

Declaration of Compliance (section 161 AktG)

as at December 2009

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 6 June 2008 and, with effect from 5 August 2009, as amended and published in the electronic German Federal Gazette on that date) since the last Declaration of Compliance was issued in December 2008; 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 Supervisory Board of Aareal Bank AG has intensely dealt with the issue of compensation caps: For instance, the Board members' contracts already provide compensation caps should it come to a change of control.

The recommendation introduced in June 2008 concerning the compensation caps in case of premature termination of a Board member's activities refers to employment contracts still to be concluded. Hence, from the current perspective, it is not relevant for Aareal Bank AG. For all new contracts to be concluded, Aareal Bank AG's Supervisory Board will consider the implementation of the recommendation.

In the coming fiscal year, Aareal Bank will continue to comply with the recommendations of the German Corporate Governance Code as amended on 18 June 2009 - with the above exceptions to sections 3.8 and 4.2.3 para. 4 and 5.

Wiesbaden, December 2009

The Management Board

Dr. Schumacher Kickum Merkens Ortmanns

For the Supervisory Board

Hans W. Reich
(Chairman)