

Declaration of Compliance (section 161 AktG)

As at April 2012

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

1. Aareal Bank AG has complied with the recommendations of the "Government Commission German Corporate Governance Code" (as amended on 26 May 2010) since the last Declaration of Compliance was issued in December 2011 – in each case, except for the recommendations stated below.

Section 4.2.3 (4) and (5) of the Code recommends the imposition of a cap on severance payments to members of the Management Board. The contracts entered into with the members of the Management Board do not contain any provisions regarding severance pay. If it is intended to terminate a contract with a member of the Management Board prematurely, and in the absence of good cause, no cap is applicable to the contractual claims for performance. The Supervisory Board believes that it is preferable to handle each case individually, and to flexibly enter into negotiations regarding a cancellation agreement. The recommended cap should, however, be considered in any agreement on severance pay.

In the event of a change of control, the contracts with the members of the Management Board provide for caps on severance payments which do not exceed the recommended level.

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. The Supervisory Board therefore receives only fixed remuneration.

2. Section 4.2.3 (4) and (5) of the Code recommends the imposition of a cap on severance payments to members of the Management Board. Upon the conversion of Management Board contracts in line with the requirements of the German Ordinance on Remuneration in Financial Institutions (Institutsvergütungsverordnung, InstVG-VO), the recommendations of the Corporate Governance Code have been reviewed and taken into account in the relevant contract clauses. In future, the requirements laid down in section 4.2.3 (4) and (5) will be met pursuant to the relevant decisions by the Supervisory Board and the changeover in the Management Board contracts.

Aareal Bank will continue to comply with the recommendations of the German Corporate Governance Code as amended on 26 May 2010, with the above exception regarding the recommendations in section 5.4.6 (2).

For further details concerning the Corporate Governance Principles of Aareal Bank AG, please refer to our website:

<http://www.aareal-bank.com/investor-relations/corporate-governance/>

Wiesbaden, April 2012

The Management Board

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

For the Supervisory Board

Hans W. Reich
(Chairman)