

Press release

SoFFin approves further and continued support for HRE Group

- **Next tranche of recapitalisation: EUR 3 billion**
- **Liquidity guarantees extended until 30 June 2010**

Munich, 4 November 2009 – On Wednesday, the Steering Committee of the German Financial Markets Stabilisation Fund ("SoFFin") decided to extend the support provided to Hypo Real Estate (HRE). The Group will receive a capital contribution of EUR 3.0 billion in a further tranche. The Steering Committee also decided to extend the EUR 52 billion liquidity guarantee facility until 30 June 2010, originally in place until 18 November 2009.

The EUR 3.0 billion capital contribution is intended to be made to Hypo Real Estate Holding AG (HRE Holding) and Deutsche Pfandbriefbank AG (Deutsche Pfandbriefbank). SoFFin will contribute EUR 0.7 billion to HRE Holding's reserves, of which HRE Holding will initially pass on EUR 0.3 billion to DEPFA BANK plc via a contribution to reserves. SoFFin will contribute EUR 1.3 billion to Deutsche Pfandbriefbank's reserves, and will also provide a EUR 1.0 billion silent partnership contribution. In line with the German stock corporation act, this capital contribution via a silent partnership contribution has to be approved by the Supervisory Board. Approval by the EU Commission for the capital contribution, which was approved by SoFFin on Wednesday, is expected within the next few days.

The total support for HRE from the government is being reviewed within the scope of ongoing EU state aid proceedings. Following the conclusion of these proceedings, and dependent on the outcome of a final review, SoFFin may set up a deconsolidated environment for non-strategic or non-performing assets and will decide on the final recapitalization of HRE.

The EUR 52 billion liquidity guarantee facility, the term of which was extended by the SoFFin Steering Committee today, has been in place since early February 2009. The facility is to be extended to the same terms and conditions: as the beneficiary of the guarantees, Deutsche Pfandbriefbank will pay SoFFin a pro-rata commitment commission of 0.1% on the undrawn portion of the framework guarantee, and a 0.5% p.a. fee on guarantees drawn upon.

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