

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

As at April 2014

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

Aareal Bank's Management Board and Supervisory Board issued a Declaration of Compliance in December 2013. This Declaration of Compliance included the deviation from the recommendation as per section 4.2.3 (2) sentence 6 of the Corporate Governance Code ("Code") because the scope of specific remuneration components - share bonus and share deferrals - were not limited as regards their amount.

In March 2014, against the background of amended regulatory requirements and at the proposal of the Remuneration Control Committee, the Supervisory Board approved a new remuneration system for members of the Management Board, which took effect from 1 January 2014 and which complies with the recommendation given in section 4.2.3 (2) sentence 6 of the Codex. As a consequence, it was decided that the amounts for the Management Board's variable, performance-related remuneration granted for the 2013 financial year or following financial years will be capped. Only the amounts for virtual shares that were granted for the 2012 financial year or previous financial years, or that will be granted in future based on the regulations concerning the deferral of variable remuneration components will not be capped. However, those virtual shares will be granted for the last time in 2016, and automatically settled and disbursed in 2018 after the respective holding or retention period has been expired, based on the weighted average XETRA price valid on the five trading days after the deadline.

Against this background, the Management Board and the Supervisory Board have decided to update the Declaration of Compliance from December 2013 to the extent that it complies with the recommendation of section 4.2.3 (2) sentence 6 of the Codex regarding the variable remuneration for the 2013 financial year and the following financial years. This means that only those amounts of virtual shares will not be capped that were granted to Management Board members for the 2012 financial year or previous financial years, or that will be granted in future based on the regulations concerning the deferral of variable remuneration components, and that are automatically settled and disbursed after the respective holding or retention period has been expired, based on the weighted average XETRA price valid on the five trading days after the deadline.

The remaining provisions of the Declaration of Compliance from December 2013 will remain unchanged.

Wiesbaden, April 2014

The Management Board

Dr Wolf Schumacher
Ortmanns

Dagmar Knopek

Hermann J. Merkens

Thomas

For the Supervisory Board

Marija G. Korsch

(Chairman)