

Media Release

Statement regarding expert committee report

Munich, 09 February 2011– Before the end of last year, the German government put together an Expert Committee to look into strategies for the exit of the State from those banks where it became stakeholder during the financial crisis. The Expert Committee has now presented its report, which also deals with Hypo Real Estate (HRE). At this point in time HRE cannot comment in detail on the report but has issued the following statement:

- We do not share the committee's recommendation that a wind-down of HRE in its entirety should be considered:
- A reduction of a large part of the assets in a value preserving manner has already been started with the transfer to FMS-Wertmanagement, as necessary and where appropriate.
- For the Bank's future-orientated, strategic business, reprivatisation is the option which would maximize value enabling the support which has been provided out of tax money to be returned. This is in particular the case in the light of the obvious successes in restructuring. pbb Deutsche Pfandbriefbank had returned to profitability in the third quarter and we expect pbb to be profitable for the whole of 2011. Furthermore, liquidity support from the Financial Market Stabilisation Fund is no longer needed and has not been required since October 2010.
- In addition, it is highly probable that a wind down of HRE would have negative effects for the entire finance and insurance branch.

Media Contacts:

Walter Allwicher, +49 (0)89 2 88 02 87 87, walter.allwicher@hyporealestate.com
Oliver Gruss, +49 (0)89-2 88 02 87 81, oliver.gurss@hyporealestate.com