

Press release

Hypo Real Estate Bank AG launches €1.5 Billion Mortgage Jumbo-Pfandbrief

Munich, March 8th 2005: Hypo Real Estate Bank AG, Munich, has successfully launched a Mortgage Jumbo-Pfandbrief worth €1.5 billion. It features an annual coupon of 3.25% and a term of 7 years. The spread was set at the lower end of the range of +5bp - +7bp at +5bp over mid-market swaps. The re-offer price fixed at 98,556%.

The Hypo Real Estate Bank AG Mortgage Pfandbrief was rated AA+ by Fitch and Aa3 (with positive outlook) by Moody's.

The placement was performed by a banking syndicate comprising HypoVereinsbank (HVB C&M), Dresdner Kleinwort Wasserstein (DRKW) and Landesbank Baden-Württemberg (LBBW) as lead managers and a group of co-leads comprising Barclays Capital, Bayerische Landesbank, Deutsche Bank, Morgan Stanley, HSBC, Westdeutsche Landesbank (West-LB) and WGZ-Bank. In Germany slightly more than 50% were placed, followed by Italy, Benelux and Scandinavia. The issue was preceded by a three-week roadshow through Europe.

Frank Lamby, Management Board spokesman at Hypo Real Estate Bank AG, said: "With the successful placement of the first Mortgage Jumbo-Pfandbrief after completion of the restructuring process last September, Hypo Real Estate Bank AG has made an impressive return to the capital markets."

Treasury Head Volker Walz added: “The interest of national and international investors was very high. We had to close the order book early after three hours. The issue was over-subscribed by a factor of 2.1 at this time.

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Hypo Real Estate Bank AG

Hypo Real Estate Bank AG, Munich, is a member of the Hypo Real Estate Group (HREG), one of Europe’s largest providers of commercial real estate financing. The bank’s core business does not include private mortgage lending or municipal lending. HREG consists of the listed non-operational listed holding company Hypo Real Estate Holding AG, based in Munich, and three operating entities. They are *Hypo Real Estate Bank AG* in Munich, they are *Hypo Real Estate Bank International* in Dublin and *Württembergische Hypothekenbank AG (WürttHyp)* in Stuttgart.

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