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COMMERCIAL REGISTER

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INTERIM REPORT AS PER

30 September 2008

Hannover, October 2008

Dear Shareholder,

“Advancing well together” - that is our guiding principle, which we are finally able to bring alive, because on 1 October, Deutsche Hypo, the competence centre for commercial mortgaging in the NORD/LB group successfully gained in momentum. The merger of NORD/LB's real estate banking division with Deutsche Hypo, which went according to plan, is a remarkable achievement by all those involved. We would like to say a special thank you to the employees who now work together under one roof at the new Deutsche Hypo for their high level of commitment.

The first appearance on the market of the revamped Deutsche Hypo at this year's EXPO REAL Commercial Property Exposition that was held in Munich at the beginning of October was just as successful, which brought our improved performance to life for our customers in particular through combined activities.

The Bank's appearance at the exposition, which was used to relaunch Deutsche Hypo was combined with a further event which was important for the Bank: the € 180 million increase in capital, which caused the Tier 1 ratio to amount to 7.45 %. The integration of NORD/LB's commercial property financing into Deutsche Hypo does

not just represent the integration of all employees in this division, but also the successive acceptance of the loan portfolios. The increase in capital forms the necessary basis for this growth in assets.

As you are discovering, on isolated inspection, the new Deutsche Hypo is producing many good reports. However, the worrying picture being painted of the market environment will clearly overshadow the overall view of this interim report.

The dramatic events of the past few weeks have led to extreme fluctuations never seen before on the global financial markets. The implosion of the interbank market, the liquidity shortage, bank insolvencies, the turbulence of the entire financial system and the rapid tumble on the world's main stock markets have led to large-scale government rescue operations. With the aim of repairing the broken monetary cycle and re-establishing confidence, the western industrial nations alone have concluded a combined package of measures worth over € 2,200 billion, € 480 billion of which went to Germany, where the banks were given € 80 billion in the form of government equity and € 400 billion in the form of bonds, as well as for the acceptance of securities.

How has our business developed in this turbulent environment?

The volume of new mortgage business amounted to over € 1.6 billion (- 23.4 %). Although this amount is below the exceptionally high result of the previous year (€ 2.1 billion), it is still in line with our expectations and plans for the first nine months. The portfolio increased by € 637 million to around € 9.2 billion.

The economic downturn in our own target markets continued and is sure to have an impact on the real estate markets. Together with the particular challenges on the refinancing side, with which the banks are generally faced as a result of the crisis on the financial market which shows no signs of ending, this led to the highly selective planning of new business, even within Deutsche Hypo. We therefore expect a new business result that is significantly below last year's result for the year as a whole.

During the period in which the report was compiled, the capital market transactions amounted to € 1.6 billion (- 52.5 %) and in view of the problematic market environment, form the result of our investment policy which continues to be valid.

Refinancing transactions suffered from market-wide stagnation, however, as demand over the past few weeks almost ceased completely. Nevertheless, Deutsche Hypo was able to issue € 3.4

billion during the first nine months of the current financial year, € 1.6 billion of which related to Pfandbrief products, which further ensures the Bank's liquidity.

During the period under review, the Bank's profit situation was greatly affected by the escalation of the crisis on the financial market.

The positive trend in net interest and commission income fortunately continued, and with the sum of € 90.1 million, the Bank gained almost 10 percent. The reason underlying the rise in interest-rate profits of 84.7 % (+ 6.4 %) lay in the increase in the lending portfolio and the increase in average margins, whilst the rise in commission income, at € 5.4 million (+ 52.9 %), was primarily driven by earnings achieved as a result of the Bank's foreign property financing business.

The balance of other operational revenue and expenditure mainly depended upon the sale of property that was no longer necessary in order to operate.

The risk result increased by € 13.7 million to € 35.0 million, € 235 million of which was spent on precautionary measures in the liquidity reserve, which will however be considered as temporary fluctuations and consequently as a non-sustainable reduction in value. One positive

development is the pleasing development of the risk provision in the credit business. By the usual conservative assessment, this decreased by 13 % to € 11.5 million.

Some securities of the fixed assets were put under a tremendous amount of pressure due to the fluctuations on the market that continue to be irrational in part. According to our current estimation, we no longer judge that our exposure of € 35 million with an Icelandic bank will retain its value, with the result that we had to adjust this amount by 75 %. The overall Icelandic banking portfolio amounted to € 80 million. All in all, all revaluations in the asset ledger, which we have classified as no longer retaining their value, led to a value consumption to the value of € 42.8 million, which corresponds to the disclosed investment result.

The pre-tax result on 30 September 2008 therefore dropped by € 33.4 million to € 1.7 million compared to the same period last year.

When looking back over the 2008 financial year as a whole, going by the current state of affairs, we are not assuming that there will be a significant improvement on the financial markets until the end of the year. Taking into account our Bank's income situation, we also

observe that it is not only the circumstances that have so far had a negative impact upon the Bank's revenue that will remain unchanged, but also the repercussions of any shocks that put a strain on the markets that occurred after the deadline of 30 September 2008, whose after-effects affect us too. In the first instance, the development of this can be seen in Iceland. On the basis of present circumstances, we assume that Deutsche Hypo will have to bear the negative consequences.

Furthermore, the fragile and highly sensitive financial markets remain vulnerable to further bad news, and more so than usual. No one is able to say for definite how likely it is that further shocks will occur. From today's perspective, these circumstances make it impossible to produce a serious and reliable forecast for the entire year. We are standing by our decision, which we made as early as in the six-monthly financial report, which was to refrain from a concrete results and dividends forecast for the 2008 financial year.

**DEUTSCHE HYPOTHEKENBANK
(PUBLIC LIMITED COMPANY)**

The Management Board

Business progress figures

	1.1.-30.9. 2008 in EUR m	1.1.-30.09. 2007 in EUR m	Change in %
Total new business	3,215	5,468	-41.2
Mortgage loans	1,619	2,113	-23.4
of which: Commercial loans	1,386	1,791	-22.6
Housing loans	233	322	-27.6
Capital market business	1,596	3,355	-52.4
Total loan drawdowns	3,327	4,977	-33.2
Mortgage loans	1,731	1,622	6.7
Capital market business	1,596	3,355	-52.4
Bond and loan turnover	2,813	5,154	-45.4
Mortgage Pfandbriefe	830	797	4.1
Public Pfandbriefe	810	1,536	-47.3
Other bonds	1,173	2,821	-58.4
Loans taken up	586	412	42.2

Profit and Loss Account figures

	1.1.-30.9. 2008 in EUR m	1.1.-30.9. 2007 in EUR m	Change in %
Interest income	1,236.7	1,253.1	-1.3
Current income	13.4	12.5	7.2
Interest expenses	1,165.4	1,186.0	-1.7
Net interest income	84.7	79.6	6.4
Commission income	7.8	5.1	52.9
Commission expenditure	2.4	2.5	-4.0
Net commission income	5.4	2.6	
Net interest and commission income	90.1	82.2	9.6
Wages and salaries	11.9	11.5	3.5
Social security contributions	3.7	3.6	2.8
Other administrative expenses	12.4	11.7	6.0
Administrative expenses	28.0	26.8	4.5
Balance of other operating income/expenses	17.4	0.8	2,075.0
Operating result before risk provisioning	79.5	56.2	41.5
Risk provisioning	35.0	21.3	64.3
Result from financial investments	-42.8	0.2	
Result from ordinary business activity	1.7	35.1	-95.2

Balance Sheet figures

	30.9.2008 in EUR m	31.12.2007 in EUR m
Cash reserves	41	99
Due from banks	5,584	5,956
a) Mortgage loans	0	0
b) Loans to the public sector	4,232	4,610
c) Other claims	1,352	1,346
Due from non-bank customers	16,039	16,109
a) Mortgage loans	9,180	8,544
b) Loans to the public sector	6,728	7,461
c) Other claims	131	104
Bonds and other fixed-income securities	11,766	12,067
Shares and other variable-yield securities	167	167
Due to banks	4,847	4,666
including: a) Registered mortgage Pfandbriefe	154	166
b) Registered public Pfandbriefe	426	468
Due to non-bank customers	10,148	10,048
including: a) Registered mortgage Pfandbriefe	1,188	1,358
b) Registered public Pfandbriefe	7,547	7,491
Bonded liabilities	17,950	19,489
Including: a) Mortgage Pfandbriefe	4,259	3,840
b) Public Pfandbriefe	9,717	11,098
c) Other bonds	3,974	4,551
Subordinated liabilities	228	229
Participatory capital	108	108
Equity capital	507	496
Including a) Subscribed capital	81	81
Capital held by silent partners	44	44
b) Reserves	382	371
Total assets	34,122	35,430
Contingent liabilities	693	661
Other liabilities	801	857

Other information

	1.1. - 30.9. 2008	1.1. - 30.9. 2007
No. of employees (average)	208	209
Including: Part-time staff	23	21
Trainees	4	6