

Press release

Hypo Real Estate Bank AG to provide € 241 million for portfolio financing of Oaktree

Munich, 26 August 2008 - Hypo Real Estate Bank AG, a member of the Hypo Real Estate Group, is to provide € 241 million for financing a senior tranche of the Herkules portfolio within the framework of a syndication. This real estate portfolio was acquired by Oaktree from DEKA Fonds in the summer of 2006. This participation comprises a senior tranche, almost all of which is to be Pfandbrief-refinanced. The companies of the Hypo Real Estate Group constitute one of the largest German Pfandbrief issuers and are able to utilize this price-efficient refinancing possibility very profitably. The transaction was completed on 31 July 2008.

The total financing (incl. junior tranche) amounts to € 900 million, and was arranged in the autumn of 2006 by the syndicate Barclays Capital, Morgan Stanley and Société Générale. The financed real estate portfolio consists of 47 prime properties in prime cities, most of which are located in Hesse and North Rhine-Westphalia. Most of these properties consist of office premises let to well-known tenants in the banking industry.

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Hypo Real Estate Bank AG

Hypo Real Estate Bank AG and **Hypo Real Estate Bank International AG**, Munich, are leading providers of commercial real estate financing on an international scale and in Germany. The banks offer their services to professional real estate investors, building societies, and developers as well as closed and open ended real estate funds globally through around 20 offices across Europe, the Americas and Asia. The service and product range includes classical Pfandbrief-based mortgages as well as large-volume investment banking products. Both banks are members of Hypo Real Estate Group. Following the acquisition of DEPPFA Bank plc in October 2007, the Group has evolved into one of the leading international financial services providers for commercial real estate, public sector and infrastructure finance. Additional information is to be found on www.hyporealestate.com.