

Declaration of Compliance in Accordance with Section 161 of the German Public Limited Companies Act (Aktiengesetz - "AktG")

As at December 2022

1. Aareal Bank AG has complied with the recommendations of the Government Commission "German Corporate Governance Code" (as amended and published in the German Federal Gazette on 20 March 2020) – except for the restrictions set out below – since the last Declaration of Compliance was issued in December 2021 and until 27 June 2022:

1. Pursuant to recommendation G. 10 sentence 2, Management Board members shall have access to granted long-term variable remuneration components only after a period of four years. In contrast to the draft version dated 22 May 2019, the Government Commission refrained from defining the term 'long-term variable remuneration' in its final version.

According to the definition in the version dated 22 May 2019, typical performance indicators for long-term variable remuneration were, inter alia, "long-term financial success (profitability and growth with multiple-year measurement basis), non-financial success as prerequisite for subsequent financial success [...], implementation of the corporate strategy [etc.]".

Within Aareal Bank's remuneration system, all targets are derived from the strategy and measured over a period of three years. In line with the definition provided in the draft version dated 22 May 2019, Aareal Bank's entire variable remuneration would classify as long-term. The three-year target determination yields an imputed amount of which only 20% is paid out directly, whereas the remaining 80% is paid out in several tranches and over a total period of six years.

This means that most of the long-term variable remuneration is accessible at the earliest after four years and at the latest after nine years, thus complying with the Code's draft version. However, in the absence of the definition having been adopted – and the associated imprecise recommendation – it is not clear whether Aareal Bank's remuneration structure meets the Code expectations. As a result, and as a precautionary

measure, we declare a deviation from recommendation G. 10 sentence 2.

2. According to recommendation D. 4 sentence 2, the Chairman of the Supervisory Board shall not chair the Audit Committee. On 23 November 2021, the Supervisory Board of Aareal Bank elected Professor Dr Hermann Wagner to succeed Ms Korsch as Chairman after she had resigned from her office with immediate effect. Professor Dr. Wagner has presided over the Audit Committee since his appointment as member of the Supervisory Board in 2015. On account of his many years as an auditor and tax advisor, as well as his extensive experience as Chairman of the Audit Committee, Prof. Dr Wagner continues to exercise this position.

2. Since 27 June 2022, all recommendations of the Government Commission "German Corporate Governance Code" (as amended and published in the German Federal Gazette on 27 June 2022) have been complied with – except for the restriction set out below:

1. Pursuant to recommendation G. 10 sentence 2, Management Board members shall have access to granted long-term variable remuneration components only after a period of four years. In contrast to the draft version dated 22 May 2019, the Government Commission refrained from defining the term 'long-term variable remuneration' in its final version.

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2. According to recommendation D. 3 sentence 5, the Chairman of the Supervisory Board shall not chair the Audit Committee. On account of his many years as an auditor and tax advisor, as well as his extensive experience as Chairman of the Audit Committee at Aareal Bank, Prof.

Dr Wagner, Chairman of the Supervisory Board since 23 November 2021, continues to exercise this position. This complies with the legal requirements of section 25d (9) sentence 2 of the German Banking Act which stipulate that the Chairman of the Audit Committee must have expert knowledge of accounting and the audit of financial statements.

Wiesbaden, December 2022

The Management Board

Jochen Klösger

Nina Babic

Marc Hess

Christof Winkelmann

For the Supervisory Board

Prof. Dr. Hermann Wagner
(Chairman)