

Q2 2008 Financial Results
Analyst Call, Dr. Markus Fell, CFO

13th August, 2008

Hypo  Real Estate
GROUP



“Focus on risk reduction and capital management”

Highlights Q2 2008

Focus on risk reduction and capital management

- | Tier I ratio improved 30Bp to 8.6% (9.7% including DEPFA IRBAA)
- | 35% increase in net interest income in low risk Public Sector Finance, high margins of ca. 40 Bp and IRR >30% on new business of €11.3BN
- | Focus on Pfandbrief eligible business in Commercial Real Estate, new business of €2.6BN with IRR>15%
- | €3BN reduction of trading assets
- | Writedowns on synthetic/ impaired US CDOs now at 66%
- | Prudent funding position with a liquidity buffer of €37BN
- | Pre-tax profit¹⁾ at €40MM after net writedowns on CDOs of €145MM

Note:

1. Excluding the effect from the embedded derivative relating to the Mandatory Convertible Bond of €-23MM

Content

I Q2 2008 Results

I Segment Update

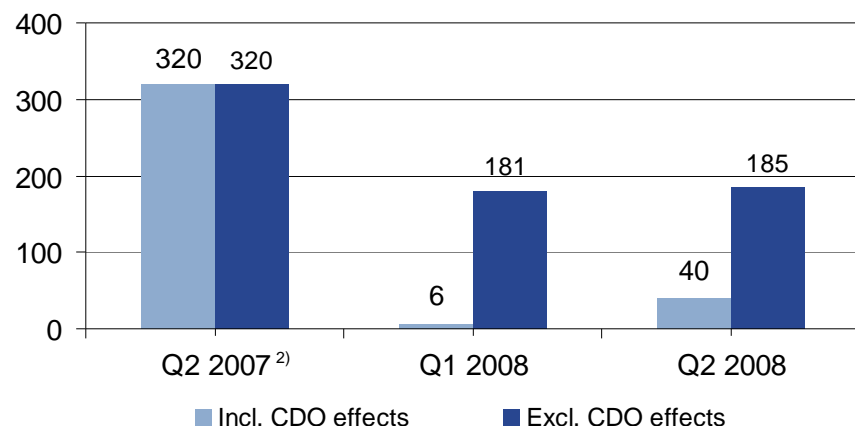
I Funding Update

Financial market crisis continues to put stress on results

Hypo Real Estate Group: P&L

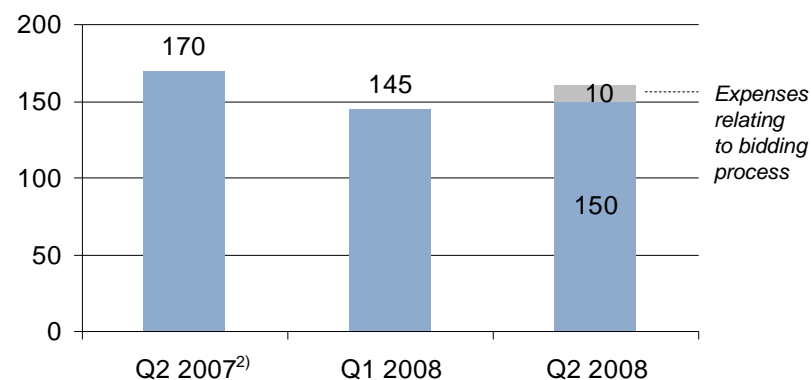
Pre-tax profit¹⁾

€MM



General administrative expenses

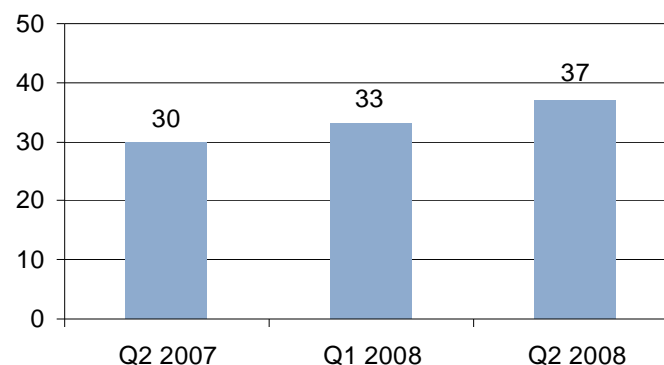
€MM



- I Q2 2008 pre-tax profit negatively affected by €145MM valuation effects/impairments on CDOs (net of €70MM model reserve used)
- I Excluding CDO effects, pre-tax profit slightly up against Q1 but 42% below previous year due to virtually no portfolio sales
- I Higher general administrative expenses mainly due to legal and advisory fees related to bidding process
- I Loan-loss provisions slightly higher following softening of the real estate markets, but still below plan

Loan-loss provisions

€MM



Notes:

1. Excluding the effect from the embedded derivative relating to the Mandatory Convertible Bond (Q1 2008: €+184MM, Q2 2008: €-23MM)
2. Pro-forma figures

Small profit in Q1 and Q2 2008 despite negative valuation effects on CDOs

Hypo Real Estate Group: P&L – quarterly overview

	Q2 2007 ¹⁾	Q1 2008 ²⁾	Q2 2008 ²⁾
Hypo Group (€MM)			
Operating revenues	520	184	236
Net interest and similar income	335	299	304
Net commission income	55	35	34
Net trading income	23	-98	12
<i>thereof: Valuation effects on synthetic CDOs</i>	0	-87	-19
Net income from financial investments	86	-29	-135
<i>thereof: Impairments on cash CDOs</i>	0	-88	-126
Net income from hedge relationships	19	-19	15
Balance of other operating income/expenses	2	-4	6
Provisions for losses on loans and advances	-30	-33	-37
General administrative expenses	-170	-145	-160
Balance of other income/expenses	0	0	1
Pre-tax profit	320	6	40
Net income/loss		11	29

- I Net interest income slightly up in Q2 2008 due to increased income from Public Sector Finance despite high liquidity costs, virtually no prepayment fees as well as absence of portfolio sales in Public Sector Finance
- I Net commission income reflects low new business volumes in Commercial Real Estate
- I Net trading income turned positive in Q2; positive valuation effects on investment grade CDS and from corporate spreads have only been partially burdened by valuation losses on synthetic CDOs (€19MM)
- I Net income from financial investments includes no gains from portfolio sales in Public Sector Finance and impairments on cash CDOs of €126MM (net of €70MM model reserve used); Q1 2008 included €25MM gain from first-time consolidation of Quadra
- I In addition, impairment charged for Babcock & Brown stake mostly offset by a one-off gain on the sale of Hypo Germany's office building (€32MM)

Notes:

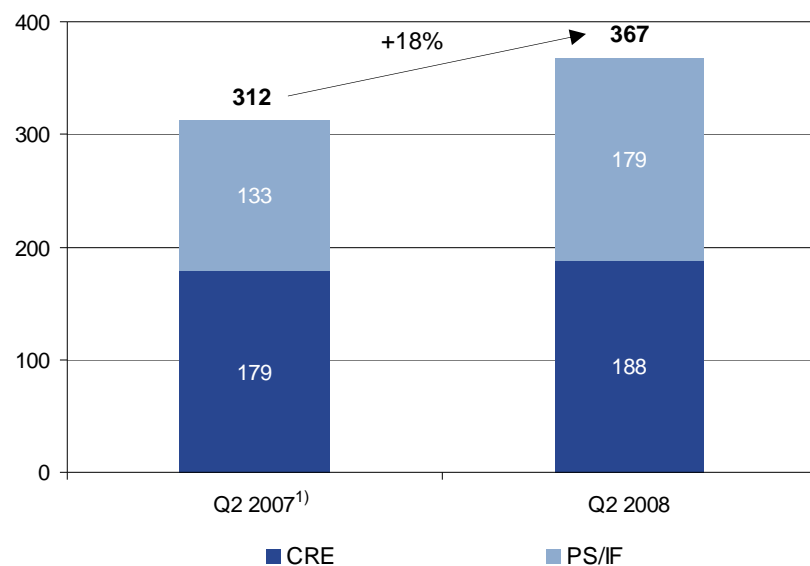
1. Pro-forma figures
2. Excluding the effect from the embedded derivative relating to the Mandatory Convertible Bond (Q1 2008: €+184MM, Q2 2008: €-23MM)

Strong net interest income growth reflects focus on on-balance sheet lending

Hypo Real Estate Group

Net interest income - lending activities

€MM



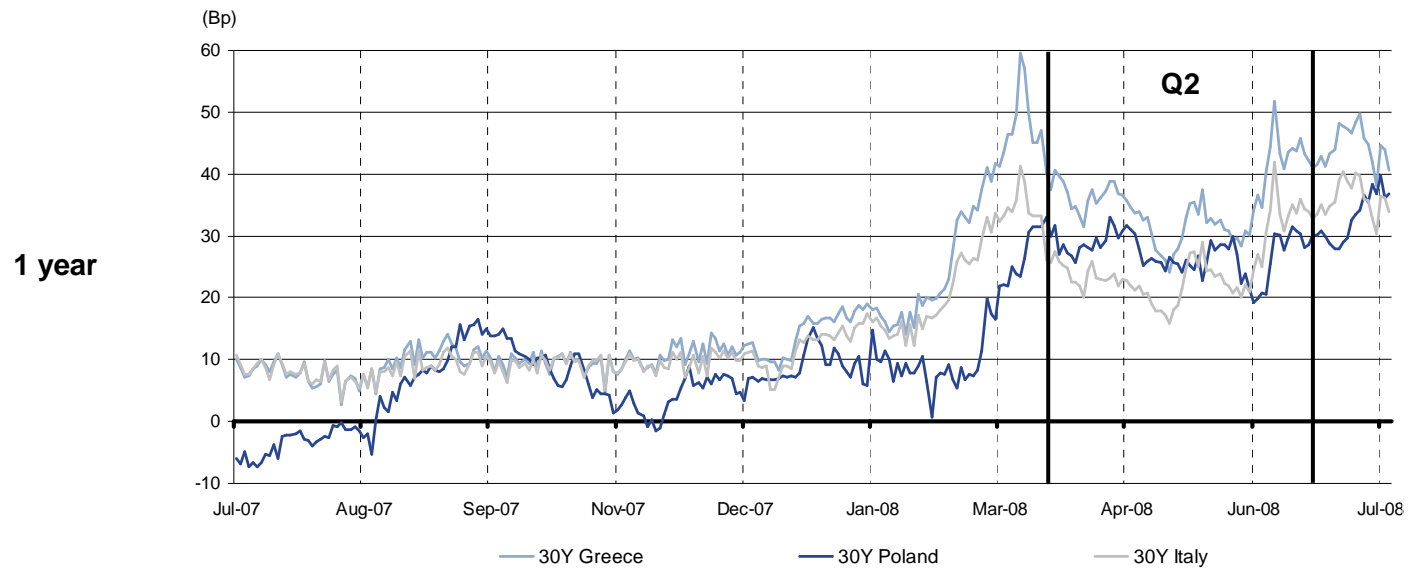
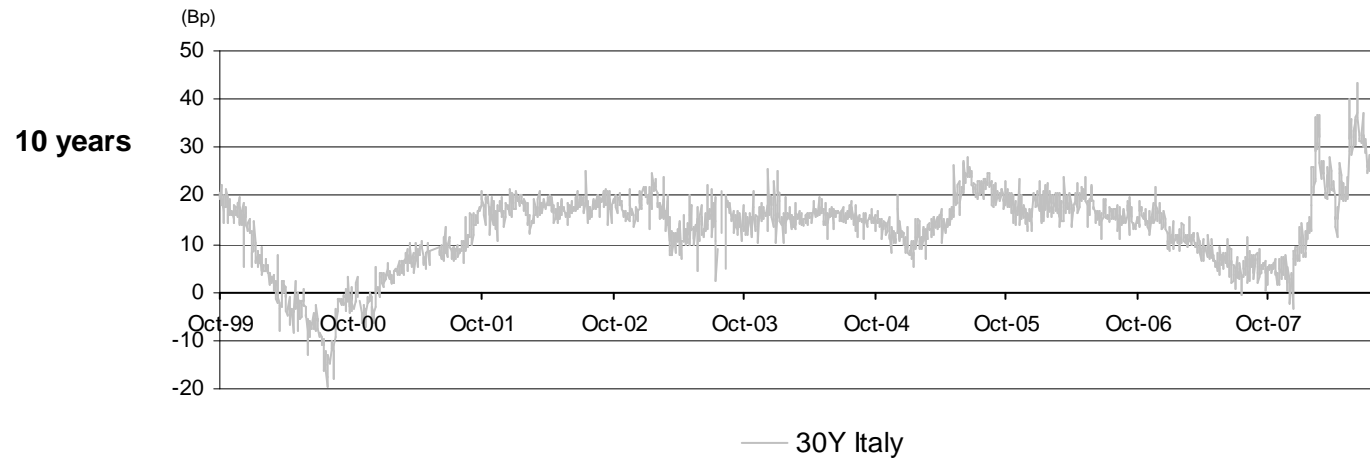
- I Strong growth in net interest income from lending activities driven by:
 - I Increased level of outstandings
 - I A higher average portfolio margin in Public Sector Finance
- I Margins on new business locked in for long periods (Public Sector Finance: av. 10yrs), which is positive both for earnings stability and for the cash flow generation in current volatile markets

Note:

1. Pro-forma figures

Continued spread widening on Public Sector assets in Q2 2008

EU Government Bonds: Exemplary spread developments



Note:

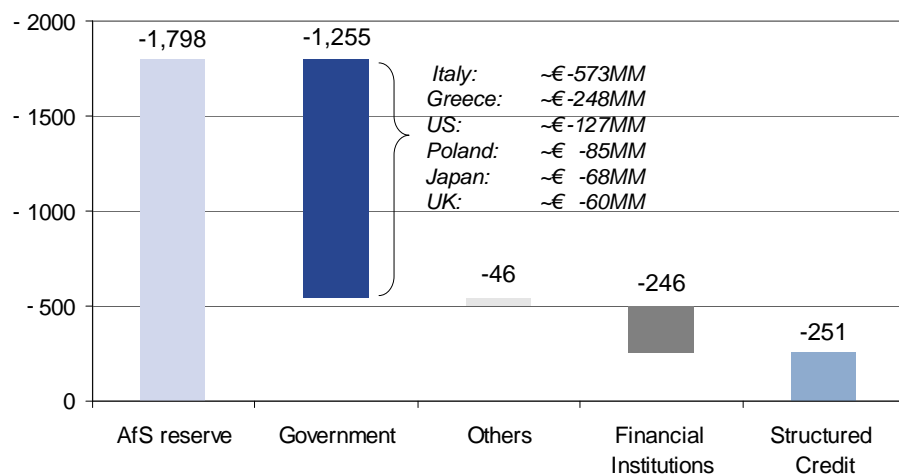
1. Source: Bloomberg

Volatility in the AfS reserve driven mainly by credit spread widening in public sector assets

Hypo Real Estate Group: AfS reserve

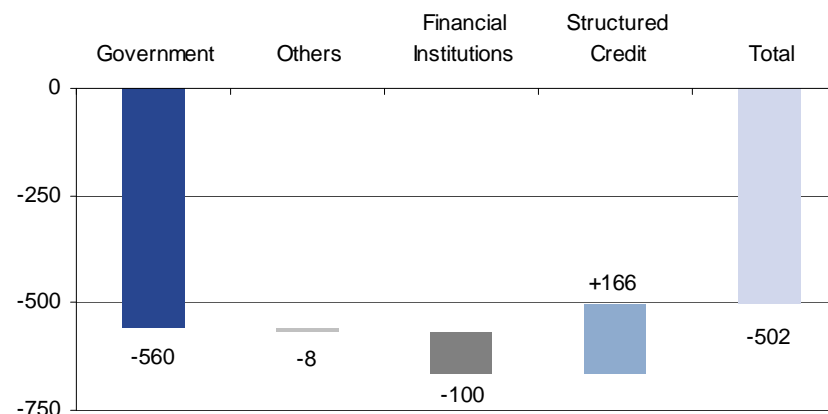
Negative AfS reserve - composition (06/2008)

€MM



AfS reserve – changes (06/2008 vs. 03/2008)

€MM

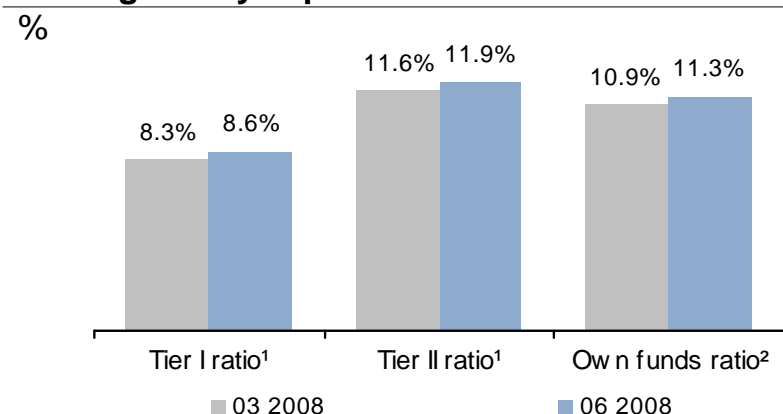


- I 70% of AfS reserve in Q2 related to the low risk/high quality government exposure, only 28% structured credit & financial institutions
- I Negative AfS reserve from government exposure represents less than 2% of the nominal value of the assets. Given that credit risk is virtually non existent, the negative change in AfS reserve is not of concern – in doubt bonds can be held until maturity and will be repaid at par (interest margin is secured)
- I The further decline in the AfS reserve in Q2 reflects the flipside of the high margin environment in Public Sector Finance
- I The negative AfS reserve on structured credit improved by €166MM mainly due to impairments booked through the P&L as well as value improvements
- I HRX regulatory capital is not affected as it is based on German GAAP, which does not include the AfS reserve

Tier I ratio improved to 8.6% benefiting from risk reduction and strict capital management

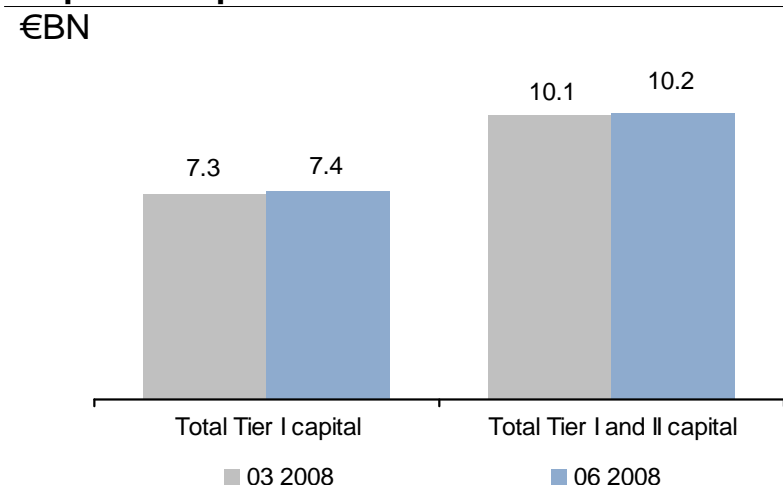
Hypo Real Estate Group: Basle II capital ratios

BIS regulatory capital ratios



- I The Group is reporting capital according to German GAAP; the Tier I ratio is after full deduction of Goodwill
- I RWA (counterparty risk) further reduced as the focus on Public Sector Finance and senior lending in Commercial Real Estate is more appropriately reflected under Basle II
- I The RWA reduction does not yet include all benefits from the Public Sector & Infrastructure Finance business
 - I IRBAA implementation at DEPFA in Q1 2009
 - I If DEPFA were already covered by the IRBAA calculation the Group Tier I ratio would be approx. 9.7%

Capital components



Notes:

1. Based on risk-weighted counterparty + operational risk of (€85.8BN)
2. Based on risk-weighted counterparty + operational + market risk of (€90.7BN)

Content

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- I Segment Update

 - I Public Sector & Infrastructure Finance

 - I Commercial Real Estate

 - I Capital Markets

 - I Corporate Centre

- I Funding Update

Strong growth in net interest income in Q2 2008

Public Sector & Infrastructure Finance: P&L

	Q2 2007 ¹⁾	Q1 2008	Q2 2008
€MM			
Operating revenues	225	204	184
Net interest and similar income	133	157	179
Net commission income	11	7	11
Net trading income	-13	34	-6
Net income from financial investments	80	2	0
Net income from hedge relationships	12	4	0
Balance of other operating income/expenses	2	0	0
Provisions for losses on loans and advances	0	0	0
General administrative expenses	-37	-32	-33
Balance of other income/expenses	0	0	0
Pre-tax profit	188	172	151

- I Net interest income up 35% vs. Q2 2007, benefiting from continued high new business margins, increased outstandings and very favourable short-term refinancing conditions (repo)
- I Net commission income slightly up, partly due to higher advisory fees
- I Net trading income impacted by widening of Government spreads in June
- I No security sales in Q2 (preferably net interest income is locked in for long periods)
- I General administrative expenses remain at low level (similar to Q1), reflecting cost synergies achieved

Note:

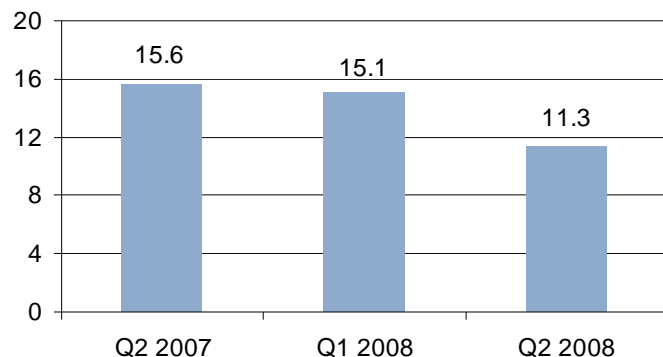
1. Pro-forma figures

Public Sector business well on track with further portfolio growth in Q2

Public Sector Finance: €11.3BN new business

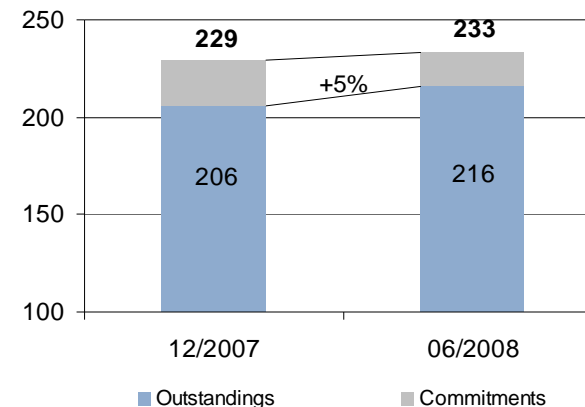
New business¹⁾

€BN, commitments



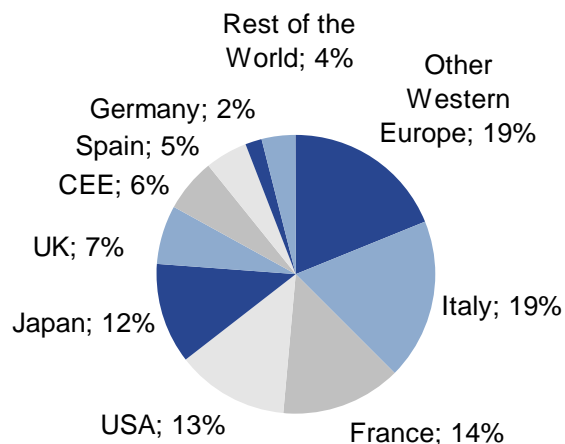
Portfolio¹⁾

€BN



New business – regional structure¹⁾ (Q2 2008)

€11.3BN, new commitments



- I €11.3BN new business written at very favourable conditions in Q2 2008
- I Cumulative new business total of €26.4BN for H1 2008 in line with plan
- I Continued portfolio growth due to favourable conditions for asset retention

Note:

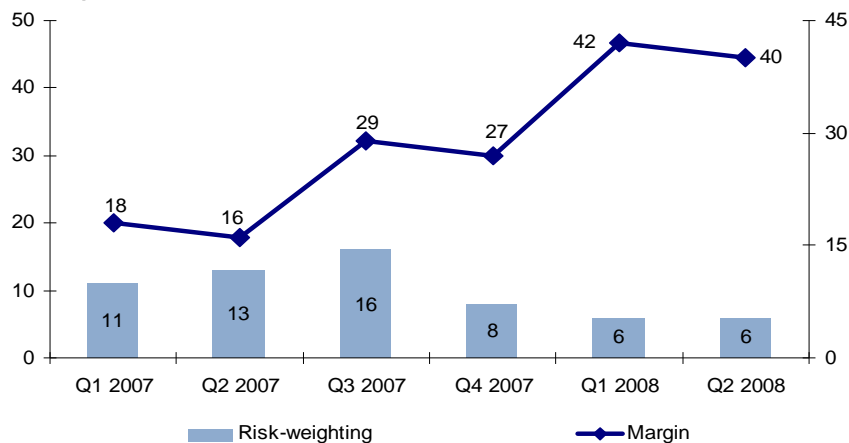
1. Internal unaudited figures

New Public Sector business written at ca. 40Bp net interest margin

Public Sector Finance: New business

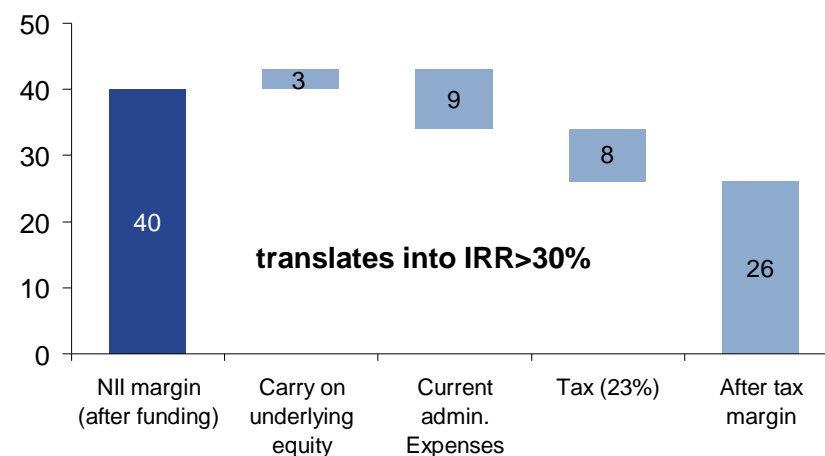
Net interest margin / Risk-weighting¹⁾

% / Bp, on new commitments



Profitability of new business¹⁾

Bp, on new commitments



- I Margin environment is currently very favourable (also continuing in Q3)
- I Net interest margin made up of 33Bp asset margin plus 7Bp funding margin (funding below interbank rates)
- I Low risk weighting as new business was written primarily on a sovereign level

- I 40Bp net interest margin translates into an IRR>30%, taking following assumptions into account:
 - I 10% risk-weighting, 8% Tier I ratio
 - I The interest margin assumes the assets are 100% funded. A coupon of 4% is assumed for the carry on the underlying equity available for investment

Note:

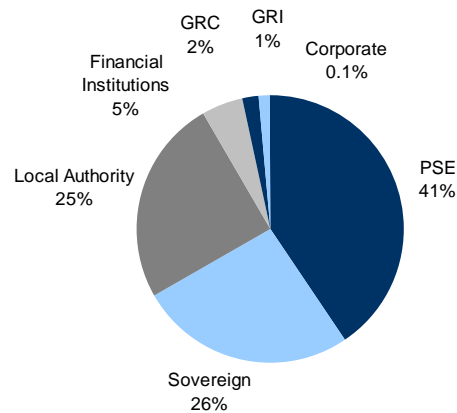
1. Internal unaudited figures

Approx. 99% investment grade and tax-backed counterparties

Public Sector Finance: Portfolio

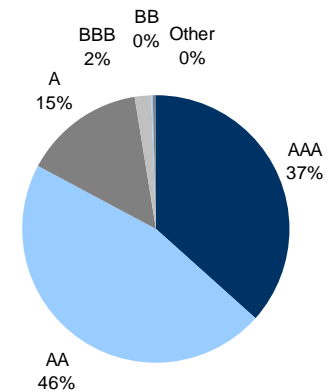
Counterparty structure¹⁾ (06/2008)

€231BN, on EAD basis



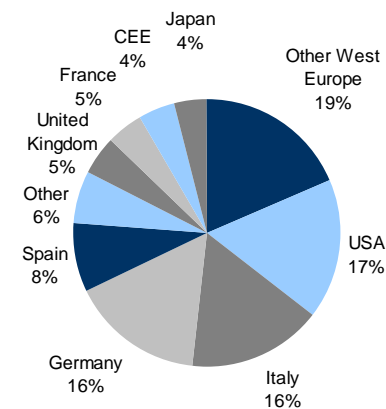
Rating structure¹⁾ (06/2008)

€231BN, on EAD basis



Regional structure¹⁾ (06/2008)

€231BN, on EAD basis



- | Majority of exposures are ultimately tax-backed
- | Virtually all exposures are investment grade
- | 73% European exposure, 17% US
- | Germany is the third largest country by exposure on EAD basis

Note:

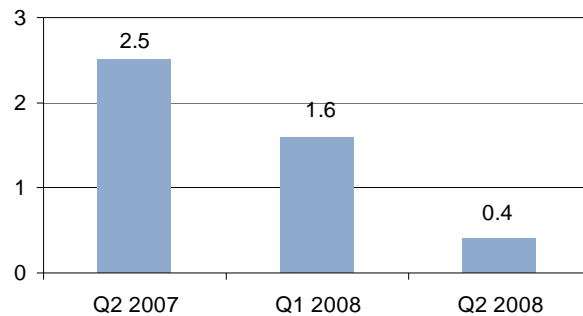
1. Internal unaudited figures

Infrastructure Finance portfolio stable

Infrastructure Finance

New business¹⁾

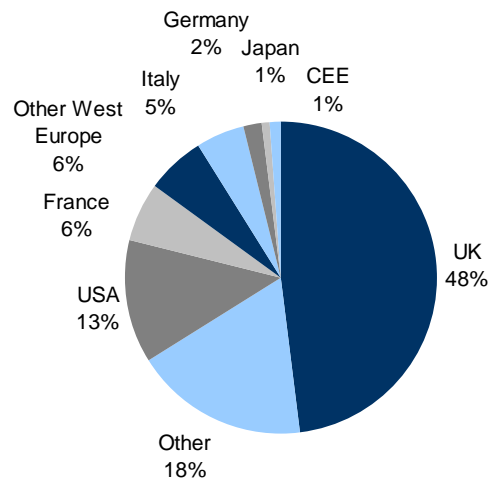
€BN, commitments



- | Portfolio stable at €18.6BN, despite low new business level
- | Slightly improved level of new business margins
- | 86% rated investment grade, 40% rated above A, disregarding all monoline wraps
- | Portfolio focused on essential public infrastructure assets in developed markets
- | Limited vulnerability to economic cycles

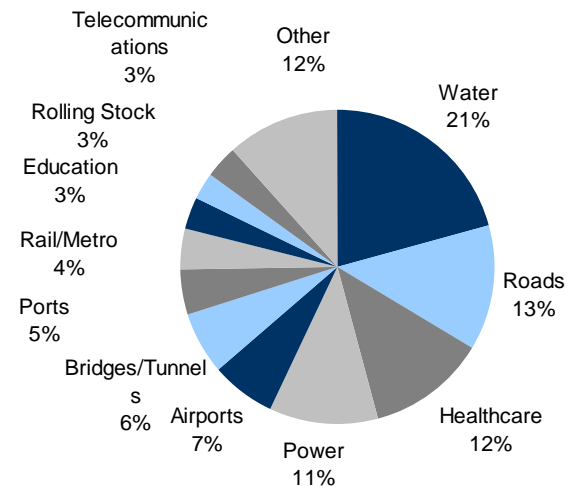
Portfolio – regional structure¹⁾ (06/2008)

€19BN, on EAD basis



Portfolio – sector structure¹⁾ (06/2008)

€19BN, on EAD basis



Note:

1. Internal unaudited figures

Stable income from lending activities despite lower portfolio turnover

Commercial Real Estate: P&L

€MM	Q2 2007 ¹⁾	Q1 2008	Q2 2008
Operating revenues	248	231	200
Net interest and similar income	179	194	188
Net commission income	43	21	20
Net trading income	0	-11	-8
Net income from financial investments	21	23	0
Net income from hedge relationships	4	0	0
Balance of other operating income/expenses	1	4	0
Provisions for losses on loans and advances	-20	-23	-25
General administrative expenses	-50	-44	-45
Balance of other income/expenses	0	0	0
Pre-tax profit	178	164	130

- I Net interest income slightly down in Q2 2008 due to less prepayment fees
- I Net commission income low in Q1 and Q2, reflecting reduced level of gross new business
- I Net trading loss resulting from interest rate positioning
- I No securities sold in Q2, therefore no income from financial investments
- I Loan-loss provisions slightly higher following softening of the real estate markets, but still below plan
- I General administrative expenses stable vs. Q1 but 10% lower than in previous year

Note:

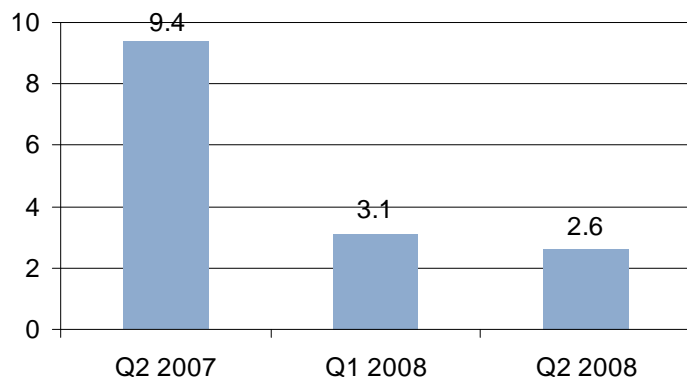
1. Pro-forma figures

Stable new business profitability due to focus on low LTV business

Commercial Real Estate: €2.6BN new business

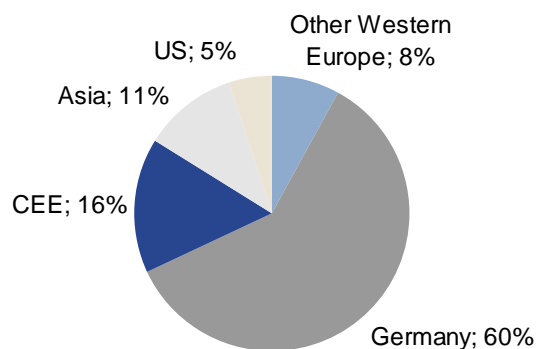
New business¹⁾

€BN, commitments



New business – regional structure¹⁾ (Q2 2008)

€2.6BN, new commitments (by property location)



- I New business limited due to strict capital management with focus on low risk Pfandbrief eligible business (implies max. 60% LTV)
- I Total revenue margin at stable level in Q1 and Q2 (~140Bp), translating into IRR>15%
- I Outstanding loan volume increased from €54.3BN (12/2007) to €55.3BN as per 06/2008, even though commitments declined from €65.6BN to €64.1BN due to low level of new business
- I New business mainly written in Germany (60%), CEE (16%) and Asia (11%)

Note:

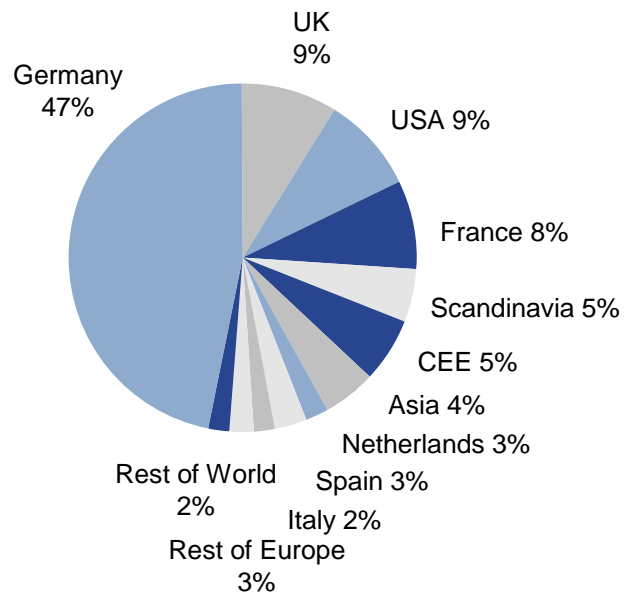
1. Internal unaudited figures

Well diversified portfolio

Commercial Real Estate: €70BN commitments (incl. €59BN non-strategic portfolio)

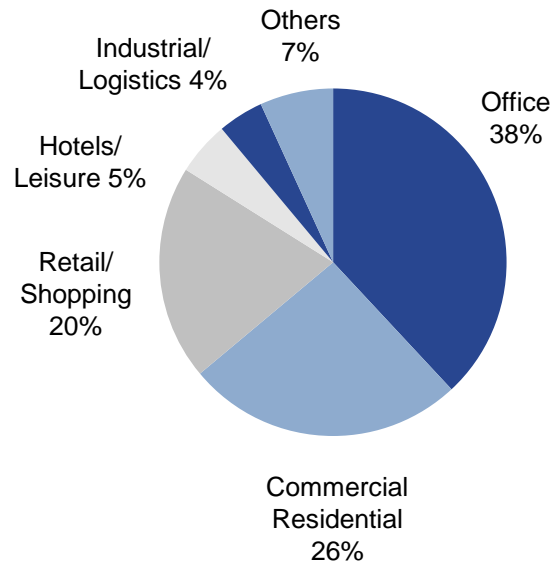
Regional structure¹⁾ (06/2008)

€70BN, commitments



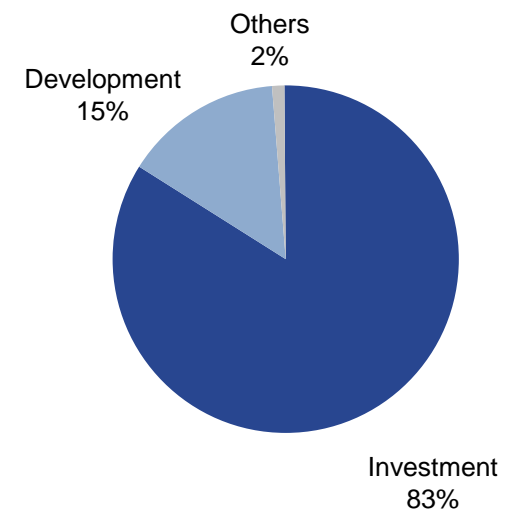
Asset class structure¹⁾ (06/2008)

€70BN, commitments



Loan type structure¹⁾ (06/2008)

€70BN, commitments

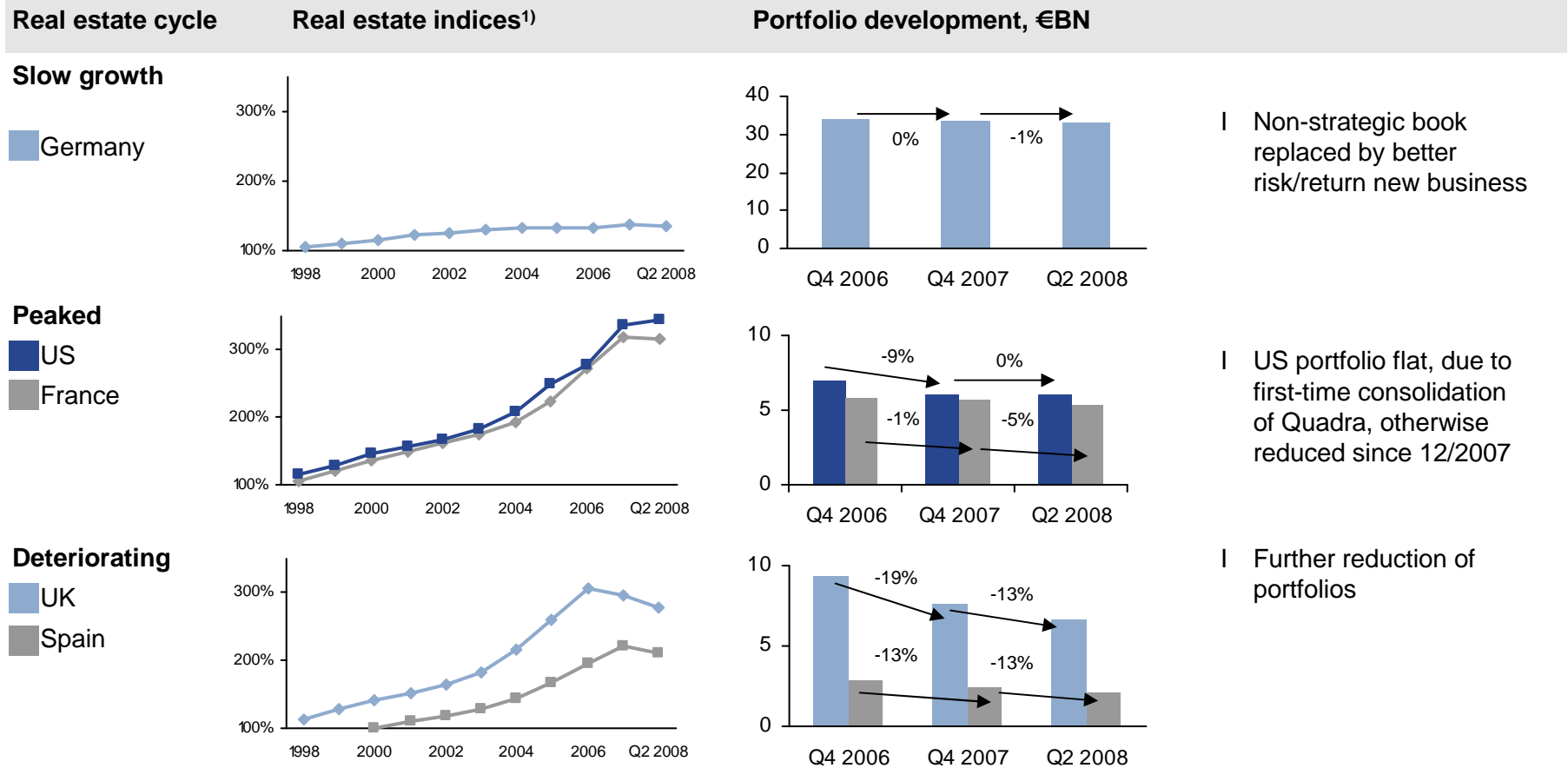


Note:

1. Internal unaudited figures

Substantial pro-active reduction in peaking and deteriorating markets

Commercial Real Estate: Real Estate indices and portfolio development



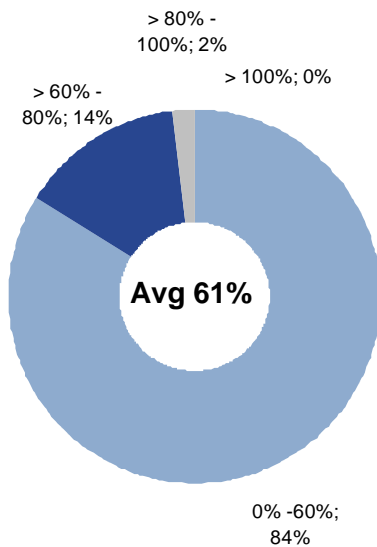
Note:

1. Real estate indices are IPD total return Commercial Property Indices except for US which is the NCREIF property index 1997=100%, Q2 2008 estimated for Germany, France, Spain; Index for Spain initiated in 2000

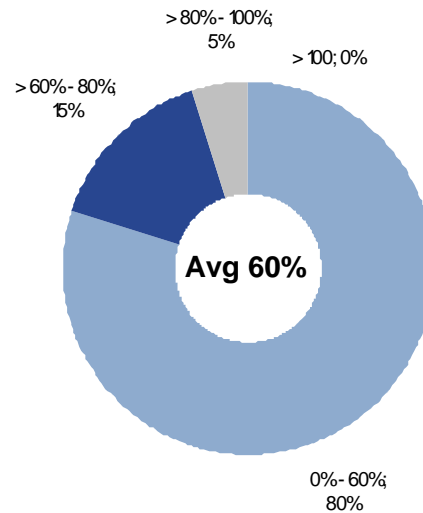
High proportion of senior loans in the correcting real estate markets

Commercial Real Estate: LTVs in Hot Spots

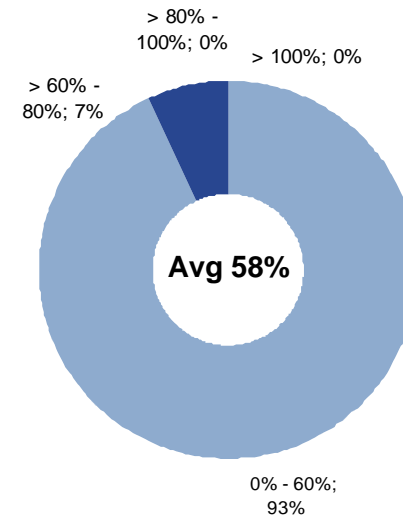
US – LTVs^{1,2,3} (06/2008)



UK – LTVs^{1,2,3} (06/2008)



Spain – LTVs^{1,2,3} (06/2008)



I Constantly updated values

I Average ratios sound, but markets remain challenging

Notes:

1. Internal unaudited figures
2. Layered, not taking into account additional collateral/government lease contracts
3. Excluding corporate loans, VAT bridge loans, guarantees, totally undrawn loans, workout loans

Problem loan exposure remained stable in Q2

Commercial Real Estate: Problem & Workout loans

Problem loans

€MM

	12/2007	03/2008	06/2008	Share overall portfolio (by EaD) ¹⁾
Restructuring	570	554	556	(0.9%)
Germany	402	359	328	
International	168	195	228	
Workout	1,150	1,148	1,078	(1.6%)
Germany	1,050	1,045	1,019	
International	100	103	59	
Total	1,720	1,702	1,634	(2.5%)

Total loan-loss provisions

€MM

	12/2007	03/2008	06/2008
Individual allowances	672	677	660
Portfolio-based allowances ²⁾	143	143	143
Provisions for contingent liabilities and other commitments	13	13	9
Total	828	833	812

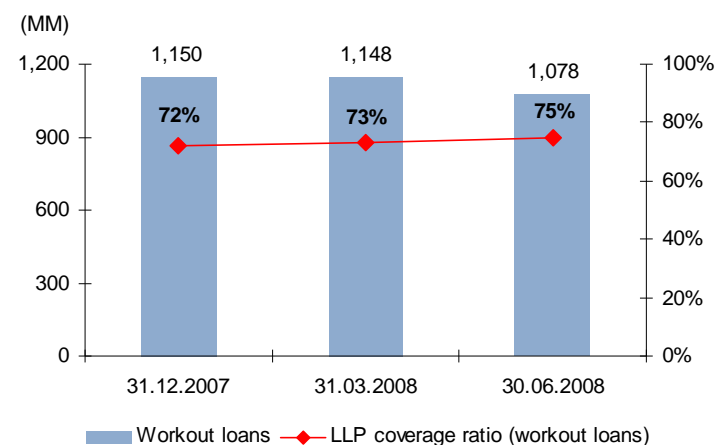
Notes:

1. Based on total Commercial Real Estate portfolio of €65BN

2. Excluding model reserve for CDOs (06/2008: €20MM, 03/2008: €90MM, 12/2007: €90MM)

- I 78% of restructuring and workout loans are German legacy (06/2008)
- I LLP coverage ratio of individual allowances covering workout loans is 62% (06/2008) – including the non-specific portfolio-based allowances the coverage ratio would be 75%
- I Risk costs below plan in H1, but softening of real estate markets might lead to increasing risk provisioning in H2

LLP coverage ratio



Positive valuation effects on investment grade CDS and corporate spreads in Q2 2008

Capital Markets & Asset Management: P&L

	Q2 2007 ¹⁾	Q1 2008	Q2 2008
€MM			
Operating revenues	36	3	56
Net interest and similar income	19	11	10
Net commission income	4	9	4
Net trading income	10	-41	50
Net income from financial investments	0	24	-4
Net income from hedge relationships	3	0	-4
Balance of other operating income/expenses	0	0	0
Provisions for losses on loans and advances	-1	0	0
General administrative expenses	-21	-22	-20
Balance of other income/expenses	0	0	0
Pre-tax profit	14	-19	36

- I Net interest income remained at low level in Q2 2008, reflecting the reduction of non-trading assets in Capital Markets
- I Net commission income down, due to lower income from customer derivatives and further reduction in assets under management
- I Net trading income turned positive in Q2 despite worsening market environment in June, strongly benefiting from positive valuation effects on investment grade CDS and from corporate spreads
- I Net income from financial investments slightly negative; Q1 included €25MM gain from first-time consolidation of Quadra
- I General administrative expenses remain at low level despite inclusion of DEPFA First Albany (not included in Q2 2007)

Note:

1. Pro-forma figures

Corporate Center largely affected by negative valuation effects

Corporate Center: P&L

€MM	Q2 2007 ¹⁾	Q1 2008 ²⁾	Q2 2008 ²⁾
Operating revenues	11	-254	-204
Net interest and similar income	4	-63	-73
Net commission income	-3	-2	-1
Net trading income	26	-80	-24
<i>thereof: Valuation effects on synthetic CDOs</i>	0	-87	-19
Net income from financial investments	-15	-78	-131
<i>thereof: Impairments on cash CDOs</i>	0	-88	-126
Net income from hedge relationships	0	-23	19
Balance of other operating income/expenses	-1	-8	6
Provisions for losses on loans and advances	-9	-10	-12
General administrative expenses	-62	-47	-62
Balance of other income/expenses	0	184	-22
Pre-tax profit	-60	-127	-300

- I Net interest income remains negative, including funding costs for DEPFA acquisition and negative margin on DEPFA's carry book
- I Net trading income affected by negative valuation effects on synthetic CDOs of €19MM in Q2 2008
- I Net income from financial investments includes impairments on cash CDOs of €126MM (net of €70MM model reserve used).
- I Impairment charged for Babcock & Brown stake mostly offset by a one-off gain on the sale of Hypo Germany's office building (€32MM)
- I Balance of other income/expenses includes the effect from the embedded derivative relating to the Mandatory Convertible Bond (Q2 2008: €-23MM, Q1 2008: €+184MM)
- I Higher general administrative expenses mainly due to exceptional fees related to bidding process

Notes:

1. Pro-forma figures

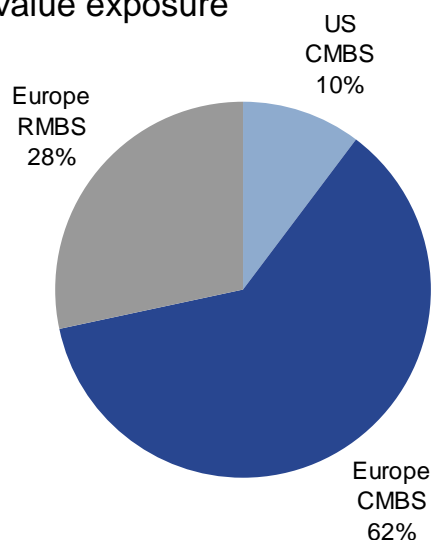
2. Including the effect from the embedded derivative relating to the Mandatory Convertible Bond (Q1 2008: €+184MM, Q2 2008: €-23MM)

Low mark downs based on strong LTV, DSCR and ISCR

Real estate linked investments (CMBS and RMBS)

Real estate linked investments in bank book (06/2008)

€2.7BN fair value exposure



- | Reduction of RMBS and US CMBS portfolio due to redemption and FX effects (Euro vs. USD); increase of Europe CMBS portfolio due to purchase program of AAA CMBS
- | Q2 fair values for Real Estate linked investments are on comparable level to Q1
- | Underlyings highly diversified with robust LTV/ISC ratios
- | Positions are mostly held as Available for Sale (AfS)

€MM	Fair value	Total mark down ¹⁾	Fair value	Total mark down ¹⁾
	31.03.08	31.03.08	30.06.08	30.06.08
US CMBS	287	18%	277	18%
Europe CMBS	1,599	14%	1,636	13%
Europe RMBS	786	11%	755	10%
Total	2,672	13%	2,668	12%

Note:

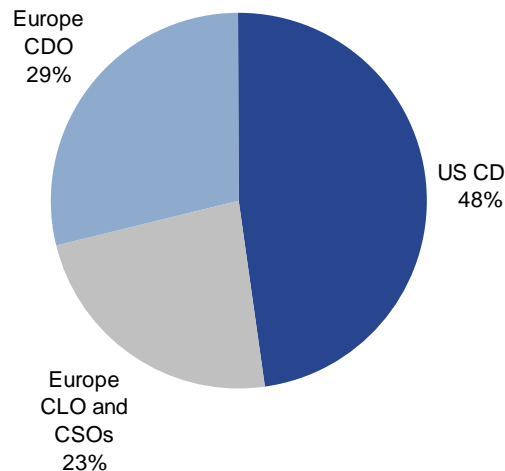
1. Mark down represents decline in fair value

Writedowns on synthetic/ impaired US CDOs now at 66%

Corporate Center: Credit linked investments

Credit linked investments in bank book (06/2008)

€1.3BN, fair value exposure



I US CDOs

- I €136MM fair value decline due to increasing credit spreads and deterioration of collateral pool quality
- I In addition, €4MM fair value reduction due to FX change and redemption

I Europe CDOs

- I €23MM reduction in fair value, thereof €29MM due to redemption and €6MM due to fair value increase

I Euro CDOs/CLOs:

- I €19MM fair value increase due to tightening credit spreads

- I €70MM out of €90MM model reserve used in Q2; further mark-downs expected in H2

€MM	Fair value	Total mark	Fair value	Total mark
	31.03.08	down ¹⁾	30.06.08	down ¹⁾
US CDO	757	45%	617	55%
<i>thereof: Synthetic and impaired cash CDOs (P&L effective) as of 30.06.</i>	425	54%	324	66%
Europe CDO	398	34%	375	35%
Europe CLOs and CSOs	284	23%	303	18%
Total	1,439	39%	1,295	44%

Note:

1. Mark down represents decline in comparison with notional

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- I Q1 2008 Results

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 - I DEPFA BANK

 - I Commercial Real Estate

DEPFA – Over 75% of funding via AAA secured, long-term unsecured or Repo markets

Funding activities

	Year ended 2006 ¹⁾			Year ended 2007 ¹⁾			30/06/2008 ²⁾		
	Vol €BN	%	Cum %	Vol €BN	%	Cum %	Vol €BN	%	Cum %
Funding platforms									
AAA Long Term Covered Debt	93	45%	45%	92	41%	41%	92	37%	37%
Long Term Senior Unsecured Debt	13	7%	52%	13	6%	47%	13	5%	42%
Repo finance (central bank, bilateral & triparty operations)	45	22%	74%	63	28%	75%	89	36%	78%
Unsecured Money Markets	54	26%	100%	56	25%	100%	54	22%	100%
Total	205			224			248²⁾		

- | Despite challenging conditions in the credit markets, DEPFA's funding platforms remain stable
- | DEPFA's key target ratio for long term and secured funding is 75%. This ratio is currently at 78%
- | DEPFA has deliberately maintained a steady rate of covered bond issuance as assets that could be funded in the cover pools have been directed to the Repo markets where they currently generate a much higher P&L for longer tenors than has ever been realised in the past
- | On July 22, DEPFA Deutsche Pfandbriefbank AG placed a €2BN Public Sector Pfandbrief – this was the second successful public sector benchmark issue in 2008. The 2yr Euro benchmark issue was priced at mid swaps +1Bp.
- | €33BN liquidity buffer, including cover pool over-collateralisation in excess of mandatory requirements

Notes:

1. Figure includes DEPFA plc, DEPFA ACS and DEPFA Deutsche Pfandbriefbank
2. Also includes Hypo Public Finance Bank and Hypo Pfandbriefbank International AG

CRE – 96% of funding is AAA secured, long term unsecured, or repo finance

Funding activities

Funding platforms	Year ended 2006			Year ended 2007			30/06/08		
	Vol €BN	%	Cum %	Vol €BN	%	Cum %	Vol €BN	%	Cum %
AAA Long Term Mortgage Pfandbrief	27.1	22%	22%	22.9	19%	19%	25.7	23%	23%
AAA Long Term Public Sector Pfandbrief	38.6	31%	53%	29.2	23%	42%	26.8	23%	46%
AAA Long Term Public Sector Lettres de Gage	6.2	5%	58%	6.4	5%	47%	0	0%	46%
Long Term Senior Unsecured Debt	22.9	18%	76%	29.3	24%	71%	21.9	19%	65%
Promissory Loans/SSD	14.9	12%	88%	18.6	15%	86%	20.8	18%	83%
Repo finance (central bank, bilateral & triparty operations)	9.8	8%	96%	12.7	10%	96%	14.8	13%	96%
Unsecured Money Markets	5.4	4%	100%	5.0	4%	100%	4.3	4%	100%
Total	124.9			124.1			114.3		

- I Funding is stable across all platforms and is being managed in line with HRE's asset-matched funding policy
- I 96% of CRE assets are funded via covered bonds (46%), senior unsecured long-term markets/ SSD (37%) and repo (13%)
- I HRE placed a 2yr benchmark Mortgage-Jumbo-Pfandbrief of €1BN on April 15, 2008 at mid-swaps +9Bp and increased it by €300MM on June 19 at mid-swaps +5Bp
- I €4BN liquidity buffer, including free cover pool eligible assets

Note:

1. As of 31/06/08 Public Sector Lettres de Gage are shown under DEPFA funding activities

Appendix

Hypo Real Estate Group

Quarterly overview

	Q1 2007 ¹⁾	Q2 2007 ¹⁾	Q3 2007 ^{1,2)}	Q4 2007 ^{1,2)}	FY 2007 ^{1,2)}	Q1 2008 ²⁾	Q2 2008 ²⁾
€MM							
Operating revenues	498	520	412	33	1,463	184	236
Net interest and similar income	339	335	357	440	1,471	299	304
Net commission income	54	55	69	56	234	35	34
Net trading income	28	23	-73	-252	-274	-98	12
Net income from financial investments	77	86	49	-206	6	-29	-135
Net income from hedge relationships	0	19	-7	-1	11	-19	15
Balance of other operating income/expenses	0	2	17	-4	15	-4	6
Provisions for losses on loans and advances	-34	-30	-17	142	-61	-33	-37
General administrative expenses	-160	-170	-162	-164	-656	-145	-160
Balance of other income/expenses	0	0	0	-6	-6	0	1
Pre-tax profit	304	320	233	5	862	6	40

€Bn

RWA (counterparty risk)	n.a.	n.a.	n.a.	101.0	101.0	84.2 ⁴⁾	82.8 ⁴⁾
Tier I capital	n.a.	n.a.	n.a.	7.1	7.1	7.3	7.4

Notes:

1. Pro-forma figures
2. Excluding the effect from embedded derivative relating to the Mandatory Convertible Bond
3. Excluding the effects from capitalised losses carried forward, the effect from revaluation according to Corporate Tax Reform Act and the income of capitalised corporate income tax claims
4. Basle II

Public Sector & Infrastructure Finance

Quarterly overview

	Q1 2007 ¹⁾	Q2 2007 ¹⁾	Q3 2007 ¹⁾	Q4 2007 ¹⁾	FY 2007 ¹⁾	Q1 2008	Q2 2008
€MM							
Operating revenues	197	225	190	222	834	204	184
Net interest and similar income	135	133	153	158	579	157	179
Net commission income	7	11	10	15	43	7	11
Net trading income	-3	-13	-15	13	-18	34	-6
Net income from financial investments	63	80	29	33	205	2	0
Net income from hedge relationships	-4	12	13	8	29	4	0
Balance of other operating income/expenses	-1	2	0	-5	-4	0	0
Provisions for losses on loans and advances	-1	0	0	1	0	0	0
General administrative expenses	-36	-37	-37	-42	-152	-32	-33
Balance of other income/expenses	0	0	0	0	0	0	0
Pre-tax profit	160	188	153	181	682	172	151
€Bn							
RWA (counterparty risk)	n.a.	n.a.	n.a.	38.3	38.3	38.8 ²⁾	38.6 ²⁾
Public Sector Finance							
New business	14.1	15.6	15.7	12.1	57.5	15.1	11.3
Portfolio (commitments)	236.8	235.6	232.5	229.0	229.0	232.5	232.7
Portfolio (outstandings)	213.6	212.0	210.0	206.4	206.4	211.8	216.1
Infrastructure Finance							
New business	2.5	2.5	5.6	1.7	12.3	1.6	0.4
Portfolio (commitments)	12.1	14.1	19.0	18.4	18.4	17.9	18.6
Portfolio (outstandings)	8.7	10.7	15.0	15.5	15.5	15.4	15.7

Notes:

1. Pro-forma figures
2. Basle II

Commercial Real Estate Finance

Quarterly overview

	Q1 2007 ¹⁾	Q2 2007 ¹⁾	Q3 2007 ¹⁾	Q4 2007 ¹⁾	FY 2007 ¹⁾	Q1 2008	Q2 2008
€MM							
Operating revenues	223	248	247	245	963	231	200
Net interest and similar income	183	179	196	202	760	194	188
Net commission income	37	43	46	26	152	21	20
Net trading income	3	0	0	-1	2	-11	-8
Net income from financial investments	-3	21	3	15	36	23	0
Net income from hedge relationships	1	4	-1	2	6	0	0
Balance of other operating income/expenses	2	1	3	1	7	4	0
Provisions for losses on loans and advances	-23	-20	-8	-15	-66	-23	-25
General administrative expenses	-47	-50	-46	-37	-180	-44	-45
Balance of other income/expenses	0	0	0	0	0	0	0
Pre-tax profit	153	178	193	193	717	164	130

€Bn							
RWA (counterparty risk)	n.a.	n.a.	n.a.	50.1	50.1	34.8 ²⁾	27.6 ²⁾
New business	6.2	9.4	9.7	6.8	32.1	3.1	2.6
Portfolio (commitments)	61.9	65.3	69.0	65.6	65.6	65.9	64.1
Portfolio (outstandings)	51.4	52.6	54.6	54.3	54.3	55.3	55.3

Notes:

1. Pro-forma figures
2. Basle II

Capital Markets & Asset Management

Quarterly overview

	Q1 2007 ¹⁾	Q2 2007 ¹⁾	Q3 2007 ¹⁾	Q4 2007 ¹⁾	FY 2007 ¹⁾	Q1 2008	Q2 2008
€MM							
Operating revenues	51	36	-25	-43	19	3	56
Net interest and similar income	19	19	20	27	85	11	10
Net commission income	12	4	15	13	44	9	4
Net trading income	23	10	-32	-64	-63	-41	50
Net income from financial investments	-6	0	-9	-8	-23	24	-4
Net income from hedge relationships	3	3	-19	-11	-24	0	-4
Balance of other operating income/expenses	0	0	0	0	0	0	0
Provisions for losses on loans and advances	0	-1	0	0	-1	0	0
General administrative expenses	-24	-21	-25	-30	-100	-22	-20
Balance of other income/expenses	0	0	0	0	0	0	0
Pre-tax profit	27	14	-50	-73	-82	-19	36
€Bn							
RWA (counterparty risk)	n.a.	n.a.	n.a.	2.5	2.5	2.5 ²⁾	2.4 ²⁾
Portfolio (commitments)	14.1	16.6	18.7	18.3	18.3	13.9	14.4
Portfolio (outstandings)	n.a.	n.a.	n.a.	16.2	16.2	13.8	14.1
Assets under management/administration	31.5	39.6	22.3	20.5	20.5	19.2	17.8

Notes:

1. Pro-forma figures
2. Basle II

Corporate Center

Quarterly overview

	Q1 2007 ¹⁾	Q2 2007 ¹⁾	Q3 2007 ^{1,2)}	Q4 2007 ^{1,2)}	FY 2007 ^{1,2)}	Q1 2008 ²⁾	Q2 2008 ²⁾
€MM							
Operating revenues	27	11	0	-391	-353	-254	-204
Net interest and similar income	2	4	-12	53	47	-63	-73
Net commission income	-2	-3	-2	2	-5	-2	-1
Net trading income	5	26	-26	-200	-195	-80	-24
Net income from financial investments	23	-15	26	-246	-212	-78	-131
Net income from hedge relationships	0	0	0	0	0	-23	19
Balance of other operating income/expenses	-1	-1	14	0	12	-8	6
Provisions for losses on loans and advances	-10	-9	-9	156	128	-10	-12
General administrative expenses	-53	-62	-54	-55	-224	-47	-62
Balance of other income/expenses	0	0	0	-6	-6	0	1
Pre-tax profit	-36	-60	-63	-296	-455	-311	-277
€Bn							
RWA (counterparty risk)	n.a.	n.a.	n.a.	10.1	10.1	8.1 ³⁾	14.2 ^{3,4)}

Notes:

1. Pro-forma figures
2. Excluding the effect from embedded derivative relating to the Mandatory Convertible Bond
3. Basle II
4. Increase vs. Q1 2008 mainly due to 1250% risk-weighting of CDOs based on German GAAP book values

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