

Press Release

HRE exceeds minimum capital requirements in the EU stress test for banks

Munich, 15 July 2011 – The capitalisation of HRE Group ("HRE") exceeds the minimum requirements stipulated by the European Banking Authority (EBA) for all scenarios under the current stress test for European banks. Even when applying tougher stress factors under the so-called 'adverse scenario', projecting a two-year stress period through the end of 2012, the analysis shows that HRE would still have a core tier 1 ratio of 10.0 per cent, well in excess of the minimum level of 5.0 per cent.

HRE participated in this year's stress test on a voluntary basis. The relevant examinations were carried out at a Group level, and include pbb Deutsche Pfandbriefbank AG, HRE's strategic core bank.

An additional EUR 1.59 billion reduction in HRE's equity was already taken into account for the purposes of the stress test. Within the framework of the transfer of positions to FMS Wertmanagement ("FMS-WM"), the German Financial Markets Stabilisation Agency (*Bundesanstalt für Finanzmarktstabilisierung*) reserved the right to impose a payment obligation of upto this amount and to the benefit of the FMS-WM.

Media contacts:

Walter Allwicher: +49 89 2880-28787; walter.allwicher@hyporealestate.com
Oliver Gruss +49 89 2880-28781, oliver.gruss@hyporealestate.com