

Invitation to the Annual General Meeting of Shareholders

Dear Shareholders,

We are pleased to invite you to our Annual General Meeting of Shareholders to be held on Wednesday, 18 May 2011, at 10:30 a.m., at the Kurhaus Wiesbaden, Kurhausplatz, 65189 Wiesbaden, Germany.

We have convened this year's General Meeting by way of publication in the electronic German Federal Gazette (Bundesanzeiger) dated 7 April 2011, publishing the agenda set out below.

This version of the Notice to Shareholders (invitation to the Annual General Meeting) is a translation of the German original, provided for the convenience of English-speaking readers. The German text shall be authoritative and binding for all purposes.



Aareal Bank

Agenda

1. Presentation of the confirmed annual financial statements and the approved consolidated financial statements, of the management report for the Company and the Group (including the information in accordance with sections 289 (4) and 315 (4) of the German Commercial Code (HGB)) as well as the Report by the Supervisory Board for the 2010 financial year

In accordance with sections 172, 173 of the German Public Limited Companies Act (AktG), the Supervisory Board approved, on 29 March 2011, the annual financial statements and the consolidated financial statements prepared by the Management Board; the financial statements have thus been confirmed. The passing of a resolution on this agenda item No. 1 is therefore not required.

The documents specified under this agenda item will be available for shareholders at the Company's offices (Paulinenstrasse 15, 65189 Wiesbaden) from the day on which the Annual General Meeting is convened. The report will also be available at the Annual General Meeting. These statements and reports will be explained at the beginning of the meeting. Upon request, these documents will be sent to every shareholder, without delay and free of charge. The documents are also available on the internet on <http://www.aareal-bank.com>.

2. Passing of a resolution on the appropriation of net retained profit for the 2010 financial year

The Management Board and the Supervisory Board recommend that the net retained profit of € 400,000 for the financial year 2010 be allocated to other retained earnings.

3. Passing of a resolution on the formal approval of the members of the Management Board for the 2010 financial year

The Management and Supervisory Boards propose that formal approval be granted, for the 2010 financial year, for the members of the Management Board who were in office during that period.

4. Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2010 financial year

The Management Board and the Supervisory Board propose that formal approval be granted, for the 2010 financial year, for the members of the Supervisory Board who were in office during that period.

5. Appointment of External Auditors

Based on the recommendation of the Accounts and Audit Committee, the Supervisory Board proposes that auditors PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the external auditors for the 2011 financial year and as the external auditors for the review of the condensed financial statements and the interim management report as at 30 June 2011.

6. Amendments to Article 2 of the Memorandum and Articles of Association

Article 2 (1) sentence 1 of the Memorandum and Articles of Association includes a reference to section 1 (1) no. 6 of the German Banking Act (KWG) with regard to investment fund business; since this provision has been removed from the Act, it is proposed to change the wording of this provision.

The Management Board and the Supervisory Boards propose that section 2 (1) sentence 1 of the Company's Memorandum and Articles of Association be amended as follows:

"The object of the Company is the operation of banking business excluding investment fund business, the performance of financial and other services, as well as the promotion of international business relationships."

7. Amendments to Article 9 of the Memorandum and Articles of Association

It is proposed that the provisions stipulating the remuneration of the Supervisory Board be amended. The existing wording provided for a variable remuneration component for the Supervisory Board, in accordance with the German Corporate Governance Code, which was linked to consolidated net income. To further strengthen the independence of the Supervisory Board, it is proposed to waive this variable remuneration

component. Such a waiver has been supported on numerous occasions during the course of ongoing corporate governance discussions; it is also in line with international best practice. The amendments proposed to the Annual General Meeting reflect these considerations.

The Management Board and the Supervisory Board propose the following resolution:

Paragraphs (4) to (7) of Article 9 of the Memorandum and Articles of Association shall be amended to read as follows:

“(4) In addition to the reimbursement of their expenses, the Members of the Supervisory Board shall receive a fixed remuneration as well as a compensation for attending meetings. Where membership in the Supervisory Board falls short of an entire financial year, said remuneration shall be paid on a pro rata temporis basis. Any value-added tax invoiced will also be deemed to be a refundable expense.

(5) The fixed remuneration is € 30,000 p.a. for each Supervisory Board Member. The Chairman of the Supervisory Board shall receive two and a half times this amount, while the deputy shall receive one and a half times as much as a normal Member. The fixed remuneration shall be increased by € 15,000 p.a. for each membership in a committee (with the exception of the Nomination Committee, which is an exclusively advisory committee, and the Committee for Urgent Decisions, which is part of the Risk Committee). The fixed remuneration shall be increased by € 30,000 p.a. for the chairmanship of a committee (with the exception of the Nomination Committee and the Committee for Urgent Decisions).

(6) The Members of the Supervisory Board shall receive a meeting attendance compensation of € 1,000 for each meeting attended (except for meetings of the Nomination Committee and the Committee for Urgent Decisions).

(7) The remuneration for any financial year shall be due and payable one month after the end of the respective financial year.”

The existing paragraphs (8) and (9) of Article 9 of the Memorandum and Articles of Association shall be deleted.

Company website and documents available for download

The invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting, as well as further information in connection with the Annual General Meeting will be available on the Company's website on <http://www.aareal-bank.com> as from the time the Annual General Meeting has been convened.

Any counter-proposals, nominations or requests for amendments by shareholders that are received by the Company will also be made available via the above website. After the Annual General Meeting, the voting results will also be published on the same website.

The documents to be provided will be available for inspection by shareholders at Aareal Bank AG's offices (Paulinenstrasse 15, 65189 Wiesbaden) from the day on which the Annual General Meeting is convened, and will also be available at the Annual General Meeting on 18 May 2011. Upon request, these documents will be sent to shareholders, without delay and free of charge.

Total number of shares and voting rights

At the time of convening the Annual General Meeting, the Company's share capital amounts to 42,755,159 no-par value bearer shares. Each share carries one vote at a General Meeting. At the time of convening the Annual General Meeting, the Company does not hold any treasury shares. Therefore, at the time of convocation, the total number of shares and voting rights amounts to 42,755,159.

Requirements for attendance at the Annual General Meeting and the exercise of voting rights

Those shareholders who register with the Company for this purpose prior to the Annual General Meeting and provide the Company with evidence of their shareholding issued by their custodian institution are entitled to attend and to vote at the Annual General Meeting. Registration to attend and evidence of the shareholding must be submitted to the Company no

later than 11 May 2011 (24:00 hours) at the following address:

Aareal Bank AG
c/o Computershare HV-Services AG
HV-Anmeldung
Prannerstrasse 8
80333 Munich, Germany
Fax: +49 89 30 90 37 46 75
E-mail: anmeldestelle@computershare.de

Registration and evidence of shareholding must be supplied in written form (as defined in section 126b of the German Civil Code ("BGB")). Evidence of shareholding must be supplied in either German or English, and refer to 27 April 2011 (00:00 hours, the record date for submission of proof).

Only those shareholders who have provided proof of their shareholdings will be deemed a shareholder of the Company for the purposes of attending the Annual General Meeting and exercising their voting rights. The Company shall be entitled to demand suitable additional evidence in the case of doubt regarding the correctness or authenticity of the proof submitted. Where no such evidence is provided, or evidence is not provided in an appropriate form, the Company may deny the shareholder attendance to the meeting.

Importance of the record date

The right to attend and the extent of voting rights depend solely on the shareholding in existence as at the record date for submission of proof (the "Record Date"). However, this Record Date does not in any way restrict the disposability of shareholdings. Even where shareholdings are sold, in whole or in part, after the Record Date, attendance and extent of voting rights will be based solely on the shareholding of the relevant shareholder on the Record Date. This means that the disposal of shares after the Record Date does not in any way affect the right to attend or the extent of voting rights. The same applies to the initial or further acquisition of shares after the Record Date. Anyone who does not own Company shares at the Record Date, but only becomes a shareholder of the Company afterwards, may only attend and vote at the Annual General Meeting (and shareholders who acquire further shares after the Record Date are only entitled to vote for such additional shares) to the extent that they have been

authorised to act as a proxy. The Record Date has no bearing on dividend rights. Following receipt of registration and proof of shareholding by the Company, admission tickets for the Annual General Meeting will be forwarded to the shareholders. To ensure timely receipt of the admission ticket, shareholders should request them from their custodian bank at their earliest convenience.

Voting procedure/voting by proxy

Shareholders can exercise their vote through an authorised proxy, which may be a credit institution, a shareholders' association or a voting proxy nominated by the Company, or another third party. However, even when acting through a proxy, shareholders must register their attendance and submit specific evidence of their shareholdings by the prescribed deadline. If a shareholder appoints several persons as proxies, the Company is entitled to reject one or several of these proxies.

The granting of a voting proxy, its revocation and the submission of proof thereto vis-à-vis the Company require text form. This requirement does not apply where it is intended to appoint a credit institution, a shareholders' association or another individual or entity of equivalent standing under section 135 (8) and (10) of the AktG. It should be noted, however, that the individual, entity or institution to be authorised may request that they be issued with a specific form of proxy in these cases, as section 135 of the AktG requires them to record any proxy in a verifiable manner. If you wish to authorise a credit institution, a shareholders' association or any other individual or entity of equivalent standing under section 135 (8) and (10) of the AktG to act as a proxy, you should check with them as to what kind of proxy they require.

The granting of the voting proxy may be effected vis-à-vis the proxy or the Company.

Proof of proxy authorisation may be provided by the proxy handing over proof of the proxy (e.g. the original proxy document, or a copy thereof) at the entrance to the Annual General Meeting. When forwarding proof of proxy by regular mail or fax, shareholders or shareholder representatives should use the above registration address. Alternatively, where proof is forwarded electronically, the Company would require the proof

of proxy to be e-mailed to the e-mail address aarealbank-HV2011@computershare.de. The options of transfer are also available where it is intended to grant a proxy to the Company; in this case, separate proof of proxy will not be required. Similarly, the Company may also be notified of the revocation of an existing proxy via one of the above transfer channels. Proof of proxy authorisation granted during the Annual General Meeting may be provided by the shareholder handing over proof of the proxy at the exit from the Annual General Meeting.

Shareholders wishing to appoint a proxy should use the proxy form provided by the Company for this purpose. This form will be forwarded to duly registered persons together with the admission ticket, and can be requested from the above registration address, either by regular mail, fax or e-mail. In addition, proxy forms may be downloaded from the Company's website on <http://www.aareal-bank.com>.

The granting of a proxy is also possible via electronic communications, using the Company's internet-based proxy system. Specific details regarding this proxy system are available for shareholders on the Company's website <http://www.aareal-bank.com>.

Where a proxy is granted, proof of such proxy provided, or a proxy revoked by way of a declaration made vis-à-vis the Company by regular mail or by fax, the Company must receive such declaration no later than by 18:00 hours on 17 May 2011, for organisational reasons. Transmission of such declaration by e-mail, as well as the granting of a proxy via the Company's internet-based proxy system will also be possible on the day of the Annual General Meeting, as will be the presentation at the entrance.

For shareholders who have duly registered, the Company continues to offer the option of being represented by Company representatives bound by the relevant shareholder's instructions. For this purpose, the granting of a voting proxy, its revocation and the submission of proof thereto vis-à-vis the Company also require text form.

To authorise the proxy, shareholders can use the form that is sent out together with the admission ticket. Along with the proxy document, the proxies nominated by the Company also require voting instructions. Voting proxies are obliged to vote in accordance with

instructions given to them; they cannot exercise voting rights at their discretion. Where the meeting votes on a topic, for which the relevant shareholder did not give express instructions, the voting proxy will abstain from voting. Shareholders who wish to authorise voting proxies nominated by the Company must forward the proxy forms plus instructions no later than 17 May 2011 (18:00 hours CEST) to the aforementioned registration address, either by regular mail or fax, or by e-mail to aarealbank-HV2011@computershare.de, to facilitate ease of organisation.

Authorising the voting proxies nominated by the Company is also possible using the Company's internet-based proxy system, as mentioned above, until 17 May 2011 (18:00 hours). Specific details on how to authorise the voting proxies nominated by the Company using this proxy system are available for shareholders on the Company's website <http://www.aareal-bank.com>.

Moreover, shareholders who attend the Annual General Meeting but have to leave the meeting prior to voting, will, upon leaving the Annual General Meeting, have the option of authorising a voting proxy nominated by the Company, by using another form provided by the Company for this purpose and instructing this proxy accordingly.

Information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, and 131 (1) of the AktG

Requests for amendments to the agenda as per section 122 (2) of the AktG

Shareholders whose combined shareholdings add up to one-twentieth of the registered share capital, or a proportional amount of shares amounting to € 500,000 (rounded up, this equates to 166,667 shares), may request that certain items be included in the agenda and communicated (section 122 (2) of the AktG). Each new item to be added must be accompanied by an explanation or a proposal. In accordance with section 122 (1) sentence 3, (2) in conjunction with section 142 (2) sentence 2 of the AktG, applicants must prove that they have been holders of the relevant shares for a minimum period of three months. The relevant deadline for complying with this minimum holding period is the date on which the Company receives such request for amendments to the agenda.

Said application must be addressed, in writing, to the Management Board of Aareal Bank AG and must be received by the Company no later than 17 April 2011 (24:00 hours), at the following address:

Aareal Bank AG
For the attention of the Management Board
Paulinenstrasse 15
65189 Wiesbaden, Germany
Fax: +49 611 348 2965
E-mail: hv2011@aareal-bank.com

Amendments to the agenda that require communication (unless they were already communicated at the time of convocation) must be published, without undue delay following receipt of the request, in the electronic Federal Gazette and in such other media that can be assumed to distribute information throughout the entire European Union. In addition, they are also published on the internet on <http://www.aareal-bank.com>, and communicated to the shareholders.

Motions and nominations by shareholders under section 126 (1), section 127 of the AktG

Shareholders may lodge counter-proposals to the proposals submitted by the Management Board or the Supervisory Board regarding agenda items, and submit nominations for the appointment of external auditors. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals and nominations may only be sent to the following address:

Aareal Bank AG
Corporate Development
Paulinenstrasse 15
65189 Wiesbaden, Germany
Fax: +49 611 348 2965
E-mail: hv2011@aareal-bank.com

Any counter-proposals and nominations received by the Company at the aforementioned address by no later than 3 May 2011 (24:00 hours) will be made available on the internet on <http://www.aareal-bank.com>, including the shareholder's name and the rationale behind the application. Any comments or statements by management will be published on the same website.

Right to disclosure pursuant to section 131 (1) of the AktG

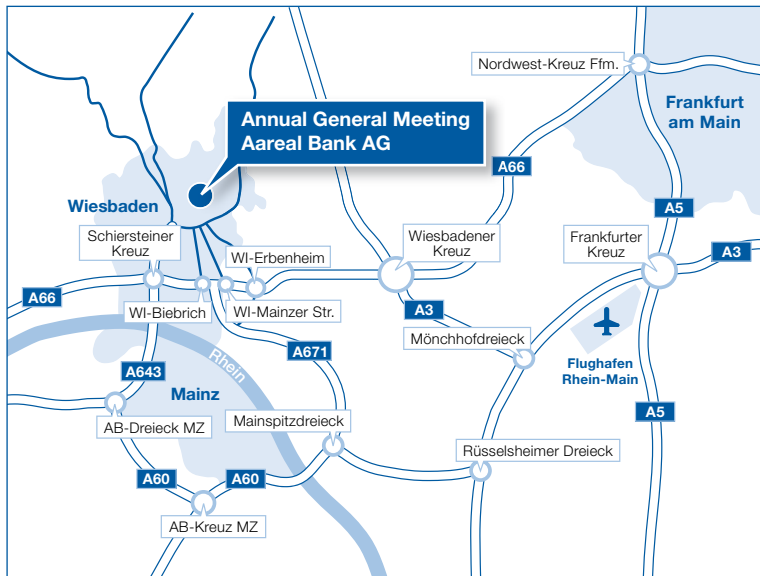
At the Annual General Meeting, every shareholder or shareholder representative may request information from the Management Board regarding the Company's affairs, its legal and business relationships with affiliated companies and the situation of the Group and the companies within the Group's scope of consolidation, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. Disclosure requests at General Meetings must generally be made verbally during the debate.

Further explanations concerning shareholders' rights

Further information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the AktG can be viewed on the internet on <http://www.aareal-bank.com>.

Aareal Bank AG
 The Management Board

Wiesbaden, April 2011



Venue of the Annual General Meeting

Kurhaus Wiesbaden
 Kurhausplatz 1 · 65189 Wiesbaden,
 Germany

Map and directions

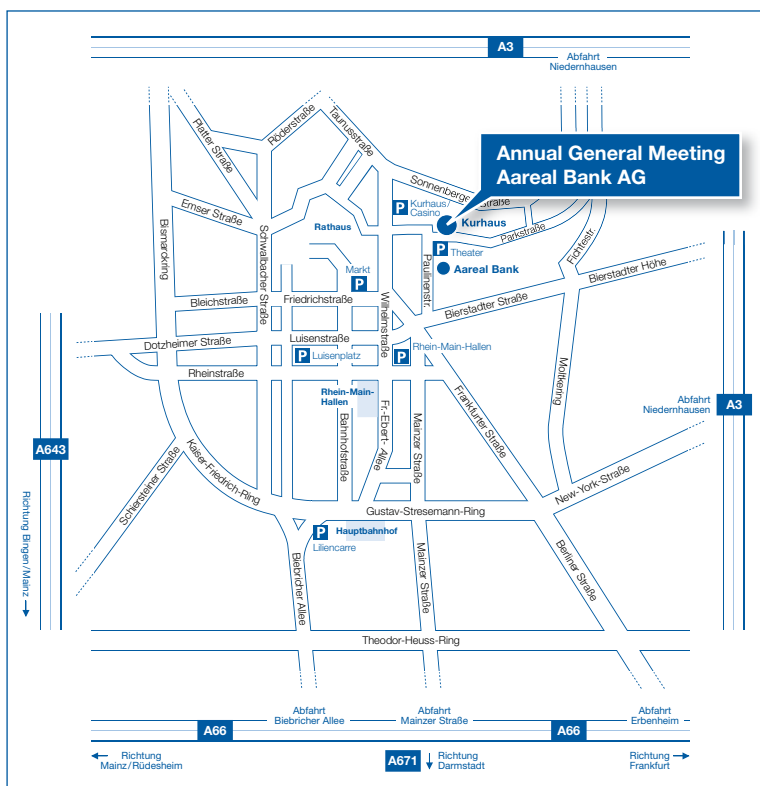
Coming via the A66 motorway from Frankfurt/Wiesbadener Kreuz:

Take the "Wiesbaden-Erbenheim" exit. Head towards Wiesbaden-Sonnenberg via Moltkerring, taking the first left to "Stadtmitte/Kurhaus".

Parking facilities (subject to charges) are available at signposted on-street parking spaces (pay & display), and also at the "Theater" and "Kurhaus" car parks.

Using public transport from Wiesbaden main railway station:

Bus (lines 1 and 8) to stops "Friedrichstrasse" or "Theater/Kurhaus"



Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden, Germany

www.aareal-bank.com

04/2011



Aareal Bank