

Press release

Hypo Real Estate Bank International AG in Stuttgart is launching the Pfandbrief in Australia

- **First issue in the world of a “Kangaroo” Pfandbrief**
- **Issue volume of A\$ 400 million**

Stuttgart/Munich, February 23rd 2006: Hypo Real Estate Bank

International AG in Stuttgart has for the first time successfully launched a Pfandbrief as a “Kangaroo” bond. The “Kangaroo” Pfandbrief of Hypo Real Estate Bank International AG is the first issue of this type in Australia. It meets the requirements of the German Pfandbrief law as well as local legislation. The public sector Pfandbrief will be issued under the law of New South Wales. This is accordingly the first time that it will be possible for a Pfandbrief to be also purchased by Australian investors, who previously have only been able to invest in papers issued under local law.

The issue volume is A\$ 400 million (circa €250 million), and the “Kangaroo” Pfandbrief comes with an annual coupon of 5.75 % with a duration of ten years. The issue will be included in the main Australian index, namely the UBS Composite Bond Index. It is thus an interest investment opportunity for all investors focusing on the index. This index comprises all papers with a maturity of more than one year and with a volume in excess of A\$100 million. With a volume of A\$ 400 million, the “Kangaroo” Pfandbrief of Hypo Real Estate Bank International is the largest ever covered bond issued in the Australian market.

The “Kangaroo” Pfandbrief of Hypo Real Estate Bank International AG has been rated AAA by S&P and Aa1 (with a review for possible upgrade) by Moody`s. It has been placed by a syndicate. The lead manager is ABN Amro, Co-managers are TD Securities (Toronto Dominion Securities) and UBS.

Maturity: 07.03.2016
Value date: 07.03.2006
WKN: A0JBSQ
Series: 1076

According to Dr. Robert Grassinger, member of the Management Board of Hypo Real Estate Bank International AG: "With this issue, Hypo Real Estate Bank International AG has taken a major step towards internationalising its funding base. The A\$ issue was very well received by the market. We have thus succeeded in attracting completely new groups of investors."

Hypo Real Estate Group

The **Hypo Real Estate Group** (HREG) is one of the largest European providers of commercial real estate financing. The group consists of the non-operational listed holding company, namely **Hypo Real Estate Holding AG** based in Munich, and three operational entities. The **Hypo Real Estate Bank International AG** (Stuttgart) combines the international real estate financing activities. The centre of competence for the German market is **Hypo Real Estate Bank AG** based in Munich. **Hypo Public Finance Bank** (Dublin) combines public finance and Capital Markets activities.

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