

THE INTERNATIONAL
PROPERTY SPECIALIST

Analyst Conference Call Preliminary Figures Q4 2006

21 February 2007



Aareal Bank

2006 targets outperformed

	2006 (actual)	2006 (target)
Net loan loss provisions (€ mn)	89	80 - 90
Profit before tax (€ mn)	160	>150
Net RoE (%)	10.1	>8.0
Tier I ratio (%)	7.3	7.1

- Normalised risk provisioning in 2006
- Administrative expenses reduction in 2006
- Pre-tax profit target 2006 well above € 150 mn
- Net RoE target 2006: exceeding capital costs
- Tier 1 ratio increased to 7.3 %



Preliminary Group Figures Q4 2006

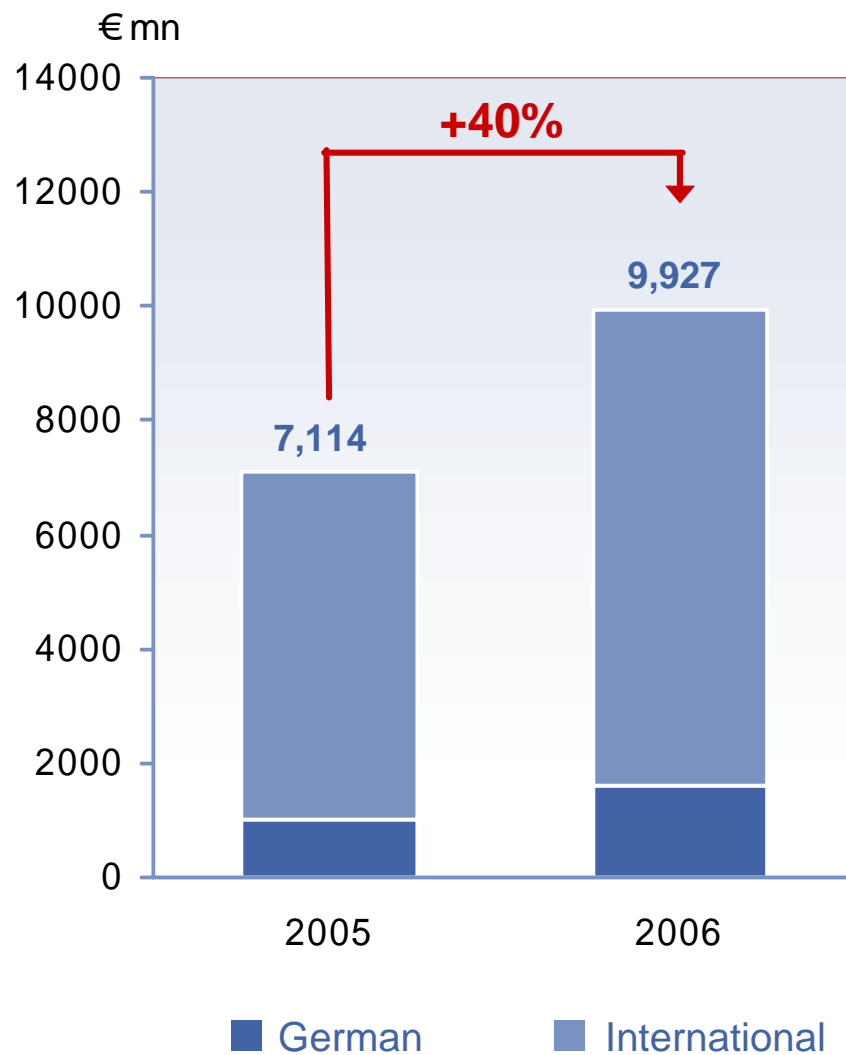
	Q4 2006	Q4 2005
	€ mn	€ mn
Net interest income	92	97
Net loan loss provisions	23	24
Net interest income after net loan loss provisions	69	73
Net commission income	34	47
Results from hedges	3	0
Net trading income	7	-11
Results from non-trading assets	27	20
Results from companies accounted for at equity	0	-11
Results from investment properties	-12	2
Administrative expenses	88	101
Other operating income	-2	7
Depreciation of goodwill	0	0
Operating Profit	38	26
Income taxes	1	5
Results from discontinued operations	1	3
Group net income	38	24
Allocation of results		
Minority interest income / loss	4	4
Gains attributable to shareholders of Aareal Bank AG	34	20

- Interest income affected by securitisations and portfolio sale in Q3 2006
- Commission income affected by sale of subsidiaries
- Reduction of Net interest and Commission income more than offset by reduction of admin expenses
- Results from non-trading assets includes deconsolidation effect of Aareal Asset Management activities
- Preliminary RoE after taxes = 10.1%



Aareal Bank

New business development

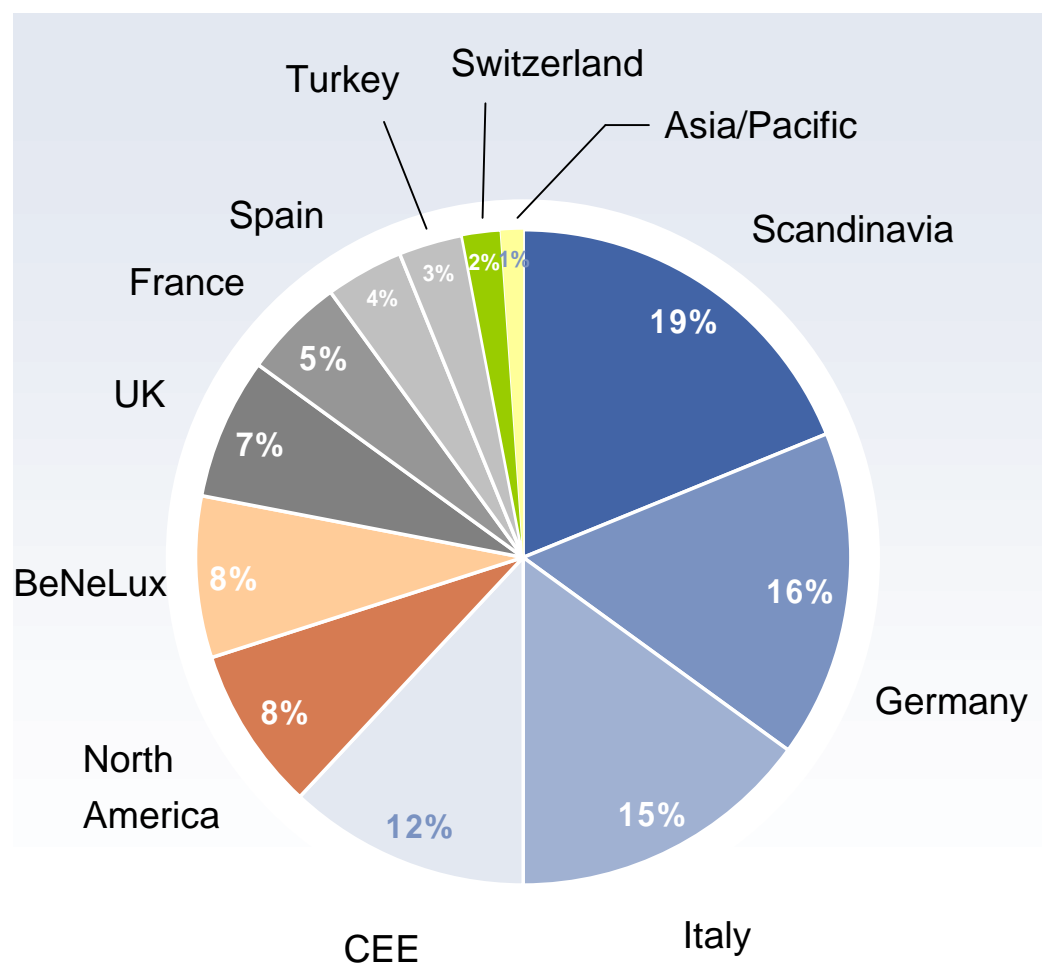


- Increase of new business volume by 40%
- New business target of more than € 8 bn in 2006 clearly outperformed
- 84% of new business is international



New business by region

Total new business 2006: €9.9 bn

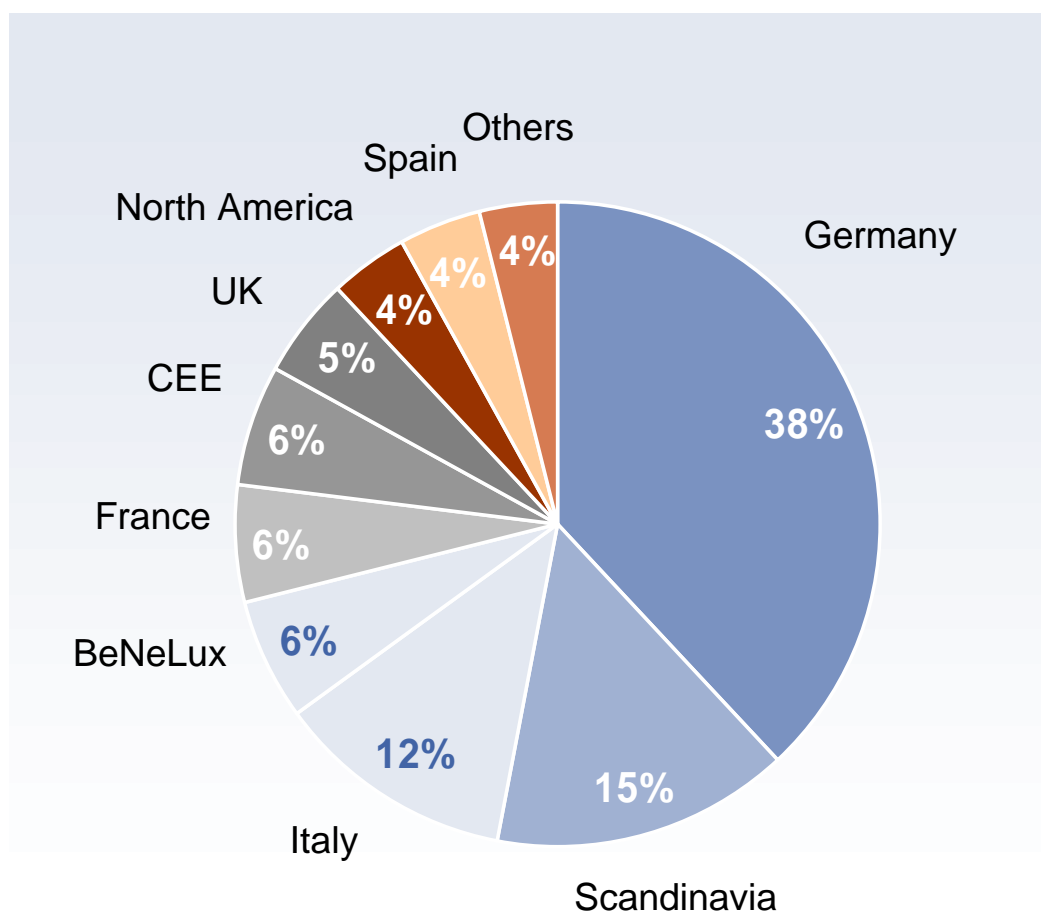


- Principle of one central head of all Nordic countries and branches has proved itself successful
- Similar introduction of:
 - Head of CEE and Russia
 - Head of Asia and
 - Head of North America
- Office in Helsinki in preparation
- Office in Shanghai planned



Property financing portfolio by region

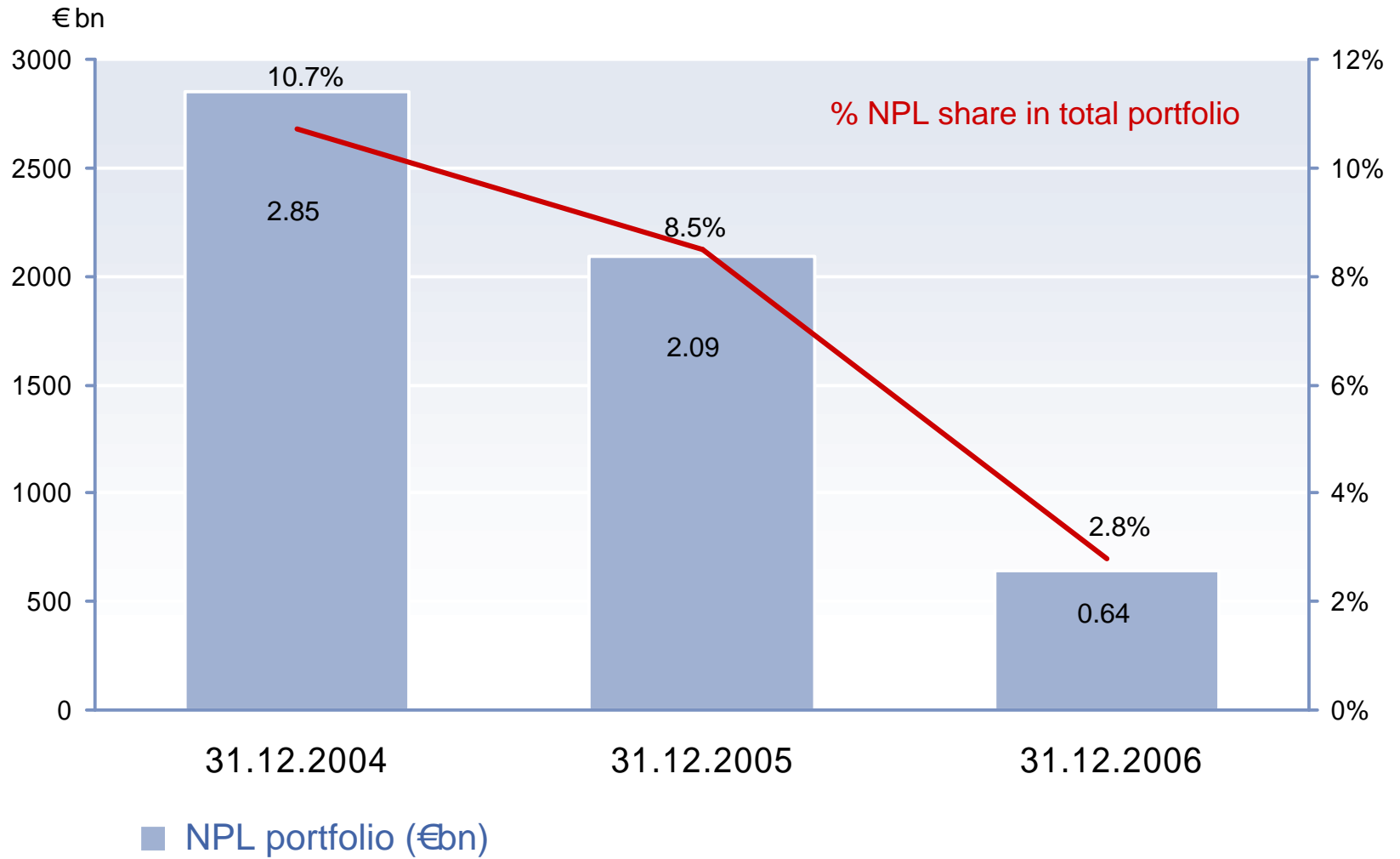
Total portfolio 31.12.2006: €22.8 bn



- German portfolio reduced to 38% of total portfolio
- Reduction of German portfolio and increase of international portfolio further optimises the regional diversification of the back book



Target reduction of our NPL portfolio outperformed



Appendix



Preliminary Group P&L 2006

	1.1.-31.12.2006	1.1.-31.12.2005	Change
	€ mn	€ mn	%
Net interest income	389	419	-7.2
Net loan loss provisions	89	273	-67.4
Net interest income after net loan loss provisions	300	146	105.5
Net commission income	145	163	-11.0
Results from hedges	9	2	350.0
Net trading income	13	-25	---
Results from non-trading assets	66	46	43.5
Results from companies accounted for at equity	4	-13	---
Results from investment properties	-13	-9	---
Administrative expenses	356	394	-9.6
Other operating income	-8	-6	---
Depreciation of goodwill	0	0	---
Operating Profit	160	-90	---
Income taxes	36	-52	---
Results from discontinued operations	1	2	-50.0
Group net income	125	-36	---
Allocation of results			
Minority interest income / loss	18	19	-5.3
Gains / losses attributable to shareholders of Aareal Bank AG	107	-55	---



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