Final Terms (Bearer Notes)

The Final Terms relating to each Tranche of Bearer Notes (other than Pfandbriefe) will contain such of the following information as is applicable in respect of such Notes.

4 June 2008

Hypo Real Estate Bank Aktiengesellschaft

Issue of EUR 25,000,000 Fixed Rate Subordinated Lower Tier II Notes due 2018
under the

Euro 25,000,000,000
Debt Issuance Program
Hypo Real Estate Bank Aktiengesellschaft

This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (Bearer Notes) set forth in the Debt Issuance Program Prospectus dated 14 May 2008.. This Final Terms must be read in conjunction with such Debt Issuance Program Prospectus. Full information is only available on the basis of the combination of these Final Terms and the Debt Issuance Program Prospectus. The Debt Issuance Program Prospectus and the Final Terms have been published on the website of the Issuer (http://www.hyporealestatebank.de).

PART A - CONTRACTUAL TERMS

GENERAL INFORMATION

1.		Issuer	Hypo Real Estate Bank Aktiengesellschaft
2.	(i)	Series Number:	34018
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euro ("EUR")
4.		Aggregate Principal Amount:	
	(i)	Series:	EUR 25,000,000
	(ii)	Tranche:	EUR 25,000,000

DESCRIPTION OF THE ISSUE

5.		Issue Price:	100 per cent.
6.		Specified Denomination(s):	EUR 50,000
7.	(i)	Issue Date:	6 June 2008
	(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
8.		Maturity Date:	6 June 2018
9.		Interest Basis:	8.00 per cent. Fixed Rate (further particulars specified below)
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable

12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Subordinated
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate of Interest:	8.00 per cent. per annum payable annually in arrear
	(ii)	Interest Payment Date(s):	6 June in each year
	(iii)	Fixed Coupon Amount[(s)]:	EUR 2,000,000 per EUR 25,000,000 in Principal Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Fixed Day Count Fraction:	Actual/Actual (ICMA)
	(vi)	Determination Date(s):	6 June in each year
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	**Floating Rate Note Provisions**		Not Applicable
17.	**Zero Coupon Note Provisions**		Not Applicable
18.	**Index-Linked Interest Note Provisions**		Not Applicable
19.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	**Call Option**	Not Applicable
21.	**Put Option**	Not Applicable
22.	**Final Redemption Amount**	Par
	In cases where the Final Redemption Amount is Index-Linked:	Not Applicable
23.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	TEFRA C Rules: Permanent Global Note.
25.	Type of Global Note	Classical Global Note
26.	Notes are intended to be held in a manner which would allow Eurosystem eligibility	No
27.	Additional Financial Center(s) or other special provisions relating to Payment Dates:	Not Applicable
28.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No.

29.	Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30.	Details relating to Installment Notes; Installment Amounts and Installment Dates:	Not Applicable
31.	Redenomination, renominalization and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	Not Applicable
33.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

34.	(i)	If syndicated, names [and addresses] of Managers [and underwriting commitments]:	Not Applicable
	(ii)	Date of Subscription Agreement:	Not Applicable
	(iii)	Stabilizing Manager(s) (if any):	Not Applicable
	(iv)	Delivery:	Delivery against payment
	(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
	(vi)	Dealer's/Lead Manager's account number:	Clearstream Luxembourg, 39616
35.		If non-syndicated, name [and address]*** of Dealer:	Bayerische Hypo- und Vereinsbank AG Arabellastrasse 12, D-81925 Munich
36.		Total commission and concession:	Not Applicable
37.		Additional selling restrictions:	Not Applicable
38.		Non-exempt Offer	Not Applicable

PART B - OTHER INFORMATION

1.	**RISK FACTORS (others than those elaborated in Section IV.2 of the Debt Issuance Program Prospectus)**	None
2.	**INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER:**	None
3.	**REASONS FOR THE OFFER AND USE OF PROCEEDS (if different from making profit and/or hedging risks):**	Not Applicable
	(i) Estimated net proceeds:	EUR 25,000,000
	(ii) Estimated total expenses:	Not Applicable
4.	**INFORMATION CONCERNING THE NOTES (others than contractual terms)**	
	Securities identification numbers	
	Common Code:	036906375
	ISIN Code:	DE000A0PND49
	German Securities Code:	A0PND4
	Any other securities number:	Not Applicable
	Clearing System(s) where the Notes are deposited:	Clearstream Banking AG, Frankfurt am Main
	Fixed Rate Notes only - Yield on issue price and method of calculation:	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
	Information on taxes on the income from the Notes withheld at source in respect of countries where the offer is being made or admission to trading is being sought (other than those specified in the Debt Issuance Program Prospectus):	None
5.	**TERMS AND CONDITIONS OF THE OFFER**	
	Conditions, offer statistics, expected time table and action required to apply for offer	
	Conditions to which the offer is subject:	None

6. LISTING AND ADMISSION TO TRADING

Listing:	Munich
Admission to trading:	Application has been made for the Notes to be admitted to trading on the Munich Stock Exchange with effect from 6 June 2008
Estimate of total amount of expenses related to admission to trading:	EUR 1,100

7. ADDITIONAL INFORMATION

Ratings (others than those mentioned in Section IV. of the Debt Issuance Program Prospectus):	The Notes to be issued have been rated: S & P: A- Moody's: A3 Fitch: A-
Notification:	None

LISTING AND ADMISSION TO TRADING

These Final Terms comprise the details required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 25,000,000,000 Debt Issuance Program of Hypo Real Estate Bank Aktiengesellschaft

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on behalf of the Issuer:

By: ______________________ ______________________

Duly authorized Duly authorized