

Press release

Hypo Real Estate Bank International issues first USD benchmark bond – volume reaches USD 500 million

Dublin/Munich, May 25th 2005: Hypo Real Estate Bank International, Dublin, has successfully issued its inaugural US Dollar (USD) benchmark bond under its MTN-Programme. The issue, with a duration of five years, pays a coupon of 3-month-US-LIBOR +0.20%. It is listed in Dublin and Luxembourg. Joint lead managers are Barclays Capital, Deutsche Bank and HSBC. The selling group comprises Daiwa Securities, DZ Bank, NATEXIS and RZB. The Reoffer-Price was fixed at 99.815%.

The bank's first US-Dollar issue was preceded by an investor marketing road show throughout Europe, and also in Asia. Due to strong demand the issue was well oversubscribed. As a result of approaching a wider geographical distribution of investors, the bank achieved its objective in securing many new investors.

Note to the editors:

The MTN-programme which provides the framework for issuing the bank's bonds has a volume of EUR15billion. The arranger in the debt issue programme 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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