

Press release

Hypo Real Estate Bank International' successful benchmark issue of EUR 1.25bn exceeds expectations

- **Second Benchmark issue under MTN-Programme was closed well ahead of schedule**
- **Georg Funke: „The success of this issue reflects acceptance of the capital markets towards our business model“**

Dublin/Munich, September 14th 2004: Hypo Real Estate Bank International, Dublin, has successfully issued its second benchmark bond. The issue with a size of EUR1.25bn, was met with great interest in the capital markets. The issue, with a duration of five years pays a coupon of 3-months- Euribor +25bp. The issue is listed in Dublin and Luxembourg. Joint lead managers are Barclays Capital, Deutsche Bank, Dresdner Kleinwort Wasserstein, DZ Bank and HypoVereinsbank.

Georg Funke, CEO of Hypo Real Estate Bank International and Chairman of the Managing Board of Hypo Real Estate Holding AG: „The success of our second Benchmark transaction really reflects the acceptance of the capital markets of the business model of Hypo Real Estate Bank International and of Hypo Real Estate Group“.

The second Benchmark issue was preceded by an extensive investor marketing roadshow in Austria, France, Germany, Italy, Ireland, Luxemburg, the Netherlands, Scandinavia and the UK. The demand was so strong that book building had to be finished already on Monday, two days earlier than originally planned. Therefore, the Reoffer-Price of 99,667% was fixed at the lower end of the originally planned price range.

**Eckehard Dettinger-Klemm, a member of the board of executive directors
of Hypo Real Estate Bank International, responsible for Treasury & Rates:**

„The highly positive response of investors demonstrates that Hypo Real Estate Bank International has positioned itself successfully in the capital markets within less than 12 months. This acceptance is a result of continuous communication with our investors and the Banks clear-cut funding strategy.“

Note to the editors:

The MTN-program which provides the framework for issuing the bank's bonds has a volume of 10 billion euros. The arranger in the debt issue program is Morgan Stanley. Eleven other institutions will market future issues in addition to Morgan Stanley.

Hypo Real Estate Bank International, Dublin

Hypo Real Estate Bank International in Dublin is part of the Hypo Real Estate Group (HREG). The group is one of Europe's largest providers of commercial real estate finance. The corporate group consists of the non-operational, listed holding company, Hypo Real Estate Holding AG headquartered in Munich, and three operating units: besides Hypo Real Estate Bank International, these are Württembergische Hypothekenbank AG (WürttHyp) headquartered in Stuttgart, and Munich-based Hypo Real Estate Bank AG, Germany.

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