

**Q3 2008 Financial Results
Investor Relations Presentation**

November 17, 2008

Key points

Liquidity crisis threatening existence of HRE Group – worsening market conditions in the wake of Lehman Brothers' collapse causing severe liquidity shortfall

EUR 50 bn liquidity facility against EUR 60 bn collateral and share pledge closed and made available to HRE on Nov 13, initial Bundesbank liquidity support under federal guarantee and SoFFin guarantee now replaced

Group is currently preparing the relevant **application to SoFFin seeking further extensive support**, intended to cover both liquidity and capital requirements

The granting of **such support by SoFFin** forms the **basis for the necessary restructuring and repositioning** of the Group

Q3 2008 pretax losses EUR 3.1 bn – result mainly driven by write-downs of DEPFA goodwill and intangibles, as well as direct effects of financial crisis, esp. Lehman, Iceland, equity write-downs relating to Babcock & Brown and further losses on CDO holdings

Q4 2008 as well as 2009 results expected to be negatively affected by cost of agreed liquidity facility as well as expenditures in connection with necessary restructuring and repositioning of the Group. Overall, the **market environment** remains **challenging**.

Agenda

1 Management agenda

2 Liquidity and capital

3 Q3 2008 results

Presenter

Dr. Axel Wieandt

Dr. Kai Wilhelm Franzmeyer/
Frank Krings

Dr. Markus Fell

Management agenda

Hypo Real Estate

GROUP

Stabilize the company

Review organizational and governance structure

Define future business model and strategy

Form future leadership team

Conduct risk and portfolio review

Significant restructuring and integration effort necessary to reposition HRE Group for future self-sufficiency and growth

Reposition

Return to self-sufficiency and growth

Core elements

- | Only selective new business
- | Deleveraging and recapitalizing
- | Restructuring and refocusing

Aspiration

- | Viable market participant
- | Moderate growth
- | Low risk profile
- | Appropriately-sized balance sheet
- | Lean setup

Agenda

1

Management agenda

Presenter

Dr. Axel Wieandt

2

Liquidity and capital

**Dr. Kai Wilhelm Franzmeyer/
Frank Krings**

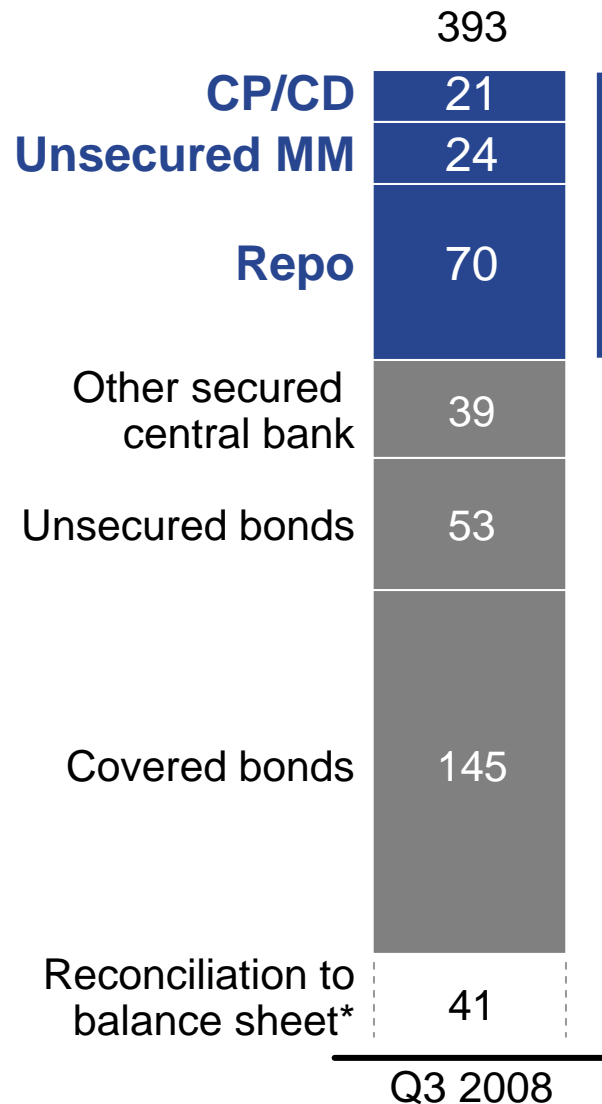
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Q3 2008 results

Dr. Markus Fell

Further deterioration of market conditions triggered immediate liquidity need of EUR ~50 bn within HRE Group

Profile of HRE funding liabilities (Sep 30, 2008), EUR billions



- | Since acquisition of DEPFA Bank plc, HRE Group has comparatively **high share of short-term funding**, including unsecured short-term position (EUR ~45 bn as of Sep 30, 2008)
- | Following **collapse of Lehman Brothers**
- | **Inter-banking market dried up** completely
- | **Run on US MM funds** aggravated liquidity situation
- | **Repo** funding increasingly difficult due to **higher haircut** demands
- | **Immediate liquidity need** of EUR ~50 bn identified and corresponding package was announced Oct 6

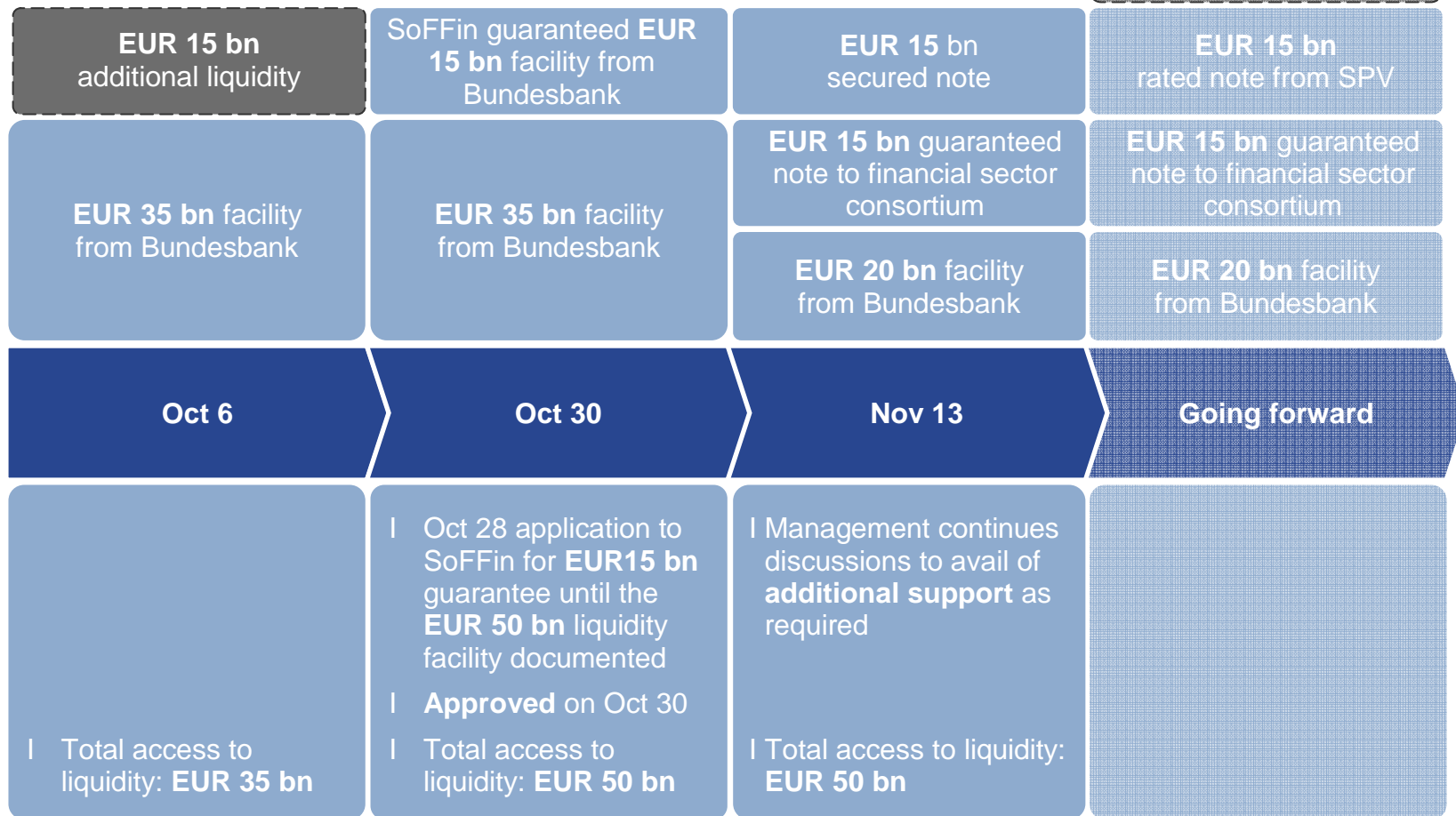
Systemic Support for HRE Group evidenced through consistent provision of liquidity

Key

Application process

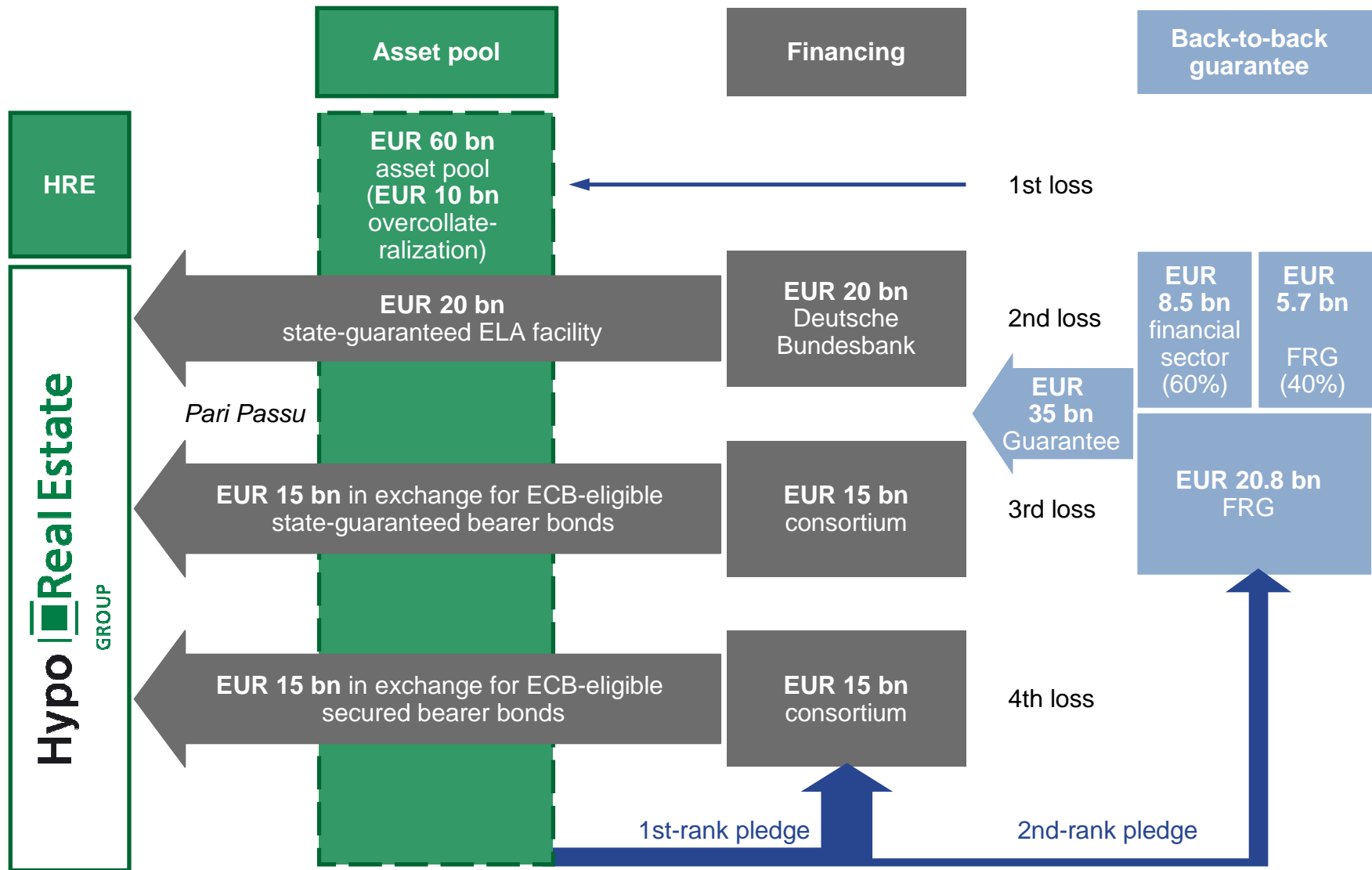
Available to be drawn

Access to the markets via a **SoFFin liquidity guarantee**



Future funding structure under the consortium facility in place since Nov 13

SIMPLIFIED



Cost of liquidity facility will have impact on HRE's future profitability

Tranches	Volume EUR billions	Spread basis	Spread vs. 3 months EURIBOR, bps		Costs p.a. EUR millions	
			Now	Delayed**	Now	Delayed**
Guarantee (2nd loss)	14.2	I –	100	125	142	178
Guarantee (3rd loss)	20.8	I –	50	25	102	52
ELA loan	20.0	I Marginal lending facility plus 100 bps	35*	–	70	–
Guaranteed notes	15.0	I 3 months EURIBOR	25	–	38	–
Non-guaran- teed notes	15.0	I 3 months EURIBOR	75	150	113	225
Total	50.0		93	91	466	455
			184		921	

* Calculation based on differential between 3 months EURIBOR of 4.40% and ECB marginal interest rate of 3.75%

** Debtor warrant (*Besserungsschein*) only due in case of profitability, capped at EUR 100 mio p.a. (2009 - 11) and at EUR 150 mio (2012 - 15); however, payments are cumulative

Outlook – HRE Group's liquidity need going forward contingent on several factors, SoFFin guarantee for additional liquidity will be required

- I In addition to contractual asset liability run-off, several **factors impact HRE Group's liquidity**, esp.
 - I Change in **FX rates** (esp. USD) as liquidity is provided in EUR
 - I Change in **interest rates** (net fixed-rate payer)
 - I Development of **credit spreads**, potential further **collateral calls**
- I Based on these factors, HRE has analyzed a **variety of scenarios** which result in a range of potential outcomes
- I These ranges cannot be used as precise forecasts, but form **a basis for discussions with SoFFin**

Current status

- I **EUR 50 bn liquidity facility** maturing on December 31, 2009* funded
- I **EUR 30 bn** of Bundesbank's ELA facilities have now been refinanced
- I In addition to the liquidity facility, HRE Group is preparing the **application for further support from SoFFin** to cover additional liquidity and capital requirements
- I Assisted by a reputable consultancy firm, HRE has started to replace ad-hoc solution by a regular **group-wide liquidity reporting process**
- I Management Board has approved a new **group-wide treasury organization**

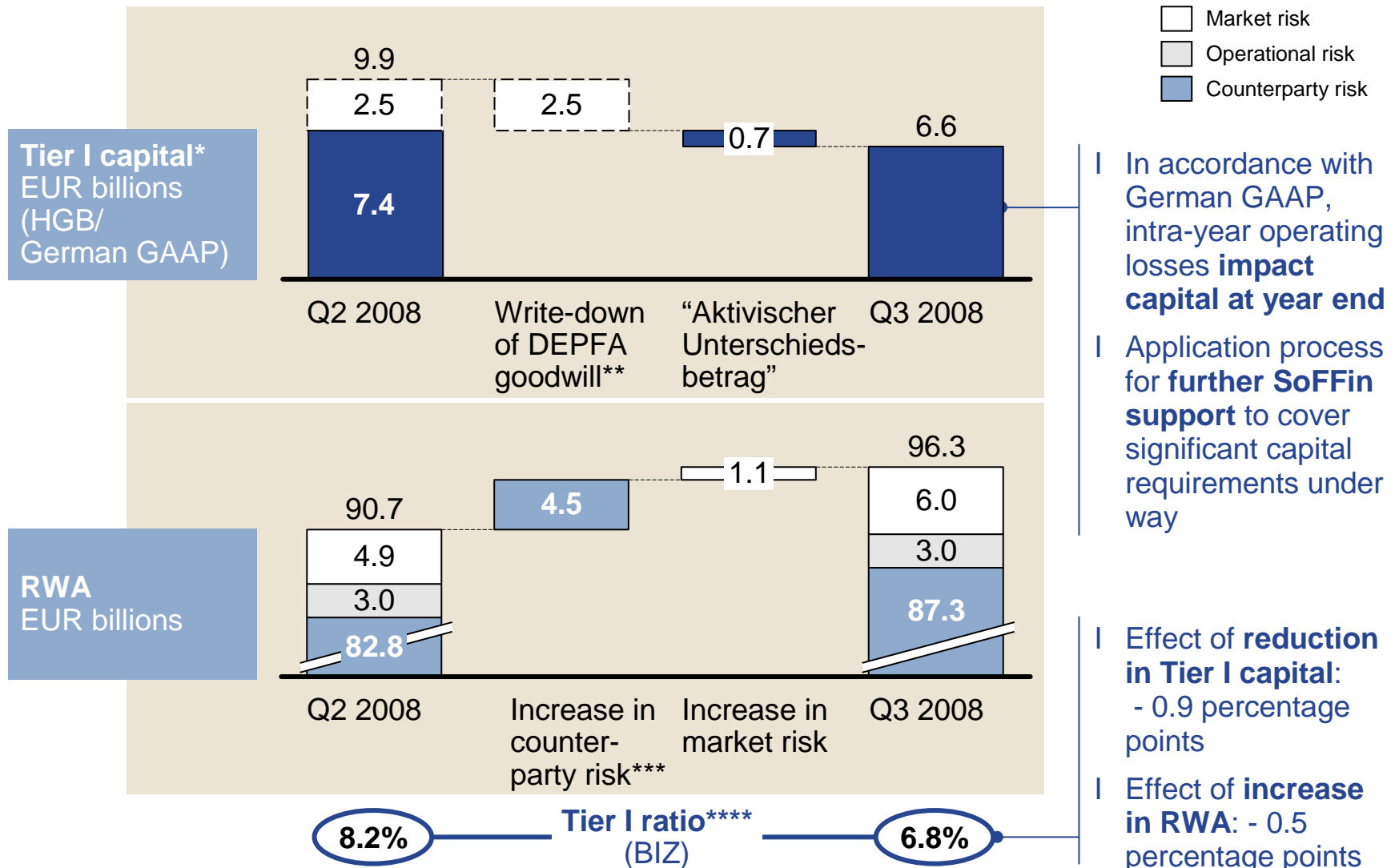
Regaining investor and stakeholder confidence

Secure additional liquidity and capital from SoFFin

Increase transparency and reliability of our communication

Improve organizational and technical basis for liquidity, balance sheet and capital management

Tier I ratio affected in Q3 by adjustment of “Aktivischer Unterschiedsbetrag” and increase in RWA



* Figures do not add up due to rounding

** Incl. other DEPFA intangibles

*** Incl. rating downgrades in CRE and derivatives portfolios, transfer of REITs to standard approach, and FX rate effects

**** Based on counterparty, operational, and market risk

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Management agenda

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Dr. Axel Wieandt

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Liquidity and capital

Dr. Kai Wilhelm Franzmeyer/
Frank Krings

3

Q3 2008 results

Dr. Markus Fell

Pretax loss of EUR 3.1 bn in Q3 2008

Hypo Real Estate Group – quarterly financial overview

EUR millions

Detailed on the following page

	Q3 2007*	Q1 2008	Q2 2008	Q3 2008
Operating revenues	412	184	236	-345
Provisions for losses on loans and advances	-17	-33	-37	-177
General administrative expenses	-162	-145	-160	-119
Pretax profit (before impairment on DEPFA goodwill)**	233	6	40	-642
Impairment on DEPFA goodwill***	0	0	0	-2,482
Pretax profits**	233	6	40	-3,124

* Pro forma figures

** Excl. the effect from embedded derivative relating to mandatory convertible bond (Q3 2008: EUR +19 mio, Q2 2008: EUR -23 mio, Q1 2008: EUR +184 mio)

*** Incl. other intangibles

Comments

I Operating revenues

I Negative effects

- Equity write-downs on **Babcock & Brown** as well as impairments on **Lehman Brothers** and **Iceland** (EUR -257 mio)
- Further write-downs of **CDOs** (EUR -307 mio)
- **Negative trading result excl. write-downs** (EUR -76 mio)
- EUR 70 mio **portfolio-based provisions** on reclassified AfS assets

I Positive effects

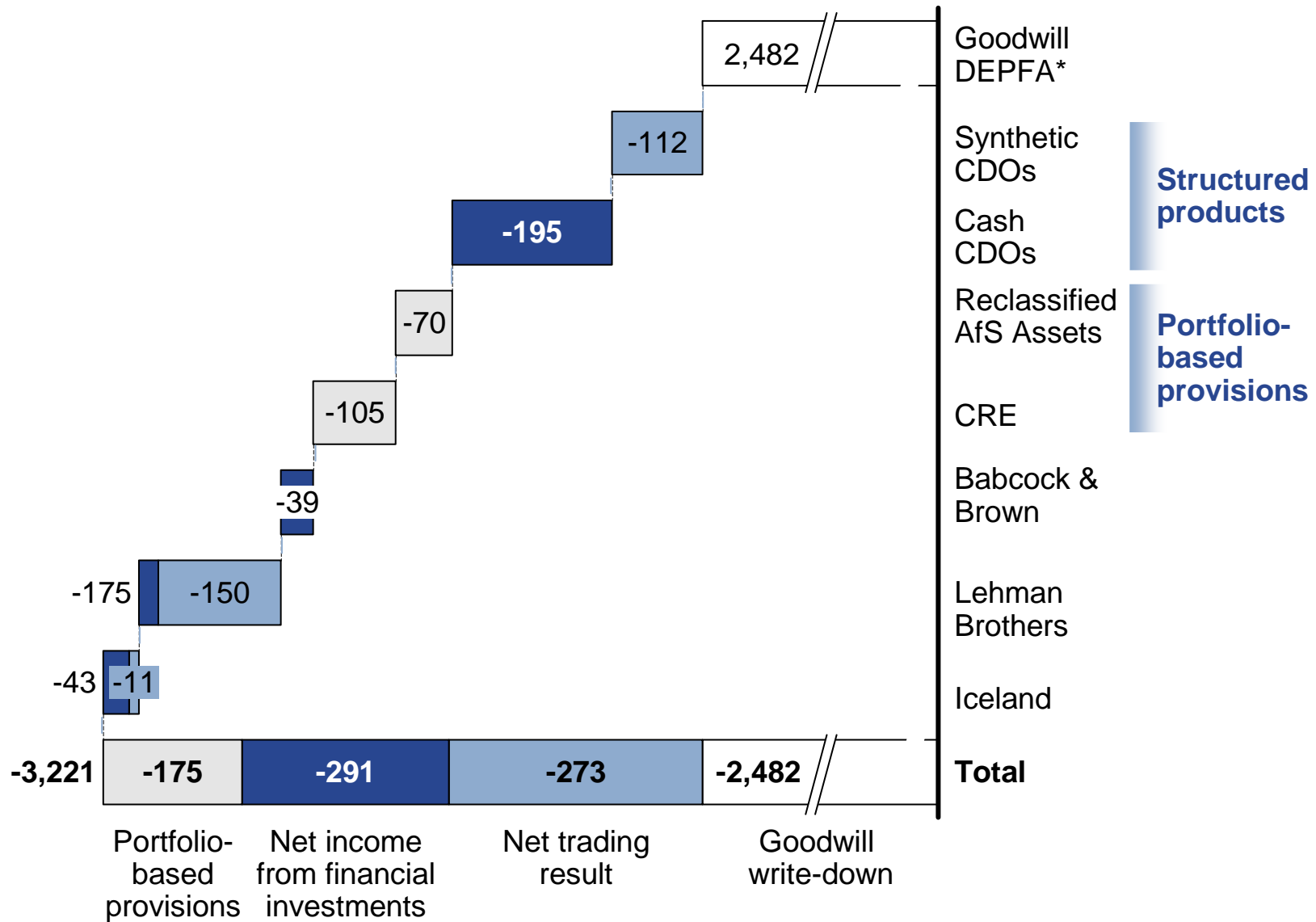
- **FX gains**: EUR +26 mio
- EUR +17 mio income from **reverse repo deal** closed by customer

I EUR 105 mio **portfolio-based provisions** recognized in view of deterioration of CRE market

I **General administrative expenses** reduced by adjustment of bonus accruals (EUR +34 mio)

Total write-downs and portfolio-based provisions of EUR 3.2 bn in Q3 2008

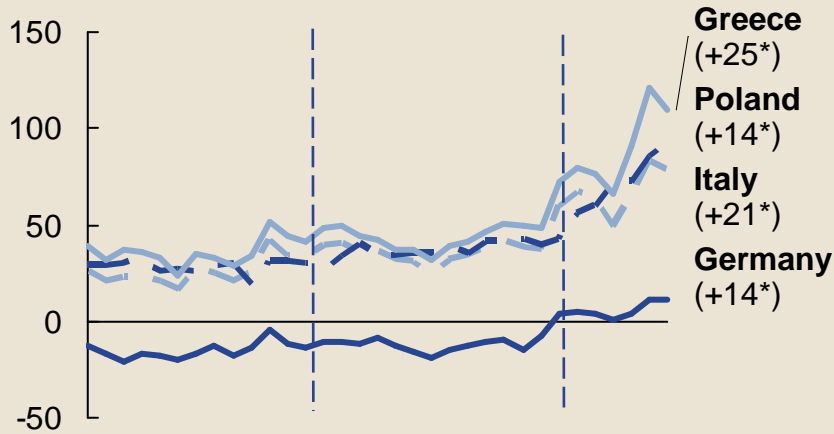
EUR millions



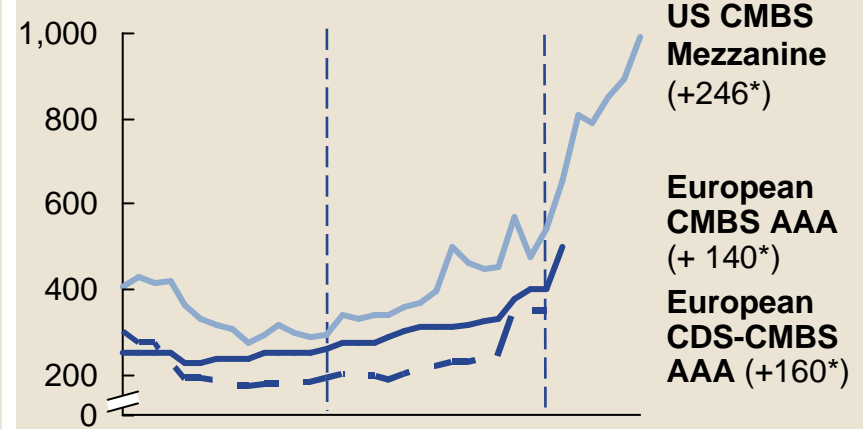
In Q3, spread widening continued and Euro lost against US-Dollar

Bps (2008)

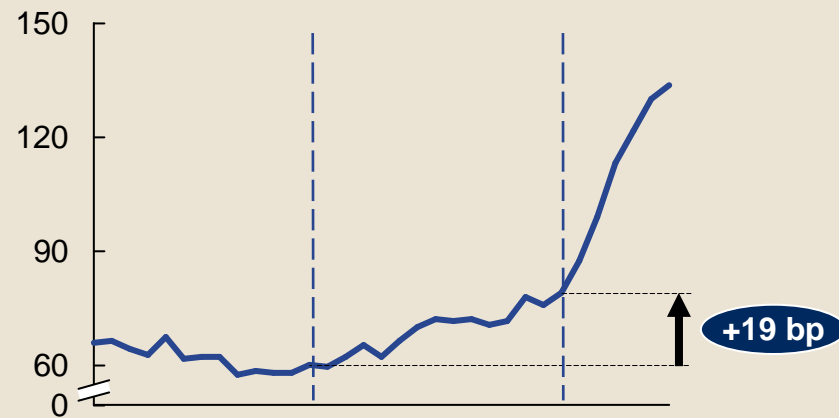
Government spreads (30 years)



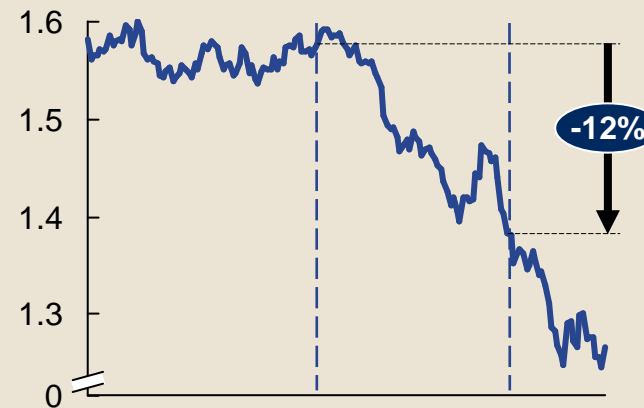
CMBS spreads



Euro Zone A+/A bank spreads (5 years)



Euro in US-Dollar



Mar 31 Jun 30 Sep 30

Mar 31 Jun 30 Sep 30

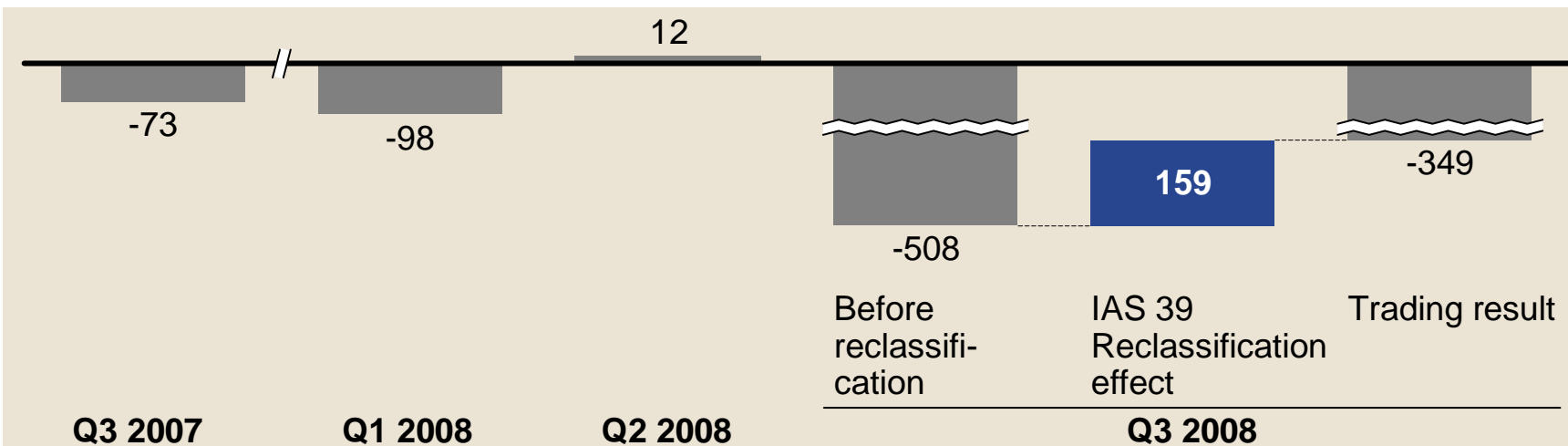
* Spread widening (Q3) in bps

Despite IAS 39 reclassifications, negative AfS reserve grew to EUR 2.1 bn
 – trading result influenced by IAS 39 reclassification
 EUR millions

Negative AfS reserve

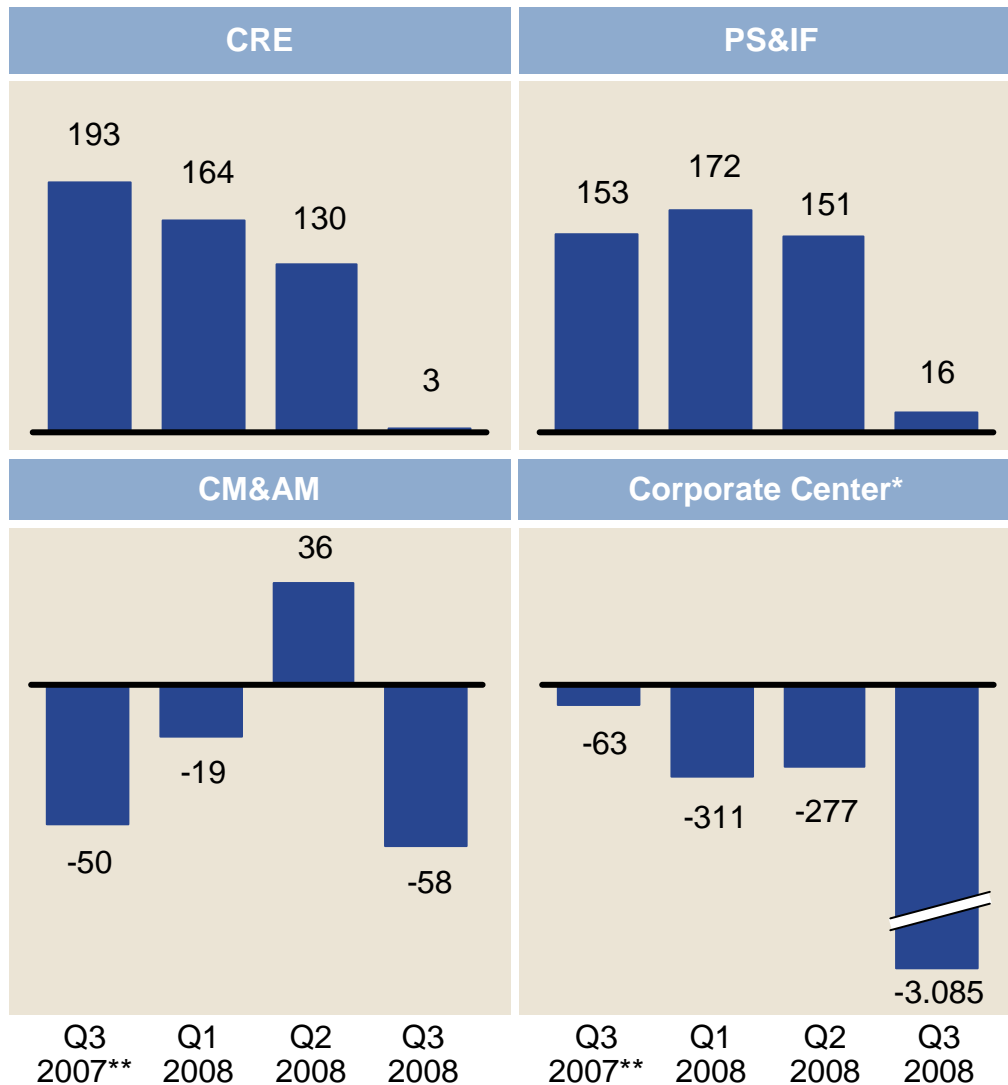
	Starting point after Q2 2008	Change in Q3	IAS 39 Re-classification effect	Status end of Q3 2008
Government	-1,255	-1,823	+1,578	-1,500
Financial institutions	-246	-125	+85	-286
Structured credit	-251	-110	+111	-250
Other	-46	+5	+19	-22
Total	-1,798	-2,053	+1,793	-2,058

Trading result



Segment performance in Q3 impacted by overall financial crisis – worsening of market environment in CRE segment

Pretax profit, EUR millions



Comments

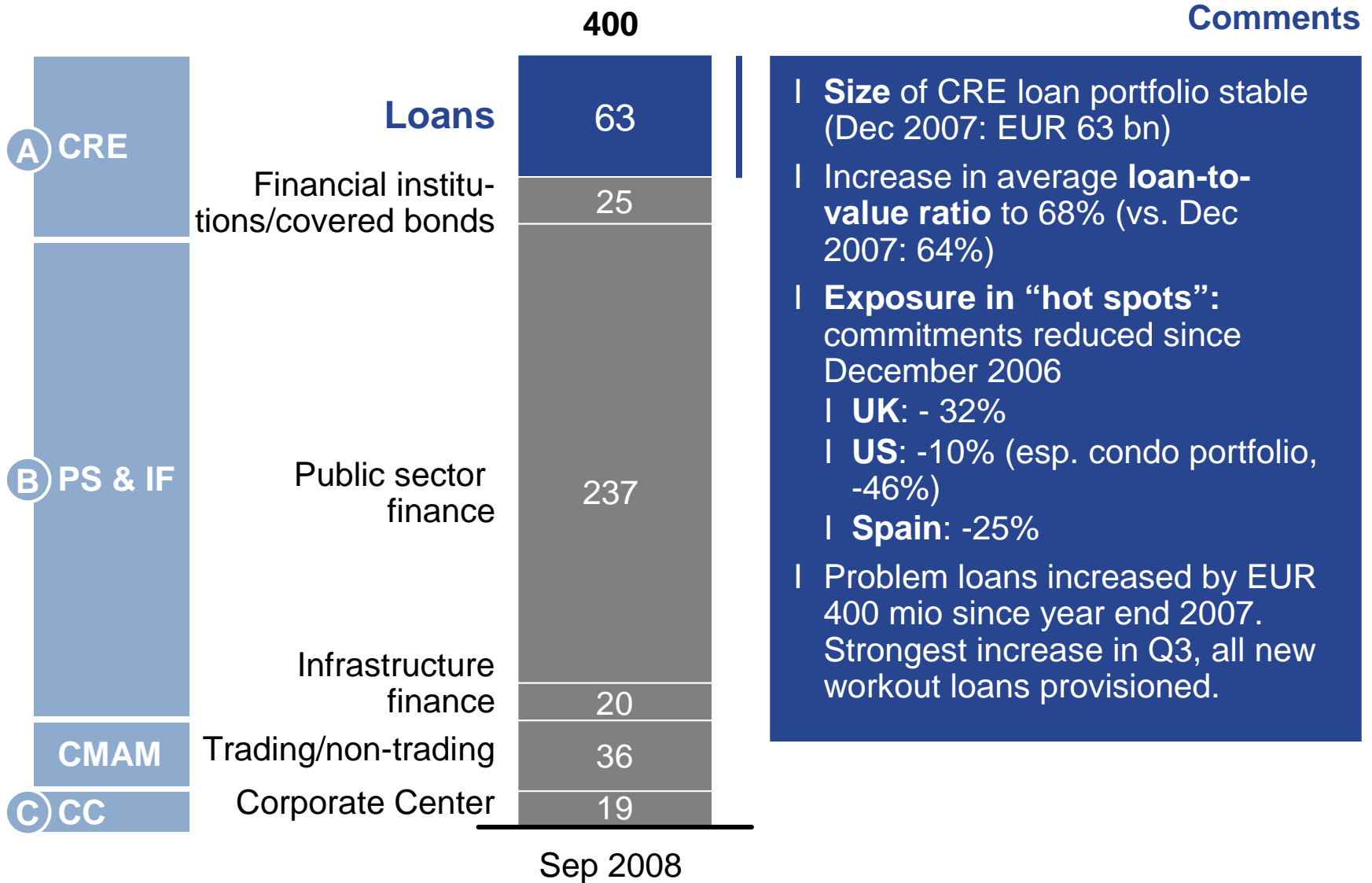
- | **CRE – worsening real estate markets**
 - | Lower interest and commission income
 - | Increasing loan loss provisions, including EUR 105 mio portfolio-based provisions
- | **PS&IF – further spread widening**
 - | Higher treasury income at DEPFA and income from liquidity facilities drawn
 - | EUR 131 mio write-down on Lehman and Iceland
- | **CM&AM – additional valuation losses**
 - | EUR 117 mio protection on monoline counterparty risk taken
 - | EUR 159 mio positive effect due to IAS 39 reclassification of trading assets
- | **Corporate Center – extraordinary effects**
 - | Higher income on DEPFA's equity, positive FX effects on impaired CDOs and USD gains
 - | EUR 2.5 bn impairment on DEPFA goodwill and intangibles

* Excl. the effect from the embedded derivative relating to the mandatory convertible bond (Q3 2008: EUR +19 mio, Q2 2008: EUR -23 mio, Q1 2008: EUR +184 mio)

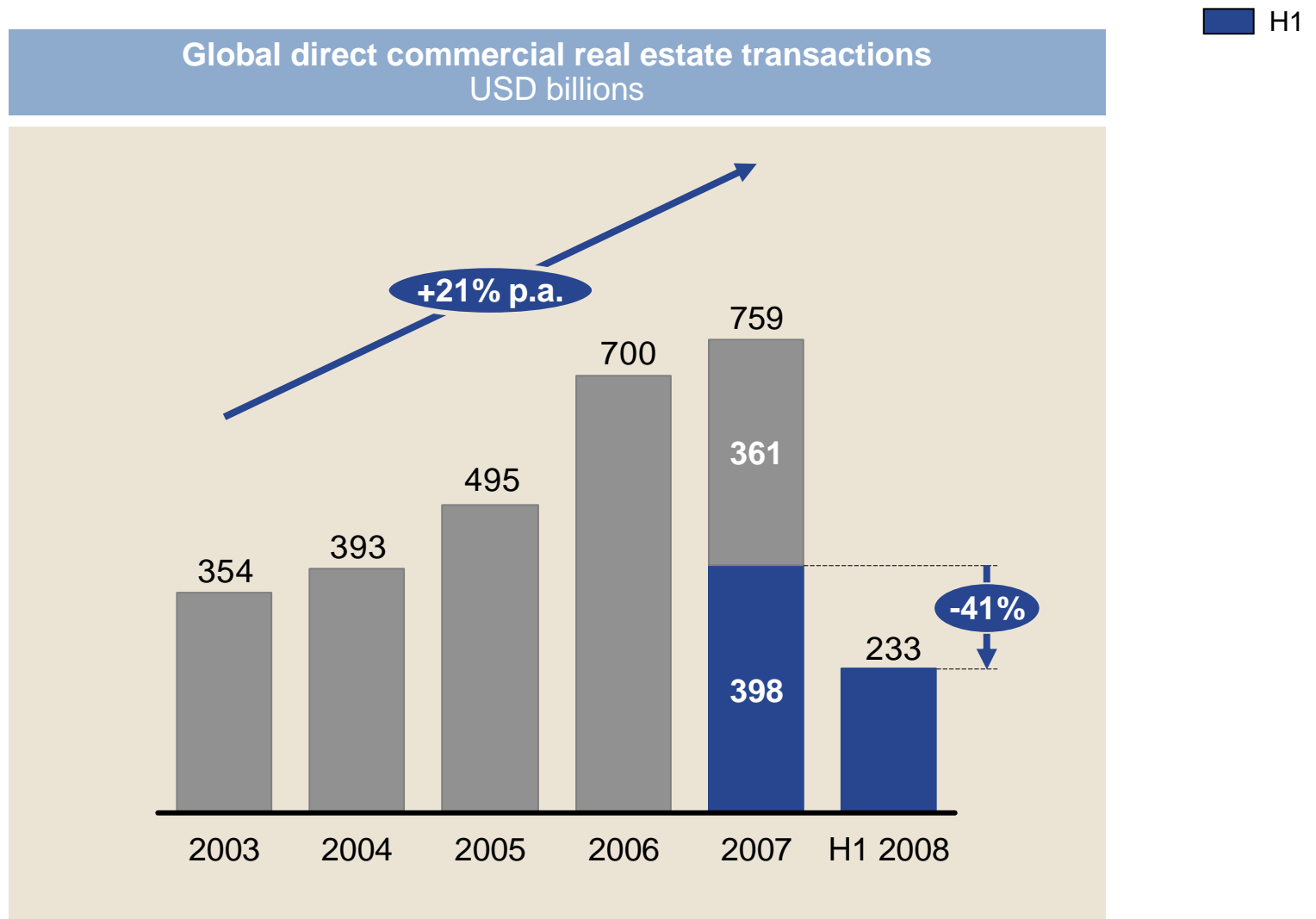
Development of CRE portfolio indicates difficult market going forward

Overview HRE Group portfolio by segments

EaD in EUR billions, excl. intra-group exposure



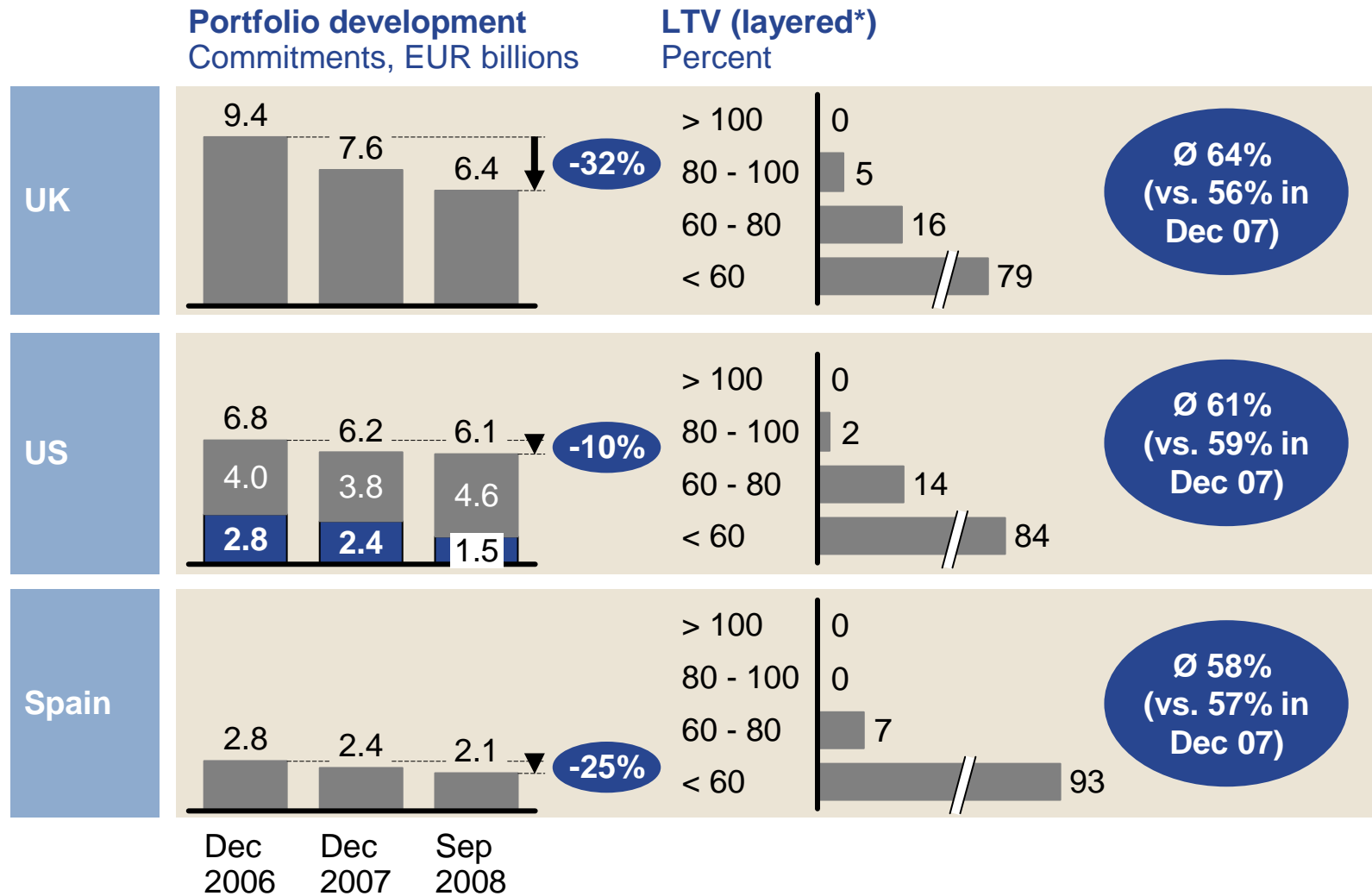
A Drop in CRE transaction volumes in H1 2008 clear indicator for overall market downturn



A Commercial Real Estate loans

Overview "Hot Spot" portfolios

■ US condo



|21| * Deals are virtually layered in different LTV classes; excl. guarantees/letters of credit, bridge finance, corporate loans, fully undrawn loans

A/B Commercial Real Estate and Public Sector & Infrastructure Finance

Problem loans

EUR millions

Problem loans*			
	Dec 2007	Sep 2008	Definition
Restructuring	575	687	
<i>CRE Germany</i>	402	366	Payments overdue for more than 90 days or other criteria acc. to respective policy apply
<i>CRE International</i>	171	271	
<i>PS&IF</i>	2	50**	
Workout	1,155	1,539	
<i>CRE Germany</i>	1,050	976	No signs that the deal will recover soon, compulsory measures necessary
<i>CRE International</i>	98	486	
<i>PS&IF</i>	7	77***	
Total	1,730	2,226	
Total loan loss provisions			
	Dec 2007	Sep 2008	
Individual allowances	672	678	
Portfolio-based allowances	233	264	
Provisions for contingent liabilities & other commitments	13	9	
Total	918	951	

* Based on commitments; foreign currency deals according to exchange rates of the ECB fixing as of Sep 30, 2008

** Incl. 2 transactions (EUR 49 mio) with retained payments which are due to outstanding legal issues

*** Increase due to Lehman Brothers (EUR 30 mio) and Iceland banks (EUR 40 mio)

Appendix

Group and segment performance

Portfolio overview

Hypo Real Estate Group

Quarterly financial overview

Condensed P&L								
EUR millions								
	Q1 2007 ¹	Q2 2007 ¹	Q3 2007 ^{1, 2}	Q4 2007 ^{1, 2}	FY 2007 ^{1, 2}	Q1 2008 ²	Q2 2008 ²	Q3 2008 ²
Operating revenues	498	520	412	33	1,463	184	236	-345
I <i>Net interest and similar income</i>	339	335	357	440	1,471	299	304	354
I <i>Net commission income</i>	54	55	69	56	234	35	34	35
I <i>Net trading income</i>	28	23	-73	-252	-274	-98	12	-349
I <i>Thereof: Synthetic CDOs</i>	0	0	0	-198	-198	-87	-19	-112
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-150
I <i>Thereof: Iceland</i>	0	0	0	0	0	0	0	-11
I <i>Net income from financial investments</i>	77	86	49	-206	6	-29	-135	-364
I <i>Thereof: Cash CDOs</i>	0	0	-4	-264	-268	-88	-126 ³	-195
I <i>Thereof: Babcock & Brown</i>	0	0	0	0	0	0	-37	-39
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-25
I <i>Thereof: Iceland</i>	0	0	0	0	0	0	0	-32
I <i>Net income from hedge relationships</i>	0	19	-7	-1	11	-19	15	-30
I <i>Balance of other operating income/expenses</i>	0	2	17	-4	15	-4	6	9
Provisions for losses on loans and advances	-34	-30	-17	142	-61	-33	-37	-177
General administrative expenses	-160	-170	-162	-164	-656	-145	-160	-119
Impairment on DEPFA goodwill ⁴	0	0	0	0	0	0	0	-2,482
Balance of other income/expenses	0	0	0	-6	-6	0	1	-1
Pretax profit	304	320	233	5	862	6	40	-3,124
Key financials								
EUR billions								
RWA	n.a.	n.a.	n.a.	101.0	101.0	92.7 ⁵	90.6 ⁵	96.3 ⁵
Tier I capital	n.a.	n.a.	n.a.	7.1	7.1	7.3	7.4	6.6

1 Pro-forma figures

2 Excl. the effect from embedded derivative relating to the mandatory convertible bond

3 Net of EUR 70 mio model reserve used

4 Incl. other intangibles

5 Basle II, incl. operational and market risk

Commercial Real Estate Finance

Quarterly financial overview

Condensed P&L								
EUR millions								
	Q1 2007*	Q2 2007*	Q3 2007*	Q4 2007*	FY 2007*	Q1 2008	Q2 2008	Q3 2008
Operating revenues	223	248	247	245	963	231	200	226
I <i>Net interest and similar income</i>	183	179	196	202	760	194	188	187
I <i>Net commission income</i>	37	43	46	26	152	21	20	26
I <i>Net trading income</i>	3	0	0	-1	2	-11	-8	-1
I <i>Net income from financial investments</i>	-3	21	3	15	36	23	0	17
I <i>Net income from hedge relationships</i>	1	4	-1	2	6	0	0	0
I <i>Balance of other operating income/expenses</i>	2	1	3	1	7	4	0	-3
Provisions for losses on loans and advances	-23	-20	-8	-15	-66	-23	-25	-179
General administrative expenses	-47	-50	-46	-37	-180	-44	-45	-44
Balance of other income/expenses	0	0	0	0	0	0	0	0
Pretax profit	153	178	193	193	717	164	130	3
Key financials								
EUR billions								
RWA	n.a.	n.a.	n.a.	50.1	50.1	35.5**	28.2**	30.1**
New business	6.2	9.4	9.7	6.8	32.1	3.1	2.6	1.6
Portfolio (commitments)	61.9	65.3	69.0	65.6	65.6	65.9	64.1	63.3
Portfolio (outstandings)	51.4	52.6	54.6	54.3	54.3	55.3	55.3	55.9

* Pro-forma figures

|25| ** Basle II, incl. market risk

Public Sector & Infrastructure Finance

Quarterly financial overview

Condensed P&L								
EUR millions								
	Q1 2007*	Q2 2007*	Q3 2007*	Q4 2007*	FY 2007*	Q1 2008	Q2 2008	Q3 2008
Operating revenues	197	225	190	222	834	204	184	41
I <i>Net interest and similar income</i>	135	133	153	158	579	157	179	189
I <i>Net commission income</i>	7	11	10	15	43	7	11	6
I <i>Net trading income</i>	-3	-13	-15	13	-18	34	-6	-142
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-120
I <i>Thereof: Iceland</i>	0	0	0	0	0	0	0	-11
I <i>Net income from financial investments</i>	63	80	29	33	205	2	0	6
I <i>Net income from hedge relationships</i>	-4	12	13	8	29	4	0	-18
I <i>Balance of other operating income/expenses</i>	-1	2	0	-5	-4	0	0	0
Provisions for losses on loans and advances	-1	0	0	1	0	0	0	0
General administrative expenses	-36	-37	-37	-42	-152	-32	-33	-25
Balance of other income/expenses	0	0	0	0	0	0	0	0
Pretax profit	160	188	153	181	682	172	151	16
Key financials								
EUR billions								
RWA	n.a.	n.a.	n.a.	38.3	38.3	38.8**	38.6**	39.1**
Public Sector Finance								
New business	14.1	15.6	15.7	12.1	57.5	15.1	11.3	4.9
Portfolio (commitments)	236.8	235.6	232.5	229.0	229.0	232.5	232.7	231.9
Portfolio (outstandings)	213.6	212.0	210.0	206.4	206.4	211.8	216.1	216.0
Infrastructure Finance								
New business	2.5	2.5	5.6	1.7	12.3	1.6	0.4	0.8
Portfolio (commitments)	12.1	14.1	19.0	18.4	18.4	17.9	18.6	19.6
Portfolio (outstandings)	8.7	10.7	15.0	15.5	15.5	15.4	15.7	16.1

* Pro-forma figures

26 | ** Basle II, incl. market risk

Capital Markets & Asset Management

Quarterly financial overview

Condensed P&L EUR millions								
	Q1 2007*	Q2 2007*	Q3 2007*	Q4 2007*	FY 2007*	Q1 2008	Q2 2008	Q3 2008
Operating revenues	51	36	-25	-43	19	3	56	-43
I <i>Net interest and similar income</i>	19	19	20	27	85	11	10	35
I <i>Net commission income</i>	12	4	15	13	44	9	4	4
I <i>Net trading income</i>	23	10	-32	-64	-63	-41	50	-83
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-24
I <i>Net income from financial investments</i>	-6	0	-9	-8	-23	24	-4	1
I <i>Net income from hedge relationships</i>	3	3	-19	-11	-24	0	-4	0
I <i>Balance of other operating income/expenses</i>	0	0	0	0	0	0	0	0
Provisions for losses on loans and advances	0	-1	0	0	-1	0	0	0
General administrative expenses	-24	-21	-25	-30	-100	-22	-20	-15
Balance of other income/expenses	0	0	0	0	0	0	0	0
Pretax profit	27	14	-50	-73	-82	-19	36	-58
Key financials EUR billions								
RWA	n.a.	n.a.	n.a.	2.5	2.5	7.4**	6.7**	8.9**
Portfolio (commitments)	14.1	16.6	18.7	18.3	18.3	13.9	14.4	15.4
Portfolio (outstandings)	n.a.	n.a.	n.a.	16.2	16.2	13.8	14.1	15.0
Assets under management/administration	31.5	39.6	22.3	20.5	20.5	19.2	17.8	15.2

* Pro-forma figures

|27| ** Basle II, incl. market risk

Corporate Center

Quarterly financial overview

Condensed P&L								
EUR millions								
	Q1 2007 ¹	Q2 2007 ¹	Q3 2007 ^{1, 2}	Q4 2007 ^{1, 2}	FY 2007 ^{1, 2}	Q1 2008 ²	Q2 2008 ²	Q3 2008 ²
Operating revenues	27	11	0	-391	-353	-254	-204	-569
I <i>Net interest and similar income</i>	2	4	-12	53	47	-63	-73	-57
I <i>Net commission income</i>	-2	-3	-2	2	-5	-2	-1	-1
I <i>Net trading income</i>	5	26	-26	-200	-195	-80	-24	-123
I <i>Thereof: Synthetic CDOs</i>	0	0	0	-198	-198	-87	-19	-112
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-6
I <i>Net income from financial investments</i>	23	-15	26	-246	-212	-78	-131	-388
I <i>Thereof: Cash CDOs</i>	0	0	-4	-264	-268	-88	-126 ³	-195
I <i>Thereof: Babcock & Brown</i>	0	0	0	0	0	0	-37	-39
I <i>Thereof: Lehman</i>	0	0	0	0	0	0	0	-25
I <i>Thereof: Iceland</i>	0	0	0	0	0	0	0	-32
I <i>Net income from hedge relationships</i>	0	0	0	0	0	-23	19	-12
I <i>Balance of other operating income/expenses</i>	-1	-1	14	0	12	-8	6	12
Provisions for losses on loans and advances	-10	-9	-9	156	128	-10	-12	2
General administrative expenses	-53	-62	-54	-55	-224	-47	-62	-35
Impairment on DEPFA goodwill ⁴	0	0	0	0	0	0	0	-2,482
Balance of other income/expenses	0	0	0	-6	-6	0	1	-1
Pretax profit	-36	-60	-63	-296	-455	-311	-277	-3,085
Key financials								
EUR billions								
RWA	n.a.	n.a.	n.a.	10.1	10.1	8.1 ⁵	14.2 ⁵	15.2 ⁵

1 Pro-forma figures

2 Excl. the effect from embedded derivative relating to the mandatory convertible bond

3 Net of EUR 70 mio model reserve used

4 Incl. other intangibles

5 Basle II, incl. operational and market risk; increase vs. Q1 mainly due to 1250% risk-weighting of CDOs based on German book values

Appendix

Group and segment performance

Portfolio overview

Group portfolio

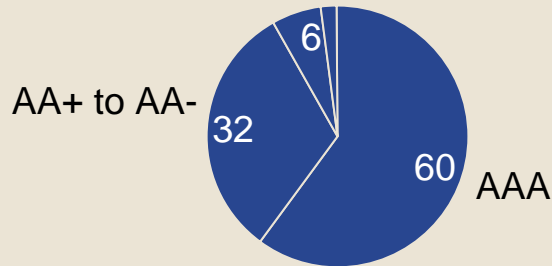
Rating structure of HRE Group's portfolio

EaD per Sep 2008, Percent

Group portfolio by country rating

100% = EUR 400 bn

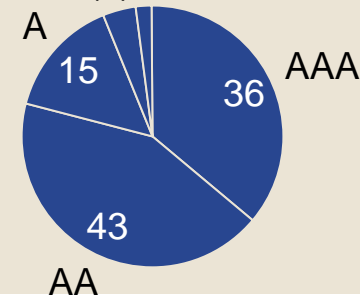
A+ to A- BBB and below (2)



Public Sector & Infrastructure Finance Portfolio by internal rating of counterparties

100% = EUR 257 bn

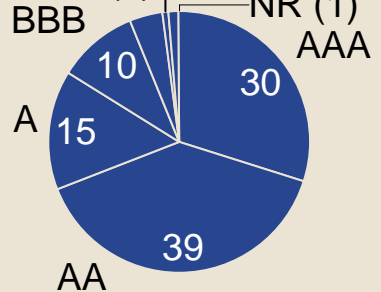
BBB (4) Non-investment grade (2)



Group portfolio by internal rating of counterparties

100% = EUR 400 bn

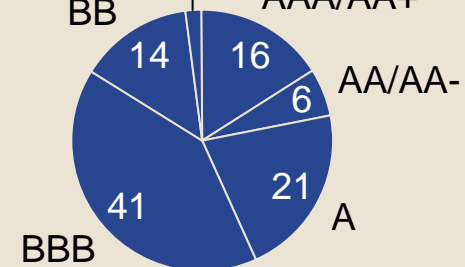
BB (4) Below BB (1) NR (1) AAA



Commercial Real Estate loans Portfolio by internal rating of counterparties

100% = EUR 63 bn

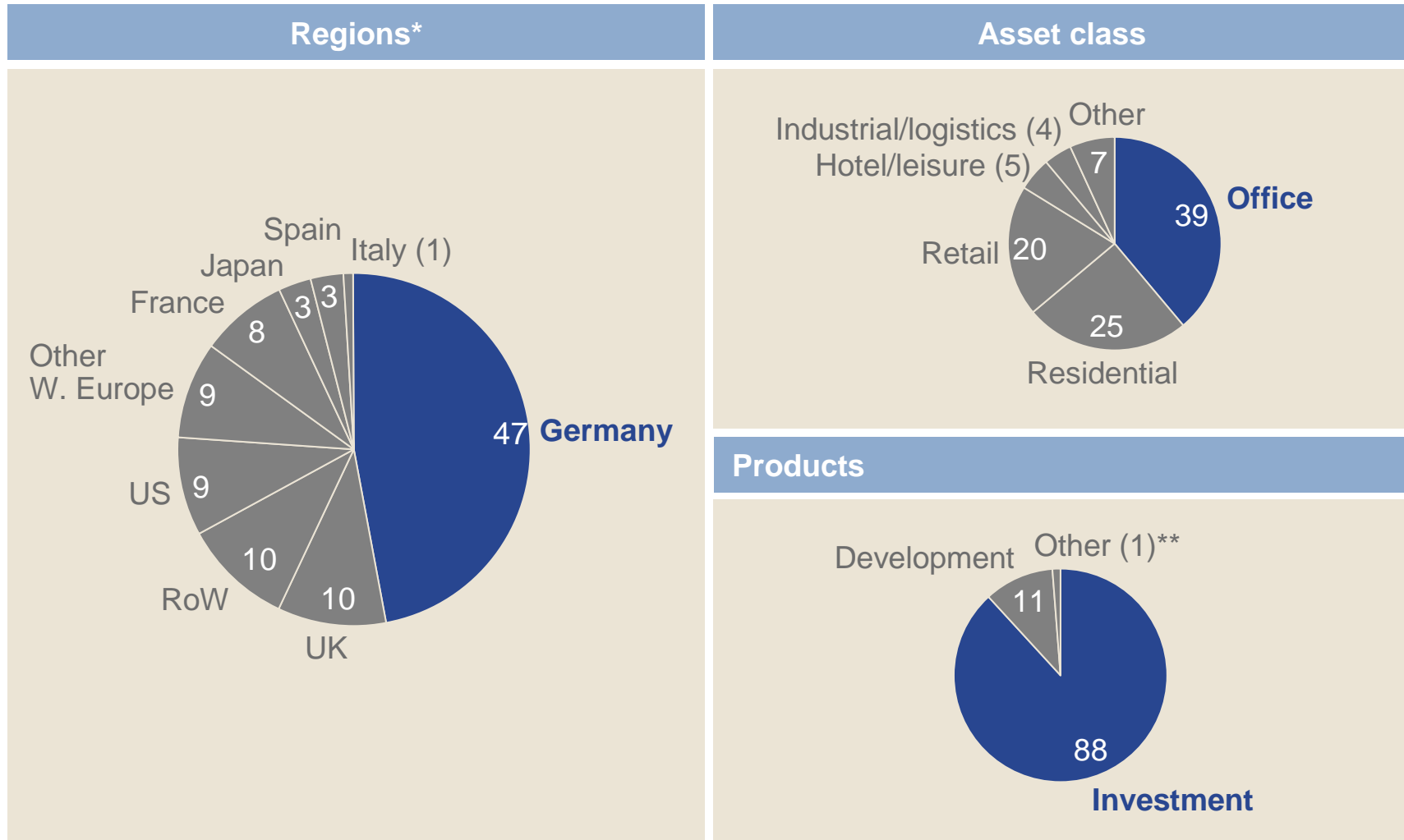
Below BB (2) AAA/AA+ AA/AA-



A Commercial Real Estate

Portfolio dominated by German real estate business (47%)

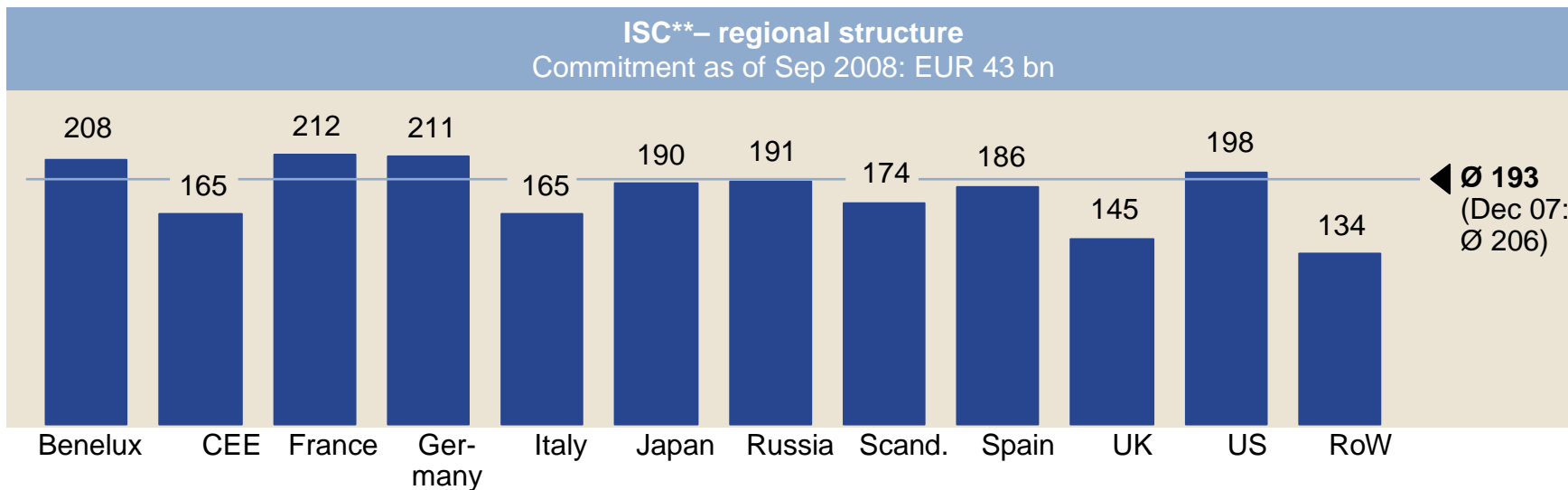
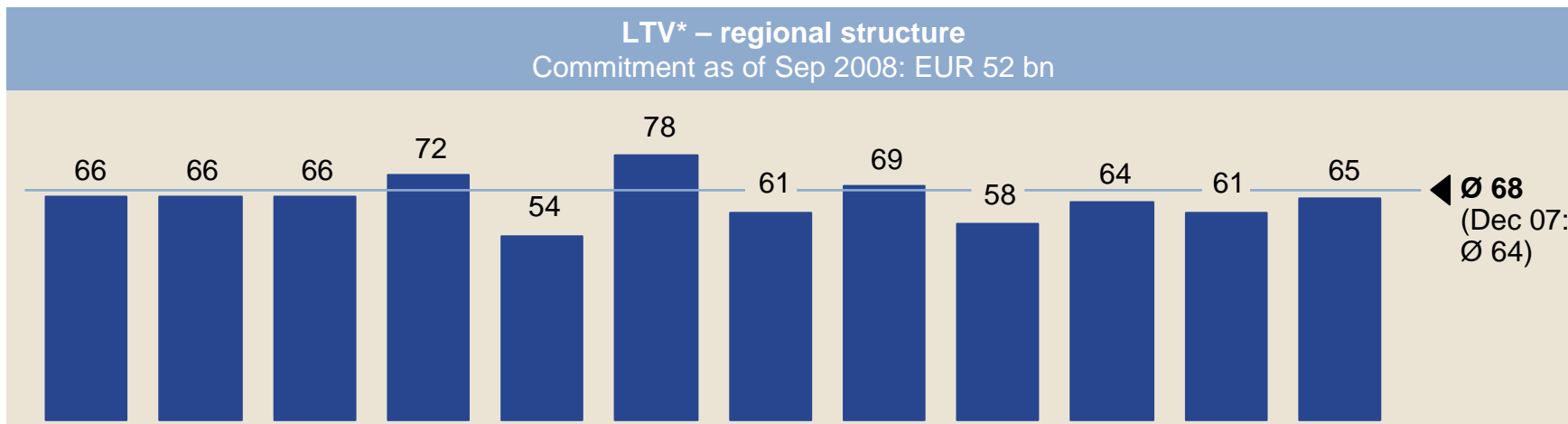
EaD per Sep 2008 – 100% = EUR 63 bn



* Location of property

A Commercial Real Estate

Overview layered loan to value (LTV) and interest service coverage (ISC)
Percent



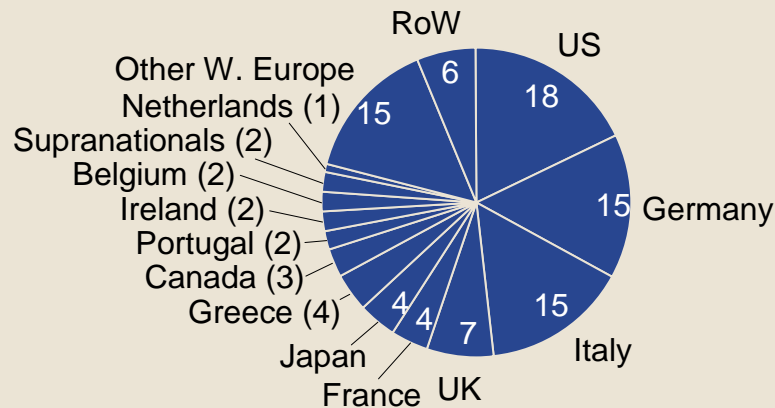
* Deals are virtually layered in different LTV classes; excl. guarantees/letters of credit, bridge finance, corporate loans, fully undrawn loans and unsecured loans; excl. NSP and problem loans

** Excl. guarantees/letters of credit, bridge finance, corporate loans, fully undrawn loans, unsecured loans, developments/constructions and owner-used properties; excl. NSP and problem loans

B Public Sector and Infrastructure Finance

Portfolio size, structure, and quality is stable and mostly tax-backed
 EaD per Sep 2008 – 100% = EUR 257 bn (Dec 2007 – EUR 251 bn); percent

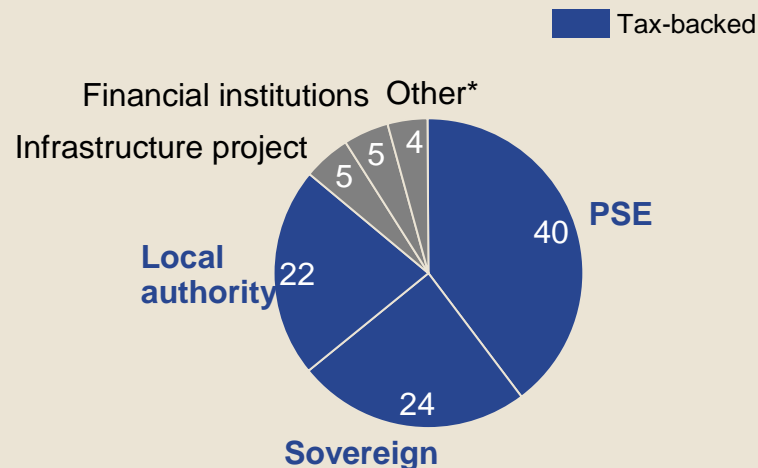
Portfolio by region



Comments

- | European exposure stable at 72% with focus on Germany and Italy
- | US portfolio decreased to 18% (Dec 2007: 20%) with more than 2/3 public sector counterparties

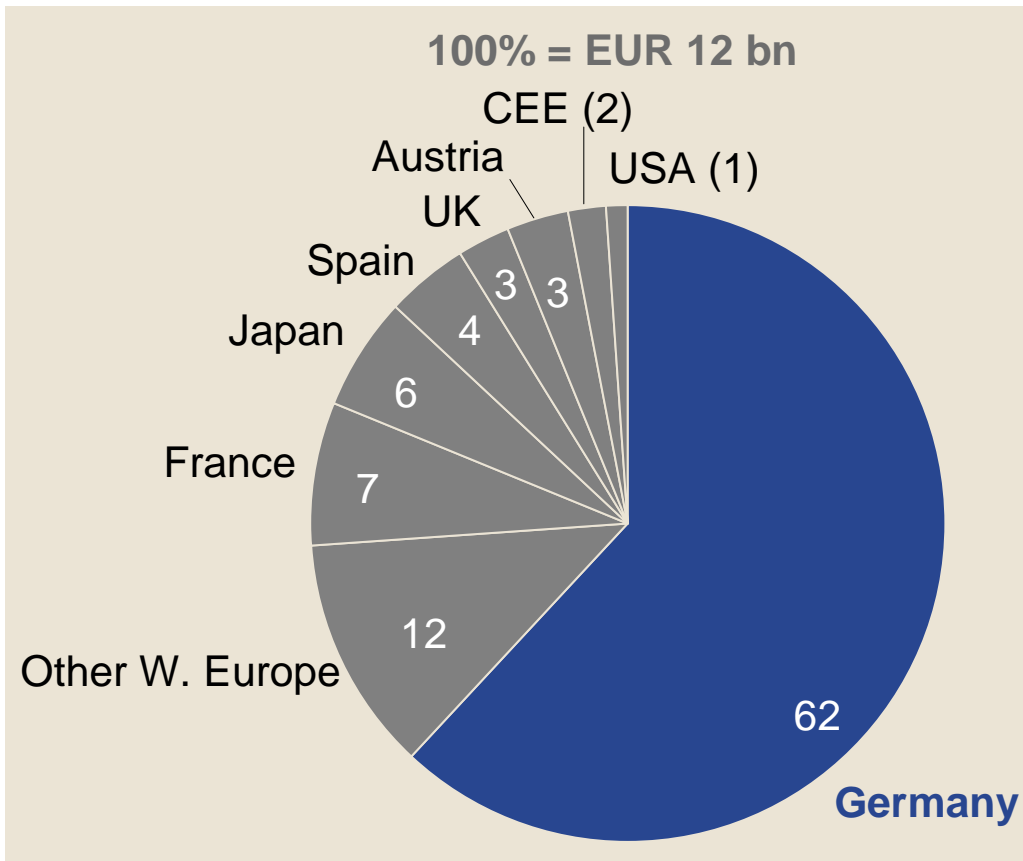
Portfolio by counterparty type



- | The traditional core tax-backed business account for the bulk of all exposure (86%; Dec 2007: 81%)
- | Top 10 exposures (EUR 58 bn) represent 23% of the portfolio, mostly high grade sovereign

C Corporate Center
Run-off book (legacy carry trades)

Run-off book (legacy carry trades), Sep. 2008
Percent



Comments

- I Run-off book (legacy carry trades) are mainly cash positions including
 - I EUR 5.4 bn “Schuldscheindarlehen” German sub-sovereigns (“Bundesländer”)
 - I EUR 5.2 bn MTN on Financial Institutions and public sector counterparties with an average rating of AA2 (lowest rating A3)

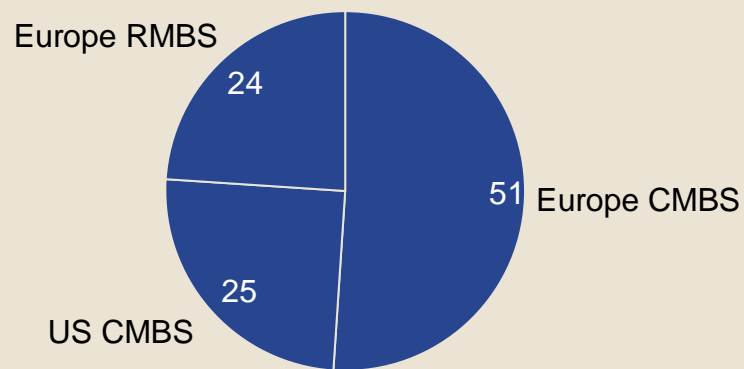
C Corporate Center

Real estate linked investments (RMBS and CMBS)

Real-estate-linked investments in bank book (Sep 2008)
Percent

Comments

100% = EUR 2.83 bn fair value exposure



- | Increase of US CMBS portfolio due to acquisition of beneficial ownership
- | Further fair value decline for EU MBS portfolios based on increase of credit spreads

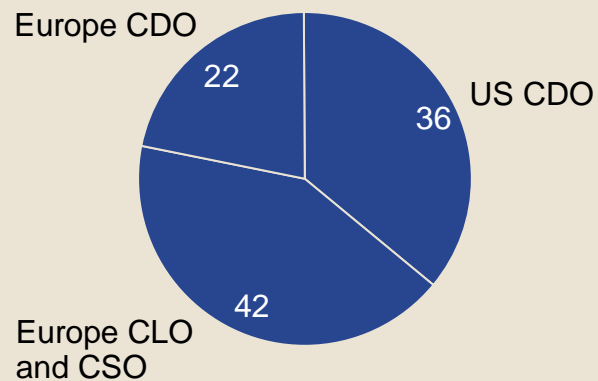
EUR millions	Notional Sep 30, 2008	Fair value Sep 30, 2008	Total mark- down*	EUR millions	Notional Jun 30, 2008	Fair value Jun 30, 2008	Total mark- down*
US CMBS	777	700	10%	US CMBS	336	277	18%
Europe CMBS	1,812	1,444	20%	Europe CMBS	1,868	1,636	12%
Europe RMBS	811	682	16%	Europe RMBS	844	755	11%
Total	3,400	2,826	17%	Total	3,048	2,668	12%

C Corporate Center

Credit-linked investments (CDOs, CLOs and CSOs) – non-core CDO portfolio (< 1% of HRE's total loan book) has been negatively impacted by current market conditions

Credit-linked investments in bank book (Sep 2008) Percent

100% = EUR 1.32 bn, fair value exposure



US CDOs

- | EUR 183 mio fair value decline due to increasing credit spreads and deterioration of collateral pool quality
- | EUR 55 mio fair value increase due to FX change

Europe CDOs and CLOs/CSOs

- | Fair value decline of EUR 86 mio resp. EUR 51 mio for the EU CDOs resp. CLOs/CSOs due to increase of credit spreads and deterioration of collateral pool quality

EUR millions	Fair value Jun 30, 2008*	FV decline September 2008	Fair value Sep 30, 2008	Total mark-down**
US CDOs	604	126	476	68%
Europe CDOs	375	86	289	47%
Europe CLOs and CSOs	606	51	555	24%
Total	1,585	263	1,320	52%

* Change of Q2 figures mainly due to integration of CDO collateral after Lehman default

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