

6 May 2008

Hypo Real Estate Bank Aktiengesellschaft
Issue of EUR 10,000,000 Fixed Rate Notes due 8 May 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 11 May 2007. 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>) and on the website of the Luxembourg Stock Exchange.

PART A - CONTRACTUAL TERMS

GENERAL INFORMATION

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|----|-----------------------------------|---|
| 1. | Issuer | Hypo Real Estate Bank
Aktiengesellschaft |
| 2. | (i) Series Number: | 34017 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro ("EUR") |
| 4. | Aggregate Principal Amount: | |
| | (i) Series: | EUR 10,000,000 |
| | (ii) Tranche: | EUR 10,000,000 |

DESCRIPTION OF THE ISSUE

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|-----|---|---|
| 5. | (i) Issue Price: | 100.00 per cent. of the Aggregate Principal Amount |
| 6. | Specified Denomination(s): | EUR 50,000 |
| 7. | (i) Issue Date: | 8 May 2008 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | Issue Date |
| 8. | Maturity Date: | 8 May 2018, subject to adjustment for payment only in accordance with the Following Business Day Convention |
| 9. | Interest Basis: | 7.496% 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 – Lower Tier II |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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|-----|-----------------------------------|--|
| 15. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate(s) of Interest: | 7.496 per cent. per annum payable annually in arrear |
| | (ii) Interest Payment Date(s): | 8 May in each year, subject to adjustment in accordance with the Following Business Day Convention |
| | (iii) Fixed Coupon Amount(s): | EUR 3,748 per EUR 50,000 in Principal Amount |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Fixed Day Count Fraction: | Actual/Actual (ICMA) unadjusted |
| | (vi) Determination Date(s): | 8 May 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
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):	As per Conditions
GENERAL PROVISIONS APPLICABLE TO THE NOTES	
24. Form of Notes:	TEFRA C Rules: Permanent Global Note
25. Type of Global Note	Classic 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:	TARGET
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, renominialization and reconventioning provisions:	Not Applicable
32. Consolidation provisions:	Not Applicable
33. Other terms or special conditions:	Not Applicable
DISTRIBUTION	
34. (i) If syndicated, names [nd 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:	Euroclear 90895
35.	If non-syndicated, name of Dealer:	Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB
36.	Total commission and concession:	Not Applicable
37.	Additional selling restrictions:	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
4.	INFORMATION CONCERNING THE NOTES (others than contractual terms)	
	Securities identification numbers	
	Common Code:	036262796
	ISIN Code:	XS0362627969
	German Securities Code:	WKN A0PND3
	Any other securities number:	Not applicable
	Clearing System(s) where the Notes are deposited :	Euroclear Bank S.A./N.V. and Clearstream Banking S.A., Luxembourg
	<i>Fixed Rate Notes only</i> - Yield on issue price and method of calculation:	7.496 per cent. per annum As set out above, 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	None

Debt Issuance Program Prospectus):

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
Time period, including any possible amendments, during which the offer will be open:	Not Applicable
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	Not Applicable
Details of the minimum and/or maximum amount of application, (whether in number of notes or aggregate amount to invest):	Not Applicable
Method and time limits for paying up the securities and for its delivery:	Not Applicable
Manner and date in which results of the offer are to be made public:	Not Applicable
The procedure for the exercise of any rights of pre-emption, the negotiability of subscription rights and the treatment of of subscription rights not exercised:	Not Applicable

Plan of distribution and allotment

Various categories of potential investors to which the Notes are offered:	Professional Investors
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Not Applicable

Pricing

Method of determining the offered price and the process for its disclosure and indication on the amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
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6. **LISTING AND ADMISSION TO TRADING**

Listing:	Luxembourg
Admission to trading:	Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 8 May 2008
Estimate of total amount of expenses related to admission to trading:	EUR 1,215

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: Moody's: A3 Fitch: A-
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Notification

As of the date of these Final Terms and to the knowledge of the Issuer, the *Commission de Surveillance du Secteur Financier* as the Competent Authority has been requested to provide a certificate of approval attesting that the Debt Issuance Program Prospectus has been drawn up in accordance with the Prospectus Directive to the competent authorities in the following countries: None

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: _____
Duly authorized