German Lion RMBS S.A.
Société anonyme

AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022

Address:
22-24, Boulevard Royal
L-2449 Luxembourg

RCS Luxembourg: B255534

German Lion RMBS S.A.

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DIRECTOR'S REPORT

The Board of Directors (the "**Board**") of German Lion RMBS S.A. (the "**Company**") herewith submits its report for the financial year ended 31 December 2022.

General

The Company is a securitisation Company within the meaning of the Luxembourg Law of 22 March 2004 on securitisation, as amended (the "**Securitisation Law**") and has as its corporate purpose the securitisation of receivables including residential mortgages receivables and related receivables, notes, shares, partnership interests, government bonds, treasury bills, debt and equity securities, other financial instruments and other assets or liabilities of third parties or inherent to all or part of the activities carried out by third parties (the **"Permitted Assets"**).

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 4, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

Summary of activities

Compartment 2021-1

On 19 May 2021, the Company created one compartment named Compartment 2021-1 ("**Compartment 2021-1**"). Compartment 2021-1 purchased a pool of monthly paid residential mortgage receivables (the "**Mortgage Receivables**" or "**Permitted Assets**").

Portfolio of Permitted Assets

The underlying assets held by Compartment 2021-1 are solely comprised of a portfolio of mortgage loans originated by ING-DiBa AG (the "Seller") and secured over residential properties located in Germany. The relevant mortgage loans as well as the mortgages relating to such mortgage loans have been entered into the refinancing register of the Seller with the Issuer as beneficiary.

The Initial Purchase Price for the acquisition of the Mortgage Receivables portfolio acquired by Compartment 2021-1 comprises an amount of EUR 8,732,977.263.75 as initial Aggregate Outstanding Principal Amount and an amount of EUR 110,456,700.00 as Issuance Bonification. The Issuance Bonification amount is amortised on a straight-line basis through profit and loss account.

During the year an amount of EUR 1,244,628,169.37 (2021: EUR 368,831,467.12) was collected by way of principal repayments/repurchases and EUR 1,244,628,170.14 (2021: EUR 9,368,831,466.35) reinvested into the portfolio.

As at 31 December 2022, the oustanding balance of the investment held by Compartment 2021-1, including the balance of Issuance Bonification and any impairment adjustments amounts to EUR 9,106,831,824.26 (2021: EUR 9,109,665,271.27).

Class A and Class B Mortgage Backed Floating Rate Notes due November 2109

On 24 November 2021, the Company acting on behalf of its Compartment 2021-1 entered into a Note Purchase Agreement whereby Company issued EUR 8,235,000,000 and EUR 765,000,000 interest bearing Class A and Class B Notes (the **"Notes"**) respectively. The Class A Notes have been admitted to listing on the official list of the Luxembourg Stock Exchange (Bourse de Luxembourg) and to trading on its regulated market (segment for professional investors). The Class A Notes have been issued at a premium in the total amount of EUR 110,513,700 which is amortised on straight-line basis through profit and loss accounts.

As at 31 December 2022, the oustanding balance of Notes issued by Compartment 2021-1 are presented as follows:

Instrument	CCY	Outstanding amount	Maturity Date
Class A Notes	EUR	8,235,000,000.00	November 2109
Class B Notes	EUR	765,000,000.00	November 2109

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Mortgage Receivables which have been transferred to the Company.

Hedging instruments

The Company has entered into swap agreements for each class of Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the borrowers to the Company and the floating rate interest payments owed by the Company under the Notes. The swap agreements entered by the Company have ING-DiBa AG as counterparty.

Audit committee

The Board duly notes that, based on Article 52 of the law of 23 July 2016 concerning the audit profession (the "**Audit Law**"), the Company is classified as a public-interest entity and is required to establish an audit committee.

However, the Company's sole business is to act as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission regulation (EC) N° 809/2004. Therefore, it is exempted from the audit committee obligation based on Article 52 (5) c).

The Company has concluded that the establishment of a dedicated audit committee or an administrative or supervisory body entrusted to carry out the function of an audit committee is not appropriate for the nature and extent of the Company's business which consists merely of an interest in assets to which the limited recourse Notes issued are linked. Furthermore, the Company operates in a strictly defined regulatory environment (e.g. Securitisation Law, CSSF supervision, listing on EU-regulated market) and is subject to respective governance mechanisms.

Acquisition of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the year ended 31 December 2022, the Company has not purchased any of its own shares.

Research and development activities

The Company was neither involved nor participated in any kind of research or development activities in the year ended 31 December 2022.

Branches and participations of the Company

The Company does not have any branches or participations.

Related business risks

Credit risk:

The Company may be exposed to a credit risk with third parties with whom it trades and may also bear the risk of settlement default. Ultimately, the credit risk is borne by the Noteholders due to the limited recourse nature of the Notes issued.

Counterparty risk:

Some of the assets and derivatives will expose the Company to the risk of Counterparty default.

Interest rate risk:

The Permitted Assets bear interest at fixed rates while the Notes bear interest at floating rates based on 3-months EURIBOR + Margin. The Company will hedge afore-described interest rate risk related to the Notes and will use payments made by the swap counterparties to make payments on the Notes on each Payment date. The Board considers however that the excess spread of the structure would cover any movements in the 3-months EURIBOR.

The liquidity risk, market risk, currency risk and the price risk are not defined as the directors of the Company believe that these risks are not applicable for the Company or are not deemed as principal risks to the Company as a whole.

Subsequent events

On 1 September 2022, the Board resolved to create a new compartment under the name " Compartment 2023-1" to purchase residential mortgage loans secured by properties located in Germany originated by ING-DiBa AG.

The Initial Purchase Price for the acquisition of the Mortgage Receivables portfolio acquired by Compartment 2023-1 on 21 March 2023 for a net amount of EUR 5,361,199,999.50 comprises an amount of EUR 6,499,999,999.14 as initial Aggregate Outstanding Principal Amount and an amount of EUR 1,138,799,999.64 as Disagio.

The same day, the Company acting on behalf of its Compartment 2023-1 entered into a Note Purchase Agreement whereby Company issued EUR 5,947,500,000, EUR 552,500,000 and EUR 59,500,000 interest bearing Class A, Class B Notes and Class C Notes (the "Mortgage Backed Floating Rate Notes due 20 March 2078") respectively. The Class A Notes have been admitted to listing on the official list of the Luxembourg Stock Exchange (Bourse de Luxembourg) and to trading on its regulated market (segment for professional investors).

The Company, acting on behalf of its Compartment 2023-1, has entered into a swap agreement for Class A and B Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the borrowers to the Company and the floating rate interest payments owed by the Company under these Notes. The swap agreement entered by the Company has ING-DiBa AG as counterparty.

No other events have occurred subsequent to the year-end which would have a material impact on the financial statements as at 31 December 2022.

Future outlook

No material changes in activities are contemplated for the year 2023 (please refer to subsequent events above). No subsequent changes are expected.

Luxembourg, 13 April 2023

Zamyra Cammans
Director

Hélène Grine Siciliano
Director

Meenakshi Mussai Ramassur
Director

German Lion RMBS S.A.

CORPORATE GOVERNANCE STATEMENT

Voting rights

Each issued share holds one vote in a meeting of shareholders. No special voting rights exist, nor does the sole Shareholder has any special right of control.

Board

The Company is managed by a Board comprising at least three members. The directors, whether shareholders or not, are appointed for a period not exceeding six years by the sole Shareholder, who may at any time remove them.

The Board is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Company. The Company will be bound in any circumstances by the joint signatures of two members of the Board unless special decisions have been reached concerning the authorised signature in case of delegation of powers or proxies.

As at 31 December 2022, Zamyra Cammans, Hélène Grine Siciliano and Meenakshi Mussai Ramassur were directors of the Company.

Internal control and risk management procedures

The Board is responsible for managing the Company and carefully managing the Company's system of internal control and risk management. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

The Board has the overall responsibility for the Company's system of internal control and for achieving its effectiveness. This system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company operates a management structure with clear delegated authority levels and clear functional reporting lines and accountability. All relevant decisions are subject to appropriate authorisation procedures. The Board monitors financial and operational performance and compliance controls on a continuing basis and identifies and responds to business risks as they arise.

Instruments listed on regulated market

The Company has issued Class A Notes which are traded on the Luxembourg Stock Exchange, but no other instruments such as shares of the Company are traded on any regulated market.

As the Company has only issued securities other than shares to trading on a regulated market within the meaning of Article 4, paragraph (1), point 14), of Directive 2004/39/EC and has not issued shares which are traded on a multilateral trading facility within the meaning of Article 4, paragraph (1), point 15) of Directive 2004/39/EC, it is not under an obligation to subject itself to a corporate governance code and has not opted to voluntarily subject itself to any corporate governance code.

Luxembourg, 13 April 2023

Zamyra Cammans
Director

Hélène Grine Siciliano
Director

Meenakshi Mussai Ramassur
Director

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To the Shareholders of
German Lion RMBS S.A.
22-24, Boulevard Royal
L-2449 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of German Lion RMBS S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the «Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts» section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial fixed assets "other loans"

Why the matter was considered to be one of most significance in our audit

The Company is a securitisation vehicle having as its corporate purpose the securitization of mortgage loan receivables (classified as "other loans") acquired from ING-DiBa AG. The Company has no substantial assets (except cash and receivables) other than mortgage loan receivables amounting to EUR 9,106,831,824.26 and representing 99,54% of Total Assets as at 31 December 2022, and is mainly exposed to the valuation risk with respect of those mortgage loans receivables due to the underlying credit risk of the borrowers.

Certain aspects of the valuation of mortgage loans receivables require significant management judgement, such as the identification of loans that are deteriorating, the assessment of objective evidence for impairment, the value of collateral and the estimation of the recoverable amount.

Due to the significance of the "other loans" balance and the significant management judgement involved, we consider their valuation as a key audit matter.

We refer to the accounting policies in Note 2.2.2 and Note 3 "other loans" to the annual accounts.

How the matter was addressed in our audit

Our procedures over the valuation of mortgage loan receivables included but were not limited to:

- As the underlying processes for the valuation of mortgage loan receivables is located at the level of ING-DiBa AG, we involved KPMG Germany, the auditor of ING-DiBa AG (hereafter the Bank), to assist us with the following procedures:
  - to test the design and implementation and the operating effectiveness of relevant key controls on the valuation of the mortgage loan receivables
  - to test the collective valuation allowances based on the Bank's credit risk models.
  - when impairment losses were identified by the Company, to assess as to whether the estimates made regarding the amount and timing of future customer cash flows are appropriate, and how, if relevant, deferrals of payments were taken into account.
- We assessed the procedures performed by and the reporting received from KPMG Germany and challenged them were deemed necessary.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d'entreprises agréé” by the Board of Directors on 29 June 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is two years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 13 April 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

M. Weber
Partner

Annual Accounts Helpdesk :

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RCSL Nr. : B255534	Matricule : 2021 2203 042
	eCDF entry date :

BALANCE SHEET

Financial year from 01 01/01/2022 **to** 02 31/12/2022 *(in* 03 EUR)

German Lion RMBS S.A.

22-24, Boulevard Royal
L-2449 Luxembourg

ASSETS

	Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101	101		102	
I. Subscribed capital not called	1103	103		104	
II. Subscribed capital called but unpaid	1105	105		106	
B. Formation expenses	1107	107		108	
C. Fixed assets	1109	109	9.106.831.824,26	110	9.109.665.271,27
I. Intangible assets	1111	111		112	
1. Costs of development	1113	113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117		118	
b) created by the undertaking itself	1119	119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121		122	
4. Payments on account and intangible assets under development	1123	123		124	
II. Tangible assets	1125	125		126	
1. Land and buildings	1127	127		128	
2. Plant and machinery	1129	129		130	

RCSL Nr. : B255534	Matricule : 2021 2203 042

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	
III. Financial assets	1135		135	9.106.831.824,26	136	9.109.665.271,27
1. Shares in affiliated undertakings	1137		137		138	
2. Loans to affiliated undertakings	1139		139		140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147	3	147	9.106.831.824,26	148	9.109.665.271,27
D. Current assets	1151		151	41.921.231,38	152	13.722.368,89
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	30.140.500,01	164	12.125.628,97
1. Trade debtors	1165		165		166	
a) becoming due and payable within one year	1167		167		168	
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171		171		172	
a) becoming due and payable within one year	1173		173		174	
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	30.140.500,01	184	12.125.628,97
a) becoming due and payable within one year	1185	4	185	30.140.500,01	186	12.125.628,97
b) becoming due and payable after more than one year	1187		187		188	

RCSL Nr. : B255534	Matricule : 2021 2203 042

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197		197	11.780.731,37	198	1.596.739,92
E. Prepayments	1199		199		200	
TOTAL (ASSETS)			201	9.148.753.055,64	202	9.123.387.640,16

RCSL Nr. : B255534	Matricule : 2021 2203 042

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301		301	30.000,00	302	30.000,00
I. Subscribed capital	1303	5	303	30.000,00	304	30.000,00
II. Share premium account	1305		305		306	
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309		310	
1. Legal reserve	1311		311		312	
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429		430	
a) other available reserves	1431		431		432	
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319		320	
VI. Profit or loss for the financial year	1321		321	0,00	322	0,00
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	1435		435	9.039.588.410,67	436	9.012.967.745,60
1. Debenture loans	1437		437	9.037.181.270,70	438	9.005.645.292,28
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445	7	445	9.037.181.270,70	446	9.005.645.292,28
i) becoming due and payable within one year	1447		447	27.147.131,90	448	2.371.500,00
ii) becoming due and payable after more than one year	1449		449	9.010.034.138,80	450	9.003.273.792,28
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	

	Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367		368	
a) becoming due and payable within one year	1369	369		370	
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379		380	
a) becoming due and payable within one year	1381	381		382	
b) becoming due and payable after more than one year	1383	383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451 8	451	2.407.139,97	452	7.322.453,32
a) Tax authorities	1393	393	5.024,42	394	0,00
b) Social security authorities	1395	395		396	
c) Other creditors	1397	397	2.402.115,55	398	7.322.453,32
i) becoming due and payable within one year	1399	399	2.402.115,55	400	7.322.453,32
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403 9	403	109.134.644,97	404	110.389.894,56
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	9.148.753.055,64	406	9.123.387.640,16

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B255534 | Matricule : 2021 2203 042

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2022 **to** 02 31/12/2022 *(in* 03 EUR *)*

German Lion RMBS S.A.

22-24, Boulevard Royal
L-2449 Luxembourg

		Reference(s)		Current year		Previous year
1. Net turnover	1701		701		702	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713		713	0,00	714	57.027,74
5. Raw materials and consumables and other external expenses	1671		671	-15.032.510,26	672	-1.501.167,88
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603	10	603	-15.032.510,26	604	-1.501.167,88
6. Staff costs	1605		605		606	
a) Wages and salaries	1607		607		608	
b) Social security costs	1609		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	1613		613		614	
7. Value adjustments	1657		657		658	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659		660	
b) in respect of current assets	1661		661		662	
8. Other operating expenses	1621	11, 2.2.8	621	-42.626.072,33	622	-3.273.792,28

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		Reference(s)		Current year		Previous year
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721	142.879.786,25	722	13.684.891,78
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725	12	725	142.879.786,25	726	13.684.891,78
11. Other interest receivable and similar income	1727		727	28.648.735,35	728	123.805,44
a) derived from affiliated undertakings	1729		729		730	
b) other interest and similar income	1731	13	731	28.648.735,35	732	123.805,44
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	3	665	-1.578.198,19	666	-724.622,52
14. Interest payable and similar expenses	1627		627	-112.286.925,82	628	-8.366.142,28
a) concerning affiliated undertakings	1629		629		630	
b) other interest and similar expenses	1631	14	631	-112.286.925,82	632	-8.366.142,28
15. Tax on profit or loss	1635		635		636	
16. Profit or loss after taxation	1667		667	4.815,00	668	0,00
17. Other taxes not shown under items 1 to 16	1637		637	-4.815,00	638	0,00
18. Profit or loss for the financial year	1669		669	0,00	670	0,00

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

The Company is a Luxembourg limited liability company incorporated in Luxembourg on 18 May 2021 for an unlimited period under the legal form of "Société anonyme" having its corporate office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre de Commerce et des Sociétés of Luxembourg City under number B255534.

The accounting period of the Company begins on the 1st of January and terminates on the 31st of December, except for the first period of activity which began on 18 May 2021, date of incorporation, and terminated on 31 December 2021.

The purpose of the Company is the Securitisation, within the meaning of the Securitisation Law, of receivables including residential mortgages receivables and related receivables, notes, shares, partnership interests, government bonds, treasury bills, debt and equity securities, other financial instruments and other assets or liabilities of third parties or inherent to all or part of the activities carried out by third parties (the "**Permitted Assets**"). The Company may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, including, without limitation, disposing of its assets in accordance with the relevant agreements.

The Company may only carry out the above activities if and to the extent that they are compatible with the Securitisation Law.

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 4, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

Each compartment shall correspond to a distinct part of the assets and liabilities in respect of the corresponding funding. The resolution of the Board, or in case of plurality of directors, the Board creating one or more compartments within the Company, as well as any subsequent amendments thereto, shall be binding as of the date of such resolutions against any third party.

As between investors, each compartment of the company shall be treated as a separate entity. Rights of creditors and investors of the Company that (i) have been designated as relating to a compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a compartment are strictly limited to the assets of that compartment which shall be exclusively available to satisfy such creditors and investors. Creditors and investors of the Company whose rights are not related to a specific compartment of the Company shall have no rights to the assets of any such compartment.

Unless otherwise provided for in the resolution of the Board, or in case of plurality of directors, the Board of the Company creating such compartment, no resolution of the Board of the Company may amend the resolution creating such compartment or to directly affect the rights of the creditors whose rights relate to such compartment without the prior approval of the creditors whose rights relate to such compartment. Any decision of the Board or in case of plurality of directors, the Board, taken in breach of this provision shall be void.

Fees, costs, expenses and other liabilities incurred on behalf of the Company as a whole shall be general liabilities of the Company and shall not be payable out of the assets of any compartment. If the aforementioned fees, costs, expenses and other liabilities cannot be otherwise funded, they shall be apportioned pro rata among the compartments of the Company upon a decision of the Board. Without prejudice to what is stated in the preceding paragraphs, each compartment of the Company may be separately liquidated without such liquidation resulting in the liquidation of another compartment of the Company or of the Company itself.

As the Company has only one active compartment as at 31 December 2022 and 31 December 2021, no separate statement per compartment is made in these annual accounts. The subscribed capital of EUR 30,000 belongs to the capital compartment and is not disclosed separately.

The Company is included in the consolidated accounts of ING Groep N.V., forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of ING Groep N.V. is located at Bijlmerplein 888 Amsterdam, 1102 MG Netherlands and the consolidated accounts are available at the same address.

In addition, the Company is included in the consolidated accounts of ING Holding Deutschland GmbH, forming the smallest body of undertakings included in the body of undertakings referred to in the above-mentioned paragraph of which the Company forms a part as a subsidiary undertaking. The registered office of ING Holding Deutschland GmbH is located at Theodor-Heuss-Allee 2, 60486 Frankfurt am Main, Germany and the consolidated accounts are available at the same address.

Capitalised terms not defined within these audited annual accounts are defined in the respective Transaction Documents of each compartment of the Company.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 2 - Summary of significant accounting policies

2.1 Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 (as amended), determined and applied by the Board.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Board makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These annual accounts were prepared on a going concern basis as the Board did not identified any material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern.

2.2 Significant accounting policies

The main accounting policies applied by the Company are the following:

2.2.1 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

2.2.2 Financial assets

Permitted Assets included in financial assets are valued at the lower of carrying amount/cost and carrying amount/cost less value adjustment (valuation allowance).

Issuance Bonification amount on Permitted Assets is amortised on a straight-line basis through profit and loss account.

Valuation allowances are determined depending on the changes in credit quality since the time of initial recognition. They are calculated either in the amount of the 12-month expected credit loss or, if there is a significant deterioration in the default risk compared to the date of initial recognition or a default event, in the amount of the expected credit loss over the remaining term of the loan (lifetime expected loss).

2.2.3 Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.4 Deferred Income

This liability item includes income received during the financial year but relating to a subsequent financial year.

2.2.5 Foreign currency translation

The annual accounts are stated in EUR. No transactions in other currencies have occurred.

2.2.6 Creditors

Non-convertible loans issued are stated at par value less any repayments made to their principal.

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference may be accounted for in the profit and loss account when the debt is issued.

2.2.7 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

Note 2 - Summary of significant accounting policies (continued)

2.2.8 Equalisation Provision

Losses during the year as a result from sales, default, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will first be borne by the Noteholders in inverse order of the priority of payments.

Consequently, a provision for decrease in value will be made and deducted first from the amount repayable of the Notes and booked in the profit and loss account as "Other operating income".

In the case of a subsequent reversal of such value diminution, the increase in value will first be allocated as per the order of the priority of payments, up to the amount previously deducted.

Similarly, in case of profit made during the year, the Equalisation Provision booked in the profit and loss as "Other operating expenses" would result into an additional liability towards the Noteholders.

2.2.9 Derivative financial instruments

The Company may enter into derivative financial instruments such as swaps in order to reduce its exposure coming from the floating rate of the Notes against the fixed rate of the Permitted Assets. These derivative financial instruments are initially recorded at cost. At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the case of hedging of an asset or a liability that is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged item. The interests linked to derivatives instruments are recorded on an accrual basis at the closing date. Commitments relating to swap transactions are recorded in the off-balance sheet accounts (see note 19).

Note 3 - Financial assets

	2022	**2021**
Other loans	EUR	EUR
Permitted Assets		
Opening balance as at 1 January / 18 May	8,999,999,999.23	-
Purchases during the year / period	1,244,628,170.14	9,368,831,466.35
Collections/Repurchases during the year / period	(1,244,628,169.37)	(368,831,467.12)
Closing balance as at 31 December	**9,000,000,000.00**	**8,999,999,999.23**
Accumulated value adjustments - opening balance	(724,622.52)	**-**
Allocations for the year / period	(1,578,198.19)	(724,622.52)
Accumulated value adjustments - closing balance	**(2,302,820.71)**	**(724,622.52)**
Issuance Bonification - Opening balance	110,389,894.56	
Issuance Bonification for the year / period	-	110,513,700.00
Amortisation of Issuance bonification for the year / period	(1,255,249.59)	(123,805.44)
Net book value - closing balance	**9,106,831,824.26**	**9,109,665,271.27**

On 24 November 2021, the Compartment 2021-1 acquired a portfolio of Mortgages Receivables from ING-DiBa AG at an initial purchase price of EUR 8,732,977,263.75.

The Initial Purchase Price for the acquisition of the Mortgage Receivables portfolio acquired by Compartment 2021-1 comprises an amount of EUR 8,732,977,263.75 as initial Aggregate Outstanding Principal Amount and an amount of EUR 110,456,700.00 as Issuance Bonification.

As at 31 December 2022, a value adjustment in the total amount of EUR 1,578,198.19 has been recorded as a provision for potential losses arising from credit risk related to certain contracts.

As at 31 December 2022, the oustanding balance of the investment held by the Company, including the balance of Issuance Bonification and any impairment adjustments amounts to EUR 9,106,831,824.26 (2021: EUR 9,109,665,271.27).

Note 4 - Other debtors

	2022	2021
becoming due and payable within one year	EUR	EUR
Accrued interest swap receivable	18,470,500.00	-
Receivable from the Servicer	11,670,000.01	12,125,628.97
Total other debtors	**30,140,500.01**	**12,125,628.97**

Receivable from the Servicer balance consist of interest collected by the Servicer which is due and payable in January 2023.

Note 5 - Subscribed capital

As at 31 December 2022, the subscribed capital amounts to EUR 30,000 and is divided into 300 shares fully paid-up with a par value of EUR 100 each.

Note 6 - Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net profits, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Note 7 - Debenture loans

	2022	2021
Non convertible loans	EUR	EUR
Becoming due and payable within one year		
Interest payable on Notes	27,147,131.90	2,371,500.00
Total becoming due and payable within one year	**27,147,131.90**	**2,371,500.00**
Becoming due and payable after more than one year		
Notes		
Opening balance as at 1 January / 18 May	9,000,000,000	-
Issuance during the period	-	9,000,000,000.00
Repayment during the period	-	-
Equalisation provision	10,034,138.80	3,273,792.28
Total becoming due and payable after more than one year	9,010,034,138.80	9,003,273,792.28
Total non convertible loans	**9,037,181,270.70**	**9,005,645,292.28**

On 24 November 2021, the Company acting on behalf of its Compartment 2021-1 entered into a Note Purchase Agreement whereby the Company issued EUR 8,235,000,000 and EUR 765,000,000 interest bearing Class A and Class B Notes (the "**Notes**") respectively. The Class A Notes are listed on the Luxembourg Stock Exchange. The Class A Notes have been issued at a premium in the total amount of EUR 110,513,700 which is amortised on straight-line basis through profit and loss accounts (see also note 13).

Final Maturity Date of the Notes is 20 November 2109.

Note 8 - Other creditors

	2022	2021
	EUR	EUR
Tax authorities		
VAT payable	5,024.42	-
Total tax authorities	**5,024.42**	**-**
Other creditors		
becoming due and payable within one year		
Swap payable	823,075.00	5,969,700.00
Servicer fee	1,516,438.35	1,290,130.17
Audit fees	25,000.00	25,798.50
Liquidity commitment fees	21,102.20	-
Rating fees	15,000.00	-
Accounting and administration	-	19,688.69
Others	1,500.00	17,135.96
Total other creditors	**2,402,115.55**	**7,322,453.32**

Note 9 - Deferred Income

	2022	2021
	EUR	EUR
Class A Notes - Premium	110,513,700.00	110,513,700.00
Class A Notes - Premium (amortisation)	(1,379,055.03)	(123,805.44)
Total deferred income	**109,134,644.97**	**110,389,894.56**

Note 10 - Other external expenses

	2022	2021
	EUR	EUR
Servicer fees	13,629,512.44	1,290,130.17
Amortisation of Issuance Bonification	1,255,249.59	123,805.44
Accounting and Administration fees	40,805.85	29,091.85
Rating fees	38,400.00	-
Audit fees	25,000.00	25,798.50
Tax advisory fees	2,943.59	-
Trustee fees	8,699.42	-
Bank charges	19,899.37	30,341.92
Other miscellaneous external charges	12,000.00	2,000.00
Total other external expenses	**15,032,510.26**	**1,501,167.88**

Note 11 - Other operating expense

	2022	2021
	EUR	EUR
Equalisation provision (see also note 2.2.8)	6,760,346.35	3,273,792.28
Bonification to the seller *)	35,865,725.98	-
Total - Other operating expense	**42,626,072.33**	**3,273,792.28**

*) Amount due to ING-DiBa AG as remaining balance of the Priority of Payments.

Note 12 - Income from other investments and loans forming part of the fixed assets

	2022	2021
	EUR	EUR
Other income not included under a)		
Interest income from Permitted Assets	142,879,786.25	13,684,891.78
Total other income not included under a)	**142,879,786.25**	**13,684,891.78**

Note 13 - Other interest receivable and similar income

	2022	2021
	EUR	EUR
b) other interest and similar income		
Swap interest income	27,365,750.00	-
Class A Note - Premium (amortisation)	1,255,249.59	123,805.44
Interest income on bank accounts	27,735.76	-
Total - Other interest receivable and similar income	**28,648,735.35**	**123,805.44**

Note 14 - Interest payable and similar expenses

	2021	2022
	EUR	EUR
Other interest and similar expenses		
Swap interest expense	35,046,625.00	5,969,700.00
Class B Notes Interest expense	27,169,878.26	2,231,505.00
Class A Notes Interest expense	49,719,860.18	139,995.00
Negative interest expense	144,172.68	24,942.28
Liquidity commitment fees	206,389.70	-
Total interest payable and similar expenses	**112,286,925.82**	**8,366,142.28**

Note 15 - Taxes

The Company is subject to all taxes applicable to commercial companies in Luxembourg incorporated under the Securitisation Law.

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 16 - Staff

The Company did not employ any staff during the financial year.

Note 17 - Emoluments granted to the Board

No emoluments have been granted to the Board, nor have any obligations arisen or been entered into by the Company in respect of retirement pensions for former directors.

Note 18 - Loans or advances granted to the Board

No loans or advances have been granted to the Board.

Note 19 - Off-balance sheet commitments

Compartment 2021-1 has entered into Swap Agreements to hedge the Compartment 2021-1's interest rate risk derived from floating interest rate on the Notes issued (see also note 7). The termination dates of the swap contracts is the earliest of (i) the Final Maturity Date and the date on which all (but not some only) of the Notes then outstanding are redeemed in full.

	Curr	Nominal amount	Fair value	
Swap with ING-DiBa AG				
Compartment 2021-1	EUR	9,000,000,000.00	1,500,868,294.56	(asset)

Note 20 - Audit and non-audit services

Fees that were recognized as other external expenses for services provided during the financial year to the Company by KPMG Luxembourg as Réviseur d'Entreprises agréé and as authorised Cabinet de révision agréé were as follows:

Amount excluding VAT	**2022**	**2021**
	EUR	EUR
Audit fees	25,000.00	25,798.50
Other assurance services	-	-
Tax advisory services	-	-
Non-audit services	-	-
Total	**25,000.00**	**25,798.50**

Note 21 - Subsequent events

On 1 September 2022, the Board resolved to create a new compartment under the name " Compartment 2023-1" to purchase residential mortgage loans secured by properties located in Germany originated by ING-DiBa AG.

The Initial Purchase Price for the acquisition of the Mortgage Receivables portfolio acquired by Compartment 2023-1 on 21 March 2023 for a net amount of EUR 5,361,199,999.50 comprises an amount of EUR 6,499,999,999.14 as initial Aggregate Outstanding Principal Amount and an amount of EUR 1,138,799,999.64 as Disagio.

The same day, the Company acting on behalf of its Compartment 2023-1 entered into a Note Purchase Agreement whereby Company issued EUR 5,947,500,000, EUR 552,500,000 and EUR 59,500,000 interest bearing Class A, Class B Notes and Class C Notes (the "Mortgage Backed Floating Rate Notes due 20 March 2078") respectively. The Class A Notes have been admitted to listing on the official list of the Luxembourg Stock Exchange (Bourse de Luxembourg) and to trading on its regulated market (segment for professional investors).

The Company, acting on behalf of its Compartment 2023-1, has entered into a swap agreement for Class A and B Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the borrowers to the Company and the floating rate interest payments owed by the Company under these Notes. The swap agreement entered by the Company has ING-DiBa AG as counterparty.

No other events have occurred subsequent to the year-end which would have a material impact on the financial statements as at 31 December 2022.

Luxembourg, 13 April 2023

Zamyra Cammans
Director

Hélène Grine Siciliano
Director

Meenakshi Mussai Ramassur
Director