

THE INTERNATIONAL
PROPERTY SPECIALIST

Analyst Conference Call Q2 2007

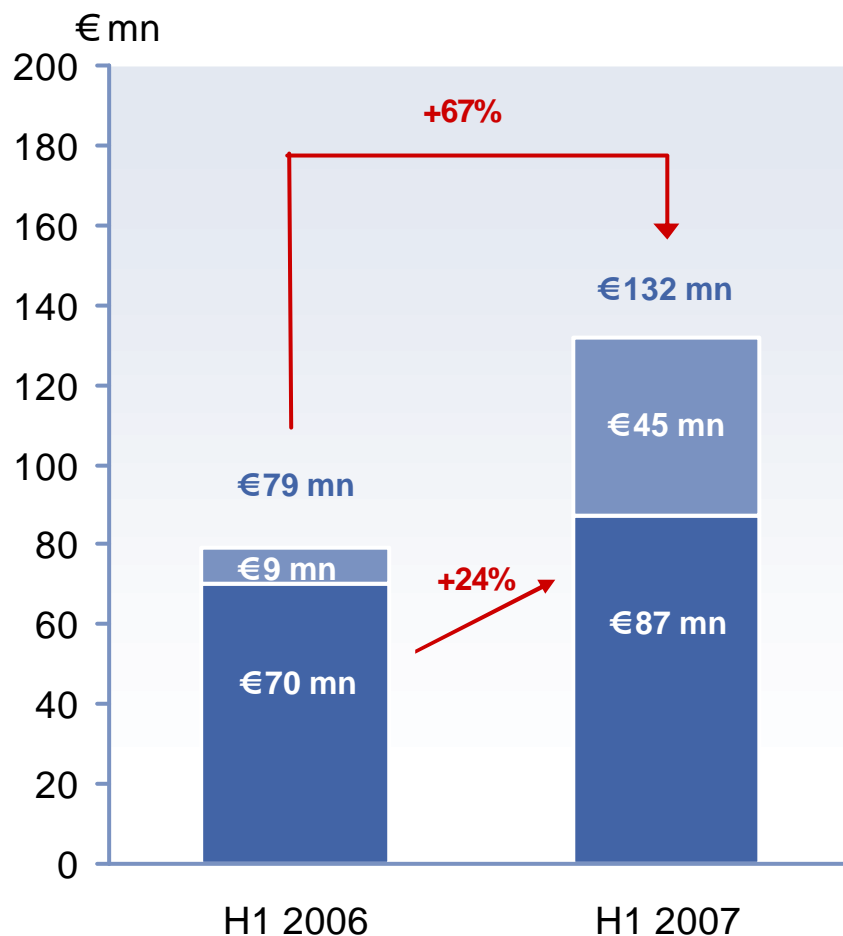
13 August 2007



Aareal Bank

Performance

Profit before tax and special effects



■ Operating profit without one-offs

■ One-off effects

■ One-off effects H1 2007

(pre-tax) :

- Compensation payment from DEPFA for a tax refund arising from a tax audit of Interhotel Holding: **€37 mn**
- Further proceeds from sale of Asset Management activities: **€6 mn**
- First proceeds from Interhotel transaction: **€2 mn**

■ One-off effects H1 2006

(pre-tax) :

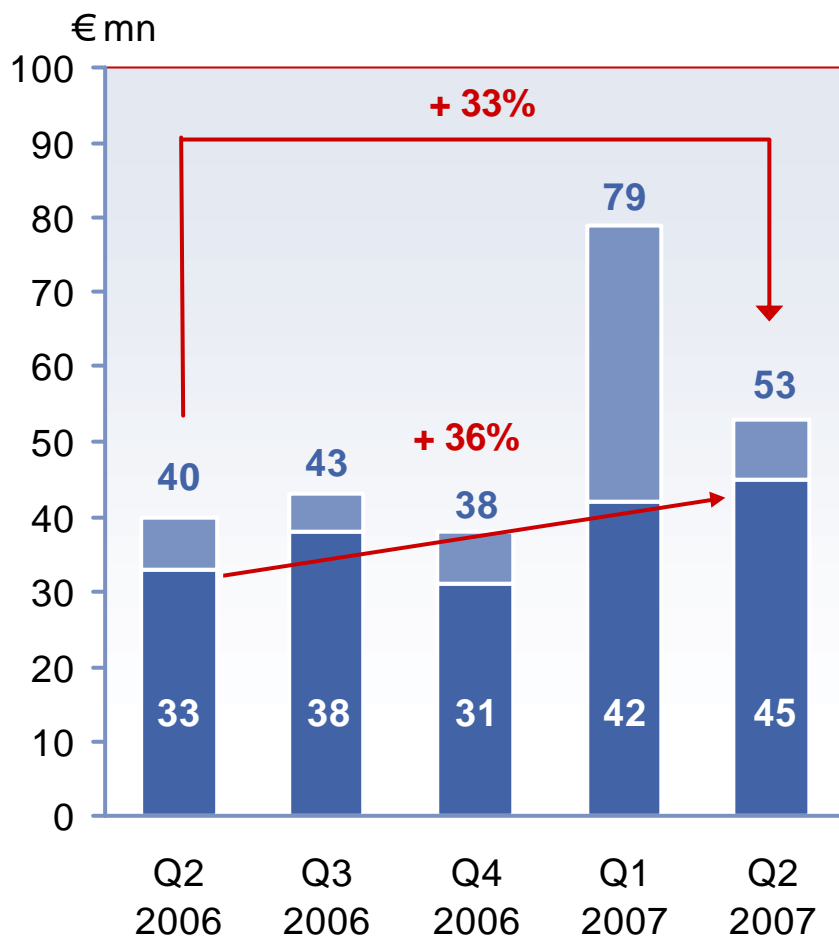
- Sale of Aareal Hypotheken Management: **€2 mn**
- One-off gain from asset sale by the subsidiary DSF: **€7 mn**



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Performance

Profit before tax and special effects by quarter

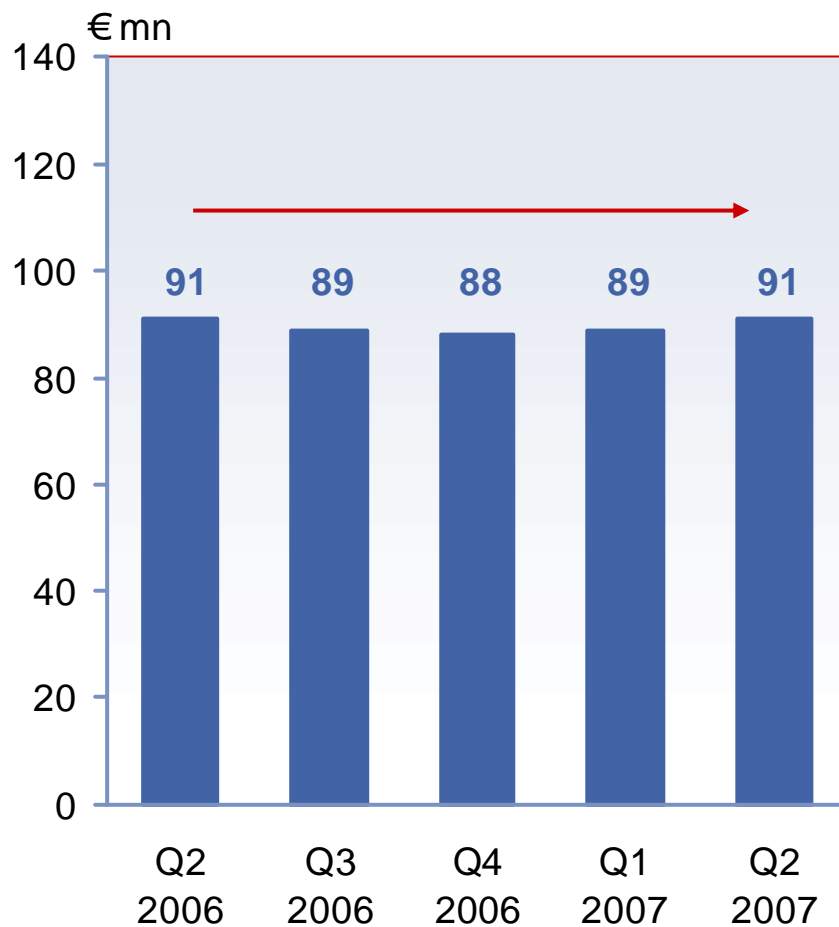


■ Operating profit without one-offs ■ One-off effects

- Pre tax one-off effects Q2 2007:
 - Further proceeds from sale of Asset Management activities: **€6 mn**
 - First proceeds from Interhotel transaction: **€2 mn**
- Pre tax one-off effects Q1 2007
 - Compensation payment from DEPFA for a tax refund arising from a tax audit of Interhotel Holding: **€37 mn**
- Pre tax one-off effects Q4 2006
 - Book gain from sale of Asset Management activities: **€20 mn**
 - Write-down foreclosed assets: **€13 mn**
- Pre tax one-off effects Q3 2006
 - Book gain Techem deal: **€11 mn**
 - Aareon social plan costs: **€6 mn**
- Pre tax one-off effects Q2 2006
 - One-off gain from asset sale by the subsidiary DSF: **€7 mn**

Performance

Stable administrative expenses



■ Admin expenses

■ Stable admin expenses in Aareal Bank Group

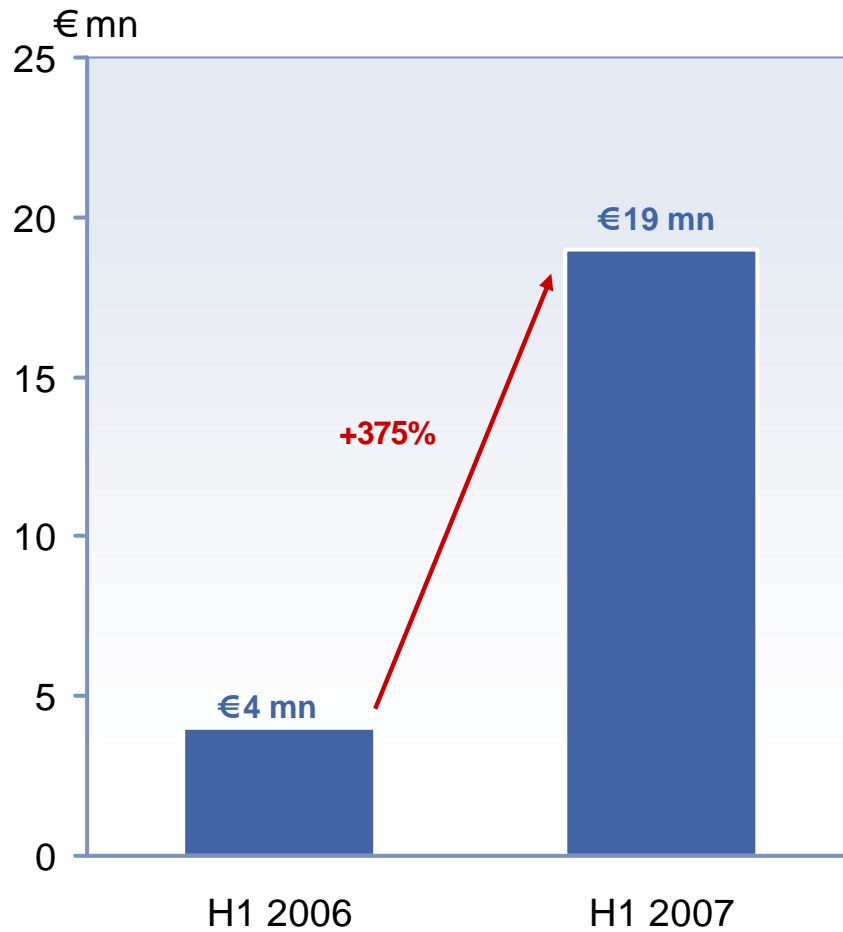
■ Structured Property Financing Segment:

- Cost/income ratio down to 45% in H1 2007 from 52% in H1 2006 despite investments into growth



Performance

Consulting / Services Segment



■ Profit before tax Consulting/Services

- H1 2007 includes
 - €5 mn dividend from ImmoScout24 participation
- H1 2006 includes
 - €3 mn dividend from ImmoScout24 participation
 - €2 mn book gain from sale of Aareal Hypotheken Management



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Group figures H1 2007

	1.1.-30.06.2007	1.1.-30.06.2006	Change
	€ mn	€ mn	%
Net interest income	202	200	+ 1.0%
Net loan loss provisions	44	44	---
Net interest income after net loan loss provisions	158	156	+ 1.3%
Net commission income	73	76	- 3.9%
Net result from hedge accounting	5	2	+ 150.0%
Net trading income	7	1	+ 600.0%
Results from non-trading assets	26	24	+ 8.3%
Results from companies accounted for at equity	5	3	+ 66.7%
Results from investment properties	1	-1	---
Administrative expenses	180	179	+ 0.6%
Other operating income	37	-3	---
Depreciation of goodwill			---
Operating Profit	132	79	+ 67.1%
Income taxes	34	18	+ 88.9%
Results from discontinued operations			---
Group net income	98	61	+ 60.7%
Allocation of results			
Minority interest income / loss	9	10	- 10.0%
Gains / losses attributable to shareholders of Aareal Bank AG	89	51	+ 74.5%



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Segment reporting H1 2007

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation/ Other		Aareal Bank Group	
	€mn		€mn		€mn		€mn	
	1.1.- 30.06.2007	1.1.- 30.06.2006	1.1.- 30.06.2007	1.1.- 30.06.2006	1.1.- 30.06.2007	1.1.- 30.06.2006	1.1.- 30.06.2007	1.1.- 30.06.2006
Net interest income	173	178	0	0	29	22	202	200
Net loan loss provisions	44	44					44	44
Net interest income after net LLP	129	134	0	0	29	22	158	156
Net commission income	16	19	87	81	-30	-24	73	76
Net result from hedge accounting	5	2					5	2
Net trading income	7	1					7	1
Results from non-trading assets	25	22	1	2			26	24
Results from companies accounted for at equity			5	3			5	3
Results from investment properties	1	-1					1	-1
Administrative expenses	109	101	72	81	-1	-3	180	179
Other operating income	39	-1	-2	-1	0	-1	37	-3
Depreciation of goodwill				0			0	0
Operating Profit	113	75	19	4	0	0	132	79
Income taxes	29	18	5	0			34	18
Results from discontinued operations						0	0	0
Group net income	84	57	14	4	0	0	98	61
Allocated shareholders' equity	804	730	76	84	179	147	1,059	961
Cost / income ratio (%)	44.9	52.0	80.6	95.2			53.9	63.3
RoE after taxes (%)	19.0	13.1	33.6	6.3			16.8	10.5

- Structured Property Financing
Other operating income: € 60 mn
Other operating expenses: € 21 mn

- Consulting/Services
Other operating income: € 4 mn
Other operating expenses: € 6 mn



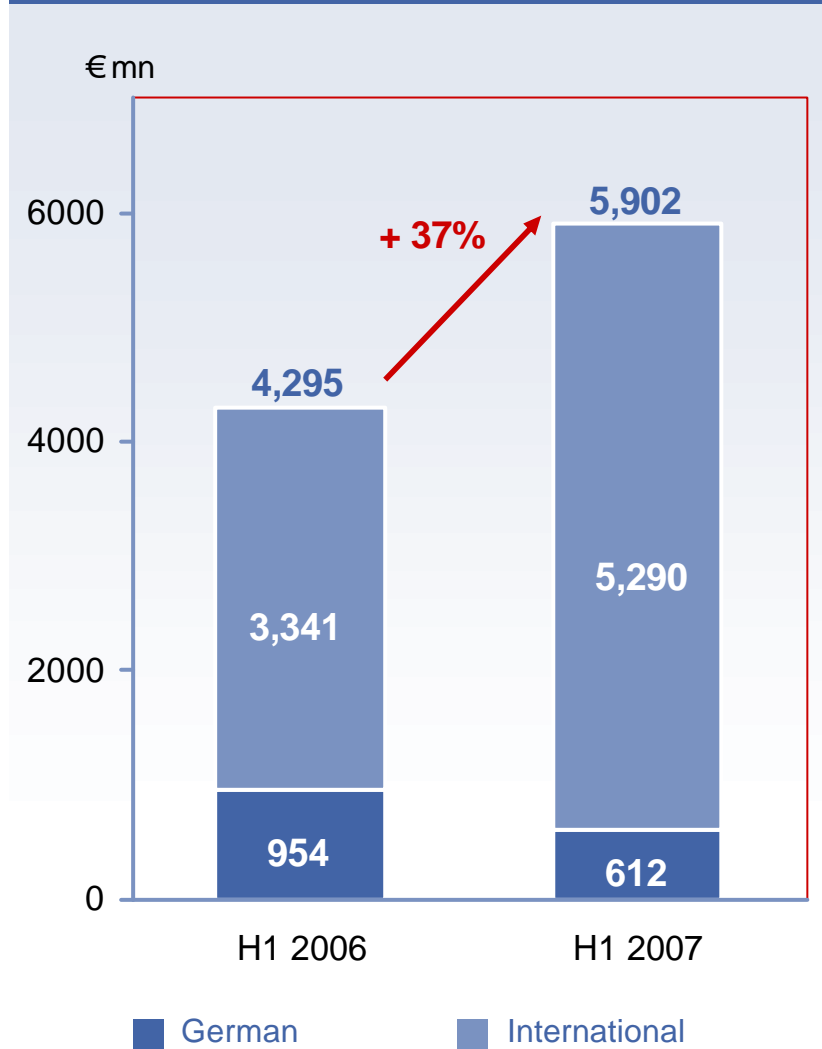
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Structured Property Financing

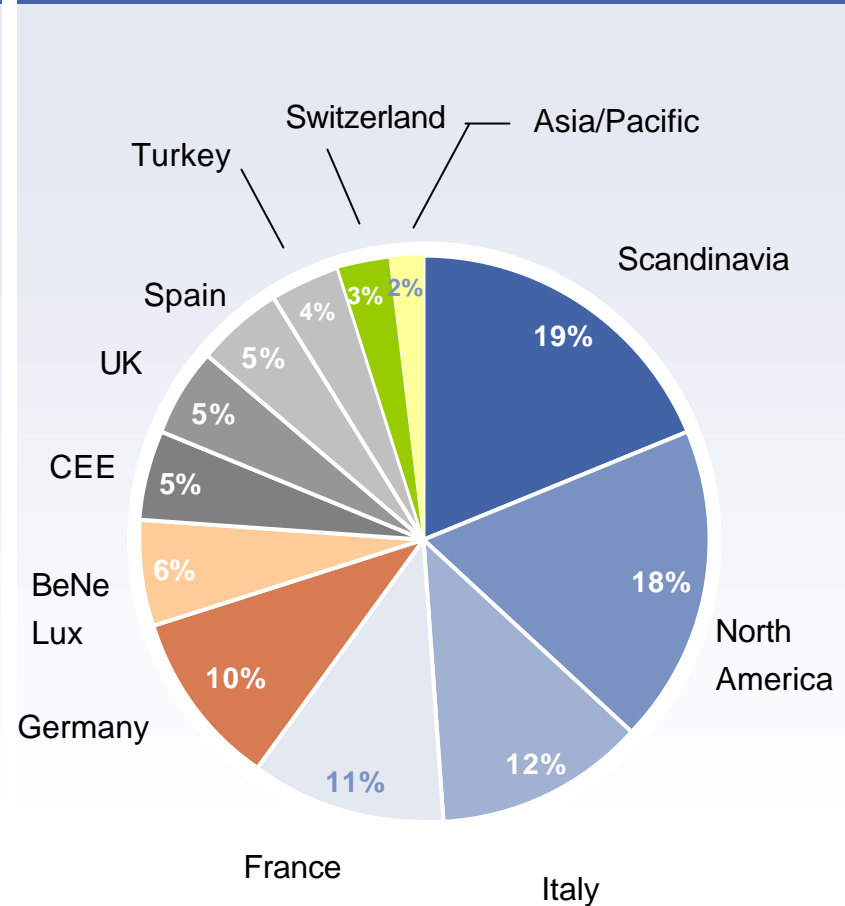


New business development

Growth year on year

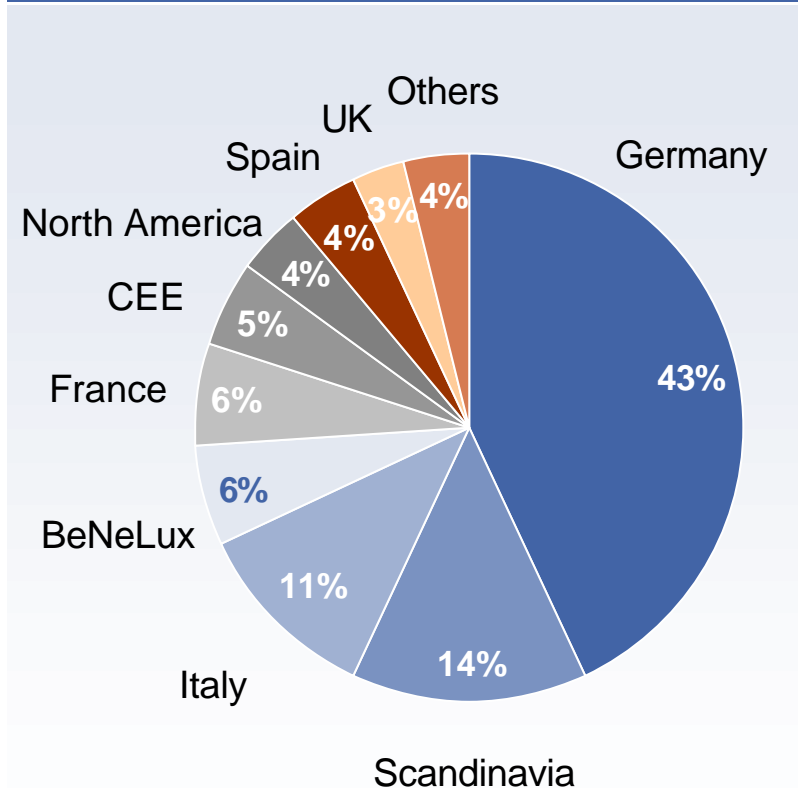


Diversification by region

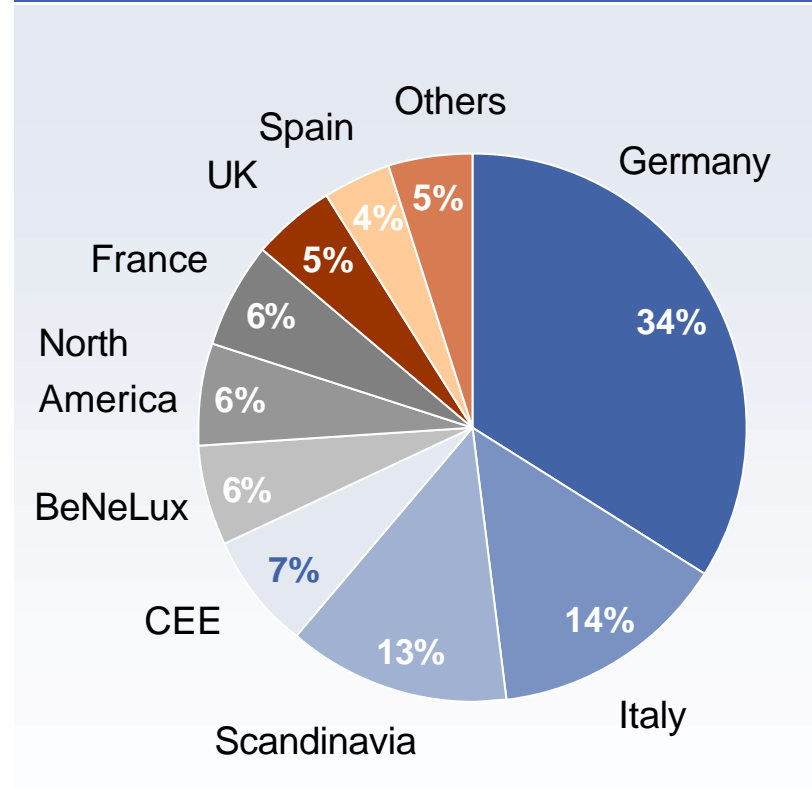


Development of portfolio diversification by region

Portfolio by region 30.06.2006
Total volume : €23.6 bn

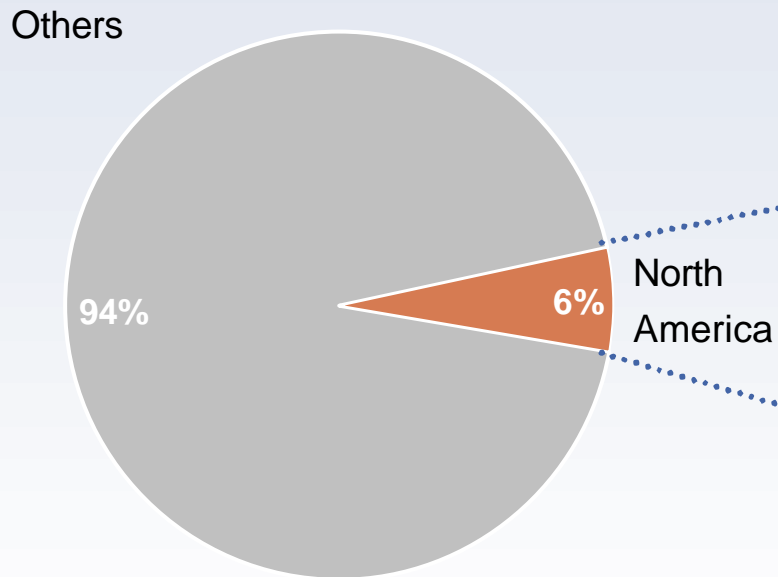


Portfolio by region 30.06.2007
Total volume : €23.1 bn

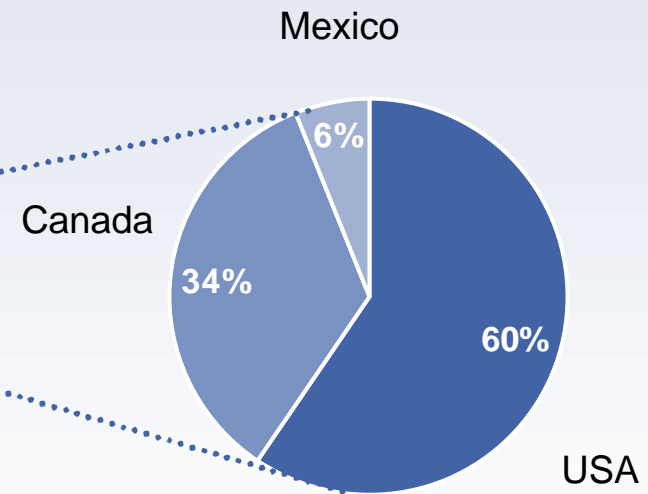


North America portfolio

Portfolio by region 30.06.2007
Total volume : €23.1 bn

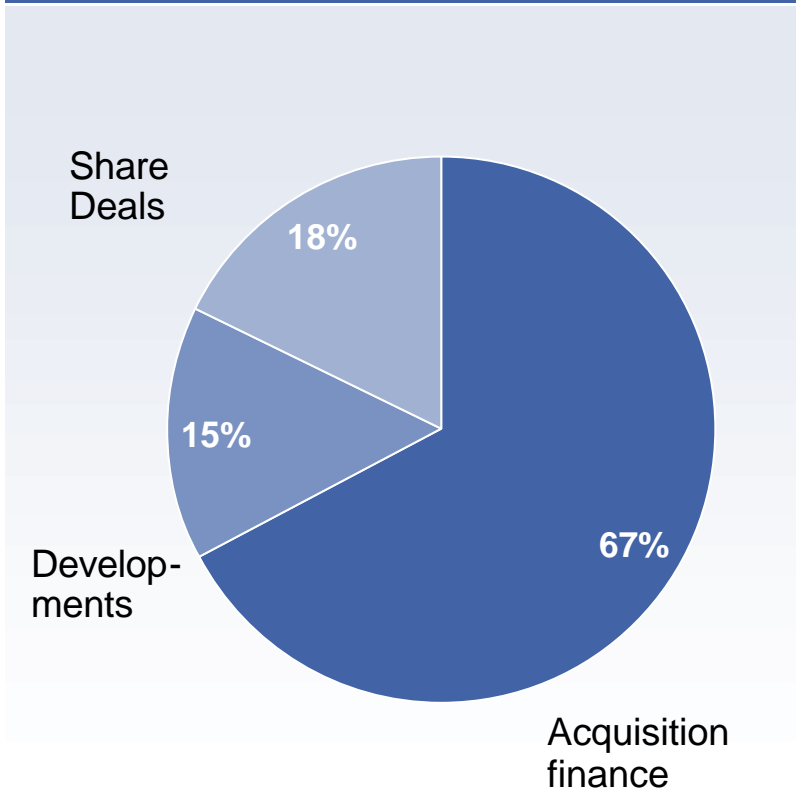


North America portfolio 30.06.2007
Total volume : €1.4 bn

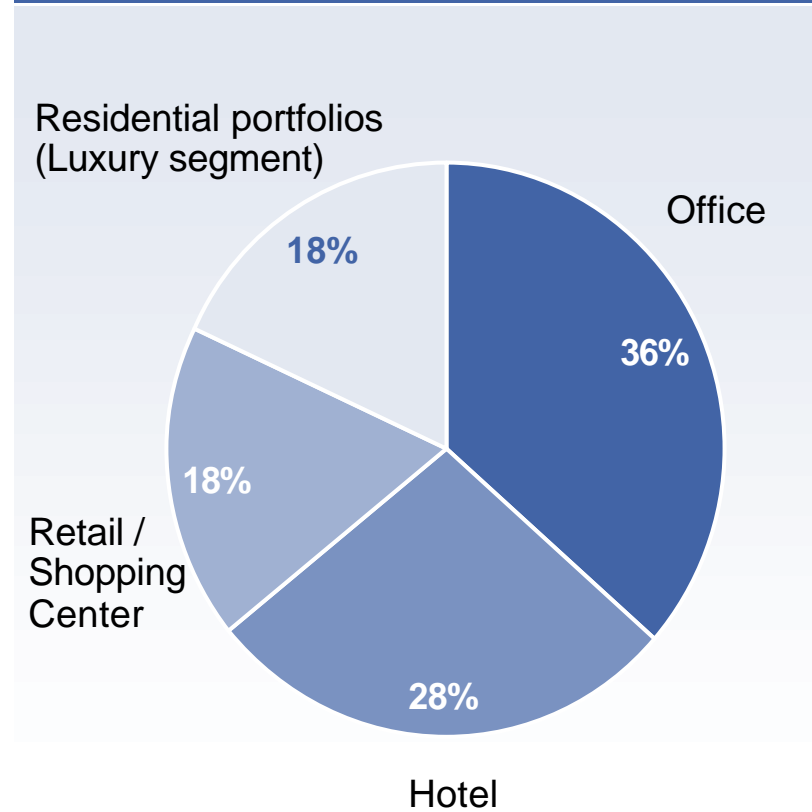


Aareal US credit portfolio as at 31.07.2007

Portfolio by product type
Total outstanding volume : €0.8 bn



Portfolio by object type
Total outstanding volume : €0.8 bn



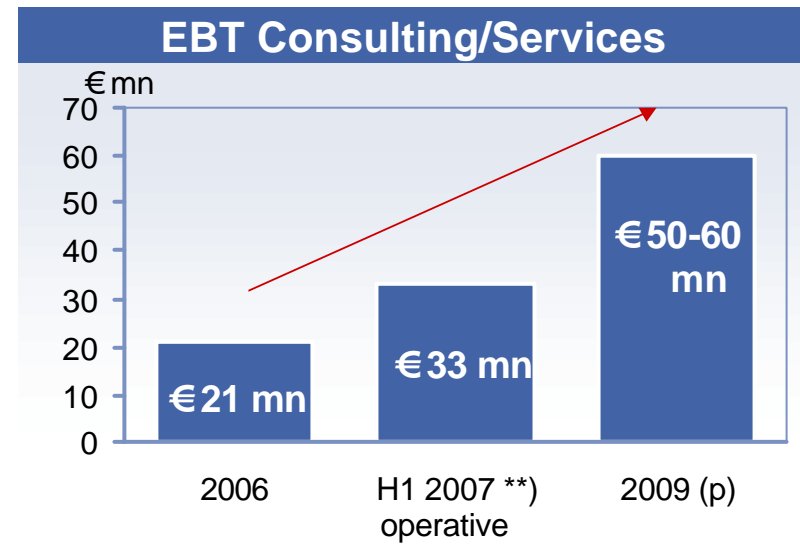
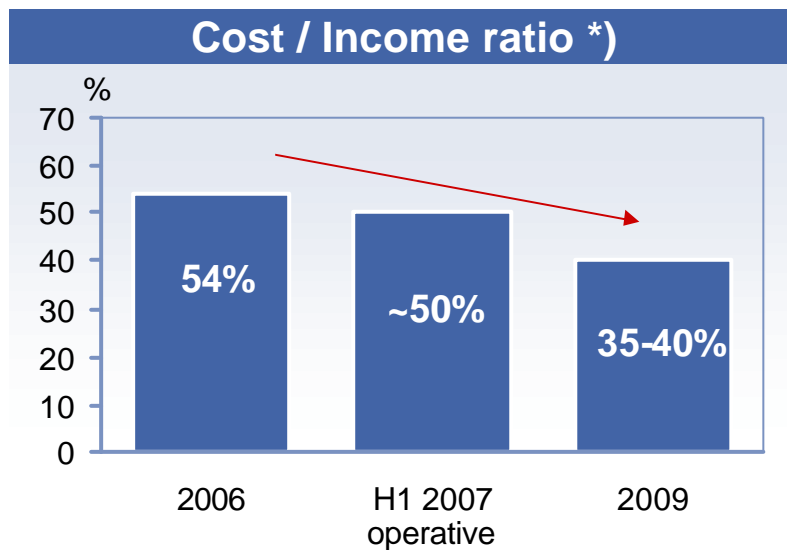
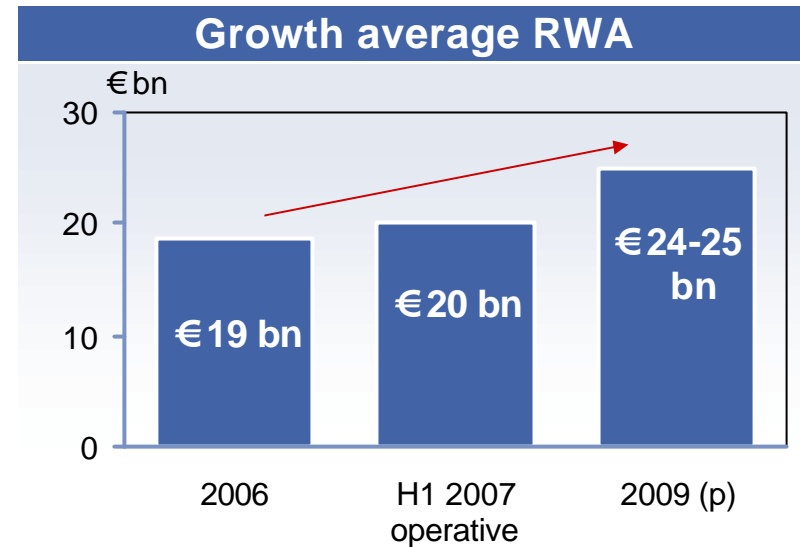
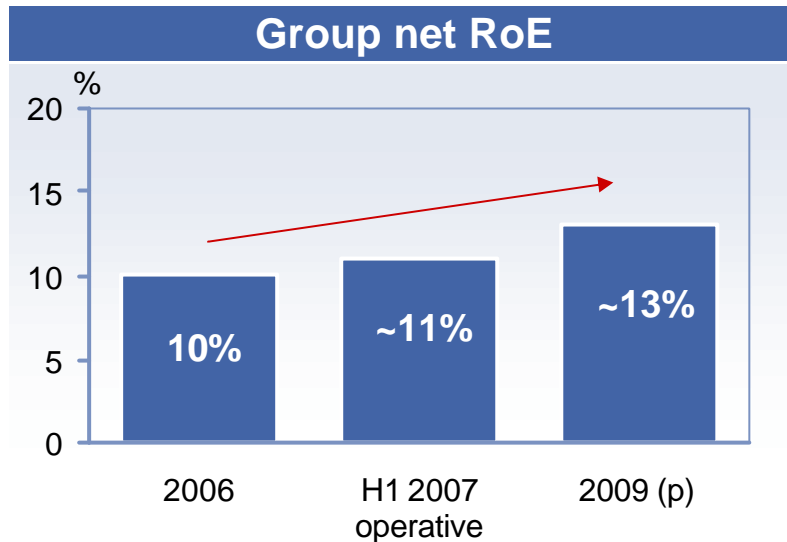
Special asset classes in current discussions: exposure as at 31.07.2007

Asset Class	Exposure Aareal Bank
US Subprime	none
US RMBS	none
CDOs	none
Total ABS	~ € 650 mn
of which AAA rated	~90%
of which US CMBS	< 50 mn



Targets

Targets 2009: operative performance without special effects

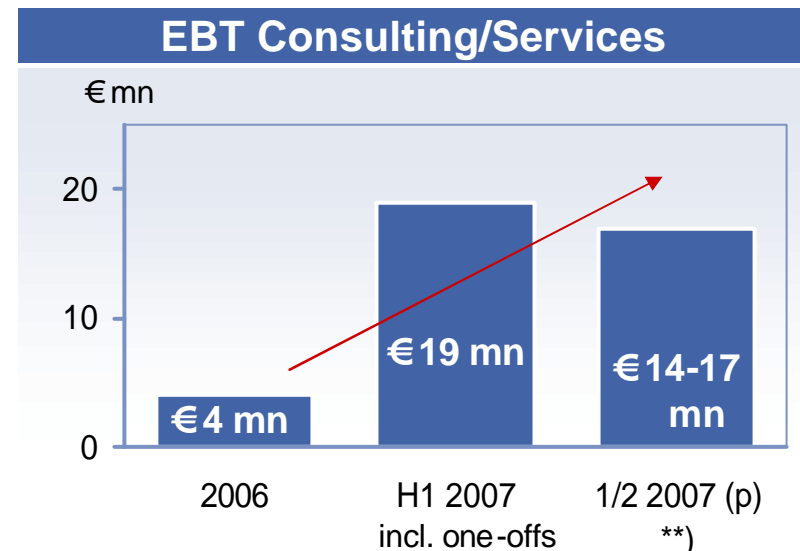
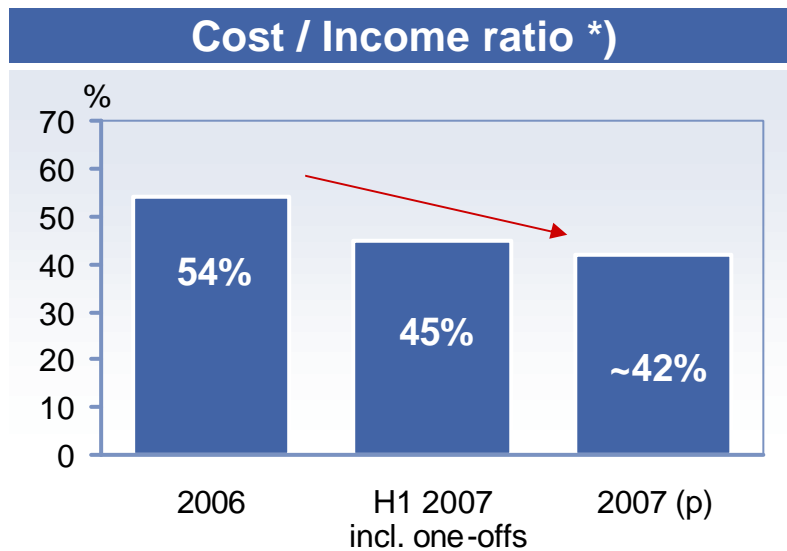
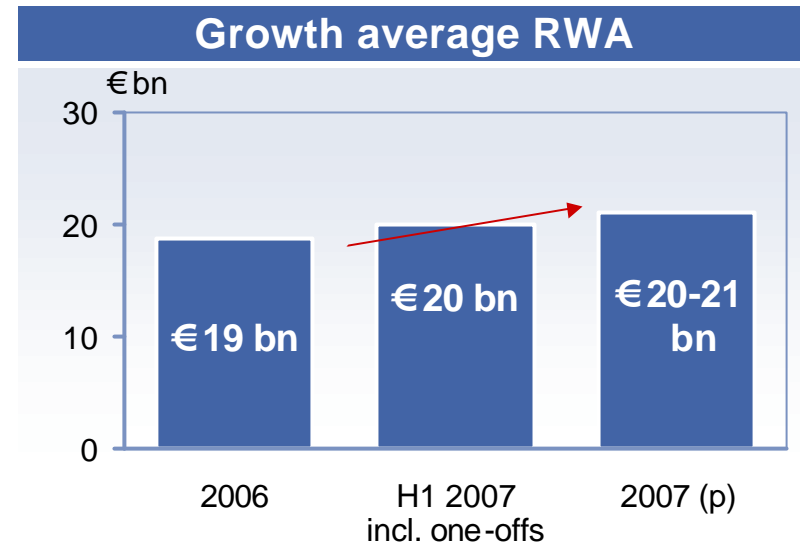
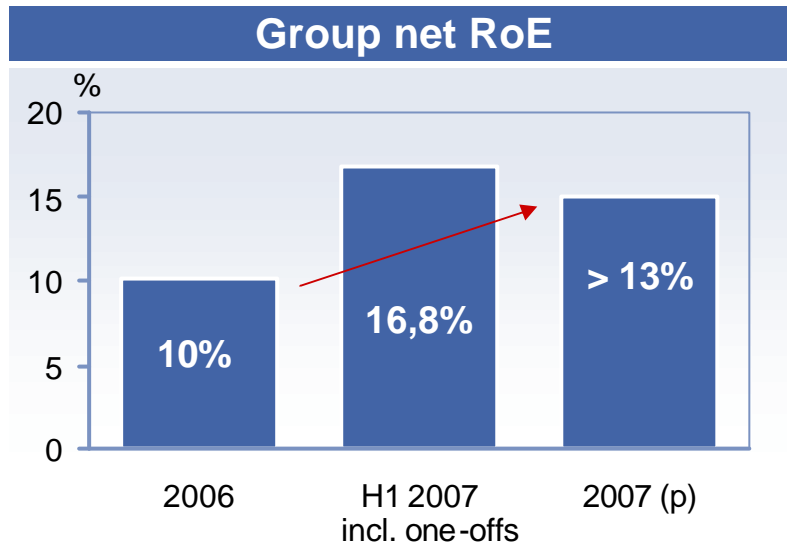


*) Structured Property Financing segment

**) H1 2007 annualised except ImmoScout dividend



Financial targets: milestones 2007



*) Structured Property Financing segment

***) Considering ImmoScout dividend in H1 2007



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Definitions and Contacts

Definitions

- **Property Financing Portfolio =**
 - Payed-out financings on balance sheet
 - Inkl. remaining property loans on DEPFA books

- **New Business =**
 - Newly acquired business incl. renewals (excl. interest rate probngations)
 - Contract is signed by costumer
 - Fixed loan value and margin

- **Net RoE=**
$$\frac{\text{Group net income after minorities}}{\text{Allocated (average) equity}}$$

- **Allocated equity = Average of:**
 - Equity minus minorities and revaluation surplus (start of period less dividends) and
 - Equity minus minorities and revaluation surplus (end of period less expected dividends)

- **CIR:**
$$\frac{\text{Admin expenses} + \text{other operating expenses}}{\text{Net income}}$$

- **Net Income =** net interest income + net commission income + net result from hedge accounting + net trading income + results from non-trading assets + results from investments accounted for at equity + results from investment properties + other operating income



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