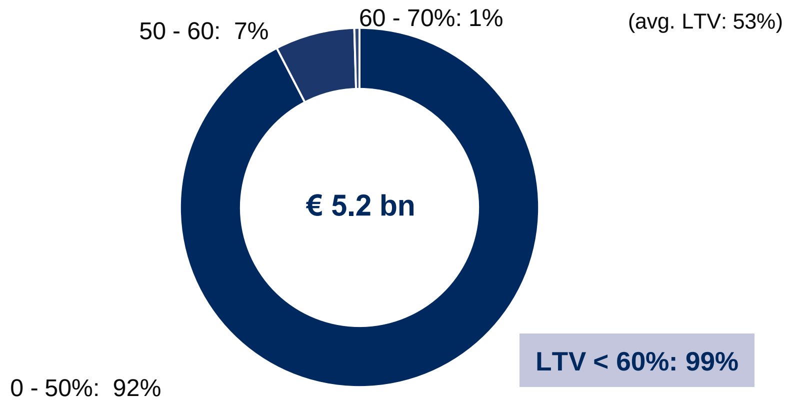
UK portfolio by property type



Avg. LTV[1)] of UK portfolio by property type



UK portfolio by (layered) LTVs[1)]



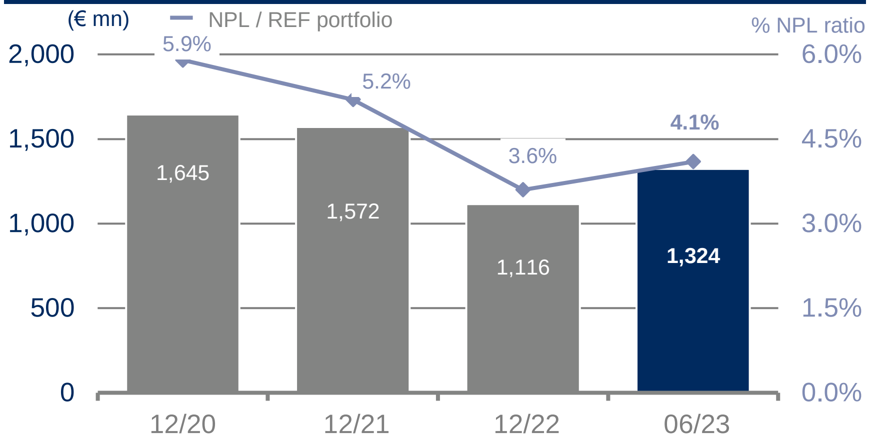
- Virtually no exposure with a layered LTV above 60% (< € 25 mn)
- Focus on hotels in the London metropolitan area
- Logistics: Predominantly part of portfolio financings (UK or Europe wide), focusing on newly constructed properties
- Residential focusing on student housing
- Office exposure € ~600 mn
- Retail: Focus on retail parks
- NPL: € 112 mn, two shopping malls

1) Performing CREF-portfolio only (exposure)

Loan Book & Asset Quality

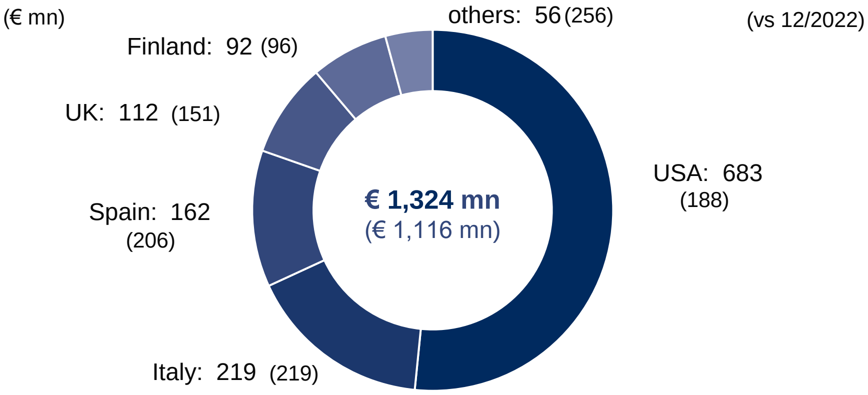
Resolution of legacy NPLs largely compensated NPL increase from US offices, no Russian exposure left

NPLs

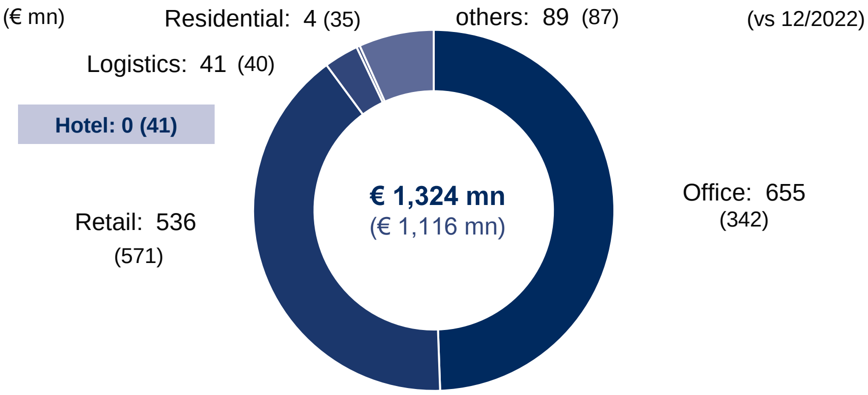


- € 60 mn budget fully allocated
  - Thereof € 35 mn for sale of Russian exposure
  - Further (legacy) NPLs prepared for resolution in H2
- No hotel NPLs
- Ratios acc. to EBA methodology[1)]:
  - NPL: 3.2%
  - NPE: 2.8%

NPLs by country



NPLs by property type



1) EBA Risk Dashboard

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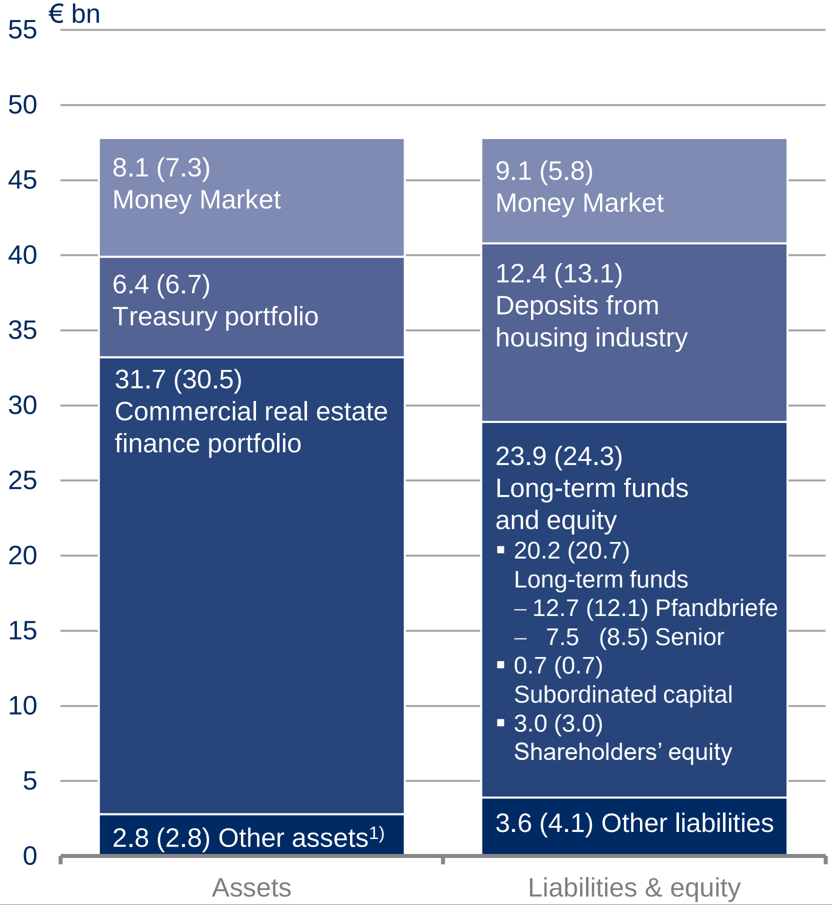
Liquidity & Funding
Comfortable liquidity position

Balance sheet as at 30.06.2023: € 49.0 bn
(31.12.2022: € 47.3 bn)



Conservative liquidity management throughout the cycle

- On average long-term funds have longer maturities than CRE finance portfolio
- Substantial buffer in regulatory liquidity ratios (LCR / NSFR) despite strong growth in portfolio and difficult economic and capital markets environment
  - NSFR: 120%, (12/22: 119%)
  - LCR: 225%, (12/22: 210%)
- Liquid treasury portfolio with ~80% public sector
- TLTRO ~80% repaid in Q4/22

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

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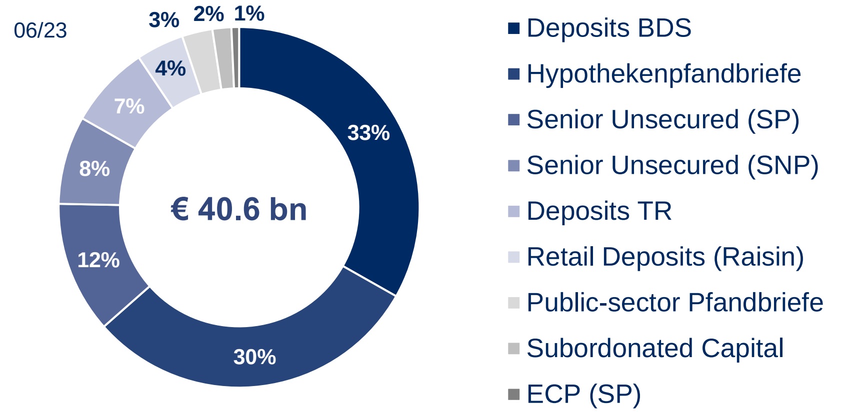
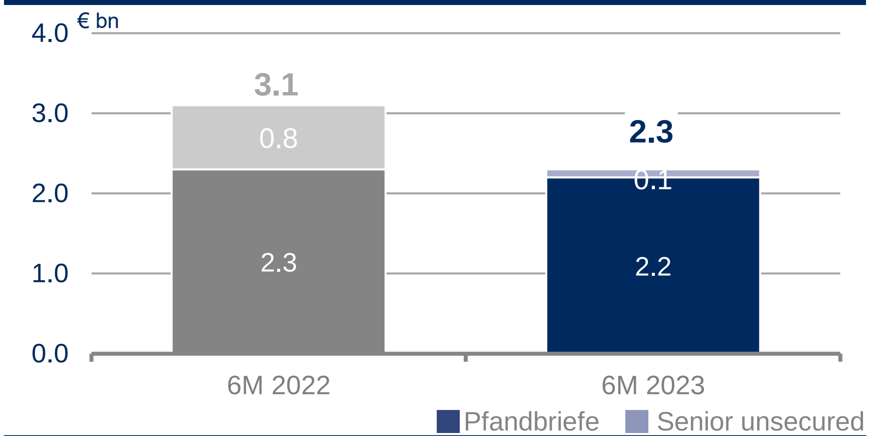
Liquidity & Funding
Well diversified Funding Mix

Funding by type



Capital market funding activities



Successful 6M funding activities

- Pfandbrief and Senior totaling € 2.3 bn incl.
  - 2 Pfandbrief Benchmarks (€ 1.5 bn) in Q1
  - € 500 mn Pfandbrief Benchmark in 07/23
- Deposits from housing industry at avg. of € 13.5 bn above targeted level of € ~13 bn
  - Granular deposit structure from more than ~3,700 housing industry clients managing ~8 mn rental units
  - Sticky rental deposits continuously growing
- Retail (term) deposits by cooperating with Raisin / Weltsparen significantly increased to € 1.7 bn (12/22: € 0.6 bn)
- Commercial Paper Program enables offering ECP in EUR, GBP & USD as well as in Green format

➢ Having further diversified and optimized funding mix, less Senior capital market funding planned

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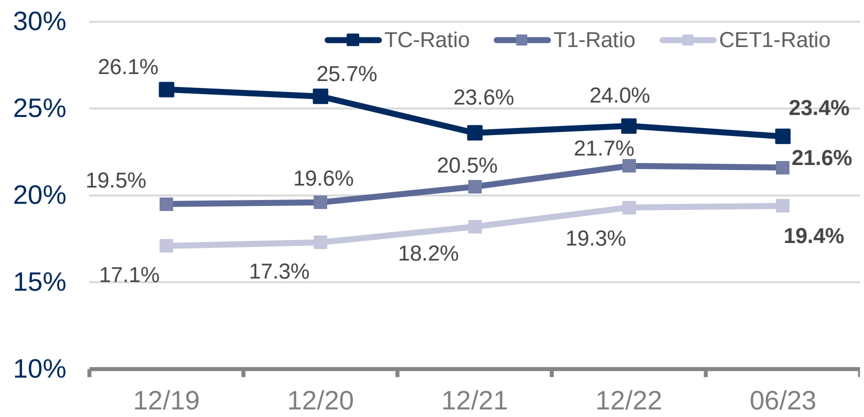
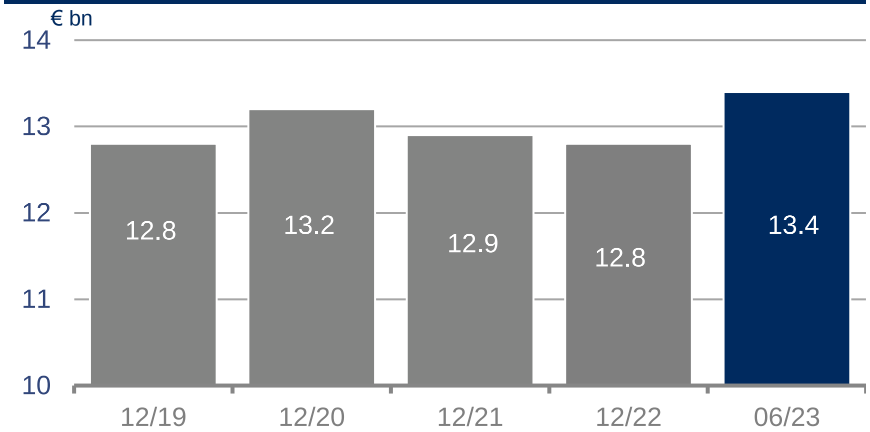
Capital
Solid capital position

B4 (phase in) capital ratios



B4 (phase in) RWA[1)]



- Stable CET1 ratio
- Positive effects from dividend retention after successful PTO closing compensate RWA increase from loan portfolio growth and macro economic headwinds
- B4 fully phased ratio at 13.4%
- T1-Leverage ratio at 6.2%

1) Based on draft version of the European implementation of Basel IV by the European Commission dated 27 October 2021 (CRR III)

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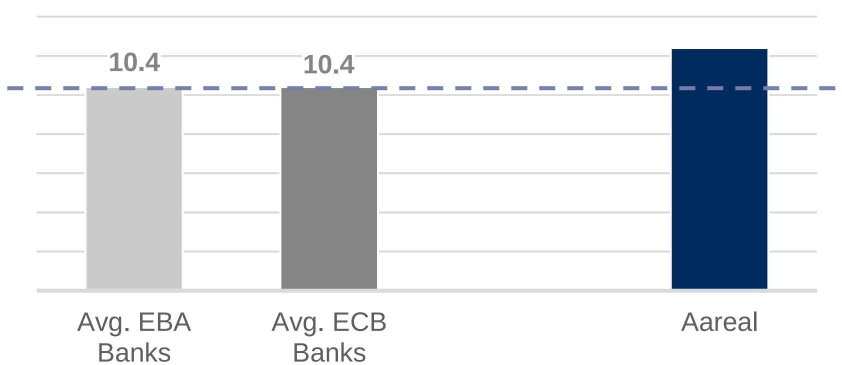
Capital

Good stress test results demonstrating healthy risk profile and operating resilience

Stressed CET1 ratios (adverse scenario)

(in %)



German CRE-lender	Sample	Min. CET1 ratio	Min. Leverage ratio
Bank A	SSM	CET1R ≥ 14%	LR ≥ 6%
Aareal Bank	**SSM**	**11% ≤ CET1R< 14%**	**4% ≤ LR< 5%**
Bank B	SSM	8% ≤ CET1R < 11%	4% ≤ LR< 5%
Bank C	EBA	8% ≤ CET1R < 11%	LR < 4%
Bank D	EBA	8% ≤ CET1R < 11%	LR < 4%
Bank E	EBA	8% ≤ CET1R < 11%	LR < 4%
Bank F	EBA	8% ≤ CET1R < 11%	LR < 4%
Bank G	EBA	CET1R < 8%	LR < 4%
Bank H	EBA	CET1R < 8%	LR < 4%

Risk driver stress test 2023

- Intensification of geopolitical tensions, partial de-globalisation
- Gas supply cuts, higher commodity prices and wage increases via large second round effects leading to persistently high inflation
- Higher current and expected inflation leading to higher interest rates, further exacerbating the contraction in output
- **Significant and abrupt price adjustment in the real estate market (approx. 30% discount) given a severe tightening in financing conditions and a weak economic outlook**
- Tighter financing conditions, deteriorated economic activity and high levels of government debt raising sovereign debt sustainability concerns

Aareal Bank's Results

- Stressed CET1 ratio comfortably within 11-14% range above EBA / ECB (SSM) average (10.4%) and well above regulatory requirements
- Stressed leverage ratio above 4%
- ➢ **Good stress test results demonstrating healthy risk profile and operating resilience of Aareal Bank**

Agenda

- Recent Financial Performance
- Loan Book & Asset Quality
- Liquidity & Funding
- Capital
- **Outlook**

- Appendix

100 Years Building Your Tomorrow

Aareal
YOUR COMPETITIVE ADVANTAGE.

Outlook 2023

Operating profit targets confirmed

Group

METRIC	Previous OUTLOOK 2023	Current OUTLOOK 2023
Net interest income	€ 730 - 770 mn	Above € 770 mn
Net commission income	€ 315 - 335 mn	unchanged
LLP[1)]	€ 170 - 210 mn incl. € 60 mn budget for a swift NPL reduction	Above € 210 mn
Admin expenses	€ 590 - 630 mn incl. € 35 mn budget for Aareon efficiency measures	Upper end of guided range (add. Aareon efficiency measures)
Operating profit (adjusted)	**€ ~350 mn**	✓
Operating profit	**€ 240 - 280 mn**	✓ Lower end
Earnings per share (EPS)	**€ 2.40 - 2.80[2)]**	✓ Lower end

Developments in the macroeconomic environment remain uncertain

Segments

	METRIC	2022	Current OUTLOOK 2023
Structured Property Financing	REF Portfolio	€ 30.9 bn	€ 32 - 33 bn[3)]
	New business	€ 8.9 bn	€ 9 - 10 bn
Banking & Digital Solutions	Deposit volume	€ 13.4 bn	€ ~13 bn
	NCI	€ 31 mn	~13% CAGR (2020-2023)
Aareon	Revenues	€ 308 mn	€ 325 - 345 mn
	Adj. EBITDA	€ 75 mn	€ 90 - 100 mn

1) Incl. value adjustments from NPL fvpl
2) Based on expected FY-tax ratio of ~33%
3) Subject to FX development

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Key takeaways
Well equipped for the current challenges

✓ In the fourth year of uncertainty and geopolitical crisis, strong capital ratios and solidly funded

✓ Strong earnings power based on close customer relationships and active risk management

✓ Consistently implementing our strategy and further investing in our future and resilience

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Appendix

Segment: Aareon

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YOUR COMPETITIVE ADVANTAGE.

Segment: Aareon

H1 2023 P&L and other KPIs

P&L Aareon segment - Industry format[1)] € mn	H1'22	H1'23	Δ H1 '23/'22
Sales revenue	147	168	15%
▪ *Thereof recurring revenues*	*110*	*134*	*22%*
▪ *Thereof other revenues*	*36*	*34*	*-6%*
Costs[2)]	-126	-169	34%
▪ *Thereof material*	*-27*	*-31*	*15%*
EBITDA	**21**	**-1**	**> -100%**
Adjustments[3)]	-11	-40	> 100%
Adj. EBITDA	**32**	**39**	**22%**
EBITDA	**21**	**-1**	**> -100%**
D&A / Financial result	-23	-50	> 100%
EBT / Operating profit	**-3**	**-51**	**> 100%**

R&D and Adjusted EBITDAC[4)]	
R&D spend as % of software revenue – YTD	22%
YTD Operating Cash Flow (€ mn)	29

- R&D spend at 22%, 4% lower then in PY driven by product portfolio review last year in order to deliver the most value for our customers
- Adjusted EBITDAC at € 29 mn (H1'22: € 16 mn) from investments into operating leverage

1) Calculation refers to unrounded numbers
2) Costs also include other operating income and capitalized software
3) Incl. New product, M&A, VCP, Venture, other one-offs (legal cases, restructuring)
4) KPI measuring the Adjusted Cash performance (Adjusted EBITDA excl. capitalized software, IFRS 16 impact and other non-cash valuation effects)

Aareal

Appendix
ESG

100 Years Building Your Tomorrow

Aareal
YOUR COMPETITIVE ADVANTAGE.

ESG in our daily business

Putting sustainability at the core of our decisions

Published March 2023

ESG in our lending business	ESG in our funding activity

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 the new framework provided since Q2 2021

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 liability-side/use-of-proceeds framework that allows issuance of green financing instruments
- The “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 demanding Green Finance Framework

SUSTAINALYTICS
a Morningstar company
SECOND-PARTY OPINION

Published March 2023

Aareal Green Finance Framework (GFF) in place

Green Property Financing:

Requirements to qualify as green property

- 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 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 Stars" and above ▪ HQE: "Excellent" and 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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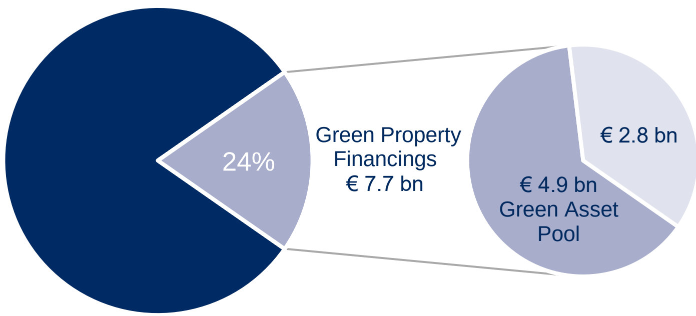
24% of CREF portfolio classified as Green Property Financings

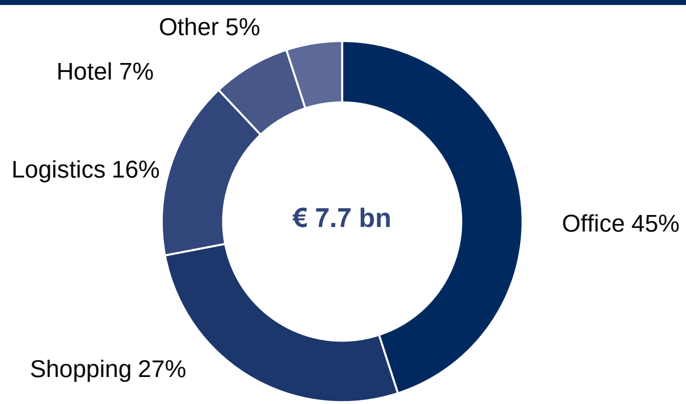
CREF[1)] portfolio



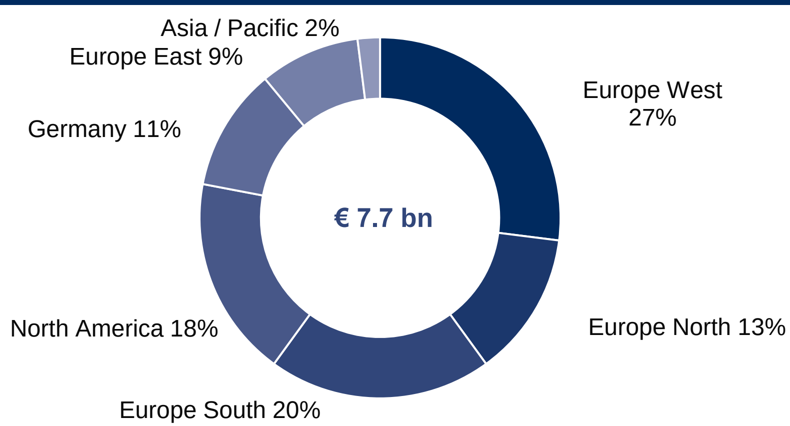
€ 7.7 bn[1)] (24%) of total CREF portfolio fulfilling Aareal's Green Finance Framework and are classified as "Green Property Financings", thereof

- € 4.9 bn included in green asset pool for underlying of Green bond issues
- € 2.8 bn green property financings mainly for technical reasons not (yet) included

Green Property Financings[2)] by property type



Green Property Financings[2)] by region



1) CREF excl. business not directly collateralized by properties
Portfolio data as at 30.06.2023 – ESG Data as at 30.06.2023
2) Valid certificate is documented

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ESG@Aareal

Phase 1:
Mission accomplished

	We have laid the foundation…	…achieved our 2022 goals…	… and will continue to follow our path
Growing our impact	**Green expansion of financing business** **€ 2 bn by 2024 additional green loan volume**	Achieved	On track for 2024
	Optimisation of funding mix **€ 1 bn in 2022 - new allocation of green funding**	€ 1 bn long-term funding + € 0.5 bn green CPs	+ € 0.5 bn green long-term funding in '23
	Providing transparency for global CREF portfolio **20% by 2022 – Verified green properties**	> 21% screening almost completed	Grow share of verified green properties PCAF report on financed emissions by '24
	Limiting our own Greenhouse Gas emissions **Carbon-neutralised own business operations worldwide by 2023**	Achieved	On track for 2023
	Expansion of innovative solutions with ESG impact **Growth targets by 2025 – Identification of enabler products by 2022**	Achieved	On track for 2025
Setting the tone at the top	**ESG governance with enhanced Board's oversight** **CEO responsibility – Regular Board engagement**	Achieved	Achieved and continuing
	ESG integration in business, credit, investment, risk and refinancing strategies and decision making process **Targeting of ESG initiatives in individual / group targets**	15% ESG component in Management Boards variable remuneration	Increased to 25% of our Management Board's variable remuneration in 2023

Additional Highlights

- Green Finance Frameworks Lending & Liabilities established and signed off by second party opinion (SPO)
- Strengthened investability for green investors through consistently positive ESG rating results
- Strong performance in ECB climate stress test, which assessed our portfolio for its vulnerability to physical and transitory risks

ESG@Aareal

Our mission for phase 2:
On the „Road to Paris“ we are supporting our clients

Published March 2023

SPF | BDS | Aareon

Real Estate Structured Finance
With our green lending activities we support our worldwide clients as they transform their real estate portfolio

Treasury
We offer a wide range of sustainable / green investment opportunities to our investors

With banking and software products we aim to support our clients as they master their ESG challenges

Mid-term ambition

€ ~5 bn of our total loan portfolio in “green lending” by 2026

Continuously leverage our Green Asset Pool for long-term funding

Increase revenue share of ESG compliant software products by 2026

On-going transparency initiatives to reach and surpass to highest market standards

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Consistently positive rating results
Rewarding Aareal's ESG performance

MSCI
since 2015

CCC – B – BB – BBB – A – **AA** (Aareal) – AAA

- With continuous AA status in ESG Rating, Aareal at the best 36 percent among 62 diversified financials
- Outstanding Score in Governance (7.9 of 10) compared to industry average (5.8)

ISS ESG
since 2012

D- – D – D+ – C- – | Prime threshold | – C – **C+** (Aareal) – B- – B – B+ – A- – A – A+

- Prime Status confirms ESG performance above sector-specific Prime threshold, which means Aareal fulfils ambitious absolute performance requirements
- Range of 130 rated companies in the Mortgage & Public Sector Finance sector between D and B, Aareal on Decile Rank 1

SUSTAINALYTICS
as of 02/2023

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

- 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 (18.6), Rank 176 of 1006 in Sector Banks, 16 of 101 in Thrifts and Mortgages

Moody's ESG Solutions
as of 05/2022

0 – 25 – 50 (Aareal) – 75 – 100

- ESG Overall Score of 51, Aareal with above sector average results in Environment 49 [⌀46], Social 48 [⌀43] and Governance 56 [⌀47]

CDP
since 2022

D- – D – C- – C – B- – **B** (Aareal) – A- – A

- Improvement to 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 18/07/2023

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Appendix

Asset Quality

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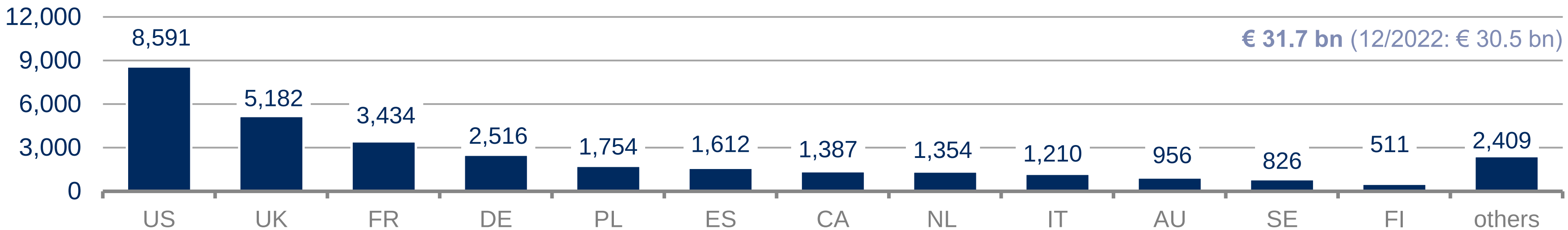
YOUR COMPETITIVE ADVANTAGE.

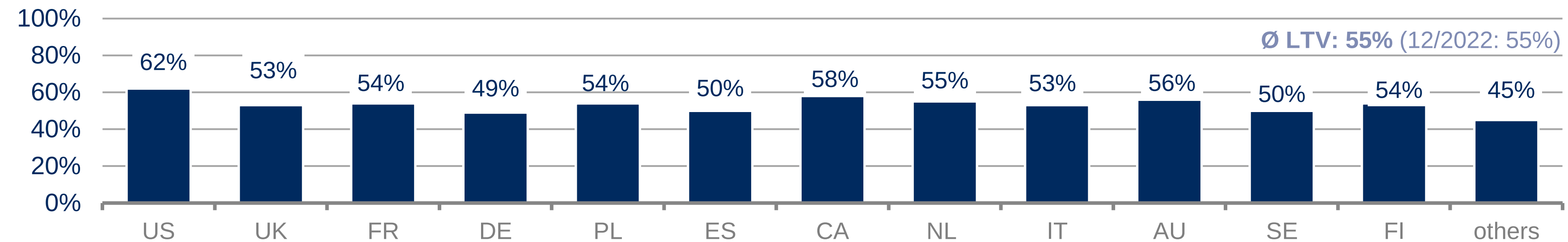
CREF portfolio by country

€ 31.7 bn highly diversified

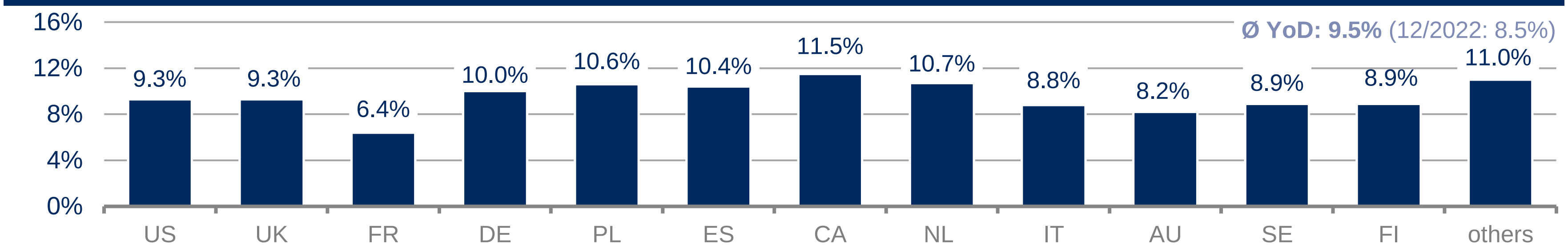
CREF portfolio (€ mn)



LTV[1)]



YoD[1)]



Note: others incl. countries with a portfolio below € 500 mn
1) Performing CREF-portfolio only (exposure)

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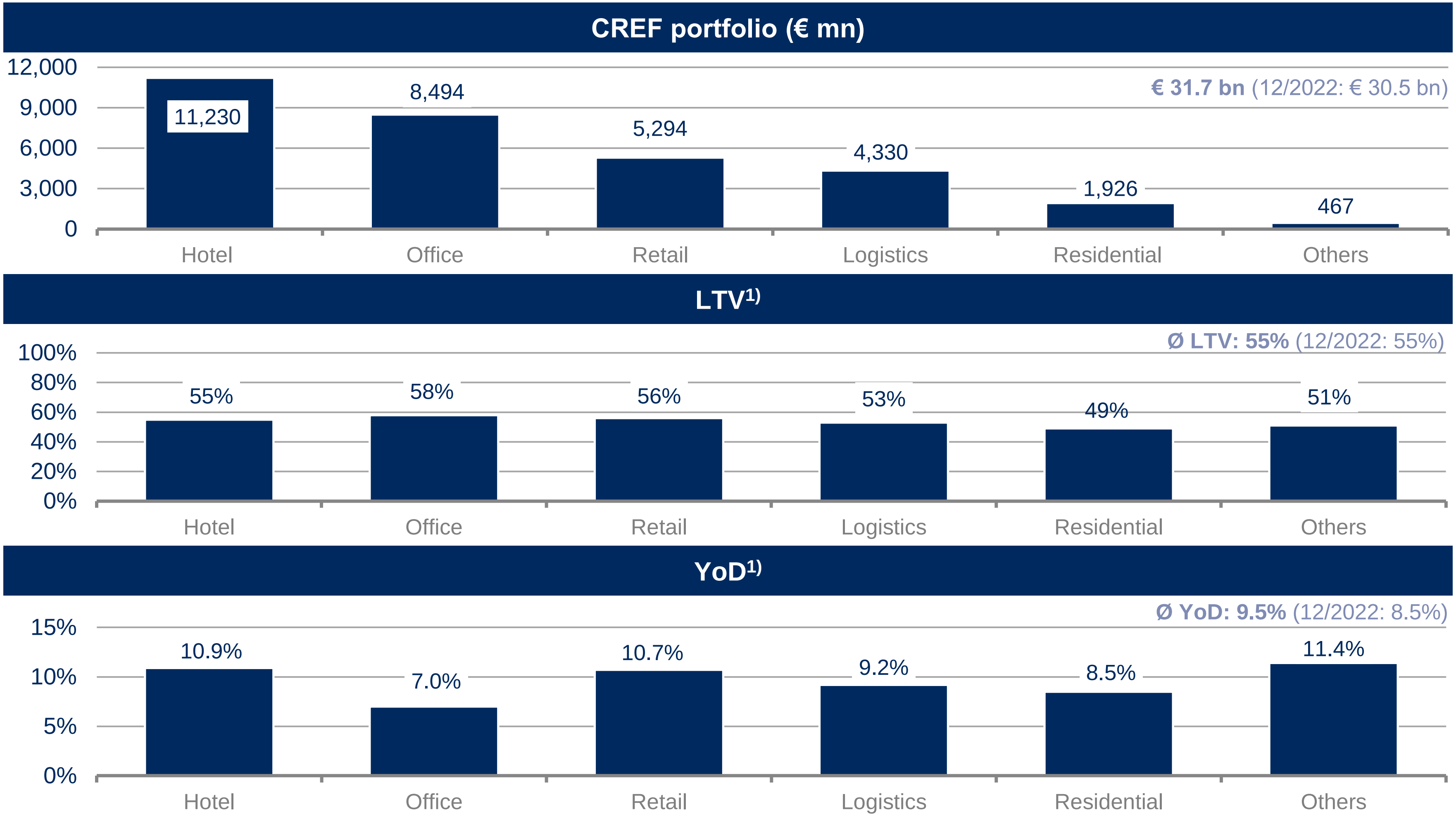
CREF portfolio by property types
€ 31.7 bn highly diversified



1) Performing CREF-portfolio only (exposure)

Appendix

Liquidity & Funding / Capital

100 Years Building Your Tomorrow

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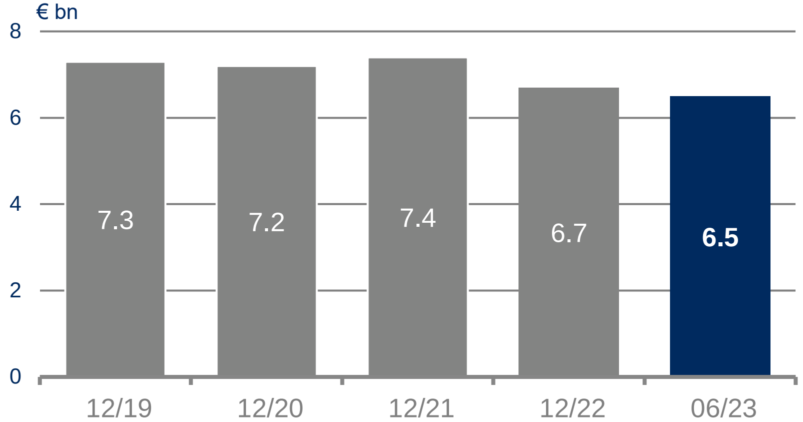
YOUR COMPETITIVE ADVANTAGE.

Liquidity & Funding

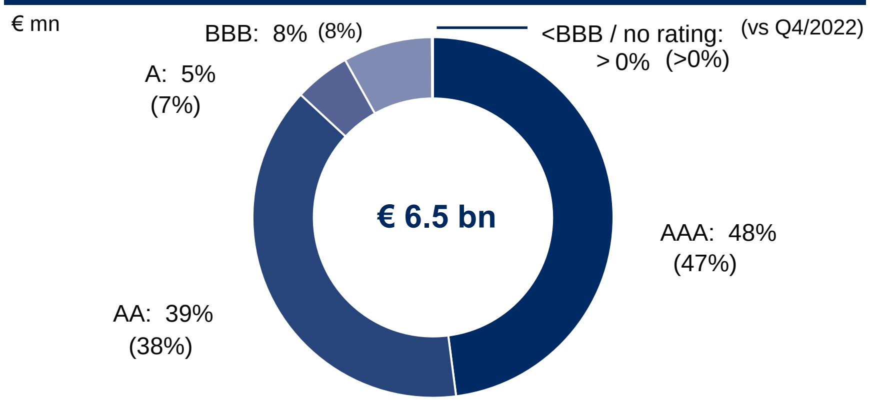
Treasury portfolio of € 6.5 bn of highly rated, quality liquid assets providing collateral and additional liquidity

TR portfolio development

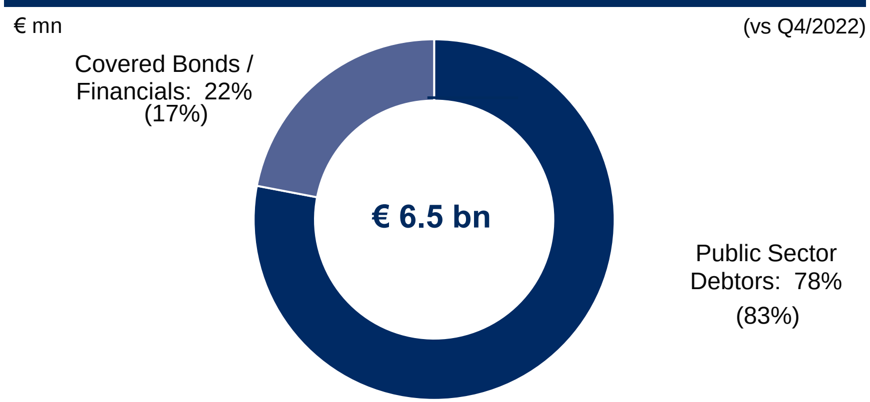


- Diversification intensified by re-investing in new agencies and Covered Bonds supporting spread improvement
- Enables income generation vs holding just cash collateral
- Serves as a liquidity reserve in both economic and normative terms
- Mainly consists of
  - Collateral for the Pfandbrief (public / mortgage)
  - Assets permanently pledged for other reasons (e.g. collateral for LCH Clearing)

TR portfolio by rating[1)]

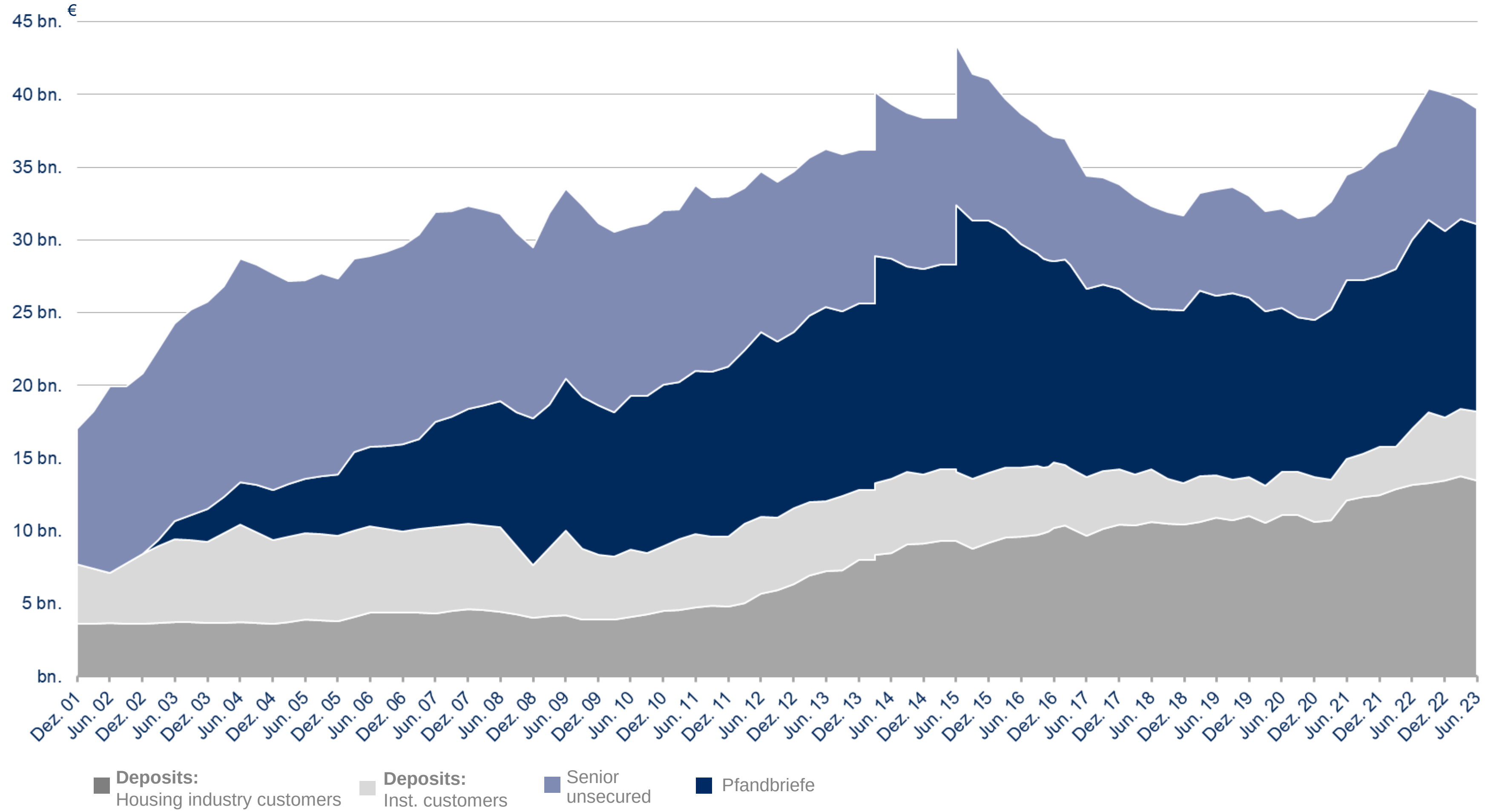


TR portfolio by asset class



As at 30.06.2023 – all figures are nominal amounts
1) Composite Rating

Liquidity & Funding
Diversified funding sources and distribution channels



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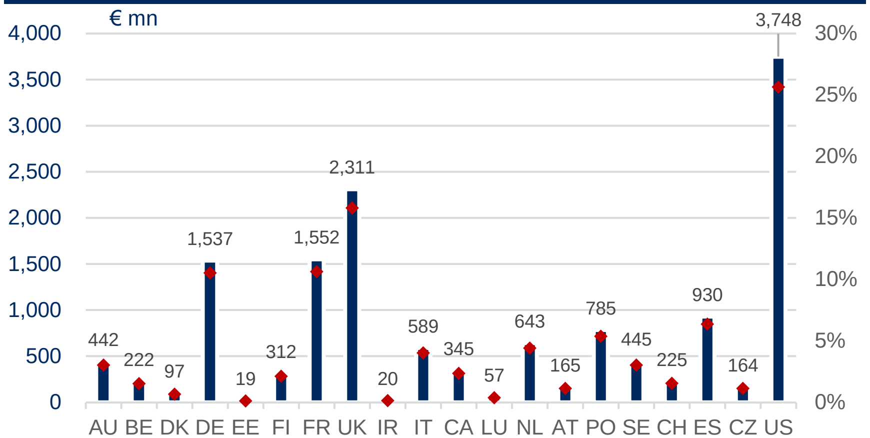
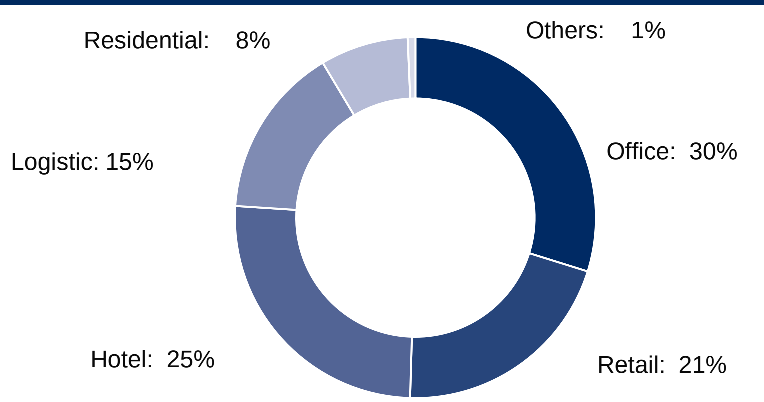
Liquidity & Funding

Strong Mortgage Cover Pool and Aaa Rating for Pfandbriefe

Cover Pool by Geography



Cover Pool by Property Type



As at 30.06.2023

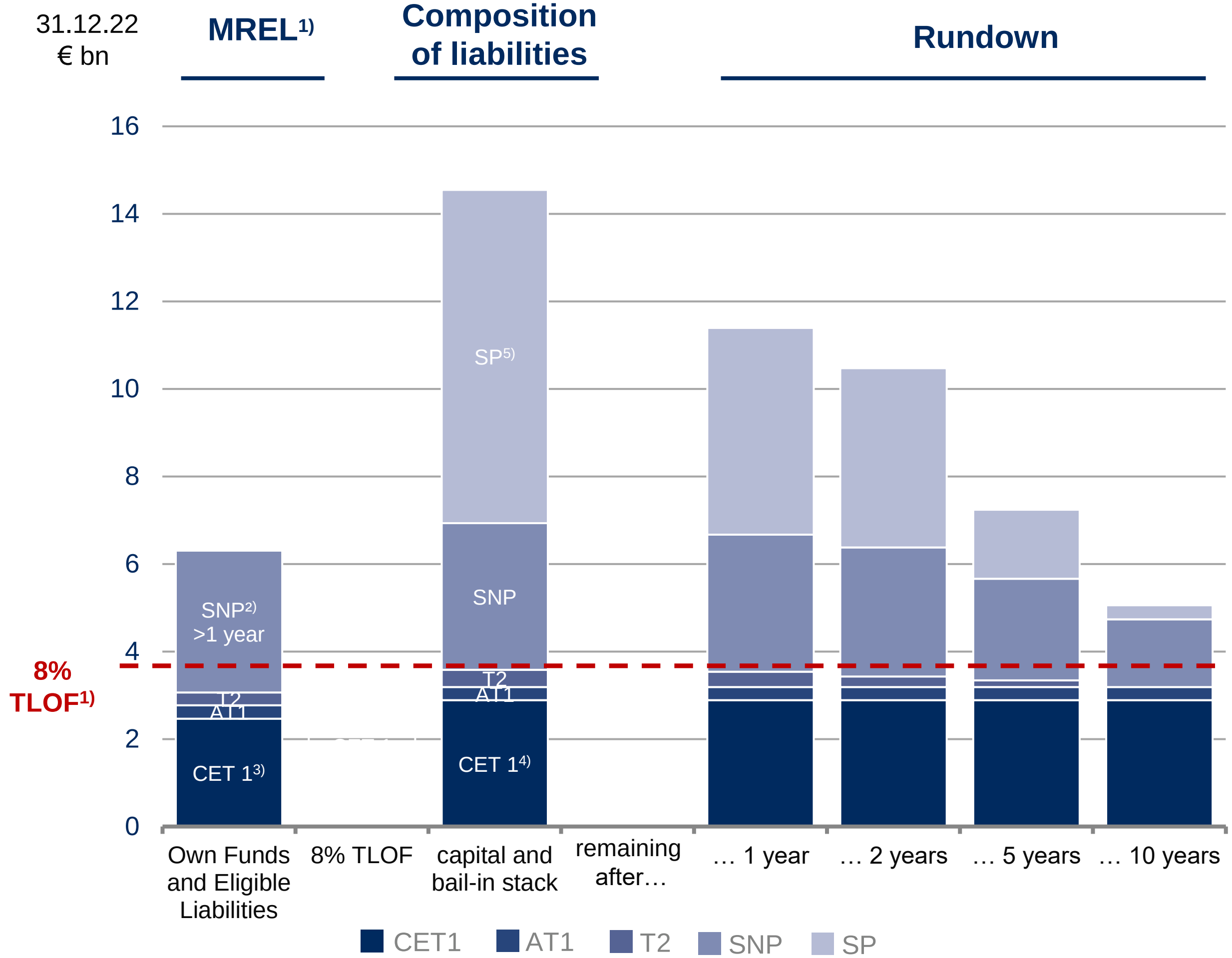
Pfandbriefe funding cornerstone of wholesale issuance

- Cover pool of € 15.3 bn incl. € 0.7 bn substitute assets diversified over 20 countries
- High quality assets: first-class mortgage loans (mortgage-lending-value 55.2%)
- Mortgage-lending-value with high discount from market-value
- Avg. LTV of the mortgage cover pool 31.8%
- Moody´s has calculated a 'Aaa' supporting over-collateralisation ratio of 18.5% on a PV basis
- Over-collateralisation on a PV basis as of 30.06.2023 21.5%
- High diversification within property types
- No assets in the covered pool from Russia and Ukraine

Liquidity & Funding

MREL ratios well above regulatory requirements

Published March 2023



Senior Preferred have significant protection from subordinated liabilities and own funds

- Ample buffer to MREL requirements
- Senior Preferred remains the predominant senior product, though Senior Non-Preferred remains a key element of the funding strategy
- The rundown remains manageable with a number of long-term liabilities providing significant levels of subordination
- 8% TLOF is the bank's upcoming binding MREL requirement, to be met with 100% subordinated liabilities

1) 8% TLOF with 100% subordinated debt (i.e. Own Funds and SNP). MREL requirements are only updated once a year
2) MREL-eligible Senior Non-Preferred Debt >1Y according to contractual maturities
3) Considering regulatory adjustments
4) CET1 assumed to be constant over time
5) Senior Preferred, excluding structured unsecured issuances

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Liquidity & Funding
Credit rating profile

Financial ratings

Fitch Ratings		Moody's	
Issuer default rating[1)]	BBB+	Issuer rating[1)]	A3
Short-term issuer rating	F2	Short-term issuer rating	P-2
Deposit rating	A-	**Senior preferred**	**A3**
Senior preferred	**A-**	Senior non preferred	Baa2
Senior non preferred	BBB+	Bank deposit rating	A3
Viability rating	BBB+	BCA	Baa3
Subordinated debt	BBB-	Mortgage Pfandbriefe	Aaa
Additional Tier 1	BB		

Sustainability ratings

MSCI	AA
ISS-ESG	prime (C+)
Sustainalytics	Low (20-10)
CDP	Awareness Level B

1) Outlook negative

Preservation of Fitch Ratings long-term senior preferred rating of at least A-

- Financial ratings a reflection of the strong and stable credit profile, cemented by the capital position
- Aareal's ESG performance has been rewarded by agencies:
  - MSCI: Aareal is in the best 35% of 63 diversified financials
  - ISS ESG: Prime Status confirms ESG performance above sector-specific Prime threshold
  - Sustainalytics: Still "Low" risk classification",
    Rank 178 of 987 in Sector Banks, 16 of 99 in Thrifts and Mortgages
  - MOODY's ESG Solutions: Above sector average results in Environment, Social and Governance

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Liquidity & Funding
Aareal Bank`s outstanding Benchmark Transactions

Pfandbriefe, Senior Unsecured and AT1						
Product	**Ratings**[2)]	**Currency**	**Volume**	**Maturity ↓**	**Coupon**	**ISIN**
Pfandbriefe	*Aaa*	*USD*	*750,000,000*	*02/14/25*	*0.625%*	*XS2297684842*
Pfandbriefe	*Aaa*	*GBP*	*500,000,000*	*04/29/25*	*SONIA + 100bps*	*XS2337339977*
Pfandbriefe	Aaa	EUR	500,000,000	07/31/23	0.125%	DE000AAR0223
Pfandbriefe	Aaa	EUR	750,000,000	02/01/24	0.125%	DE000AAR0249
Pfandbriefe	Aaa	EUR	500,000,000	07/30/24	0.375%	DE000AAR0207
Pfandbriefe	Aaa	EUR	500,000,000	07/15/25	0.375%	DE000AAR0215
Pfandbriefe[2)]	**Aaa**	**EUR**	**750,000,000**	**02/13/26**	**3,125**	**DE000AAR0389**
Pfandbriefe	Aaa	EUR	500,000,000	08/03/26	0.010%	DE000AAR0272
Pfandbriefe	Aaa	EUR	500,000,000	02/01/27	2.250%	DE000AAR0348
Pfandbriefe	Aaa	EUR	500,000,000	07/08/27	0.010%	DE000AAR0256
Pfandbriefe[2)]	**Aaa**	**EUR**	**750,000,000**	**10/11/27**	**3.000%**	**DE000AAR0371**
Pfandbriefe	Aaa	EUR	500,000,000	02/01/28	0.010%	DE000AAR0280
Pfandbriefe	Aaa	EUR	500,000,000	09/15/28	0.010%	DE000AAR0306
Pfandbriefe	Aaa	EUR	750,000,000	02/01/29	1.375%	DE000AAR0330
Pfandbriefe	Aaa	EUR	625,000,000	09/14/29	2.375	DE000AAR0363
Pfandbriefe	Aaa	EUR	750,000,000	02/01/30	0.125%	DE000AAR0314
Senior Preferred	A- / A3	EUR	500,000,000	04/10/24	0.375%	DE000A2E4CQ2
Senior Preferred green	A- / A3	EUR	500,000,000	07/25/25	4.500%	DE000AAR0355
Senior Preferred	A- / A3	EUR	500,000,000	09/02/26	0.050%	DE000AAR0298
Senior Preferred	A- / A3	EUR	500,000,000	04/07/27	0.050%	DE000AAR0264
Senior Preferred	A- / A3	EUR	750,000,000	11/23/27	0.250%	DE000A289LU4
Senior Preferred green	A- / A3	EUR	500,000,000	04/18/28	0.750%	DE000AAR0322
Additional Tier 1	BB	EUR	300,000,000	PERP_NC_5-1	10.897%	DE000A1TNDK2

1) Pfandbriefe are rated by Moody´s, AT1 by Fitch Ratings and Senior Unsecured by Fitch Ratings and Moody´s
2) Issued in 2023

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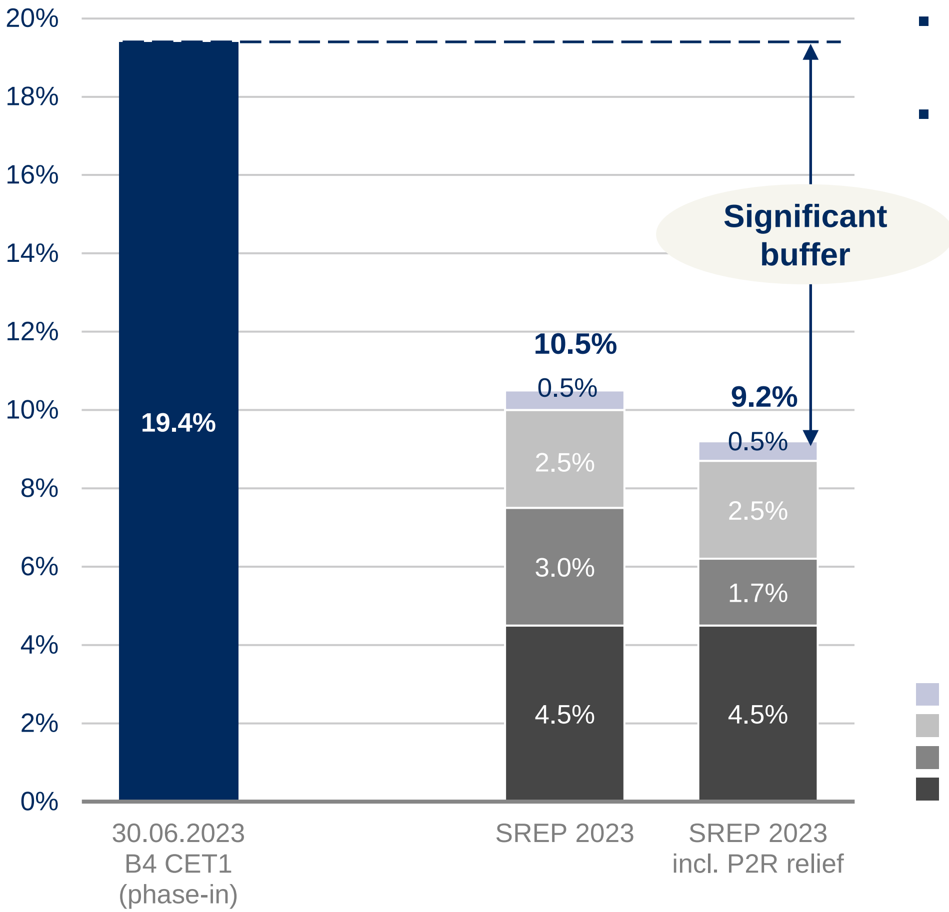
Capital
SREP (CET 1) requirements

CET1 ratio vs. SREP (CET1) requirements



- Capital ratios significantly above SREP requirements
- P2R relief by using possibility of partially fulfilling requirements with AT1 and T2 capital
- Total capital requirement (Overall Capital Requirement (OCR)) amounts to 14.0% compared to 23.4% total capital ratio

Countercyclical / Systemic Risk Buffer
Capital Conservation Buffer
Pillar 2 Requirement
Pillar 1 Requirement

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Appendix

ADI of Aareal Bank

100 Years Building Your Tomorrow

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YOUR COMPETITIVE ADVANTAGE.

Interest payments and ADI of Aareal Bank AG

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

Published March 2023

€ mn	31.12. 2016	31.12. 2017	31.12. 2018	31.12. 2019	31.12. 2020	31.12. 2021	31.12. 2022
Net Retained Profit	122	150	126	120	90	96	61
▪ *Net income*	*122*	*147*	*126*	*120*	*90*	*30*	*61*
▪ *Profit carried forward from previous year*	*0*	*3*	*-*	*-*	*-*	*66*	*-*
▪ *Net income attribution to revenue reserves*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
+ Other revenue reserves after net income attribution	720	720	720	720	840	840	936
= Total dividend potential before amount blocked[1)]	842	870	846	840	930	936	997
./. Dividend amount blocked under section 268 (8) of the German Commercial Code	235	283	268	314	320	386	466
./. Dividend amount blocked under section 253 (6) of the German Commercial Code	28	35	42	40	43	36	24
= Available Distributable Items[1)]	580	552	536	486	566	515	507
+ Increase by aggregated amount of interest expenses relating to Distributions on Tier 1 Instruments[1)]	46	32	25	23	21	20	21
= 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)]	626	584	560	509	588	535	529

Note: Calculation refers to unrounded numbers

1) Unaudited figures for information purposes only

Appendix
Group Results

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Aareal Bank Group
Results H1 2023

	01.01.-30.06.2023 € mn	01.01.-30.06.2022 € mn	Change
Profit and loss account			
Net interest income	462	330	40%
Loss allowance	160	107	50%
Net commission income	149	132	13%
Net derecognition gain or loss	12	22	-45%
Net gain or loss from financial instruments (fvpl)	-41	18	-328%
Net gain or loss on hedge accounting	0	-7	-100%
Net gain or loss from investments accounted for using the equity method	-	-2	-100%
Administrative expenses	342	295	16%
Net other operating income / expenses	7	0	
Operating Profit	**87**	**91**	**-4%**
Income taxes	29	33	-12%
Consolidated net income	**58**	**58**	**0%**
Consolidated net income attributable to non-controlling interests	-9	1	
Consolidated net income attributable to shareholders of Aareal Bank AG	67	57	18%
Earnings per share (EpS)			
Consolidated net income attributable to shareholders of Aareal Bank AG[1)]	67	57	18%
of which: allocated to ordinary shareholders	58	50	16%
of which: allocated to AT1 investors	9	7	29%
Earnings per ordinary share (in €)[2)]	0.97	0.84	15%
Earnings per ordinary AT1 unit (in €)[3)]	0.09	0.07	29%

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.

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Aareal Bank Group
Results H1 2023 by segments

€ mn	Structured Property Financing		Banking & Digital Solutions		Aareon		Consolidation/ Reconciliation		Aareal Bank Group	
	01.01.-30.06. 2023	01.01.-30.06. 2022	01.01.-30.06. 2023	01.01.-30.06. 2022	01.01.-30.06. 2023	01.01.-30.06. 2022	01.01.-30.06. 2023	01.01.-30.06. 2022	01.01.-30.06. 2023	01.01.-30.06. 2022
Net interest income	365	313	111	23	-14	-6	0	0	462	330
Loss allowance	160	107	0	0	0	0			160	107
Net commission income	1	4	16	15	137	119	-5	-6	149	132
Net derecognition gain or loss	12	22							12	22
Net gain or loss from financial instruments (fvpl)	-41	18	0	0	0	0			-41	18
Net gain or loss on hedge accounting	0	-7							0	-7
Net gain or loss from investments accounted for using the equity method				-1		-1				-2
Administrative expenses	120	146	52	37	175	118	-5	-6	342	295
Net other operating income / expenses	7	-2	-1	-1	1	3	0	0	7	0
Operating profit	**64**	**95**	**74**	**-1**	**-51**	**-3**	**0**	**0**	**87**	**91**
Income taxes	25	34	23	0	-19	-1			29	33
Consolidated net income	**39**	**61**	**51**	**-1**	**-32**	**-2**	**0**	**0**	**58**	**58**
Allocation of results										
Cons. net income attributable to non-controlling interests	0	0	0	0	-9	1			-9	1
Cons. net income attributable to shareholders of Aareal Bank AG	39	61	51	-1	-23	-3	0	0	67	57

Aareal Bank Group
Preliminary results – quarter by quarter

	Structured Property Financing					Banking & Digital Solutions					Aareon					Consolidation / Reconciliation					Aareal Bank Group				
	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
€ mn																									
Net interest income	189	176	152	162	163	59	52	43	26	11	-8	-6	-7	-4	-3	0	0	0	0	0	240	222	188	184	171
Loss allowance	128	32	22	63	58	0	0	0	0		0	0	0	0	0						128	32	22	63	58
Net commission income	1	0	1	1	2	8	8	8	8	8	70	67	72	61	61	-2	-3	-3	-3	-3	77	72	78	67	68
Net derecognition gain or loss	12	0	-23	2	13																12	0	-23	2	13
Net gain / loss from fin. instruments (fvpl)	-35	-6	4	4	12	0	0	0	0	0	0	0	0		0						-35	-6	4	4	12
Net gain or loss on hedge accounting	-4	4	4	1	-3																-4	4	4	1	-3
Net gain / loss from investments acc. for using the equity method			0							-1			0	0	-1								0	0	-2
Administrative expenses	46	74	60	54	61	20	32	25	17	19	79	96	66	60	65	-2	-3	-3	-3	-3	143	199	148	128	142
Net other operating income / expenses	7	0	-2	-2	1	-1	0	0	0	-1	0	1		1	2	0	0	0	0	0	6	1	1	-1	2
Operating profit	**-4**	**68**	**54**	**51**	**69**	**46**	**28**	**26**	**17**	**-2**	**-17**	**-34**	**2**	**-2**	**-6**	**0**	**0**	**0**	**0**	**0**	**25**	**62**	**82**	**66**	**61**
Income taxes	10	15	18	18	24	14	9	8	6	0	-15	-4	3	0	-2						9	20	29	24	22
Consolidated net income	**-14**	**53**	**36**	**33**	**45**	**32**	**19**	**18**	**11**	**-2**	**-2**	**-30**	**-1**	**-2**	**-4**	**0**	**0**	**0**	**0**	**0**	**16**	**42**	**53**	**42**	**39**
Cons. net income attributable to non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	-9	0	-1	0						0	-9	0	-1	0
Cons. net income attributable to ARL shareholders	-14	53	36	33	45	32	19	18	11	-2	-2	-21	-1	-1	-4	0	0	0	0	0	16	51	53	43	39

Appendix

Definitions and contacts

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Definitions

New Business	New business = Newly acquired business + renewals
Common Equity Tier 1 ratio	CET 1 / Risk weighted assets
NPL ratio	NPL-exposure acc. CRR (excl. exposure in cure period) / Total REF Portfolio
CIR	Admin expenses (excl. bank levy, et al.) / 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	Available stable funding / Required stable funding
Liquidity coverage ratio	Total stock of high quality liquid assets / Net cash outflows under stress
Earnings per share	operating profit ./. income taxes ./. income/loss attributable to non controlling interests ./. net AT1 coupon / Number of ordinary shares
Yield on Debt	NOI x 100 (Net operating income, 12-months forward looking) / 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

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Thank you.

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