

**Press release**

Munich, July 23, 2003

**HVB Real Estate intends to sell FGH Bank to Rabobank – Hypo Real Estate Group remains active in the Netherlands**

The Utrecht-based Rabobank plans to take over FGH Bank, also located in the Netherlands, from HVB Real Estate Bank AG. Both parties to the agreement have now signed a Letter of Intent. Subject to regulatory approvals and following consent by the corporate bodies, the contract will be signed and ownership transferred following the spin-off of commercial real estate financing operations of HVB Group to the new Hypo Real Estate Group.

"With the sale of FGH Bank the outline of the new real estate bank Hypo Real Estate Group is becoming clearer. Our goal is to win higher-volume commercial real estate financing business," explained Georg Funke, chairman of the Board of Managing Directors of HVB Real Estate Bank AG and designated Board chairman of Hypo Real Estate Group. "In Rabobank we have found a strong Group as a partner for FGH Bank. This is very important to us, especially in view of the employees," Funke continued.

The new Hypo Real Estate Group will remain active in the Netherlands after the sale.

The Utrecht-based FGH Bank N.V. specializes in commercial real estate financing and is particularly active in the Netherlands. The bank posted total assets of approximately €4.9 billion and equity capital of €345 million as of December 31, 2002. It employs 150 people and maintains its own offices in Utrecht, Amsterdam, Arnheim, The Hague, Eindhoven, Groningen, Maastricht and Rotterdam.

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