1st Supplement
to the Prospectus

1st supplement dated 10 August 2026 (the "**1st Supplement**") to the base prospectus dated 29 May 2026 (the "**Prospectus**") in relation to the

Aareal Bank AG

Federal Republic of Germany, Wiesbaden

Euro 25,000,000,000
Debt Issuance Programme

(the "**Programme**")

Aareal Bank AG (the "**Issuer**") with its registered office in Wiesbaden, Federal Republic of Germany, is solely responsible for the information given in this 1st Supplement. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this 1st Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SUPPLEMENT TO THE PROSPECTUS

This 1st Supplement constitutes a supplement to the Prospectus for the purposes of Article 23 (1) of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

This 1st Supplement supplements and updates the Prospectus and is to be read in conjunction therewith.

This 1st Supplement has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority for the purpose of the Prospectus Regulation.

The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany with a certificate of approval attesting that this 1st Supplement has been drawn up in accordance with the Prospectus Regulation ("**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with a Notification.

Right to withdraw

In accordance with Article 23 (2) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities before the 1st Supplement is published have the right, exercisable within three working days after the publication of this 1st Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy arose before the final closing of the offer to the public and the delivery of the securities. The final date for the right of withdrawal will be 13 August 2026. Investors wishing to exercise their right of withdrawal may contact the relevant Dealer/intermediary or any other distributor with whom the relevant agreement to purchase or subscribe has been entered into.

Terms defined in the Prospectus have the same meaning when used in this 1st Supplement. This 1st Supplement shall only be distributed in connection with the Prospectus.

Aareal

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SUPPLEMENTAL INFORMATION

The purpose of this 1st Supplement is, *inter alia*, to incorporate by reference the unaudited consolidated interim financial statements for the six months ended 30 June 2026. Accordingly, the amendments set out below shall be made to the Prospectus:

1. Changes relating to the section "RISK FACTORS"

a) The risk factor "**Risks relating to Geopolitical Conflicts**" on page 7 of the Prospectus shall be deleted in its entirety and replaced by the following:

"Geopolitical conflicts broadly encompass military conflicts as well as the use of coercive political or economic measures against other nations to advance one's own perceived national interest. Such conflicts pose a significant risk for the global economy as they can weigh on economic growth in various ways.

Military conflicts lead to a loss of human life, destroy capital and infrastructure, and disrupt supply chains – which in turn results in food and energy shortages – but they also impact investor confidence. The conflict between Russia and Ukraine in particular has furthermore led to increasingly hostile relations between Russia and European countries. These tensions are likely to persist even if a peace settlement is reached and might lead to elevated risks such as terrorism, cyberattacks and sabotage of critical infrastructure. The military conflict involving the US, Israel and Iran remains a significant source of geopolitical uncertainty despite a partial easing of tensions. Disruptions of key transport and energy routes, particularly those related to the Strait of Hormuz, may constrain global energy supply and contribute to significant increases in oil and natural gas prices. Such price spikes act as a transmission channel through which geopolitical shocks influence the real economy on a global scale, as they raise input costs for firms, reduce households' purchasing power and ultimately weigh on overall economic momentum. Beyond these first-round effects, sustained geopolitical uncertainty can alter financial market risk perceptions, leading to wider risk premia, higher volatility and a deterioration of financing conditions across economies. If the conflict persists, the combination of elevated energy costs, rising inflationary pressure and declining confidence could amplify macroeconomic fragilities, disrupt global supply chains and significantly heighten downside risks to global economic stability.

Protectionist policies such as the tariff increases pursued by the current US administration can negatively impact economic growth through various channels. On the demand side tariffs could increase the prices for domestic consumers thereby weakening consumption and accelerating inflation. On the supply side protectionist policies may increase input costs or restrict access to input goods for domestic producers resulting in weaker output. Additionally, protectionist measures may provoke retaliatory action by the nations they are aimed against which can further worsen the aforementioned effects.

Uncertainty around the future configuration of the global trade and financial system can lead to dampened economic sentiment and increased volatility in financial markets, which could impact the availability of liquidity and the valuation of assets.

All the above outlined risks can lead to a disruption of Aareal Bank's business, causing write down of assets and material losses. Aareal Bank's ability to protect itself against these risks is limited."

b) The risk factor "**Risks specific for Structured Property Financing, including risks relating to geopolitics and to macroeconomic uncertainty as well as to monetary policy tightening**" on page 11 *et seqq*. of the Prospectus shall be deleted in its entirety and replaced by the following:

"**Risks specific for Structured Property Financing, including risks relating to geopolitics and to macroeconomic uncertainty as well as to potential monetary policy restrictions**

There are various risks and uncertainties regarding the macroeconomic environment which have become relevant or could be relevant if they were to materialize to a considerable extent for the financial and capital markets as well as for the commercial real estate markets and thus negatively affect Aareal Bank's business:

The economy, financial markets and commercial property markets remain exposed to a broad range of risks, and the economic outlook for 2026 continues to depend in particular on geopolitical developments, energy prices, financing conditions, trade policy and the performance of major economies. US trade, migration and fiscal policies continue to have significant implications for the global economy, while elevated political polarization and reduced predictability of economic policy decisions may further weigh on investment and market confidence. In addition, geopolitical tensions and conflicts could remain elevated or intensify again in 2026 – with far-reaching implications for the economy and politics. Risks arising from the possibility that monetary policy remains restrictive for longer than currently expected, government indebtedness, political instability and global warming remain key issues.

Increasing political polarization and the weakening of institutional checks and balances have reduced the predictability and stability of US policymaking. The growing concentration of power within the executive branch, combined with the potential of legislative gridlock in Congress, heightens the risk of policy and limits the ability to address structural fiscal challenges. Potential government shutdowns may further increase uncertainty and reduce the effectiveness of economic policy making. President Trump has already imposed higher tariffs and is expected to continue making sudden and unpredictable changes to trade and fiscal policies. Uncertainty regarding future trade regimes and possible countermeasures by affected trading partners may further weigh on investment decisions and global demand. Additional government spending and fiscal expansion may add pressure to public budget and increase concerns regarding debt sustainability. While a more expansionary fiscal stance could support growth in the short term, tariffs are likely to be inflationary, and stricter immigration policies could weigh on long-term economic potential due to labour shortages.

Military conflicts pose a significant risk for the global economy as they lead to a loss of human life, destroy capital and infrastructure, and disrupt supply chains which in turn results in food and energy shortages. The continued military confrontations in the Middle East could lead to a prolonged increase in prices for oil and liquefied natural gas. Such a development could weaken global growth prospects, increase inflation and lead to a decline in equity and bond markets.

Armed conflicts, increasing trade tensions and political animosities between China and the Western world, along with tensions between China and Taiwan and in the Indo-Pacific region, could also put a drag on global economic growth. A broader definition of risks related to geopolitical tensions includes terrorism, cyberattacks, hybrid forms of conflict, and sabotage of critical infrastructure.

Given the increase in inflation and the unspectacular growth outlook in many advanced economies, monetary policy decisions are shaped by a difficult trade-off between safeguarding price stability and avoiding an excessive deceleration of growth. Energy-related price increases, potential second-round effects, a prolonged conflict in the Middle East and protectionist trade policy represent significant upside risks for inflation. These considerations together with the high level of uncertainty suggest that central banks will be acting more cautiously going forward. Furthermore, the ECB's decision to set the interest rate on minimum reserves at 0 %, together with the increase in regulatory requirements, represents a burden on the profitability of banks.

Global financial markets continue to be characterised by elevated uncertainty and structural vulnerabilities. Higher interest rates, elevated risk premia and increased market volatility may lead to asset price corrections and tighter financing conditions. In addition, contagion effects within the financial system may arise from stress in private credit markets or from the failure of individual financial institutions and may spread to other market segments. A prolonged period of stress in private credit markets could spill over into corporate bond markets and lead to wider credit spreads. In such an environment, market liquidity may deteriorate and the functioning of key financial markets may become impaired, further increasing financial stability risks and adversely affecting financing conditions.

High levels of government debt in many economies continue to raise concerns regarding debt sustainability. Additional government spending to mitigate economic burdens and finance geopolitical and structural adjustments may further increase pressure on public budgets, contribute to elevated government bond yields and increase refinancing costs for heavily indebted countries. Potential disruptions in sovereign debt markets could transmit to wider segments of the financial system.

The political shift away from European cohesion poses a significant long-term threat to the EU, but also to Europe as a whole. The lack of coordination and cooperation on migration issues and the slowdown in economic growth have led, among other things, to a rise in populism and increased the electoral success of populist and in some cases EU-critical parties in several countries, including in the EU parliamentary elections. The reform backlog and structural economic problems in some euro zone countries represent further uncertainties, risks and negative factors. Although European investment programmes may support affected economies, insufficient political coordination may limit their effectiveness in addressing structural problems. The efforts of many countries and companies to limit global warming require a profound transformation of the entire economy. At the same time, the macroeconomic impact of this transformation is uncertain, and its effect depends on a number of factors. This structural change also entails costs that will be borne by companies and consumers alike. For instance, decarbonising the economy not only relates to energy supply but also requires significant changes in industry, transport, construction, and agriculture. In addition to the transition costs incurred in decarbonising the global economy, the costs that are directly attributable to climate change will also increase in the medium term. Extreme weather events and natural disasters could intensify over time, not only causing physical damage but also impacting the real economy – for example in the form of rising food prices, disruptions to supply chains and repercussions on the labour markets. The extent to which these physical damages increase will depend on how well the global community succeeds in reducing greenhouse gas emissions.

The rise of Artificial Intelligence as a new technology entails several risks. While an increase in worker productivity due to successful implementation of Artificial Intelligence could provide an upside for economic growth, it might also be accompanied with disruptions in labour markets and weaker employment growth as some workers might face displacement. At the same time, growing investment in AI-related infrastructure, including semiconductors, hardware, data centres and energy supply, could contribute to inflationary pressures and affect resource allocation across the economy. Furthermore, should investor expectations regarding AI-driven returns become excessively optimistic, the resulting speculative behaviour may contribute to increased volatility across financial markets and may tighten financing conditions, including for real estate markets.

The risks and adverse effects on the economic development including the financial and capital markets as well as on commercial property markets could have a material adverse effect on Aareal Bank's profitability. Profitability may also be adversely affected where Aareal Bank decides to prolong loans rather than to insist on repayment in order to avoid defaults on repayment obligations.

There are several risks and uncertainties for commercial property. Against the backdrop of continued elevated financing costs, the general conditions for the real estate markets remain challenging. There are several uncertainties and risks in the macroeconomic environment that could affect the market. For example, political and geopolitical uncertainties could impact the stability of markets and lead to investor restraint. A weaker-than-expected economy or weakened business or investor confidence could dampen demand for commercial real estate. At the same time, more restrictive lending standards and high financing costs could make investments more difficult and hinder a recovery. In addition, as fixed-rate loans and hedging instruments expire, the increase in financing costs experienced since 2022 may continue to affect some borrowers with a delay and could make refinancing more difficult. Especially with expiring fixed interest rate commitments or expiring hedging instruments, the capacity to service debt or the free cash flow for investors after debt service can be constrained. Negative economic developments may lead to tenant defaults, lower occupier demand, rising vacancy rates and reduced rental income, thereby further exacerbating these pressures. Should inflationary pressures ease sustainably, a gradual easing of financing conditions could reduce pressure on borrowers over time; however, the outlook remains subject to considerable uncertainty.

The continued prevalence of remote and flexible working arrangements may reduce demand for office space in certain markets and segments and could exert downward pressure on rental income and market values. Demand for office properties may be further affected by the increasing adoption of generative Artificial Intelligence and the automation of office-related tasks, which could reduce space requirements unless offset by stronger economic growth. The impact of these developments may vary significantly across markets, countries and property quality. Office properties that fail to meet changing tenant requirements, including expectations regarding location, building quality and sustainability standards, may experience weaker demand, lower rental income and declining market values. This could contribute to further market segmentation and increase uncertainty regarding future valuations.

Alongside macroeconomic and financial factors, ESG and climate risks are exerting an increasingly important influence on commercial property markets. Market value development depends increasingly on property quality and compliance with sustainability requirements. Properties that do not meet corporate environmental objectives or regulatory expectations may experience weaker demand and valuation prospects. Furthermore, climate change may increase the frequency and severity of extreme weather events, potentially leading to higher insurance costs or reduced insurability for certain properties and locations.

Although transaction markets have shown signs of stabilization in a number of regions, a sustained recovery of commercial real estate markets could remain challenged by elevated financing costs, geopolitical uncertainty and weaker economic growth.

Due to these factors, there is the risk that these developments could have negative effects not only on cash-flows but also on property values the Aareal Bank Group holds in its property financing portfolio and could also have an adverse effect on the amount of non-performing loans, the staging of loans, and on the allowances for credit losses of Aareal Bank Group.

The developments in competition and economic development could adversely affect the profitability of Aareal Bank and its risk position. Deteriorating economic forecasts and prolonged recovery periods for defaulted loans must be seen as a risk which in general could lead to higher risk provisioning."

2. Changes relating to the section "AAREAL BANK AG"

a) The sub-section "**Outlook for the year 2026**" on page 600 of the Prospectus shall be deleted in its entirety and replaced by the following:

"For 2026 as a whole, global economic growth is expected to remain positive but slower than in the previous year. The global growth outlook continues to be constrained by elevated energy prices, restrictive financing conditions and persistent political uncertainty. Although geopolitical tensions in the Middle East have eased somewhat, the situation remains fragile and risks to energy markets and the global economy persist. Uncertainty regarding trade policy developments and the broader implications of tariff measures continues to present downside risks to the economic outlook. Forecasts remain subject to considerable uncertainty. Geopolitical risks and their potential impact on global energy production and transportation continue to represent important determinants of economic growth, inflation and financial market developments.

Real GDP growth in the euro area is expected to remain weak in 2026 and significantly below its long-term average. Economic activity is likely to be constrained by subdued domestic demand, weak external demand, elevated energy prices and structural competitiveness challenges. Uncertainty regarding international trade policy may weigh on investment decisions, while higher energy costs could continue to dampen consumer sentiment and real disposable income. Positive but overall weak economic growth is expected for the United Kingdom in 2026. Economic activity is likely to remain constrained by elevated energy prices, restrictive fiscal and monetary conditions and persistent uncertainty. A moderation in energy prices could support the inflation outlook, although renewed increases in energy costs or heightened geopolitical uncertainty continue to represent upside risks to inflation and downside risks to growth.

The US economy is expected to record growth in 2026, supported by investment activity and exports, although elevated energy prices and restrictive financing conditions may weigh on domestic demand. Trade policy uncertainty and political uncertainty remain risks to the outlook.

For Canada, economic growth is expected to remain weak overall in 2026, although economic activity may stabilise during the second half of the year supported by external trade and fiscal measures. Monetary policy is expected to remain characterised by a difficult trade-off between containing inflation and supporting economic activity. While some central banks may have room for a gradual easing of policy, elevated uncertainty regarding energy prices and inflation dynamics suggests that monetary authorities are likely to remain cautious and highly data-dependent. Future developments in inflation, energy markets and trade policy may lead to adjustments in the expected monetary policy path across major economies.

For commercial real estate financing markets, competitive pressure is expected to remain elevated and may increase further in regions and property types that continue to attract strong investor interest.

Office properties in particular vary greatly in performance: while demand for high-quality buildings in central locations remains high, lower-quality properties and those located in peripheral locations still report weaker demand and performance. As the expected level of financing costs and lending standards should counteract an increase in loan-to-value ratios, nevertheless, changes in the market environment could increase pressure on margins (gross as well as net) or lead to moderate increases in loan-to-value ratios. Current market developments suggest that valuation levels have stabilised across many market segments, while some sectors have already shown signs of modest value appreciation. For 2026, market values are therefore expected to remain broadly stable on average, although developments may differ significantly by property type, quality, location and market. Elevated financing costs are nevertheless expected to continue limiting valuation upside potential. Compliance with sustainability criteria (ESG) is becoming an increasingly important determinant of market performance and value development.

For retail properties, private consumption is expected to remain a key driver of rental revenues. However, elevated energy prices, a deterioration in labour market conditions or a longer period of restrictive monetary policy could negatively affect consumer spending and rental growth.

Hotel markets have generally recovered strongly in recent years, and sector fundamentals remain supported by resilient incomes and low unemployment in many relevant markets. However, a prolonged period of elevated energy prices may lead consumers to curtail discretionary spending, which in turn could adversely impact the revenue performance of the hotel properties. Also, free cash flow could be impacted by a renewed increase in operating costs that are a side effect of the high inflation. Interest levels remain elevated, restricting the potential for short-term market value increases. Political tensions, higher travel costs and a potential reduction in international tourism flows could adversely affect hotel markets with strong reliance on foreign visitors.

The outlook for alternative living, including co-living and student housing, remains favourable, supported by structurally strong demand and constrained supply in many markets. However, more restrictive migration policies affecting international students remain a risk for this asset class, particularly in the United States. For the current year, office properties are still expected to show weaker market value development on average than most other property types. Although a gradual stabilisation of valuations has emerged in several markets, market performance is expected to remain highly segmented. Properties that do not meet corporate sustainability objectives, regulatory climate-related requirements or changing tenant preferences may experience weaker rental and value development. By contrast, the performance of high-quality office assets increasingly depends on factors such as location, modern specifications and ESG compliance. A significant downside risk to this outlook would arise from a renewed deterioration in US office markets. Given the already elevated share of distressed office properties, further financial stress could lead to higher risk premia, rising yields and renewed pressure on market values. For the current year, Aareal Bank again expects that the market values of office properties experience the strongest price pressure on average compared to other property types. Aareal Bank also expects rental growth to slow because of potential changes in space requirements and the increasing influence of sustainability standards. Office properties that fail to comply with corporate environmental and sustainability criteria or statutory climate-related requirements are set to show a weaker performance. A significant downside risk for this forecast lies in a sharper than expected decline in the market values of office properties. The market is still undergoing a period of price discovery; the muted number of transactions is complicating this process, though. If the number of office properties in serious distress increased strongly, yields would rise due to higher risk premiums, while market values would plummet. Logistics properties continue to benefit from structural demand drivers, although rental growth is expected to be more moderate than during previous years. Economic weakness, rising operating costs and weaker international trade activity represent downside risks for the sector. Individual properties may generally deviate from this estimate.

Alongside macroeconomic and financial factors, ESG and climate risks are increasingly influencing the development of commercial property markets. Market value development depends increasingly on the quality of properties and on compliance with increasing sustainability requirements. Properties that do not meet companies' environmental and climate goals or government requirements are at risk to experience weaker performance in the medium-term. In addition, climate change can lead to an increase in the frequency and intensity of extreme weather events. This could lead to rising insurance premiums in individual regions or restrict the ability to fully insure certain properties in the future. In Europe in particular, properties with a high carbon footprint could be adversely affected by regulatory requirements and changes in investor preferences."

b) On page 606 of the Prospectus, the table under the heading "**Regulatory Indicators**" shall be deleted in its entirety and replaced by the following:

"

	30 June 2026	31 December 2025	31 December 2024
Regulatory Indicators[1)]			
Basel IV (phase-in)			
Common Equity Tier 1 ratio (CET1 ratio) (per cent.)	20.8	22.2	20.2

1) 31 December 2024: including profits for 2024 less dividends (which have already been distributed) and including the accrual of interest on the AT1 bond.

   31 December 2025: including profits for 2025 less dividends (which have already been distributed) and including the accrual of interest on the AT1 bond.

   30 June 2026 (preliminary): including interim profits for 2026, deducting a planned dividend in line with the dividend policy and incorporating the accrual of interest payable on the AT1 bond.

   The SREP recommendations concerning the non-performing loans (NPL) inventory were taken into account as well as the ECB's NPL guidelines for the regulatory capital for new NPLs and an additional voluntary and preventive capital deduction for regulatory uncertainties from ECB inspections."

c) Under the heading "**Financial Information concerning Aareal Bank AG's Assets and Liabilities, Financial Liabilities, Financial Position and Profits and Losses**" on page 606 of the Prospectus, the first paragraph shall be deleted in its entirety and replaced by the following:

   "The unaudited consolidated interim financial information as at 31 March 2026 and the reviewed consolidated interim financial statements as at 30 June 2026 of Aareal Bank AG were prepared in accordance with the International Financial Reporting Standards, as adopted by the EU ("**IFRS**")."

d) The statement under the heading "**No Significant Change in the Financial Position or Financial Performance**" on page 606 of the Prospectus shall be deleted in its entirety and replaced by the following:

   "There has been no significant change in the financial position or financial performance of Aareal Bank AG and its subsidiaries since 30 June 2026, noting that significant uncertainties with respect to the impact of geopolitics and risks relating to monetary policy tightening exist as described in "Risk Factors – A. Risk Factors relating to Aareal Bank AG – 3. Risks specific for Structured Property Financing, including risks relating to geopolitics and to macroeconomic uncertainty as well as to potential monetary policy restrictions"."

3. Changes relating to the section "GENERAL INFORMATION"

Under the heading "**Documents incorporated by reference**", the following shall be inserted on page 626 of the Prospectus before the paragraph beginning with "*Any information not incorporated by reference into this Prospectus…*":

"**10) Unaudited consolidated interim financial statements for the six months ended 30 June 2026:**	**Extracted from the Aareal Bank Group – Interim Financial Statements 1 January to 30 June 2026:**
– Key Indicators	– page 2
– Statement of Comprehensive Income	– page 38
– Statement of Financial Position	– page 40
– Statement of Changes in Equity	– page 41
– Statement of Cash Flows (condensed)	– page 42
– Notes (condensed)	– page 43 to 60
– Review Report	– page 61
https://www.aareal-bank.com/fileadmin/downloadlist/DAM_Content/IR/Finanzberichte/2026/260630_zb_en.pdf"	

GENERAL PROVISIONS

Save as disclosed on pages 1 to 7 of this 1st Supplement, there has been no other significant new factor, material mistake or material inaccuracy since the publication of the Prospectus.

To the extent that there is any inconsistency between (a) any statement in this 1st Supplement and (b) any other statement in or incorporated by reference into the Prospectus, the statement referred to in (a) will prevail.

Any information not incorporated by reference into this 1st Supplement but contained in the Aareal Bank Group – Interim Financial Statements 1 January to 30 June 2026 mentioned as source document in the cross reference list in number **3. Changes relating to the section "GENERAL INFORMATION"** above is either not relevant for the investor or covered in another part of the Prospectus as supplemented by this 1st Supplement.

To the extent permitted by the laws of any relevant jurisdiction neither the Arranger nor any Dealer accepts any responsibility for the accuracy and completeness of the information contained in the Prospectus, as supplemented by this 1st Supplement.

This 1st Supplement and the documents incorporated by reference in the Prospectus as listed in number **3. Changes relating to the section "GENERAL INFORMATION"** above are also available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (www.aareal-bank.com).