

Declaration of Compliance within the meaning of section 161 of the German Public Limited Companies Act (Aktiengesetz - "AktG")

As at December 2012

The Management Board and Supervisory Board of Aareal Bank AG declare, in accordance with section 161 of the AktG, that:

Aareal Bank AG has complied with the recommendations of the "Government Commission German Corporate Governance Code" (as amended on 26 May 2010 the "Code") since the last Declaration of Compliance was issued in April 2012 – in each case, except for the recommendations stated below.

Section 5.4.6 (2) of the Code provides for performance-related compensation of Supervisory Board members. Considering the potential conflicts of interest which are inherent in this recommendation, the Management Board and Supervisory Board do not believe such a regulation to be desirable; for this reason, the members of the Supervisory Board receive fixed remuneration only.

Aareal Bank will also comply with the recommendations of the Code (as amended on 15 May 2012) throughout the financial year 2013, with the exceptions stated below.

The recommendations stipulated in section 5.4.1 (2) in conjunction with section 5.4.2 (1) of the Code set out requirements regarding the composition of the Supervisory Board, and particularly the independence of Supervisory Board members. The requirements set out in section 5.4.2 are legally indeterminate; therefore, they do not provide an adequate basis for assessing the independence of Supervisory Board members, or for defining targets for the composition of the Supervisory Board. The Supervisory Board of Aareal Bank AG believes that it is sufficiently independent. Within the framework of actual decisions concerning potential members, the Supervisory Board of Aareal Bank AG assesses the independence of the respective candidate, duly taking it into account.

Section 5.4.1 (4) of the Code contains a recommendation that, when making election recommendations to the General Meeting, the Supervisory Board shall disclose the personal and business relations of each individual candidate. Aareal Bank AG believes that this requirement would expose the bank to material legal uncertainty, due to the lack of a legal definition of the extent or scope of any such disclosure. Accordingly, any relevant information concerning candidates for election to the Supervisory Board (as part of election proposals to the General Meeting) will be disclosed exclusively pursuant to the provisions of the AktG.

Wiesbaden, December 2012

The Management Board

Dr Wolf Schumacher Dirk Große Wördemann Hermann J. Merkens Thomas Ortmanns

For the Supervisory Board

Hans W. Reich

(Chairman)