

The German version of this Addendum Number 1 to the Listing Prospectus is the approved and binding text. This entire document has been translated into English for convenience only.

Hypo Real Estate

GROUP

Addendum Number 1 to the Listing Prospectus as of 19 September 2003 pursuant to section 52 para. 2 of the German Stock Exchange Admission Regulation

for

**130,433,775 no-par value ordinary bearer shares
(*Stückaktien*)**

- German securities identification number: 802 770 -
- ISIN DE 000 802 770 7 -
- Common code: 17329707 -

each with a notional value of € 3.00 and carrying full dividend rights as of the financial year commencing 1 January 2003

to trading on the Official Market of the Frankfurt Stock Exchange with simultaneous admission to the sub-sector of the Official Market with additional obligations arising from admission (Prime Standard)

as well as

**2,000,000 bearer profit participation certificates
(*Genussscheine*)**

- German securities identification number: 802 773 -
- ISIN DE 000 802 773 1 -
- Common code: 17329871 -

each with a face value of DEM 100.00 (approximately € 51.13) and carrying participation rights as of the financial year commencing 1 January 2003

to trading on the Official Market of the Frankfurt Stock Exchange
(General Standard)

resulting from the spin-off of the commercial real estate financing business of Bayerische Hypo- und Vereinsbank Aktiengesellschaft, Munich, which was entered in the commercial register on 29 September 2003, in accordance with the resolution of its ordinary shareholders' meeting of 14 May 2003 to Hypo Real Estate Holding AG, Munich, which was newly founded as part of the spin-off (spin-off by way of founding a new company)

of

Hypo Real Estate Holding AG
Munich

Pursuant to section 52 para. 2 of the German Stock Exchange Admission Regulation (*Börsenzulassungs-Verordnung*), the Listing Prospectus¹⁾ as of 19 September 2003 (“Prospectus”) is hereby supplemented by reference to events and changes that have occurred since publication of the Prospectus, and amended as follows:

A. Supplements in connection with the origin of Hypo Real Estate Holding AG

On page 1, the subsection “The origin of Hypo Real Estate Holding AG” is hereby supplemented as follows: The Company came into legal existence upon registration in the commercial register for the Company at the local court Munich (*Amtsgericht München*) under register number HRB 149393 and upon registration of the spin-off in the commercial register for HVB AG at the local court Munich under register number HRB 42148. The respective registrations were effected on 29 September 2003.

B. Supplements in connection with the admission to the stock exchange and listing

On page 6, the subsection “Admission to the stock exchange and listing” is hereby supplemented as follows: The Ordinary Shares of Hypo Real Estate Holding AG were admitted to the Official Market of the Frankfurt Stock Exchange and were simultaneously admitted to the sub-sector of the Official Market with additional obligations arising from admission (Prime Standard), and the Profit Participation Certificates were admitted to the Official Market of the Frankfurt Stock Exchange (General Standard), on 2 October 2003. Trading in the Ordinary Shares of Hypo Real Estate Holding on the Official Market (Prime Standard) and trading in the Profit Participation Certificates of Hypo Real Estate Holding on the Official Market (General Standard) of the Frankfurt Stock Exchange is expected to commence on 6 October 2003.

Trading in the Ordinary Shares of Hypo Real Estate Holding on the Official Market of the Vienna Stock Exchange (Standard Market Continuous) is also expected to commence on 6 October 2003.

C. Supplements in connection with changes of names of companies of the Hypo Real Estate Group

The subsection “Original legal structure” on page 14, the subsection “Hypo International” on page 31, the subsection “Hypo Real Estate Bank International” on page 85 and the section “List of shareholdings of Hypo Real Estate Holding” starting on page F-216 are hereby supplemented as follows: HVB Bank Ireland has meanwhile been renamed Hypo Real Estate Bank International.

On pages 14/15, the subsection “Original legal structure” and starting on page F-216 the section “List of shareholdings of Hypo Real Estate Holding” are hereby supplemented as follows: HVB Real Estate Bank Aktiengesellschaft was renamed Hypo Real Estate Bank Aktiengesellschaft upon registration in the commercial register for HRE Bank at the local court Munich under register number HRB 41054 on 30 September 2003.

D. Supplements in connection with the profit-and-loss transfer agreement between DIA GmbH and WürttHyp

On page 16, the subsection “Intended further steps” are hereby supplemented as follows: The managing directors of DIA GmbH and the management board of WürttHyp have drafted the profit-and-loss transfer agreement referred to in the Prospectus. The extraordinary shareholders’ meeting of WürttHyp called for 30 October 2003 is expected to approve this agreement. It is contemplated that the Company will enter into a keep-well agreement with respect to DIA GmbH to allow DIA GmbH to fulfill its obligations arising from the profit-and-loss transfer agreement.

E. Supplements in connection with the notice submitted by Munich Re to the Federal Reserve Board

On page 21, the subsection “Equity participation of Munich Re” is hereby supplemented as follows: The Federal Reserve Board has approved Munich Re’s application to acquire an interest in the Company by official notification as of 29 September 2003. Thus, REC USA may now commence its operations in the USA.

F. Amendments in connection with significant shareholdings of the Company

On pages 85/86, the subsection “Hypo Real Estate Bank International” is hereby amended as follows: Georg Funke and Frank Lamby became members of the board of directors of Hypo Real Estate Bank International on 1 October 2003.

Hypo Real Estate International has effected a capital increase as specified in the Prospectus; its subscribed capital now amounts to € 1,200,000,000.00.

On pages 88/89, the subsection “HRE Bank” is hereby amended as follows: The management board of HRE Bank currently consists of three members: Johann Berger, Frank Hellwig and Theodor Knepper. As of 30 September 2003, Georg Funke, Josef Gelb und Frank Lamby ceased to be members of the management board. The number of supervisory board members was reduced to a total of six.

1) The definitions used in the Prospectus are also applicable for this addendum.

G. Amendments in connection with information about the management and supervisory bodies of Hypo Real Estate Holding AG

On pages 98-100, the subsection "Management board" is hereby amended as follows: Georg Funke became chairman of the supervisory board of HRE Bank as well as member of the board of directors of Hypo Real Estate Bank International on 1 October 2003. His position as chairman of the management board of HRE Bank ended as of 30 September 2003.

Dr. Paul Eisele and Dr. Markus Fell became members of the supervisory board of HRE Bank on 1 October 2003.

Frank Lamby became vice chairman of the supervisory board of HRE Bank as well as member of the board of directors of Hypo Real Estate Bank International on 1 October 2003. His position as a member of the management board of HRE Bank ended as of 30 September 2003.

H. Supplements in connection with transactions and legal relationships with the HVB Group

On page 105, the subsection "Liquidity lines" is hereby supplemented as follows: By agreements dated 24 September 2003, HVB AG extended Hypo Germany the liquidity lines in the amounts of € 1 billion and € 500 million as well as the one-year overdraft facility in the amount of € 800 million referred to in the Prospectus.

On page 105, the subsection "Physical transfer" is hereby supplemented as follows: On 23 and 24 September 2003, HVB AG and Hypo Real Estate Bank International entered into several loan agreements pursuant to which HVB AG agreed to provide Hypo Real Estate Bank International with funding in an aggregate amount of approximately € 1.6 billion in connection with the transfer from HVB AG to Hypo Real Estate Bank International of a foreign portfolio of commercial real estate financing agreements described in the Prospectus.

In addition, by agreement dated 23 September 2003, HVB AG extended to Hypo Real Estate Bank International the subordinated loan in the amount of € 600 million described in the Prospectus.

On page 109, the subsection "*Schuldscheindarlehen* (loans evidenced by promissory notes) of Hypo Germany" is hereby amended as follows: The Company will ensure that HRE Bank and WestHyp will not allow the volume of outstanding liabilities secured by the deposit guarantee fund (*Einlagensicherungsfonds*), in particular *Schuldscheindarlehen* (loans evidenced by promissory notes), to exceed the currently planned amount by 31 December 2005. The reason for this is the continuing liability of HVB AG to the *Bundesverband deutscher Banken e.V.* for HRE Bank and WestHyp (with regard to the deposit guarantee fund) until that time.

I. Supplements in connection with shareholdings of Hypo Real Estate Holding

The section "List of Shareholdings of Hypo Real Estate Holding" starting on page F-216 is hereby supplemented by adding in the table under the caption "Indirectly held shareholdings" below "DIA Vermögensverwaltungs-GmbH: Shareholdings in:--1.2 HVB Real Estate Bank AG: Shareholding in:-- Westfälische Hypothekenbank AG: Shareholding in:" the following column:

"GfA-Gesellschaft für Anwendungssoftware mbH 33.33 % Stuttgart".

J. Supplements in connection with business developments and prospects

On page P-1, the section "Business Developments and Prospects" is hereby supplemented as follows: A portion of the US-portfolio to be acquired by Hypo Real Estate Bank International from HVB AG is to be resold to WürttHyp. It is contemplated that WürttHyp will physically acquire less than half of the US-portfolio from Hypo Real Estate Bank International and refinance the acquisition by issuing public-sector bonds. The credit risks arising from the US-portfolio for WürttHyp are ultimately to be borne, by way of a guarantee, by Hypo Real Estate Bank International, which, in turn, is to receive the income from this assumption of risk.

The Company and the BaFin are currently discussing the means by which Hypo Real Estate Group is to satisfy its bank regulatory reporting obligations as of 30 September 2003 that have generally arisen from the registration of the spin-off on 29 September 2003.

By letter dated 19 September 2003, the BaFin notified WestHyp of the results of its examination of trading activities (*Handelsgeschäfte*) in accordance with section 44 of the German Banking Act. On the whole, the report came to the conclusion that, except for certain partial aspects, WestHyp has adequately implemented the minimum requirements for the conducting of trading of credit institutions (MaH) with regard to the type, extent and structure of the trading activities conducted so far. The Company expects that these partial aspects will also be implemented shortly in connection with the merger of WestHyp with HRE Bank.

The German branch of Hypo Real Estate Bank International has been set up since the date of the Prospectus.

On the basis of the Listing Prospectus as of 19 September 2003, as amended and supplemented by Addendum Number 1 as of 2 October 2003,

the following have been admitted

to trading on the Official Market of the Frankfurt Stock Exchange with simultaneous admission to the sub-sector of the Official Market with additional obligations arising from admission (Prime Standard)

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