

## Press release

### **DEPFA Deutsche Pfandbriefbank AG issued € 2 billion public sector Pfandbrief – Second successful benchmark issue in 2008**

**Dublin/Eschborn, 22 July 2008:** DEPFA Deutsche Pfandbriefbank, a member of Hypo Real Estate Group, today issued a € 2 billion public sector Pfandbrief. The two-year Euro benchmark issue is due 15<sup>th</sup> June 2010. The pricing of mid swaps +1bp equated to a spread of +71.6 bps vs. the June 2010 Schatz which allowed for a coupon of 5.25% at a re-offer price of 99.946%.

The bond is rated Aaa/AAA/AAA. It was placed by a syndicate comprising Barclays Capital, Dresdner Kleinwort, Unicredit Group (HVB) and Merrill Lynch as lead managers and a group of 12 co-leads, including DEPFA's benchmark dealer group.

The quality of the order book was very high. This is reflected in the breakdown of accounts, with Official Institutions representing 38% of the allocations. 46% of the issue was placed in Germany, followed by Eastern Europe 16% and Asia 14%, reflecting the high regard for DEPFA's public sector Pfandbriefe among the core German investor base as well as real money accounts across Europe and Asia.

The transaction represents DEPFA's second Euro benchmark this year and follows a five-year € 2 billion offering priced for DEPFA Deutsche Pfandbriefbank in February 2008.

**Bo Heide-Ottosen, Member of the Board of Hypo Real Estate Holding AG and responsible for public sector funding activities**

**comments:** “The high quality and the widespread distribution reflect the strong recognition that DEPFA Deutsche Pfandbriefbank enjoys in the market. It also shows investors’ continued support for the Public Sector covered bond product.”

**Julia Hoggett, Head of Long-Term Funding and Debt**

**Investor Relations adds:** “The demand for this transaction was very strong. Books were opened at 8am London time / 9am Frankfurt time and within the first 10 minutes of book-building the order volume exceeded € 1 billion. Given the volatility the market has experienced over the last year, we are extremely pleased with the quality of the order book, the volume of demand for the DEPFA name and therefore the speed of execution that this allowed”

Coupon: 5.25%

Maturity: 15<sup>th</sup> June 2010

Value Date: 29<sup>th</sup> July 2008

WKN: DE000A0S8X55

Geographic Breakdown	
Asia	14%
Austria	4%
Eastern Europe	16%
France	2%
Germany	46%
Italy	3%
Nordic	2%
UK/ Irl	10%
BeNeLux/ Swiss	3%

Investor Type Breakdown	
Asset Manager	14%
Bank	45%
Official Institutions	38%
Insurance	1%
Other	2%

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