

Analyst Conference Call
November 10, 2005

Hypo  Real Estate
GROUP



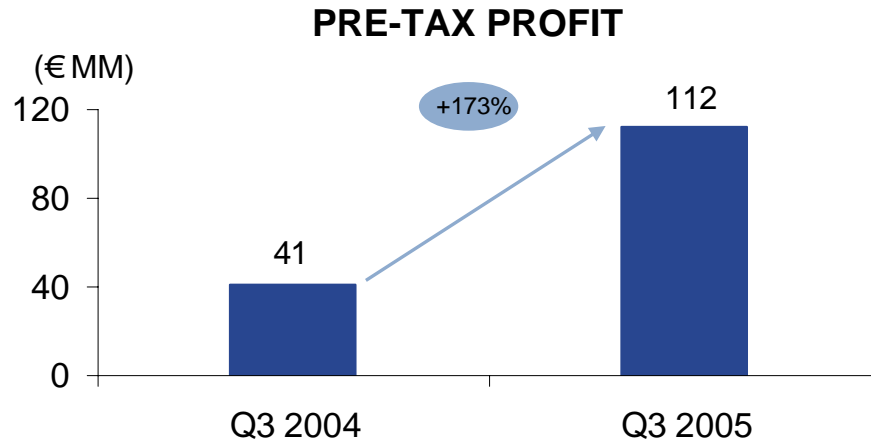
Results Q3 2005
Dr. Markus Fell, CFO

Conference Call Details

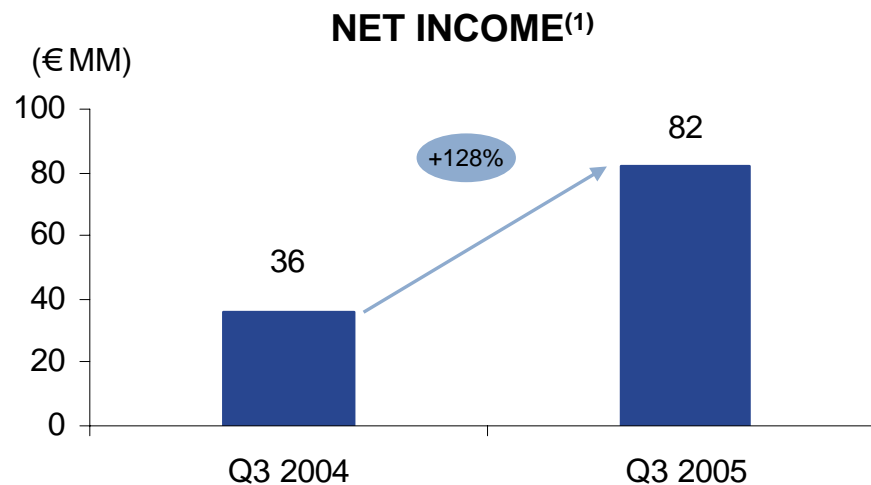
- | Date and Time: November 10, 2005 starting at 14:00 CET
- | You can participate dialling:
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Hypo Real Estate Group

Q3 2005 pre-tax profit up 173%



- | € 327 MM profit before taxes in 9M is in line to reach € 400 - 425 MM (incl. € 30 - 35 MM restructuring charges) by year end
- | Net income increased by 128% in Q3 (y-on-y) due to increased operating revenues and lower loan-loss provisions

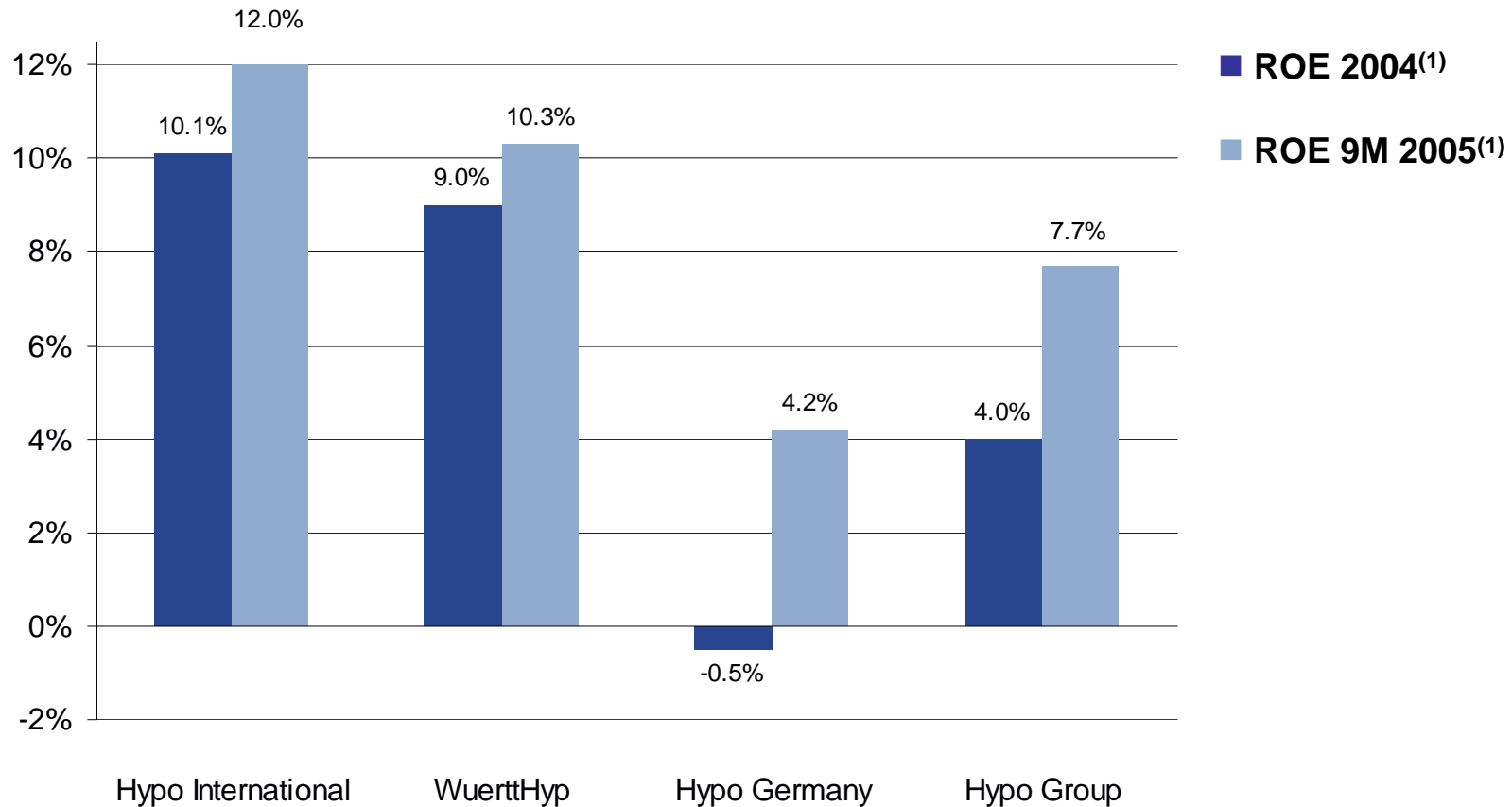


| 3 | **Note**
1. Excluding the effects from capitalised losses carried forward

Hypo Real Estate Group

A substantial increase in profitability

RETURN ON EQUITY DEVELOPMENT – SPLIT BY SEGMENT



| 4 |

Note

1. Excluding the effects from capitalised losses carried forward

Hypo Real Estate Group

Q3 - a further step to reach 2005 targets

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	171	161	6.2
Net commission income	33	35	-5.7
Net trading income	12	3	>+100
Net income from investments	16	-1	>+100
Total operating revenues	233	201	15.9
Provisions for losses on loans and advances	41	75 ⁽¹⁾	-45.3
General administrative expenses	79	80	-1.3
Operating result	113	46	>+100
Net income/loss before taxes	112	41	>+100
Net income/loss	82⁽²⁾	36	>+100
	9M 2005	FY 2004	
ROE after taxes⁽²⁾ (%)	7.7	4.0	
Cost-income ratio (%)	34.1	37.7	

- I Portfolio increase in Hypo International and WuerthHyp as well as margin improvement in Hypo Germany led to higher net interest income despite decreasing portfolio of Hypo Germany
- I Total operating revenues increased by 15.9% compared to prior year period
- I Lower loan-loss provisions reflect improved asset quality of Hypo Germany as well as limitation of portfolio-based risk provisioning
- I General administrative expenses at prior year level; higher expenses at Hypo International offset by reductions at Hypo Germany

| 5 | Notes

1. Including pro-rata risk shelter of €32.5 MM from HVB AG
2. Excluding the effects from capitalised losses carried forward

Hypo Real Estate Group

Quarterly development

(€ MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	201	220	210	225	233
Net interest income	161	176	165	165	171
Net commission income	35	10	23	38	33
Net trading income	3	6	7	7	12
Net income from investments	-1	33	11	12	16
Balance of other operating income/expenses	3	-5	4	3	1
Provisions for losses on loans and advances	75 ⁽¹⁾	55 ⁽¹⁾	35	36	41
General administrative expenses	80	86	73	76	79
Balance of other income/expenses	-5	-13	-	-	-1
Net income/loss before taxes	41	66	102	113	112
Net income/loss	36	48⁽²⁾	78⁽²⁾	83⁽²⁾	82⁽²⁾

I Despite net portfolio reduction of Hypo Germany, strong international new business gradually increases operating revenues

I Net trading income continued to grow

I Higher portfolio-based provisioning due to portfolio growth

Risk assets compliant with BIS rules (€ Bn)	52.5	51.0	51.1	52.9	53.2
Core capital ratio compliant with BIS rules (in %)	7.8	8.3 ⁽³⁾	8.2	7.9	7.8
Employees	1,417	1,311	1,287	1,259	1,258

| 6 | Notes

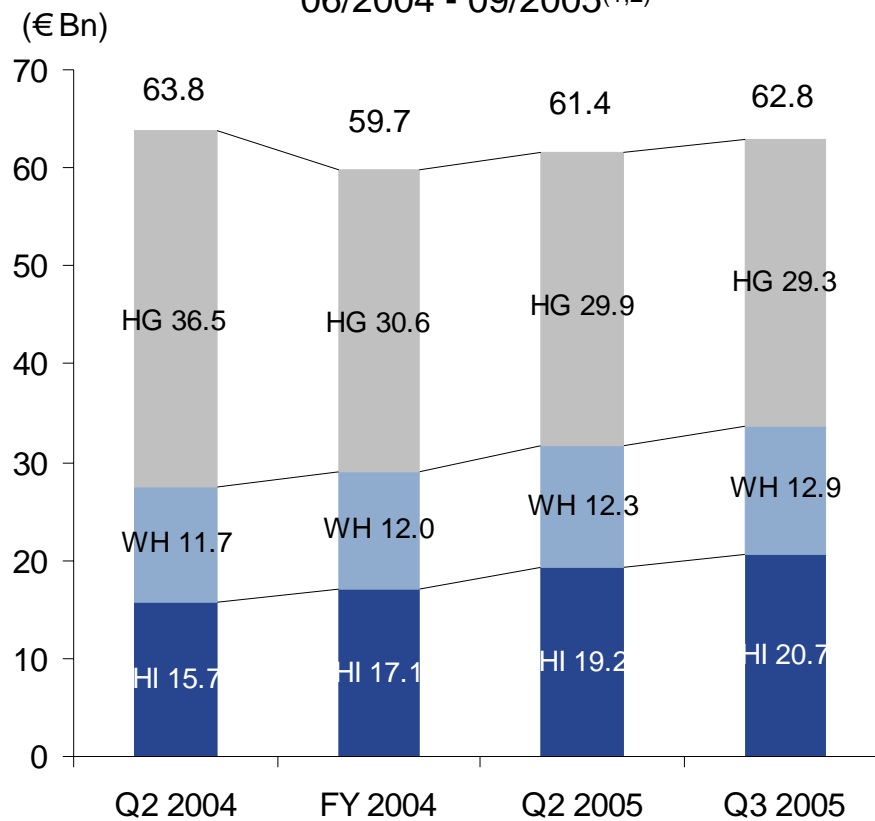
1. Including pro-rata risk shelter of € 32.5 MM from HVB AG
2. Excluding the effects from capitalised losses carried forward
3. As per approved annual financial statements

Hypo Real Estate Group

Group portfolio started growing despite decline in Hypo Germany

Real Estate Portfolio Development by Segment

06/2004 - 09/2005^(1,2)



- I Total real estate loans started to grow in 2005
- I Hypo International and WuerttHyp could grow their portfolios in sum by €5 Bn in the past 12 months
- I Portfolio reduction in Hypo Germany is slowing down

| 7 | **Notes**

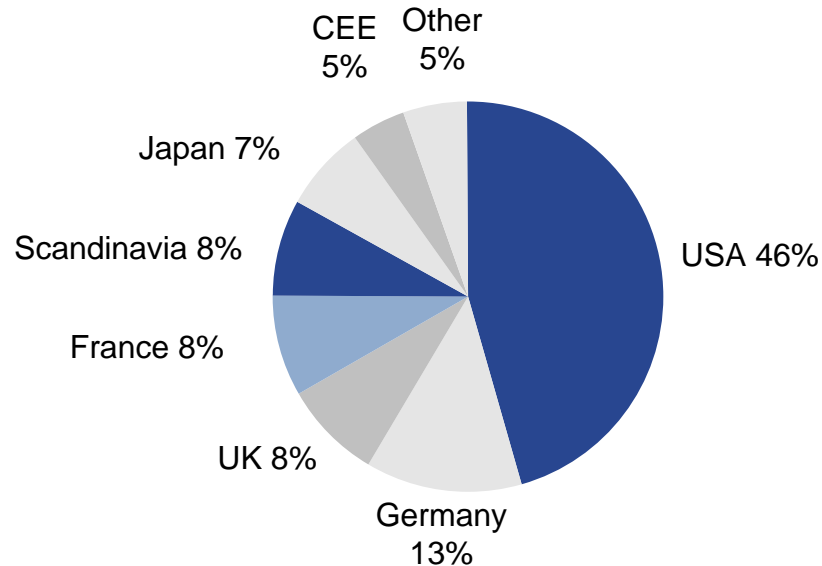
1. Based on commitments after syndication
2. Internal unaudited figures

Hypo Real Estate Group

A strong quarter with new business of €6.0 Bn

Total New Real Estate Business Split by Region

Q3 2005^(1,2,3)



100% = €6.0 Bn

- | Group's new business of €6 Bn in Q3 exceptionally strong and results in total new business of €14.3 Bn in 9M
- | Prepayments and repayments in Q3 amounted to €4.7 Bn
- | Net increase of total real estate portfolio of €1.4 Bn in Q3 2005 (incl. currency fluctuations and securitisations)

| 8 | **Notes**

1. Excluding HPBI's new business (public finance)
2. Based on commitments after syndication
3. Internal unaudited figures

Hypo Real Estate Bank International

Profit before taxes of Hypo Real Estate Bank International increased by 77 %

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	74	53	39.6
Net commission income	39	41	-4.9
Net trading income	12	3	>+100
Net income from investments	2	-2	>+100
Total operating revenues	128	97	32.0
Provisions for losses on loans and advances	7	15	-53.3
General administrative expenses	42	38	10.5
Operating result	79	44	79.5
Net income/loss before taxes	78	44	77.3
Net income/loss	56	34	64.7
	9M 2005	FY 2004	
ROE after taxes (%)	12.0	10.1 ⁽¹⁾	
Cost-income ratio (%)	34.2	37.3	

- I Net interest income increased due to portfolio growth
- I Net commission income slightly lower compared to prior year period due to new fee recognition policy introduced in Q4 2004
- I Strong net trading income in Q3 compared to 2004 when “Capital Markets” was still in start-up mode
- I Net increase of portfolio as well as additional earnings contribution from “Capital Markets” result in significantly higher operating revenues over prior year period
- I No specific loan loss provisions; portfolio-based provisioning as portfolio grew
- I ROE increased to 12.0% compared to 10.1%⁽¹⁾ in 2004

| 9 | Note

1. Excluding the effects from capitalised losses carried forward

Hypo Real Estate Bank International

Quarterly development

(€MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	97	89	102	109	128
Net interest income	53	60	65	65	74
Net commission income	41	23	29	31	39
Net trading income	3	6	7	7	12
Net income from investments	-2	2	-	5	2
Balance of other operating income/expenses	2	-2	1	1	1
Provisions for losses on loans and advances	15	-9	2	-	7
General administrative expenses	38	40	37	37	42
Balance of other income/expenses	-	-1	-	-	-1
Net income/loss before taxes	44	57	63	72	78
Net income/loss	34	42⁽¹⁾	47	52	56

Risk assets compliant with BIS rules (€Bn)	16.8	17.3	17.8	19.9	20.2
Core capital ratio compliant with BIS rules (in %)	8.7	9.2 ⁽²⁾	10.1	9.1	8.9
Employees	502	504	499	484	492

- | Portfolio growth gradually increases operating revenues
- | Strong trading income in Q3 vs. Q2 but subject to market conditions
- | Higher portfolio-based risk-provisioning due to net portfolio increase
- | General administrative expenses within expected range in Q3
- | Profit before taxes continuously increases

| 10 | Notes

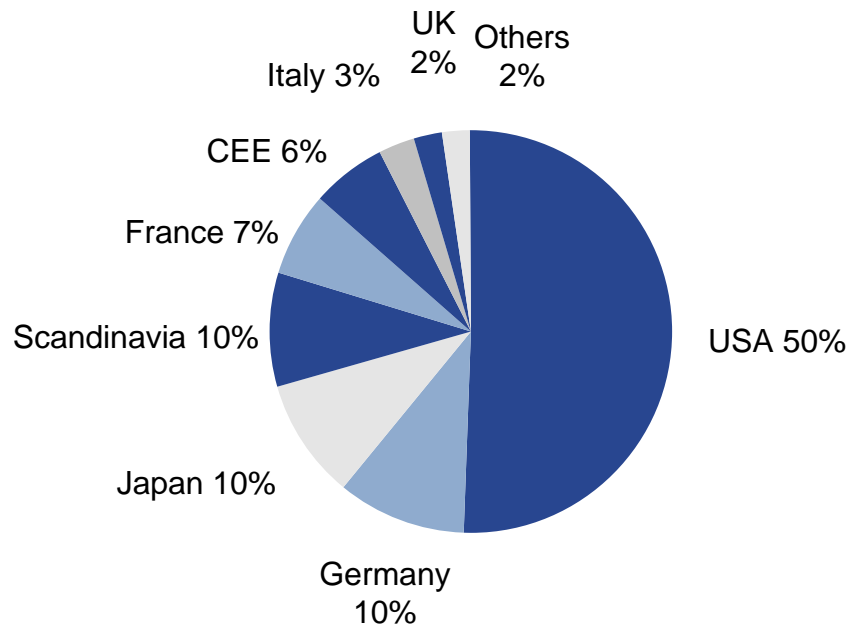
1. Excluding the effects from capitalised losses carried forward
2. As per approved annual financial statements

Hypo Real Estate Bank International

New business of €4.4 Bn in Q3 2005

New Real Estate Business Split by Region

Hypo International Q3 2005^(1,2,3)



100% = €4.4 Bn

- I New business in Q3 amounted to € 4.4 Bn and therefore to € 10.3 Bn in 9M
- I Prepayments and repayments amounted to € 3.1 Bn in Q3
- I In Q3 total portfolio increased by € 1.5 Bn to € 20.7 Bn (incl. currency fluctuations of € +0.4 Bn and securitisations of € -0.2 Bn)
- I New business on average written at more than 140 Bp net interest margin yielding >14% IRR

| 11 | Notes

1. Excluding HPBI's new business (Public Finance)
2. Based on commitments after syndication
3. Internal unaudited figures

WuerttHyp

WuerttHyp increases earnings

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	31	28	10.7
Net commission income	-3	1	>-100
Net income from investments	1	-2	>+100
Total operating revenues	29	28	3.6
Provisions for losses on loans and advances	4	5	-20.0
General administrative expenses	9	9	-
Operating result	16	14	14.3
Net income/loss before taxes	16	14	14.3
Net income/loss	14	14	-
	9M 2005	FY 2004	
ROE after taxes (%)	10.3	9.0	
Cost-income ratio (%)	25.8	28.4	

- | Net interest income has risen because of portfolio growth
- | General administrative expenses stable
- | Pre-tax profit increased by 14%
- | Income taxes consist of deferred taxes and taxes relating to prior years; no current taxes for 2005 due to profit-and-loss transfer agreement with Hypo Holding

WuerttHyp

Quarterly development

(€MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	28	32	32	32	29
Net interest income	28	26	30	33	31
Net commission income	1	-2	-2	-2	-3
Net income from investments	-2	9	4	1	1
Balance of other operating income/expenses	1	-1	-	-	-
Provisions for losses on loans and advances	5	9	3	6	4
General administrative expenses	9	9	8	7	9
Balance of other income/expenses	-	-	-	-	-
Net income/loss before taxes	14	14	21	19	16
Net income/loss	14	13	19	19	14

I Operating performance remains solid (higher prepayment fees in Q2)

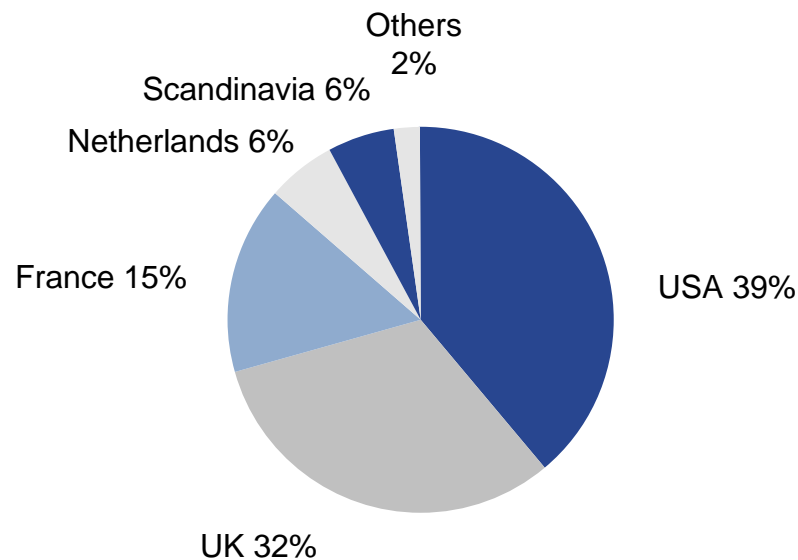
Risk assets compliant with BIS rules (€Bn)	9.4	10.1	10.5	10.6	10.7
Core capital ratio compliant with BIS rules (in %)	7.5	7.1 ⁽¹⁾	6.8	6.8	6.7
Employees	173	171	178	179	179

WuerttHyp

New business of €1.3 Bn in Q3 2005

New Real Estate Business Split by Region

WuerttHyp Q3 2005^(1,2)



100% = €1.3 Bn

- | €1.3 Bn of new business in Q3
- | Prepayments and repayments amounted to €0.7 Bn and result in total portfolio of €12.9 Bn

| 14 | **Notes**

1. Internal unaudited figures
2. Based on commitments after syndication

Hypo Real Estate Bank Germany

Increasing profit contribution for the Group

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	67	82	-18.3
Net commission income	-3	-7	57.1
Net income from investments	13	3	>+100
Total operating revenues	77	78	-1.3
Provisions for losses on loans and advances	30	55 ⁽¹⁾	-45.4
General administrative expenses	23	28	-17.9
Operating result	24	-5	>+100
Net income/loss before taxes	24	-10	>+100
Net income/loss	18⁽²⁾	-3	>+100

	9M 2005	FY 2004	
ROE after taxes (%) ⁽²⁾	4.2	-0.5	
Cost-income ratio (%)	30.5	35.2	

- | Net reduction of portfolio not yet overcome by new business and prolongations at higher margins, and therefore leading to lower net interest income
- | Loan-loss provisions substantially lower reflecting the well improved asset quality
- | General administrative expenses have been reduced because of successful restructuring
- | ROE in line with full year target of 4-5%

| 15 | Notes

1. Including pro-rata risk shelter of €32.5 MM from HVB AG
2. Excluding the effects from capitalised losses carried forward

Hypo Real Estate Bank Germany

Quarterly development

(€MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	78	99	77	85	77
Net interest income	82	90	72	68	67
Net commission income	-7	-10	-3	8	-3
Net income from investments	3	22	7	6	13
Balance of other operating income/expenses	-	-3	1	3	-
Provisions for losses on loans and advances	55 ⁽¹⁾	55 ⁽¹⁾	30	30	30
General administrative expenses	28	31	24	26	23
Balance of other income/expenses	-5	-11	-	-	-
Net income/loss before taxes	-10	2	23	29	24
Net income/loss	-3	-⁽²⁾	19⁽²⁾	22⁽²⁾	18⁽²⁾

- | Net interest income is stabilising
- | High net commission income in Q2 exceptional due to lower securitisation expenses and fewer debt issues
- | Decline in RWA is slowing down

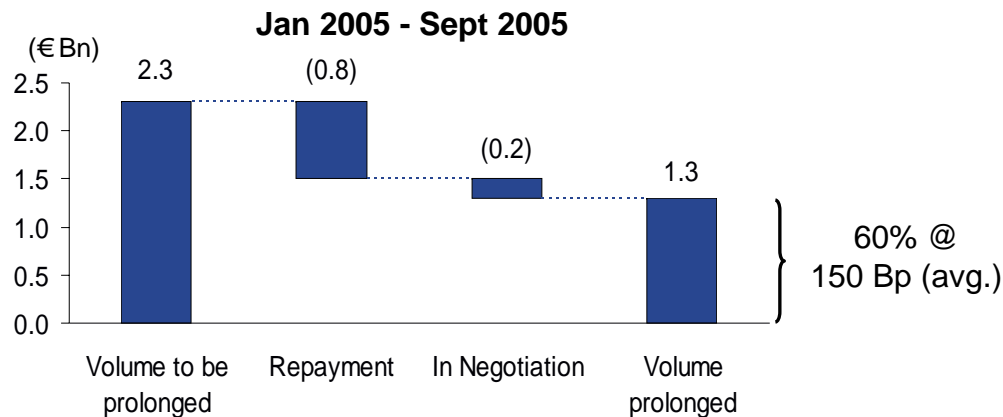
Risk assets compliant with BIS rules (€ Bn)	26.9	24.2	23.4	23.0	22.8
Core capital ratio compliant with BIS rules (in %)	7.7	8.4 ⁽³⁾	7.9	8.0	8.1
Employees	698	592	560	544	534

| 16 | Notes

1. Including pro-rata risk shelter of € 32.5 MM from HVB AG
2. Excluding the effects from capitalised losses carried forward
3. As per approved annual financial statements

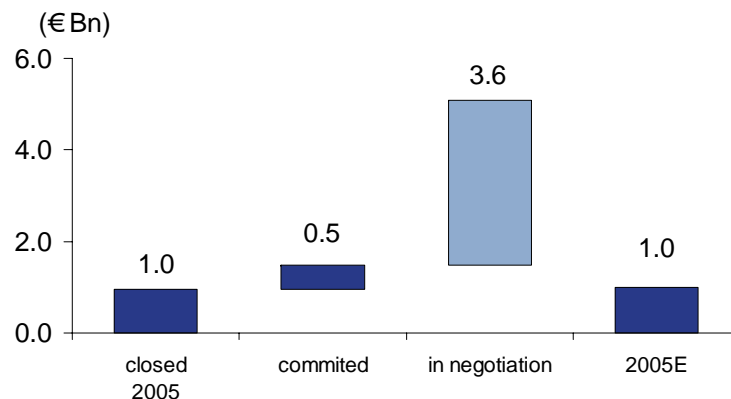
Hypo Real Estate Bank Germany

Continued margin improvement through prolongations and new business



- I Successful prolongation strategy continued with a total prolongation rate of 60% at 150 Bp (avg.) which is still higher than the planned 130 Bp
- I 67% prolongation rate with commercial customers and 38% prolongation rate with retail customers, in line with strategy

Overview of current new real estate business activities as of September 30, 2005^(1,2)



- I New business amounted already to € 1.0 Bn in 9M 2005, thereof € 0.3 Bn in Q3
- I Prepayments and repayments of € 0.9 Bn in Q3 2005 led to a portfolio decrease of € 0.6 Bn and a total portfolio of € 29.3 Bn
- I Margins on new business around 130 Bp as well as fee income yielding >12% IRR on average

| 17 | Notes

1. Based on commitments after syndication
2. Internal unaudited figures

Hypo Real Estate Group

Confirming full year profit target

Key Figures			
(€ MM)	Target 2005	³/₄ Target	9M/05
Total Operating Revenues	≈ 895 - 915	≈ 671 - 686	668
Risk Provisions	≈ 180 - 190	≈ 135 - 143	112
General Administrative Expenses	≈ 305 - 315	≈ 229 - 236	228
Profit before taxes	≈ 400 - 425	≈ 300 - 319	327
ROE after taxes (%) ⁽¹⁾	≈ 7.5 - 8.0	≈ 7.5 - 8.0	7.7
Hypo International – Profit before taxes	≈ 250 - 270	≈ 188 - 203	213
WuerttHyp – Profit before taxes	≈ 65 - 70	≈ 49 - 53	56
Hypo Germany – Profit before taxes	≈ 95 - 105	≈ 71 - 79	76
RWA (€ Bn) ⁽²⁾	≈ 56 - 57		53

Adapted Key Figures			
(€ MM)	Adapted Target 2005	³/₄ Adapted Target	9M/05
Hypo International – Profit before taxes	≈ 305 - 325	≈ 229 - 244	252
Hypo Public Finance – Profit before taxes	≈ 10 - 15	≈ 8 - 11	17
Hypo Germany – Profit before taxes	≈ 95 - 105	≈ 71 - 79	76

- I Risk provisions and general administrative expenses below the lower end of the pro-rata target range
- I PBT of € 327 MM well above pro-rata target range
- I Despite restructuring charges of € 30 - 35 MM (which will be booked in Q4/05) the full year target of € 400-425 MM profit before taxes is confirmed

| 18 | **Notes**

1. Excluding the effects from capitalised losses carried forward
2. According to BIS

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Appendix

The new Hypo Real Estate Bank International

Pro-forma financial overview of the new Hypo Real Estate Bank International

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	99	77	28.6
Net commission income	30	42	-28.6
Net trading income	2	-	>+100
Net income from investments	3	-3	>+100
Total operating revenues	135	118	14.4
Provisions for losses on loans and advances	11	20	-45.0
General administrative expenses	41	39	5.1
Operating result	83	59	40.7
Net income/loss before taxes	82	59	39.0
Net income/loss	61	48	27.1
	9M 2005	FY 2004	
ROE after taxes⁽¹⁾ (%)	11.8	10.2⁽²⁾	
Cost-income ratio (%)	28.9	30.5	

- I Net interest income gradually increased in 2005
- I Net commission income lower due to new fee recognition policy
- I ROE of 11.8% for the new Hypo International

| 22 | Notes:

1. Based on allocated capital
2. Excluding effects from capitalised losses carried forward

The new Hypo Real Estate Bank International

Quarterly development

(€MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	118	109	123	129	135
Net interest income	77	81	89	95	99
Net commission income	42	21	27	30	30
Net trading income	-	-	1	-	2
Net income from investments	-3	9	5	5	3
Balance of other operating income/expenses	2	-2	1	-1	1
Provisions for losses on loans and advances	20	-	5	6	11
General administrative expenses	39	39	35	36	41
Balance of other income/expenses	-	-1	-	-	-1
Net income/loss before taxes	59	69	83	87	82
Net income/loss	48	54⁽¹⁾	65	68	61

- I Continued growth in operating revenues
- I Less volatility for the combined entity on a quarterly basis

Risk assets compliant with BIS rules (€Bn)	24.8	25.4	25.8	28.0	28.4
Core capital ratio compliant with BIS rules ⁽²⁾ (in %)	7.9	8.2	8.9	8.3	8.1

| 23 | Notes

1. Excluding the effects from capitalised losses carried forward
2. Based on allocated capital

Hypo Public Finance Key Financial Overview

KEY FINANCIALS (IFRS)			
(€MM)	Q3 2005	Q3 2004	Change (%)
Net interest income	6	3	100.0
Net commission income	6	-	>+100
Net trading income	10	3	>+100
Net income from investments	-	-1	100.0
Total operating revenues	22	5	>+100
Provisions for losses on loans and advances	-	-	-
General administrative expenses	10	7	42.9
Operating result	12	-2	>+100
Net income/loss before taxes	12	-2	>+100
Net income/loss	9	-1	>+100
	9M 2005	FY 2004	
ROE after taxes ⁽¹⁾ (%)	8.9	-4.2	
Cost-income ratio (%)	62.2	120.0	

- I Total operating revenues substantially increased because of strong commission and trading income in Q3
- I € 17 MM profit before taxes in 9M already above full year target of € 10 - 15 MM

| 24 | **Note:**
1. Based on allocated capital

Hypo Public Finance Bank

Quarterly development

(€MM)	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
Total operating revenues	5	13	11	12	22
Net interest income	3	6	6	3	6
Net commission income	-	-1	-	-1	6
Net trading income	3	6	6	7	10
Net income from investments	-1	2	-1	1	-
Balance of other operating income/expenses	-	-	-	2	-
Provisions for losses on loans and advances	-	-	-	-	-
General administrative expenses	7	11	10	8	10
Balance of other income/expenses	-	-	-	-	-
Net income/loss before taxes	-2	2	1	4	12
Net income/loss	-1	1	1	3	9

Risk assets compliant with BIS rules (€Bn)	1.4	2.0	2.5	2.5	2.5
Core capital ratio compliant with BIS rules ⁽¹⁾ (in %)	8.0	8.0	8.0	8.0	8.0

- I Gradually increasing total operating revenues in 2005; business still subject to fast changing market conditions
- I Public Finance on profitable track