

Declaration of Compliance (section 161 AktG)

as at December 2010

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 18 June 2009 and, with effect from 2 July 2010, as amended and published in the electronic German Federal Gazette on that date) since the last Declaration of Compliance was issued in December 2009; in each case, except for the following recommendations.

Section 3.8 of the German Corporate Governance Code recommends that a suitable deductible be agreed where the company takes out a D&O (directors and officers' liability insurance) policy for the Supervisory Board.

The D&O insurance policy taken out by Aareal Bank AG for the members of its Supervisory Board does not provide for a deductible. Since it goes without saying that all members of the executive bodies of Aareal Bank AG have a duty to act responsibly, no deductible is required for the Supervisory Board.

Section 4.2.3 para. 4 and 5 of the German Corporate Governance Code recommends the introduction of caps for the compensation of Management Board members. The contracts with the members of the Management Board do not provide for a severance payment. If it is intended to terminate a contract with a member of the Management Board prematurely in the absence of good cause, no cap is provided for the contractual claims for performance. From the perspective of the Supervisory Board, it is more recommendable to handle each case individually and to flexibly enter into negotiations regarding a cancellation agreement. The recommended cap should, however, be considered in the agreement regarding a compensation payment.

In the event of a change of control, the contracts with the members of the Management Board contain caps regarding severance payments, which do not exceed the recommended figure.

In the coming fiscal year, Aareal Bank will continue to comply with the recommendations of the German Corporate Governance Code as amended on 26 May 2010 - with the above exceptions to sections 3.8 and 4.2.3 para. 4 and 5.

Wiesbaden, December 2010

The Management Board

Dr. Schumacher Große Wördemann Merkens Ortmanms

For the Supervisory Board

Hans W. Reich
(Chairman)