



Investoren Präsentation

Juni 2023

100 Years Building
Your Tomorrow

Aareal
YOUR COMPETITIVE ADVANTAGE.

Wer wir sind

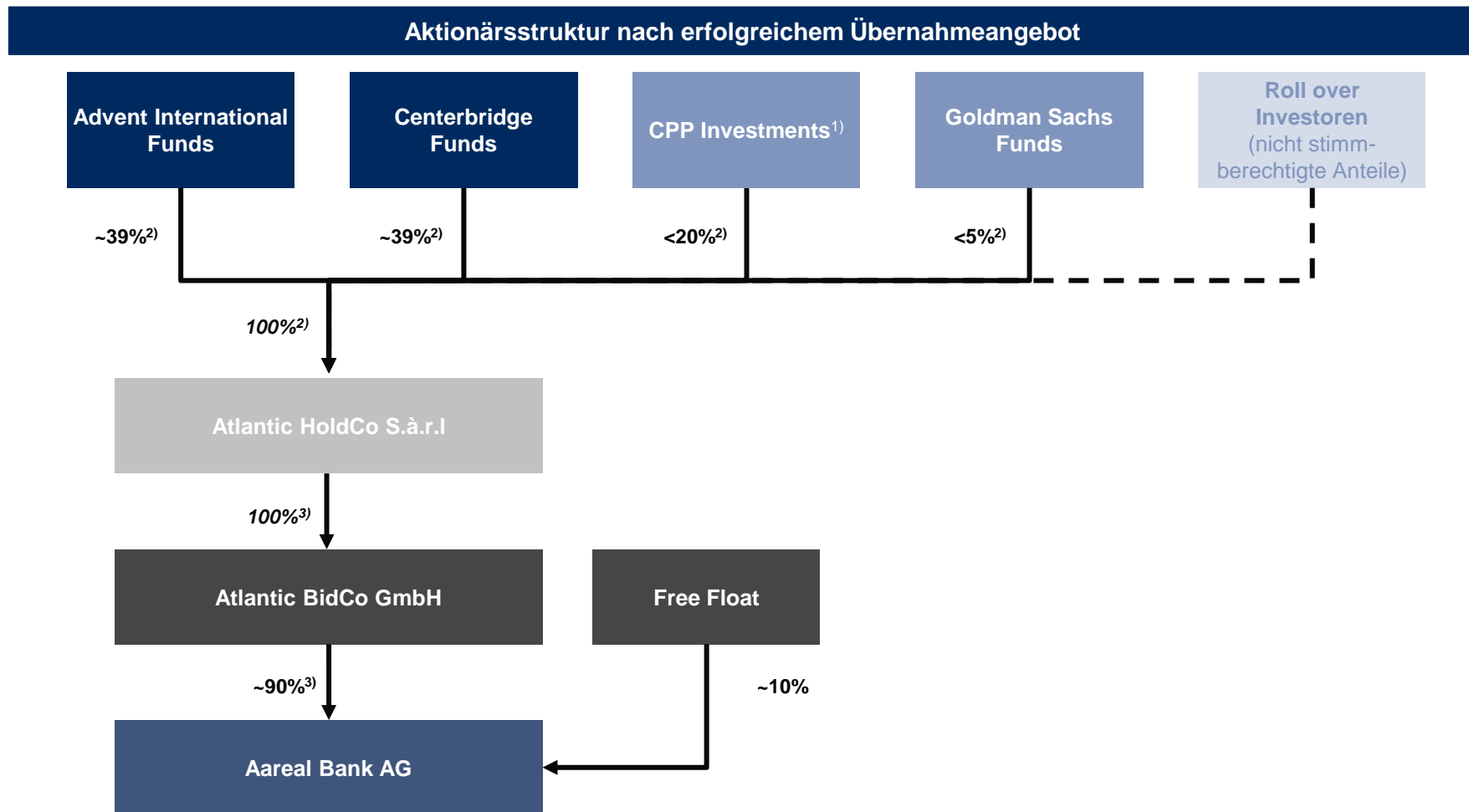
Wir sind ein führender internationaler Anbieter von Finanzierungen, Software-Produkten, digitalen Lösungen sowie Zahlungsverkehrssystemen in der Immobilienbranche und angrenzenden Industrien.

Unser Anspruch ist es, unseren Kunden zukunftsweisende, Produkt- und Prozesslösungen zu bieten, die diesen Wettbewerbsvorteile erschließen und langfristige Geschäftserfolge ermöglichen.



Aktionärsstruktur

Gem. Stimmrechtsmitteilung vom 9 Juni 2023



1) CPP Investment Board Europe S.à.r.l, eine Gesellschaft des Canada Pension Plan Investment Board ("CPP Investments")

2) Indirekte Beteiligung an der Atlantic Lux HoldCo S.à r.l

3) <https://www.aareal-bank.com/en/about-us/corporate-governance/share-voting-rights-disclosures>

Neue Eigentümer...

Starke Investoren mit einschlägigem Track Record unterstützen die Aareal Bank Gruppe

Advent International
GLOBAL PRIVATE EQUITY

- \$ 96 Mrd. verwaltetes Kapital
- Verantwortungsbewusste Investoren, die gemeinsam mit herausragenden Unternehmen nachhaltige Werte für alle Beteiligten schaffen



Centerbridge

- \$ 31 Bn verwaltetes Kapital
- Flexible Kapitalstrukturen für die Zusammenarbeit mit starken Managementteams zur Förderung einer nachhaltigen Wertschöpfung



CPP Investments

- \$ 414 Mrd.¹⁾ verwaltetes Kapital
- Investiert für über 21 Millionen kanadische Beitragszahler und Empfänger mit dem Schwerpunkt auf langfristiger, nachhaltiger Wertschöpfung

Finanz-industrie	
Immobilien	
Technologie	

Finanz-industrie	
Immobilien	
Technologie	

Finanz-industrie	
Immobilien	
Technologie	

1) Stand Marz 2022. Umrechnung CAD auf USD basierend auf spot FX of 0.77

... unterstützen die “Aareal Next Level” Strategie

Erhebliche Investitionen zur Förderung des Wachstums in allen drei Segmenten der Aareal Bank Gruppe

**Strukturierte
Immobilien-
finanzierungen**

**“GROW”
(Risikobewußt)**

Steigerung Portfolio auf 36 Mrd. € bis 2028 (abhängig von Marktbedingungen)

- Wachstum in traditionellen Assetklassen und –typen
- Berücksichtigung bestehender ESG-Kriterien
- Beibehaltung des konservativen Risiko-/Renditeprofils
- Aktives Portfolio-Management, inkl. NPL-Bestands

**Banking & Digital
Solutions**

“LEVERAGE”

Fokus auf wachsende Provisionserträge und kapitalschonendes Geschäft

- Beschleunigung des organischen Wachstums
- Implementierung einer M&A-Roadmap (M&A-Expertise der neuen Eigentümer)
- Fortsetzung des nachhaltigen Einlagengeschäfts
- Sondierung von "Win-Win"-Möglichkeiten auf europäischer Ebene im Zahlungsverkehrsbereich unter Nutzung unseres Aareon-Kundenstamms

Aareon

“ACCELERATE”

Fortführung des Wertschöpfungsprogramms und Erweiterung der M&A-Roadmap

- Finanzierung weiterer M&A-Wachstumsopportunitäten durch zusätzliches Kapital
- Entwicklung zu einem Rule-of-40-Unternehmen über die Fortsetzung des organischen Wachstums

... unterstützen die “Aareal Next Level” Strategie

Unter Beibehaltung der soliden Kapitalquoten im Sinne unserer Gläubiger



Refinanzierung

Ausbau der starken Debt Story der Aareal Bank

- Nutzung des Daueremittenten-Status zur Finanzierung des Wachstums
- Bewahrung des langfristigen Senior Preferred Rating von Fitch Ratings von mind. A-
- Verbreiterung der Investorenbasis durch zweites Moody's Rating (A3)¹⁾ und grüne Anleihen
- Weiterentwicklung der bestehenden diversifizierten Funding Plattform durch Erschließung zusätzlicher Finanzierungsquellen, einschließlich ECP und Privatkundeneinlagen (Raisin)



Kapitalausstattung

Beibehaltung der robusten Kapitalausstattung

- Unterstützung des Wachstums durch Gewinnthesaurierung²⁾
- Bei Bedarf zusätzliches Eigenkapital verfügbar, um Wachstum über den geplanten Geschäftsplan hinaus zu ermöglichen, vorbehaltlich der üblichen Genehmigungen
- Übernahme der Aareal Bank vollständig eigenkapitalfinanziert



Organisation

Effizienzmaßnahmen in Organisation, Prozessen und Infrastruktur

- Umsetzung bewährter Praktiken in Bezug auf Organisation, Prozesse und Technologieeinsatz
- Personalaufbau in betroffenen Abteilungen zur Unterstützung des Wachstums

1) Long-term Senior Preferred Rating, gestartet in Q2 2022

2) 'Gewinnthesaurierung' bezieht sich nicht auf Dividenden von AT1 Instrumenten

Bekanntnis zur Transparenz

Beibehaltung der starken Reputation am Kapitalmarkt und Einhaltung höchster Transparenzstandards



Wesentliche Kennzahlen

Bilanzsumme

€ **47,8** Mrd.

Mitarbeiter¹⁾

3.316

Bank
(SPF+BDS) **1.218**

Aareon **2.098**

Betriebsergebnis²⁾

€ **240-280** Mio.

Cost-Income-Ratio Bank / EK-Rendite nach Steuern

CIR^{2,3)} **~35%**

RoE³⁾ **5,0 - 6,5%**

Eigenkapital (IFRS)

€ **3,3** Mrd.

Regulatorische Eigenkapitalquoten⁴⁾

CET1 **19,4%**

TCR **23,8%**

Finanz-Ratings

Senior preferred rating⁵⁾

Fitch **A-**

Moody's **A3**

Pfandbrief rating

Moody's **Aaa**

ESG Ratings

CDP **Awareness Level B**

MSCI **AA**

ISS_ESG **Prime (C+)**

Sustainalytics **LOW (20-10)**

1) 2022

2) Strukturierte Immobilienfinanzierungen und Banking & Digital Solutions (ohne Bankenabgabe und Beiträge zum Einlagensicherungssystem)

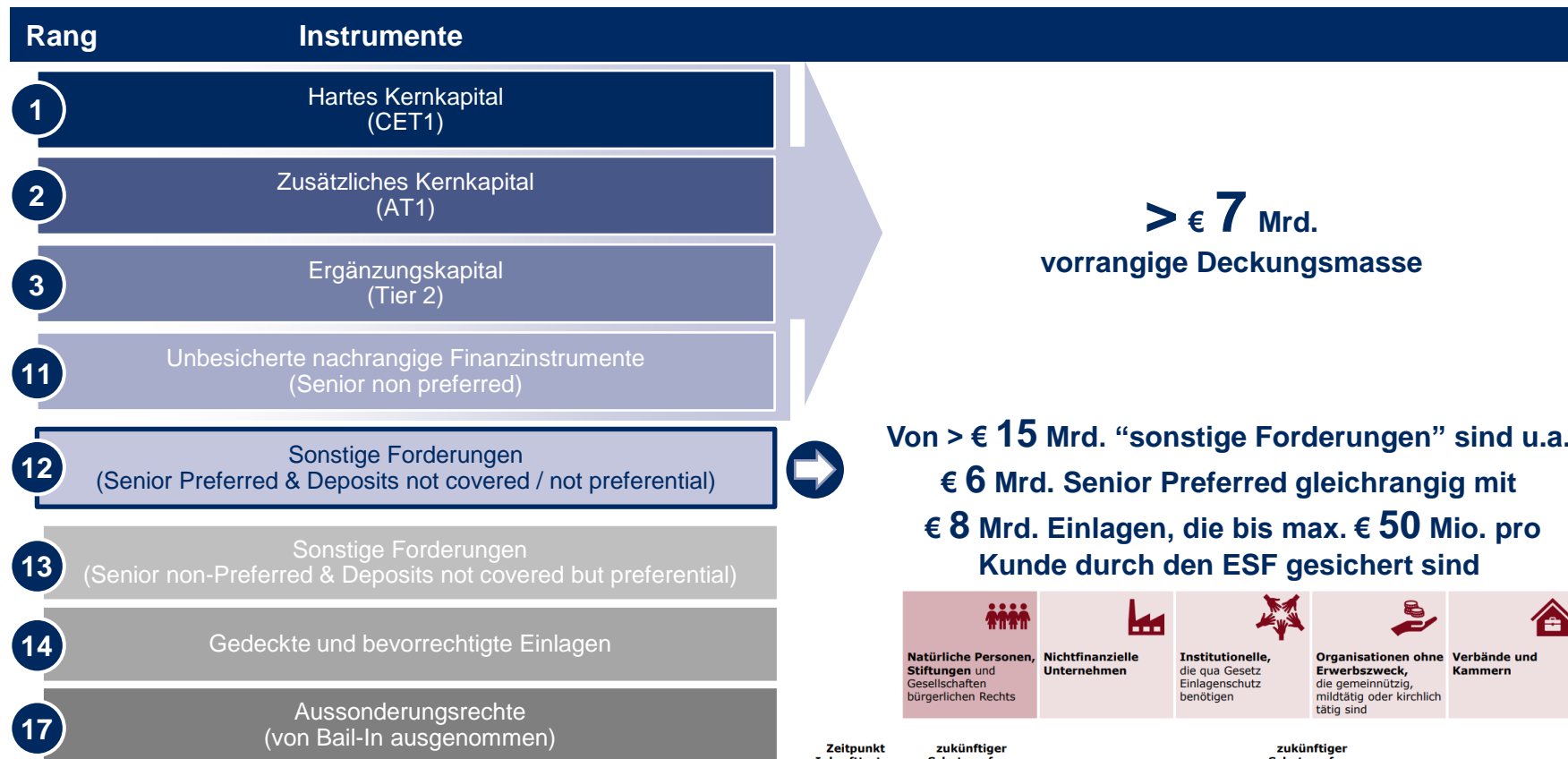
3) Ziel 2023

4) CET1 = Harte Kernkapitalquote, TCR = Gesamtkapitalquote

5) Ausblick negative

Aareal Bank Gruppe

Als Abwicklungsinstitut greift im Insolvenzfall eine klar definierte Haftungskaskade



> € 7 Mrd.
vorrangige Deckungsmasse

Von > € 15 Mrd. "sonstige Forderungen" sind u.a. € 6 Mrd. Senior Preferred gleichrangig mit € 8 Mrd. Einlagen, die bis max. € 50 Mio. pro Kunde durch den ESF gesichert sind

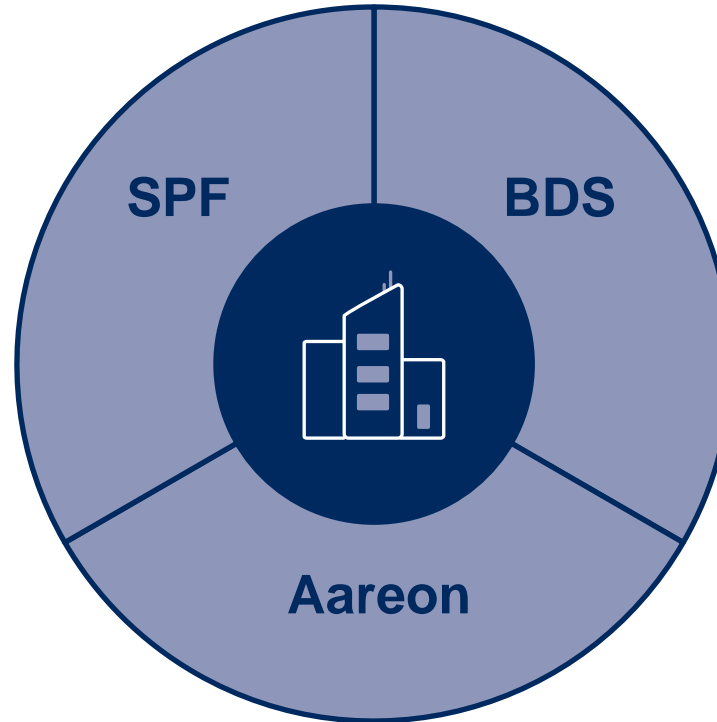


Zeitpunkt Inkrafttreten	zukünftiger Schutzzumfang	zukünftiger Schutzzumfang
1. Januar 2023	max. 5 Mio. Euro	max. 50 Mio. Euro
1. Januar 2025	max. 3 Mio. Euro	max. 30 Mio. Euro
1. Januar 2030	max. 1 Mio. Euro	max. 10 Mio. Euro
Begrenzung Laufzeiten auf 12 Monate (bisher 18 Monate)		

Aareal Bank Gruppe – 3 Segmente

Strukturierte Immobilienfinanzierungen (SPF)

- Begleitung von Kunden bei großvolumigen Investitionen in gewerbliche Immobilien
- Fokus auf Bürogebäude, Hotels, Shoppingcenter, Logistik und Wohnimmobilien sowie Studierenden-Appartments



Banking & Digital Solutions (BDS)

- Digitalisierungspartner für das branchenübergreifende Management und die Optimierung von Zahlungs- und Bearbeitungsprozessen
- Anbieter von klassischen Firmenkunden-Banking und Einlagengeschäft sowie Kautionsmanagement

Aareon

- Unterstützung von Unternehmen aus der Wohnungs-, Immobilien- und Energiewirtschaft beim Aufbau ihrer unternehmensspezifischen digitalen Ökosysteme

Die Immobilienbranche wandelt sich zu einer nachhaltigeren, digitalisierten und vernetzten Zukunft

Transformation fördern



ESG¹⁾ ist (und war schon immer) fundamentaler Bestandteil unseres Geschäfts



Strategisches Nachhaltigkeitsmanagement basierend auf fünf Kriterien²⁾



Integration von ESG konzernweit in Entscheidungsprozessen berücksichtigt



Wir beeinflussen!

1) Environmental, Social, Governance

2) Grüner Ausbau des Kreditgeschäfts, Optimierung des Refinanzierungsmixes, Transparenz des Immobilienfinanzierungsportfolios, Begrenzung eigenen Treibhausgasemissionen, Ausbau innovativer Lösungen mit ESG-Auswirkungen

Strukturierte Immobilienfinanzierungen

01/2023



Produkte

(Großvolumige) gewerbliche Immobilienfinanzierungen und Syndizierung

KPI's

Immobilienfinanzierungsvolumen (REF)	Neugeschäft ¹⁾	Aufwand-/Ertragsquote ²⁾
€ 30,7 Mrd	€ 9 - 10 Mrd	35 %

ESG Wirkung

Mit jeder Finanzierung eines grünen Gebäudes / einer grünen Renovierung tragen wir zur Transformation in eine kohlenstoffärmere Wirtschaft bei

Objekttypen

Hotel 36%	Büro 26%	Einzelhandel 18%
Logistik 14%	Wohnen 5%	Sonstige 1%

Kunden

Pensionsfonds	Institutionelle Investoren	Privatequity-Häuser
Finanzinstitute		Private Individuals
Börsennotierte Immobilienunternehmen	Investoren mit Branchenfokus	Family Offices

USPs

- Hohe lokale Marktexpertise
- Branchenspezifisches Know How
- Hohe Syndizierungskompetenz
- Etabliertes Netzwerk
- Cross-Border-Erfahrung
- Digitalisierungskompetenz
- Bilanzkapazität

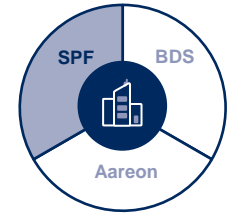
Märkte

Europa 65%	Nord Amerika 30%	Asien / Pazifik 5%
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1) Jahresziel 2023
2) SPF & BDS, exkl. Bankenabgabe u.ä.

Strukturierte Immobilienfinanzierungen - Refinanzierung

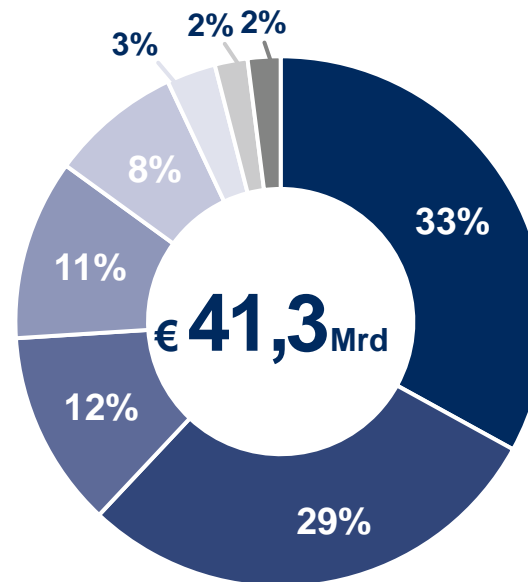
01/2023



(Refinanzierungs-) USPs

- Hoch diversifizierter Refinanzierungsmix
- Solide und stabile Einlagenbasis aus der institutionellen Wohnungswirtschaft
- Gut etabliertes Kapitalmarkt-Funding, „Frequent Issuer“, Hoher Anteil an Pfandbriefen
- Starke Investorenbasis
- Starker und bewährter Zugang zum „Private Placement Markt“
- Privateinlagen aus etablierter Partnerschaft mit Raisin
- Robuste Kapitalposition

Refinanzierungs - Mix¹⁾



- Einlagen Inst. Wohnungswirtschaft²⁾
- Hypothekendarlehen
- Senior Unsecured (SP) 
- Treasury Einlagen (inkl. Raisin)
- Senior Unsecured (SNP)
- Öffentliche Pfandbriefe
- ECP (SP) 
- Nachrangkapital



1) Refinanzierungsprodukte grün vs konventionell, strukturiert vs. standard, mehrere Währungen

2) Durchschnittsvolumen Q1/2023

Banking & Digital Solutions

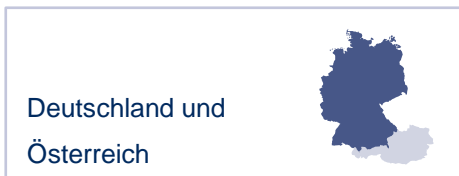
Q1/2023



Lösungen

- Integrierte Zahlungsverkehrslösungen
- Integrierte Prozessoptimierung zwischen Wohnungs- und Energiewirtschaft
- Plattformlösungen
- Digitales Zahlungsmanagement
- Digitales Kautionsmanagement
- Immobilien Investment Beratung



Märkte



KPI's

Buchungen im Massenzahlungsverkehr pro Jahr	Kunden im Zahlungsverkehr	Einlagen-volumen ¹⁾
~130 Mio.	~ 4.200	€ 13,7 Mrd.

Kunden

Wohnungsunternehmen (privatwirtschaftl./kommunal/kirchlich)		Energie-, Ver- und Entsorgungsunternehmen (privatwirtschaftl./kommunal)
Wohnungsgenossenschaften		Kleine und mittlere Immobilienverwalter

ESG Wirkung

Kosteneffiziente Prozesse über integrierte Zahlungs- und Buchungssysteme erlaubt den kommunalen und genossenschaftlichen Wohnungsunternehmen das Angebot von bezahlbarem Wohnen

USPs

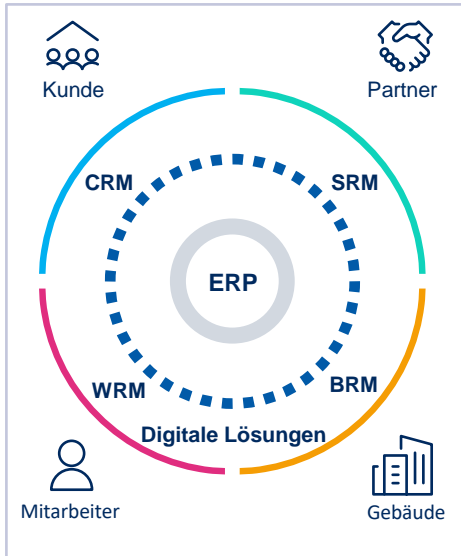
- Einzigartige Kombination von IT- und Bank-Lösungen
- Umfassende Branchenexpertise
- Tiefgreifendes Know-how der Prozesse und Systeme
- Alles aus einer Hand
- Gemeinsame Entwicklung individueller Kundenlösungen
- Zukunftsgerichtete Produktlösungen im Zahlungsverkehr

1) Durchschnittsvolumen 2022

Aareon

Q1/2022

Lösungen



KPI's

Umsatzerlöse ¹⁾	Adjustiertes EBITDA ¹⁾	Kunden
€ 325 - 345 Mio.	€ 90 - 100 Mio.	> 7.000

ESG Wirkung

Mit jeder smarten digitalen Lösung und jedem innovativen Ökosystem, das Parteien und Ausrüstungen verbindet, ermöglichen wir es unseren Kunden, ihre Nachhaltigkeit zu verbessern

USPs

- ERP Systeme und digitale Lösungen
- Entwicklung digitaler Strategien
- Schaffung digitaler Ökosysteme
- Nutzerzentrierung
- Agile Produktentwicklung
- Marktteilnehmer verbinden
- Nutzung moderner Technologien wie Künstliche Intelligenz

Kunden

Private und freie Wohnungsunternehmen	Hausverwaltungen und Wohnungseigentümergemeinschaften	Kommunale und kirchliche Wohnungsunternehmen
Genossenschaften	Commercial Real Estate	Versorgungsunternehmen
Mieter, Handwerker, Bauträger, Architekten und Projektentwickler, Finanzinvestoren, Versicherungen, Versicherungsmakler und Immobilienvermarktungsunternehmen, Unternehmen, die selbstgenutzte Immobilienbestände verwalten		

Märkte

Marktführende Position in allen Ländern (9) in Europa, in denen sie vertreten ist

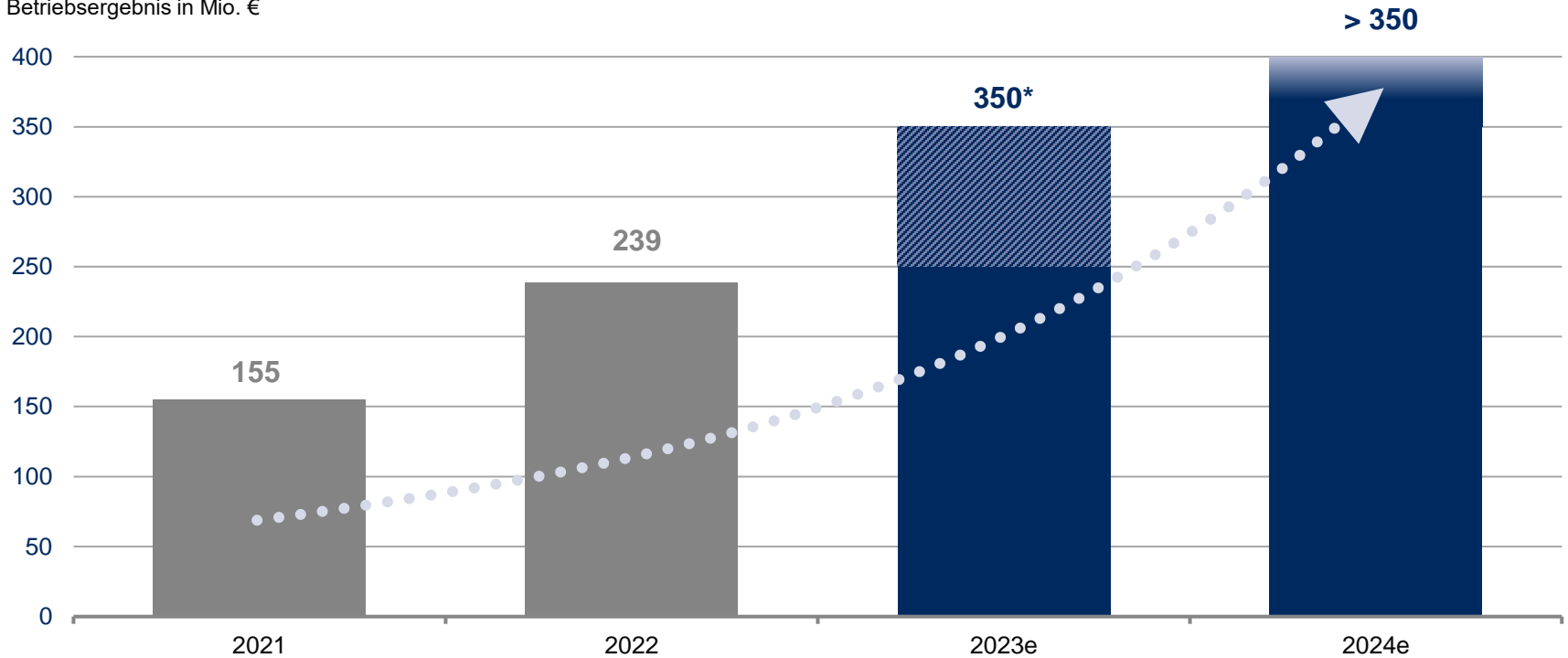
1) Jahresziel 2023

Aareal Bank Gruppe

Operative Ertragskraft deutlich gesteigert

Ergebnisentwicklung Aareal Bank Gruppe

Betriebsergebnis in Mio. €



*Operatives Ergebnis vor Abzug von Einmalaufwendungen für den forcierten Abbau von NPLs und für die Umsetzung von Effizienzmaßnahmen bei der Aareon, Betriebsergebnisziel 2023: 240-280 Mio. €

Appendix

Recent Financial Performance

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Recent Financial Performance - Highlights Q1 2023

Good start in 2023 despite challenging environment

➔ Operating profit of € 62 mn (Q1/22: € 30 mn) doubled yoy despite announced increase in expenses at Aareon

➔ Solid asset quality, moderate LLP incl. management overlay, NPL volume slightly further decreased

➔ Successful funding activities, comfortable liquidity position

➔ Solid capital ratios

➔ Outlook 2023 confirmed

➔ **Takeover**
Investors expect successful completion of qualifying holding procedure in due course

Recent Financial Performance - Group Profit & Loss

Good quarterly results driven by ongoing strong income momentum

Profit & loss (€ mn)	Q1 '22	Q1 '23	Δ%
Net interest income (NII)	159	222	+40
Net commission income (NCI)	64	72	+13
Administrative expenses	153	199	+30
Other operating income / expenses ¹⁾	9	-1	
Pre-provision profit	79	94	+19
Loan loss provisions (LLP)	49	32	-35
Operating profit (EBT)	30	62	>100
Profit after tax	15	47	>100

Operating profit of € 62 mn doubled yoy despite announced increase in expenses at Aareon

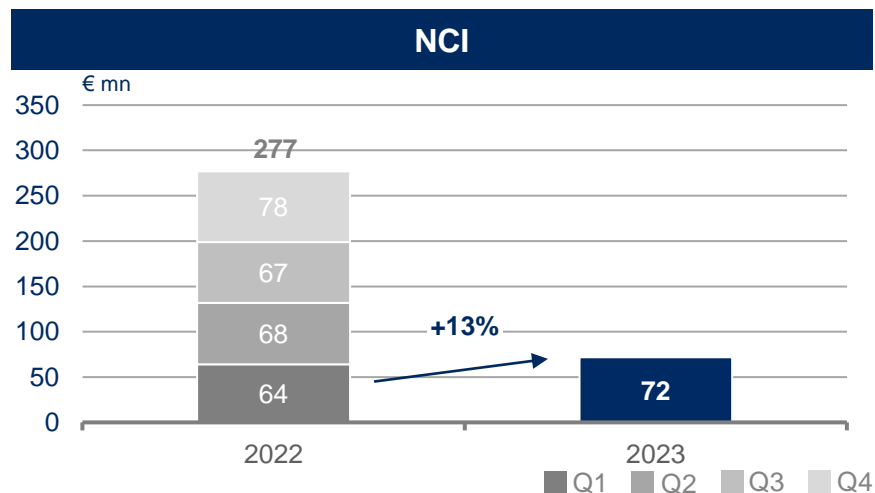
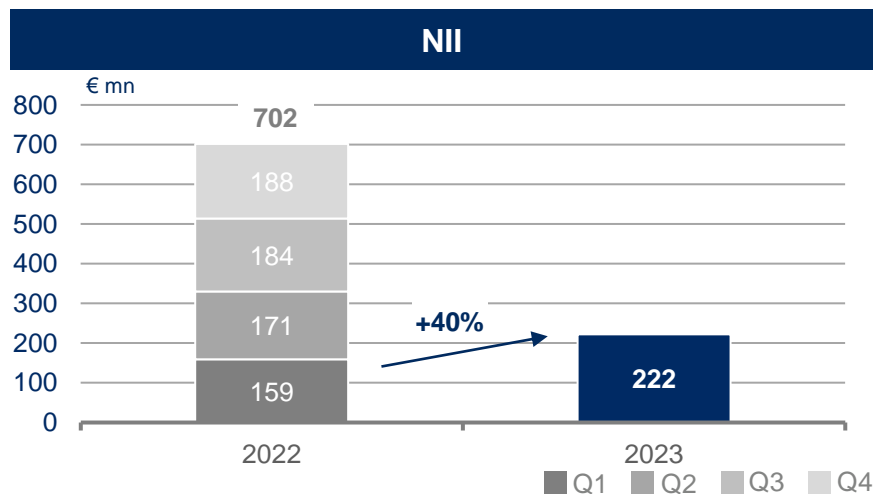
- Further significant increase in NII and NCI reflecting strong operating performance and interest rate environment
- Costs under control
 - Increase in admin expenses mainly due to announced increase in expenses at Aareon (€ 34 mn) and inorganic growth
 - Costs in the banking business largely stable (CIR Bank²⁾ at 35%)
 - Q1 includes FY bank levy / ESF
- LLP at moderate level, despite recognition of management overlay for US Office headwinds

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

Recent Financial Performance – NII & NCI

Ongoing strong income momentum



Further significant increase

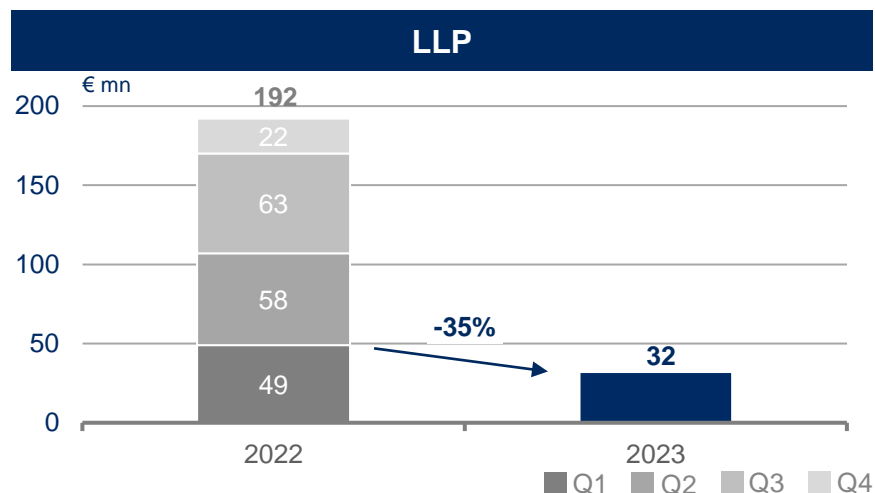
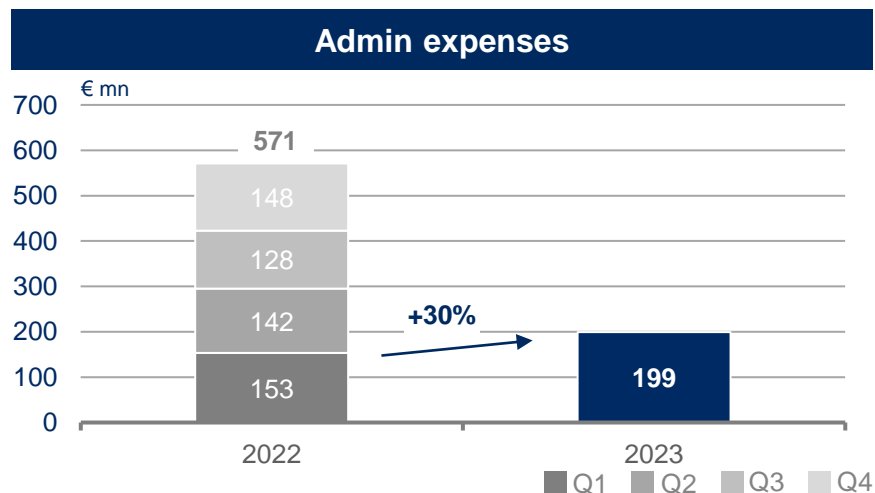
- SPF
 - NII increased to € 176 mn (Q1/22: € 150 mn) supported by portfolio growth, good margins and diversified funding mix
 - ~80% of TLTRO repaid in Q4/22
- BDS
 - NII increased to € 52 mn (Q1/22: € 12 mn)
 - Positive effects from rising interest rate environment
 - Deposits from housing industry above targeted level

Aareon and BDS continue to grow

- Aareon
 - NCI increased to € 67 mn (Q1/22: € 58 mn) supported by healthy growth in recurring revenues
 - Shift from license to SaaS/Subscription making further progress
- BDS
 - NCI further increased to € 8 mn (Q1/22: € 7 mn)
 - High share of recurring revenues

Recent Financial Performance - Admin expenses / LLP

Costs under control



1) Segment SPF & BDS

2) Excl. bank levy/deposit guarantee scheme

Bank expenses largely unchanged, announced efficiency measures of Aareon underway

Bank¹⁾

- Largely unchanged at € 103 mn (Q1/22: € 100 mn)
- Q1 includes € 25 mn bank levy and contributions to the deposit guarantee scheme (Q1/22: 24 mn)
- CIR²⁾ Bank at 35% (Q1/22: 43%)

Aareon

- Expenses increased to € 96 mn (Q1/22: € 53 mn) incl. announced efficiency measures (€ 34 mn) and inorganic growth

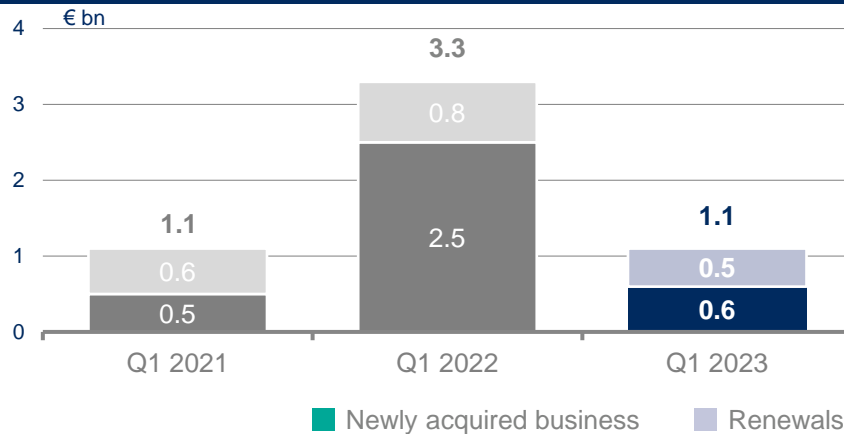
Moderate, incl. management overlay

- Recognition of € 21 mn management overlay in stage 1 and 2 based on modelled 20% property value decrease in US Office portfolio in the light of current headwinds
- (Underlying) LLP is evidence of strong recovery after Covid-crisis

Recent Financial Performance – Segment SPF

Selective new business in a challenging environment

New business by quarter



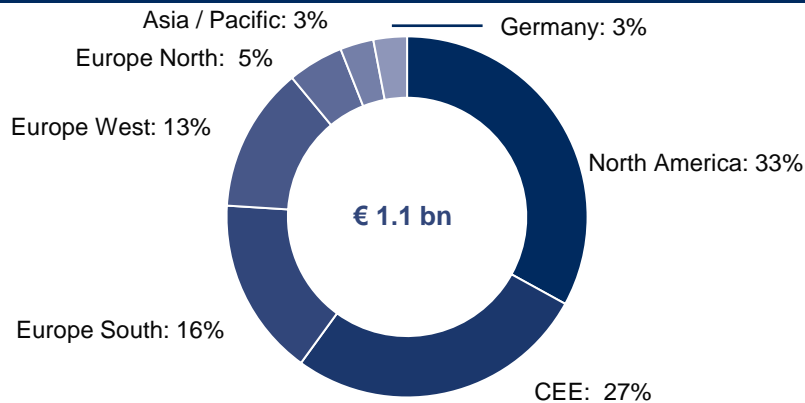
Selective new business

- Avg. margin of ~300 bps¹⁾ (Q1/22: ~220 bps) (FY plan 2023: 240-250 bps¹⁾)
- Conservative avg. LTV of 53%¹⁾ (Q1/22: 57%)
- Promising deal pipeline
- Target for 2023 confirmed

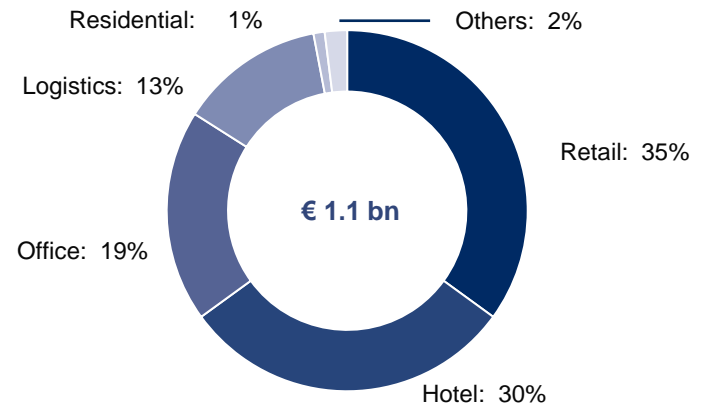
Additional € ~700 mn Green loans²⁾ in Q1/23

- € ~200 mn new business
- € ~500 mn existing loans qualified after clients' agreement

New business by country



New business by property type

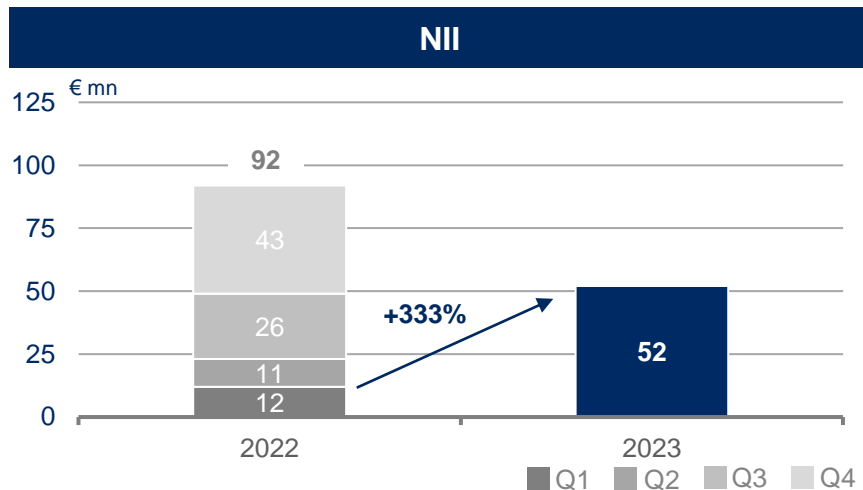


1) Newly acquired business

2) Governed by "Green Finance Framework"

Recent Financial Performance - Segment BDS

NII benefitting from interest rate environment

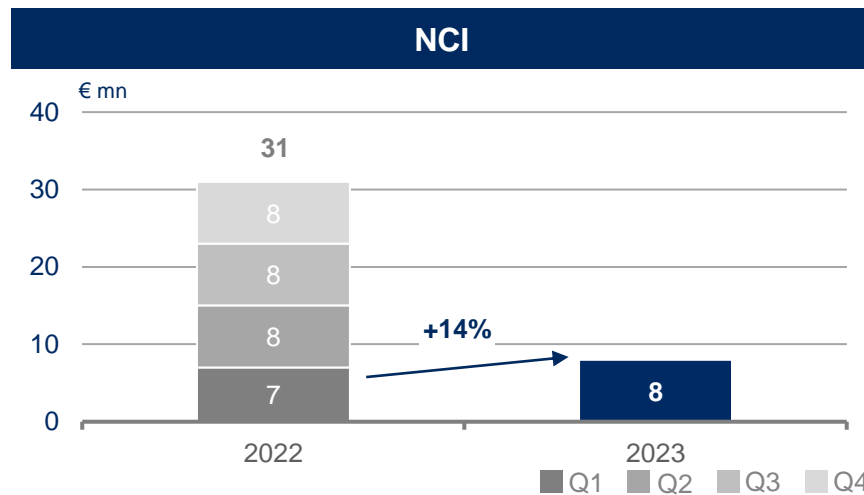
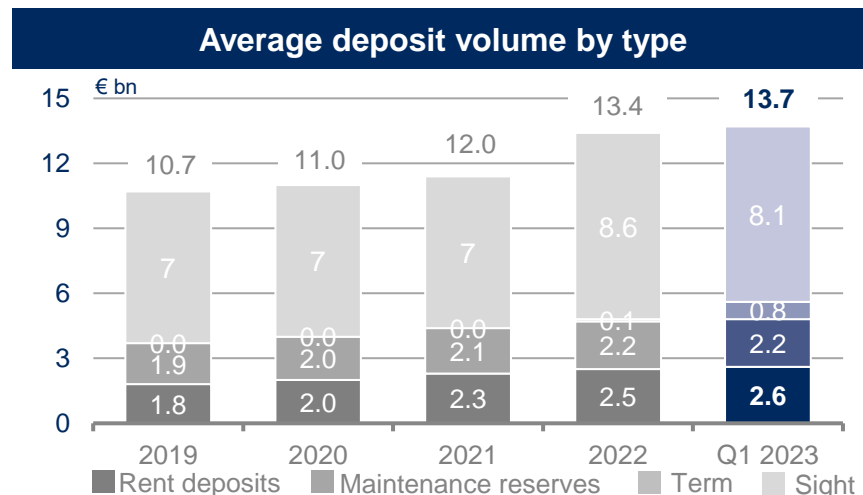


NII increase driven by rising interest rates

- 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

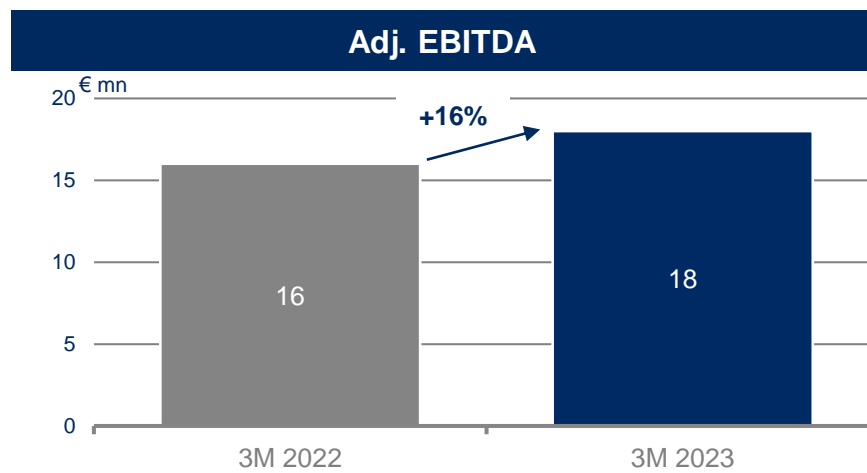
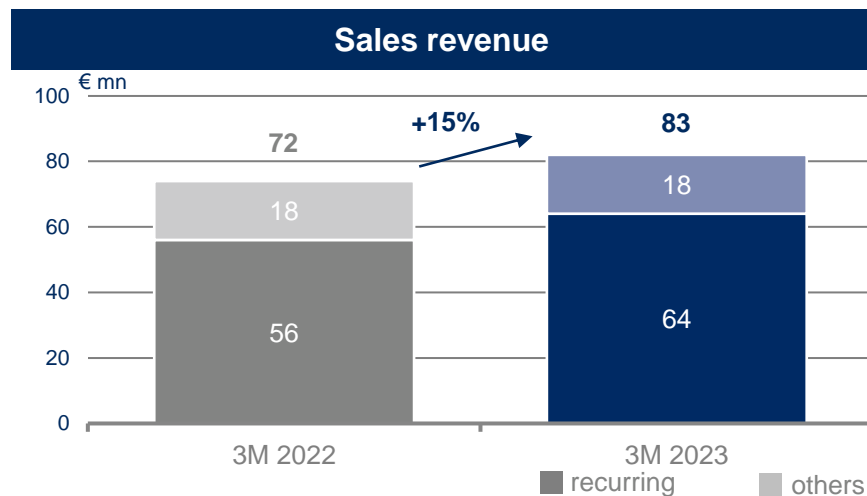
NCI increased as planned

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



Recent Financial Performance - Segment Aareon

Strong recurring run-rate, operational business on track and new efficiency measures underway



- Overall, sales revenues increased by € 11 mn (+15%)
 - Share of recurring revenues (LTM¹⁾) successfully increased to 75% (Q1/22: 73%)
 - SaaS grew by 32%
- Adj. EBITDA increased by € 2 mn to € 18 mn (+16%), adj. EBITDA margin unchanged at 22% (Q1/22: 22%); FY adj. EBITDA target of € 90 - 100 mn confirmed
- Efficiency measures underway with investment in Early Retirement Program, additional streamlining of UK product portfolio and further process efficiency measures identified
- New M&A
 - UTS (DE), shared-ownership property management
 - Embrace (NL), CRM
- Launch of partner program Aareon Connect – more than 10 partners already on platform

Note: Numbers not adding up refer to rounding

1) LTM = Last Twelve Months

Appendix

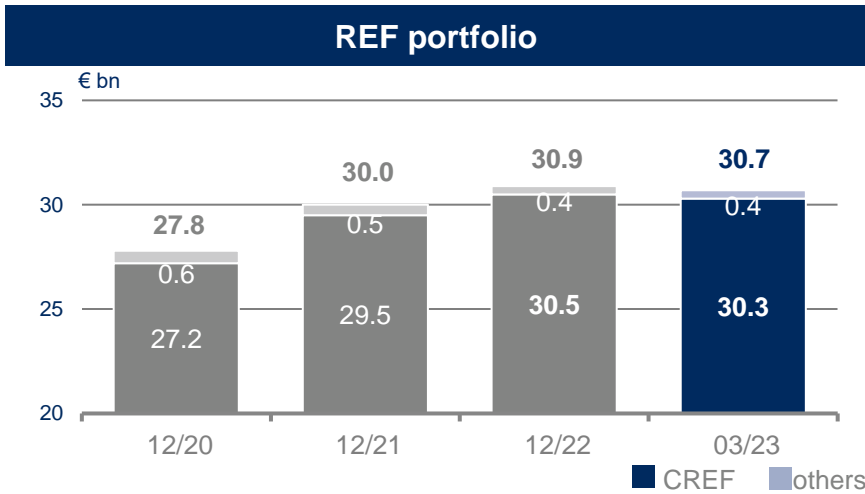
Loan Book & Asset Quality

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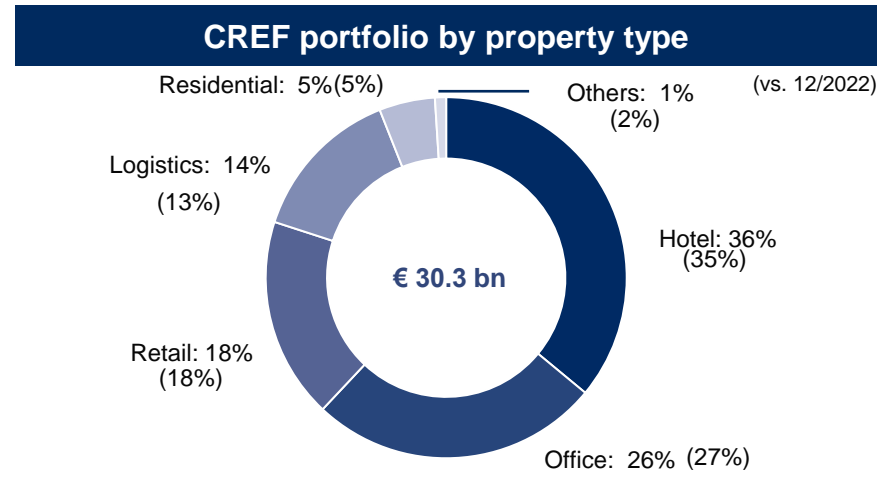
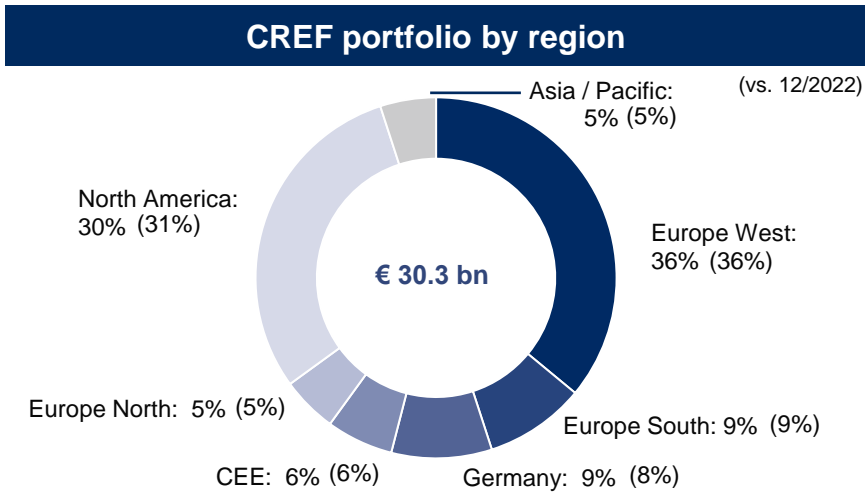
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Loan Book & Asset Quality

Portfolio volume unchanged excluding FX effects, YE target confirmed



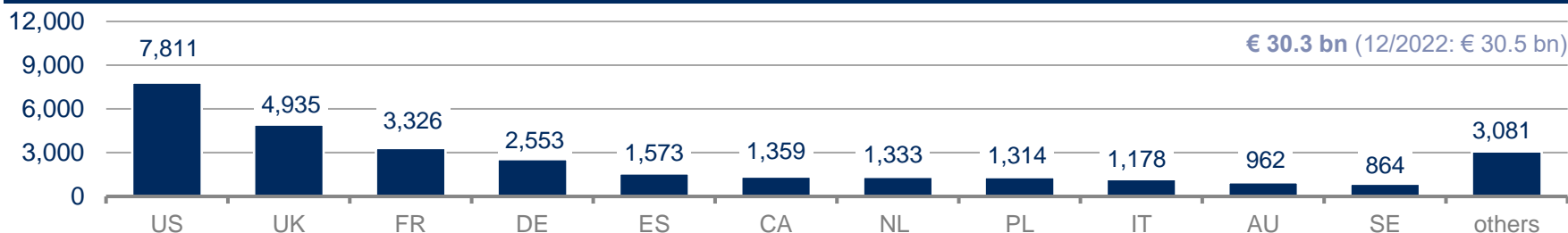
- Sticking to overall country and asset diversification. Portfolio transactions with risk reducing cross collateralisation increasing in importance
- € 30.7 bn largely unchanged vs YE 2022, YE target of € 32 - 33 bn confirmed based on promising deal pipeline
- Virtually no financing of developments (~0.5%) however, refurbishments to foster green transition
- Green loan volume at € 2.6 bn (03/22: € 0.7 bn)
- Green property financing portfolio at € 6.6 bn or 22% of total CREF portfolio



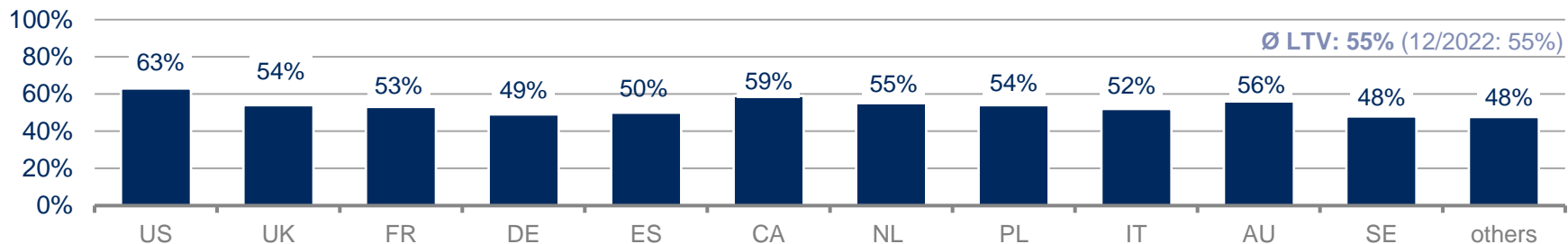
CREF portfolio by country

€ 30.3 bn highly diversified

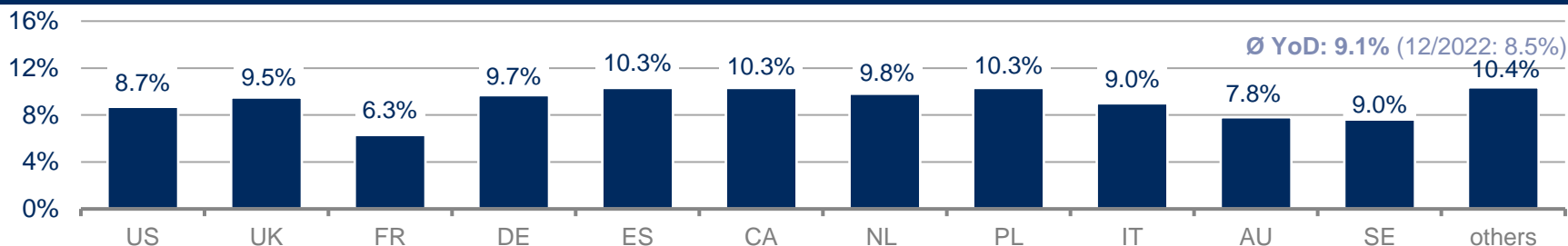
CREF portfolio (€ mn)



LTV¹⁾



YoD¹⁾



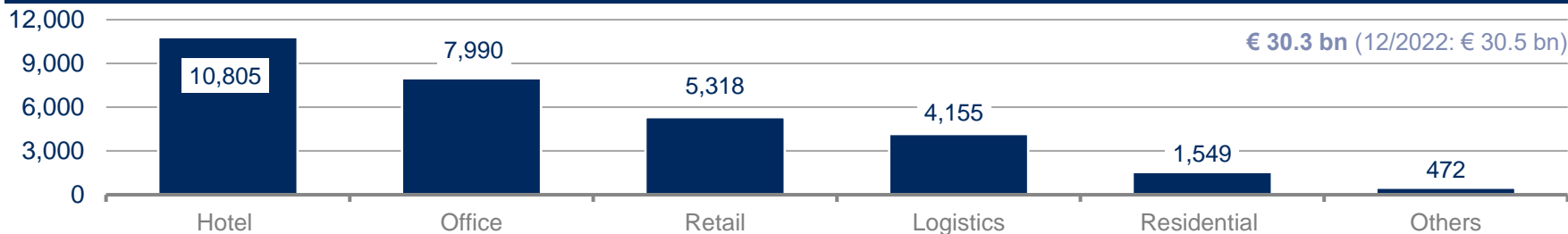
Note: others incl. countries with a portfolio below € 500 mn

1) Performing CREF-portfolio only (exposure)

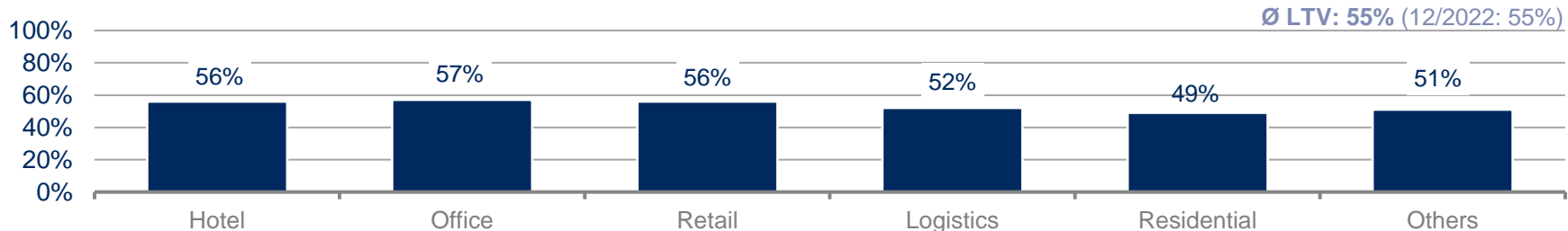
CREF portfolio by property types

€ 30.3 bn highly diversified

CREF portfolio (€ mn)



LTV¹⁾



YoD¹⁾

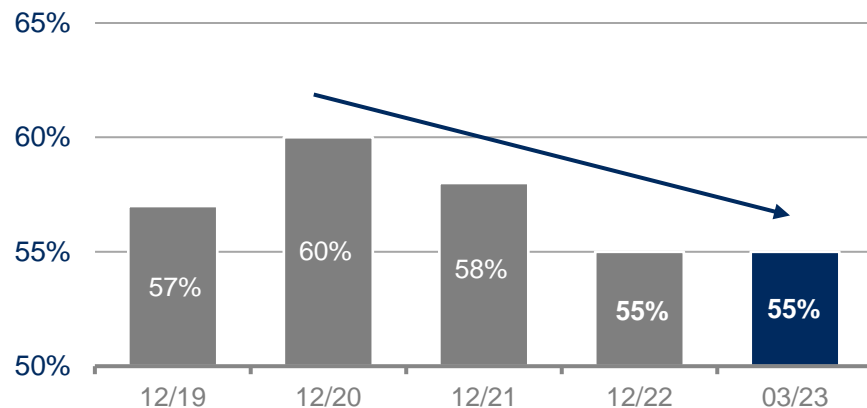


1) Performing CREF-portfolio only (exposure)

Loan Book & Asset Quality

YoD further increased, LTV unchanged

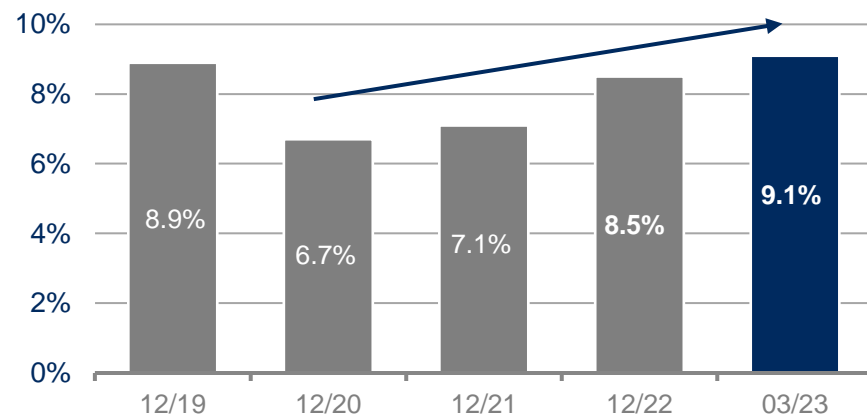
LTV¹⁾



LTV¹⁾ by property type

%	12 '19	12 '20	12 '21	12 '22	03 '23
Hotel	55	62	60	56	56
Logistics	54	56	55	52	52
Office	57	58	58	57	57
Retail	61	61	59	56	56

YoD¹⁾



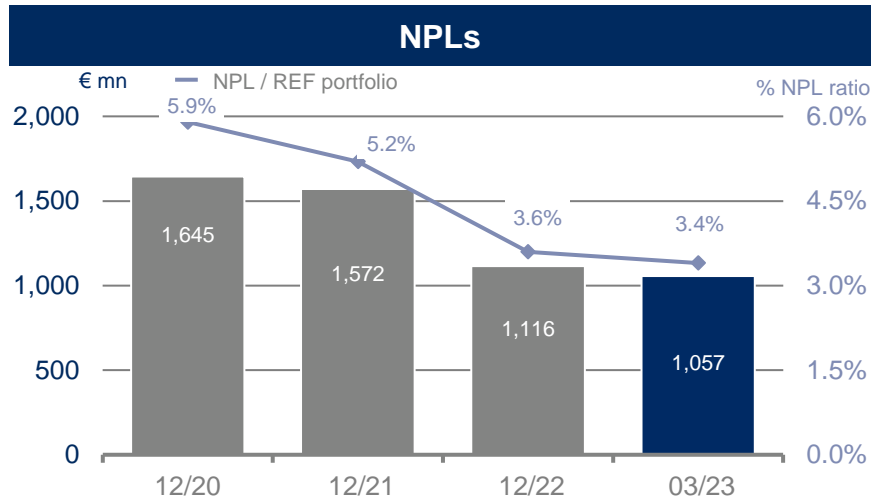
YoD¹⁾ by property type

%	12 '19	12 '20	12 '21	12 '22	03 '23
Hotel	9.6	3.0	5.0	9.0	10.1
Logistics	8.5	9.2	8.7	9.0	9.2
Office	7.7	8.1	7.6	6.9	6.7
Retail	9.6	8.8	9.1	9.8	10.4

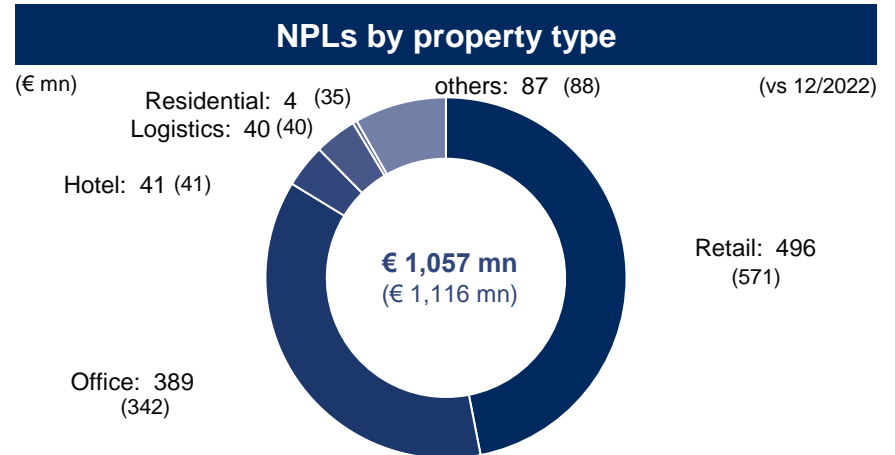
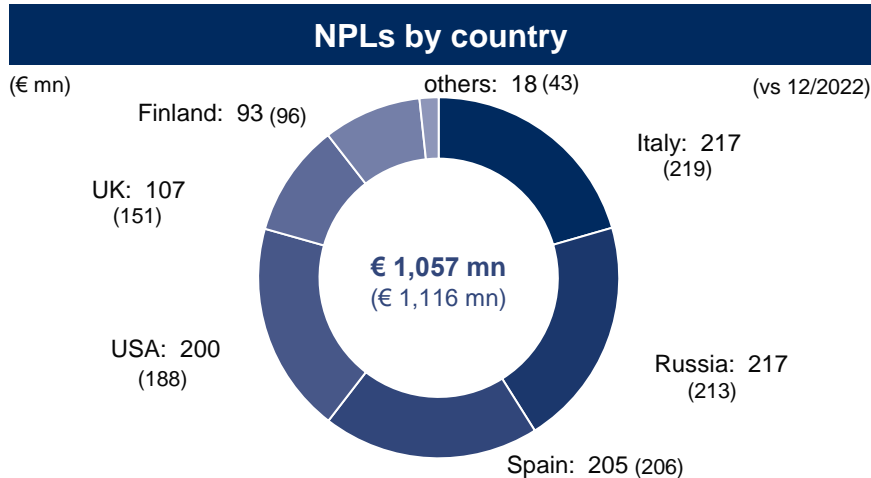
1) Performing CREF-portfolio only (exposure)

Loan Book & Asset Quality

NPL volume decreased slightly further



- NPL portfolio significantly reduced following post Covid recovery, reduction predominantly in the retail and hotel segment witnessing strong recovery
- Q1-reductions exceed single new NPL
- One-off budget of € ~60 mn assigned for a swift NPL reduction to sustainably reduce NPL ratio < 3% not yet used, preparations underway
- NPE ratio¹⁾: 2.6% (12/22: 2.8%)



1) Acc. to EBA Risk Dashboard, preliminary

Appendix

Liquidity & Funding

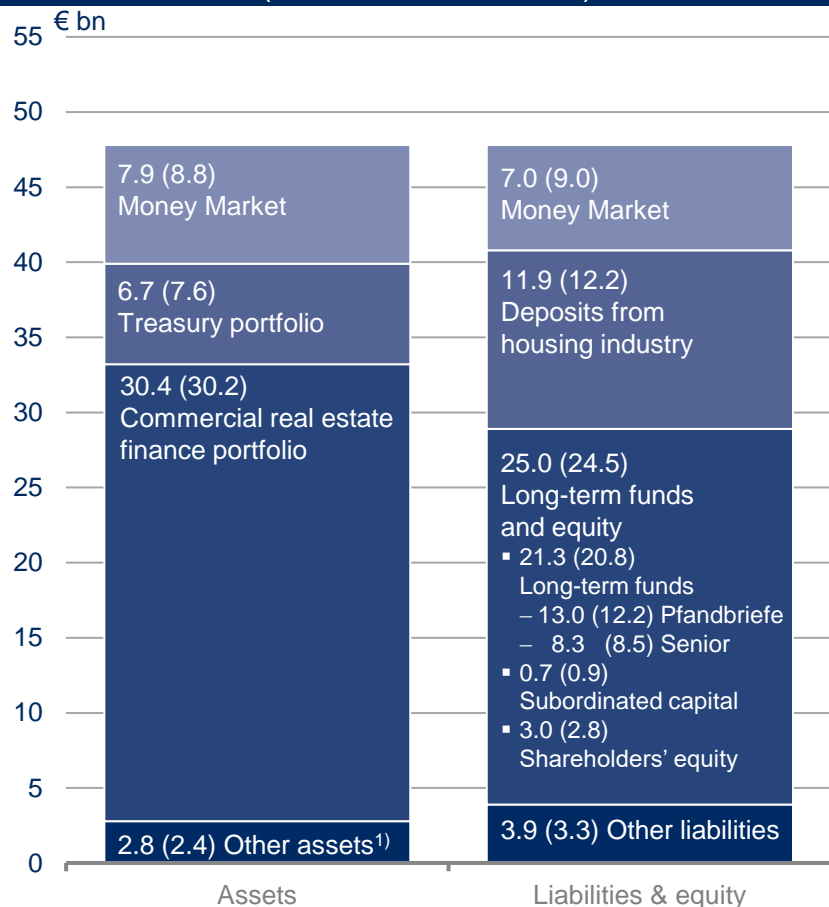
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Liquidity & Funding

Comfortable liquidity position

Balance sheet as at 31.03.2023: € 47.8 bn
(31.03.2022: € 49.0 bn)



Conservative liquidity management throughout the cycle

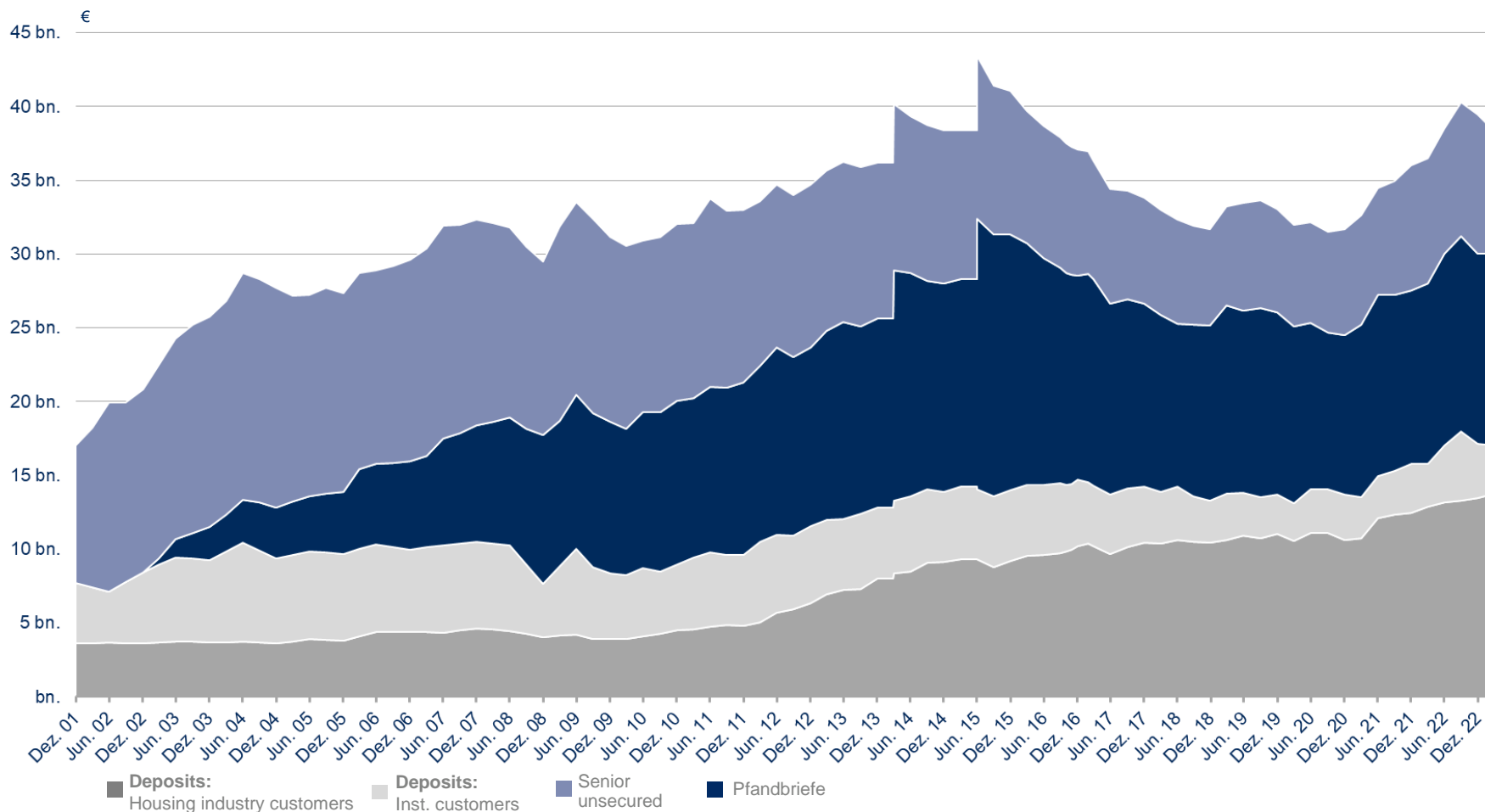
- On average long-term funds have longer maturities than CRE finance portfolio
- Substantial buffer in regulatory liquidity ratios (LCR / NSFR) despite strong growth in portfolio and difficult economic and capital markets environment
 - NSFR: 123%, (03/22: 119%²⁾)
 - LCR: 240%, (03/22: 217%²⁾)
- Liquid treasury portfolio with ~80% public sector
- HQLA of € 9.1 bn (03/22: € 7.3 bn²⁾)
- 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

2) As at 01.04.2022

Liquidity & Funding

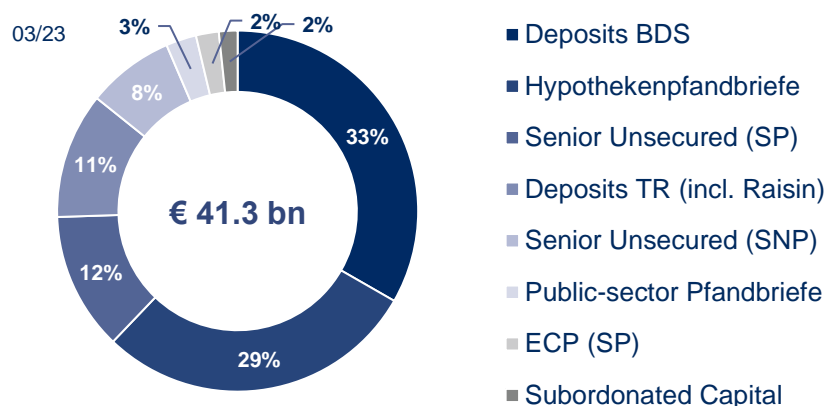
Diversified funding sources and distribution channels



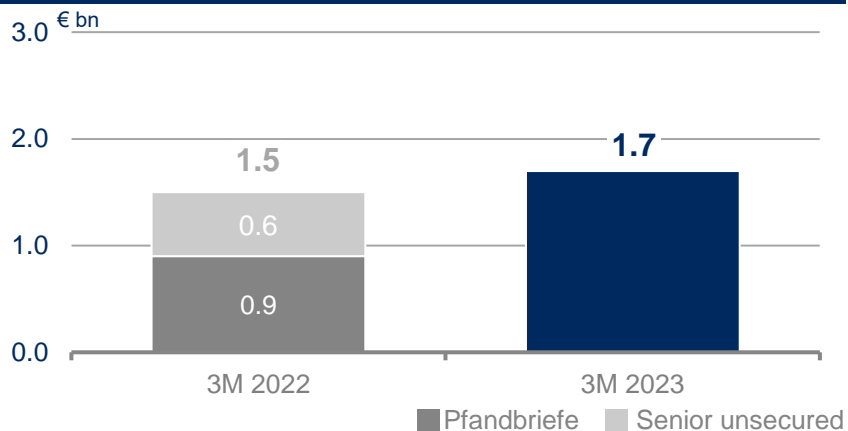
Liquidity & Funding

Well diversified Funding Mix

Funding by type



Capital market funding activities



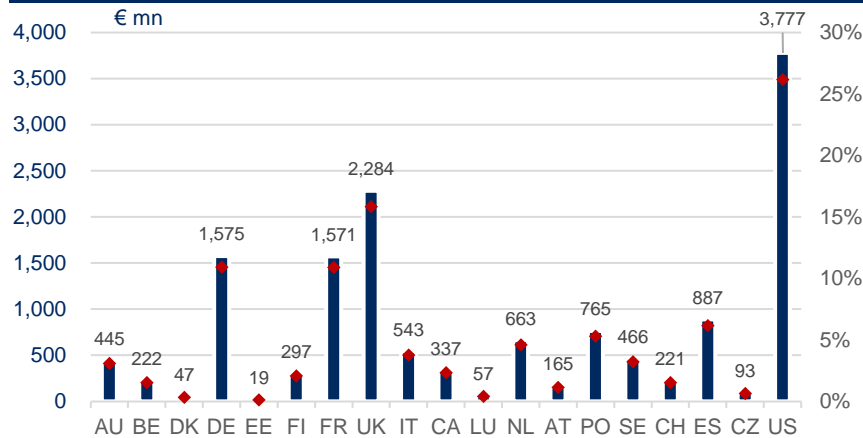
Successful 3M funding activities

- Pfandbrief and Senior totaling € 1.7 bn incl.
 - 2 Pfandbrief Benchmarks (€ 1.5 bn)
- Commercial Paper Program enables offering ECP in EUR, GBP & USD as well as in Green format
 - € 800 mn ECP outstanding
 - Thereof € ~500 mn Green ECPs
- Deposits from housing industry at avg. of € 13.7 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 € 1.4 bn (12/22: € 0.6 bn)
- Having further diversified and optimized funding mix, less Senior capital market funding planned despite targeted CREF-portfolio growth

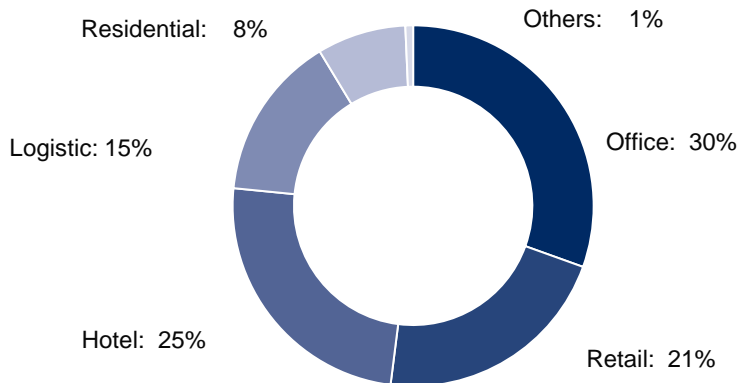
Liquidity & Funding

Strong Mortgage Cover Pool and Aaa Rating for Pfandbriefe

Cover Pool by Geography



Cover Pool by Property Type



Pfandbriefe funding cornerstone of wholesale issuance

- Cover pool of € 15.1 bn incl. € 0.7 bn substitute assets diversified over 19 countries
- High quality assets: first-class mortgage loans (mortgage-lending-value 55.5%)
- Mortgage-lending-value with high discount from market-value
- Avg. LTV of the mortgage cover pool 31.9%
- 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 31.03.2023 21.9%
- High diversification within property types
- No assets in the covered pool from Russia and Ukraine

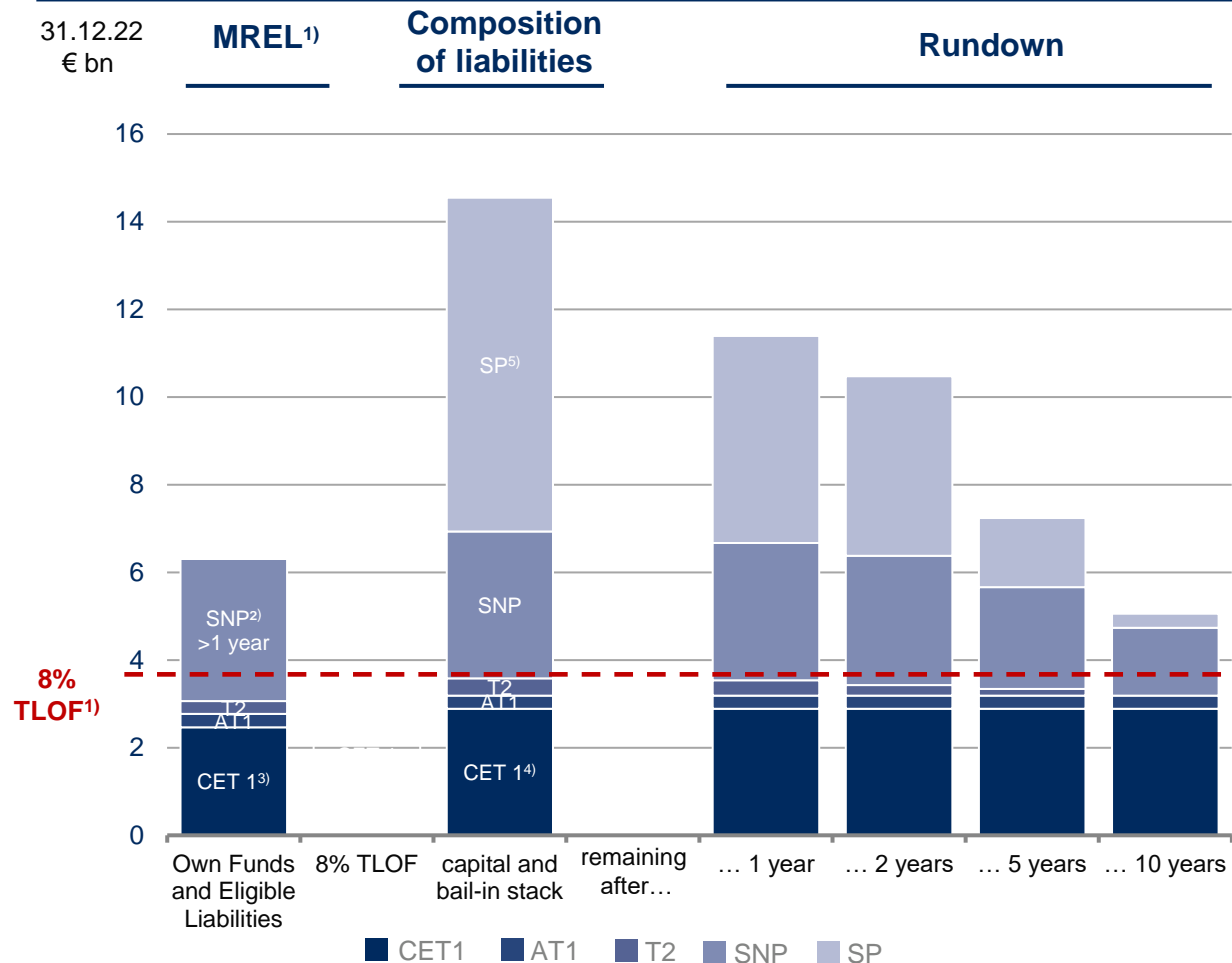


As at 31.03.2023

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

Liquidity & Funding

Credit rating profile

Financial ratings			
Fitch Ratings	FitchRatings	Moody's	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	 MSCI	AA
ISS-ESG	 ISS ESG	prime (C+)
Sustainalytics	 SUSTAINALYTICS	Low (20-10)
CDP	 CDP <small>DISCLOSURE INSIGHT ACTION</small>	Awareness Level B

1) Outlook negative

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

- Recently solicited a second rating from Moody's through Q2-2022 to broaden the investor base
- 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

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
Pfandbriefe²⁾	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
Pfandbriefe²⁾	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 FitchRatings and Senior Unsecured by FitchRatings and Moody`s

2) Issued in 2023

Appendix Capital

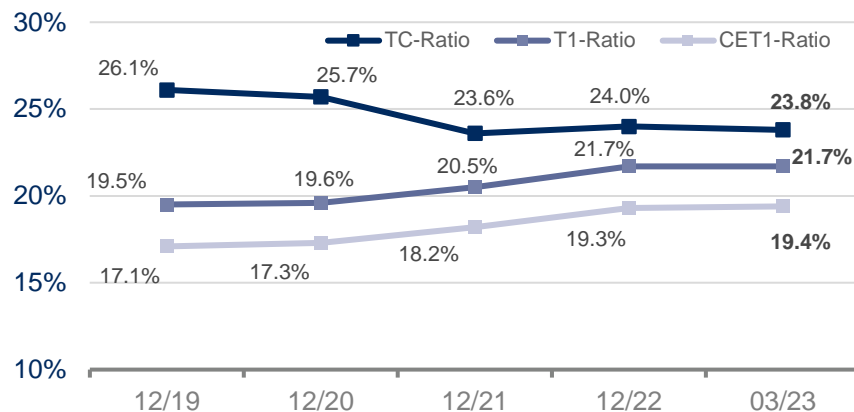
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Capital

Solid capital position

B4 (phase in) capital ratios



B4 (phase in) RWA

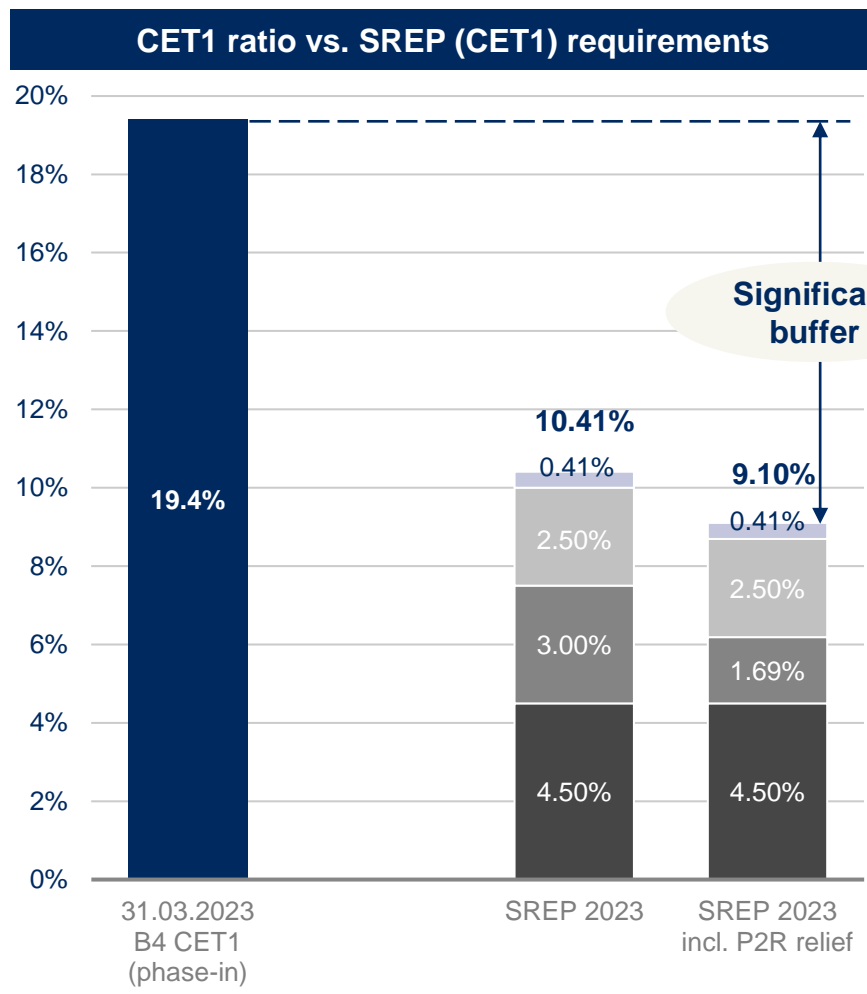


1) Based on draft version of the European implementation of Basel IV by the European Commission dated 27 October 2021 (CRR III)

- CET1 ratio further improved
- RWA largely stable
- Interest rate (change) risk hedged to the largest extend
 - OCI reserve on debt instruments: € +3 mn (03/23)
 - Total unrealised losses on remaining bonds portfolio only 3% of IFRS capital (therein interest rate related 2% of IFRS capital)
 - Unrealised losses fully deducted from economic capital (ICAAP)
- Capital ratios very solid throughout Covid-19 crisis
- T1-Leverage ratio at 6.0%

Capital

SREP (CET 1) 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 13.91% compared to 23.8% total capital ratio

Appendix

TR-Portfolio

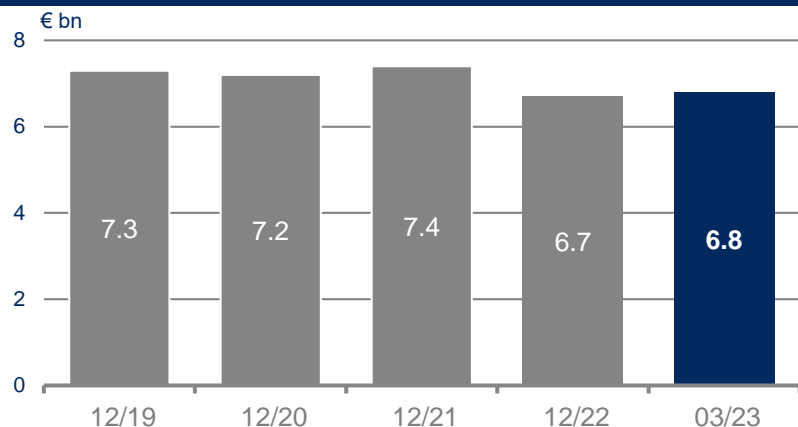
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Treasury portfolio

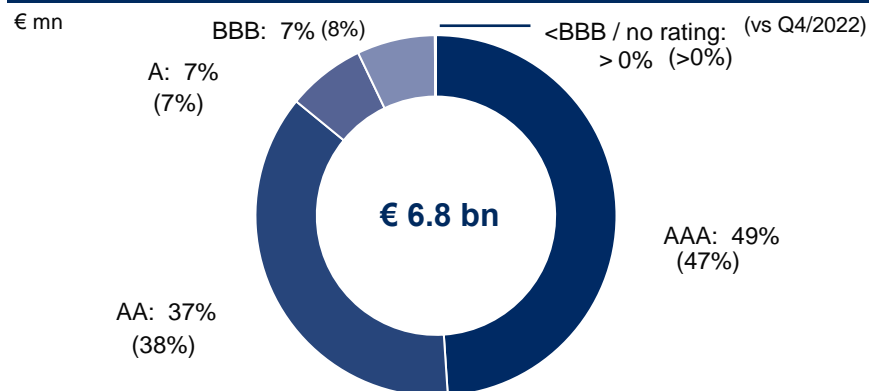
€ 6.8 bn of highly rated, quality liquid assets providing collateral and additional liquidity

TR portfolio development

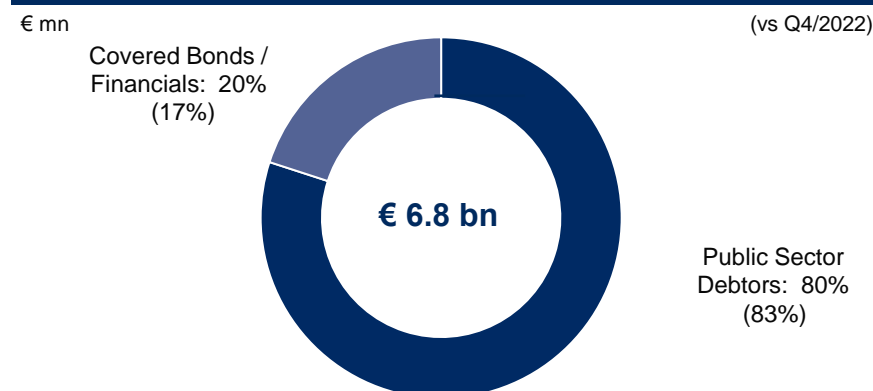


- Diversification intensified by re-investing in new agencies and Covered Bonds supporting spread improvement
- Enables income generation vs holding just cash collateral
- Serves as a liquidity reserve in both economic and normative terms
- Mainly consists of
 - Collateral for the Pfandbrief (public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

TR portfolio by rating¹⁾



TR portfolio by asset class



As at 31.03.2023 – all figures are nominal amounts

1) Composite Rating

Appendix

ESG

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ESG in our daily business

Putting sustainability at the core of our decisions

Published
March 2023

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

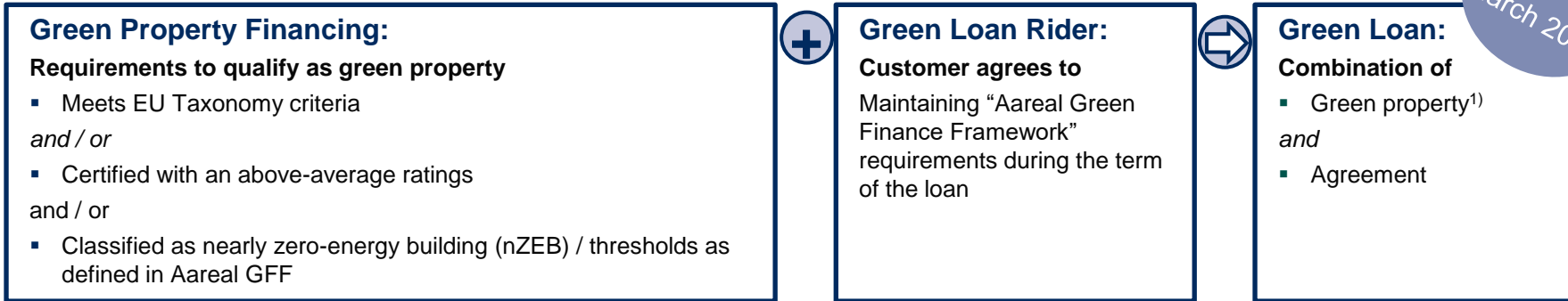
Continue to enlarge climate transparency in the portfolio

- 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)

Aareal's demanding Green Finance Framework

Published
March 2023

Aareal Green Finance Framework (GFF) in place

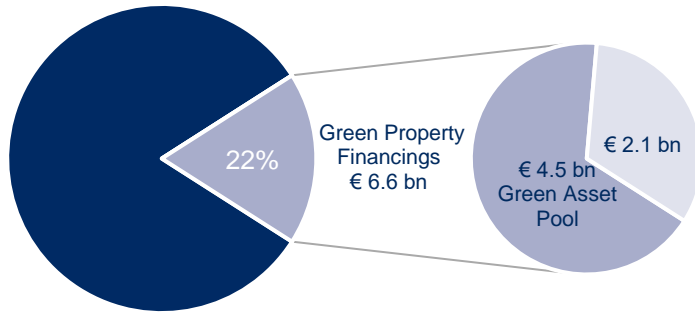


Eligibility category	Eligibility criteria (alternatives)								
Green Buildings	<p>1. EU taxonomy compliant: Buildings meet the EU Taxonomy criteria according to the EU Commission Delegated Regulation, Chapter 7.7 "Acquisition and ownership of existing buildings"</p>	<p>2. Green building certification:</p> <ul style="list-style-type: none"> ▪ 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 	<p>3. Energy efficiency: Classified as a nearly zero-energy building (nZEB) and / or property falls below the maximum energy reference values</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">75 kWh/m² p.a.</td> <td style="padding: 2px;">Residential</td> </tr> <tr> <td style="padding: 2px;">140 kWh/m² p.a.</td> <td style="padding: 2px;">Office, Hotel, Retail</td> </tr> <tr> <td style="padding: 2px;">65 kWh/m² p.a.</td> <td style="padding: 2px;">Logistics</td> </tr> </table>	75 kWh/m ² p.a.	Residential	140 kWh/m ² p.a.	Office, Hotel, Retail	65 kWh/m ² p.a.	Logistics
75 kWh/m ² p.a.	Residential								
140 kWh/m ² p.a.	Office, Hotel, Retail								
65 kWh/m ² p.a.	Logistics								
Energy efficiency upgrades	<p>1. EU taxonomy compliant: Modernisation measures meet the EU Taxonomy criteria acc. EU Commission Delegated Regulation³⁾</p>	<p>2. Upgrade to Green Building: Completion of the measure brings the property up to the green building standard defined above.</p>	<p>3. Energy efficiency improvement: Completion of the measure results in an energy efficiency improvement of at least 30%.</p>						

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"

22% of CREF portfolio classified as Green Property Financings

CREF¹⁾ portfolio

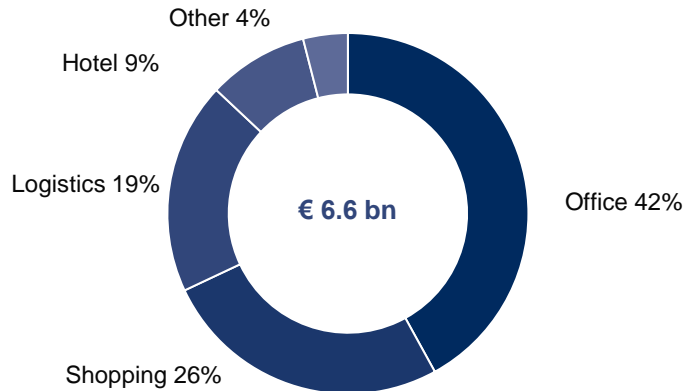


€ 6.6 bn¹⁾ (22%) of total CREF portfolio fulfilling Aareal's Green Finance Framework and are classified as "Green Property Financings", thereof

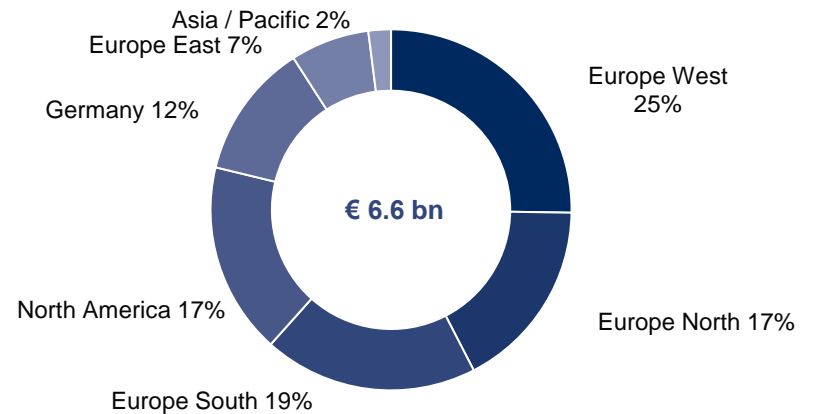
- € 4.5 bn included in green asset pool for underlying of Green bond issues
- € 2.1 bn green property financings mainly for technical reasons not (yet) included

■ CREF portfolio ■ Included in green asset pool ■ Not (yet) included

Green Property Financings²⁾ by property type



Green Property Financings²⁾ by region



1) CREF excl. business not directly collateralized by properties
Portfolio data as at 31.03.2023 – ESG Data as at 31.03.2023


2) Valid certificate is documented

ESG@Aareal

Phase 1:

Mission accomplished

Published
March 2023

	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 neutrality by 2023 of our business operations worldwide	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

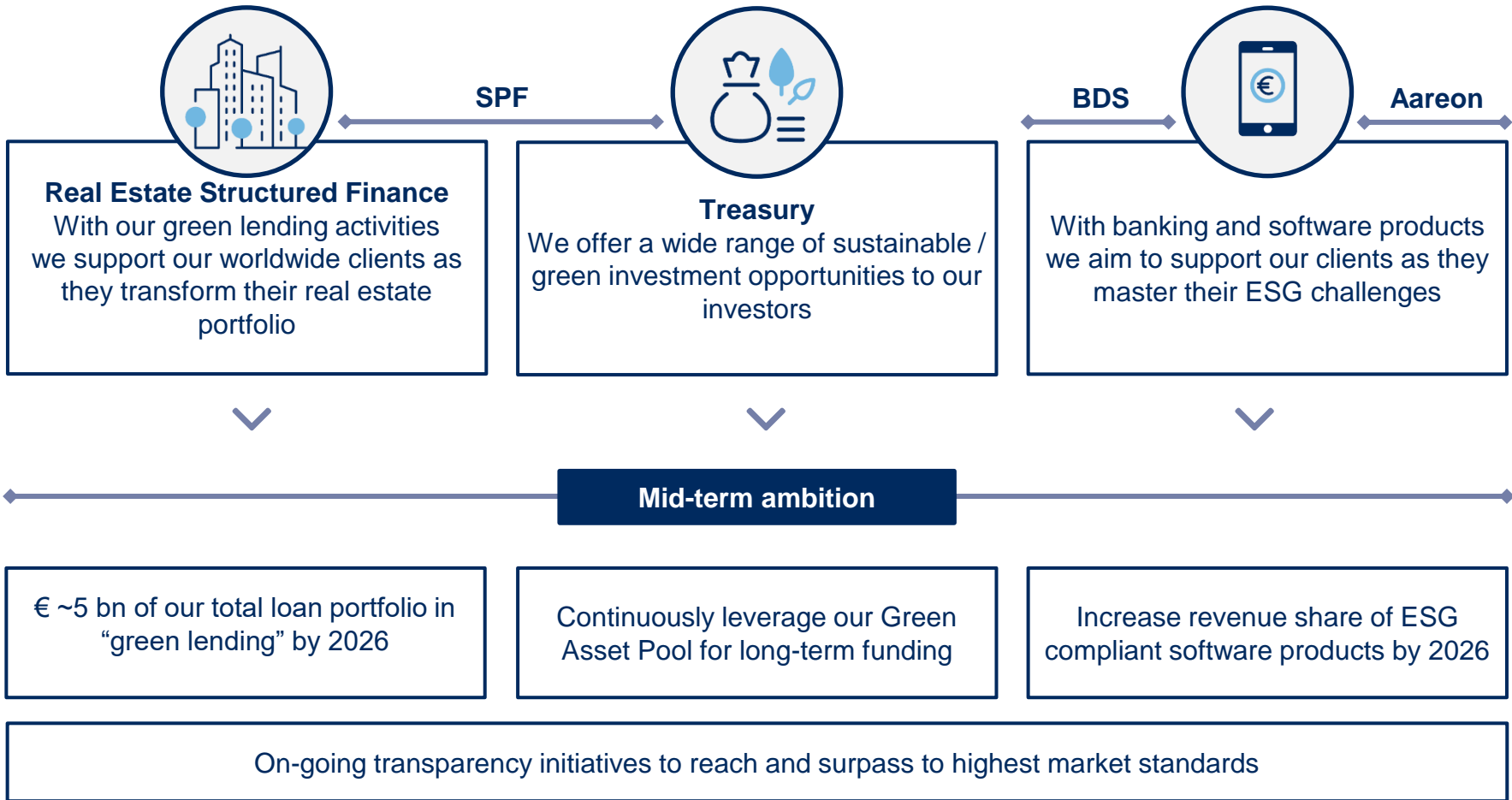
- Green Finance Frameworks Lending & Liabilities established and signed off by second party opinion (SPO)
- Strengthened investability for green investors through consistently positive ESG rating results
- Strong performance in ECB climate stress test, which assessed our portfolio for its vulnerability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



Consistently positive rating results

Rewarding Aareal's ESG performance



since 2015



- With continuous AA status in ESG Rating, Aareal at the best 35 percent among 63 diversified financials
- Outstanding Score in Governance (7.9 of 10) compared to industry average (5.7)



since 2012



- Prime Status confirms ESG performance above sector-specific Prime threshold, which means Aareal fulfils ambitious absolute performance requirements
- Range of 131 rated companies in the Mortgage & Public Sector Finance sector between D and B, Aareal on Decile Rank 1



as of 02/2023



- 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 178 of 987 in Sector Banks, 16 of 99 in Thrifts and Mortgages



as of 05/2022



- ESG Overall Score of 51, Aareal with above sector average results in Environment 49 [ø46], Social 48 [ø43] and Governance 56 [ø47]



since 2022



- 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 02/05/2023

Appendix Outlook

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Outlook 2023 confirmed

Group	METRIC	2022	OUTLOOK 2023
	<ul style="list-style-type: none"> Net interest income Net commission income LLP¹⁾ Admin expenses 	<ul style="list-style-type: none"> € 702 mn € 277 mn € 192 mn € 571 mn 	<ul style="list-style-type: none"> € 730 - 770 mn € 315 - 335 mn € 170 - 210 mn incl. € 60 mn budget for a swift NPL reduction € 590 - 630 mn incl. € 35 mn budget for Aareon efficiency measures
<ul style="list-style-type: none"> Operating profit (adjusted) Operating profit Earnings per share (EPS) 	<ul style="list-style-type: none"> € 239 mn € 2.32 	<ul style="list-style-type: none"> € ~350 mn € 240 - 280 mn € 2.40 - 2.80²⁾ 	
Developments in the macroeconomic environment remain uncertain			

Segments	METRIC	2022	OUTLOOK 2023
	Structured Property Financing	<ul style="list-style-type: none"> REF Portfolio New business 	<ul style="list-style-type: none"> € 30.9 bn € 8.9 bn
Banking & Digital Solutions	<ul style="list-style-type: none"> Deposit volume NCI 	<ul style="list-style-type: none"> € 13.4 bn € 31 mn 	<ul style="list-style-type: none"> € ~13 bn ~13% CAGR (2020-2023)
Aareon	<ul style="list-style-type: none"> Revenues Adj. EBITDA 	<ul style="list-style-type: none"> € 308 mn € 75 mn 	<ul style="list-style-type: none"> € 325 - 345 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

Appendix

Definitions and contacts

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Definitions

New Business	$\text{New business} = \text{Newly acquired business} + \text{renewals}$
Common Equity Tier 1 ratio	$\frac{\text{CET 1}}{\text{Risk weighted assets}}$
NPE ratio (acc. EBA Risk Dashboard)	$\frac{\text{Non-performing debt instruments (loans and advances \& debt securities) other than held for trading}}{\text{Total gross debt instruments}}$
CIR	$\frac{\text{Admin expenses (excl. bank levy, et al.)}}{\text{Net income}}$
Net income	$\text{Net interest income} + \text{Net commission income} + \text{Net derecognition gain or loss} + \text{Net gain or loss from financial instruments (fvpl)} + \text{Net gain or loss on hedge accounting} + \text{Net gain or loss from investments accounted for using the equity method} + \text{Net other operating income / expense}$
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	$\frac{\text{operating profit} \cdot / \cdot \text{income taxes} \cdot / \cdot \text{income/loss attributable to non controlling interests} \cdot / \cdot \text{net AT1 coupon}}{\text{Number of ordinary shares}}$
Yield on Debt	$\frac{\text{NOI} \times 100 \text{ (Net operating income, 12-months forward looking)}}{\text{Outstanding incl. prior/pari-passu loans (without developments)}}$
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
NPL ratio	$\frac{\text{NPL-exposure acc. CRR (excl. exposure in cure period)}}{\text{Total REF Portfolio}}$

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Thank you.

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