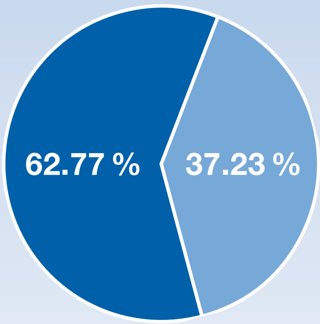
INTERIM REPORT AAREAL BANK GROUP

AS AT 30 JUNE 2008

1 JANUARY TO 30 JUNE 2008

Aareal Bank

SHAREHOLDER STRUCTURE



Aareal Holding Verwaltungsgesellschaft mbH

8.94 %	Bayerische Beamten-Lebensversicherung a.G.
8.94 %	Schweizerische Lebensversicherungs- und Rentenanstalt
6.68 %	Versorgungsanstalt des Bundes und der Länder
6.06 %	Bankhaus Lampe KG
5.25 %	Deutscher Ring Gruppe
1.36 %	Condor Lebensversicherungs-AG

Free float

Aareal Holding Verwaltungsgesellschaft mbH

Imprint

Contents:
Aareal Bank AG, Corporate Communications

Cover picture:
Architectural Photography Barbara Staubach, Wiesbaden, Germany

Design / Layout:
s/company, Fulda-Künzell, Germany

Production:
Druckerei Chmielorz GmbH, Wiesbaden-Nordenstadt, Germany

KEY GROUP FIGURES

KEY GROUP FIGURES

	01 Jan - 30 Jun 2008	01 Jan - 30 Jun 2007	Change
Consolidated Income Statement	**€ mn**	**€ mn**	**€ mn**
Operating profit	75	132	-57
Group net income after minority interests	41	89	-48
Indicators			
Cost/income ratio (%) [1]	54.5	44.9	
Earnings per share (€)	0.95	2.09	
RoE after taxes (%) [2]	6.2	16,8	

	30 Jun 2008	31 Dec 2007	Change	Change
Portfolio Data	**€ mn**	**€ mn**	**€ mn**	**%**
Property finance	22,999	22,550	449	2
of which: international	17,597	16,878	719	4
Property finance under management	24,241	23,992	249	1
of which: international	17,597	16,878	719	4
Shareholders' equity	1,559	1,627	-68	-4
Total assets	40,315	40,202	113	0
Regulatory indicators	**(%)**	**%**		
Core capital ratio (German Banking Act/CRSA) [3]	8.3	–		
Total capital ratio (German Banking Act/CRSA) [3]	12.5	–		
Core capital ratio (BIS rules) [4]	7.4	7.3		
Total capital ratio (BIS rules) [4]	11.2	11.2		

	30 Jun 2008	31 Dec 2007
Rating		
Fitch Ratings, London		
Long-term	A-	A-
Short-term	F2	F2

[1] *Structured Property Financing segment only*
[2] *on an annualised basis*
[3] *Since the beginning of 2008, the ratios have been calculated in accordance with the Credit Risk Standard Approach (CRSA) pursuant to the German Solvability Ordinance. The half-year result of Aareal Bank AG was taken into account in the determination of the CRSA ratios.*
[4] *The ratios as at 30 June 2008 are shown for the purpose of comparison. The half-year result of Aareal Bank AG was taken into account in the determination of the BIS ratios.*

CONTENTS

LETTER TO SHAREHOLDERS

Dear shareholders, business associates and Aareal Bank staff,

Aareal Bank has performed well in a challenging market environment. The ongoing crisis in financial markets represented a major challenge to the entire banking industry during the first half of the year. Once again, we demonstrated our strengths: Aareal Bank's operating profit for the second quarter climbed significantly over the first quarter of 2008, from € 27 million to € 48 million. We have therefore achieved a good result in the two quarters of the period under review.

Structured Property Financing: continuous rise in net interest income

Net interest income developed particularly well in the Structured Property Financing segment; we achieved further improvement, even in an environment defined by the financial markets crisis. This highlights the sustained success of our activities in this segment.

At € 20 million, allowance for credit losses in the second quarter remained stable at the same level as the previous quarter, underlining the good quality of our credit portfolio.

In the current market environment, we are focusing on achieving growth in the interest-bearing business. Our objective is to further increase net interest income, whilst maintaining the high quality of our credit portfolio at the same time. The volume of property financing under management increased by 0.8 % in the first half of the year over year-end 2007, to € 24.2 billion.

New business generated during the second quarter contributed € 1.8 billion to the increase in interest-bearing business – for the first six months, the figure was € 2.9 billion.

Europe accounted for 64 % of new business, North America for 19 % and Asia for 17 %. We consistently expanded our international financing business during the period under review, deploying our three-continent strategy. International financing now accounts for 73 % of our entire credit portfolio.

Our broad geographical diversification – within the scope of our three-continent strategy – allows us to seize selective market opportunities in individual markets and to profit from higher margins and fees, whilst maintaining a sound risk structure. This allowed us to significantly increase the average interest margin over the first half of 2007 – thus confirming our selective business policy, which is oriented strictly towards quality and return.

With the opening of a representative office in Moscow, Aareal Bank continues to expand in Central and Eastern Europe (CEE). This represents an important step within the scope of our plans to further expand and manage the credit portfolio. At the same time, we established a regional sales centre (hub) in Warsaw, where we have grouped Aareal Bank's business activities and further strengthened the satisfactory market position it already commands in the CEE region.

Aareal Bank continued to focus on its core business during the first six months of the 2008 financial year. We concluded an agreement on the disposal of a portfolio of residential property loans totalling € 1.47 billion to Deutsche Postbank AG. The portfolio consists of Aareal Bank exposures in the amount of around € 1,040 million, plus roughly € 430 million from DEPFA Deutsche Pfandbriefbank AG's residual property finance portfolio, which Aareal Bank has managed since 1999. The sale was concluded in July 2008. We have now disposed of the vast majority of the residential property loans remaining in our portfolio. Commercial property financing has been the focus of our activities as far back as 2002: since then we have no longer been active in the private client business.

Consulting / Services: stable and positive sources of income

The positive business development of previous quarters for the Institutional Housing Business in the Consulting / Services segment continued in the second quarter of 2008 as well. It demonstrates that the segment is reaping rewards from the successful realignment of its business activities. Our objective now is to consistently pursue the chosen path.

We have further strengthened our position as a market leader for integrated payment systems. In the first half-year, we acquired eight additional clients managing some 40,000 rental units for our BK 01 payment system.

The positive business development of Aareon AG, the leading European systems house for the commercial housing sector, also continued in the second quarter. The marketing of the Blue Eagle property software followed up on the sales successes realised in the previous quarter. For example, GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen (managing 75,000 residential units), and the Stuttgart-based FLÜWO Bauen Wohnen eG (13,000 units) opted in favour of Blue Eagle.

The Consulting / Services segment generated stable sources of income that remained largely immune from the turbulences on the financial markets.

The segment also offers competitive advantages to Aareal Bank Group's refinancing, through the significant level of deposits generated by our Institutional Housing Business. The average volume of deposits generated in this business amounted to € 4.5 billion in the second quarter of 2008, thus remaining at the high level achieved in the previous quarter.

Refinancing: comfortable liquidity situation

Aareal Bank's liquidity profile is comfortable. The property financing portfolio is funded long-term through Pfandbriefe, unsecured and subordinated debt. Current account balances and term deposits of our clients from the Institutional Housing sector also represent a reliable and constant refinancing source. Aareal Bank also generates a very stable deposit volume from institutional money market clients.

Our refinancing activities were successful during the first half of the year, despite the difficult market environment. We raised a total of around € 1.7 billion in long-term funds during the period under review: € 1.2 billion in the second quarter alone.

Financial market crisis: business policy proven in a challenging environment

It remains difficult to assess the consequences of the financial markets crisis. The entire sector is suffering from a massive loss of confidence. This also impacts on banks such as ours, even though we have neither direct nor indirect exposure to the US sub-prime market.

We have neither US Residential Mortgage-Backed Securities, Collateralised Debt Obligations (CDOs), nor Asset-Backed Commercial Paper or Structured Investment Vehicles (ABCP/SIVs) on our books. Furthermore, we do not hold any securities that are guaranteed by monoliners.

The quality of our ABS portfolio is excellent, with very good credit ratings; there have been no defaults nor rating downgrades. More than 90 % of the securities are rated AAA, and roughly three-quarters of our ABS portfolio is eligible for repo transactions with the ECB – further proof of the quality of our securities. Scheduled redemptions have reduced the portfolio to a nominal € 616 million.

The solid business policy pursued by the bank has proven itself in a challenging environment. Aareal Bank Group has posted positive results in all quarters since the onset of the financial market crisis.

The bank's comfortable capital base remains unchanged; it has a core capital ratio of 8.3 % in accordance with the CRSA and 7.4 % pursuant to BIS rules, with a total capital ratio of 11.2 % as at 30 June 2008.

The financial markets crisis has unfortunately impacted severely on our share price. We are not satisfied with the share price. We have no exposure to the US sub-prime market, nor do we hold any investments in CDOs, CLOs or similar structures – nevertheless, we were unable to avoid the negative developments affecting the financial sector as a whole.

Strategic focus is correct and sustainable

We sincerely believe that Aareal Bank's strategy of focusing consistently on two core segments has proven to be correct and sustainable. The current market distortions will not distract us from the path we have chosen. Aareal Bank is well positioned to continue successfully along the path upon which it has embarked, even in the current market environment.

Yours sincerely,

The Management Board

Dr. Wolf Schumacher | Norbert Kickum | Hermann J. Merkens | Thomas Ortmanns

GROUP MANAGEMENT REPORT

Environment

Macro-economic environment

Global economic development during the first half of 2008 was burdened firstly by the turbulence on financial markets in the course of the sub-prime crisis, and secondly by the accelerated rate of inflation, which was in turn driven by the sharp rise in the price of crude oil, other commodities, and foodstuffs. Economic development varied between – and also within – the different economic regions.

Economy

Economic development in Europe was heterogeneous in the individual countries. The economic situation was positive, particularly in Germany, despite the economic weakness in the US and the turmoil on financial markets. Contributory factors were the mild winter months, which favoured construction activity, as well as the amendments to depreciation rules to some extent at least, and the resulting follow-up effects. However, various indicators such as falling orders received and business climate indices meanwhile suggest that economic growth is easing in Germany.

There was evidence of economic weakness in the European Union too, for example in Denmark, Estonia, UK, Portugal and Spain. The slowdown in Denmark and Spain was attributable to the collapse in residential property prices. Where the Spanish economy flourished in recent years on the back of strong construction activity, this sector has now reversed, with a consequent adverse effect on the Spanish economy. Great Britain's economy is burdened by falling property prices at home, and by the financial market crisis. Consequently, the economic situation has now turned considerably bleaker there.

The economies of most of the Central and Eastern European (CEE) states continued to thrive. Especially Russia benefited from continued high demand for commodities and energy resources.

Current data from the US point towards only very modest economic growth. This can be attributable largely to the turmoil on financial markets on the one hand, which led to more restrictive lending conditions and therefore to hesitant corporate investment. On the other hand, falling residential property prices – prices fell by more than one quarter year-on-year in some parts of the US – weakened private consumption momentum, which had been virtually the sole stimulus for the economy for quite some time.

The Asian economic regions - especially the Chinese economy – posted strong growth in the first half of the year. Chinese economic growth, which was already very high the previous year, at more than 11%, eased slightly in the first half-year, albeit remaining at a high level. Domestic demand in China rose continuously, whilst exports to the US and the eurozone were down. Rising energy and commodity prices exerted inflationary pressure in China as well: consumer and company satisfaction indices both contracted during the first half year.

Japanese economic growth at the start of the year was moderate, but robust. Although there was evidence of rising inflation, it was a reasonable 2% compared with other economies.

Inflation and monetary policy

The high rate of inflation - 4 % in the eurozone and 3.3 % in Germany in June - is a cause for concern at the moment. Against the background of high inflationary pressure and the consequent threat to the economy, the European Central Bank (ECB) decided to leave key interest rates unchanged during the period under review. However, accelerating inflation led to a 0.25 percentage point hike in key rates on 3 July 2008.

High inflation drove some of the Eastern European central banks, for example Romania and Poland, to impose rate hikes that exceeded those of the European Central Bank. In contrast, the Bank of England gave precedence to fears of an economic slowdown – caused by the turmoil on financial markets and falling residential property prices in the UK – and cut the benchmark rate twice during the first half of 2008, by a total of 0.5 percentage points.

In the US, tighter lending terms and their economic effect drove the American central bank (the Fed) to lower the benchmark rate even more substantially - in several steps, by a total of 2.25 percentage points.

Rates in the US therefore fell in the first half-year, while eurozone rates rose. The US$ continued to depreciate further against the euro, especially in the period up to mid-April. However, exchange rate developments have tended to remain stable since then. The confidence crisis on the interbank market that emerged in conjunction with the turbulence on general financial markets prompted the Fed and the ECB to provide liquidity to the market.

The Chinese central bank hiked its minimum reserve rate several times in the first half-year, to keep fast credit growth and inflation in check.

European and US equity and bond markets were defined by sharp price declines in the first half-year, especially in January. Equity prices eased again towards the end of the first half of the year, having enjoyed a brief respite from mid-March to mid-May.

Sector-specific environment

Structured Property Financing

A more conservative risk assessment as of mid-year 2007 and especially in the first half of 2008 resulted in more restrictive lending by the banks, which also fed through to the commercial property markets.

The volume of transactions conducted on the US and European markets for commercial property fell significantly in the first half of 2008 vis-à-vis the same period of the previous year. Price perceptions are diverging further on these markets between buyers and sellers. Due to the drop in vacancy ratios in many areas in recent years, and with increased rents providing good profitability, sellers that are under no pressure to sell will not do so, or are reluctant to change their price expectations. Buyers on the other hand are waiting for favourable opportunities to enter the market. Negotiations between the buyers and sellers have become more protracted as a result, and pricing has become more difficult. All in all, only a few transactions were conducted with large-volume portfolios and high leverage. On the other hand, transaction volumes in Asia remained stable.

Investors continued to enjoy a slight rise in property yields during the first half of 2008 in many European countries and in the US. In these markets, selling prices for first-class properties have remained stable, while the prices for properties in less desirable locations or lower quality are falling.

Consulting / Services (Institutional Housing Business)

Trading activities in the German property management sector, such as portfolio or company sales, eased off during the period under review as a result of the turmoil on the financial and credit markets. In addition, the significance of buyers with short-term investment horizons has diminished, to be replaced increasingly by domestic equity-oriented investors.

After years of stagnation, the residential property sector posted a moderate overall rise in rents, although this varied considerably by region. The recovery on the residential market also resulted in greater investment by property management companies in their existing buildings, especially with respect to renovations.

The main emphasis of the industry was on higher energy costs and on the associated legal regulations such as for example, the introduction of the statement of energy usage. Since July 2008 this has become mandatory, and must be submitted when selling or renting houses built before 1965.

The average vacancy ratio in Germany fell in the first six months of the reporting period. However, the situation remains difficult in some regions.

The trend towards innovations in the property sector remained intact during the period under review. This includes in particular, the optimisation of processes, rental and renovation concepts targeted towards certain groups, as well as further improvements in customer focus and loyalty.

Segment Reporting

Structured Property Financing

This segment brings together the property finance and treasury activities of Aareal Bank.

Business development

We were able to show an increase in our interest-bearing business in the Structured Property Financing segment during the first half of 2008, thus reinforcing our base business. The volume of property financing under management rose by 0.8 % during the first half of the year over year-end 2007, to € 24.2 billion.

Our strict business policy for the first quarter of 2008, oriented on quality and return, remained unchanged in the second quarter. We continued to concentrate on transactions with attractive risk/return profiles.

New business in the second quarter of 2008 amounted to € 1.8 billion and therefore to € 2.9 billion in the first half of 2008 as a whole, after € 5.9 billion in the first half of the previous year. Europe accounted for 64 % of new business, North America for 19 % and Asia for 17 %. We therefore succeeded in expanding the Asian share over the same period of the previous year, according to plan.

The overall decline in new business reflects our business strategy, as well as lower investment volume in commercial property markets. This was offset on many financing markets by a decline in financing offers, with various banks less willing to provide financial backing.

We significantly increased the average interest margin over the first half of 2007; this can be seen as confirmation of a business strategy oriented on quality and return.

Europe

Transaction volumes on the markets for commercial property contracted by more than 40 % in the first half of 2008. The three largest European markets – Great Britain, Germany and France, which accounted for around two-thirds of the volume transacted, reduced their share to around half of the total European volume. On the other hand, smaller markets such as Belgium, Finland, the Netherlands, Spain and Sweden increased their share of total European property investment. This was due to larger portfolios, or sale-and-leaseback transactions. Central and Eastern European countries also performed well, benefiting from the positive development of the Russian market.

Returns for investors across various types of property (offices, retail and logistics) rose slightly on many markets in the first half of 2008. One exception is the growth market in Russia, where returns remain significantly above Western and Central European levels.

Rents for commercial properties in most of the important European locations were unchanged or rose slightly. On an annual basis, rent increases were high in Moscow, Warsaw and Oslo. The vacancy ratios for office property were also stable in many European locations.

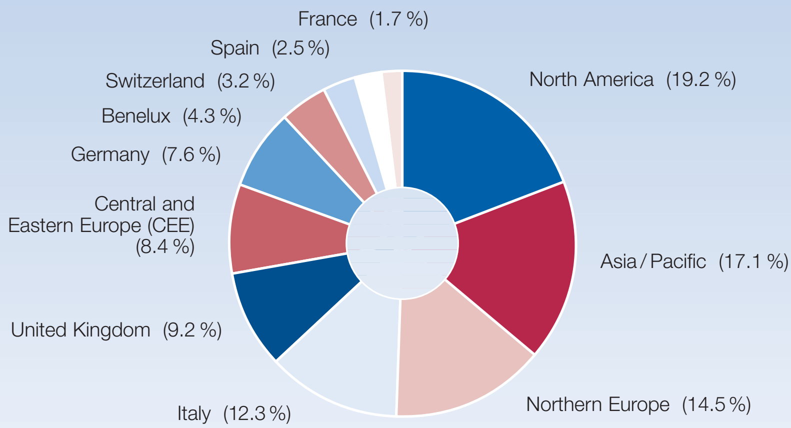
We achieved new business in Europe in the amount of € 1.0 billion in the second quarter of 2008 and € 1.9 billion for the first half-year. Among the European states, Italy accounted for the lion's share of total new business volume, with 12 %, followed by Denmark with 10% and the UK with 9 %.

On 1 July 2008 we opened our representative office in Moscow, thus strengthening our presence in Eastern Europe.

North America

The effects of the financial markets crisis were felt strongly in the US. Transaction volumes here dropped sharply compared with the same period of the previous year. On average, returns for various US property types increased slightly. On an annual basis, rents for office property in the US were stable to rising; however, they fell in some locations such as Atlanta or Detroit. Market

New business (€ 2.9 bn) by region (%) – 1 Jan - 30 June 2008



developments overall showed a geographically diverse trend. The vacancy ratio for office property in the US rose slightly in the first half of 2008, and regional differences were similarly high. The vacancy ratio for Manhattan for example, was only 5 %, compared with the country-wide average of more than 13 %.

Our volume of new business in North America during the second quarter of 2008 was € 0.4 billion, and totalled € 0.6 billion for the first half of the year. This corresponds to 19 % of total new commitments.

Asia / Pacific region

Unlike many European markets and the US market, Asia was not affected by the significant fall off in transaction volumes. Rental levels for office property in the key locations of China, Hong Kong, Singapore and Japan have risen - anywhere from slightly to substantially - of late. The vacancy ratios for office property are broadly diversified among the locations, from around 1% in Hong Kong to high double-digit figures in Beijing. In terms of performance, office property in these locations recorded high growth on an annual basis. However, it has recently eased slightly in Tokyo. Figures remained stable in Singapore, while further growth rates were recorded in China. Rentals and values of retail property in China, Hong Kong and Singapore have risen recently. The only exception was Beijing, where rents as well as capitalised values fell slightly.

We increased the volume of our new business in Asia over the same period of the previous year within the scope of our three-continent strategy. It stood at € 0.4 billion in the second quarter, or € 0.5 billion for the first half of 2008.

Segment result

In spite of the difficult market environment, the Structured Property Financing Segment achieved operating profit that was virtually unchanged from the second quarter of 2007.

Net interest income amounted to € 95 million, after € 89 million in the comparable period of the previous year and € 92 million in the first quarter of 2008. The increase of approx. 7 % over the previous year is attributable to the greater volume of property financings, and higher margins achieved for new business.

Allowance for credit losses of € 20 million remained within the scope of our annual planning, and was down slightly on last year's figure of € 22 million.

Net commission income for the second quarter of 2008 was down on the previous year to € 6 million (Q2 2007: € 8 million). This was due for the most part to lower prepayments.

Current expenditure from synthetic securitisations of the bank's own loan portfolio amounted to € 2 million (H1 2007:

Structured Property Financing	2. quarter 2008 € mn	2. quarter 2007 € mn
Net interest income	95	89
Allowance for credit losses	20	22
Net interest income after allowance for credit losses	**75**	**67**
Net commission income	6	8
Net result on hedge accounting	0	3
Net trading income/expenses	-3	5
Results from non-trading assets	-8	13
Results from investments accounted for using the equity method	3	–
Results from investment properties	0	1
Administrative expenses	52	55
Net other operating income/expenses	16	-1
Impairment of goodwill	–	–
Operating profit	**37**	**41**
Income taxes	12	8
Segment result	**25**	**33**

€ 2 million). Taking into account the result of the remaining positions in the trading portfolio, net trading income / expenses totalled -€ 3 million (€ 5 million).

Results from non-trading assets totalled -€ 8 million (Q2 2007: € 13 million), including results from the sale of investment securities. In addition, the measurement of individual securities resulted in write-downs totalling € 2 million. The figure of € 6 million for the same period of the previous year was characterised by a one-off effect from the sale of our asset management activities.

A payment received in the second quarter of 2008 from Deutsche Interhotel Holding GmbH und Co. KG ("Deutsche Interhotel") led to a net result of € 3 million from investments accounted for using the equity method.

At € 52 million, administrative expenses were down € 3 million on the same period of the previous year (€ 55 million), and were unchanged from the previous quarter. Personnel expenses were reduced from last year. Our strict cost discipline is reflected in stable other administrative expenses.

Net other operating income / expenses posted a positive balance of € 16 million after -€ 1 million in the same quarter of the previous year. Income of € 7 million from the Deutsche Interhotel investment is also reflected in this item (2007: € 2 million).

Overall, operating profit for the Structured Property Financing segment was € 37 million. Taking into consideration tax expenses of € 12 million, the segment result in the second quarter of 2008 was € 25 million.

Consulting / Services

Institutional Housing Sector

This segment offers a comprehensive range of services for managing and processing payment flows for institutional housing sector clients. This segment comprises the

Institutional Housing Sector, including Aareal First Financial Solutions AG and Aareon AG.

Aareon

The positive business development continued into the second quarter of 2008.

The marketing of the Blue Eagle property software followed up on the sales successes realised in the previous quarter. GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen, and the Stuttgart-based FLÜWO Bauen Wohnen eG for example, opted in favour of Blue Eagle. The changeover to Release 5.0 for customers running Blue Eagle as an ASP solution (application service providing, where the software runs on Aareon's IT infrastructure) ran smoothly. The changeover of customers running Blue Eagle as an in-house solution was carried out within the scope of individual projects.

The Wodis system also showed sustained positive business development. An indicator system was installed in order to extend the scope of reporting provided by Wodis. Installations for additional customers were rolled out, for example, at GE-WO Oberhausen. Further rollouts are planned for the coming quarters.

Demand for consulting services and individual customer projects with the established GES system remains strong. Existing WohnData customers are increasingly enquiring about the new modules.

The interest shown already in the Mareon service portal by our customers during the first quarter of 2008 remained strong. Further successes were achieved with the new documentation management system Aareon DMS.

Some 1,000 executives and entrepreneurs operating in the institutional housing sector learned about new developments in the sector at the 18th Aareon Congress held in Garmisch-Partenkirchen, where renowned speakers from business and politics presented the latest trends. Products and projects were at the forefront of the customer, staff and cooperation partner presentations.

On 30 June 2008, Aareon AG was awarded the "family and working life" certificate from Ursula von der Leyen, Federal Minister for Family Affairs, Senior Citizens, Women and Youth, for its family-conscious personnel policy.

Payments and deposit-taking

Our Institutional Housing Business offers a highly-automated mass payments system to our commercial housing clients. Aareal Bank's focus is to increase the volume of deposits through new client acquisition, as well as the consistent penetration of existing clients with as broad a range of products as possible. In the first half of the year, we acquired eight additional clients - managing some 40,000 rental units between them - for BK 01, the leading payment system for the institutional housing business.

[1] Results for the Consulting / Services segment are reported using an income statement classification aligned to industrial companies. A reconciliation to the segment result shown in the segment reporting can be found on page 40 of this interim report.

The average volume of deposits from the institutional housing sector remains very stable, amounting to around € 4.5 billion in the first half of 2008, which is unchanged from the same period of the previous year. We believe that more intensive use of BK 01 in deposit management and operating cost management offers the potential for increasing volume.

We launched a new product on the market: the new Aareal Account solution, a stand-alone electronic banking package, will allow us to approach new customer groups, such as institutional housing operators that do not use any BK 01 systems.

Consulting / Services	2. quarter 2008 € mn	2. quarter 2007 € mn
Revenues	57	53
Own work capitalised	–	1
Changes in inventory	0	0
Other operating income	3	3
Cost of materials purchased	9	10
Staff expenses	24	25
Depreciation, amortisation and impairment losses	4	3
Result from investments accounted for using the equity method	–	5
Other operating expenses	12	12
Interest and similar income / expenses	0	0
Profits from ordinary activities	**11**	**12**
Income taxes	4	3
Segment result	**7**	**9**

Segment result [1]

The previous quarter's result, which was defined by the positive one-off effect of € 5 million from the investment in Immobilien Scout GmbH (which has been disposed of in the meantime), was almost matched in the second quarter of 2008 – without any non-recurring effects. At € 11 million, the segment result before taxes was almost at the level of the same quarter of the previous year (Q2 2007: € 12 million).

During the second quarter, revenues rose from € 53 million in the same period of the previous year, to € 57 million, an increase of 8%. The increase reflected both an increase in Aareon AG's revenues – in line with projections – as well as rising income from the deposit-taking business with the institutional housing sector.

The cost of materials was reduced to € 9 million (Q2 2007: € 10 million).

Personnel expenses in the quarter under review amounted to € 24 million. Continued strict cost management reduced the figure by € 1 million over the same quarter of the previous year.

In 2007, the result from investments accounted for using the equity method was € 5 million: this was attributable to the stake in Immobilien Scout GmbH, which was sold in the third quarter.

Net other operating income and expenses of € 12 million were in line with the figure for the same period of the previous year.

On balance, the Consulting / Services segment yielded a net contribution of € 11 million to (quarterly) consolidated operating profit (Q2 2007: € 12 million).

After deduction of taxes, the segment result for the second quarter was € 7 million (2007: € 9 million).

Group Profitability

Aareal Bank Group achieved a very good half-year result, with operating profit of € 75 million (H1 2007: € 132 million, including € 50 million in non-recurring income).

Taking taxes and minority interest income into consideration, consolidated net income after minority interests was € 41 million (2007: € 89 million).

Net interest income rose by roughly 9 % in the first six months of the financial year, to € 221 million (2007: € 202 million).

Considering the allowance for credit losses of € 40 million (€ 44 million), net interest income after allowance for credit losses amounted to € 181 million (€ 158 million). This equates to an increase of 15 %.

Net commission income was down € 5 million compared with the same period of the previous year, to € 68 million (€ 73 million). Higher revenues in the Consulting / Services segment were offset by lower net commission income earned in the Structured Property Financing segment.

After the first six months of the 2008 financial year, net trading income/expenses amounted to -€ 25 million (€ 7 million). This was largely attributable to write-downs on asset-backed securities (ABS) in the first quarter.

There have been no defaults nor rating downgrades of our ABS portfolio. More than 90% of the securities are rated AAA, and roughly three-quarters of our ABS portfolio is eligible for repo transactions with the ECB – further proof of the quality of our securities. Scheduled redemptions have reduced the portfolio to a nominal € 616 million.

The result from non-trading assets showed a positive balance of € 1 million (€ 26 million).

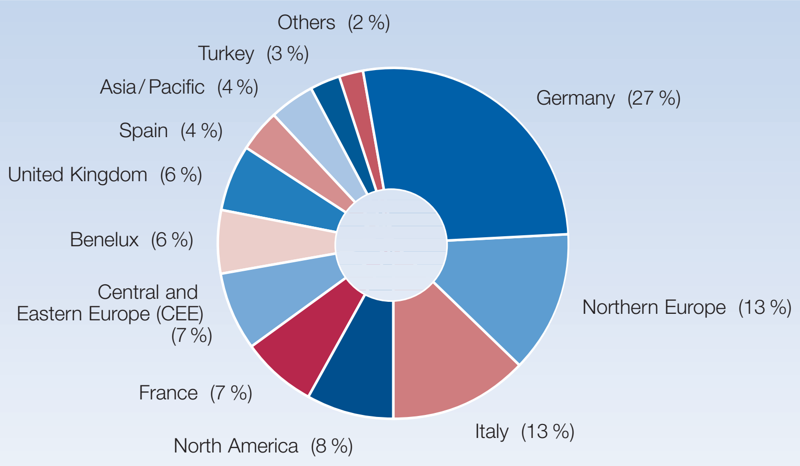
A payment received from an associate entity generated a net result from investments accounted for using the equity method of € 3 million (€ 5 million).

Second quarter administrative expenditure was roughly in line with the first quarter. Aggregate expenditure for the first six months of the year stood at € 177 million. This represents a decline of € 3 million or 1.7 % from the figure of € 180 million for the same period of the previous year.

At € 22 million, net other operating income and expenses were down considerably on the previous year's figure of € 37 million. Last year's figure included the previously announced one-off payment of € 37 million from DEPFA.

After deduction of € 25 million in taxes (H1 2007: € 34 million) and minority interest income of € 9 million (€ 9 million), consolidated net income attributable to shareholders of Aareal Bank Group for the first half of 2008 amounted to € 41 million (€ 89 million).

Property financing portfolio under management (€ 24.2 bn) by region (%) – 30 June 2008



Financial situation

Total assets

Consolidated total assets as at 30 June 2008 amounted to € 40.3 billion (31 December 2007: € 40.2 billion).

Financial situation

Property financing portfolio

The property financing portfolio under management stood at € 24.2 billion at the end of the first half-year, which corresponds to an increase of around 0.8 % compared with year-end 2007.

We successfully increased the international share of the portfolio by 4.1% in the first half-year, to € 17.6 billion. This now corresponds to a share of around 73 percent of the entire portfolio as at 30 June 2008. On the other hand, the German share has declined considerably - by 7.0 % compared with holdings at year-end - to € 6.6 billion. We have therefore made successful headway in optimising the diversification of our portfolio.

The performance of the property financing portfolio in the first half of the year was defined in particular by lower prepayments and a very selective policy vis-à-vis new business.

Refinancing and shareholders' equity

Refinancing strategy and own issues

The refinancing activities in the first half of 2008 were extremely successful. We raised a total of around € 1.7 billion in long-term funds during the period under review: € 1.2 billion was raised in the second quarter alone.

Of this amount, mortgage bond issues (Hypothekenpfandbriefe) accounted for the lion's share (just over € 1 billion) in the period under review. Thanks to Aareal Bank's good market standing, these were all privately placed. The share of public-sector covered securities (öffentliche Pfandbriefe) was around € 50 million. The remaining € 600 million was accounted for by senior unsecured issues, which included the successful two-year senior unsecured € 400 million issue in June 2008 that was placed in the market with a broad range of investors.

The property financing portfolio to be refinanced totalled € 23.0 billion as at 30 June 2008. With € 20.1 billion in long-term funding and very stable deposit volumes from the institutional housing sector of € 4.5 billion, Aareal Bank's liquidity position was comfortable overall.

Equity capital and regulatory indicators in accordance with the German Banking Act (CRSA)

Regulatory indicators as defined by the KWG (CRSA)[1]	30 Jun 2008
	€ mn
Core capital	1,817
Risk-weighted assets (incl. market risk)	22,038
	%
Core capital ratio	**8.3**
Total capital ratio	**12.5**

Regulatory indicators (BIS)[2]	30 Jun 2008	31 Dec 2007
	€ mn	€ mn
Core capital	1,764	1,701
Risk-weighted assets (incl. market risk)	24,003	23,503
	%	%
Core capital (Tier 1) ratio	**7.4**	**7.3**
Total capital ratio	**11.2**	**11.2**

[1] Since the beginning of 2008, the ratios have been calculated in accordance with the Credit Risk Standard Approach (CRSA) pursuant to the German Solvability Ordinance. The half-year result of Aareal Bank AG was taken into account in the determination of the CRSA ratios.

[2] The ratios as at 30 June 2008 are shown for the purpose of comparison. The half-year result of Aareal Bank AG was taken into account in the determination of the BIS ratios.

Risk Report

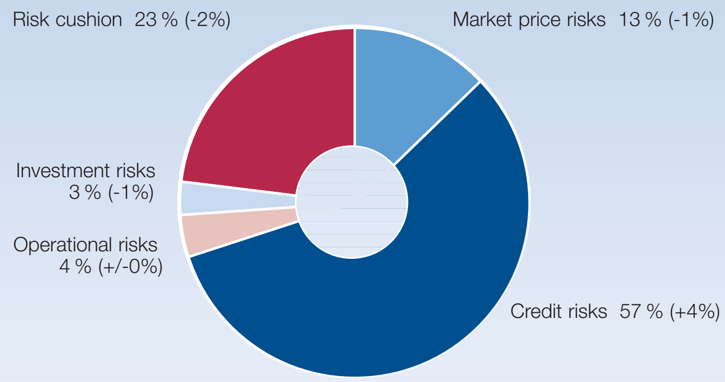
Aareal Bank Group Risk Management

The Annual Report 2007 contains a comprehensive description of Aareal Bank Group's risk management approach, including the corresponding organisational structure and workflows in the lending and trading businesses, as well as the methods and procedures used for measuring and monitoring risk exposure. Within the scope of this interim report, we will thus only outline the key components of our risk management infrastructure, together with key developments during the period under review.

The business policy set by the Management Board, and approved by the Supervisory Board, provides the conceptual framework for risk management. In line with the overall business strategy, the risk strategy is revised at least once a year, and approved by the Management Board. Suitable risk management and risk control processes are deployed to implement the risk strategy, and to ascertain the bank's uninterrupted ability to bear risk.

During the period under review, we conducted the regular review of the bank's risk-bearing capacity. This analysis showed that the allocation of aggregate risk cover to individual types of risk has changed only slightly since the year-end 2007. At 57 %,

Allocation of aggregate risk cover
30 Jun 2008 (change from 31 Dec 2007)



the lion's share of aggregate risk cover is related to credit risks. A further significant 23 % of aggregate risk cover is held as a risk cushion, which is not applied to risk limits, and is thus available for risk types that cannot be quantified (for example, reputational or strategic risks). The diagram on page 22 shows the allocation of aggregate risk cover to types of risk, and the changes compared to 31 December 2007.

Since aggregate risk cover is an inadequate measure to assess risk-bearing capacity regarding liquidity risk, we have defined special tools for managing this type of risk.

Credit risks

Aareal Bank defines credit risk or counterparty risk as the risk of losses being incurred due to (i) a business partner defaulting on contractual obligations; (ii) collateral being impaired; or (iii) a risk arising upon realisation of collateral. Both credit business and trading activities may be subject to counterparty risk.

Aareal Bank's structural organisation and business processes are consistently geared towards effective and professional risk management. The organisation of operations and workflows in the credit and trading business comply with extensive regulatory requirements.

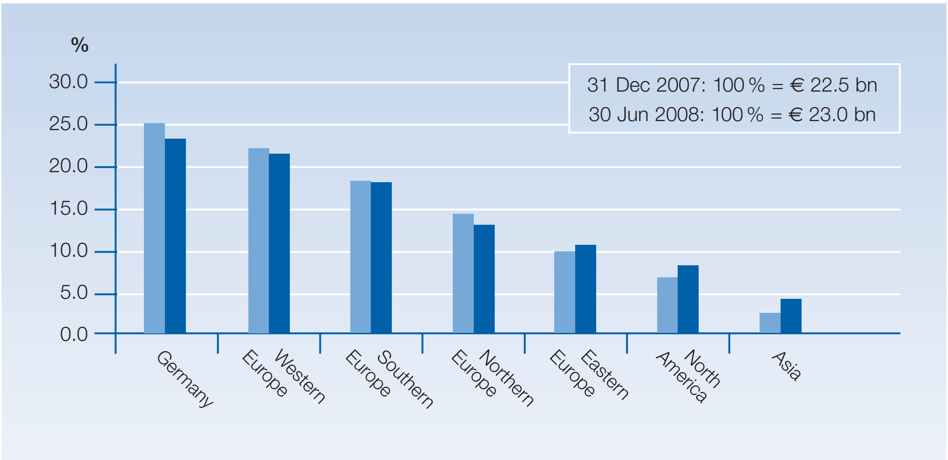
Processes in the credit and trading businesses are designed to consistently respect the clear functional division of market and risk management units, up to and including senior management level. An independent Risk Controlling unit is responsible for identifying, quantifying and monitoring all material risks, and for maintaining a targeted risk reporting system.

Aareal Bank employs various risk classification procedures for the initial, regular, or event-driven assessment of counterparty risk. These procedures are adapted specifically to meet the requirements of the relevant business activity, and are subject to permanent review and improvement. Responsibility for development, quality assurance, and monitoring implementation of risk classification procedures, is outside the market units.

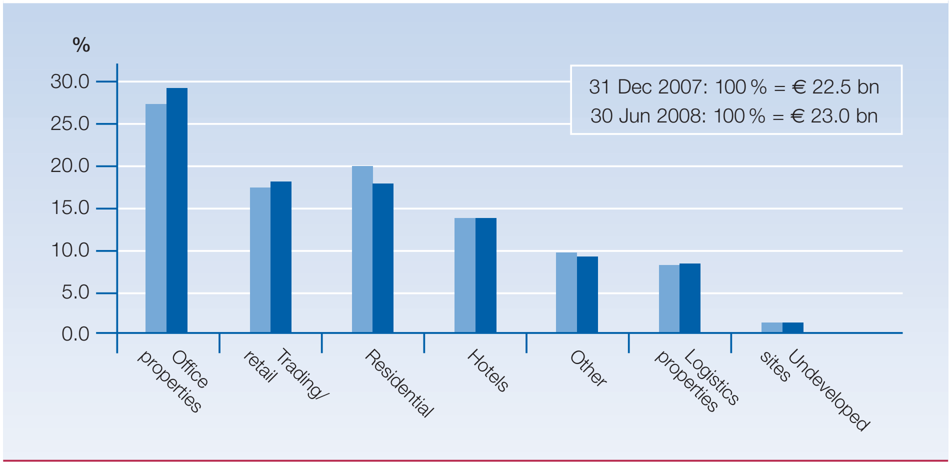
Methods used to measure and monitor concentration and diversification effects on a portfolio level include two diverse credit risk models. We deployed a new technical environment for the special model used to analyse the property finance business during the period under review. As a result, portfolio information required to take risk management decisions are now available within an even shorter timeframe than before.

Our approach to managing the credit portfolio includes synthetic securitisation and syndication techniques, as well as the sale of sub-portfolios. The objective is to keep

Property financing volume (amounts drawn) by country groups (%)



Property financing volume (amounts drawn) by types of property (%)



31 Dec 2007 30 Jun 2008

optimising our credit portfolio, in order to achieve an optimal risk / return ratio. The results of credit portfolio management are reflected in the broad diversification of our property finance business.

In summary, during the period under review, the existing set of tools and methods continued to enable the bank to adopt suitable risk management measures, where required, at an early stage.

Our comprehensive approach to risk management also includes measuring and monitoring country risk exposure. When defining country risk, in addition to the risk of sovereign default or default of state entities, Aareal Bank also considers the risk that a counterparty could become unable to meet its payment obligations as a result of government action, despite being willing and able to pay, due to restrictions being imposed on making payments to creditors (transfer risk). The methods and procedures used to manage the bank's country risk exposure were refined further during the first half of the financial year. Please refer to the Risk Report in the 2007 Annual Report for a detailed description of the bank's country risk management processes.

Developments in our asset-backed securities portfolio are outlined on page 19 of this report.

Market price risks

Market price risk is broadly defined as the threat of losses due to changes in market parameters. Aareal Bank's market price risk exposure continues to predominantly comprise interest rate risks, whilst currency risks are largely eliminated through hedges. Hence, the primary market price risk exposures are related to the interest rate, equity prices, exchange rates, and implied volatility risk parameters. All relevant parameters are covered by our management and monitoring tools.

H1 - 2008 (2007 values) 99%, 10 days	Max		Min		Mean		Limit	
Aggregate VaR – Aareal Bank Group	76.1	(32.6)	51.3	(23.7)	61.6	(27.1)	181.0	(181.0)
Group VaR (interest rates)	29.9	(27.2)	7.3	(10.0)	18.2	(15.2)		
Group VaR (specific risks)	64.1	(5.3)	40.1	(0.6)	51.9	(3.7)		
Group VaR (FX)	8.4	(7.0)	3.8	(1.7)	5.6	(3.7)		
VaR (funds)	28.8	(26.4)	21.5	(17.9)	24.7	(21.7)	60.0	(60.0)
Aggregate VaR in the trading book	11.9	(4.0)	0.1	(0.1)	3.1	(0.9)	20.0	(20.0)
Trading book VaR (interest rates)	11.8	(2.8)	0.1	(0.1)	3.0	(0.7)		
Trading book VaR (FX)	0.2	(0.2)	0.0	(0.0)	0.1	(0.0)		
VaR (equities)	1.9	(3.6)	0.0	(0.0)	0.2	(0.5)		

Derivative financial instruments are entered into predominantly in the trading book, whilst in the banking book they are primarily used as hedging instruments. Spread risks between the various yield curves (e.g. government / Pfandbrief / swap curve) are also taken into account. The risk exposure from bonds that is not related to market price or interest rate risks is managed specifically at Group level.

Risk Controlling informs the members of the Management Board responsible for Treasury and risk monitoring about the risk position and the market price risk exposure on a daily basis. In addition, the entire Management Board is informed on a monthly basis, within the scope of an extensive risk report. A quarterly report is submitted to the Supervisory Board.

Value-at-risk (VaR) has been broadly accepted as the predominant method for measuring general market price risk. The VaR for market price risk quantifies the exposure as a negative divergence from the current aggregate value of the bank's financial transactions.

A variance-covariance approach (delta-normal method) is used throughout the Group to determine the VaR indicator. Determined on a daily basis for the Group and all its operating units, the VaR figure takes into account the correlation between individual risk types.

Since 2008, the Group has extended the calculation of 'specific' risks (those which are not correlated with general market movements) to include all bonds held (as opposed to only those in the trading book). Accordingly, overall Group VaR increased as of 1 January 2008.

The limit set for the VaR figure is derived from the analysis of the bank's risk-bearing capacity, which is carried out at least once a year. Limits are defined at Group level, as well as for the individual Group entities.

Limits were unchanged during the period under review. No limit breaches were detected, and overall limit usage was low.

Backtesting

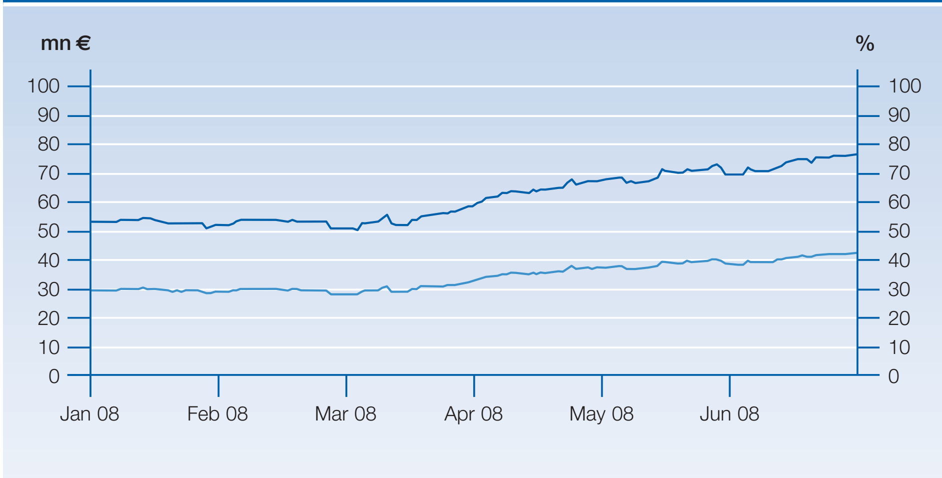
Regular backtesting checks the quality of the statistical procedure used to measure risk on a weekly basis; profits and losses from market price fluctuations are compared daily with the upper projected loss limit (VaR) forecast on the previous day (known as 'clean backtesting'). The number of negative outliers at Group level was always lower than two during 2008 to date (always lower than three at Group level in 2007).

Trading book

Being authorised to maintain a trading book, Aareal Bank AG is the Group entity that is in a position to assign transactions to the trading portfolio as defined for the purposes

Aggregate VaR – Aareal Bank Group:

Aggregate Group VaR (€ mn) and limit usage (%) during the first half of 2008



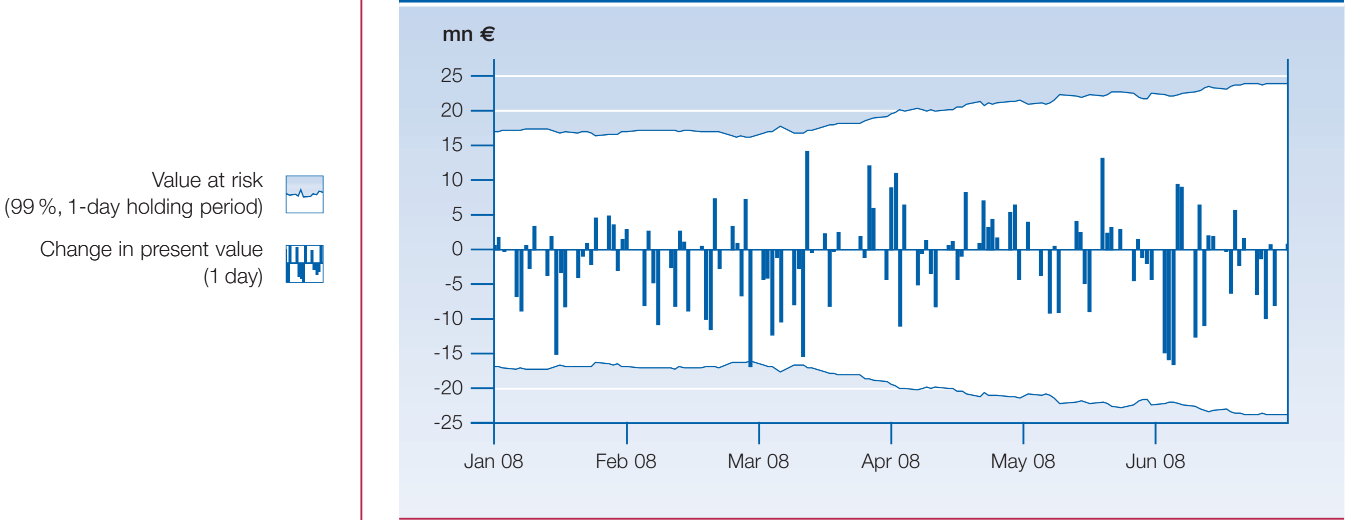
of the German Solvability Ordinance (Solvabilitätsverordnung). Given the small number of transactions and low volumes concluded during 2008, trading book risks played a low role in the overall risk scenario.

During the 2008 financial year, the processes employed proved to be able to quantify the risks arising from market price fluctuations in a timely and accurate manner, even for new products introduced.

Liquidity risks

Liquidity risk in the narrower sense is defined as the risk that current or future payment obligations cannot be met on time. Aareal Bank's liquidity risk management system is designed to ensure that the bank has sufficient cash and cash equivalents to honour its payment obligations at any future point in time. The risk management and monitoring processes have been designed to cover refinancing and market liquidity risks in addition to liquidity risk in the narrower sense.

Present values and 1-day VaR during the first half of 2008 (€ mn)



Treasury is responsible for managing liquidity risks, whilst Risk Controlling ensures the continuous monitoring, including a weekly liquidity report submitted to Treasury, and a contribution to the monthly risk report to the entire Management Board.

The appropriateness of the bank's liquidity is assessed in a liquidity report prepared using an internal liquidity risk model: the aggregate of all potential cash inflows and outflows over a three-month period is compared to the liquidity stock. There were no liquidity shortages throughout the period under review. The requirements of the liquidity ratio in accordance with section 11 of the German Banking Act (Grundsatz II), which is relevant to liquidity management, were always complied with, as were the limits set by reference to the liquidity run-off profile.

Further details are provided in the comments on the bank's liquidity in the section on "Refinancing and Shareholder's Equity".

Operational risks

Aareal Bank defines operational risk as the threat of losses caused by inappropriate internal procedures, human resources and systems (or their failure); or through external events. This includes legal risks. In contrast, strategic, reputational and systematic risks are not covered by operational risk management. These risks are managed largely through qualitative measures.

Aareal Bank's policy for managing and monitoring operational risks is geared to achieving a risk-minimising or loss-limiting effect at an early stage, by employing a pro-active approach. The Risk Report in the Annual Report 2007 contains a detailed description of controlling tools employed by the bank to manage operational risk, plus the relevant responsibilities.

A current analysis using these controlling tools has not indicated any disproportionate operational risk exposure during the period under review.

Investment risks

Aareal Bank defines investment risk as the threat of unexpected losses incurred due to an impairment of the investment's carrying amount, or a default of loans extended to investees. The concept of investment risk also encompasses risks arising from contingencies vis-à-vis relevant Group entities. Due to the special character of some exposures (e.g. marketing risks), special methods and procedures are employed to deal with investment risk. All relevant Group entities are subject to regular audits, including a review and assessment of their risk situation. A quarterly investment risk report is submitted to the bank's Management Board. There were no significant changes in investment risk during the period under review.

Outlook

Macroeconomic developments

The impact of the crisis affecting financial markets and accelerating inflationary pressures will continue to burden the world economy throughout the remainder of this year, extending into the start of 2009.

Against the backdrop of high inflation burdening real income levels and hurting consumer confidence, and a weak US dollar damaging exports into dollar-based economies, we expect the euro zone economy to weaken. This will also affect those countries whose economies were still resilient at the beginning of the year. This weakening is also expected for Germany, given the factors mentioned above, and due to the phasing-out of positive factors which contributed to growth in early 2008, such as the mild weather and amendments to property depreciation rules. Numerous Central and East European economies will continue to be strong, albeit at a somewhat lower pace.

We expect the US economy to remain subdued in view of falling residential property prices and tighter credit conditions. The risk of recession still prevails: specifically, it depends on the extent to which banks will be forced to recognise further asset write-downs, and on how long the distortions on financial markets will continue.

Although Asian economies are less exposed to turbulence on financial markets, the region will also feel the impact of inflation and economic weakness in the US and the euro zone, through lower exports. Nevertheless, the Asian economies will continue to develop favourably, albeit at lower growth rates compared to the previous year.

Central bank policy remains a challenge, as policymakers face the quandary of having to deal with inflation as well as the threat of economic slowdown.

Development of international property markets

The commercial property market will be influenced by more restrictive lending, uncertainty on financial markets, and the weakening economy: we therefore expect lower transaction volumes, more drawn-out negotiations between buyers and sellers, and rising returns with stable rent levels.

Europe

Taking into account investor uncertainty and the risk factors discussed above, we envisage transaction volumes to clearly fall short of the previous year's levels, as seen during the first six months of the current year. Investment returns are likely to remain higher than in 2007, and are expected to remain unchanged or increase in most markets. In contrast, returns in the emerging East European markets (such as the Russian Federation) are set to remain stable or fall slightly. Despite the expected weakening of numerous European economies, we continue to anticipate rents for high-quality properties remaining largely stable. This reflects the still-robust labour market, which tends to lag economic trends.

North America

Our outlook for the US market is similar, with commercial property returns set to be higher than in the previous year, with transaction volumes clearly lower. Although the weak US economy (with a threat of recession) might put pressure on rents, these are likely to remain stable for first-class properties, with strong regional divergence expected.

Asia / Pacific

Thanks to the continued (albeit slightly less dynamic) strength of the Asian economies, both rent levels and market values of various types of property are expected to remain stable or increase in most major centres. However, we have adopted a more cautious stance regarding rent levels of office and retail properties in Beijing.

Development of the German institutional property sector

Performance in the German property sector remains stable. High service and maintenance costs – above all due to the continued increase in energy prices – continue to present a challenge to the property sector. Property management companies are therefore expected to invest increasingly in the energetic renovation and maintenance of their housing stock.

Residential portfolio transactions are likely to focus on smaller deals, with the overall transaction volume expected to fall short of the previous year.

The issue of process optimisation, with a view to enhancing efficiency, will remain on the agenda owing to relentless cost pressures in the property management sector.

The increased heterogeneity of customer requirements in the institutional housing business will guarantee high demand for complex and differentiated IT solutions, as well as bespoke services for the property management business. In particular, demand for automated IT systems to optimise payment systems and internal processes will rise further in the years ahead.

Corporate development

Structured Property Financing

Prevailing uncertainty regarding further developments on the international property and financial markets makes it difficult to deliver a concrete forecast for the current year. Nevertheless, we believe that we are well-positioned to face the changed, challenging environment – in fact, this is evident in the results for the first half of the year.

Thanks to the successful regional diversification within the scope of our three-continent strategy, we are able to offset any possible negative developments in individual property markets. Even though transaction volumes in the commercial property sector are likely to decline further, we continue to anticipate attractive new business opportunities for Aareal Bank – not least, due to less intense competition. We will pursue these on a very selective basis, following a strict analysis of the risk / return ratios of each individual exposure. At the same time, we will make sure that any new business generated fulfils key quality requirements in terms of the overall portfolio, thus ascertaining a portfolio structure that is in line with our strategic objectives.

In Europe, we will concentrate primarily on exposures eligible for inclusion in the cover assets pool, in order to facilitate refinancing via Pfandbriefe. We continue to envisage attractive market opportunities in the Asian and American markets.

Our planning is based on the assumption that the situation on the capital markets will continue to make it impossible (except for some individual cases) to place loans or risks with third parties. Being able to carry loans on the bank's balance sheet – leveraging its sound capital base – will therefore remain a key competitive advantage. We will exploit this in order to increase interest-bearing business, and hence, net interest income.

Given significantly lower prepayments and the lower new business volume, we expect the net commission income in the Structured Property Financing segment to slightly decline in 2008.

We plan to further increase the share of Pfandbrief issues in Aareal Bank's refinancing mix. Against the background of prevailing uncertainty regarding risk premiums on senior unsecured issues, it is important to note that we will not be forced to raise any funds via senior unsecured issues during the second half of the year.

Consulting / Services

We plan to continuously expand the volume of residential units managed using Aareon AG's Blue Eagle/SAP® solution, by migrating existing customers to this platform and through new business. Revenues generated from advisory services should therefore rise considerably. The integrated Wodis IT product and other integrated services will also contribute to this development.

Aareal Bank's Institutional Housing Business will continue to focus strategically on new client acquisition and greater utilisation of the cross-selling potential. Highly-automated mass payments systems for the bank's institutional housing clients, which are integrated in their administrative processes, will continue to generate a stable level of deposits for Aareal Bank's refinancing. Thanks to its broad range of products and services and its prime market position for payment services, the bank's Institutional Housing Business makes a sustained contribution to the results of Aareal Bank Group.

We will leverage our strong market position in the institutional housing sector to boost income in the Consulting / Services segment, whilst keeping costs at a stable level. Our target for the current financial year is to generate a result of € 40 to 50 million before taxes in this segment.

Aareal Bank Group

Given no other major distortions on the financial markets, we continue to believe that operating profit in 2008 will match that of the previous year.

Positive performance in the Consulting / Services segment is expected to continue.

Report on material events after the reporting date

In the second quarter of 2008, Aareal Bank AG concluded an agreement on the disposal of a portfolio of residential property loans totalling € 1.47 billion to Deutsche Postbank AG. The portfolio consists of Aareal Bank exposures in the amount of around € 1,040 million, plus roughly € 430 million from DEPFA Deutsche Pfandbriefbank AG's residual property finance portfolio, which Aareal Bank has managed since 1999. The portfolio comprised exclusively performing loans. The hive-off became effective on 11 July 2008, at which point the transaction was completed.

There have been no other material events subsequent to the end of the period under review that need to be disclosed at this point.

CONSOLIDATED INCOME STATEMENT

OF AAREAL BANK GROUP

	Note	01 Jan - 30 Jun 2008	01 Jan - 30 Jun 2007
		€ mn	€ mn
Interest income		979	910
Interest expenses		758	708
Net interest income	1	**221**	**202**
Allowance for credit losses	2	40	44
Net interest income after allowance for credit losses		**181**	**158**
Commission income		96	105
Commission expenses		28	32
Net commission income	3	**68**	**73**
Net result on hedge accounting		2	5
Net trading income / expenses	4	-25	7
Results from non-trading assets	5	1	26
Results from investments accounted for using the equity method		3	5
Results from investment properties		0	1
Administrative expenses	6	177	180
Net other operating income / expenses	7	22	37
Impairment of goodwill		–	–
Operating profit		**75**	**132**
Income taxes		25	34
Consolidated net income/loss		**50**	**98**

Allocation of results	€ mn	€ mn
Consolidated net income / loss attributable to minority interests	9	9
Consolidated net income / loss attributable to shareholders of Aareal Bank AG	41	89

	€	€
Earnings per share	**0.95**	**2.09**
Diluted earnings per share	**0.95**	**2.09**

Earnings per share are determined by dividing the earnings attributable to ordinary shareholders of Aareal Bank AG by the weighted average of shares outstanding during the financial year.

CONSOLIDATED INCOME STATEMENT
(QUARTERLY DEVELOPMENT)

	Quarter 2 2008	Quarter 1 2008	Quarter 4 2007	Quarter 3 2007	Quarter 2 2007
	€ mn	€ mn	€ mn	€ mn	€ mn
Interest income	494	485	505	488	475
Interest expenses	380	378	396	388	371
Net interest income	**114**	**107**	**109**	**100**	**104**
Allowance for credit losses	20	20	14	19	22
Net interest income after allowance for credit losses	**94**	**87**	**95**	**81**	**82**
Commission income	49	47	53	47	52
Commission expenses	14	14	16	15	16
Net commission income	**35**	**33**	**37**	**32**	**36**
Net result on hedge accounting	0	2	-3	-1	3
Net trading income / expenses	-3	-22	-20	-13	5
Results from non-trading assets	-8	9	18	162	14
Results from investments accounted for using the equity method	3	0	0	63	5
Results from investment properties	0	0	0	0	1
Administrative expenses	89	88	88	93	91
Net other operating income / expenses	16	6	-9	-10	-2
Impairment of goodwill	–	–	3	–	–
Operating profit	**48**	**27**	**27**	**221**	**53**
Income taxes	16	9	5	33	11
Consolidated net income / loss	**32**	**18**	**22**	**188**	**42**
Allocation of results					
Consolidated net income / loss attributable to minority interests	4	5	4	5	4
Consolidated net income / loss attributable to shareholders of Aareal Bank AG	28	13	18	183	38

SEGMENT REPORTING

BY OPERATING UNIT

	Structured Property Financing		Consulting/ Services		Consolidation/ Reconciliation/ Other		Aareal Bank Group	
	€ mn		€ mn		€ mn		€ mn	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
Net interest income	187	173	0	0	34	29	221	202
Allowance for credit losses	40	44					40	44
Net interest income after allowance for credit losses	**147**	**129**	**0**	**0**	**34**	**29**	**181**	**158**
Net commission income	9	16	94	87	-35	-30	68	73
Net result on hedge accounting	2	5					2	5
Net trading income / expenses	-25	7					-25	7
Results from non-trading assets	1	25	0	1			1	26
Results from investments accounted for using the equity method	3			5			3	5
Results from investment properties	0	1			0		0	1
Administrative expenses	104	109	75	72	-2	-1	177	180
Net other operating income / expenses	20	39	3	-2	-1	0	22	37
Impairment of goodwill								
Operating profit	**53**	**113**	**22**	**19**	**0**	**0**	**75**	**132**
Income taxes	18	29	7	5			25	34
Consolidated net income / loss	**35**	**84**	**15**	**14**	**0**	**0**	**50**	**98**
Allocation of results								
Consolidated net income / loss attributable to minority interests	8	8	1	1			9	9
Consolidated net income / loss attributable to shareholders of Aareal Bank AG	27	76	14	13	0	0	41	89
Allocated shareholders' equity	920	804	72	76	322	179	1,314	1,059
Cost / income ratio (%)	54.5	44.9	78.4	80.6			62.1	53.9
RoE after taxes (%)	5.9	19.0	37.2	33.6			6.2	16.8

SEGMENT REPORTING (QUARTERLY DEVELOPMENT)

BY OPERATING UNIT

	Structured Property Financing		Consulting / Services		Consolidation / Reconciliation / Other		Aareal Bank Group	
	€ mn		€ mn		€ mn		€ mn	
	Quarter 2 2008	Quarter 2 2007	Quarter 2 2008	Quarter 2 2007	Quarter 2 2008	Quarter 2 2007	Quarter 2 2008	Quarter 2 2007
Net interest income	95	89	0	0	19	15	114	104
Allowance for credit losses	20	22					20	22
Net interest income after allowance for credit losses	**75**	**67**	**0**	**0**	**19**	**15**	**94**	**82**
Net commission income	6	8	48	43	-19	-15	35	36
Net result on hedge accounting	0	3					0	3
Net trading income / expenses	-3	5					-3	5
Results from non-trading assets	-8	13	0	1			-8	14
Results from investments accounted for using the equity method	3			5			3	5
Results from investment properties	0	1			0	0	0	1
Administrative expenses	52	55	38	36	-1	0	89	91
Net other operating income / expenses	16	-1	1	-1	-1	0	16	-2
Impairment of goodwill								
Operating profit	**37**	**41**	**11**	**12**	**0**	**0**	**48**	**53**
Income taxes	12	8	4	3			16	11
Consolidated net income/loss	**25**	**33**	**7**	**9**	**0**	**0**	**32**	**42**
Allocation of results								
Consolidated net income / loss attributable to minority interests	4	4	0	0			4	4
Consolidated net income/loss attributable to shareholders of Aareal Bank AG	21	29	7	9	0	0	28	38
Allocated shareholders' equity	920	804	72	76	322	179	1,314	1,059
Cost / income ratio (%)	48.9	52.1	78.6	77.3			57.8	59.3
RoE after taxes (%)	9.3	14.8	36.8	46.7			8.5	14.5

CONSULTING / SERVICES SEGMENT

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT (IFRS)

Consulting / Services segment – reconciliation of the segment result from an "industrial enterprise" classification of the income statement to the "bank" classification, which is the basis for segment reporting

			Income statement classification – bank									
			Net interest income	Net commission income	Results from non-trading assets	Results from investments accounted for using the equity method	Administrative expenses	Other operating income / expenses	Impairment of goodwill	**Operating profit**	Income taxes	**Segment result**
	Q2 2008		0	48	0		38	1		**11**	4	**7**
	Q2 2007		0	43	1	5	36	-1		**12**	3	**9**
Income statement classification – industrial enterprise												
Sales revenue	Q2 2008	57		57								
	Q2 2007	53		53								
Own work capitalised	Q2 2008											
	Q2 2007	1		0			1					
Changes in inventory	Q2 2008	0						0				
	Q2 2007	0						0				
Other operating Income	Q2 2008	3			0			3				
	Q2 2007	3			1			2				
Cost of materials purchased	Q2 2008	9		9								
	Q2 2007	10		10								
Staff expenses	Q2 2008	24					24					
	Q2 2007	25					25					
Depreciation, amortisation and impairment losses	Q2 2008	4					4					
	Q2 2007	3					3					
Results from investments accounted for using the equity method	Q2 2008											
	Q2 2007	5				5						
Other operating expenses	Q2 2008	12			0		10	2				
	Q2 2007	12			0		9	3				
Interest and similar income / expenses	Q2 2008	0	0									
	Q2 2007	0	0									
Results from ordinary activities	**Q2 2008**	**11**	**0**	**48**	**0**		**38**	**1**				
	Q2 2007	**12**	**0**	**43**	**1**	**5**	**36**	**-1**				
Income taxes	Q2 2008	4									4	
	Q2 2007	3									3	
Segment result	**Q2 2008**	**7**										
	Q2 2007	**9**										

CONSOLIDATED BALANCE SHEET

OF AAREAL BANK GROUP

	Note	30 Jun 2008	31 Dec 2007
Assets		**€ mn**	**€ mn**
Cash funds		1,122	1,051
Loans and advances to banks	8	1,424	2,245
Loans and advances to customers	9	25,033	24,985
Allowance for credit losses		-213	-190
Positive market value of derivative hedging instruments		986	899
Trading assets	10	1,719	1,819
Non-current assets held for sale and discontinued operations		24	20
Non-trading assets	11	9,325	8,811
Investments accounted for using the equity method		2	92
Investment properties		99	10
Intangible assets	12	76	80
Property and equipment	13	97	101
Income tax assets		23	32
Deferred tax assets		64	61
Other assets	14	534	186
Total		**40,315**	**40,202**
Shareholders' equity and liabilities		**€ mn**	**€ mn**
Liabilities to banks	15	4,975	4,953
Liabilities to customers	16	23,198	21,790
Certificated liabilities	17	6,639	7,862
Negative market value of derivative hedging instruments		1,328	1,128
Trading liabilities	18	832	995
Obligations from disposal groups held for sale and discontinued operations		0	0
Provisions	19	218	273
Income tax liabilities		15	18
Deferred tax liabilities		38	55
Other liabilities	20	232	183
Subordinated equity	21	1,281	1,318
Shareholders' equity	22, 23		
Subscribed capital		128	128
Capital reserves		511	511
Retained earnings		678	554
Reserves from transactions under common control		-12	-26
Revaluation surplus		-30	70
Minority interest		243	243
Consolidated profits		41	147
Total shareholders' equity		1,559	1,627
Total		**40,315**	**40,202**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2008	2007
	€ mn	€ mn
Consolidated shareholders' equity as at 01 January	**1,627**	**1,372**
Retained earnings	-2	-2
Reserves from transactions under common control	14	–
Revaluation surplus	-100	39
Minority interest	0	23
Dividend payment	-21	-21
Consolidated net income / loss attributable to shareholders of Aareal Bank AG	41	89
Consolidated shareholders' equity as at 30 June	**1,559**	**1,500**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2008	2007
	€ mn	€ mn
Cash and cash equivalents as at 01 January	**1,051**	**1,331**
Cash flow from operating activities	634	979
Cash flow from investing activities	-506	-336
Cash flow from financing activities	-57	-85
Total cash flow	**71**	**558**
Effect of changes in exchange rates	0	0
Cash and cash equivalents as at 30 June	**1,122**	**1,889**

BASIS OF ACCOUNTING

Legal framework

Aareal Bank AG is a listed public limited company incorporated under German law, with its registered office in Wiesbaden, Germany. It is the parent company of an international property finance and services group.

Aareal Bank AG prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) applicable within the European Union (EU) as at the balance sheet date, in connection with the provisions pursuant to section 315a (1) of the German Commercial Code (Handelsgesetzbuch - "HGB"). In particular, the condensed interim consolidated financial statements comply with the requirements for interim financial reporting set out in IAS 34. Certain disclosures required in accordance with IAS 34 were made in the Group Management Report; this is in line with the procedure applied for the consolidated financial statements 2007. The reporting currency is the euro (EUR).

As a publicly traded company, Aareal Bank AG is required to prepare half-yearly financial reports pursuant to section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG"). The half-yearly financial report comprises the present condensed interim consolidated financial statements, as well as an interim group management report (see Group Management Report).

Reporting entity structure

All subsidiaries of Aareal Bank AG have been consolidated. Joint ventures are consolidated proportionally, whilst associates have been accounted for using the equity method in the present interim consolidated financial statements.

Effective 31 March 2008, Aareal Financial Services USA Inc., Wilmington / Delaware, hitherto a subsidiary of the Aareal Bank Group, was merged into Aareal Capital Corporation, Wilmington / Delaware, which was established in January 2008 (also as a member of the Aareal Bank Group).

There were no other material changes to the scope of consolidation during the period under review.

Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements 2007 were also applied for these condensed interim consolidated financial statements, including the calculation of comparative figures.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) Net interest income

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Interest income from		
Property loans	509	450
Public-sector loans	45	43
Other lending and money market operations	244	238
Fixed-income securities and debt register claims	175	173
Current dividend income	6	6
Other interest income	0	0
Total interest income	**979**	**910**
Interest expenses for		
Bonds issued	254	241
Borrowed funds	223	210
Subordinated equity	38	38
Term deposits taken	185	149
Overnight deposits taken	55	61
Other banking transactions	3	9
Total interest expenses	**758**	**708**
Total	**221**	**202**

(2) Allowance for credit losses

The allowance for credit losses amounted to € 40 million during the first six months of the financial year 2008 (H1 2007: € 44 million). The amount recognised is determined as a proportion of the amounts projected for the year as a whole.

(3) Net commission income

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Net commission income from consulting and other services	53	50
Net commission income from trustee loans and administered loans	6	9
Net commission income from securities transactions	0	0
Net commission income from securitisation transactions	-3	-8
Net commission income from other lending and capital market transactions	9	16
Net other commission income	3	6
Total	**68**	**73**

(4) Net trading income

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Results from derivative financial instruments	-12	7
Currency translation	4	0
Net income / expenses from other positions held for trading	-17	0
Total	**-25**	**7**

(5) Results from non-trading assets

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Results from securities sales	3	16
Results from the measurement of securities	-2	0
Results from the disposal of participating interests	0	10
Results from the measurement of participating interests	0	0
Total	**1**	**26**

(6) Administrative expenses

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Staff expenses	104	109
of which: for pensions	12	9
Other administrative expenses	63	61
Depreciation, amortisation and impairment of property and equipment and intangible assets	10	10
Total	**177**	**180**

(7) Net other operating income / expenses

	01 Jan - 30 Jun 2008 € mn	01 Jan - 30 Jun 2007 € mn
Income from properties	2	8
Income from the release of provisions	4	4
Income from goods and services	0	1
Other	26	51
Total other operating income	**32**	**64**
Expenses for properties	1	7
Expenses for services used	0	0
Write-downs of trade receivables	0	0
Expenses for other taxes	0	1
Other	9	19
Total other operating expenses	**10**	**27**
Total	**22**	**37**

NOTES TO THE CONSOLIDATED BALANCE SHEET

(8) Loans and advances to banks

	30 Jun 2008 € mn	31 Dec 2007 € mn
Term deposits and current account balances	670	431
Public-sector loans	290	333
Receivables from securities repurchase transactions	398	1.377
Other loans and advances	66	104
Total	**1,424**	**2,245**

Loans and advances to banks are allocated to the measurement category “loans and receivables” (LAR).

(9) Loans and advances to customers

	30 Jun 2008 € mn	31 Dec 2007 € mn
Property financing	22,999	22,550
Public-sector loans	1,700	1,738
Other loans and advances	334	697
Total	**25,033**	**24,985**

Loans and advances to customers are allocated to the measurement category “loans and receivables” (LAR).

(10) Trading assets

	30 Jun 2008 € mn	31 Dec 2007 € mn
Debt and other fixed-income securities	1,215	1,390
Positive market values of standalone derivatives	504	429
Total	**1,719**	**1,819**

Trading assets are allocated to the measurement category “held for trading” (HFT).

(11) Non-trading assets

	30 Jun 2008 € mn	31 Dec 2007 € mn
Debt and other fixed-income securities	8,723	8,213
of which: loans and receivables (LAR)	542	955
held to maturity (HTM)	342	–
available for sale (AFS)	7,839	7,258
Equities and other non-fixed income securities (AFS)	596	594
Interests in affiliated companies (AFS)	–	–
Other investments (AFS)	6	4
Total	**9,325**	**8,811**

Non-trading assets are allocated to the measurement categories “loans and receivables” (LAR), “held to maturity” (HTM) or “available for sale” (AFS).

(12) Intangible assets

	30 Jun 2008 € mn	31 Dec 2007 € mn
Goodwill	29	29
Proprietary software	34	37
Other intangible assets	13	14
Total	**76**	**80**

(13) Property and equipment

	30 Jun 2008 € mn	31 Dec 2007 € mn
Land, buildings and assets under construction	80	84
Office furniture and equipment	17	17
Total	**97**	**101**

(14) Other assets

	30 Jun 2008 € mn	31 Dec 2007 € mn
Properties	42	44
Trade receivables (LAR)	35	34
Other	457	108
Total	**534**	**186**

(15) Liabilities to banks

	30 Jun 2008 € mn	31 Dec 2007 € mn
Payable on demand	336	203
Term deposits	1,296	1,223
Promissory note loans borrowed	1,206	1,366
Liabilities from securities repurchase transactions and open-market operations	1,565	1,546
Registered mortgage bonds	434	398
Other	138	217
Total	**4,975**	**4,953**

Liabilities to banks are allocated to the measurement category “liabilities measured at amortised cost” (LAC).

(16) Liabilities to customers

	30 Jun 2008 € mn	31 Dec 2007 € mn
Payable on demand	3,777	3,570
Term deposits	6,946	5,547
Promissory note loans borrowed	8,272	8,472
Registered mortgage bonds	4,176	4,199
Other	27	2
Total	**23,198**	**21,790**

Liabilities to customers are allocated to the measurement category “liabilities measured at amortised cost” (LAC).

(17) Certificated liabilities

	30 Jun 2008 € mn	31 Dec 2007 € mn
Medium-term notes	2,152	2,765
Bearer mortgage bonds	3,633	3,233
Other debt securities	854	1,864
Total	**6,639**	**7,862**

Certificated liabilities are allocated to the measurement category “liabilities measured at amortised cost” (LAC).

(18) Trading liabilities

	30 Jun 2008 € mn	31 Dec 2007 € mn
Negative market values of standalone derivatives	240	170
Other liabilities held for trading	592	825
Total	**832**	**995**

Trading liabilities are allocated to the measurement category “held for trading” (HFT).

(19) Provisions

	30 Jun 2008 € mn	31 Dec 2007 € mn
Provisions for pensions and similar obligations	111	108
Other provisions	107	165
Total	**218**	**273**

(20) Other liabilities

	30 Jun 2008 € mn	31 Dec 2007 € mn
Liabilities from outstanding invoices	16	30
Deferred income	27	24
Liabilities from other taxes	6	22
Trade payables (LAC)	7	11
Other liabilities (LAC)	176	96
Total	**232**	**183**

(21) Subordinated equity

	30 Jun 2008 € mn	31 Dec 2007 € mn
Subordinated liabilities	589	603
Profit-participation certificates	468	483
Contributions by silent partners	224	232
Total	**1,281**	**1,318**

Items of subordinated equity are allocated to the measurement category “liabilities measured at amortised cost” (LAC).

(22) Treasury shares

No treasury shares were held during the period under review.

(23) Dividends

The Ordinary Shareholders’ Meeting of Aareal Bank AG on 21 May 2008 resolved that a dividend of € 0.50 per share be paid (equivalent to a total payout of € 21 million), from net profit for 2007.

OTHER DISCLOSURES

(24) Contingent liabilities and irrevocable loan commitments

	30 Jun 2008 € mn	31 Dec 2007 € mn
Contingent liabilities on guarantees and indemnity agreements	645	733
Irrevocable loan commitments	3,837	4,600

(25) New property financing

	01 Jan-30 Jun 2008 € mn	01 Jan-30 Jun 2007 € mn
Commercial property financing	2,672	5,241
of which: international	2,554	4,921
Property finance for commercial housing	253	661
of which: international	149	368
Total	**2,925**	**5,902**

(26) Employees

	01 Jan-30 Jun 2008	31 Dec 2007
Number of employees in the banking business	1,148	1,151
Number of employees in other businesses	1,329	1,395
Total	**2,477**	**2,546**
of which: part-time employees	363	438

The number of employees is calculated as the average number of staff, as at the quarterly dates within the period under review.

(27) Related party transactions

No major transactions with related parties were carried out during the first half of 2008.

RESPONSIBILITY STATEMENT

STATEMENT PURSUANT TO SECTION 37V OF THE GERMAN SECURITIES TRADING ACT (WPHG) IN CONJUNCTION WITH SECTION 37W (2) NO.3 OF THE WPHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group during the remaining months of the financial year.

Wiesbaden, 07 August 2008

The Management Board

Dr. Wolf Schumacher   Norbert Kickum   Hermann J. Merkens   Thomas Ortmanns

REVIEW REPORT
TO AAREAL BANK AG, WIESBADEN

We have reviewed the condensed consolidated interim financial statements - comprising the condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selected explanatory notes - and the interim group management report of Aareal Bank AG, Wiesbaden, for the period from January 1st to June 30th 2008 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, 07 August 2008

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Christian Rabeling	ppa. Thorsten Mohr
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

EXECUTIVE BODIES

[1] *Member of the Executive Committee*
[2] *Member of the Accounts and Audit Committee*
[3] *Member of the Credit and Market Risk Committee*
[4] *Member of the Committee for Urgent Decisions*
[5] *Employee representative*

Supervisory Board

Hans W. Reich [1) 2) 3) 4)], Kronberg
Chairman of the Supervisory Board
Chairman Public Sector Group, Citigroup

Erwin Flieger [1) 3) 4)], Geretsried
Deputy Chairman of the Supervisory Board
Chairman of the Supervisory Boards of Bayerische Beamten Versicherungsgruppe

York-Detlef Bülow [1) 2) 5)], Katzenelnbogen
Deputy Chairman of the Supervisory Board
Aareal Bank AG

Christian Graf von Bassewitz [2) 3) 4)], Dusseldorf
Banker (ret'd.)
(former Spokesman of the General Partners of Bankhaus Lampe KG)

Manfred Behrens, Munich
Managing Director of Schweizerische Lebensversicherungs- und Rentenanstalt (Swiss Life), German branch office

Tamara Birke [3) 5)], Wiesbaden
Aareal Bank AG

Thomas Hawel [5)], Saulheim
Aareon Deutschland GmbH

Dr. Herbert Lohneiß [3) 4)], Munich
Former Chief Executive Officer of Siemens Financial Services GmbH (ret'd.)

Joachim Neupel [2) 3) 4)], Meerbusch
Certified Accountant and Tax Advisor

Prof. Dr. Stephan Schüller [1) 2)], Hamburg
Spokesman of the General Partners of Bankhaus Lampe KG

Wolf R. Thiel [1)], Marxzell-Schielberg
President and Chairman of the Management Board of Versorgungsanstalt des Bundes und der Länder

Helmut Wagner [5)], Hahnheim
Aareon Deutschland GmbH

Management Board

Dr. Wolf Schumacher
Chairman of the Management Board

Norbert Kickum
Member of the Management Board

Hermann Josef Merkens
Member of the Management Board

Thomas Ortmanns
Member of the Management Board

OUR OFFICES

Wiesbaden Head Office

Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden, Germany
Phone: +49 611 3480
Fax: +49 611 3482549

Structured Property Financing

Amsterdam
Byzantium Building
Stadhouderskade 14e
1054 ES Amsterdam, The Netherlands
Phone: +31 20 5898660
Fax: +31 20 5898666

Berlin
Wallstrasse 9-13
10179 Berlin, Germany
Phone: +49 30 880990
Fax: +49 30 88099470

Brussels
7, rue Guimard
1040 Brussels, Belgium
Phone: +32 2 5144090
Fax: +32 2 5144092

Hamburg
Pelzerstrasse 7
20095 Hamburg, Germany
Phone: +49 40 33316546
Fax: +49 40 33316599

Helsinki
Aleksanterinkatu 44, 4th floor
00100 Helsinki, Finland
Phone: +358 9 6961010
Fax: +358 9 69610111

Istanbul
Ebulula Mardin Caddesi
Maya Meridyen Iş Merkezi · D:2 Blok
Kat. 11 · 34335 Akatlar-Istanbul, Turkey
Phone: +90 212 3490200
Fax: +90 212 3490299

Copenhagen
Frederiksgade 7, 1
1265 Kopenhagen K, Denmark
Phone: +45 70 109090
Fax: +45 70 109091

London
38 Lombard Street
London EC3V 9BS, United Kingdom
Phone: +44 20 74569200
Fax: +44 20 79295055

Madrid
Paseo de la Castellana, 60 – 4D
28046 Madrid, Spain
Phone: +34 917 454160
Fax: +34 917 450775

Milan
Via Paolo Andreani, 6
20122 Milan, Italy
Phone: +39 02 76419001
Fax: +39 02 764190211

Munich
Prinzregentenstrasse 22
80538 Munich, Germany
Phone: +49 89 51270
Fax: +49 89 5127211

New York
Aareal Capital Corporation
250 Park Avenue, Suite 820
New York NY 10177, USA
Phone: +1 212 5084080
Fax: +1 917 3220285

Paris
Aareal Bank France S.A.
5, rue Scribe
75009 Paris, France
Phone: +33 1 44516630
Fax: +33 1 42669794

Prague
Aareal Financial Service spol. s r.o.
FORUM Building · Václavské námestí 19
11000 Prague 1, Czech Republic
Phone: +420 234656000
Fax: +420 234656011

Rhine-Main-Ruhr
Paulinenstrasse 15
65189 Wiesbaden, Germany
Phone: +49 611 3483166
Fax: +49 611 3482833

Rome
Via Mercadante, 12/14
00198 Rome, Italy
Phone: +39 06 83004200
Fax: +39 06 83004250

Singapore
Aareal Bank Asia Limited
3 Church Street
17-03 Samsung Hub
Singapore 049483, Singapore
Phone: +65 6866 1410
Fax: +65 6536 8162

Stockholm
Hamngatan 11
11147 Stockholm, Sweden
Phone: +46 8 54642000
Fax: +46 8 54642001

Warsaw
Aareal Financial Service Polska Sp. z o.o.
RONDO 1
Rondo ONZ 1
00-124 Warsaw, Poland
Phone: +48 22 5449060
Fax: +48 22 5449069

Zurich
Rennweg 52
8001 Zurich, Switzerland
Phone: +41 43 8887575
Fax: +41 43 8887576

Aareal Estate AG
Paulinenstrasse 15
65189 Wiesbaden, Germany
Phone: +49 611 3482025
Fax: +49 611 3482775

Aareal Valuation GmbH
Paulinenstrasse 15
65189 Wiesbaden, Germany
Phone: +49 611 3482134
Fax: +49 611 3482640

Deutsche Structured Finance GmbH
Westendstraße 24
60325 Frankfurt/Main, Germany
Phone: +49 69 9714970
Fax: +49 69 97149715

Consulting / Services

Aareal Bank AG · Institutional Housing Unit
Paulinenstrasse 15
65189 Wiesbaden, Germany
Phone: +49 611 3482967
Fax: +49 611 3482499

Institutional Housing Unit · Berlin Branch
Wallstrasse 9-13
10179 Berlin, Germany
Phone: +49 30 88099444
Fax: +49 30 88099470

Institutional Housing Unit · Essen Branch
Huyssenallee 48
45128 Essen, Germany
Phone: +49 201 81008100
Fax: +49 201 81008200

Institutional Housing Unit · Hamburg Branch
Pelzerstrasse 7
20095 Hamburg, Germany
Phone: +49 40 33316810
Fax: +49 40 33316399

Institutional Housing Unit · Leipzig Branch
Neumarkt 2-4
04109 Leipzig, Germany
Phone: +49 341 2272160
Fax: +49 341 2272101

Institutional Housing Unit · Munich Branch
Prinzregentenstrasse 22
80538 Munich, Germany
Phone: +49 89 5127265
Fax: +49 89 51271264

Institutional Housing Unit · Rhine-Main-Ruhr Branch
Paulinenstrasse 15
65189 Wiesbaden, Germany
Hotline: +49 611 3482000
Fax: +49 611 3483002

Institutional Housing Unit · Stuttgart Branch
Kriegerstrasse 3
70191 Stuttgart, Germany
Phone: +49 711 2236116
Fax: +49 711 2236160

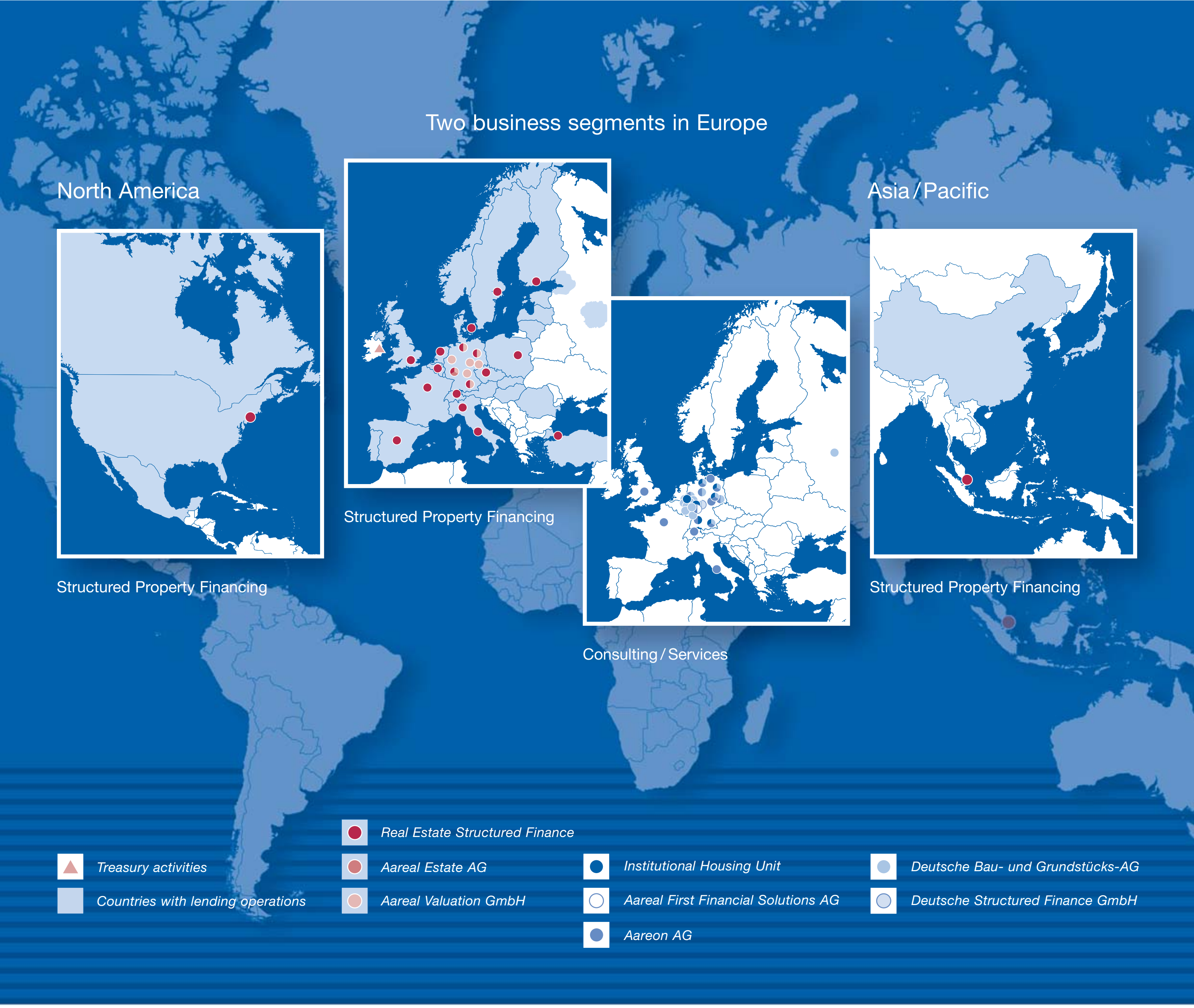
Aareon AG
Im Münchfeld 1-5
55122 Mainz, Germany
Phone: +49 6131 3010
Fax: +49 6131 301419

Aareal First Financial Solutions AG
Peter-Sander-Strasse 30
55122 Mainz-Kastel, Germany
Phone: +49 6134 560201
Fax: +49 6134 560401

Deutsche Bau- und Grundstücks-Aktiengesellschaft
Chlodwigplatz 1
53119 Bonn, Germany
Phone: +49 228 5180
Fax: +49 228 518298

Deposit-taking

Dublin
Dublin Exchange Facility
4 Custom House Plaza
I.F.S.C.
Dublin 1, Ireland
Phone: +353 1 6369220
Fax: +353 1 6702785



08 / 2008

FINANCIAL CALENDAR

11 Nov 2008	Interim report for the period ending 30 Sep 2008
07 May 2009	Annual General Meeting – Kurhaus, Wiesbaden

AMSTERDAM
BERLIN
BRUSSELS
DUBLIN
HAMBURG
HELSINKI
ISTANBUL
COPENHAGEN
LONDON
MADRID
MILAN
MUNICH
NEW YORK
PARIS
PRAGUE
ROME
SINGAPORE
STOCKHOLM
WARSAW
WIESBADEN
ZURICH

Aareal Bank

Aareal Bank AG · Corporate Communications
Paulinenstraße 15 · D-65189 Wiesbaden
Telefon: +49 611 348 3009 · Fax: +49 611 348 2637
E-Mail: aareal@aareal-bank.com · www.aareal-bank.com