

Press release

Capital market debut: Hypo Real Estate Holding AG takes to the trading floor

- **First trading day for shares of new European real estate finance provider**
- **Spin-off from HVB Group completed**

Munich, October 6, 2003: The tickers at the Frankfurt and Vienna stock exchanges are displaying a new highlight. As of this Monday morning, the share of the new Hypo Real Estate Holding AG is listed for the first time on these two stock exchanges. Effective immediately, investors can buy shares in one of Europe's leading providers of commercial real estate financing. The listing (prime standard) covers a total of approximately 130.4 million ordinary bearer shares. The new share opened in Frankfurt at € 11.25. In addition, two million profit participating certificates will be traded in general standard trading (Frankfurt).

Hypo Real Estate Group emerged from the spin-off of large portions of the commercial real estate financing business of HVB Group. Today's new listing represents the final step for completion of the spin-off. HVB Group shareholders automatically received one share of the new Hypo Real Estate Holding AG for every four HypoVereinsbank AG shares in their custody accounts. Shares were not offered at the time of the spin-off. Consequently there was no offering period with a fixed share price.

“Hypo Real Estate Group presents an attractive investment opportunity. We have a profitable business model with a proven track record over a period of years for large-volume commercial real estate finance transactions,” said Georg Funke, the Chairman of the Board of Managing Directors of Hypo

Real Estate Holding AG. “The investor who believes in the prospects of a solid, highly advanced business model – that is the target investor for the new Group. In the medium to long term I am very optimistic about the performance of the share,” added Funke.

Hypo Real Estate Group (HREG) is one of Europe’s largest providers of commercial real estate financing. However, neither the private residential mortgage business nor public-sector lending are included in its core business activities. HREG consists of the non-operational, listed holding company Hypo Real Estate Holding AG, domiciled in Munich, and three operational business units: *Hypo Real Estate Bank International* with headquarters in Dublin, *Württembergische Hypothekenbank AG (WürttHyp)* with headquarters in Stuttgart and *Hypo Real Estate Bank AG Deutschland* domiciled in Munich (including Westfälische Hypothekenbank, which will be merged into Hypo Real Estate Bank AG).

The new bank’s business model is cash-flow oriented and transaction controlled. That means that every transaction is considered individually and accepted or rejected on its own merits. There are no fixed rulings on industries, sites or real estate locations. Profitability and risk management take precedence; market share considerations and market volume play a subordinate role.

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This document does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Shares of Hypo Real Estate Holding AG will be distributed only to existing shareholders of Bayerische Hypo- und Vereinsbank AG (HVB AG) in connection with the spin-off of the commercial real estate financing business of HVB AG into Hypo Real Estate Holding AG, and no shares of Hypo Real Estate Holding AG are for sale in connection with such spin-off or the listing of such shares on the Frankfurt Stock Exchange.

The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to or for the benefit of United States persons, except pursuant to an applicable exemption from registration.