

THE INTERNATIONAL
PROPERTY SPECIALIST

Analyst Conference Call Q3 2007

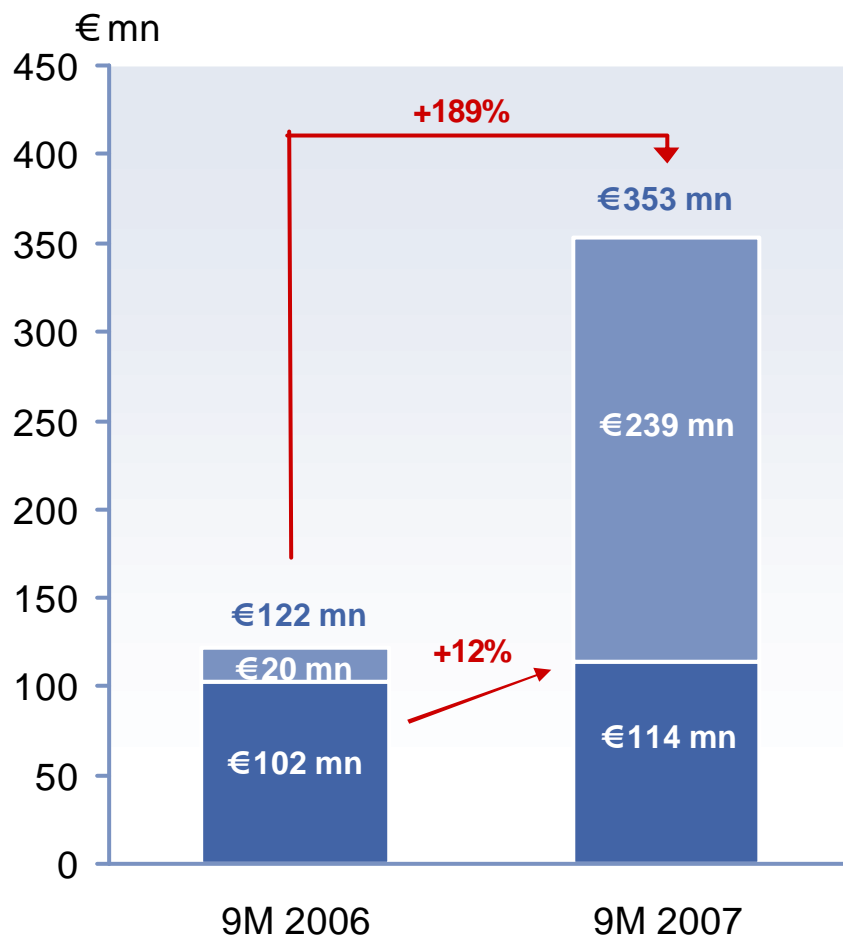
12 November 2007



Aareal Bank

Performance

Profit before tax and special effects



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

■ One-off effects 9M 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**
- Immoscout dividend: **€5 mn**
- Proceeds from Interhotel transaction: **€65 mn**
- Proceeds from Immoscout transaction: **€153 mn**
- Marked-to-market valuation effect: **€-15 mn**
- Special expenses (compensation payments, preparation of legacy portfolio sale): **€-12 mn**

■ One-off effects 9M 2006 (pre-tax) :

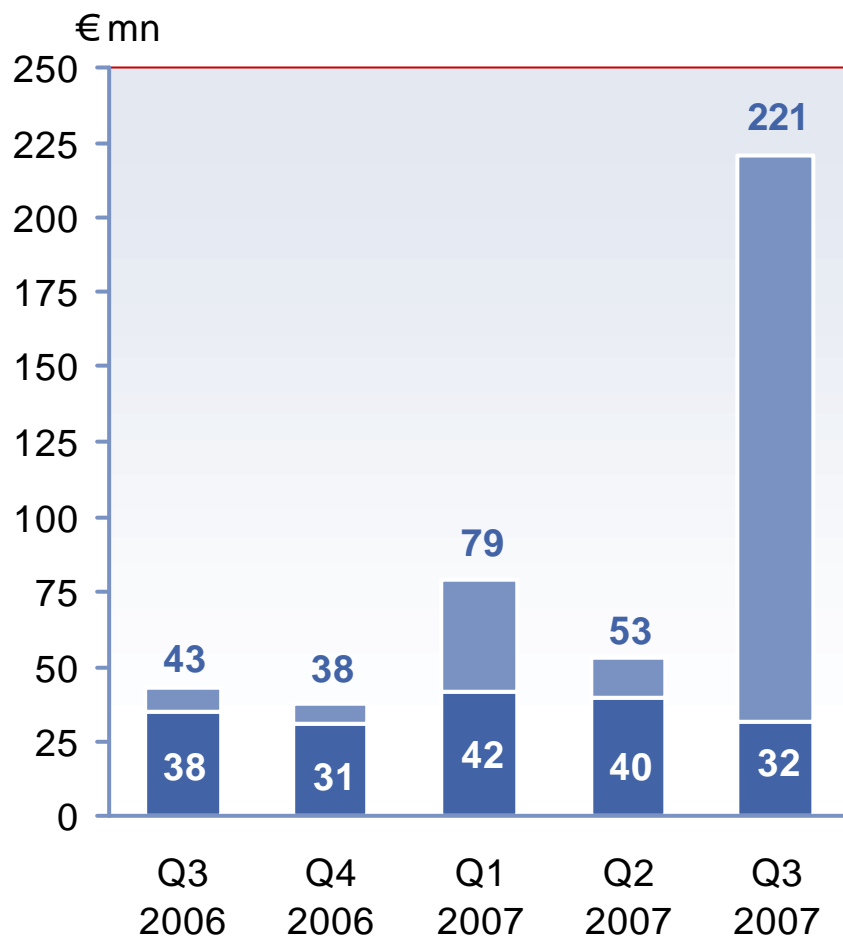
- Sale of Aareal Hypotheken Management: **€2 mn**
- Immoscout dividend: **€3 mn**
- One-off gain from asset sale by the subsidiary DSF: **€7 mn**
- Book gain from Techem deal: **€11 mn**
- Book gain from Baugrund Stadtentw.: **€3 mn**
- Social plan Aareon: **€-6 mn**



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Performance

Profit before tax and special effects by quarter

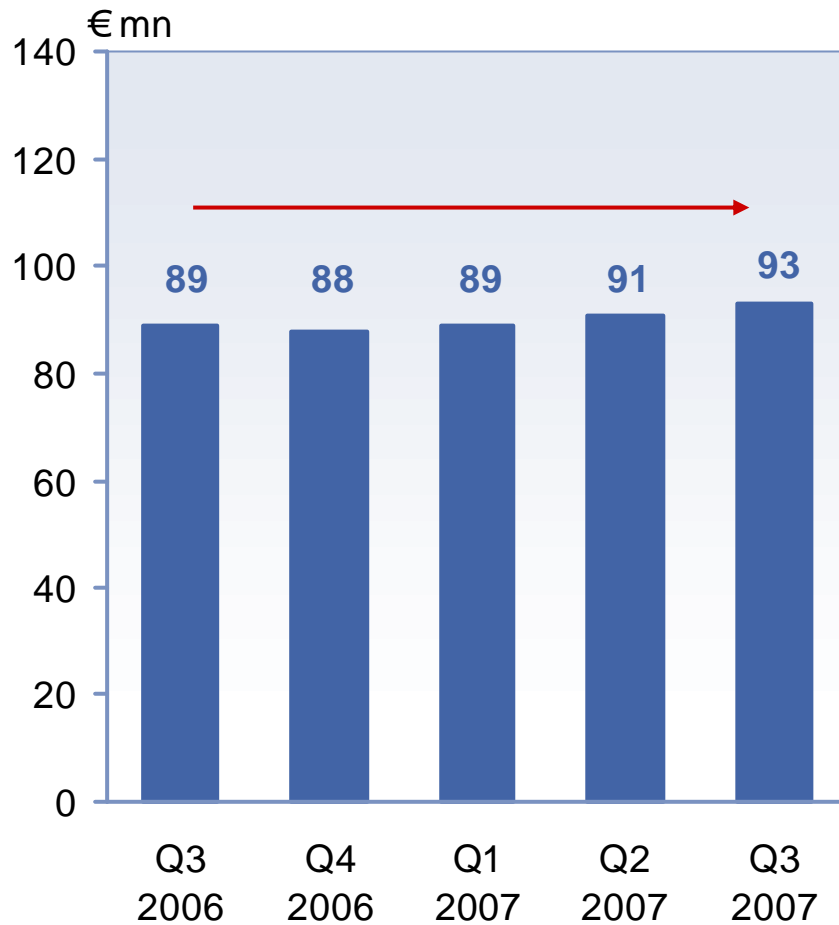


■ Operating profit without one-offs ■ One-off effects

- Pre tax one-off effects Q3 2007:
 - Proceeds from Interhotel transaction: **€63 mn**
 - Proceeds from Immoscout transaction: **€153 mn**
 - Bond marked-to-market valuation effect: **€-15 mn**
 - Special expenses (compensation payments, preparation of legacy portfolio sale): **€-12 mn**
- Pre tax one-off effects Q2 2007:
 - Further proceeds from sale of Asset Management activities: **€6 mn**
 - First proceeds from Interhotel transaction: **€2 mn**
 - ImmoScout dividend: **€5 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**
 - Book gain from Baugrund Stadtentw.: **€3 mn**
 - Aareon social plan costs: **€6 mn**

Performance

Administrative expenses



■ Admin expenses

- Nearly stable admin expenses in Aareal Bank Group despite investment into growth and high one-off effects from compensation payments and portfolio sale preparation



Group figures 9M 2007

	1.1.-30.09.2007	1.1.-30.09.2006	Change
	€ mn	€ mn	%
Net interest income	302	297	1,7%
Net loan loss provisions	63	66	-4,5%
Net interest income after net loan loss provisions	239	231	3,5%
Net commission income	105	111	-5,4%
Net result on hedge accounting	4	6	-33,3%
Net trading income	-6	6	-
Results from non-trading assets	188	39	382,1%
Results from companies accounted for at equity	68	4	1600,0%
Results from investment properties	1	-1	-
Administrative expenses	273	268	1,9%
Net other operating income	27	-6	-
Impairment of goodwill		0	-
Operating Profit	353	122	189,3%
Income taxes	67	35	91,4%
Results from discontinued operations		0	-
Consolidated net income / loss	286	87	228,7%
Allocation of results			
Consolidated net income / loss attributable to minority interests	14	14	0,0%
Consolidated net income / loss attributable to shareholders of Aareal Bank AG	272	73	272,6%



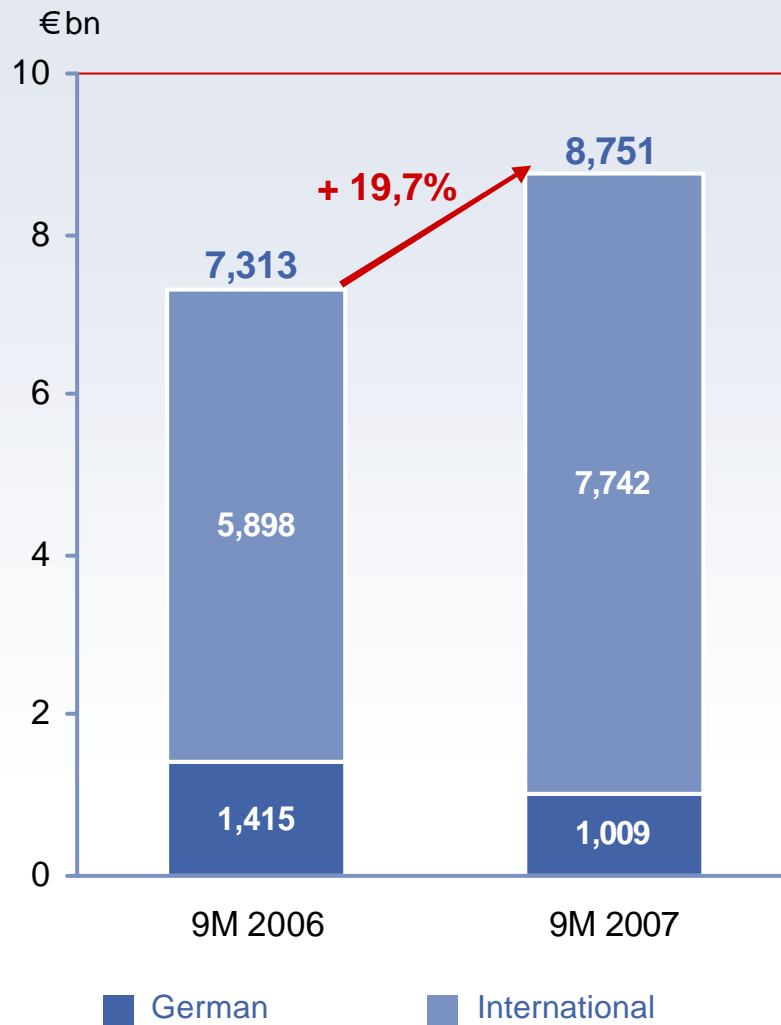
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Structured Property Financing

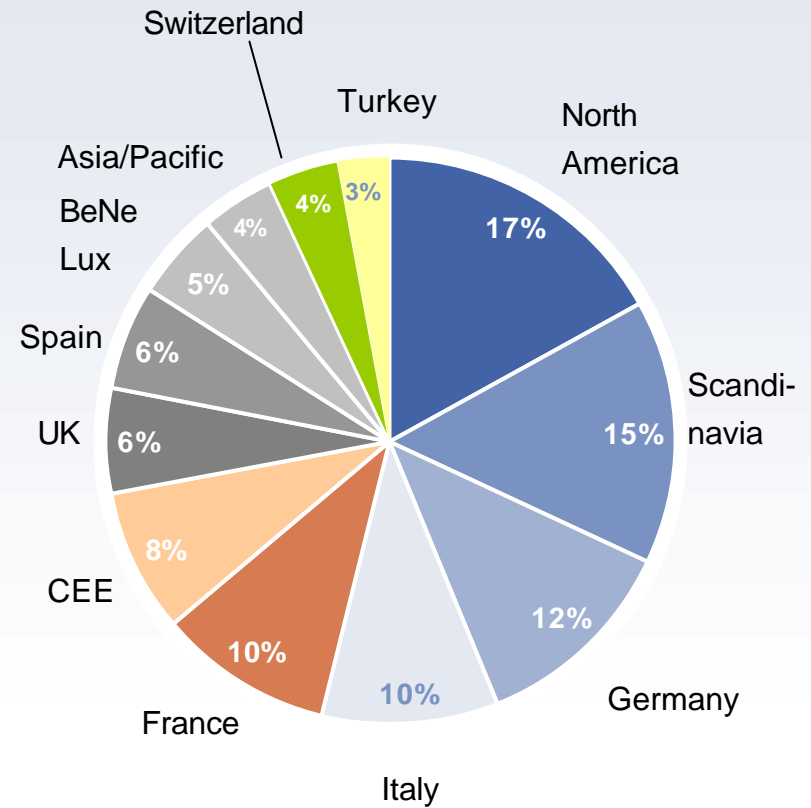


New business development

Growth year on year



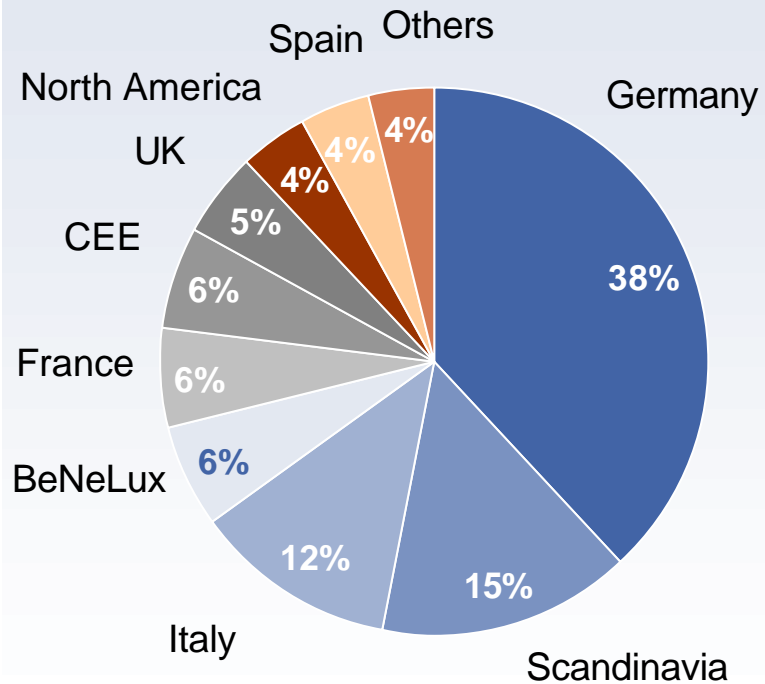
Diversification by region



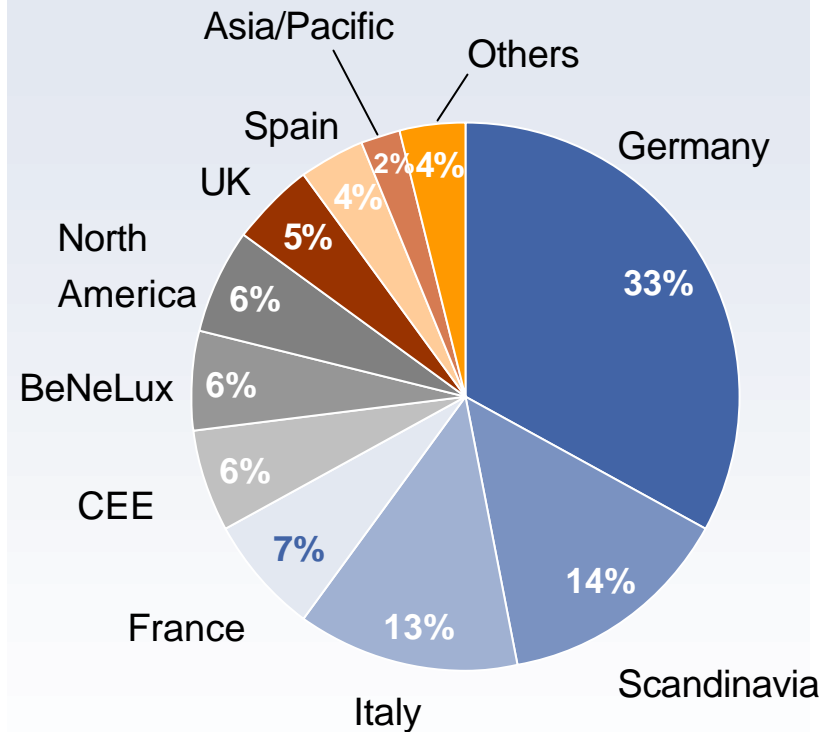
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Development of portfolio diversification by region

Portfolio by region 31.12.2006
Total volume : €22.8 bn



Portfolio by region 30.09.2007
Total volume : €23.7 bn



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Special asset classes in current discussions: exposure as at 30.09.2007

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



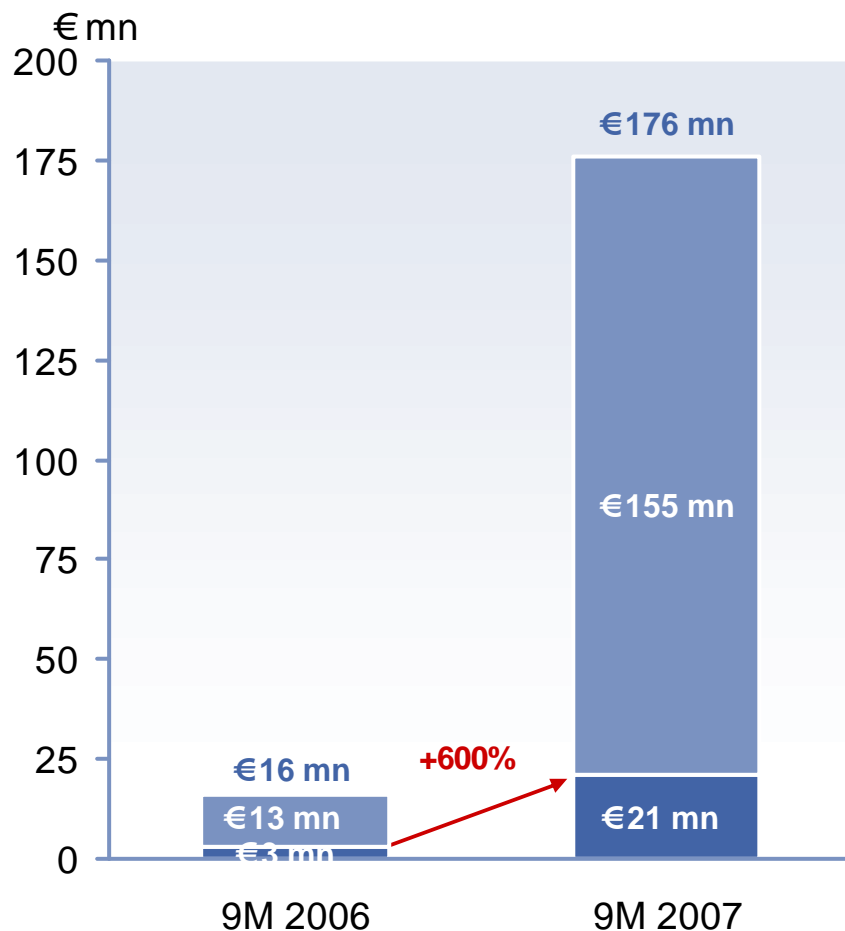
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Consulting/Services



Performance

Consulting / Services Segment



■ Profit before tax Consulting/Services

■ Segment one-off effects 9M 2007 (pre-tax) :

- ImmoScout dividend: €5 mn
- Proceeds from ImmoScout transaction: €153 mn
- Paco sale: €-3 mn

■ Segment one-off effects 9M 2006 (pre-tax) :

- €2 mn book gain from sale of Aareal Hypotheken Management
- ImmoScout dividend: €3 mn
- Book gain Techem deal: €11 mn
- Book gain from sale of Baugrund Stadtentwicklung: €3 mn
- Aareon social plan costs: €-6 mn



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Consulting/Services segment P&L in industry format

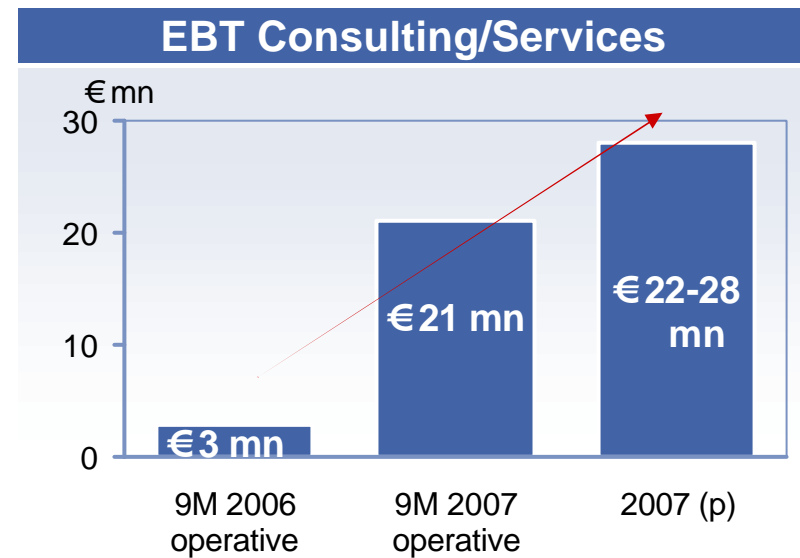
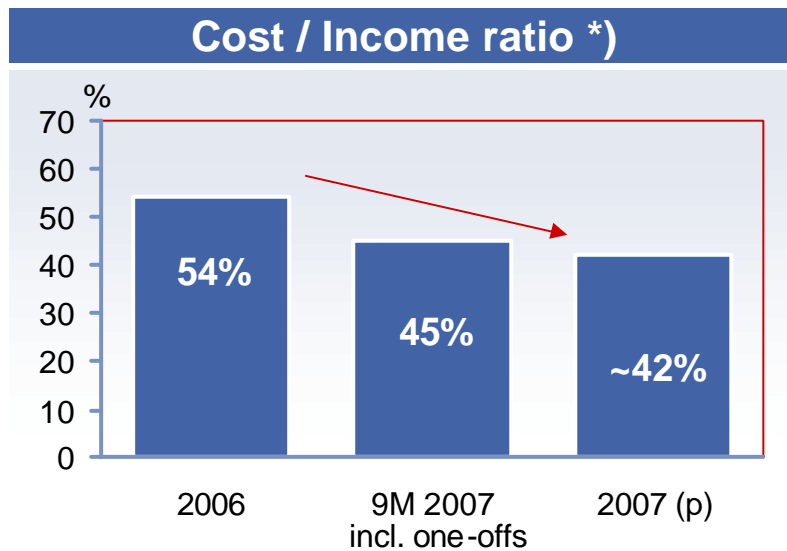
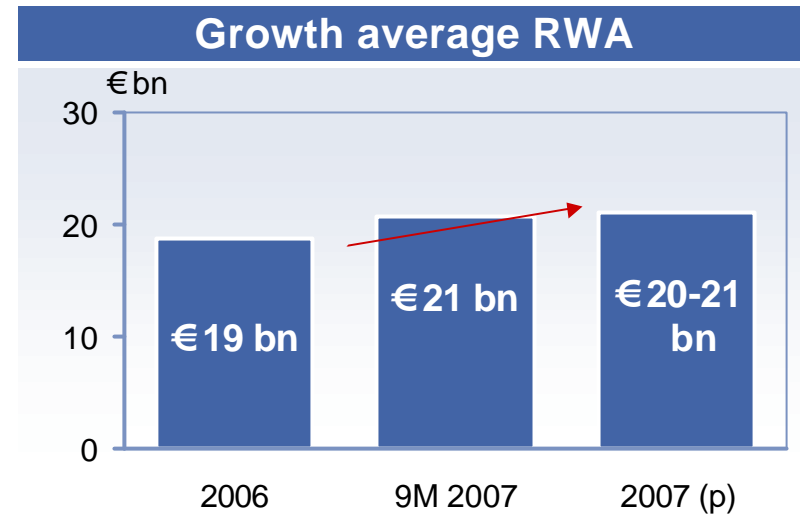
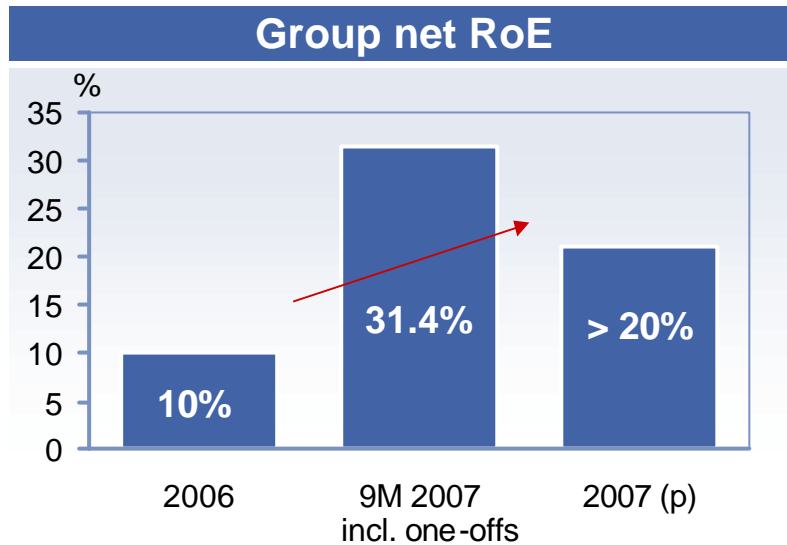
01.01. - 30.09.2007 (€mn)		Bank P&L							Segment net income
		Net interest income	Net commission income	Results f. non-trading assets	Results f. inv. acc. at equity	Admin expenses	Net other operating income	Income tax	
		0	133	154	5	112	-4	9	167
Industry P&L	Sales revenue	160	160						
	Own expenses capitalised	1	0			1	0		
	Change in inventories	0					0		
	Other operating income	161		154		1	6		
	Cost of materials	27	27						
	Personnel expenses	77				77			
	Depreciation / amortisation	10				10			
	Results from investments accounted for at equity	5			5				
	Other operating expenses	37				27	10		
	Financial /other income	1	1						
	Financial /other expenses	1	1						
	Operating profit	176	0	133	154	5	112	-4	
	Income tax	9							9
	Segment net income	167							



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Targets

Financial targets: milestones 2007



*) Structured Property Financing segment



Outlook current market situation

Chances for Aareal

Credit markets

- Structural change in competition (property senior lenders)
- Sustainable risk/return improvement
- Sustainable focus on balance sheet providers (long-term trend of limited secondary market exit possibilities)

Property markets

- Trend of property investor types towards more fundamental and long-term focus
- Asian markets hardly effected by subprime crisis

Capital markets

- Stable Pfandbrief spreads

Risks for Aareal

World economy

- Imminent US economy recession and hence world economy recession

Property markets

- Further negative trend in property transaction volumes
- Trend reversal in property value developments

Capital markets

- Development of senior unsecured spreads
- Temporary negative effects on portfolios marked to market



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Appendix

One-off effects by segment 9M 2007 v. 9M 2006

	Structured Property Financing				Consulting / Services				Cons./Other		Aareal Bank Group			
	€mn		€mn		€mn		€mn		€mn		€mn		€mn	
	9M 2007	- of which one-off	9M 2006	- of which one-off	9M 2007	- of which one-off	9M 2006	- of which one-off	9M 2007	9M 2006	9M 2007	- of which one-off	9M 2006	- of which one-off
Net interest income	256	-	262	-	0	-	0	-	46	35	302	-	297	-
Net loan loss provisions	63	-	66	-							63	-	66	-
Net interest income after net LLP	193	-	196	-	0	-	0	-	46	35	239	-	231	-
Net commission income	20	-	30	7 DSF	133	-	120	-	-48	-39	105	-	111	7
Net result from hedge accounting	4	-	6	-							4	-	6	-
Net trading income	-6	-15 trading assets	6	-							-6	-15	6	-
Results from non-trading assets	34	6 Asset Mgmt	23	-	154	153 ImmoScout	16	2 AHM 11 Techem 3 Baugrund			188	159	39	16
Results from companies accounted for at equity	63	63 Interhotel	1	-	5	5 ImmoScout dividend	3	3 ImmoScout dividend			68	68	4	3
Results from investment properties	1	-	-1	-							1	-	-1	-
Administrative expenses	164	4 compens. payments	146	-	112	3 Paco	127	6 Aareon social plan	-3	-5	273	7	268	6
Other operating income	32	37 Depfa 2 Interhotel -5 portfolio structuring	-9	-	-4	-	4	-	-1	-1	27	34	-6	-
Depreciation of goodwill											0	-	0	-
Operating Profit	177	84	106	7	176	155	16	13	0	0	353	239	122	20



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