

**2006 Declaration****of Deutsche Hypothekbank (Actien-Gesellschaft) Hanover/Berlin****with regard to the recommendations of the****"Government Commission on the German Corporate Governance Code"**

The Board of Managing Directors and the Supervisory Board of Deutsche Hypothekbank (Actien-Gesellschaft), Hanover/Berlin hereby declare in accordance with Section 161 of the Joint Stock Corporation Act:

1. Deutsche Hypothekbank (Actien-Gesellschaft) Hanover/Berlin, since its last declaration of 16 December 2005, has complied with the recommendations of the Government Commission on the German Corporate Governance Code as last amended on 12 June 2006 with the following exceptions:

- a) A D&O policy existed for the Board of Managing Directors and Supervisory Board without a suitable deductible (No. 3.8). This insurance policy was in place until Deutsche Hypothekbank ceased to belong to the ING Group. It was a group insurance policy maintained by the ING Group for all member companies in the group. With effect from 29 September 2006, the ING Group transferred its shareholding in Deutsche Hypothekbank to a new group of shareholders. Since this date the above group insurance cover has ceased to apply. Deutsche Hypothekbank itself has not maintained any D&O insurance for the members of its Board of Managing Directors or Supervisory Board since this date.
- b) The Board of Managing Directors does not have a chairperson or spokesperson (No. 4.2.1).
- c) The Bank's annual accounts and interim reports are only published in accordance with German accounting regulations (No. 7.1.1).
- d) The 2005 annual accounts were published on 3 April 2006 and thus later than 90 days after the year-end (No. 7.1.2).
- e) The emoluments of the members of the Board of Managing Directors and Supervisory Board and the material content of commitments entered into in the event of the activity of Board members being terminated were not broken down in the Notes to the annual accounts (Nos. 4.2.4, 4.2.5 and 5.4.7).

2. Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover/Berlin shall adhere to the recommendations of the Government Commission on the German Corporate Governance Code as last amended on 12 June 2006 subject to the exceptions listed under 1.a) to 1.e). Deutsche Hypothekenbank shall itself take out a D&O insurance policy to cover the members of its Board of Directors and Supervisors without a suitable deductible as stipulated in the Corporate Governance Code.

Hanover, 14 December 2006

The Supervisory Board  
Managing Directors

The Board of