

Aareal Bank reports a clearly stronger position after the first nine months of 2006 - Announcement in accordance with § 15 WpHG

- **Aareal Bank reports a clearly stronger position after the first nine months of 2006**
- **€ 73 million consolidated net income, after taxes and minority interests**
- **Earnings forecast for 2006 raised**
- **Strong growth in new business, up 47.5% to € 7.3 billion**
- **Target reduction in the bank's NPL portfolio for 2006 achieved ahead of time**

Wiesbaden, 13 November 2006 – Aareal Bank Group closed the first nine months of 2006 with a significantly stronger position, reporting net income after taxes and minority interest of € 73 million. The bank thus sustained the earnings improvement recorded in the preceding quarters. Profit before taxes increased to € 122 million, compared with a € 117 million loss in the corresponding period of the previous year.

Accordingly, Aareal Bank raised its earnings forecast for 2006 as a whole to exceed € 150 million.

Aareal Bank's new business grew by 47.5%, or € 2.4 billion, compared to the same period of the previous year: with a nine-month total of € 7.3 billion, the bank has already outperformed its original target for 2006 after nine months. International business thus accounted for around 81% of total new loan commitments. The bank accordingly raised its target for new business to exceed € 8 billion for the full year.

Based on the good performance during the first nine months, Aareal Bank has raised its target for 2006 profit before taxes to exceed € 150 million, which is equivalent to a minimum net return on equity of 8%. Achieving these targets will also restore Aareal Bank's ability to distribute dividends. The bank will conclude implementing the key objectives of its six-point strategic realignment programme by the end of the financial year 2006. At the same time, it will closely focus on further growing its credit portfolio, and thus envisages boosting aggregate new business generated to more than € 8 billion.