

Declaration of Conformity 2014
on the part of Deutsche Hypothekenbank (Actien-Gesellschaft) Hanover
in respect of the recommendations of the
Government Commission on the German Corporate Governance Code

In accordance with Article 161 of the German Stock Corporation Act (Aktiengesetz), the Board of Managing Directors and the Supervisory Board of Deutsche Hypothekenbank (Actien-Gesellschaft) Hanover herewith declare the following:

1. Since the last Declaration of Conformity dated 4 December 2013, Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover has implemented the recommendations of the Government Commission on the German Corporate Governance Code dated 24 June 2014 with the following exceptions:
 - a) The Code's recommendations on the topics of invitation to the Annual General Meeting, postal votes and proxies have not been implemented (Code section 2.3);
 - b) The members of the Supervisory Board were covered by D&O insurance without an appropriate deductible (Code section 3.8);
 - c) regarding the granting of pension commitments (for members of the Board of Managing Directors), the Supervisory Board has not specified any conditions for the pension level, including length of service on the Board of Managing Directors, and the resulting annual and long-term expense for the company (Code section 4.2.3),
 - d) the remuneration of the members of the Board of Managing Directors and of the Supervisory Board as well as the essential content of commitments of benefits to be granted in the event of termination of the function of the members of the Board of Managing Directors are not disclosed on an individualised basis in the annex to the consolidated financial statements. The remuneration components are also not disclosed on an individualised basis for financial years commencing after 31 December 2013 using the model tables provided (Code sections 4.2.4, 4.2.5 and 5.4.6),
 - e) The financial statements for the financial year 2013 were published on 30 April 2014; the half-year financial report 2013 was published on 29 August 2014. This meant that the respectively recommended periods of 90 days from the end of the financial year and 45 days from the end of the reporting period (Code section 7.1.2) were not met. However, the publication of said reports took place in compliance with the statutory deadlines stipulated in Section 325 of the German Commercial Code (HGB) and Articles 37v and 37w of the German Securities Trading Act (WpHG).
2. Deutsche Hypothekenbank (Actien-Gesellschaft) Hanover herewith declares that it will in future fulfil the recommendations of the Government Commission on the German Corporate Governance Code in their version dated 24 June 2014, doing so with the exception of the aforementioned instances under 1. a) to 1.e).

Explanations:

Codes section 2.3

The shares in Deutsche Hypo are held in their entirety (100 per cent) by NORD/LB, with the consequence that there are no “free” shareholders. The recommendations set down in Code section 2.3 are based on the holding of Annual General Meetings of stock corporations which have various different shareholders. This is not the case where Deutsche Hypo is concerned, and for this reason the said recommendations will not be implemented.

Codes section 3.8

As in the past, Deutsche Hypo will not be implementing this recommendation:

In accordance with the principles of equal treatment, a deductible ought to be identical for all members of the Supervisory Board in terms of its economic effects. The Code recommends that the regulation on deductibles for the Board of Managing Directors in accordance with Article 93 (2) of the German Stock Corporation Act (AktG) be correspondingly applied in respect of the members of the Supervisory Board. However, this would affect the members of the Supervisory Board to varying degrees, depending on their personal economic circumstances. In extreme cases, it could be, for example, that less well financially situated members of the Supervisory Board might find themselves in existential difficulties. With account being taken of the equal degrees of responsibility concerned, this regulation does not therefore appear fair.

Codes section 4.2.3

Pension commitments are basically granted to members of the Board of Managing Directors taking into account the specific individual circumstances. The Supervisory Board will seek a pension level which takes into account these circumstances (including area of responsibility, position on the Board of Managing Directors and length of service on the Board of Managing Directors) and is also in reasonable proportion with other existing pension commitments. The assessment of the individual case is influenced by various factors which are difficult to define within a standard framework. The Supervisory Board has therefore not defined standard framework conditions.

Code sections 4.2.4, 4.2.5 and 5.4.6

The compensation of the members of the Board of Managing Directors and of the Supervisory Board has not been disclosed on an individualised basis in the past, and Deutsche Hypothekbank will not do so in the future either:

The Extraordinary General Meeting of Deutsche Hypothekbank held on 13 November 2006 adopted a resolution with the requisite majority as per Section 286 (5) of the German Commercial Code (HGB) to the effect that individualised disclosure of the compensation of members of the Board of Managing Directors would not be undertaken. At the Annual General Meeting of Deutsche Hypothekbank held on 25 May 2011, a resolution was adopted to the effect that the details on the compensation of each individual member of the Board of Managing Directors as required by section 4.2.4 of the German Corporate Governance Code will not be disclosed in the company’s annual financial and consolidated statements.

In accordance with Deutsche Hypothekbank’s articles of association, the Annual General Meeting passes resolutions on the compensation of the members of the Supervisory Board. The

Supervisory Board's overall compensation is reported in the annual report. There is no further identifiable benefit from any individualised disclosure by name of said compensation.

Codes section 7.1.2

As result of its affiliation to the NORD/LB Group, Deutsche Hypo is incorporated into the group procedure in terms of the publication of interim reports, financial reports and annual accounts; this group procedure is in accordance with the statutory time limits.

Hanover, 5 December 2014

The Supervisory Board

The Board of Managing Directors