

Press release

Hypo Public Finance USA, Inc. provides senior secured aircraft loan facilities to two North American airlines, for eight new commercial aircraft

Munich/New York, 20 April 2007: Hypo Public Finance USA, Inc. (“HPF USA”), the New York-based subsidiary of Hypo Public Finance Bank – a member of Hypo Real Estate Group – announced that it has closed term financings for three new E190 regional jets with Air Canada (‘AC-A.TO’); and five new E175 regional jets with Republic Airways (‘RJET’). The aircraft are manufactured by Embraer in Brazil, and will be delivered during the first half of 2007. The two financings total approximately \$150 million, and were both arranged by PK AirFinance - part of GE Commercial Aviation Services (GECAS). Delivery of the aircraft will begin in April.

Stephan Bub, CEO of Hypo Public Finance Bank and Member of the Management Board of Hypo Real Estate Holding AG: “These financings are indicative of the Group’s diversification into Asset and Infrastructure Finance, in both North America and Europe. The aviation sector is a major global market for asset finance, and Hypo Public Finance continues to expand its activities in this and other key transportation, infrastructure, energy and essential asset sectors.”

Jack Campbell, Head of HPF USA’s Asset Based & Infrastructure Finance unit in New York adds: “These two transactions represent our firm’s commitment to expand our lending platform across the Americas, supporting our customers, manufacturers and partners. We are delighted to work with PK AirFinance/GECAS, who is among the world’s most active and experienced aircraft financiers.”

About Hypo Public Finance, USA Inc.

Hypo Public Finance USA, Inc. (“HPF USA”) is the New York-based subsidiary of Hypo Public Finance Bank. The Bank provides premier financial services to borrowers, investors and intermediaries in the international public finance and capital markets. Operating from its head office in Dublin and from offices in the US, London, Dortmund and Luxembourg, the bank is structured to deliver solutions and results to clients and partners around the world. Its success is based on a team of experienced professionals with successful track records and the specialized financial platforms from which they operate. The core business lines are in public/infrastructure finance, capital markets/structured finance, and asset management.

About Hypo Real Estate Group

Hypo Real Estate Group is one of Europe's largest providers of commercial real estate financing. The Group will develop additional growth and establish the conditions necessary for a further increase in profitability by consistently developing the business model towards that of a more broadly based **asset finance house**. Hypo Real Estate Group has around 1230 employees (as of December 31, 2006) and consists of the non-operational, listed holding company **Hypo Real Estate Holding AG** (Munich) and three operational business entities. **Hypo Real Estate Bank International AG** (Stuttgart) and **Hypo Real Estate Bank AG** (Munich) conduct the real estate financing activities (segment **Commercial Real Estate**). **Hypo Public Finance Bank** (Dublin) combines public and infrastructure finance. The Group also conducts asset management and offers innovative products which enable credit risks and services from its range of skills to be managed for or offered to third parties (segment **Asset Finance and Asset Management**). The shares of Hypo Real Estate Holding AG are listed on the Deutsche Aktienindex (DAX 30).

About PK AirFinance

PK AirFinance, part of GE Commercial Aviation Services (GECAS), is a leading provider and arranger of asset-based financing of commercial jet aircraft, serving airlines, aircraft traders, lessors, investors, financial institutions and manufacturers worldwide. The unit is headquartered in Luxembourg.

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