



Aareal Bank

Press Release

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Fitch Upgrades Aareal Bank AG to A- from BBB+

Wiesbaden, 7. November 2006 – Fitch Ratings has today upgraded Aareal Bank AG's ratings to Issuer Default 'A-' and Support '3' from 'BBB+' and '5' respectively. At the same time, Fitch upgraded the ratings for Aareal Bank's Tier 1 capital issued through its Delaware LLC and Capital Funding GmbH vehicles to 'BBB+' from 'BBB-'. Aareal Bank's Individual Rating and Short-term Rating are affirmed at 'C' and 'F2'. The Outlook remains 'Stable'. Aareal Bank's mortgage and public sector Pfandbriefe are rated 'AAA'.

Announcing the upgrade, Fitch commented:

“The upgrade in Aareal's Issuer Default rating reflects Aareal's significantly improved asset quality, its return to profitability and management's continued focus on simplifying structures. Aareal's ratings also reflect the bank's established market position in international property financing in Europe and North America.”

Christof M. Schörnig, Member of the Management Board of Aareal Bank responsible for Capital Markets and Treasury added: „This is a significant achievement for Aareal Bank. The upgrade reinforces our commitment to the bank's strategic realignment and confirms that we are on the right way.”