

LOCAL EXPERTISE  
MEETS GLOBAL EXCELLENCE

# Analyst Conference 2010

March 31, 2010

Dr. Wolf Schumacher, CEO – Hermann J. Merkens, CFO



**Aareal Bank  
Group**

# Agenda

## Analyst Conference 2010

Managing  
the crisis

Still challenging  
environment

Recovery of  
market environment

Normalised  
markets

2009

2010

2011

2012 ff



# Agenda

## Analyst Conference 2010

**Managing  
the crisis**

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**2009**

**2010**

**2011**

**2012 ff**



2009 at a glance



**Aareal Bank  
Group**

## 2009 at a glance: All targets achieved

All targets achieved:	Guidance 2009	Reported 2009	
<b>Net interest income</b>	€ 455 - 475 mn	achieved: € 460 mn	✓
<b>Allowance for credit losses</b>	€ 150 mn	achieved: € 150 mn	✓
<b>Administrative expenses</b>	~ € 360 mn	achieved: € 361 mn	✓
<b>New business origination</b>	€ 2 - 3 bn	achieved: € 3.8 bn	✓
<b>Clean op. profit C/S segment</b>	€ 25 - 30 mn	achieved: € 26 mn (one offs: € - 6 mn)	✓
<b>Capitalisation and Funding</b>			
<b>Strong capital position</b>	Tier 1 ratio: 11.0% CRSA (target: 10%)		✓
<b>Solid refinancing situation</b>	€ 5.4 bn raised; flexible use of secured and unsecured funding		✓

Aareal Bank plans to pay back a first tranche of it's SoFFin participation until early 2011



## 2009 at a glance:

### Solid operating performance despite difficult markets

	2009	2008 <sup>1)</sup>	Change	Comments
<b>Euro mn</b>				
Net interest income	460	500	-8.0 %	<ul style="list-style-type: none"> <li>▪ Net interest income burdened               <ul style="list-style-type: none"> <li>▫ by strong liquidity position</li> <li>▫ historically low interest environment of the deposit taking business margins</li> </ul> </li> </ul>
Allowance for credit losses	150	80	87.5 %	<ul style="list-style-type: none"> <li>▪ Upper end of the given range</li> <li>▪ Includes € 14 mn of additional General Portfolio LLP</li> </ul>
Net commission income	133	149	-10.7 %	<ul style="list-style-type: none"> <li>▪ Very solid Aareon development</li> <li>▪ Reflects conservative new business origination</li> </ul>
Net trading result	44	-31	-	<ul style="list-style-type: none"> <li>▪ Reflects volatile markets</li> </ul>
Administrative expenses	361	364	-1.4 %	<ul style="list-style-type: none"> <li>▪ Stable due to efficiency measures</li> </ul>
Operating profit	87	110	-20.9 %	<ul style="list-style-type: none"> <li>▪ Solid result despite challenging environment</li> </ul>

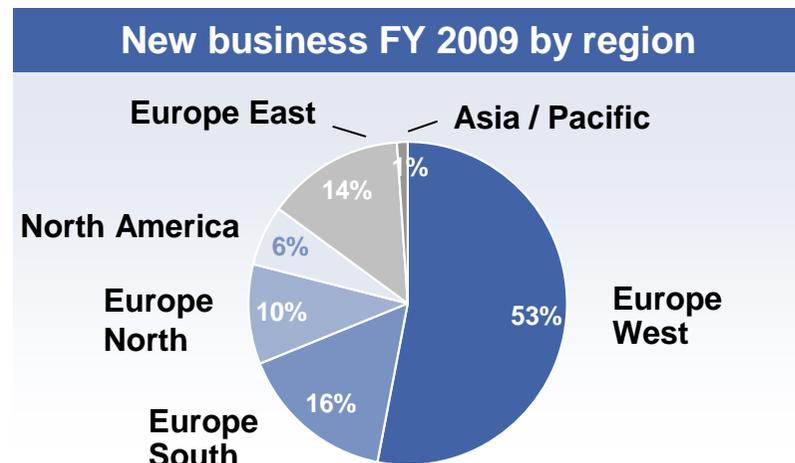
1) Figures adapted



# Structured property financing

## New business exceeding guidance – LLP in line

P&L SPF Segment	2009	2008 <sup>1)</sup>	Change
<b>Euro mn</b>			
Net interest income	410	431	-4.9%
Loan loss provision	150	80	87.5%
Commission income	1	28	-96.4%
Net trading result	44	-31	-
Result from non-trading assets	-22	-102	-
Admin expenses	201	217	-7.4%
Others	-10	29	-
<b>Operating profit</b>	<b>67</b>	<b>66</b>	<b>1.5%</b>



1) Figures adapted

- New business origination exceeding target
  - Focussed on existing clients
  - Preferably loans eligible for Pfandbrief cover pool
- Unchanged focus on portfolio monitoring and active management
- Loan loss provisions in line with guidance
- General Portfolio LLP from € 34 mn to € 48 mn further strengthened



**Aareal Bank Group**

# Consulting / Services

## Solid in IT & volumes – weak in deposit margins

P&L C/S Segment (industry format)	2009	2008	Change
<b>Euro mn</b>			
Sales revenue	209	229	-8.7%
Own work capital	2	1	100.0%
Changes in inventory	0	0	-
Other operating income	7	12	-41.7%
Cost of material purchased	25	36	-30.6%
Staff expenses	109	99	10.1%
<i>Excl. one-offs</i>	103	99	4.0%
D, A, impairment losses	14	14	-
Results at equity acc. investm.	0	-	-
Other operating expenses	50	49	2.0%
Results from interest and similar	0	0	-
<b>Result from ordinary activities</b>	<b>20</b>	<b>44</b>	<b>-54.5%</b>
Income taxes	7	14	-50.0%
<b>Segment result</b>	<b>13</b>	<b>30</b>	<b>-56.7%</b>
Segment result attributed to minority interests	2	2	-
<b>Consolidated retained profit</b>	<b>11</b>	<b>28</b>	<b>-60.7%</b>

### Aareon 2009

- Solid development
- Long term contracts generate stable revenues (> 85 % of total revenues)
- New product line Wodis Sigma successfully introduced in 2009 with over 200 contracts already being signed
- Fewer large scale SAP implementations as anticipated
- € 6 mn one-offs for Staff adjustment after finalisation of SAP-based 'Blue Eagle' and Discontinuation of non-core activities

### Aareal Bank 2009

- Aareal sustains it's position as the house bank of the German housing sector
- Interest rate environment still impacts net interest income (NII)
- Stable deposits around € 4 bn on average



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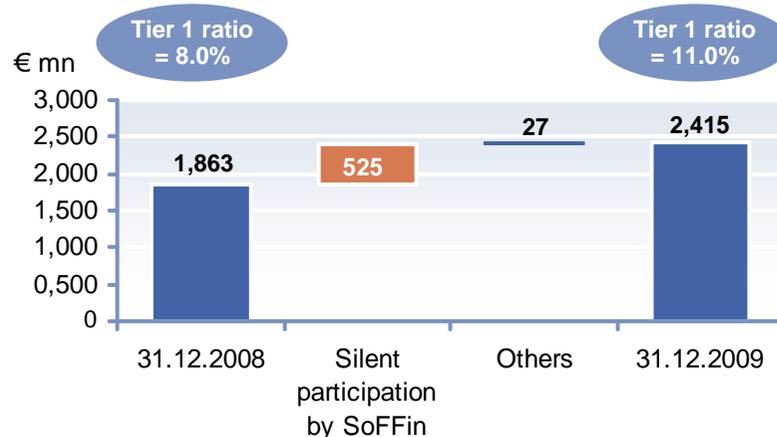
# Group capital and funding



**Aareal Bank  
Group**

# Tier 1 Ratio increased to 11.0% (CRSA)

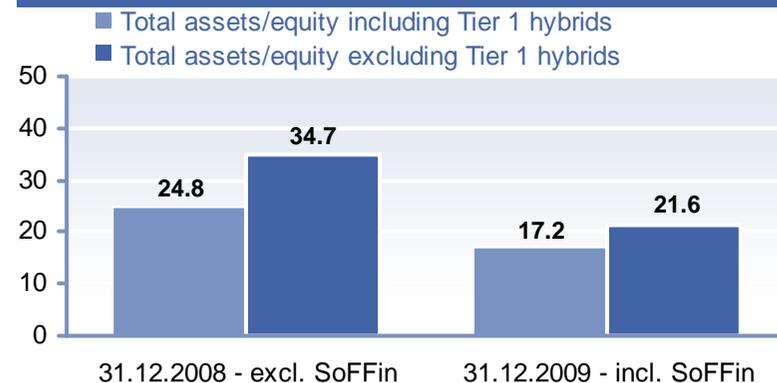
## Tier 1 capital (CRSA / German GAAP) after SoFFin measure



## Composition of Tier 1 capital

	31.12.2009	31.12.2008
<b>€ mn</b>		
Core Tier 1	1,945	1,393
Hybrid Tier 1	470	470
Hybrid ratio	20%	25%
<b>Total Tier 1</b>	<b>2,415</b>	<b>1,863</b>

## Leverage ratio<sup>1)</sup>



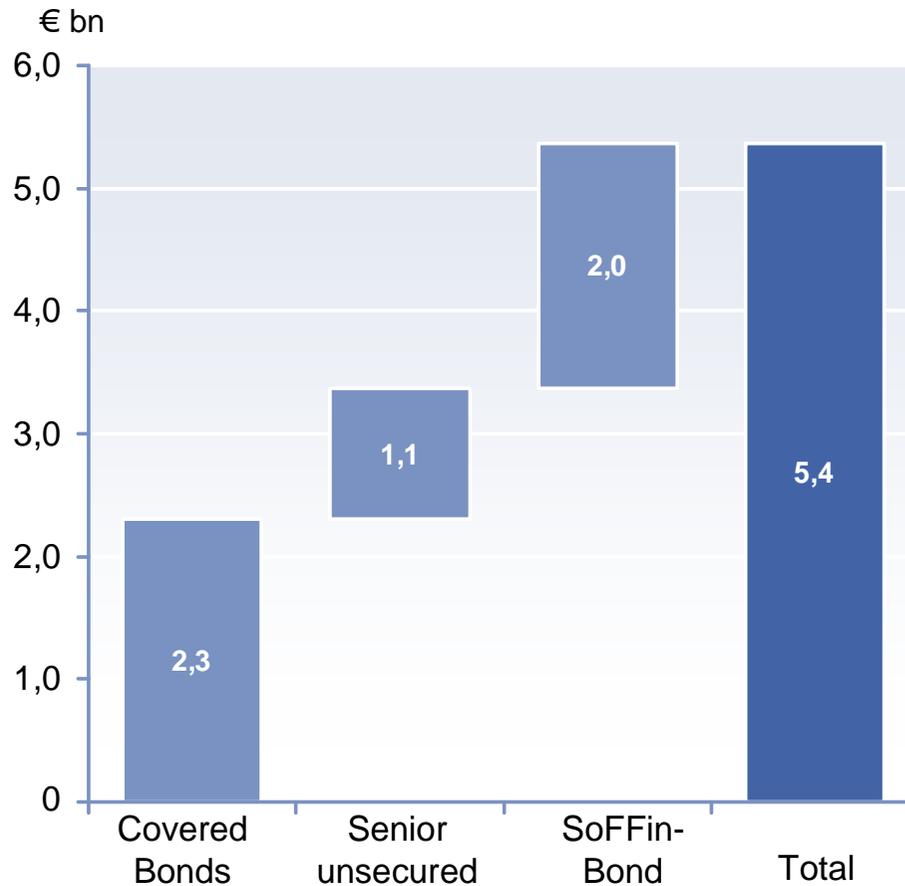
- Tier 1 ratio of 11.0% (CRSA) puts Aareal in a solid position in relation to peers and market requirements
- Already a very low balance sheet leverage compared to peers – no need for future adjustments

1) Gross IFRS numbers (particularly no netting of derivatives)



# Refinancing situation 2009

## Flexible use of secured and unsecured funding



**Total funding of € 5.4 bn,  
focus on tailor made products**

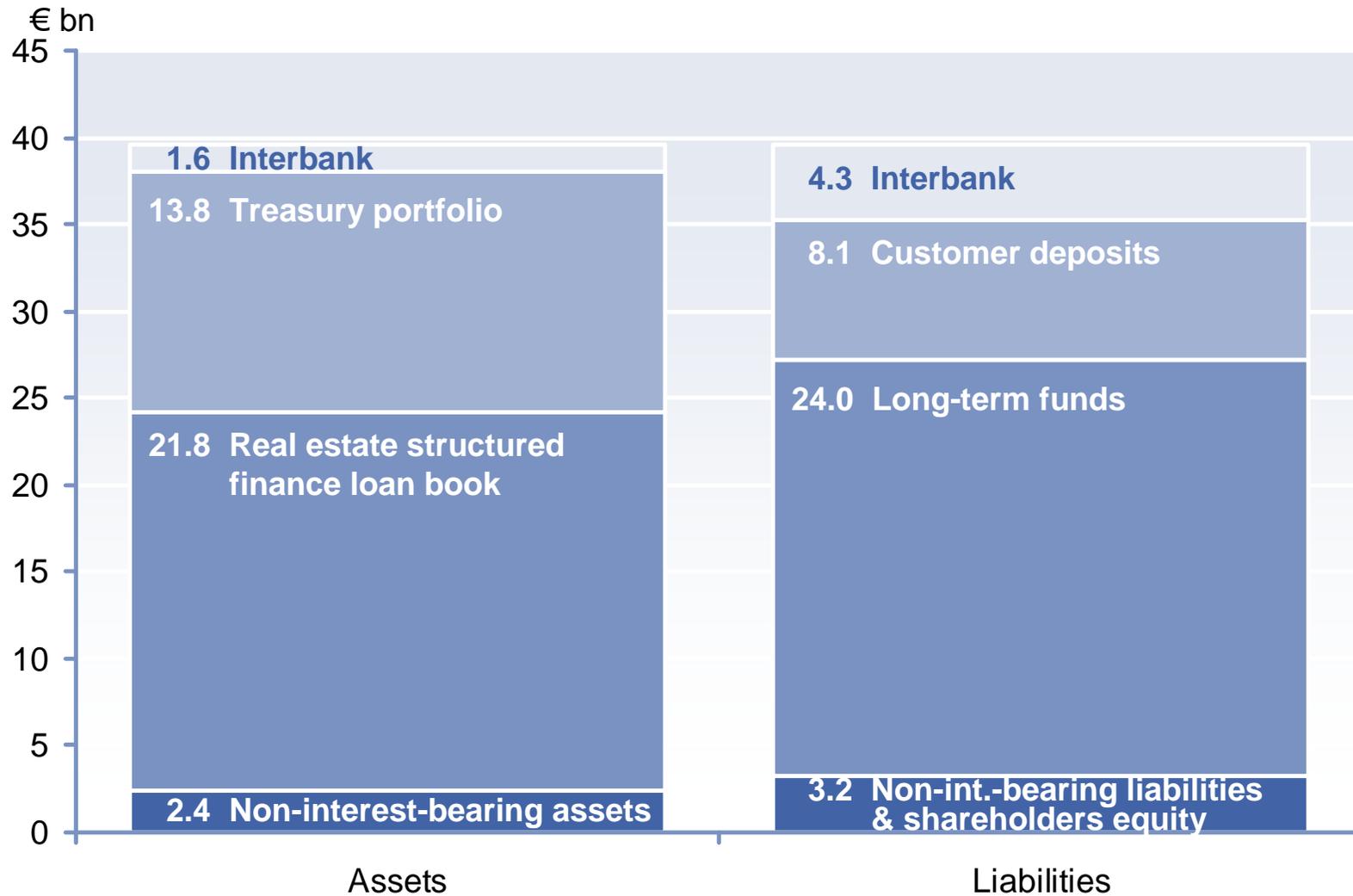
- Covered bonds (Pfandbriefe):
  - € 2.3 bn
- Senior unsecured:
  - € 1.1 bn Senior unsecured
  - € 2.0 bn SoFFin-Bond

**The trend towards the end  
of the year was generally:**

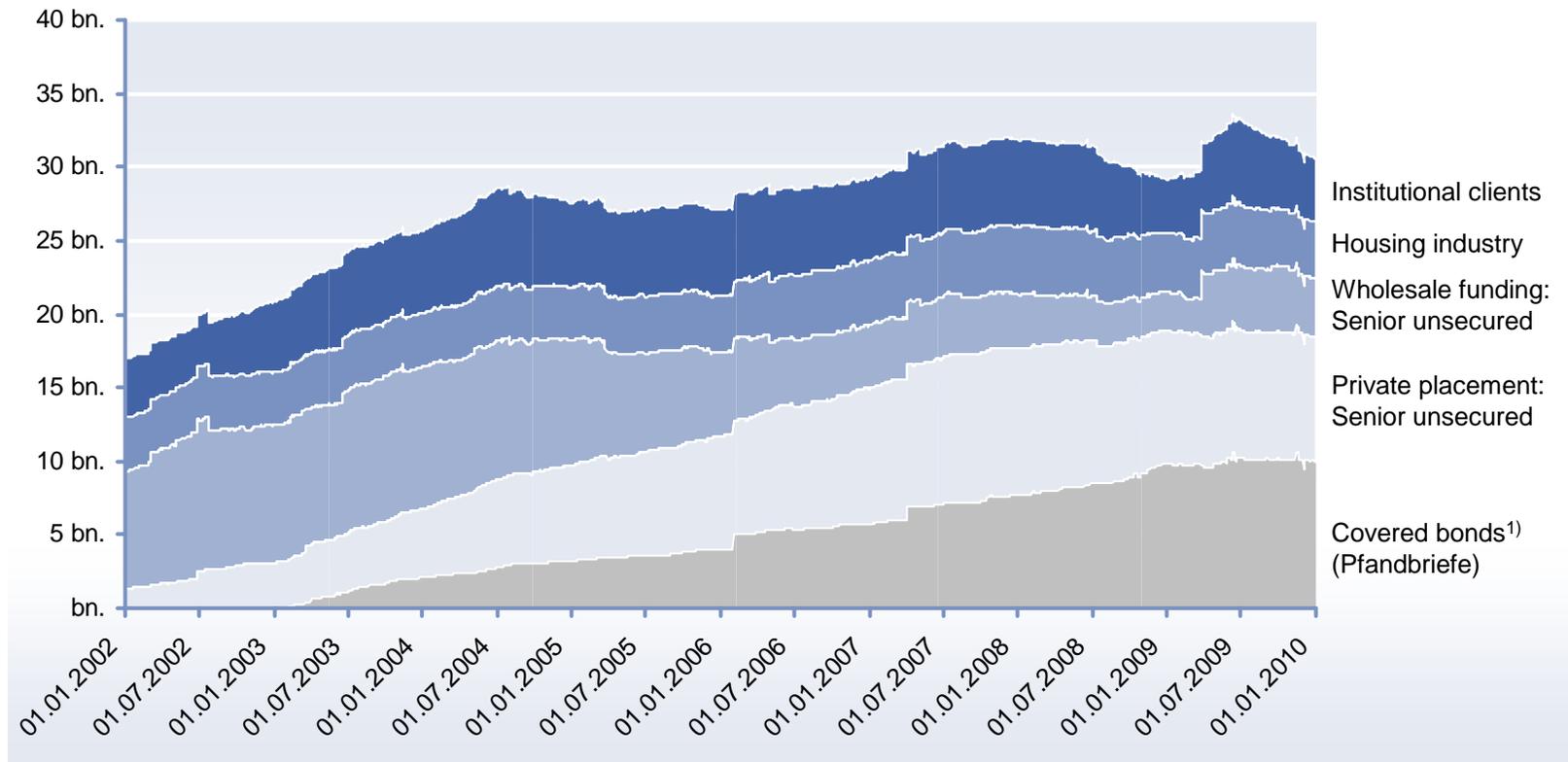
- Higher volumes
- Longer maturities
- Tighter spreads

# Asset- / Liability structure according to IFRS

As at 31.12.2009: € 39.6 bn



# Diversified funding sources and distribution channels



→ Aareal has reduced the significance of wholesale senior unsecured funding within it's funding mix

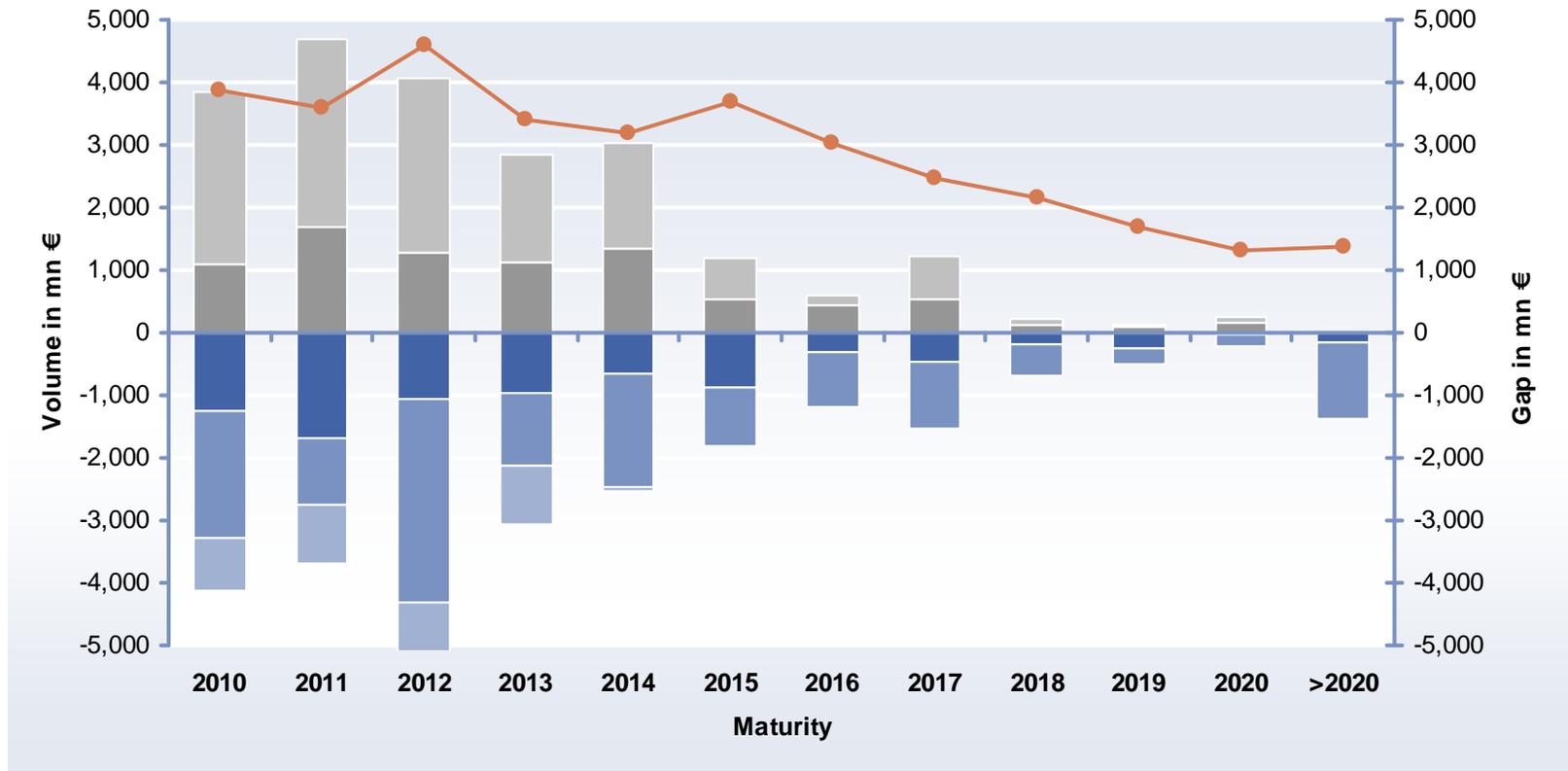
As at 31.12.2009

1) Private placements and wholesale



# Maturity profile

## Positive liquidity gap



- Refinancing covered bonds (Pfandbriefe)
- Refinancing senior unsecured
- Deposits

- Loan portfolio senior
- Loan portfolio cover pool
- Gap

As at 31.12.2009



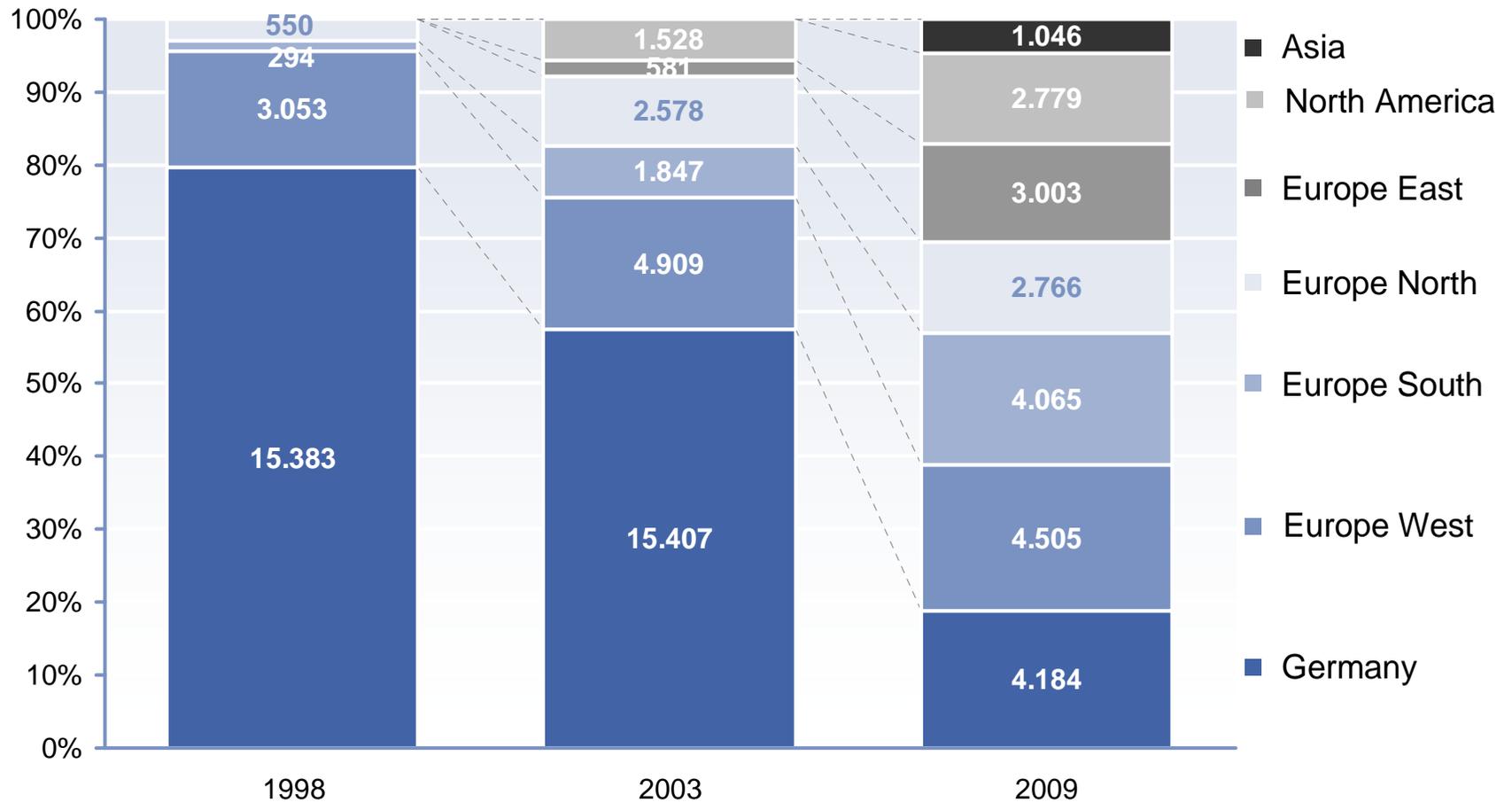
# Asset quality



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# Development property financing portfolio

## Diversification continuously strengthened

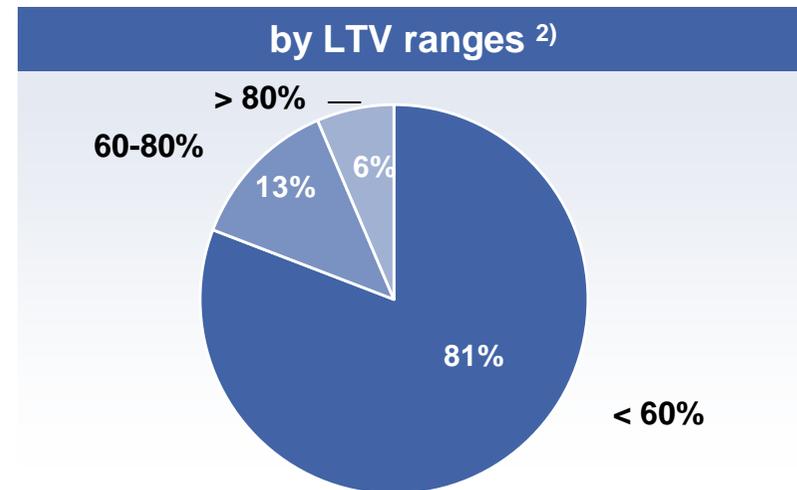
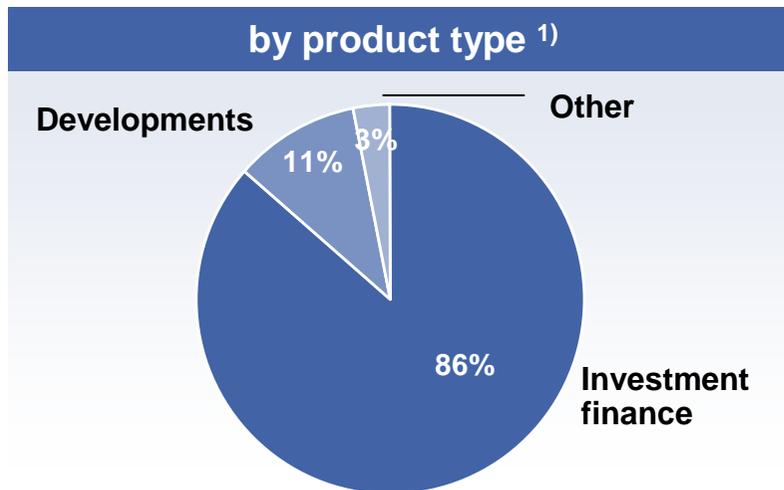
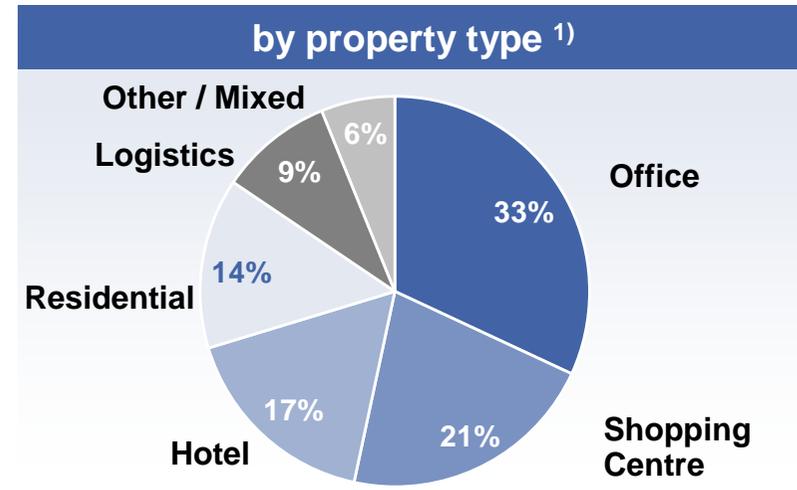
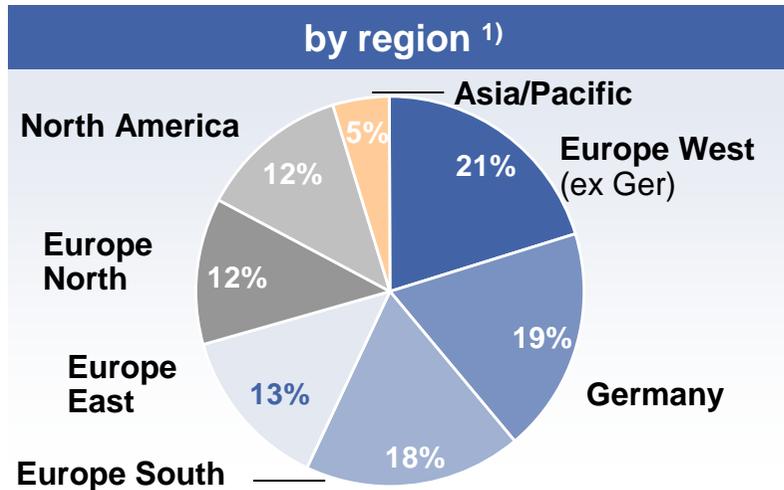


Property finance under management



# Total property finance portfolio:

## High diversification and sound asset quality



1) Total volume outstanding of € 22.3 bn as at 31.12.2009

2) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages; values as at 31.12.2009



# Coverage ratio is more than sufficient

## Economic downturn impacts the NPL-level

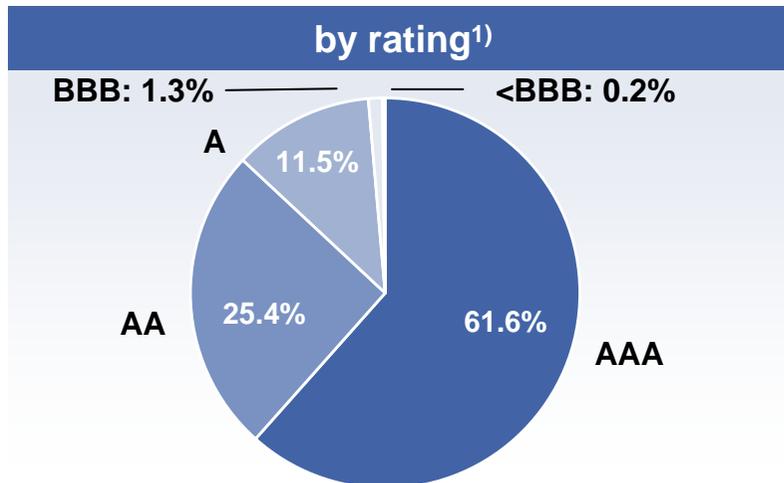
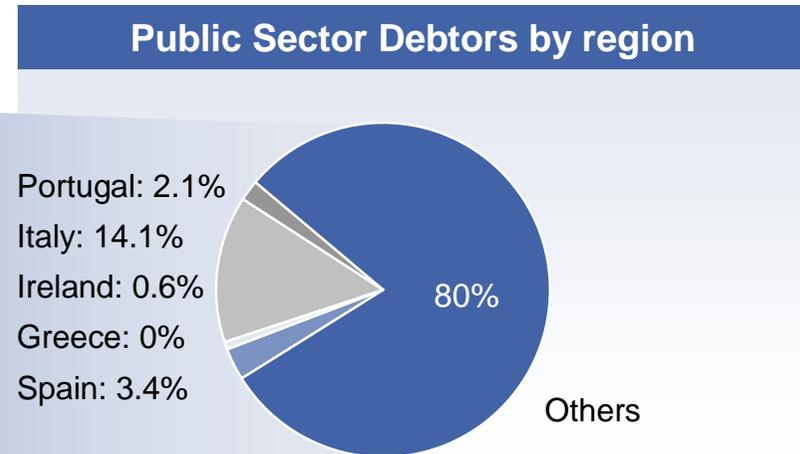
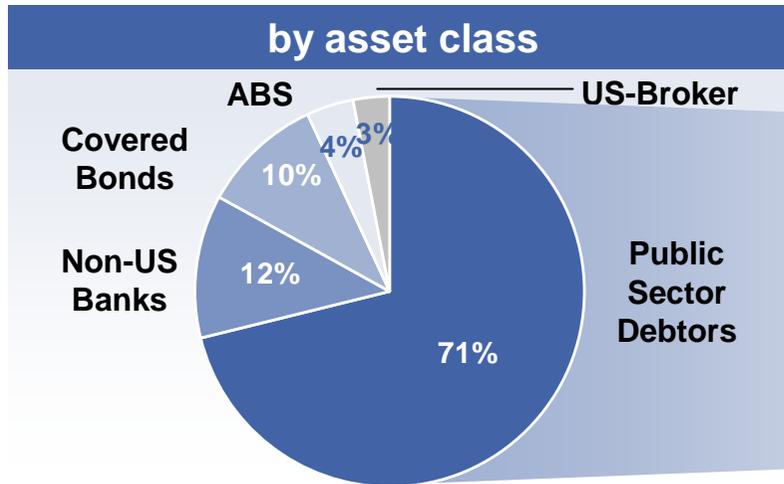
LLP- and NPL development				
	NPL Exposure <sup>1)</sup>	Specific Allowances <sup>1)2)</sup>	Portfolio Allowances	
			General LLP	General Portfolio LLP
<b>Euro mn</b>				
As at 31.12.2008	452	179	51	34
Utilisation 2009	- 164	- 112	-	-
Addition 2009	422	135	1	14
As at 31.12.2009	710	202	52	48
<b>Coverage ratio specific allowances</b>		<b>28.5 %</b>		
		202	52	
As at 31.12.2009	710	254		
<b>Coverage ratio incl. General LLP</b>		<b>35.8 %</b>		

- 1) Incl. property finance portfolio still on DEPFA's balance sheet  
 2) Figures adapted



# Treasury portfolio

€ 13.2 bn of high quality assets



As at February 2010

1) Fitch Rating (or Composite if no Fitch Rating available)



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# Aareal Bank well equipped for the upcoming challenges

## Solid und sustainable credit policy

- Conservative lending policies
- Proactive credit management

## Close to customers and markets

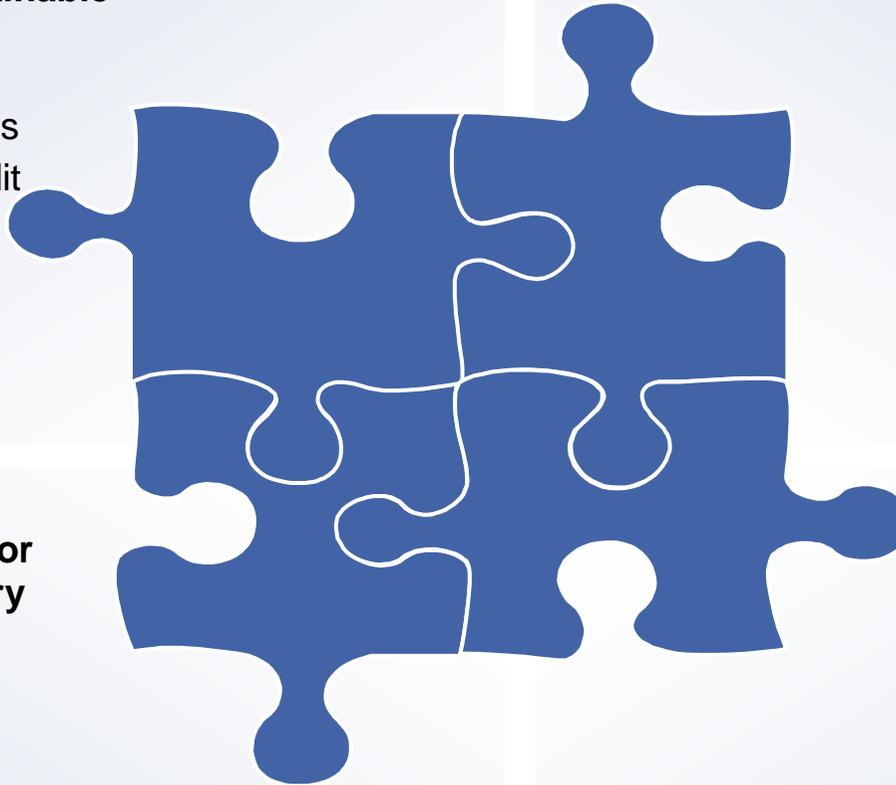
- Local presence
- Local market know-how
- Own customer base

## Well prepared for future regulatory environment

- Strong capital position
- Moderate leverage ratio
- Solid refinancing situation

## Proactive funding

- Use of all funding sources
- Focus on Pfandbrief and private placement
- Matching maturities



# Outlook - Aareal Bank's market expectations

Expected average of market value decline across all commercial real estate property types and regions in 2010<sup>1)</sup>

**North America**  
Bottoming out:

- Canada
- Mexico
- USA



**Asia / Pacific**  
Bottoming out:

- China
- Japan
- Singapore

**Europe - Down:**

- Czech Republic
- Finland
- France
- Great Britain
- Italy
- Netherlands
- Spain
- Switzerland

**Europe - Bottoming out:**

- Belgium
- Denmark
- Germany
- Norway
- Poland
- Russia
- Sweden
- Turkey

1) The individual market value of a single property may vary, change 2009 to 2010

## On track in Q1 2010

### Group

**Net interest income**      ■ Positive development

**Net loan loss provisions**      ■ Still on a clearly manageable level

**Admin expenses**      ■ Determined by high cost discipline

### Structured Property Financing

**New business**      ■ On track within seasonal planning

### Consulting / Services

**Deposit taking**      ■ Stable deposit volume

**IT business**      ■ Business development within seasonal expectations

**Positive start in 2010 despite the ongoing challenging environment**



# Outlook

2010		2011
<b>Net interest income</b>	<ul style="list-style-type: none"> <li>Target expected to improved to € 460 - € 480 mn</li> <li>Moderately increasing interest rate level assumed</li> </ul>	➔
<b>Net loan loss provisions</b>	<ul style="list-style-type: none"> <li>Expected to range between € 117 mn to € 165 mn</li> <li>Actual level will depend on the extend to which the additional allowance for credit losses of € 48 million will, in fact, be utilised</li> <li>As in 2009, the bank cannot rule out additional allowances for credit losses in 2010</li> </ul>	➔
<b>Net trading result / results from non-trading assets</b>	<ul style="list-style-type: none"> <li>Unpredictable in current markets / no significant burdens from non-trading assets expected</li> </ul>	
<b>Admin expenses</b>	<ul style="list-style-type: none"> <li>Under control around € 360 mn</li> </ul>	➔
<b>Operating profit</b>	<ul style="list-style-type: none"> <li>Good potential for increasing operating profit</li> </ul>	➔
<b>Structured Property Financing</b>		
<b>New business</b>	<ul style="list-style-type: none"> <li>€ 4 - 5 bn; focusing on existing client base but relatively fewer renewals</li> </ul>	➔
<b>Consulting / Services</b>		
<b>Operating profit</b>	<ul style="list-style-type: none"> <li>Slightly above the clean 2009-level</li> </ul>	➔



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# Positive mega-trends still unchanged

## **The future of real estate financing:**

- Amelioration of energy- and environmental efficiency driving investments
- Growing demand for residential and commercial buildings in most regions of the world
- Rising efficiency requirements concerning the functionality of buildings will necessitate refurbishments and significant investments
- After the financial crisis real estate will become more attractive than ever as a long-term investment with attractive risk-return profiles and low volatility

**After bottoming out and normalisation of markets, real estate property financing faces good prospects for strong and sustainable recovery of investment and transaction volumes**



# Competitive advantages of Aareal Bank

## Structured Property Financing

- Close to customers: local presence on 3 continents, deep understanding of customers' needs and local market characteristics
- Know-how: profound sector knowledge and state-of-the-art risk management systems
- Flexibility: mid-sized corporate structure allows for quick response to customers' needs and a changing environment

## Consulting / Services

- Strong second pillar: contributes stable profits and counterbalances cyclical structured property financing
- Stable customer deposits: lower dependence on capital market funding

**Aareal is well positioned to face current challenges  
and to exploit future opportunities**



# Outlook - Aareal Bank's market expectations

Expected average of market value changes across all commercial real estate property types and regions to 2014<sup>1)</sup>

## North America

Stable:

- Canada
- Mexico
- USA



## Asia / Pacific

Down:

- China

Stable:

- Japan
- Singapore

## Europe - Down:

- Great Britain

## Europe - Stable:

- Belgium
- Netherlands
- Russia
- Spain
- Sweden
- Switzerland

## Europe - Up:

- Czech Republic
- Denmark
- Finland
- France
- Germany
- Italy
- Poland
- Norway
- Turkey

1) The individual market value of a single property may vary, Index Basis 2010

# Mid-term Outlook

## Aareal Bank Group in normalised markets

<b>Structured Property Financing</b>	<ul style="list-style-type: none"><li>▪ Growth on 3 continents</li><li>▪ Growing loan portfolio</li><li>▪ Significantly higher returns</li></ul>
<b>Consulting / Services</b>	<ul style="list-style-type: none"><li>▪ Growing deposit taking business</li><li>▪ Exploitation of new client groups (utilities)</li><li>▪ Significantly higher returns</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>▪ Consequent usage of all funding sources</li><li>▪ Minimisation of funding costs</li></ul>
<b>Admin expenses</b>	<ul style="list-style-type: none"><li>▪ Maintaining high cost discipline</li><li>▪ Further improvement of efficiency</li></ul>

Pre-tax ROE target: 12% - 13%



# Re-entering our growth strategy after we managed the crises

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# Appendix



**Aareal Bank  
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# Aareal Bank Group

## Key figures 2009

	01.01.- 31.12.2009 Euro mn	01.01.- 31.12.2008 <sup>1)</sup> Euro mn	Change
<b>Profit and loss account</b>			
Net interest income	460	500	-8.0%
Allowance for credit losses	150	80	87.5%
<b>Net interest income after allowance for credit losses</b>	<b>310</b>	<b>420</b>	<b>-26.2%</b>
Net commission income	133	149	-10.7%
Net result on hedge accounting	-2	2	-
Net trading income / expenses	44	-31	-
Results from non-trading assets	-22	-102	-78.4%
Results from companies accounted for at equity	1	7	-85.7%
Results from investment properties	0	-1	-
Administrative expenses	361	364	-0.8%
Net other operating income / expenses	-14	30	-
Impairment of goodwill	2	0	-
<b>Operating Profit</b>	<b>87</b>	<b>110</b>	<b>-20.9%</b>
Income taxes	20	45	-55.6%
<b>Net income / loss</b>	<b>67</b>	<b>65</b>	<b>3.1%</b>
<b>Allocation of results</b>			
Net income / loss attributable to non-controlling interests	18	18	0.0%
Net income / loss attributable to shareholders of Aareal Bank AG	49	47	4.3%
<b>Appropriation of profits</b>			
Silent partnership contribution by SoFFin	26	-	-
<b>Consolidated retained profit / accumulated loss</b>	<b>23</b>	<b>47</b>	<b>-51.1%</b>

1) Figures adapted



# Aareal Bank Group: Segment Reporting

## Key figures 2009 by operating units

	Structured Property Financing		Consulting / Services		Consolidation/ Reconciliation/ Other		Aareal Bank Group	
	31.12. 2009	31.12. 2008 <sup>1)</sup>	31.12. 2009	31.12. 2008	31.12. 2009	31.12. 2008 <sup>1)</sup>	31.12. 2009	31.12. 2008 <sup>1)</sup>
Euro mn								
Net interest income	410	431	0	0	50	69	460	500
Allowance for credit losses	150	80	-	-	-	-	150	80
<b>Net interest income after allowance for credit losses</b>	<b>260</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>69</b>	<b>310</b>	<b>420</b>
Net commission income	1	28	184	193	-52	-72	133	149
Net result on hedge accounting	-2	2	-	-	-	-	-2	2
Net trading income / expenses	44	-31	-	-	-	-	44	-31
Results from non-trading assets	-22	-102	0	0	-	-	-22	-102
Results from companies accounted for at equity	1	7	0	-	-	-	1	7
Results from investment properties	0	-1	-	-	-	0	0	-1
Administrative expenses	201	217	163	151	-3	-4	361	364
Net other operating income / expenses	-12	29	-1	2	-1	-1	-14	30
Impairment of goodwill	2	-	0	0	-	-	2	0
<b>Operating profit</b>	<b>67</b>	<b>66</b>	<b>20</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>87</b>	<b>110</b>
Income taxes	13	31	7	14	-	-	20	45
<b>Net income / loss</b>	<b>54</b>	<b>35</b>	<b>13</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>67</b>	<b>65</b>
<b>Allocation of results</b>								
Net income / loss attributable to non-controlling interests	16	16	2	2	-	-	18	18
Net income / loss attributable to shareholders of Aareal Bank AG	38	19	11	28	0	0	49	47
Allocated equity	1,241	964	68	72	360	327	1,669	1,363
Cost/income ratio in %	47.9	59.8	88.8	77.5			60.2	65.7
RoE after taxes in %	3.1	2.0	15.4	38.5			2.9	3.4

1) Figures adapted



# Aareal Bank Group: Segment Reporting

## Key figures 2009 quarter by quarter

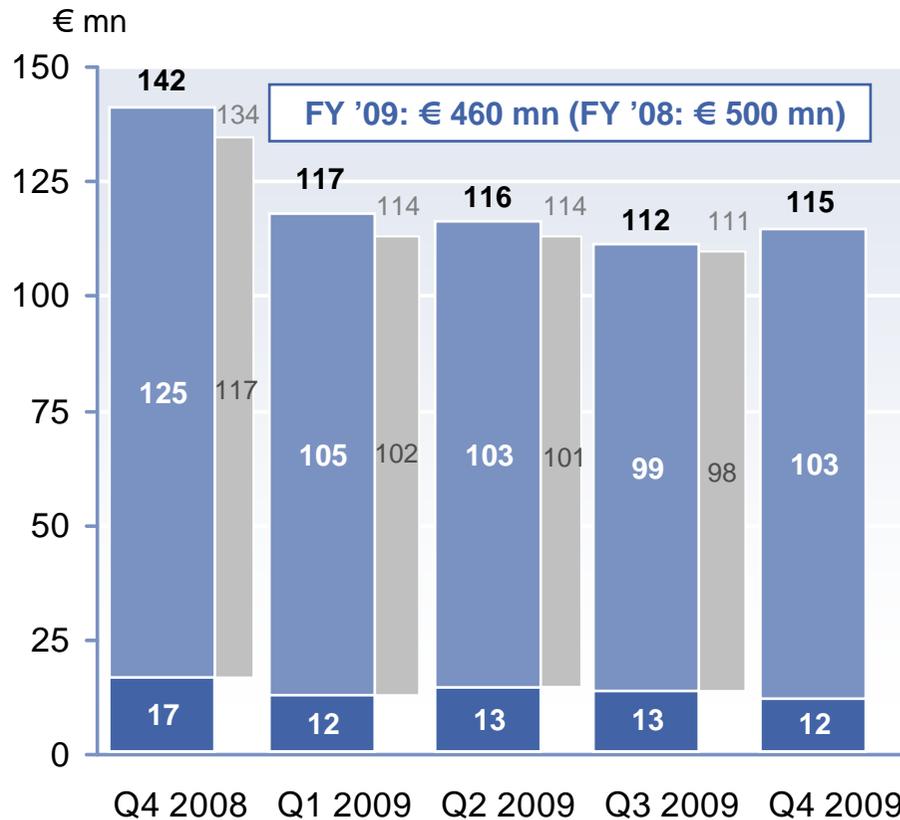
	Structured Property Financing					Consulting / Services					Consolidation / Reconciliation / Other					Aareal Bank Group				
	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4
	2009	2009 <sup>1)</sup>	2009 <sup>1)</sup>	2009 <sup>1)</sup>	2008 <sup>1)</sup>	2009	2009	2009	2009	2008	2009	2009	2009	2009	2008	2009	2009 <sup>1)</sup>	2009 <sup>1)</sup>	2009 <sup>1)</sup>	2008 <sup>1)</sup>
Euro mn																				
Net interest income	103	99	103	105	125	0	0	0	0	0	12	13	13	12	17	115	112	116	117	142
Allowance for credit losses	35	36	42	37	20											35	36	42	37	20
<b>Net interest income after allowance for credit losses</b>	<b>68</b>	<b>63</b>	<b>61</b>	<b>68</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>17</b>	<b>80</b>	<b>76</b>	<b>74</b>	<b>80</b>	<b>122</b>
Net commission income	2	-3	-3	5	13	50	44	46	44	53	-13	-13	-13	-13	-18	39	28	30	36	48
Net result on hedge accounting	1	-4	0	1	-2											1	-4	0	1	-2
Net trading income / expenses	3	18	5	18	-25											3	18	5	18	-25
Results from non-trading assets	-3	-3	1	17	-61	0	0	0	0	0						-3	-3	1	-17	-61
Results from companies accounted for at equity	1				4	0										1				4
Results from investment properties	-1	1	0	0	-1											-1	1	0	0	-1
Administrative expenses	42	53	54	52	51	42	39	39	43	41	-1	0	-1	-1	-1	83	92	92	94	91
Net other operating income / expenses	-10	-4	2	0	17	-2	1	0	0	-1	0	0	-1	0	0	-12	-3	1	0	16
Impairment of goodwill	2					0										2	0			0
<b>Operating profit</b>	<b>17</b>	<b>15</b>	<b>12</b>	<b>23</b>	<b>-1</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>21</b>	<b>19</b>	<b>24</b>	<b>10</b>
Income taxes	3	3	-1	8	-1	2	2	3	0	4						5	5	2	8	3
<b>Net income / loss</b>	<b>14</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>16</b>	<b>17</b>	<b>16</b>	<b>7</b>
<b>Allocation of results</b>																				
Net income / loss attributable to non-controlling interests	4	4	4	4	4	1	0	1	0	0						5	4	5	4	4
Net income / loss attributable to shareholders of Aareal Bank AG	10	8	9	11	-4	3	4	3	1	7	0	0	0	0	0	13	12	12	12	3

1) Figures adapted



# Net interest income:

## Reflecting conservative liquidity-, capital position

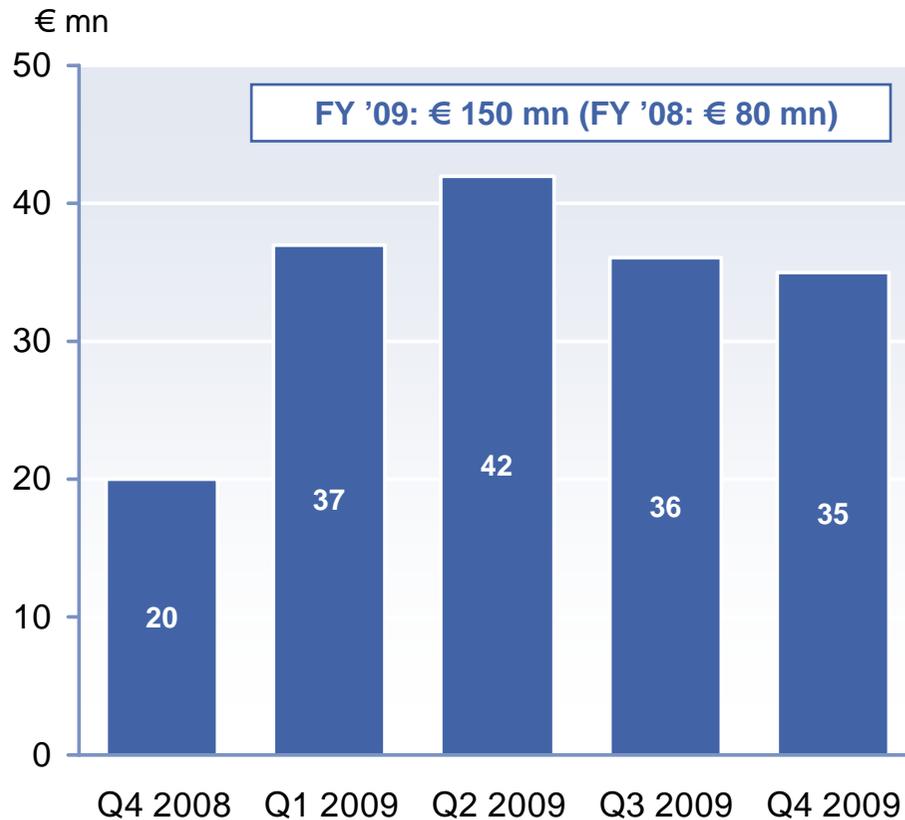


- NII Structured Property Financing
- NII Consulting / Services
- Previous figures NII Structured Property Financing

- Net interest income 2009: € 460 mn
- Q4 net interest income influenced by
  - Results of higher margins in the SPF-business are negatively effected by a high liquidity position (due to intensive funding activities in 2009) and conservative capital position
  - Consulting / Services: Historically low interest rate level still burdens the deposit taking business
- Q4 SoFFin burden of
  - € 6 mn guarantee fees in commission income
  - Net € 8 mn SoFFin coupon shown as appropriation of profits



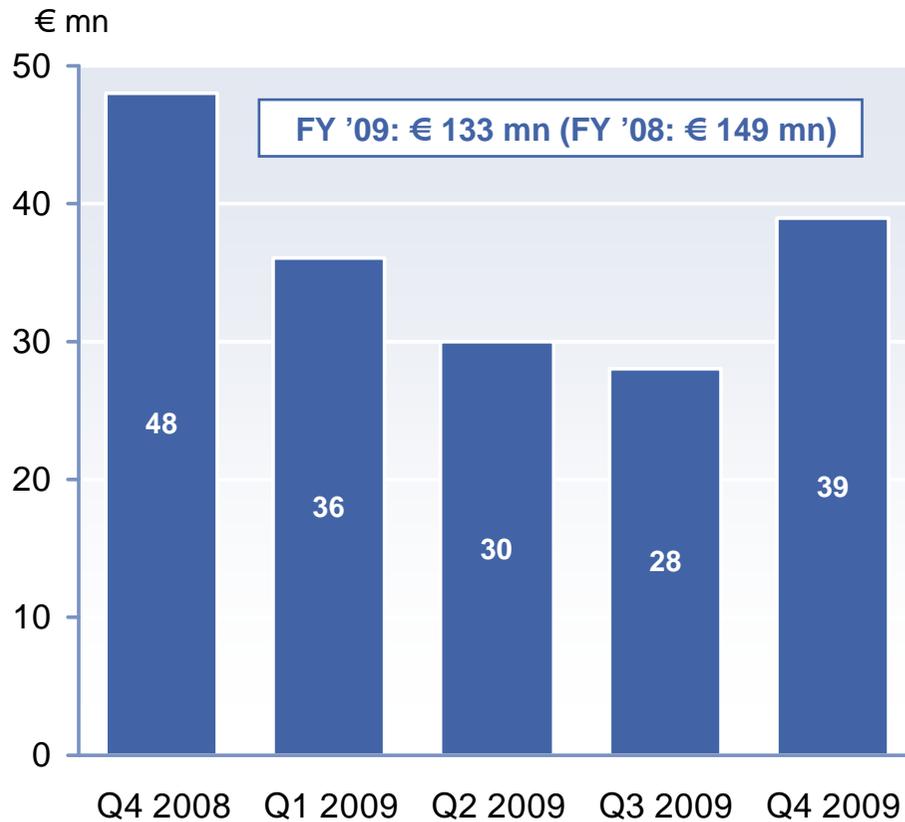
## Loan loss provisions: Guidance met



- € 150 mn LLP stayed within the given target range for 2009
- Reflecting the close monitoring and management of our loan portfolio
- € 34 mn General Portfolio LLP from 2008 for challenging environment is still untouched
- General Portfolio LLP stocked up with additional € 14 mn in 2009 to a total of € 48 mn



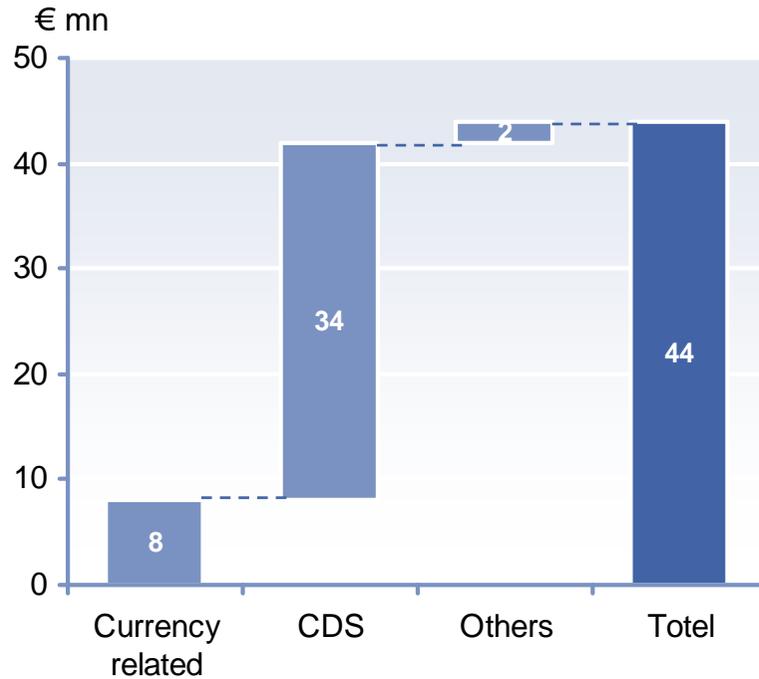
## Net commission income: Burdened by SoFFin guarantee



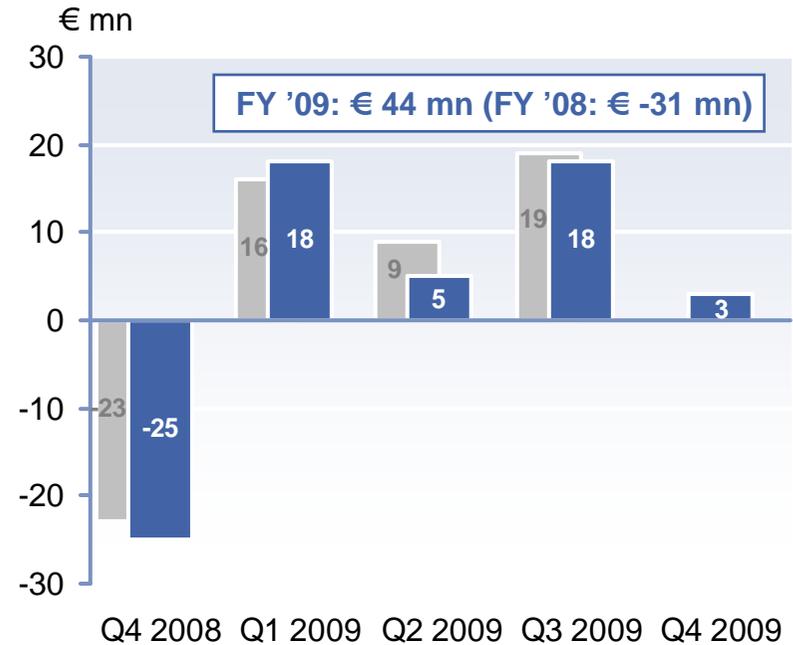
- Net commission income of € 133 mn including (or € 150 mn without) costs of the SoFFin guarantee facility in 2009 (2008: € 149 mn) is a good performance regarding the challenging environment

# Net trading income 2009: Reflecting volatile derivative markets

Net trading income split up FY 2009



Net trading income by quarter

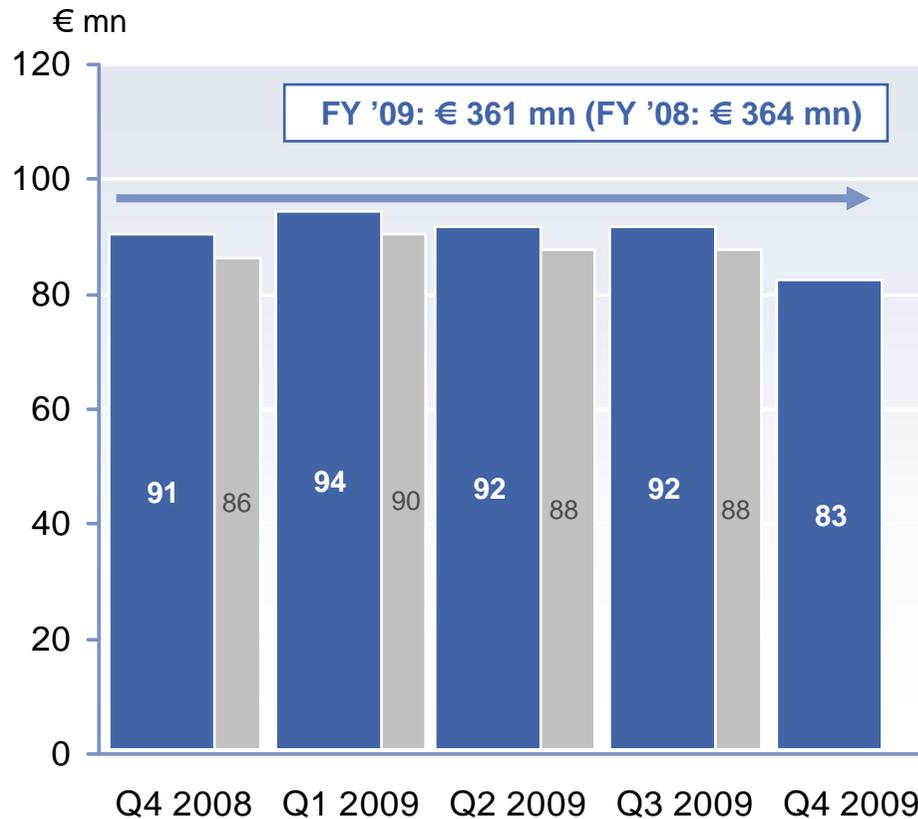


■ Net trading income  
■ Previous figures net trading income



# Admin expenses:

## Strict cost discipline maintained



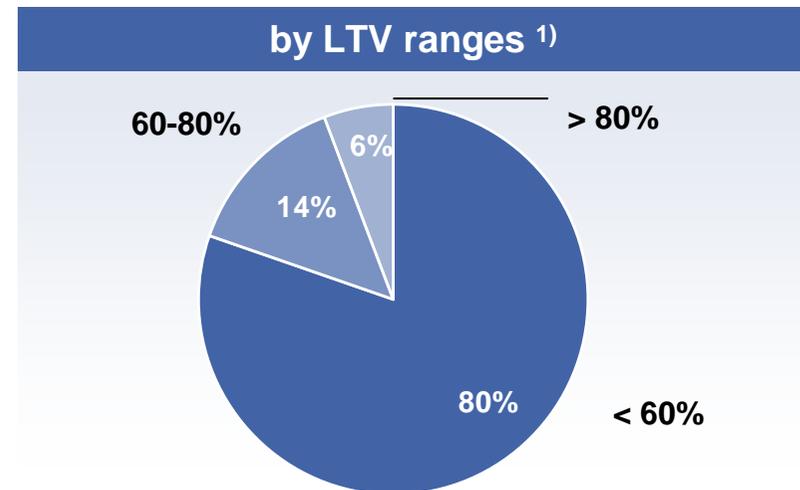
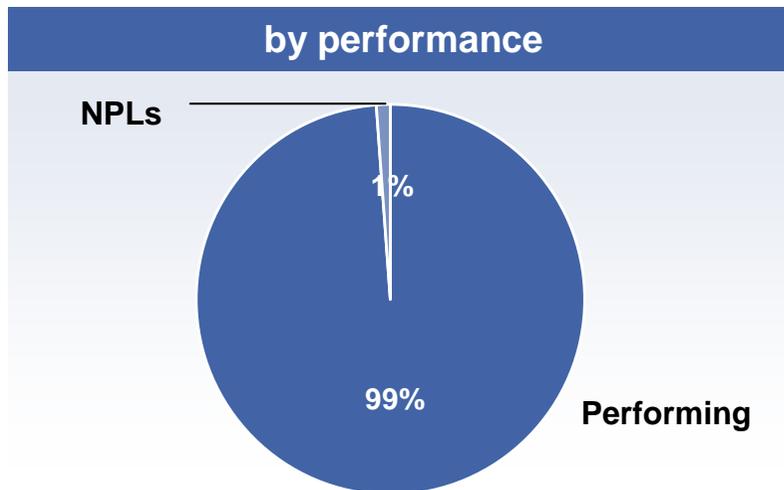
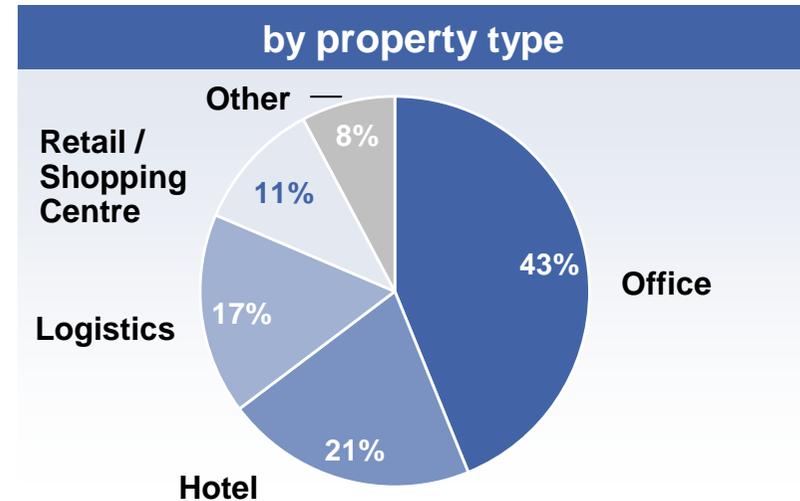
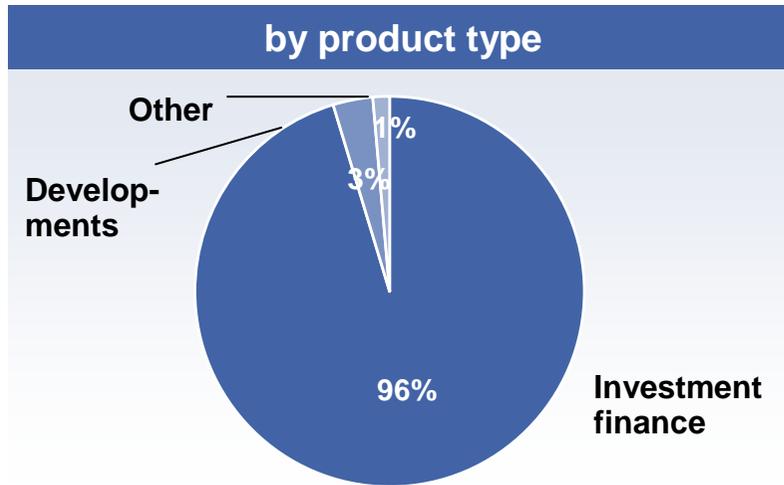
- 2009-figures with € 361 mn slightly below 2008-level, (2008: € 364 mn) but including one-offs due to adaptations within Aareon structures (€ 6 mn)
- Measures to raise efficiency still paying off and keeping the admin expenses continuously stable

■ Admin expenses  
■ Previous figures admin expenses



# Western Europe (ex Ger) credit portfolio

Total volume outstanding as at 31.12.2009: € 4.5 bn

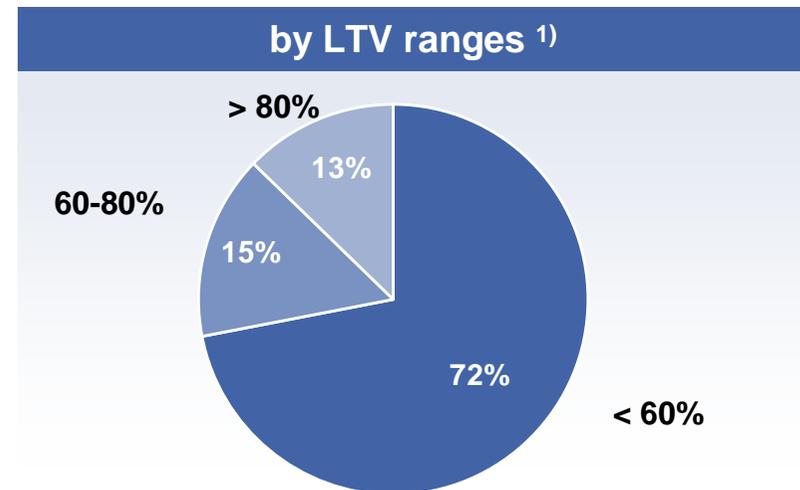
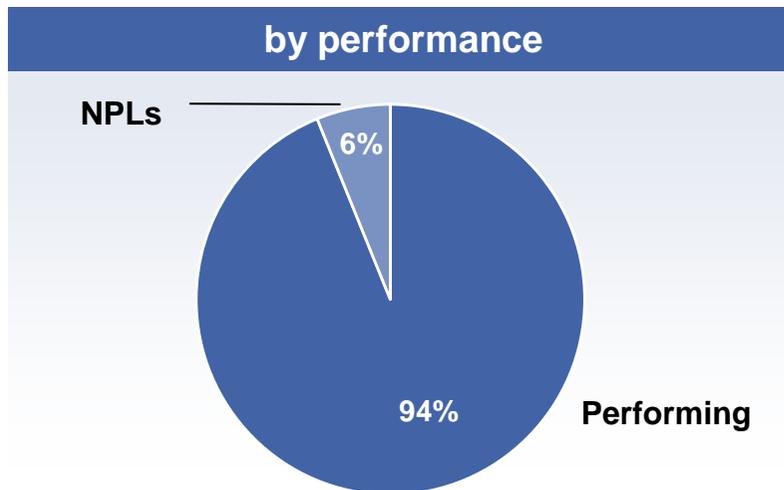
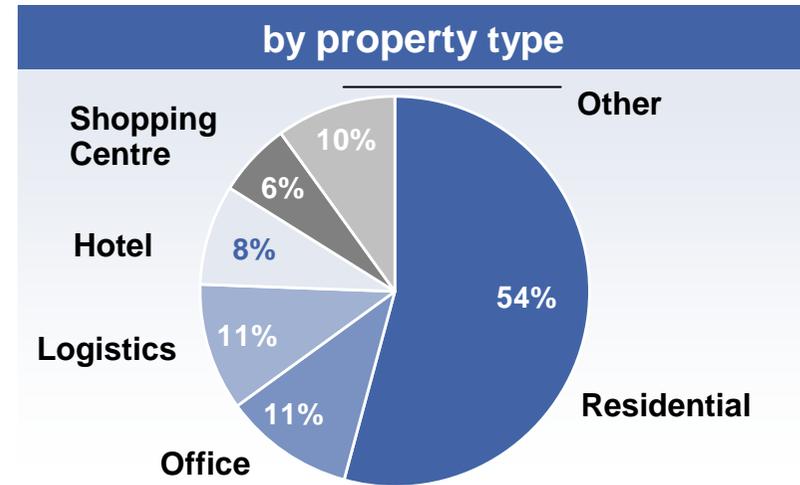
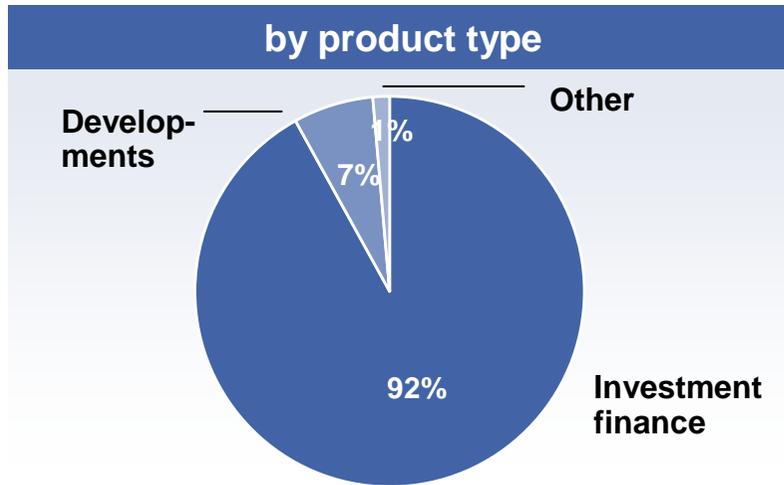


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# German credit portfolio

Total volume outstanding as at 31.12.2009: € 4.2 bn

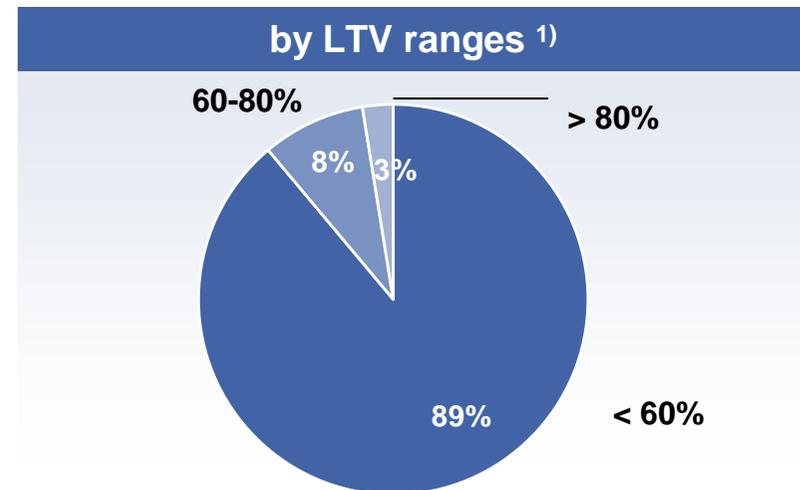
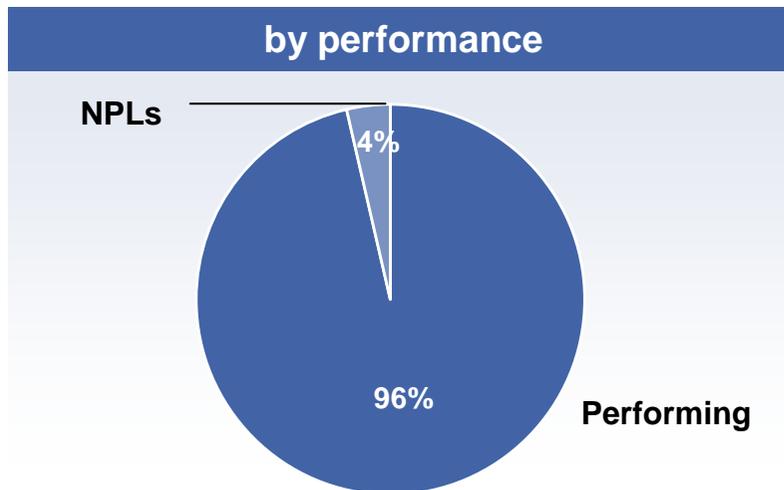
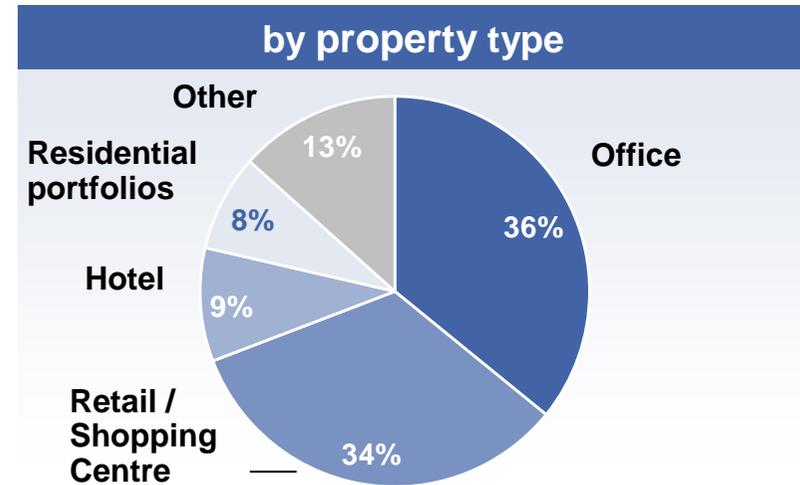
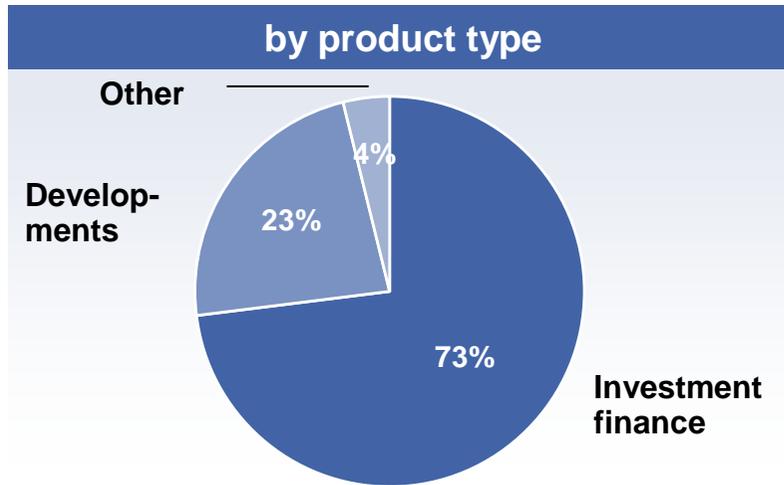


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# Southern Europe credit portfolio

Total volume outstanding as at 31.12.2009: € 4.1 bn

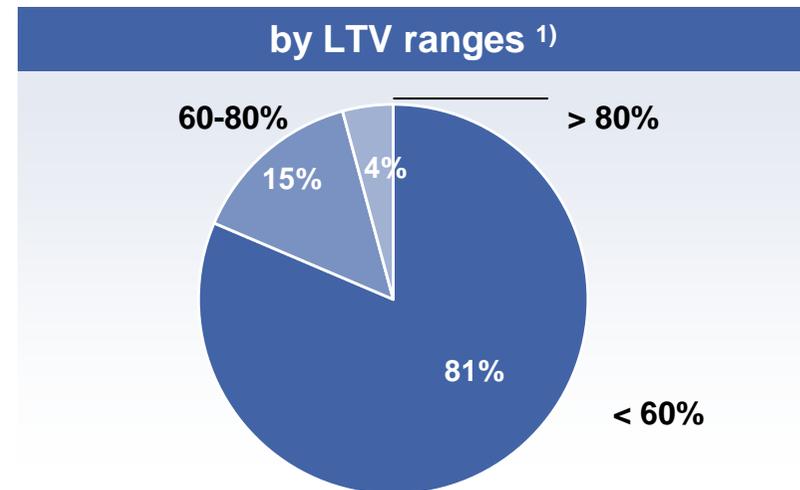
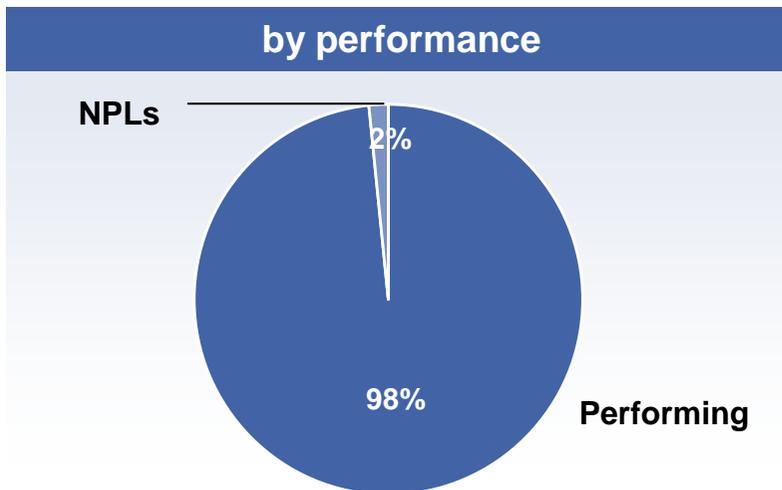
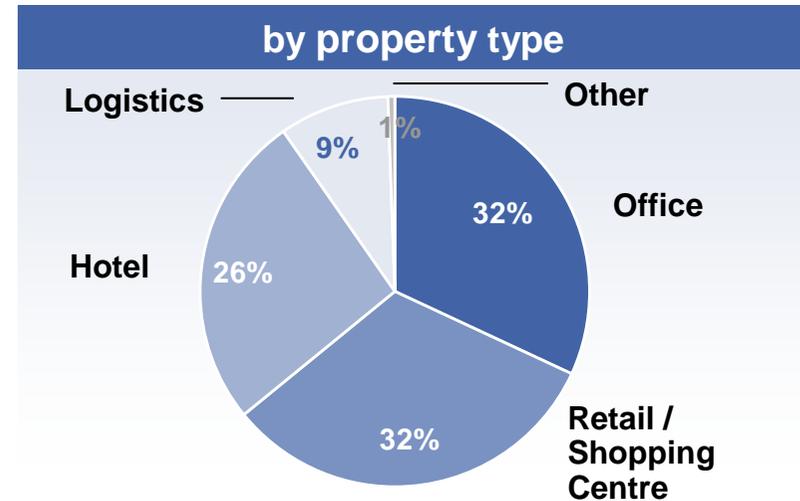
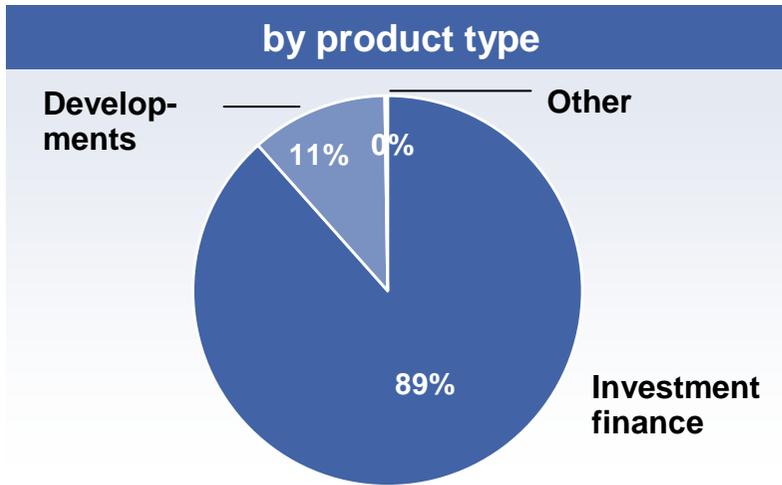


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# Eastern Europe credit portfolio

Total volume outstanding as at 31.12.2009: € 3.0 bn

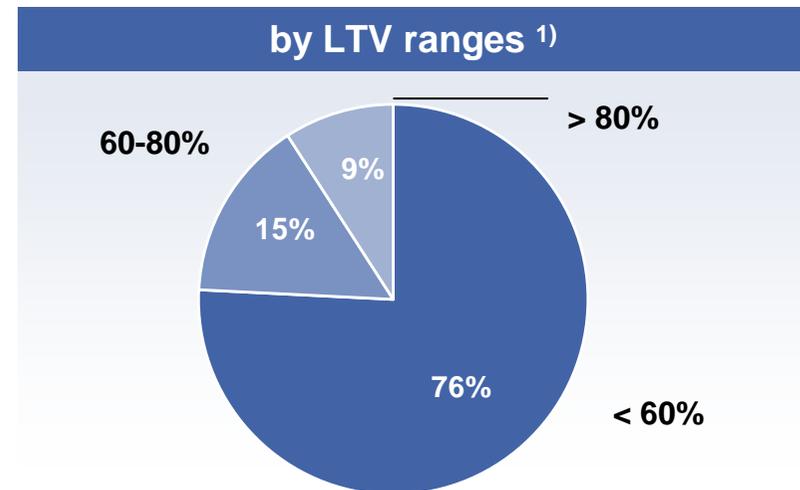
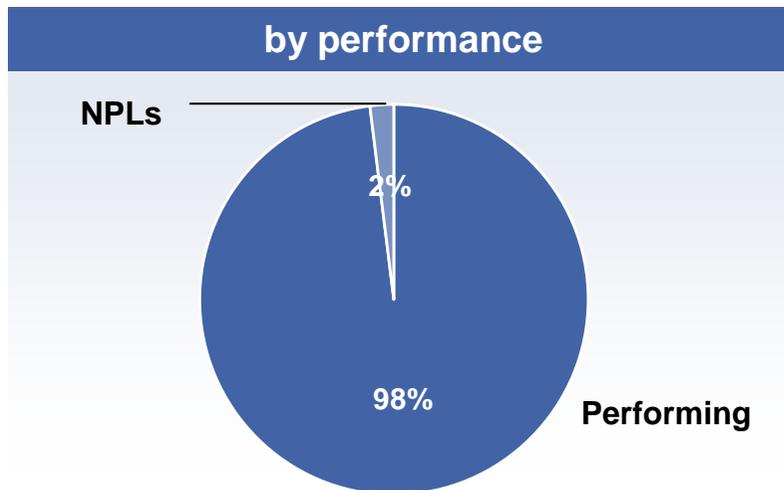
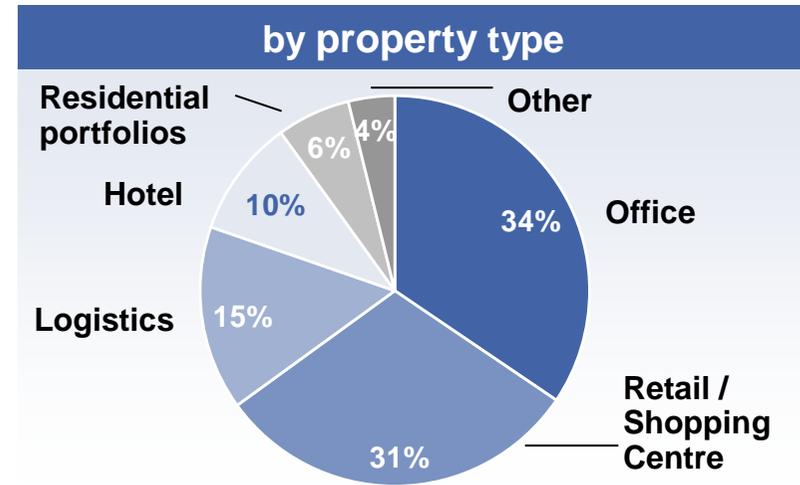
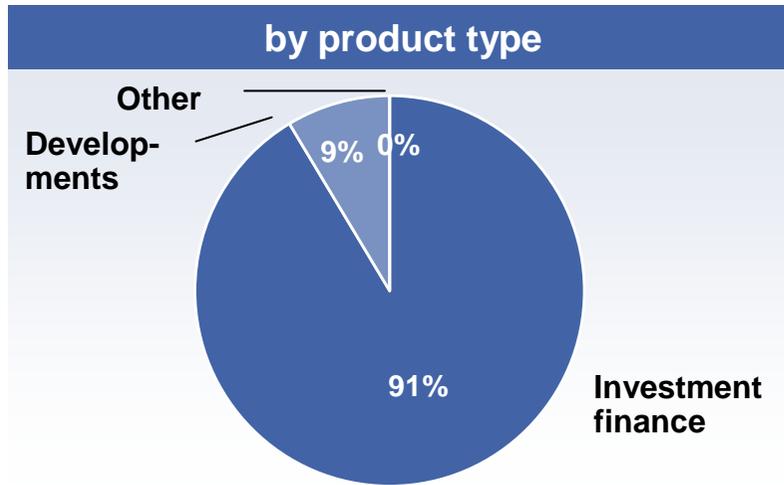


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# Northern Europe credit portfolio

Total volume outstanding as at 31.12.2009: € 2.8 bn

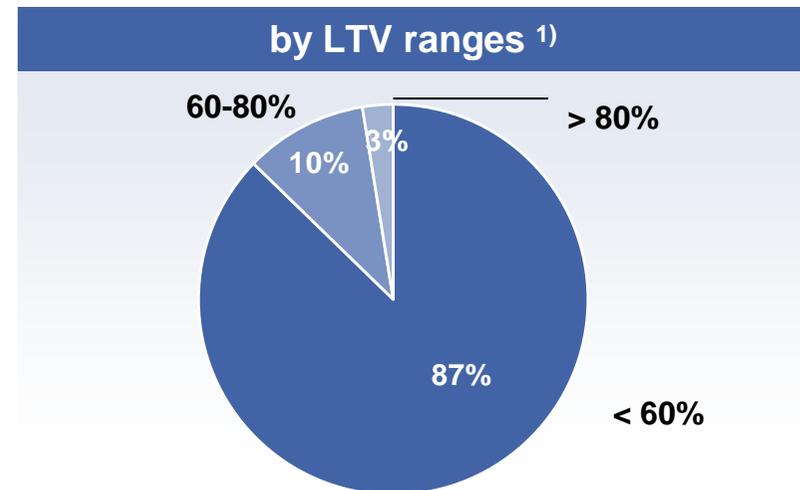
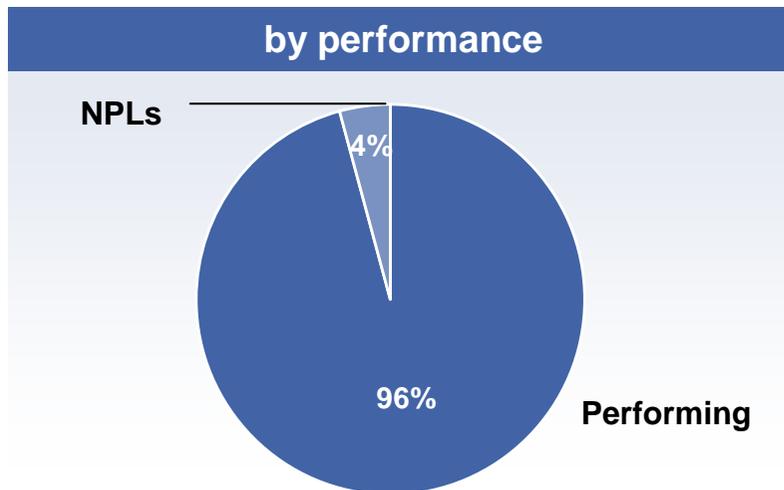
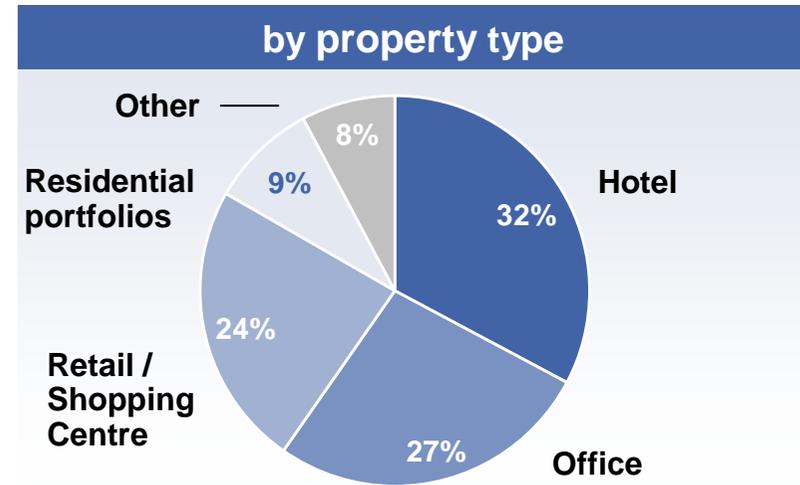
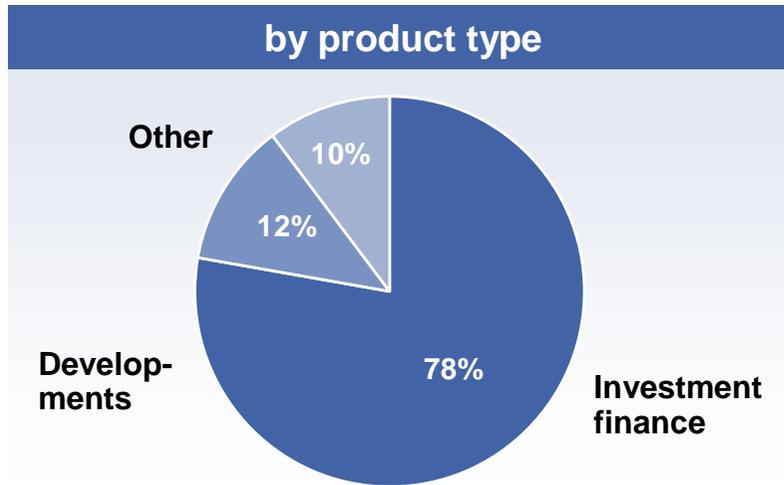


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# North America credit portfolio

Total volume outstanding as at 31.12.2009: € 2.8 bn

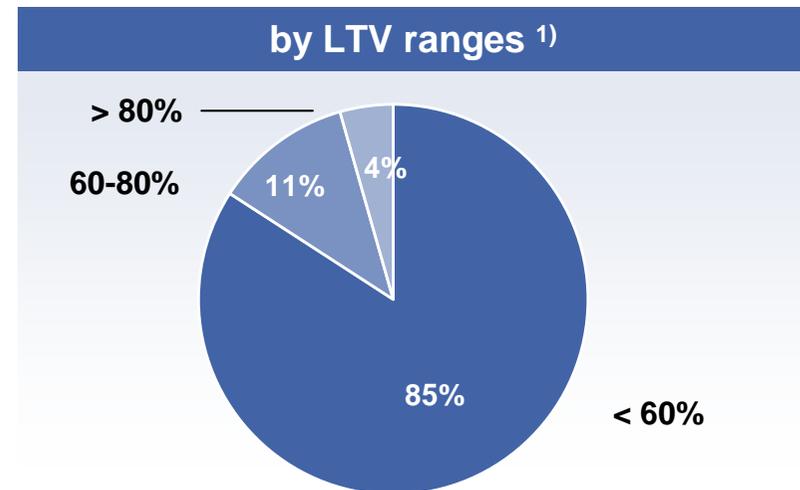
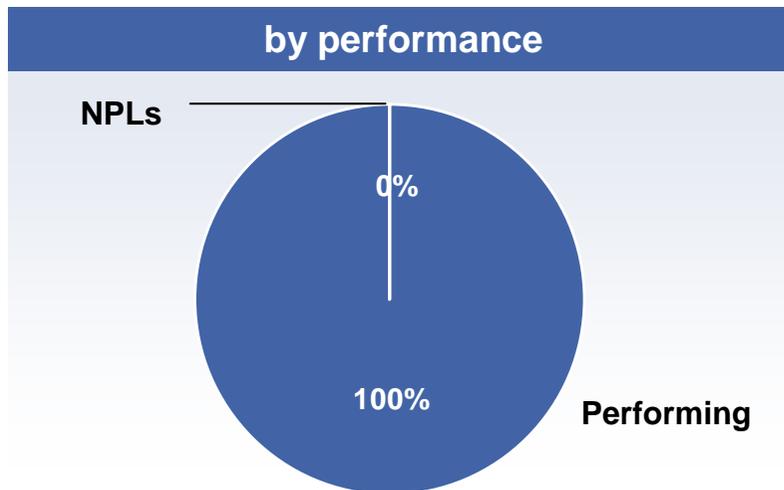
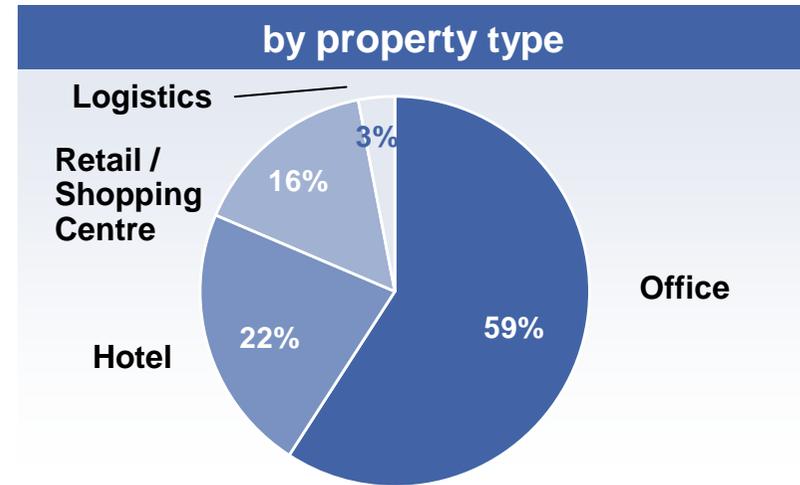
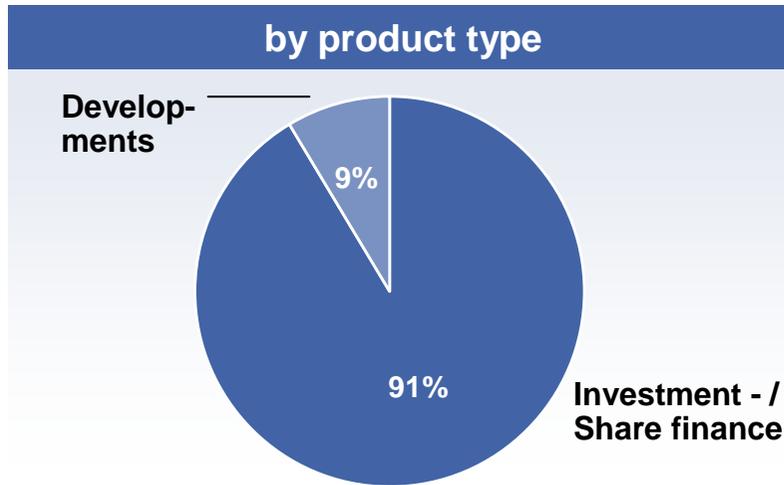


1) Mortgage collateralised performing business only; value does not take into account any collateral other than mortgages



# Asia credit portfolio

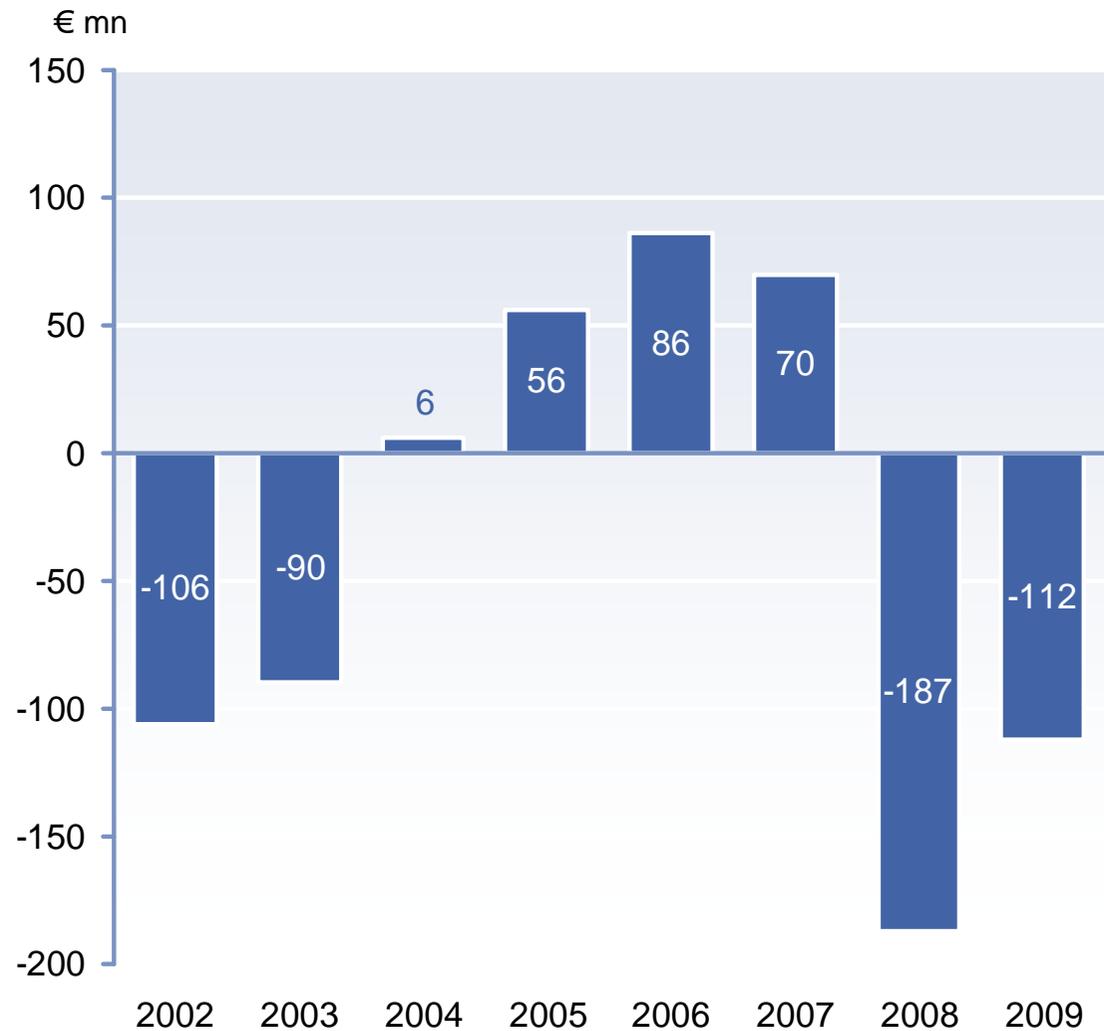
Total volume outstanding as at 31.12.2009: € 1.0 bn



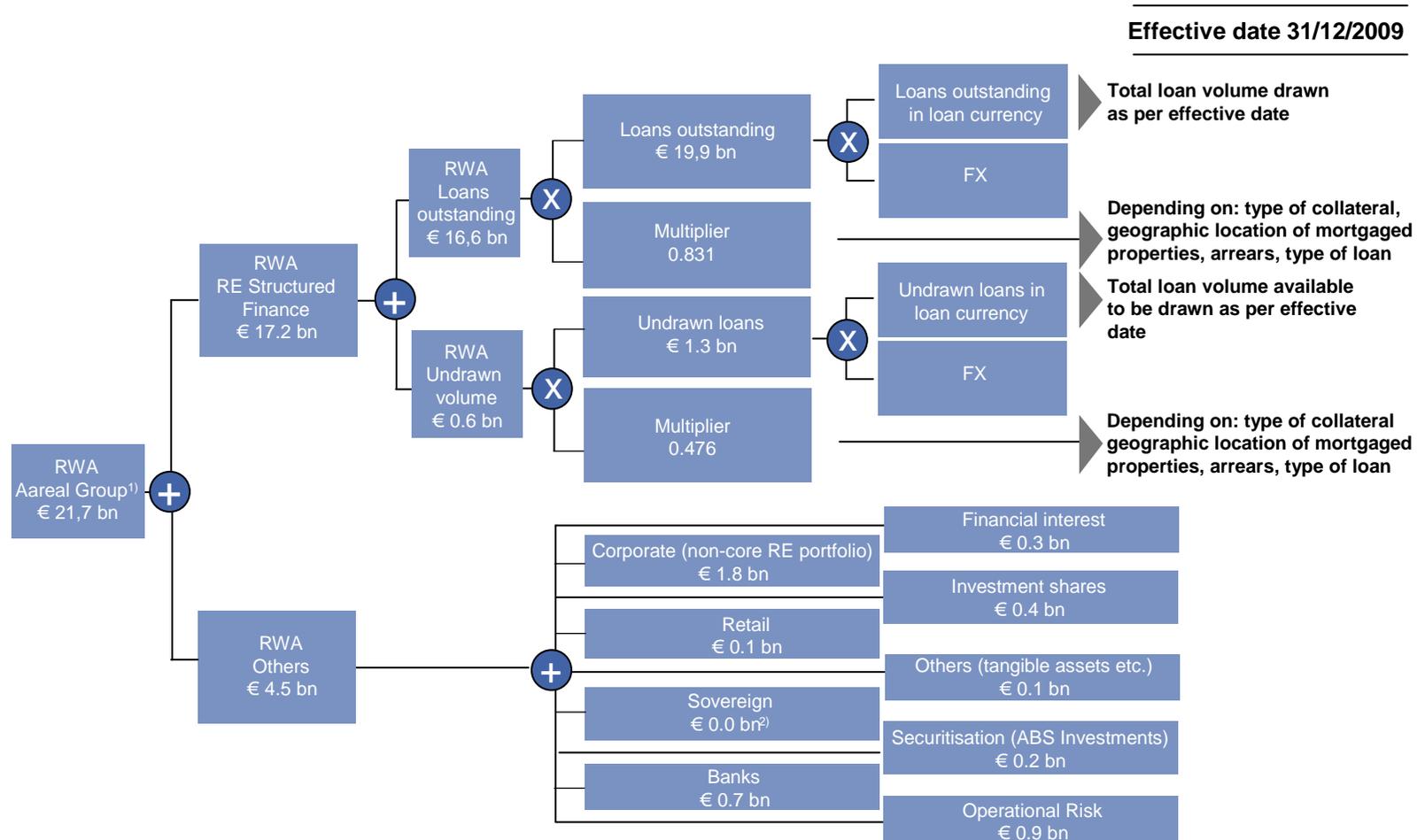
1) Chinese portfolio includes other collateral than mortgages.  
Rest of Asia: mortgage collateralised performing business only;  
value does not take into account any collateral other than mortgages.



## Revaluation reserve: Change mainly driven by asset spreads



# From asset to risk weighted asset (RWA): Essential factors affecting volume of RWA



1) Excl. of market risk

2) Exposure to sovereign governments amounts to € 11 mn



# Definitions and contacts



**Aareal Bank  
Group**

# Definitions

- **Property Financing Portfolio**
  - Paid-out financings on balance sheet
  - Incl. remaining property loans on DEPFA books
- **New Business**
  - Newly acquired business incl. renewals (excl. interest rate extensions)
  - Contract is signed by customer
  - Fixed loan value and margin
- **Net RoE =** 
$$\frac{\text{Group net income after minority interests}}{\text{Allocated (average) equity}}$$
- **Allocated Equity**

Average of:

  - Equity (excluding minorities and revaluation surplus but including silent participation by SoFFin) start of period less dividends and
  - Equity (excluding minorities and revaluation surplus but including silent participation by SoFFin) end of period less expected dividends
- **CIR =** 
$$\frac{\text{Admin expenses}}{\text{Net income}}$$
- **Net Income**
  - net interest income + net commission income + net result from hedge accounting + net trading income + results from non-trading assets + results from investments accounted for at equity + results from investment properties + net other operating income



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