GERMAN LION RMBS S.A.,
acting for and on behalf of its Compartment 2021-1
(a public company incorporated with limited liability as a "*société anonyme*" under the laws of Luxembourg with registered number B255534)

	Class A	**Class B**
Principal Amount	EUR 8,235,000,000.00	EUR 765,000,000.00
Issue Price	101.342 per cent.	100 per cent.
Interest rate	Three-month Euribor + 0.60 per cent.	Three-month Euribor + 3.5 per cent.
Expected ratings (Fitch/Moody's)	'AAAsf'/'Aaa(sf)'	non-rated
ISIN Code	XS2407027205	XS2407027627
Common Code	240702720	240702762
Final Maturity Date	20 November 2109	20 November 2109

Closing Date	The Issuer will issue the EUR 8,235,000,000.00 Class A Mortgage Backed Floating Rate Notes due 20 November 2109 (the "**Class A Notes**") and the EUR 765,000,000.00 Class B Mortgage Backed Floating Rate Notes due 20 November 2109 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**" and "**Note**" shall mean any one of them) on or about on 26 November 2021 (the "**Closing Date**") (or such later date as may be agreed between the Issuer, the Seller, the Arranger, the Lead Manager and the Notes Purchaser).
Underlying Assets	The Issuer will make payments on the Notes from, among other things, payments of principal and interest received from a portfolio solely comprising 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 will be entered into the refinancing register of the Seller with the Issuer as beneficiary (*Übertragungsberechtigter*). The respective mortgage loans will be assigned to the Issuer on the Closing Date.
Credit Enhancement	Subordination of the Class B Notes; and Excess Available Revenue Receipts.
Liquidity Facility	ING-DiBa AG will provide a liquidity facility whereunder the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts.
Security for the Notes	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee, including a security assignment of the Mortgage Receivables and a pledge over the position of the Issuer as beneficiary (*Übertragungsberechtigter*) of the Mortgage Receivables and the related Mortgages in the refinancing register of the Seller. See section "*MATERIAL TERMS OF THE SECURITY TRUST AGREEMENT*".
Subscription and Sale	The Notes Purchaser has agreed to subscribe or procure subscription on the Closing Date, subject to certain conditions precedent being satisfied, for the Class A Notes. The Seller will, subject to certain conditions precedent being satisfied, on the Closing Date purchase the Class B Notes.

Rating Agencies	Fitch Ratings Ireland Ltd. ("**Fitch**") and Moody's Deutschland GmbH ("**Moody's**", and together with Fitch, the "**Rating Agencies**"). As of the date hereof, each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. Each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.
Ratings	It is a condition precedent to issuance that, on issue, the Class A Notes be assigned a credit rating of 'AAAsf' by Fitch and a credit rating of 'Aaa(sf)' by Moody's. The ratings assigned by Fitch and Moody's address the likelihood of (a) timely payment of interest due on the Class A Notes on each Notes Payment Date and (b) full payment of principal by a date that is no later than the Final Maturity Date. The Class B Notes will not be rated. **The assignment of ratings to the Class A Notes is not a recommendation to invest in the Class A Notes. Any credit rating assigned to the Class A Notes may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Class A Notes.** Please refer to the section entitled "RATING OF THE NOTES".
Listing	This document constitutes a prospectus (the "**Prospectus**") within the meaning of Article 6(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") as amended. This Prospectus has been approved by the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**"), as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Law**"). In the context of such approval, the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus in accordance with Article 20 of Regulation (EU) 2017/1129, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the issuer Application has been made for the Class A Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to have them admitted to trading on its regulated market (segment for professional investors). References in this Prospectus to the Class A Notes being listed (and all related references) shall mean that such Class A Notes have been admitted to the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to trading on its regulated market (segment for professional investors). The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**") as amended (a "**Regulated Market**"). References in this document to the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**") and all related references shall include its

	Regulated Market. This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (https://www.bourse.lu). The Class B Notes will not be listed and the CSSF has not reviewed nor approved any information in relation to the Class B Notes. This Prospectus will be valid until the end of the date falling 12 months after the approval of this Prospectus, i.e. until 24 November 2022. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or at the latest upon expiry of the validity period of this Prospectus set out above.
Eurosystem Eligibility	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Clearstream Banking S.A. or Euroclear Bank S.A./N.V as common safekeeper for the Class A Notes and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon, among other things, satisfaction of the Eurosystem eligibility criteria. The Class B Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem.
Retention and Information Undertakings	In compliance with Article 6 of the Regulation (EU) 2017/2402 (the "**Securitisation Regulation**"), the Originator (the "**Retention Holder**") has undertaken to retain, on an ongoing basis whilst any of the Notes remain outstanding, an economic interest of at least 5 per cent. of the nominal amount of the "securitised exposures" (i.e. the Mortgage Receivables). As of the Closing Date, such retention obligation will be satisfied by the Originator by retaining the Class B Notes in accordance with Article 6 Paragraph (3)(d) of the Securitisation Regulation. Any change to the manner in which such interest is held will be notified to the Noteholders. Pursuant to Article 7(2) of the Securitisation Regulation, the Originator or the Issuer are required to designate amongst themselves one entity as reporting entity (the "**Reporting Entity**") to make available to the Noteholders, potential investors in the Notes and competent authorities, the documents, reports and information necessary to fulfil the relevant reporting obligations under Article 7(1) of the Securitisation Regulation. The Originator agreed, pursuant to the Schedule 6 (*Seller and Servicer Covenants*) of the Incorporated Terms Memorandum, to act as the Reporting Entity for this transaction. Article 5 of the Securitisation Regulation also places an obligation on institutional investors, before investing in a securitisation and thereafter, to, *inter alia*, analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. After the Closing Date, the Originator will prepare quarterly Investor Reports wherein relevant information with regard to the Securitised Mortgage Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Originator with a view to complying with Article 5 of the Securitisation Regulation. Each investor that is required to comply with Article 5 of the Securitisation Regulation is required to independently assess and determine the sufficiency of the information described in this Prospectus and which may otherwise be made available to investors for the purposes of its initial and ongoing compliance with Article 5 of the Securitisation Regulation.

	Although the Originator will produce the quarterly Investor Reports and the Issuer may make announcements from time to time in accordance with applicable law or regulation or the terms of the Notes, none of the Issuer, the Arranger, the Lead Manager or any of the other transaction parties (i) makes any representation that the information described above or elsewhere in this Prospectus or which may otherwise be made available to such investors or to which such investors are entitled (if any) is sufficient for such purposes, (ii) shall have any liability to any actual or prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of Article 5 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (including, but not limited to, the provision of additional information) to enable compliance by relevant investors with the requirements of Article 5 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements. Investors who are affected should therefore be aware that should they determine at any time, whether for their initial investment or as a result of changes following the end of the transitional period for reporting under Article 7 of the Securitisation Regulation or otherwise, that they have insufficient information in order to comply with their own due diligence obligations under Article 5 of the Securitisation Regulation, there is no obligation on the Issuer or any other party (including, for the avoidance of doubt, the Arranger or the Lead Manager) to provide further information to meet such insufficiency.
U.S. Risk Retention Requirements	The Originator intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, the Notes may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules (Risk Retention U.S. Persons). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S.
Simple, Transparent and Standardised Securitisation	The securitisation Transaction described in this Prospectus is intended to qualify as an STS-securitisation within the meaning of Article 18 of the Securitisation Regulation. The Originator will procure a notification to be submitted to the European Securities and Markets Association (ESMA), in accordance with Article 27 of the Securitisation Regulation, that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied. The Originator and the Issuer have used the service of STS Verification International GmbH ("**SVI**"), a third party authorised pursuant to Article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with Articles 18, 19, 20, 21 and 22 of the Securitisation Regulation ultimately on the Closing Date (the "**STS Verification**"). See section "*VERIFICATION BY SVI*". None of the Issuer, Cash Manager, Reporting Entity, Arranger, Security Trustee, Servicer, Seller or any of the other transaction parties makes any representation or accepts any liability for the securitisation transaction described in this Prospectus to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. In relation to such notification, the Originator has been designated as the first contact point for investors and competent authorities.
Benchmarks	Interest amounts payable under the Notes are calculated by reference to Euribor, which is provided by European Money Markets Institute, Brussels, Belgium (the "**Administrator**"). The Administrator appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 (the "**Benchmark Regulation**") as it has been authorised as benchmark administrator for Euribor on 2 July 2019.

Arranger and Lead Manager
ING BANK N.V.

The date of this Prospectus is 24 November 2021.

Investing in the Notes involves certain risks. The risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed in section "RISK FACTORS" of this Prospectus.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

IMPORTANT INFORMATION

Responsibility Statements

The Issuer accepts responsibility for the information contained in this Prospectus:

(1) only the Seller and Servicer is responsible for the information in this Prospectus relating to the Mortgage Receivables, the disclosure of servicing related risk factors, risk factors relating to the Mortgage Receivables, the information contained in "EXPECTED MATURITY AND AVERAGE LIFE OF CLASS A NOTES AND ASSUMPTIONS" on pages 118 *et seqq.*, "PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA" on pages 125 *et seqq.*, "CREDIT AND COLLECTION POLICY" on pages 130 *et seqq.*, "THE SELLER AND SERVICER" on pages 139 *et seqq.*, "THE SWAP COUNTERPARTY" on pages 143 *et seqq.*, "THE CASH MANAGER" on pages 151 *et seqq.*, "THE LIQUIDITY FACILITY PROVIDER" on pages 144 *et seqq.* and "THE ISSUER ACCOUNT BANK" on pages 147 *et seqq.*;

(2) only the Security Trustee is responsible for the information in this Prospectus contained in "THE SECURITY TRUSTEE" on page 145;

(3) only the Paying Agent is responsible for the information in this Prospectus contained in "THE PAYING AGENT" on page 146;

(4) only the Corporate Services Provider is responsible for the information in this Prospectus contained in "THE CORPORATE SERVICES PROVIDER" on page 149;

(5) only the Listing Agent is responsible for the information in this Prospectus contained in "THE LISTING AGENT" on page 150; and

(6) only the Data Trustee is responsible for the information in this Prospectus contained in "THE DATA TRUSTEE" on page 148;

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and only the relevant third party accepts the responsibility for the accuracy thereof.

The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Seller and Servicer hereby declare that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Seller and Servicer is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Security Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Security Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Paying Agent hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Paying Agent is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Data Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Data Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Seller and Servicer, the Paying Agent, the Cash Manager, the Data Trustee and the Security Trustee (all as defined below) or by the financial institution shown on the cover page (the "**Arranger**") or by any other party mentioned herein.

No Responsibility or Liability

Neither the delivery of this Prospectus nor any sale or allotment made in connection with any offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained in this Prospectus since the date of this Prospectus.

Neither the Arranger nor the Lead Manager makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. Neither the Arranger nor the Lead Manager accepts any liability in relation to the information contained in this Prospectus or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. Each potential purchaser of Notes should determine the relevance of the information contained in this Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary. None of the Arranger, the Lead Manager or any other Transaction Party undertakes or shall undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Lead Manager or any other Transaction Party. None of the Arranger, the Lead Manager or any other Transaction Party shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Document, or any other agreement or document relating to the Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

Distribution of the Notes and this Prospectus

Prospective investors should be aware that an investment in the Notes involves risks and that if certain risks, in particular those described under "RISK FACTORS", occur, the investors may lose all or a very substantial part of their investment.

Neither the Issuer nor the Lead Manager has authorised, nor does it or do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Lead Manager which constitute the final placement of the Notes contemplated in this Prospectus.

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Notes and should not be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Prospectus should subscribe for or purchase Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful.

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended by virtue of a supplement, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to the Sellers since the date of this Prospectus (or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended by virtue of a supplement) or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No action has been taken by the Issuer or the Arranger and Lead Manager that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any investor presentation, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer and Lead Manager have represented that all offers and sales by them have been made and will be made on such terms.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being offered and sold in transactions outside the United States of America ("United States") to non-U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) in reliance on Regulation S.

This document may only be communicated or caused to be communicated in circumstances in which Section 21 para 1 of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply.

The distribution of this Prospectus as well as the offering, sale, and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. None of the Issuer or the Lead Manager accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Prospectus, see "*SUBSCRIPTION AND SALE*" below.

Certain Other Important Information

None of the Issuer, the Arranger, the Lead Manager, the Security Trustee or any other Transaction Party makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Seller, the Lead Manager or the Arranger.

PAYMENTS OF INTEREST AND PRINCIPAL AND OTHER PAYMENT AMOUNTS IN RESPECT OF THE NOTES WILL BE SUBJECT TO ANY APPLICABLE WITHHOLDING TAXES WITHOUT THE ISSUER OR ANY OTHER PERSON BEING OBLIGED TO PAY ADDITIONAL AMOUNTS THEREFOR.

The Notes will each be represented on issue by Global Notes, which are expected to be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or around the Closing Date. The issuance of Notes in definitive certificate form is excluded.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinised or approved by the CSSF as competent authority under the Prospectus Regulation.

Forward Looking Statements and Statistical Information

Certain matters contained in this Prospectus are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Mortgage Loans, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and could cause future results to differ materially include, but are not limited to, those discussed under "*Risk Factors*". This Prospectus also contains certain tables and other statistical analyses (the "**Statistical Information**"). Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic. None of the Issuer, the Arranger, the Lead Manager, the Seller or any other Transaction Party have attempted to verify any forward-looking statements or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Issuer, the Arranger, the Lead Manager, the Seller or any other Transaction Party assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes.

In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below.

The Issuer believes that the factors described below represent the risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material and the Issuer does not represent that the statements below regarding the risks of investing in any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

1. RISKS RELATING TO THE ISSUER

Limited resources of the Issuer

The Notes constitute limited recourse obligations of the Issuer. The Issuer is a special purpose vehicle with no business operations other than purchase of the Mortgage Receivables and the Related Mortgages, the issue and repayment of the Notes and the transactions connected therewith.

Prior to the occurrence of an Event of Default and the acceleration of the Notes, the ability of the Issuer to meet its obligations under the Notes is therefore dependent upon the receipt by it in full of (a) principal and interest and other amounts payable by the Borrowers under the Mortgage Receivables and the Enforcement Proceeds or Enforcement Proceeds, if any, received with respect to the Related Mortgages, (b) payments (if any) due from the Swap Counterparty under the Swap Agreement, (c) any interest income on the Issuer Accounts, if any, (d) any amounts released from the Set-Off Risk Reserve Account, the Commingling Risk Reserve Account and the Transfer Reserve Account, (e) any amounts received from the Trustee Collateral and (f) any other payments under the Transaction Documents in accordance with the terms thereof (including the receipt of funds (if available to be drawn) under the Liquidity Facility Agreement), in each case in accordance with and subject to the applicable Priority of Payments. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes. The Issuer and the Security Trustee will have no recourse to the Seller, save in respect of certain representations and warranties given by the Seller (the "**Seller Representations**") in connection with the sale of the Mortgage Receivables and the Related Mortgages to the Issuer. Accordingly, payment of principal and interest on the Notes depends entirely on the performance of the Mortgage Receivables and the level of enforcement proceeds from the Related Mortgages. In the case that a Borrower becomes insolvent or otherwise defaults on its payment obligations under the Mortgage Receivables, the investor will suffer a loss. Therefore, there can be no assurance that the proceeds of enforcement of the Related Mortgages will be sufficient to compensate the payment default in full and that such proceeds will be available in a timely manner.

Non-petition and limited recourse clauses

According to article 62(1) of the Luxembourg Securitisation Law, the rights of investors in securities issued by a securitisation vehicle (as well as the rights of other creditors related to the same issuance of securities) are limited to the assets of the securitisation undertaking and, where such rights relate to an issuance of securities in respect of a specified compartment of the securitisation vehicle (or otherwise arise in connection with the creation, the operation or the liquidation of such compartment), such rights are limited to the assets allocated to that compartment.

According to article 62(2) of the Luxembourg Securitisation Law, the assets of a compartment of a securitisation vehicle are exclusively available to satisfy the rights of investors in securities issued in relation to that compartment and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that compartment.

Recourse of the Noteholders in respect of claims against the Issuer under or in relation to the Notes will be strictly limited to the net assets allocated to Compartment 2021-1 and shall not extend to the remainder of the Issuer's estate. Furthermore, the other parties to the Transaction Documents

are not liable for the obligations of the Issuer and no third party guarantees the fulfilment of the Issuer's obligations under the Notes. Consequently, the Noteholders have no rights of recourse against such third parties.

In this context, it is possible that any proceeds from the realisation by the Trustee Collateral of the security upon the occurrence of an Event of Default prove insufficient to enable the Issuer to meet all payments due in respect of the Notes, taking into account the Post-Enforcement Priority of Payments and the Noteholders will then have no further claim against the assets of any other compartment or any non-compartmental assets of the Issuer. Consequently, in case of enforcement of the claims under the Notes, to the extent that the proceeds from the liquidation of the Compartment 2021-1 assets proves insufficient to make all payments due in respect of the Notes, any claims arising against the Issuer due to such shortfall shall be extinguished and neither the Noteholders nor any person on their behalf shall have the right to petition for the winding up of the Issuer to recover the shortfall amount. If the Issuer is declared bankrupt, certain preferred creditors of German Lion RMBS S.A. (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. This may further reduce the available assets of Compartment 2021-1 therefore increasing the risk of the Issuer not being able to meet in full its payment obligations against the Noteholders under Luxembourg law.

In addition, non-petition, exclusion of liability and limited recourse clauses as provided for in the Transaction Documents may be held invalid in certain circumstances under German law and where any such clause is directly contrary to the purpose of the contract, the relevant clause could, in such circumstances, be declared void. Furthermore, in relation to the procedural rights of the parties, a general prohibition for one of the parties to sue the other party might be held to contravene *bonos mores* (*sittenwidrig*) and might therefore be declared void. In principle, non-petition, exclusion of liability and limited recourse clauses must not be the result of disparity of bargaining power or economic resources of the parties.

Insolvency of the Issuer

German Lion RMBS S.A., acting for and on behalf of its Compartment 2021-1 is a securitisation company (société de titrisation) within the meaning of the Luxembourg Securitisation law, incorporated as a public limited liability company (*société anonyme*) under the laws of Luxembourg, has its registered office in Luxembourg and is managed by its board of directors, professionally residing in Luxembourg.

Accordingly, bankruptcy proceedings with respect to German Lion RMBS S.A. acting for and on behalf of its Compartment 2021-1 would likely proceed under, and be governed by, the insolvency laws of Luxembourg.

Pursuant to Luxembourg insolvency laws, Noteholders' ability to receive payment under the Notes may be more limited than would be the case under other applicable bankruptcy laws. Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be initiated against a company having its "centre of main interests" or an "establishment" (both terms within the meaning of Regulation (EU) 2015/848 of the European Parliament and of the Council dated 20 May 2015) in Luxembourg:

- The conditions for opening bankruptcy proceedings (*faillite*) are (A) a state of cessation of payments ("*cessation des paiements*") and (B) the loss of commercial creditworthiness ("*ébranlement du credit*").

- In addition, the managers or directors of a Luxembourg company that ceases its payments (i.e. is unable to pay its debts as they fall due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with such provision they may be held (A) liable towards the company or any third parties on the basis of principles of managers'/directors' liability for any loss suffered and (B) criminally liable for simple bankruptcy (*banqueroute simple*) in accordance with Article 574 of the Luxembourg *Code de Commerce*.

- Other bankruptcy proceedings under Luxembourg law include a suspension or moratorium of payments ("*sursis de paiement*"), the failure of controlled management proceedings (*gestion contrôlée*), a composition proceedings ("*concordat préventif de la faillite*") and judicial liquidation proceedings ("*liquidation judicaire*").

Under Luxembourg bankruptcy law, certain acts deemed to be abnormal and carried out by the bankrupt party during the so-called "suspect period" (*période suspecte*) may be unenforceable against the bankruptcy estate of such party. Whilst the unenforceability is compulsory in certain cases, it is optional in other cases. The "suspect period" (*période suspecte*) is the period that lapses between the date of cessation of payments (*cessation de paiements*), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy. The "suspect period" cannot exceed six months plus ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date.

- Under Article 445 of the Luxembourg *Code de Commerce*: (a) a contract for the transfer of movable or immovable property entered into or carried out without consideration, or a contract or transaction entered into or carried out with considerably insufficient consideration for the insolvent party; (b) a payment, whether in cash or by transfer, assignment, sale, set-off or otherwise for debts not yet due, or a payment other than in cash or bills of exchange for debts due or (c) a contractual or judiciary mortgage, pledge, or charge on the debtor's assets for previously contracted debts, would each be unenforceable against the bankruptcy estate or declared null and void, if so requested by the insolvency receiver and if carried out during the suspect period or ten days preceding the suspect period ("*période suspecte*").

- According to Article 61(4) paragraph 2 of the Luxembourg Securitisation Law and without prejudice to the provisions of the law of 5 August 2005 on financial collateral arrangements, the validity and perfection of each of the security interests mentioned under item (c) in the above paragraph cannot be challenged by an insolvency receiver with respect to Article 445 of the Luxembourg *Code de Commerce* and such security interests are hence enforceable even if they were granted by the company during the suspect period or ten days preceding the suspect period. However, Article 61(4) paragraph 2 of the Luxembourg Securitisation Law is only applicable if (i) the articles of incorporation of the company granting the security interests are governed by the Luxembourg Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of the agreements secured by such security interest.

- Under Article 446 of the Luxembourg *Code de Commerce*, any payments made by the bankrupt debtor in the suspect period may be rescinded if the creditor was aware of the cessation of payment of the debtor.

- Under Article 448 of the Luxembourg *Code de Commerce*, and Article 1167 of the Luxembourg civil code (*action paulienne*), the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In any such circumstances, there is a risk that the Noteholders will ultimately not receive the full principal amount of the Notes and/or interest thereon. Certain preferred creditors of German Lion RMBS S.A. acting for and on behalf of its Compartment 2021-1 may have a privilege that ranks senior to the rights of the Noteholders in such circumstances.

Violation of Articles of Incorporation

The Issuer's Articles of Incorporation dated 18 May 2021 and undertakings provided in the Incorporated Terms Memorandum limit the scope of the Issuer's business. In particular, the Issuer undertakes not to engage in any business activity other than entering into and performing its obligations under the Transaction Documents and any agreements relating thereto. However, under the Luxembourg Companies Law, an action by the Issuer that violates the relevant Transaction Document would still be a valid obligation of the Issuer. Further, according to the Luxembourg

Companies Law, a public limited liability company (*société anonyme*) shall be bound by any act of the board of directors, even if such act exceeds the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not in view of the circumstances have been unaware of it without the mere publication of the articles of association constituting such evidence. Any such activity which is to the detriment of the Noteholders may adversely affect payments to the Noteholders under the Notes.

2. RISKS RELATING TO THE NOTES

Liability under the Notes

The Notes will be contractual obligations of the Issuer acting in respect of its Compartment 2021-1. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Security Trustee, the Swap Counterparty, the Data Trustee, the Issuer Account Bank, the Cash Manager, the Paying Agent, the Arranger, the Lead Manager or any of their respective Affiliates or any Affiliate of the Issuer or any other party to the Transaction Documents other than the Issuer, or any other third person or entity other than the Issuer. Furthermore, no person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes. German Lion RMBS S.A., acting for and on behalf of its Compartment 2021-1 will not be liable whatsoever to the Noteholders in respect of any of its other compartments (or assets relating to such other compartments) other than its Compartment 2021-1. Pursuant to article 62 of the Luxembourg Securitisation Law where individual compartment assets are insufficient for the purpose of meeting a company's obligations under the respective issuance, it is not possible for the noteholders in that compartment's issuance to obtain the satisfaction of the debt owed to them from assets belonging to another compartment.

All payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out the Available Revenue Funds, the Available Principal Funds or, as relevant, the funds available from the realisation of the Trustee Collateral in accordance with the applicable Priority of Payments. If, following enforcement of the Trustee Collateral, the available funds prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the loss sustained. The enforcement of the Trustee Collateral by the Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. Such assets will be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter. If the proceeds are not sufficient to satisfy all obligations of the Issuer, there is a risk that the Noteholders will ultimately not receive the full principal amount of the Notes and/or interest thereon.

Credit Enhancement

The credit enhancement mechanisms for the Class A Notes established by the Issuer include, without limitation, the subordination of the Class B Notes regarding distribution of funds in accordance with the applicable Priority of Payments and the Excess Available Revenue Funds that are available in case the Borrower makes scheduled payments under the relevant Mortgage Receivables for which the Issuer paid as purchase price the Gross Outstanding Principal Balance (not including a price component for the interest payable under such Mortgage Receivables) and the Issuance Bonification.

However, such credit enhancement for the Class A Notes is necessarily limited in nature and if it is exhausted, Noteholders may suffer losses and not receive all payments of interest and principal otherwise due to them.

No gross up of payments

The Notes will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes, so that in case the Issuer would have to withhold payments due under the Notes for tax reasons, the Noteholders would receive reduced payments only.

Early redemption of the Notes and effect on yield

The yield to maturity of any Note of the Class A Notes will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Securitised Mortgaged Receivables, including any payment of indemnity by the Seller due to non-compliance of the Securitised Mortgaged Receivables with the Eligibility Criteria or a breach of the Seller Representation and Warranties, and the price paid by the Noteholder for such Note. On any Notes Payment Date if on the preceding Mortgage Calculation Date the aggregate Gross Outstanding Principal Balance of the Securitised Mortgage Receivables is not more than 10 per cent. of the aggregate Gross Outstanding Principal Balance of the Initial Mortgage Receivables on the Cut-Off Date relating to the Transfer Date of such Initial Mortgage Receivables, the Seller may, subject to certain conditions, repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding plus any interest accrued thereon. See "*TERMS AND CONDITIONS OF THE NOTES — Condition* 5(f) *(Redemption – Clean-Up Call Option)*". Such Clean-Up Call may adversely affect the yield on each Class of Notes.

In addition, the Issuer may, subject to certain conditions, redeem all of the Notes (see "*TERMS AND CONDITIONS OF THE NOTES — Condition 5(h) (Optional Redemption – Tax Call) and Condition 5(g) (Optional Redemption – Prepayment Call)*"). This may adversely affect the yield on each Class of Notes.

Ratings of the Class A Notes

Each rating assigned to the Class A Notes by any Rating Agency takes into consideration the structural, legal, tax and Issuer-related aspects associated with the Class A Notes and the underlying Securitised Mortgage Receivables, the credit quality of the Securitised Mortgage Receivables and the Related Mortgages, the extent to which the Borrowers' payments under the Securitised Mortgage Receivables are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Swap Counterparty, the Issuer Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. Each rating of the Class A Notes by the Rating Agencies addresses the likelihood of full and timely payment of interest on, and ultimate repayment of principal of, the Class A Notes.

The Issuer has neither requested a rating of the Class B Notes by any rating agency nor a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Class A Notes. Future events, including events affecting the Swap Counterparty, the Issuer Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the ratings of the Class A Notes if and to the extent such counterparties are not replaced by another eligible third party with the required ratings.

There is no assurance that the ratings of the Class A Notes will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), no person or entity is obliged to provide any additional support or credit enhancement to the Class A Notes.

Any downgrade of the Notes may reduce the value and secondary market marketability of the Notes.

Impact of COVID-19 Pandemic

Since December 2019, there has been an outbreak of coronavirus disease ("**COVID-19**") in China, which has gradually spread to over 200 countries and territories throughout the world, including Germany.

This outbreak (and any future outbreaks) of COVID-19 has led (and may continue to lead) to disruptions in the economies of those nations where the coronavirus disease has arisen and may in the future arise and has resulted (and may continue to result) in adverse impacts on the global economy in general, causing a sharp decline in stock market values, a global slowdown in activity and a high level of uncertainty due to its possible impact in the medium- and long term on local and global economic activity. The COVID-19 outbreak has been declared as a pandemic by the World Health Organization.

Measures implemented by governmental authorities worldwide to contain the outbreak of COVID-19, such as declarations of the national state of emergency, closing of businesses, nurseries, schools and universities, as well as travel restrictions, quarantines, border controls, social distancing requirements and other measures to discourage or prohibit the movement and gathering of people, have had, and are expected to continue to have, a material and adverse impact on the level of economic activity in the countries in which the Transaction Parties operate.

These circumstances have led to volatility in the capital markets, may lead to continued volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes. Investors should note the risk that COVID-19, or any governmental or societal response to COVID-19, may affect the operations, business activities and financial results of the Issuer and of the Seller and the financial condition of the Borrowers, or may impact the functioning of the financial and judicial system(s) needed to make regular and timely payments under the portfolio and the Notes, and therefore the ability of the Issuer to make payments on the Notes.

Given the ongoing and dynamic nature of the COVID-19 pandemic, its effects and the governmental measures aimed at constraining spread of the virus, it is not possible to assess accurately the ultimate impact of the outbreak on the global economy, the economy in the countries in which the Transaction Parties operate and on the ability of the Borrowers to perform their payment obligations under the portfolio.

If the outbreak of COVID-19 and the measures aimed at containing the outbreak continues for a prolonged period, global macroeconomic conditions could deteriorate even further and the global economy may experience a significant slowdown in its growth rate or even a decline. This may in turn have a material adverse effect on the credit quality of the portfolio, the Transaction Parties' credit risk and ultimately the market value of the Notes.

In this context, legislators, regulators and supervisors, on both a national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of the financial institutions are focused on the development of the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

Availability of Liquidity Facility

Under the Liquidity Facility Agreement, the Liquidity Facility Provider will, under and in accordance with the terms of the Liquidity Facility Agreement, make available to the Issuer the Liquidity Facility in an amount equal to the amount as specified in the relevant Drawdown Request (subject to the satisfaction of all drawdown conditions), **provided that** the aggregate of the loan advances granted thereunder (Liquidity Advances as well as any Standby Advances) which are outstanding shall at no time exceed the higher of (i) 0.3 per cent. of the Principal Amount Outstanding of the Class A Notes as of the respective Notes Payment Date and (ii) EUR 1,000,000, in order to enable the Issuer to make payments of interest in respect of the Class A Notes and certain other amounts ranking senior thereto pursuant to the Revenue Priority of Payments. The purpose of the Liquidity Facility is to provide liquidity, not credit enhancement, and the Liquidity Facility Provider will be entitled to receive interest and repayments of principal on drawings made under the Liquidity Facility Agreement in priority to payments to be made to the Noteholders (which ultimately reduces the amount available for distribution to the Noteholders). In certain

circumstances, including the occurrence of an Event of Default, the Liquidity Facility may cease to be available to make interest payments in respect of the Class A Notes. The Liquidity Facility will not be available to make any payment of principal payable in respect of the Class A Notes or the Class B Notes.

The initial Liquidity Facility Agreement will expire upon the lapse of the 364th calendar day following the Closing Date, although it is extendable subject to a positive credit approval process by the Liquidity Facility Provider. The Liquidity Facility Provider is not obliged to extend or renew the Liquidity Facility at its expiry, but if it does not renew or extend the Liquidity Facility on request, the Liquidity Facility Provider shall use its reasonable efforts, upon consultation with the Security Trustee, to locate a replacement liquidity facility provider with the Liquidity Facility Provider Required Rating to grant a new committed revolving liquidity facility. If the Liquidity Facility Provider does not locate such replacement liquidity facility provider prior to the Liquidity Facility Termination Date, the Issuer may require (by notice in writing) the Liquidity Facility Provider to make available to the Issuer a Stand-by Advance which shall be used to make Liquidity Advances on behalf of the Liquidity Facility Provider.

If the liquidity facility under the Liquidity Facility Agreement (or a Stand-by Advance, as the case may be) is not funded and therefore not available to the Issuer, the Issuer may not have sufficient liquidity to pay interest under the Class A Notes and investors may suffer related losses.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate (EURIBOR) and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The EU Benchmark Regulation could have a material impact on the Notes the interest rate of which is linked to EURIBOR, in particular, if the methodology or other terms of the EURIBOR are changed in order to comply with the terms of the EU Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the EURIBOR. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Interest Rate Risk

A holder of the floating rate Class A Notes is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of the Class A Notes in advance.

Payments made to the Seller by any Borrower under a Securitised Mortgage Receivable comprise monthly amounts calculated on the basis of fixed interest rates. However, payments of interest on the Class A Notes are calculated on the basis of EURIBOR. To ensure that the Issuer will not be exposed to interest rate risks, the Issuer and the Swap Counterparty have entered into the Swap Agreement under which the Issuer will owe payments by reference to a fixed rate and the Swap Counterparty will owe payments by reference to EURIBOR, in each case calculated with respect to the Swap Notional Amount which is equal to the aggregate Outstanding Principal Amount of all Securitised Mortgage Receivables as of the last day of the last full Mortgage Calculation Period ending prior to the relevant Notes Payment Date. Payments under the Swap Agreement will be made on a net basis.

During periods in which floating rate interest amounts payable by the Swap Counterparty under the Swap Agreement are greater than the fixed rate interest amounts payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on receiving net payments from the Swap Counterparty in order to make interest payments on the Class A Notes. Consequently, a default by the Swap Counterparty on its obligations under the Swap Agreement may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Class A Notes.

Trustee Collateral and Trustee Claim

The Issuer has granted to the Trustee the Trustee Claim (*Treuhänderanspruch*) under Clause 4.2 of the Security Trust Agreement. To secure the Trustee Claim (*Treuhänderanspruch*), the Issuer will grant a pledge (*Pfandrecht*) to the Trustee with respect to (i) all its present and future, contingent and unconditional rights and claims against the Security Trustee under the Security Trust Agreement, (ii) all its present and future, contingent and unconditional rights and claims against the Seller under the Mortgage Receivables Purchase Agreement, including, without limitation of the foregoing, the Transfer Claims together with any separate rights of the Issuer pursuant to Section 22j (1) of the German Banking Act (*Kreditwesengesetz*) pertaining thereto which can be subject to a pledge (*Pfandrecht*), and (iii) all its present and future, contingent and unconditional rights and claims under the Servicing Agreement, the Paying Agency Agreement, the Data Trust Agreement, the Liquidity Facility Agreement, the Notes Purchase Agreement and the Cash Management and Issuer Account Bank Agreement. The Trustee Claim entitles the Trustee to demand, *inter alia*, that all present and future obligations of the Issuer under the Notes be fulfilled.

However, where an agreement provides that a security agent (e.g. the Trustee) holding assets on trust for other entities has an own separate and independent right to demand payment from the relevant grantor of security to it which mirrors the obligations of the relevant debtors to the secured creditors (e.g. the Trustee Claim), there is an argument that accessory security (such as the pledge granted by the Issuer to the Trustee in order to, amongst others, secure the Trustee Claim) created to secure such a parallel obligation is not enforceable for the benefit of such beneficiaries who are not a party to the relevant security agreement. This is because the parallel obligation could be seen as an instrument to avoid the accessory nature of, e.g. a pledge. This argument has – as far as the Issuer is aware – not yet been tested in court. Further, it is frequently seen in the market that accessory security such as a pledge is given to secure a parallel obligation such as the Trustee Claim. However, as there is no established case law confirming the validity of such pledge, the validity of such pledge is subject to some degree of legal uncertainty.

Realisation of Trustee Collateral and Liquidity Risk

The ability of the Issuer to redeem all the Notes in full and to pay all amounts due to the Noteholders may depend upon whether upon an Event of Default the Trustee Collateral can be realised to obtain an amount sufficient to redeem the Notes. At present, there is no active and liquid secondary market for mortgage loan receivables with characteristics similar to the Securitised Mortgage Receivables. It may not, therefore, be possible for the Issuer or, as the case may be, the Security Trustee, to sell the Mortgage Receivables on appropriate terms should such course of action be required. As a result, the Issuer could have fewer amounts available for distribution pursuant to the applicable Priority of Payments which could cause the loss of payment of the Noteholders.

No Rights after Final Maturity Date

No Noteholder will have any rights under any Note after the Final Maturity Date and, accordingly, may fall short with any claims *vis-à-vis* the Issuer after such date if at such date not all payment obligations by the Issuer under the Notes had been fulfilled.

Limitation of secondary market liquidity and market value of Notes

Application will be made for the Class A Notes to be listed on, and admitted to trading to, the official list of the Luxembourg Stock Exchange on the regulated market. However, the liquidity of a secondary market for the Class A Notes may be limited. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Class A Notes will develop or, if it develops, that it provides sufficient liquidity to absorb any bids and offers, or that it will continue for the whole life of the Class A Notes. As a result of such limitations of liquidity, the secondary market for mortgage-backed securities may be experiencing limited liquidity. These conditions may continue or worsen in the future.

Limited liquidity in the secondary market for mortgage-backed securities has had an adverse effect on the market value of mortgage-backed securities. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. In addition, the Notes are subject to certain selling restrictions which may further limit their liquidity.

Consequently, any purchaser of the Notes must be prepared to hold such Notes until final redemption or Final Maturity Date. In addition, the market value of the Class A Notes may fluctuate with changes in prevailing rates of interest and/or credit spreads and may be difficult to determine. Any of these fluctuations (in particular, fluctuations which lead to an increase of the applicable interest rates) may be significant and could result in significant losses to such investor. In addition, any forced sale into the market of mortgage-backed securities held by various investors experiencing funding or other difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Class A Notes in the secondary market.

Lack of liquidity could result in a significant reduction in the market value of the Class A Notes. Consequently, sale of the Class A Notes in any secondary market which may develop may be at a discount from their par value or from their purchase price. Accordingly, an investors may suffer a loss if its sells its Class A Notes at that time, or may suffer a loss due to write-offs as a result of the declining market value.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "Eurosystem eligible collateral") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria of the European Central Bank (the "**ECB**"), as amended from time to time. If the

Class A Notes do not satisfy the criteria specified by the ECB, then the Class A Notes will not qualify as Eurosystem eligible collateral. As a consequence, Noteholders will not be permitted to use the Class A Notes as collateral for monetary policy transactions of the Eurosystem and may sell the Notes into the secondary market at a reduced price only.

*Risks in connection with the application of the German Act on Debt Securities from Entire Issues (Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz,"**SchVG**"))*

The Notes provide for resolutions of Noteholders of any Class of Notes to be passed by vote taken without meetings. A holder of Notes of a certain Class is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that the holders of the Notes of such Class agree pursuant to the Conditions to amendments of the Conditions by majority vote according to the SchVG. In the case of an appointment of a holder's representative for all holders of Notes of a certain Class a particular holder of a Note of such Class may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other holders of Notes of such Class.

CRA III Regulation

CRA III Regulation amending the CRA Regulation requires that an issuer or related third party (which term includes sponsors and originators) which intends to solicit a credit rating of a structured finance instrument will appoint at least two Rating Agencies to provide ratings independently of each other and should consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with Article 8d (3) of the CRA Regulation (as amended by CRA III Regulation)) (a small Rating Agency), **provided that** a small Rating Agency is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one Rating Agency with no more than 10 per cent. market share, this must be documented. The Seller considered the appointment of several Rating Agencies including one having a less than 10 per cent. total market share (based on information provided by ESMA) and concluded that the most appropriate Rating Agencies to rate the Class A Notes are Fitch and Moody's. As there is no guidance on the requirements for any such documentation there remains some uncertainty whether the Issuer's documentation efforts will be considered sufficient for these purposes and what the consequences of any non-compliance may be for the Issuer, and hence, the investors in the Notes.

Sharing of proceeds with other Secured Parties

The proceeds of collection and enforcement of the Trustee Collateral created by the Issuer in favour of the Security Trustee will be distributed in accordance with the applicable Priority of Payments to satisfy claims of all Secured Creditors thereunder and the Class A Notes will share the proceeds of the collection and enforcement of the Trustee Collateral on a *pro rata* basis among themselves. If the proceeds are not sufficient to satisfy all obligations of the Issuer, certain parties that rank more junior in the applicable Priority of Payments will suffer a Loss. In respect of the Class A Noteholder, if the proceeds are not sufficient to satisfy all obligations of the Issuer under the Class A Notes, part of the claims of the Class A Noteholders will not be satisfied and as a consequence, the Class A Noteholders will suffer a Loss, even if the Class A Noteholders rank more senior in the applicable Priority of Payments.

3. RISKS RELATED TO THE MARKET

No active trading market for the Class A Notes

The Class A Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Class A Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Class A Notes to be admitted to listing on the official list and trading on the Luxembourg Stock Exchange's Regulated Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Class A Notes. If a market does not develop, this may have a negative impact on the liquidity of the Class A Notes

and result in low trading volumes. The degree of liquidity of the Class A Notes may negatively impact the price at which an investor can dispose of the Class A Notes where the investor is seeking to achieve a sale within a short timeframe.

Delisting of the Class A Notes

Once listed on the Luxembourg Stock Exchange, application may be made to the Luxembourg Stock Exchange to have the Class A Notes removed from listing on the Luxembourg Stock Exchange including if necessary to avoid any new withholding taxes in connection with the listing.

Negotiability of the Class A Notes

So long as the Class A Notes remain listed on the Luxembourg Stock Exchange the Class A Notes will be freely transferable and negotiable in accordance with the rules of the Luxembourg Stock Exchange.

4. RISKS RELATING TO THE MORTGAGE RECEIVABLES AND THE RELATED MORTGAGES

Assignability of Securitised Mortgage Receivables

As a general rule under German law, receivables governed by German law are, in principle, freely assignable on the basis of Sections 398 *et seqq*. of the German Civil Code (*Bürgerliches Gesetzbuch*), unless their assignment is excluded (a) by mutual agreement, (b) by the nature of the relevant receivable, or (c) on the basis of legal restrictions applicable thereto. Pursuant to the Mortgage Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Loan Agreements under which the Securitised Mortgage Receivables have been generated are based on certain standard forms. Such standard forms do not specifically prohibit the Seller from transferring its rights under the relevant Loan Agreement to a third party for refinancing purposes. Pursuant to the Mortgage Receivables Purchase Agreement, the Seller has warranted to the Issuer that the assignment of the Securitised Mortgage Receivables to the Issuer is valid. However, in case the Seller should have agreed or will agree with any Borrower that it is restricted to assign the Mortgage Receivables arising from the respective Loan Agreement, such Securitised Mortgage Receivables could generally not be validly assigned to the Issuer. Any invalid assignment of a Securitised Mortgage Receivables could result in the Issuer not receiving sufficient income to redeem the Notes or pay interest thereon.

Yield and Prepayment Considerations, Default of Borrowers

Payment defaults and losses on the Securitised Mortgage Receivables will have an adverse effect, which may be substantial, on the ability of the Issuer to make payments of interest and principal under the Notes. A default on a Mortgage Receivable could ultimately result in its enforcement. The proceeds of any such enforcement may be insufficient to cover the full amount due from the relevant Borrower, resulting in a loss. Even if no loss occurs in connection with the enforcement of a Mortgage Receivable and the Related Mortgages, such enforcement may still affect the timing of repayments on (and, accordingly, the weighted average life and/or yield to maturity of) the Notes.

The occurrence of payment defaults on the Mortgage Receivables will, however, not only affect the amount of interest and principal receipts available to the Issuer on any Notes Payment Date, but also the yield to maturity of each Class of Notes, the rate of principal repayments on each Class of Notes and the weighted average life of each Class of Notes.

The rate of prepayment of the Mortgage Receivables cannot be accurately predicted and may be influenced by a variety of economic, social and other factors, including prevailing market interest rates, the availability of alternative financing and local and regional economic conditions. No assurance can be given as to the level of prepayment that the Mortgage Receivables will experience. Moreover, the Mortgage Receivables do not entitle the Issuer to receive any Prepayment Penalties which could compensate for any prepayment on the Mortgage Receivables. Consequently, the investment performance of any Notes may vary materially and adversely from expectations due to the rate of payments or prepayments and other collections of principal on the Mortgage Receivables being faster or slower than anticipated or the amount and timing of

delinquencies and defaults on the Mortgage Receivables. Accordingly, the actual yield may not be equal to the yield anticipated at the time the relevant Notes were purchased, and the expected total return on investment may not be realised. An independent decision by prospective investors in any Notes as to the appropriate prepayment assumptions should be made when deciding whether to purchase any Notes.

Refinancing Register – Registrable Assets

The Issuer has been advised that the registration of the Mortgage Receivables and the Related Mortgages in the Seller's Refinancing Register will result in a segregation right of the Issuer (*Aussonderungsrecht*) in accordance with the Transfer Claims pursuant to Section 47 of the German Insolvency Code (*Insolvenzordnung*) in the case of insolvency proceedings being instituted against the Seller. However, the registration of assets in a refinancing register does not prevent a valid *in rem* disposal of any of such assets by the Seller, including by means of enforcement proceedings (*Zwangsvollstreckung*) or an execution of an arrest (*Arrestvollziehung*). However, the Issuer has an intervention right pursuant to Section 771 of the German Code for Civil Procedure (*Zivilprozessordnung*) (Section 22j (1) sentence 3 of the German Banking Act (*Kreditwesengesetz*)) allowing it to protect the assets registered in the refinancing register to which its claim for transfer relates from any such enforcement proceedings (*Zwangsvollstreckung*) or execution of an arrest (*Arrestvollziehung*). Any rights of avoidance (*Anfechtungsrechte*) which creditors may have pursuant to the German Avoidance of Transfer Act (*Anfechtungsgesetz*) or the German Insolvency Code (*Insolvenzordnung*) remain unaffected by the registration of assets in a refinancing register. Therefore, there is a risk that prior to the Issuer having the Mortgage Receivables and the Related Mortgages segregated (*Aussonderung*), creditors of the Seller could foreclose into the Mortgage Receivables and the Related Mortgages which would result in a loss for the Noteholders.

Refinancing Register – Pledge of the Transfer Claims

While the Issuer has good reasons to believe that the pledge of the Transfer Claims pursuant to Clause 6 of the Security Trust Agreement when duly notified to the Seller would be valid under German law without recording this pledge in the Refinancing Register maintained by the Seller, and will be recognised under German law in any German insolvency proceedings regarding the Issuer as effective and, accordingly, will entitle the Security Trustee to separate satisfaction (*Absonderung*), this is subject to some degree of legal uncertainty. The Issuer has been advised that the Refinancing Register would not be rendered incorrect upon the pledge of the Transfer Claims being granted to the Security Trustee as only the registration of the transfer obligee (*Übertragungsberechtigter*) is required pursuant to Section 22d (2) sentence 1 no. 2 of the German Banking Act (*Kreditwesengesetz*). Even after the pledge to the Security Trustee, the Issuer remains the transfer obligee under the Transfer Claims.

Assignment of the Related Mortgages only upon Occurrence of a Transfer Event

The Seller will transfer the Related Mortgages sold to the Issuer under the Mortgage Receivables Purchase Agreement only subject to the occurrence of a Transfer Event. Prior to the occurrence of a Transfer Event, the Seller, not the Issuer, will have *in rem* legal title to the Related Mortgages and the Issuer has only a contractual claim against the Seller to receive the proceeds from the Related Mortgages. As a consequence, as the Issuer will not have legal title in the Related Mortgages prior to the occurrence of a Transfer Event and transfer of such Related Mortgages from the Seller to the Issuer, the receipt of proceeds from the Related Mortgages by the Issuer will be subject to the performance and compliance of the Seller with the Transaction Documents.

Non-existence of Securitised Mortgage Receivables

In the event that any of the Securitised Mortgage Receivables have not come into existence or have ceased to exist at the time of its assignment to the Issuer under the Mortgage Receivables Purchase Agreement or belong to a person other than the Seller, such assignment would not result in the Issuer acquiring ownership title (*Eigentum*) in such Mortgage Receivable. In that case, the Issuer is entitled to demand payment of indemnifications from the Seller (*Bestands- und Veritätshaftung*), but from no other Person. If no indemnification is paid by the Seller, then this may result in losses for the Noteholders.

Banking secrecy and data protection

Under the banking secrecy duty (*Bankgeheimnis*), a bank may not disclose information regarding its customer without the prior consent of such customer. In addition, the GDPR applies, pursuant to which a transfer of a customer's personal data is permitted, *inter alia*, if, in the absence of a consent by the data subject, processing is necessary for the purposes of the legitimate interests pursued by the data controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data.

In order to protect the interests and rights of the Borrowers, the assignment of the Securitised Mortgage Receivables has been structured in compliance with the BaFin Circular 4/97 regarding the sale of customer receivables in connection with asset backed securities transactions by German credit institutions and the corresponding publications by BaFin in respect thereof. This includes the implementation of a data trustee structure and the obligation to generally encrypt Borrower related personal data. Here, the Issuer, the Seller and the Data Trustee have agreed that the Portfolio Decryption Key required to decrypt the required personal data including the identity and address of each Borrower is not to be sent to the Issuer on the Closing Date, but only to the Data Trustee which does not receive the relevant encrypted data. Under the Data Trust Agreement, the Data Trustee will safeguard the Portfolio Decryption Key and may provide the Portfolio Decryption Key to any substitute Servicer or the Security Trustee only upon the occurrence of certain events.

There is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of receivables (i.e. structuring in line with BaFin Circular 4/97) to be in compliance with, or the consequences of a violation of, the GDPR or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) which implements Directive (EU) 2016/680 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data. Therefore, at this point there remains some uncertainty to predict the potential impact on the Transaction. If the Issuer was considered to be in breach of the GDPR or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) despite the Transaction being structured in line with BaFin Circular 4/97, it could be fined and in case of such fines being substantial, this could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

Notice of Assignment, Set-Off by Borrowers and other Defences

The assignment of the Securitised Mortgage Receivables and the entering of the Related Mortgage into the Refinancing Register may only be disclosed to the relevant Borrower at any time by the Issuer or through the Servicer in accordance with the Servicing Agreement or where the Seller agrees otherwise. Until the relevant Borrower have been notified of the assignment of the relevant Securitised Mortgage Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Securitised Mortgage Receivables which will have binding effect on the Issuer and the Security Trustee.

Until a Borrower has been notified of the assignment of the Securitised Mortgage Receivables, such Borrower may, among other things:

- effect payment with discharging effect to the Seller or enter into any other transaction with respect to the Securitised Mortgage Receivable with the Seller with binding effect on the Issuer;

- raise defences against the Issuer arising from its relationship with the Seller existing at the time of the assignment of the Securitised Mortgage Receivable; and

- be entitled to set-off against the Issuer any claims against the Seller, unless the Borrower has knowledge of the assignment upon acquiring such claims or such claims become due only after the Borrower acquires such knowledge and after the relevant obligations under the Securitised Mortgage Receivable become due (for further information regarding the

risk related to the set-off claim of the Borrower, we refer you to "*Limited Availability of Set-Off Risk Reserve*" below).

Until such notification has occurred, the Borrowers may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to the Securitised Mortgage Receivable which will have binding effect on the Issuer and the Security Trustee and which could result in the Issuer not receiving sufficient funds to redeem the Notes or pay interest thereon.

Revocation Right of German Consumer Loans

The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) applicable to loans to consumers apply to certain of the Securitised Mortgage Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial nor independent professional activities. Similarly the German consumer loan legislation also applies to individuals as entrepreneurs who enter into the Loan Agreement to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000. All relevant Loan Agreements will qualify as consumer loan contracts and will therefore be subject to the consumer loan provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) (in particular Sections 491 *et seqq*.) and the amended provisions in the German Civil Code (*Bürgerliches Gesetzbuch*) on consumer loans and linked contracts (*verbundene Verträge*) that have been enacted in order to implement the EU Consumer Credit Directive 2008/48/EC into German law apply. Such provisions have been further amended by the law implementing Directive 2011/83/EU on consumer rights which entered into force on 13 June 2014. The Loan Agreements are not all subject to the same, but to varying provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) regarding consumer loans and linked contracts and, in particular, as regards the required instructions on a Borrower's right of withdrawal (*Widerrufsrecht*).

Under the above-mentioned provisions, if the borrower is a consumer (or an individual as entrepreneur who enters into the Loan Agreements to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000), the borrower has the right to withdraw his or her consent to a consumer Loan Agreement for a period of fourteen (14) days commencing after the conclusion of the consumer Loan Agreement and the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*) (Sections 492 (2), 495, 355, 356b of the German Civil Code (*Bürgerliches Gesetzbuch*) as applicable). In the event that a consumer is not properly notified of his or her right of withdrawal or, in some cases, has not been provided with certain information about the lender and the contractual relationship created under the consumer loan, the consumer may withdraw his or her consent at any time during the term of the consumer Loan Agreement.

German courts have adopted strict standards with regard to the information and the notice to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and presentation used in certain Loan Agreements as falling short of such standards. Should a Borrower withdraw the consent to the relevant Loan Agreement, the Borrower would be obliged to immediately repay the Securitised Mortgage Receivable (i.e. prior to the contractual repayment date). Hence, the Issuer would receive interest under such Securitised Mortgage Receivable for a shorter period of time than initially anticipated. In this instance, the Issuer's claims with regard to such repayment of the Securitised Mortgage Receivable would not be secured by the Related Collateral granted therefor if the related security purpose agreement does not extend to such claims. In addition, depending on the specific circumstances, a Borrower may be able to successfully reduce the amount to be repaid if it can be proven that the interest he or she would have paid to another lender had the relevant Loan Agreement not been made (i.e., that the market interest rate was lower at that time), would have been lower than the interest paid under the relevant Loan Agreement until the Borrower's withdrawal of its consent to the relevant Loan Agreement.

If a Borrower is a consumer (or an individual as entrepreneur who enters into the Loan Agreement to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000) and the relevant goods or related services are financed in whole or in part by the Loan Agreement, such Loan Agreement and the related purchase agreement or other agreement (as applicable) may constitute linked contracts (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*). As a result, if such Borrower

has any defences against the supplier of goods or related services, such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Loan Agreement and, accordingly, the Borrower may deny the repayment of such part of the Receivable as relates to the goods or related services. Further, the withdrawal of the Borrower's consent to one of the contracts linked (*verbunden*) to the Loan Agreement may also extend to such Loan Agreement and such withdrawal may be raised as a defence against such Loan Agreement. In addition, according to Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) the withdrawal by the consumer of its consent to a contract extends to another contract that is not linked (*nicht verbunden*) but which qualifies as a related contract (*zusammenhängender Vertrag*). In Section 360 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), the term "related contract" is defined as a contract which is related to the contract subject to withdrawal and under which goods or services are provided by the same contractor or by a third party on the basis of an agreement between the relevant contractor and such third party. The provision further states that a consumer loan agreement also qualifies as a related contract if (i) the loan exclusively serves to finance the goods or services under the contract subject to withdrawal and (ii) such goods or services are explicitly identified in the consumer loan agreement. Therefore, in the event the requirements of Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) are met, the withdrawal extends also to the Loan Agreement and the Borrower may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Loan Agreement. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effects of linked and related contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effects of linked and related contracts, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts (and may also raise such withdrawal as a defence against the relevant Loan Agreement).

Moreover, Section 360 para 2 sentence 2 of the German Civil Code states that a consumer may also withdraw from Loan Agreements where the Loan Agreement is not linked (*verbunden*) but related (*zusammenhängend*) to another contract. A Loan Agreement will in particular qualify as a related contract if the purpose of the loan is to finance the other contract and the relevant goods or services (as the case may be) under such other contract which is subject to a revocation are specified in the Loan Agreement. Thus, the withdrawal extends then also to the Loan Agreement and the Borrower may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Loan Agreement. However, if the relevant Loan Agreement is revoked or voided due to a revocation of a linked or related payment protection insurance agreement, the Seller shall make a payment in form of an indemnificationin the amount of the Outstanding Principal Amount of such Loan Agreement / Securitised Mortgage Receivable.

In addition, it should be noted that the German Federal Court of Justice (*Bundesgerichtshof*) decided on the validity of clauses in general terms and conditions restricting set-off by a consumer borrower (judgment dated 20 March 2018 – XI ZR 309/16). The case deals with a clause in the general terms and conditions of a consumer loan agreement of a German savings bank (*Sparkasse*) restricting the right of the borrower to declare set-off to cases where his or her claim is either undisputed (*unbestritten*) or finally adjudicated (*rechtskräftig festgestellt*). This is in line with the scope of Section 309 no. 3 of the German Civil Code (*Bürgerliches Gesetzbuch*). However, the German Federal Court of Justice (*Bundesgerichtshof*) ruled that such restriction needs to be interpreted as also excluding the right of the borrower to declare set-off with claims upon exercising his or her right of withdrawal (*Widerrufsrecht*) and that such restriction rendered the relevant clause invalid pursuant to Section 307 of the German Civil Code (*Bürgerliches Gesetzbuch*) as it constitutes an unreasonable disadvantage (*unangemessene Benachteiligung*) to the borrower. Accordingly, in such case a Borrower would be free to declare set-off with claims of its own against payment claims of the Issuer and, as a consequence, investors may suffer losses under the Notes.

Although, in the event that any Borrower exercises a right of set-off in respect of a Securitised Mortgage Receivable, the Seller will be required to pay to the Issuer indemnifications in the amount of the reduction by such set-off of the Outstanding Principal Amount of any Securitised Mortgage Receivable, it cannot be excluded, in case the Seller does not pay such indemnification to the Issuer, that there are not enough funds available to make the relevant payments under the Notes.

Ordinary Statutory Termination Rights of the Debtors

In respect of the Debtors' statutory right to terminate a Loan Agreement it is necessary to distinguish between loan contracts with a variable rate of interest and loan contracts, in respect of which a fixed interest rate has been agreed for a specific period of time. A loan in respect of which a fixed interest rate has been agreed for a specific period of time may become a variable interest loan, if the respective Debtor and the Seller fail to agree to a fixed interest rate for a specified time upon expiry of the initial or (as applicable) the preceding fixed rate period.

Pursuant to Section 489 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), the borrower under a variable interest loan may terminate the loan contract at any time by giving three (3) months' prior notice.

Mortgage Receivables with a fixed rate of interest may be terminated by a borrower pursuant to Section 489 (1) no. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) with effect as at a date not earlier than the day on which the fixed interest period (*Zinsbindung*) ends by giving one (1) month prior notice, if (i) the fixed interest period (*Zinsbindung*) ends prior to the date as at which the loan is due for repayment and (ii) no new agreement is reached in respect of the interest rate. If an adjustment of the interest rate is agreed in intervals of up to one (1) year, then a borrower may only terminate the loan contract with effect as at the date on which the fixed interest period (*Zinsbindung*) ends. Mortgage Receivables with a fixed rate of interest may be terminated by a borrower pursuant to Section 489 (1) No. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) in any case upon the expiry of ten years after the complete disbursement of the loan by giving six months prior notice. If following the disbursement of the loan a new agreement is reached on the repayment date or the interest rate, the date of this agreement will supersede the date of the disbursement of the loan.

Pursuant to Section 489 (4), sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), the statutory termination rights described above can neither be excluded nor derogated to the detriment of a borrower. In particular, the borrower is not obliged to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) unless such prepayment penalty (*Vorfälligkeitsentschädigung*) is claimed by the respective creditor in accordance with Section 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). However, if the borrower exercises its statutory termination right, the borrower is obliged to repay the loan within two (2) weeks after the notice of termination has become effective, failing which the notice is deemed not to have been given (Section 489 (3) of the German Civil Code (*Bürgerliches Gesetzbuch*)).

Extraordinary Termination Rights

If a material adverse change (*wesentliche Verschlechterung*) occurs in respect of the relevant borrower's assets or the value of a security interest granted in respect of the relevant loan, or such material adverse change is imminent, and thereby, the repayment of the loan (including by enforcing the security interest) is endangered, Section 490 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*) grants the relevant lender an extraordinary termination right. Prior to the relevant loan's disbursement the lender is, in case of doubt, always (*im Zweifel stets*) entitled to exercise such termination right without giving prior notice (*fristlos*).

Following the expiry of six (6) months starting from the relevant loan's disbursement and by observing a notice period of three (3) months, a borrower can terminate a fixed rate interest loan which is secured by a mortgage over a property or a ship pursuant to Section 490 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), if the borrower's legitimate interests (*berechtigte Interessen*) justify such termination. Pursuant to Section 490 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*) such "legitimate interest" is, in particular, deemed present if the borrower needs to make use of the asset over which security is created for other purposes (for example, if due to a divorce or a relocation, the borrower would like to sell the property).

Apart from the extraordinary termination rights set forth in Section 490 of the German Civil Code (*Bürgerliches Gesetzbuch*), the general rules contained in Sections 313 and 314 of the German Civil Code (*Bürgerliches Gesetzbuch*) need to be observed. If (i) circumstances upon which a contract was based have materially changed after the conclusion of such contract, or (ii) material assumptions that have become the basis of the contract subsequently turn out to be incorrect, and

(iii) the parties would not have concluded the contract or would have done so upon different terms if they had foreseen that change or the incorrectness of such material assumptions, adaptation of the contract may be claimed pursuant to Section 313 of the German Civil Code (*Bürgerliches Gesetzbuch*) in so far as, having regard to all the circumstances of the specific case, in particular the contractual or statutory allocation of risk, it cannot reasonably be expected that a party should continue to be bound by the contract in its unaltered form. If adaptation of the contract is not possible or cannot reasonably be expected of one party, the disadvantaged party may withdraw from the contract, or, in case of a contract generating continuing obligations (*Dauerschuldverhältnis*), terminate the contract. Pursuant to Section 314 of the German Civil Code (*Bürgerliches Gesetzbuch*), each party to a contract generating continuing obligations (*Dauerschuldverhältnis*) may terminate such contract without giving prior notice if there is good cause (*wichtiger Grund*) to do so. There is "good cause" if, having regard to all circumstances of the specific case and balancing the interests of both parties, the terminating party cannot reasonably be expected to continue the contractual relationship until the agreed termination date or until the end of a notice period.

Should the lender exercise its extraordinary termination right arising from Section 314 of the German Civil Code (*Bürgerliches Gesetzbuch*) described above, the lender may be entitled to claim damages, in particular, interest based on the interest rate as agreed with the borrower.

Prepayment of Loans

Pursuant to Section 500 (2) sentence 2 of the German Civil Code (*Bürgerliches Gesetzbuch*), a borrower may in case of a consumer mortgage loan contract for which a fixed interest period (*Zinsbindung*) has been agreed on prepay the loan (*vorzeitige Rückzahlung*) in whole or in part in case the borrower as a legitimate interest to do so. Moreover, the content of a consumer loan contract is subject to certain formal minimum details, including with respect to term and termination rights or maturity date (Sections 494 *et seqq*. of the German Civil Code), lack of which may grant the borrower a right to terminate the consumer loan contract at any time. A borrower may also be entitled to terminate a consumer loan contract if the agreed interest rates are adjusted to market rates due to the lender's breach of its obligation to conduct a credit assessment with respect to the borrower (Sections 505d (1), 505a (3) of the German Civil Code). In case of a prepayment, the Issuer would receive interest on such loan for a shorter period of time than initially anticipated.

The Loan Contracts provide for an obligation of the Debtor to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) pursuant to Section 502 of the German Civil Co*de* (*Bürgerliches Gesetzbuch*). In the event of a termination and prepayment of a loan, the Seller would therefore only be entitled to claim compensation from the Debtor for the interest pursuant to Section 502 of the German Civil Co*de* (*Bürgerliches Gesetzbuch*) which would have otherwise been payable by the Debtor on the prepaid amount had such amount been outstanding for the remainder of the term of the loan as provided for under Section 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). In accordance with Section 502 (1) sentence 2 of the German Civil Code such prepayment penalty may not exceed the following amounts: (i) 1 per cent. or, if the period between the prepayment and the agreed repayment date (*vereinbarte Rückzahlung*) is no longer than 1 year, 0.5 per cent. of the prepaid amount and (ii) the amount of interest that the borrower would have paid for the period between the prepayment and the agreed repayment date. Additionally, the Issuer is not entitled to receive prepayment penalties from the Seller and therefore, the prepayments of loans would, *inter alia*, reduce the excess spread following such prepayments.

Overcollateralisation of Loans

According to German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if the loan is overcollateralised. Overcollateralisation occurs where the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations or if the granting of security leads to an inappropriate disadvantage for the debtor. Although there is no direct legal authority on point, the Issuer is of the view that the Securitised Mortgage Receivables are not overcollateralised; nevertheless it cannot be ruled out that a German court would hold otherwise. In the Mortgage Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Mortgages to Securitised Mortgage Receivables is legal, valid, binding and enforceable.

Geographical concentration risk of Borrowers

If the Borrowers are located in the same region and have high geographical concentration, in a situation of regional economic downturns, it will most likely increase the credit risk of the Borrowers and there is a risk that the Noteholders will suffer losses in receiving principal and interests under the Notes.

Market for Financed Objects

To the extent the Mortgaged Assets are sold in the open market there is no guarantee that there will be a market for the sale of such Mortgaged Assets, which will be in a used condition, or that such market will not deteriorate due to whatever reason.

Historical and other Information

The historical information set out in particular in "PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA" reflects the historical experience and sets out the procedures applied by the Servicer to the Securitised Mortgage Receivables. However, the past performance of financial assets is no assurance as to the future performance of the Securitised Mortgage Receivables. Any deterioration of the future performance of the Securitised Mortgage Receivables, however, may result in the Issuer not receiving sufficient funds to redeem part or all of the Notes.

5. RISKS RELATING TO THE TRANSACTION PARTIES

Regulatory and resolution proceedings

Credit institutions within the meaning of Section 1 (1) of the German Banking Act (*Kreditwesengesetz*), such as the Seller, may, under certain circumstances, become subject to resolution actions under the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) that became effective on 1 January 2015 and implements the Directive of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Resolution and Recovery Directive**" or "**BRRD**") as amended by Directive (EU) 2019/879 ("**BRRD II**"), Regulation (EU) 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 ("**SRMR**") as amended or regulatory proceedings under the German Banking Act (*Kreditwesengesetz*)

Such proceedings may result in an impairment of the rights of creditors (such as the Issuer) of such credit institutions. For instance, if the conditions for resolution are met, the relevant resolution authority may choose from a set of resolution tools to preserve critical functions without the need to bail out a credit institution (or its creditors) (such as (i) sale of business, (ii) transfer to a bridge institution, (iii) asset separation and (iv) bail-in, i.e. a full or partial write down or cancellation of eligible liabilities or the conversion thereof into shares or other CET1 capital instruments). In addition, the relevant resolution authority may make use of further powers, such as a temporary suspension of the enforcement of rights, claims and security interests. Under the German Banking Act, the relevant supervisory authority may initiate a payment moratorium closing a credit institution for ordinary business with customers and also prohibiting the making of payments.

If such proceedings are applied to the Seller and the Issuer has at that time claims for payments outstanding against the Seller such claims may be affected as set out above and the Issuer may not or not timely receive such amounts required to make payments under the Notes.

Section 166 of the German Insolvency Code (Insolvenzordnung)

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*). In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the

estate of the debtor will be entitled to enforcement pursuant to Section 166 (2) of the German Insolvency Code. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor, however, the secured creditor has no control as to the timing of such procedure. In addition, the insolvency administrator may deduct from the enforcement proceeds for the benefit of the insolvency estate fees which may amount to 4 per cent. of the enforcement proceeds for assessing such preferential rights plus up to 5 per cent. of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5 per cent. of the enforcement proceeds, the compensation for the enforcement costs may be higher.

Accordingly, the Issuer may have to share in the costs of any insolvency proceedings of the Seller in Germany, reducing the amount of money available upon enforcement of the collateral to repay the Notes, if the sale and assignment of the purchased Mortgage Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale.

The Issuer has been advised, however, that the transfer of the purchased Mortgage Receivables would be construed such that the risk of the insolvency of the Borrowers lies with the Issuer and that, therefore, the Issuer would have the right to segregation *(Aussonderungsrecht*) of the purchased Mortgage Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto.

Furthermore, even in the event that the sale and assignment of the purchased Mortgage Receivables were to be qualified as a secured loan, it is likely that the security granted to the Issuer would not be subject to an enforcement right of the insolvency administrator to the effect that the cost sharing provisions described above would not apply. This is based on the expectation that an assignment for security purposes in respect of the purchased Mortgage Receivables would qualify as "financial collateral" within the meaning of Article 1 (1) of Directive 2002/47/EC of the European Parliament and the Council of 6 June 2002 (as amended by Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009) and Section 1 (17) of the German Banking Act and hence would benefit from the privileged treatment of financial collateral under the German Insolvency Code since pursuant to Section 166 (3) no. 3 of the German Insolvency Code, "financial collateral" is not subject to the enforcement right of the insolvency administrator. The loans constitute credit claims within the meaning of Article 2 (1) no. (o) of the aforementioned directive because it originates from a loan granted by the Seller which is a credit institution within the meaning of Article 4 (1) no. (a)(i) of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006 (as referred to in Directive 2002/47/EC, however, repealed by Directive 2013/36/EU and now defined in Article 4 (1) of Regulation 2013/575/EU). Consequently, their assignment for security purposes by the Seller to a legal entity, such as the Issuer, should satisfy the requirements of the provision of "financial collateral" within the meaning of the directive and statute referred to in the second sentence of this paragraph.

Creditworthiness and due performance of Parties to the Transaction Documents

The ability of the Issuer to meet its obligations under the Notes depends, in whole or in part, on the performance of each Transaction Party of its duties under the Transaction Documents.

No assurance can be given that the creditworthiness and due performance of the Transaction Parties, in particular the Servicer, the Swap Counterparty, the Liquidity Facility Provider, the Paying Agent, and the Issuer Account Bank, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Securitised Mortgage Receivables by the Servicer in accordance with the Servicing Agreement.

If the Transaction Parties are not duly performing their duties under the Transaction Documents, this may lead to losses at the level of the Issuer, which could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

Commingling Risk

Collections received by the Servicer in respect of Mortgage Receivables will be credited to the Seller Collection Account of the Servicer and so will be commingled with other amounts belonging to the Servicer. If the Servicer were to be the subject of insolvency proceedings, these funds would form part of the general estate of the Servicer and may not be available exclusively to the Issuer to make payments under the Notes.

Limited Availability of Set-Off Risk Reserve

The funds standing to the credit of the Set-Off Risk Reserve Account will be available solely in respect of certain shortfalls in respect of Collections in respect of Securitised Mortgage Receivables arising in cases where the Borrower of such Securitised Mortgage Receivables has exercised a right of set-off against the Seller arising from certain term deposits or current accounts with the Seller, but not for any other purpose. The funds standing to the credit of the Set-Off Risk Reserve Account will not be available for any Interest Shortfalls resulting from a Securitised Mortgage Receivables becoming a Defaulted Mortgage Receivable.

The Seller will, under the Mortgage Receivables Purchase Agreement, only be required to fund the Set-Off Risk Reserve Required Amount upon the occurrence of a Set-Off Risk Reserve Trigger Event. In addition, the Seller's ability to fund the Set-Off Risk Reserve Required Amount may be limited, in part or in whole, by a decline in its financial condition, including its insolvency. Therefore, a shortfall in Collections may arise if the relevant Borrower exercises a set-off right. As a result, the Issuer's ability to make payments to the Noteholders may be adversely affected.

Limited Availability of Commingling Risk Reserve

The funds standing to the credit of the Commingling Risk Reserve Account will be available solely in respect of certain shortfalls in respect of payments from the Servicer to the Issuer in respect of Securitised Mortgage Receivables which the Servicer is obliged to make pursuant to the Servicing Agreement, but not for any other purpose. The funds standing to the credit of the Commingling Risk Reserve Account will not be available for any Interest Shortfalls resulting from a Securitised Mortgage Receivables becoming a Defaulted Mortgage Receivable.

The Servicer will, under the Servicing Agreement, only be required to fund the Commingling Risk Reserve Account in an amount equal to the Commingling Risk Reserve Required Amount upon occurrence of a Commingling Risk Reserve Trigger Event. In addition, the Seller's ability to fund the Commingling Risk Reserve Account in an amount equal to the Commingling Risk Reserve Required Amount may be limited, in part or in whole, by a decline in its financial condition, including its insolvency. Therefore, a shortfall of available funds may arise upon the occurrence of a Commingling Risk Reserve Trigger Event and make relevant payments pursuant to the Servicing Agreement. As a result, the Issuer's ability to make payments to the Noteholders may be adversely affected.

Reliance on Seller Representation and Warranties and Eligibility Criteria

If Securitised Mortgage Receivables should partially or totally fail to conform to the warranties of the Seller set out in the Mortgage Receivables Purchase Agreement, the Issuer may assert claims against the Seller for losses deriving from such failure.

If the Seller Representation and Warranties given by the Seller in the Mortgage Receivables Purchase Agreement in respect of each Securitised Mortgage Receivable are, in whole or in part, incorrect or if the Seller has breached the Eligibility Criteria, this shall constitute a breach of contract under the Mortgage Receivables Purchase Agreement and the Issuer will have contractual remedies against the Seller. In the case of any related misrepresentation or breach of any Eligibility Criterion, the Seller will be required to pay indemnities to the Issuer. Consequently, in the event that any such representation or warranty is breached, the Issuer is exposed to the credit risk of the Seller. Should the Seller's credit quality deteriorate, this could, in conjunction with afore-said breach of contract, undermine the Issuer's ability to make payments on the Notes. Furthermore, payment of such indemnities may result in a lower yield of the Notes than anticipated by the Noteholders.

Reliance on Credit and Collection Policy

The Servicer will carry out the administration, collection and enforcement of the Securitised Mortgage Receivables in accordance with the Servicer's Credit and Collection Policy. Accordingly, the Noteholders are relying on the business judgment and practices of the Servicer as to the liquidation (including collection or, as the case may be, enforcement) of the Securitised Mortgage Receivables against the Borrowers.

Registration Requirement of the Security Trustee under the German Legal Services Act

Collecting receivables such as the Securitised Mortgage Receivables as a collection agent for a third party is generally regarded as rendering legal services under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) and subject to a registration requirement. Any agreement entered into in violation of such requirement, including transactions contemplated thereby, could potentially be void. Depending on the relevant activities of the Security Trustee in connection with the enforcement of the Trustee Collateral following an Event of Default, the Security Trustee may be regarded as acting as collection agent for the Noteholders and other Secured Creditors. The Issuer has been advised, however, that as of the date of the Security Trust Agreement, the Trustee will not be subject to the requirement to register under the German Legal Services Act solely by entering into the Security Trust Agreement, as its services would be permitted to be performed without registration as ancillary to the profession or activity (*Nebenleistung zum Berufs- oder Tätigkeitsbild*) of the Security Trustee. Any enforcement services conducted by the Security Trustee should, in general, not qualify as main business of the Security Trustee as the main task of a security trustee is rather to hold and administer the security and when enforcing such security, it would do so only in an event of default or similar event. The Security Trustee should, therefore, be exempt from a registration requirement under the German Legal Services Act (*Rechtsdienstleistungsgesetz*). However, in the absence of an express court precedent or developed rule, there remains some legal uncertainty with respect to this issue. If the appointment of the Security Trustee under the Security Trust Agreement was considered to be void due to a missing registration of the Security Trustee under the German Legal Services Act (*Rechtsdienstleistungsgesetz*), the Security Trustee may need to be replaced and the Noteholder might incur losses under the Notes if this leads to a lack of funds/security interests that may be realised for the benefit of the Noteholders.

Interest rate hedging

Payments will be received by the Issuer from the Borrowers under the Mortgage Receivables calculated by reference to fixed interest rates, provided that from time to time the interest rate may be reset to a new fixed interest rate, or if a fixed rate is not agreed, a floating interest rate. In order to mitigate the risk of exposure to such fixed rates, the Issuer will enter into interest rate swap transactions with the Swap Counterparty, in each case documented under fixed/floating rate swap confirmations each of which will supplement, amend, form part of and be subject to the Swap Agreements.

If the Swap Counterparty defaults in respect of its obligations under the Swap Agreement which results in a termination of the Swap Agreement, the Issuer will be obligated to enter into a replacement arrangement with another Eligible Swap Counterparty or to take other appropriate steps as defined in the Swap Agreement. Any failure to enter into such a replacement arrangement or to take other appropriate action may result in the Issuer becoming exposed to substantial interest rate risk and a downgrading of the ratings of the Class A Notes.

The Swap Counterparty may terminate the Swap Agreement, among other things, if the Issuer becomes insolvent, if the Issuer fails to make a payment under the Swap Agreement when due and such failure is not remedied within any applicable grace period, if certain insolvency events occur with respect to the Issuer, if performance of the Swap Agreement becomes illegal, if payments to the Swap Counterparty are reduced or payments from the Swap Counterparty are increased due to tax for a period of time, if the Class A Notes are redeemed prior to the Final Maturity Date pursuant to certain conditions, following the delivery by the Security Trustee of an Enforcement Notice or if the relevant Priority of Payments is modified without the prior written consent of the Swap Counterparty. The Issuer may terminate a Swap Agreement if, among other things, the Swap Counterparty becomes insolvent, the Swap Counterparty fails to make a payment under the Swap

Agreement when due and such failure is not remedied within any applicable grace period, if a breach of a provision of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period, performance of the Swap Agreement becomes illegal, if the Swap Counterparty is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement or if payments to the Issuer are reduced due to tax for a period of time.

The Issuer is exposed to the risk that the Swap Counterparty may become insolvent. In the event that the Swap Counterparty suffers a rating downgrade below certain specified levels, the Issuer may terminate the Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgraded and, in the event the Swap Counterparty is downgraded, there can be no assurance that an eligible guarantor or replacement Swap Counterparty will be available or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations.

In the event that the Swap Agreement is terminated by either party, then, depending on the market value of the swap, a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. In certain circumstances, termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such an event, the Available Revenue Funds may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event that the Swap Agreement is terminated by either party or the Swap Counterparty becomes insolvent, the Issuer will endeavour but may not be able to enter into the Swap Agreement with a replacement Swap Counterparty immediately or at a later date. If a replacement Swap Counterparty cannot be contracted, the amount available to pay principal of and interest on the Class A Notes will be reduced if the floating rates-based interest on Class A Notes exceeds the fixed rate-based interest that the Issuer would have been required to pay the Swap Counterparty under the terminated Swap Agreement. In these circumstances, the Available Revenue Funds may be insufficient to make the required payments on the Class A Notes and the holders of Class A Notes may experience delays and/or shortfalls in the interest and principal payments on the Class A Notes.

Moreover, the Noteholders should be aware that the regulatory changes arising from EMIR, MiFID II and MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives, including if the Issuer intends to replace the Swap Counterparty and/or enter into a replacement swap. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware, however, that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder, MiFID II and MiFIR, in making any investment decision in respect of the Notes.

Given that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreement, there may be a risk that any court proceedings in the relevant jurisdiction may adversely affect the Issuer's ability to make payments on the Notes and/or the market value of the Notes and result in negative rating pressure in respect of the Notes. If any rating assigned to any of the Notes is lowered, the market value of such Notes may reduce.

Termination for good cause

As a principle of German law, a contract with continuing obligations may always be terminated for good cause (*aus wichtigem Grund*) with ex nunc effect (e.g. pursuant to section 313 of the German Civil Code) and such right may not be totally excluded as such exclusion may be contra *bonos mores* (*sittenwidrig*). It is considered to be a good cause if it is unbearable (*unzumutbar*) for a party (which is not at fault) to continue the contractual relationship due to (i) loss in confidence in the other party, (ii) severe defaults or (iii) the basis of the transaction ceasing to exist. This may also have an impact on several limitations of the right of the parties to the Transaction Documents to terminate for good cause (*aus wichtigem Grund*).

Conflicts of interest

In connection with the Transaction, the Seller will also act as the Servicer, Issuer Account Bank, Cash Manager, Liquidity Facility Provider and as Swap Counterparty. These Transaction Parties will have only those duties and responsibilities agreed to in the relevant Transaction Documents, and will not, by virtue of their or any of their Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than those provided in the Transaction Documents to which they are a party. To the best knowledge and belief of the Issuer, these are the sole relevant conflicts of interest of the Transaction Parties. However, all Transaction Parties may enter into other business dealings with each other from which they may derive revenues and profits without any duty to account therefor in connection with this Transaction.

The Servicer may hold or service claims (for third parties) against the Borrowers other than the Securitised Mortgage Receivables.

The wider interests or obligations of the afore-mentioned Transaction Parties may therefore conflict with the interests of the Noteholders.

The aforementioned Transaction Parties may engage in commercial relations, in particular, hold assets in other securitisation transactions as trustee, be a lender, provide general banking, investment and other financial services to the Borrowers, the Seller, the Servicer, other parties to this Transaction and other third parties.

In such functions, the aforementioned Transaction Parties are not obliged to take into account the interests of the Noteholders. Accordingly, potential conflicts of interest may arise in respect of this Transaction.

6. RISKS RELATING TO THE STRUCTURE

Risk retention and due diligence requirements

Investors to which the Securitisation Regulation is applicable should make themselves aware of the requirements of Articles 5 of the Securitisation Regulation, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

The Securitisation Regulation replaced the former risk retention requirements by one single provision, Article 6 of the Securitisation Regulation, which provides for a direct obligation on originators to retain risk. Article 5(1)(c) of the Securitisation Regulation requires institutional investors as defined in Article 2(12) of the Securitisation Regulation (which term also includes an insurance or reinsurance undertaking as defined in the Solvency II Regulation and an alternative investment fund manager as defined in the AIFM Regulation) to verify that, if established in the European Union, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7(1)(e) of the Securitisation Regulation.

The Originator will covenant with the Issuer under the Incorporated Terms Memorandum that they will, as originator for the purposes of the Securitisation Regulation, retain, for the life of the Transaction, a material net economic interest of at least 5 per cent. in the securitisation, as required by Article 6 of the Securitisation Regulation (which does not take into account any relevant national measures). As of the Closing Date, such interest will, in accordance with Article 6(3)(d) of the Securitisation Regulation, be retained through the holding of the Class B Notes. The Reporting Entity is obliged to notify any change to the manner in which such interest is held to investors.

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the Securitised Mortgage Receivables. The quarterly Investor Reports will also set out the confirmation as to the Originator continued holding of the original retained exposures.

It should be noted that there is no certainty that references to the retention obligations of the Originator in this Prospectus will constitute explicit disclosure (on the part of the Originator) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 5 of the Securitisation Regulation.

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Closing Date, the Originator will prepare quarterly Investor Reports wherein relevant information with regard to the Securitised Mortgage Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Originator in accordance with Article 7 of the Securitisation Regulation.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a credit institution that is investing in the Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight (with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position will be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions.

If the Originator does not comply with its obligations under Article 6 of the Securitisation Regulation, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Following the issuance of Notes, relevant institutional investors, to which the Securitisation Regulation is applicable, are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 5 of the Securitisation Regulation.

Noteholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of Article 6 of the Securitisation Regulation in particular.

Securitisation Regulation and simple, transparent and standardised securitisation

On 17 January 2018, as part of the implementation of the European Commission's Action Plan on Building a Capital Markets Union, the Securitisation Regulation came into force which harmonises rules on risk retention, due diligence and disclosure across the different categories of European institutional investors which applies to all securitisations. The Securitisation Regulation further introduced a new framework for simple, transparent and standardised securitisations. The Securitisation Regulation applies since 1 January 2019.

Although the Transaction has been structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation, the Transaction will be verified by STS Verification International GmbH on the Closing Date, there can be no guarantee that it complies with or maintains this status throughout its lifetime. Noteholders and potential investors should verify the current status of the Transaction on the website of ESMA. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the Regulation (EU) 575/2013 (the "**CRR**"). Furthermore, following STS classification, any non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer. As the relevant Priority of Payment does not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures the repayment of the Notes may be adversely affected.

On 28 December 2017 Regulation (EU) 2017/2401 amending the CRR was published in the Official Journal of the European Union which implements the revised securitisation framework developed by Basel Committee on Banking Supervision into the CRR (the "**CRR Amendment Regulation**").

Notably, the risk weights applicable to securitisation exposures for credit institutions and investment firms have in general substantially increased under the new securitisation framework implemented under the CRR Amendment Regulation and the Securitisation Regulation and these new risk weights apply since 1 January 2019 or as of 1 January 2020, depending on the features of the particular securitisation exposure.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Notes, especially during this transition period. In particular, investors should carefully consider the effects of the change (and likely increase) to the capital charges associated with an investment in the Notes for credit institutions and investment firms which apply from 1 January 2019 or 1 January 2020, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

Basel Capital Accord and regulatory capital requirements

The European authorities have incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "CRD"), as amended by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**"), and the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**"). The changes under CRD V and CRR II which recently entered into force may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Additionally, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") entered into force, pursuant to which, *inter alia*, (i) the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by Basel Committee on Banking Supervision; (ii) the treatment of certain reserves held with third-country central banks shall be amended and (iii) transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation. The Delegated Regulation applies since 30 April 2020.

The above changes to the CRD, the LCR Regulation and the Delegated Regulation may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes. Therefore, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes by the CRD V and CRR II in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future implementation of and changes to the CRD or the CRR, or other regulatory or accounting changes.

U.S. Risk Retention

The Transaction will not involve risk retention by the Originator for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not

registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "Risk Retention U.S. Persons"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes may not be purchased by Risk Retention U.S. Persons. Prospective investors should note that, although the definition of U.S. person in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Notes to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

None of the Arranger or the Lead Manager or any of their respective affiliates make any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Risks from Reliance on Verification "verified – STS VERIFICATION INTERNATIONAL" by STS Verification International GmbH

STS Verification International GmbH ("**SVI**") has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 - 26 of the EU Securitisation Regulation. Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) ("**CRR Assessment**") and (ii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("**LCR**") ("**LCR Assessment**").

The verification label "verified - STS VERIFICATION INTERNATIONAL" has been officially registered as a trade-mark and is licensed to an issuer of securities if the securities meet the requirements for simple, transparent and standardised securitisation as set out in articles 19 – 26 of the Securitisation Regulation ("**STS Requirements**").

SVI grants a registered verification label "*verified – STS VERIFICATION INTERNATIONAL*" if a securitisation complies with STS Requirements. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the SVI verification does not affect the liability of such originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation.

Notwithstanding confirmation by SVI which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

(For a more detailed explanation see "*VERIFICATION BY SVI*" below.)

SVI has carried out no other investigations or surveys in respect of the Issuer or the Notes concerned other then as such set out in SVI's final Verification Report and disclaims any responsibility for monitoring the Issuer's continuing compliance with these standards or any other aspect of the issuer's activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Issuer. Investors should therefore not evaluate their notes investments on the basis of this certification.

Insolvency-Related Termination Clauses (insolvenzabhängige Lösungsklauseln)

Certain Transaction Documents provide for a termination right in case that a party becomes insolvent. In German legal literature, it is disputed whether so-called insolvency-related termination clauses (*insolvenzabhängige Lösungsklauseln*) may be invalid or challengeable under German insolvency law.

In the context of termination clauses linked to the filing of a petition for the opening of insolvency proceedings, the Federal Court of Justice (*Bundesgerichtshof*) has ruled in a decision dated 15 November 2012 (IX ZR 169/11) (the "Decision") that a clause which provided for an automatic termination of an energy supply contract in the event of an application for the opening of insolvency proceedings of a contractual counterparty is invalid on the basis that such a clause deprives the insolvency administrator from its right to select whether to continue or discontinue a relevant contract. Since the Decision has been made in connection with a supply contract in the energy sector and in relation to an automatic termination (*auflösende Bedingung*), it could be argued that it may not apply to other agreements containing termination rights (*Kündigungsrechte*) or to the occurrence of a statutory reason to open insolvency proceedings. There are contradictory court rulings in this regard (see BGH II ZR 394/12, OLG Schleswig 1 U 72/11 or OLG Celle 13 U 53/11). However, there is a risk that a court could interpret the Decision as a landmark decision of the Federal Court of Justice with regard to the ongoing dispute in relation to insolvency-related termination and expiration clauses (*insolvenzabhängige Lösungsklauseln*) such that the courts may apply the general principles set out in the Decision not only to automatic termination clauses or agreements made in the energy sector, but in relation to all termination rights and expiration clauses under any form of mutual contract which are linked to insolvency events, potentially also including statutory reasons to open insolvency proceedings.

7. TAX RISKS

German taxation

The Issuer is subject to certain German tax risks:

If the German tax authorities take the view that the Issuer maintains a taxable presence in Germany, a corporate income tax or trade tax liability of the Issuer could be significant if the interest under the Notes is not fully tax deductible or restricted under certain German tax provisions.

If such tax risk were to materialise, any tax liability of the Issuer would reduce the amounts available for payments under the Notes. No reserves will be set to cover these risks.

Withholding Tax

Provided that the Securitised Mortgage Receivables will not be derecognised from the tax balance sheet of the Seller, it cannot be excluded that the German tax authorities take the view that the sale of the Securitised Mortgage Receivables qualifies as a loan granted by the Issuer to the Seller and that payments received by the Issuer from the Seller constitute interest income subject to German withholding tax, since the Seller is a domestic bank (*inländisches Kreditinstitut*) within the meaning of the KWG (Section 43 paragraph 1 no. 7 lit. b) sentence 1 of the German Income Tax Act (*Einkommensteuergesetz*, "**EStG**").

Nevertheless, the Seller should not be obliged to withhold tax on such notional interest payments as long as the Issuer is not subject to a German unlimited or limited tax liability. This is because levying withholding tax is merely a particular form of satisfying a foreign or domestic investor's German tax liability. Therefore, according to the German Federal Fiscal Court, the deduction of German withholding tax, in principle, requires that the investor is subject to an unlimited or limited German tax liability (decision dated 19 October 2005, published in BFH/NV 2006, page 926 and decision dated 14 February 1973, published in Federal Tax Gazette II 1973, page 452). The German tax authorities generally follow this approach and explicitly state that with respect to investors who are not tax-resident in Germany no withholding tax has to be withheld by the competent disbursing agent in case such an investor is not subject to a German limited tax liability and has provided appropriate evidence for its non-tax-residence to the competent disbursing agent (Circular of the Federal Ministry of Finance, dated 18 January 2016, Federal Tax Gazette I 2016, page 85 number 313 and 314).

As regular interest received by a German non-resident is not subject to limited tax liability in Germany the Seller in its capacity as Servicer should also not be required to make any deduction or withholding from such payments in respect of German withholding tax (*Kapitalertragsteuer*) even if the sale of the purchased Mortgage Receivables had to be qualified into a loan for withholding tax purposes. This is based upon the consideration that such loan would not qualify as a profit participating loan (*partiarisches Darlehen*) within the meaning of Section 20 subsection 1 no. 4 EStG. It should, however, be noted that the German Federal Fiscal Court has stated in a decision dated 22 June 2010 (I R 78/09) as an obiter dictum that the mere fact that an interest payment is deferred until the debtor has sufficient liquidity would give rise to a treatment of the loan as profit participating as, in such case, the interest claim would only be fulfilled once the borrower has realised an operating profit. The Issuer takes the view that the principles of such decision are not applicable in the case at hand. This is, however, not entirely clear, and it cannot be excluded that the German tax authorities / fiscal courts might take a different view, in which case it cannot be excluded that the Seller would be obliged to make withholding tax deductions from payments it makes under the construed loan. In addition, if the sale of the Mortgage Receivables were to be qualified into a loan for withholding tax purposes, such loan would likely not be considered as being secured by German real property. However, it cannot be fully excluded that German tax authorities take an opposing view, which would lead to the Seller being obliged to make withholding tax deductions from payments it makes under the construed loan.

Luxembourg Taxation

Transposition of the Anti-Tax Avoidance Directive in Luxembourg law

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**ATAD I**"). The Council Directive (EU) 2017/952 of 29 May 2017 then amended the ATAD I as regards hybrid mismatches with third countries (the "**ATAD II**").

The Luxembourg law dated 21 December 2018 (the "**ATAD I Law**") transposed the ATAD I into Luxembourg legislation. The ATAD I Law may have an impact on the tax position of the Issuer (including on its performance). Amongst the measures contained in the ATAD I Law is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The ATAD I Law provides that "exceeding borrowing costs" in excess of the higher of (a) EUR 3,000,000 or (b) 30 per cent. of an entity's adjusted earnings before interest, tax, depreciation and amortisation ("**EBITDA**") will not be deductible in the year in which they are incurred but would remain available for carry forward. "Exceeding borrowing costs" is a defined term which relates to the amount by which the tax-deductible borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets".

Furthermore, the Luxembourg law dated 20 December 2019 (the "**ATAD II Law**") transposed into Luxembourg legislation the ATAD II. The ATAD II extends the scope of the ATAD I which applied to situations of double deduction or deduction without inclusion resulting from the use of hybrid financial instruments or hybrid entities. The ATAD II requires EU Member States to either deny deduction of payments, expenses or losses or include payments as taxable income, in case of

hybrid mismatches. It includes situations involving permanent establishments, reverse hybrids, imported mismatches, hybrid transfers and dual residence.

The ATAD II Law applies as of 1 January 2020, except for the provision on reverse hybrid mismatches which will apply as of 1 January 2022. The exact impact of the above mentioned new rules on the Issuer would need to be monitored on a regular basis, notably in the light of any future guidance from the Luxembourg tax authorities.

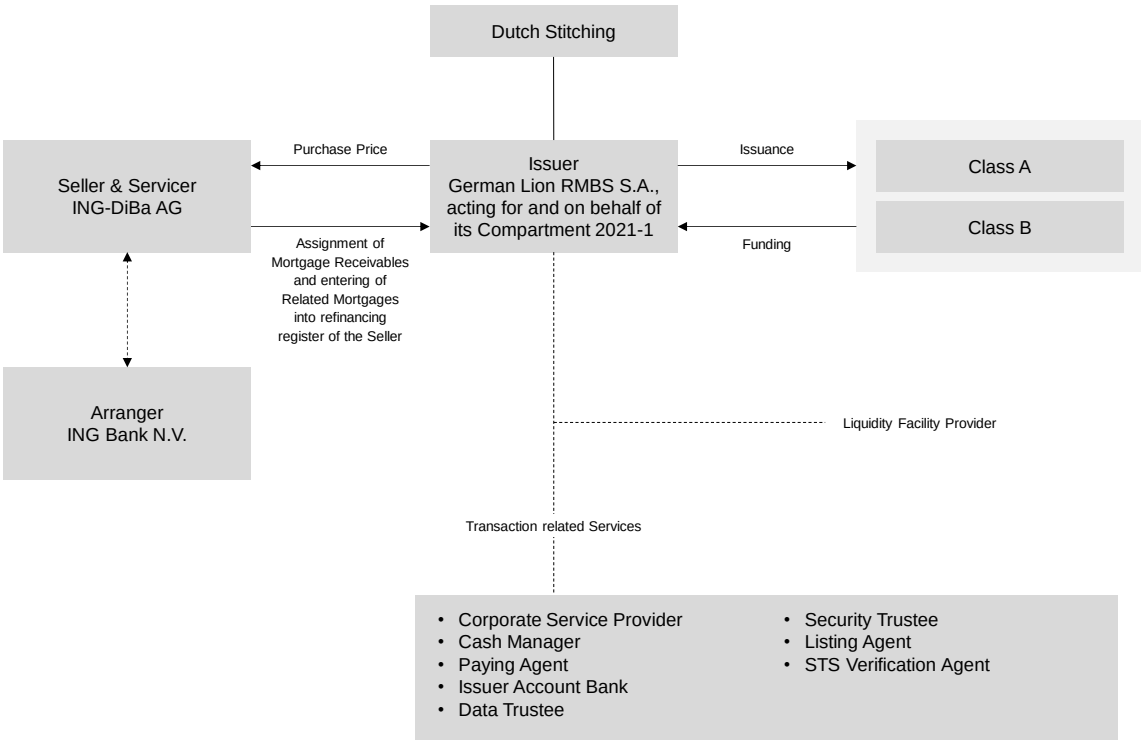
THE ISSUER BELIEVES THAT THE RISKS DESCRIBED HEREIN ARE A LIST OF RISKS WHICH ARE SPECIFIC TO THE SITUATION OF THE ISSUER AND/OR THE NOTES AND WHICH ARE MATERIAL FOR TAKING INVESTMENT DECISIONS BY THE POTENTIAL NOTEHOLDERS. THERE CAN BE NO ASSURANCE OF PAYMENT TO NOTEHOLDERS OF INTEREST, PRINCIPAL OR ANY OTHER AMOUNTS ON OR IN CONNECTION WITH THE NOTES ON A TIMELY BASIS OR AT ALL. THE ISSUER DOES NOT REPRESENT THAT THE ABOVE STATEMENTS REGARDING THE RISK OF HOLDING THE NOTES ARE EXHAUSTIVE. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE ISSUER OR THAT THE ISSUER CURRENTLY BELIEVES TO BE IMMATERIAL COULD ALSO HAVE A MATERIAL IMPACT ON THE ISSUER'S FINANCIAL STRENGTH IN RELATION TO THIS TRANSACTION.

TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.

Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in the Master Definitions Schedule set out in this Prospectus.

STRUCTURE DIAGRAM



PRINCIPAL PARTIES

Certain of the parties set out below may be replaced in accordance with the terms set out in the Transaction Documents.

Issuer	German Lion RMBS S.A., acting for and on behalf of its Compartment 2021-1 is a securitisation company within the meaning of the Luxembourg Securitisation Law, incorporated as a public limited liability company (*société anonyme*), with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg (Grand Duchy of Luxembourg), registered at the registre de commerce et des sociétés of Luxembourg with register number B255.534 and has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities. The entire issued share capital of German Lion RMBS S.A. is owned by the Shareholder. Under the Luxembourg Securitisation Law, German Lion RMBS S.A. can segregate its assets, liabilities and obligations into ring-fenced separate compartments (each a "**Compartment**"). The assets of each Compartment are by operation of the Luxembourg Securitisation Law only available to satisfy the liabilities and obligations of German Lion RMBS S.A. which are incurred in relation to such Compartment. The liabilities and obligations of the Issuer incurred or arising in connection with the Notes and the other Transaction Documents, and all matters connected therewith will only be satisfied or discharged against the assets allocated to Compartment 2021-1. The assets allocated to Compartment 2021-1 will be exclusively available to satisfy the rights of the Noteholders, the other Secured Creditors and the other creditors of the Issuer in respect of the Transaction Documents and all matters connected therewith, and no other creditors of German Lion RMBS S.A. (unless related to the Transaction) will have any recourse against the assets allocated to Compartment 2021-1. In case of any further securitisation transactions of German Lion RMBS S.A., the transactions shall not be cross-collateralised or cross-defaulted. See section "*THE ISSUER*".
Seller	ING-DiBa AG ("**ING-DiBa**"), incorporated under German law as a public stock corporation (*Aktiengesellschaft*) and registered with the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 7727.
Cash Manager	ING-DiBa.
Servicer	ING-DiBa.
Security Trustee	Oversea FS B.V., with its registered office at Barbara Strozzilaan 101, 1083 HN Amerstdam, The Netherlands, registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 34280199.
Shareholder	Stichting German Lion, established under Dutch law as a foundation (*stichting*), with its registered office at Barbara Strozzilaan 101, 1083HN Amsterdam, The Netherlands and registered with the Chamber of Commerce under number 82612633.
Swap Counterparty	ING-DiBa.
Issuer Account Bank	ING-DiBa.
Liquidity Facility Provider	ING-DiBa.

Paying Agent	ING Bank N.V. ("**ING**").
Arranger and Lead Manager	ING.
Data Trustee	Blue Flag B.V., with its registered office at Utrechtseweg 83, 1213 TM Hilversum, The Netherlands, registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 55546153.
Listing Agent	Banque Internationale à Luxembourg S.A. ("**BIL**"), with its registered office at 69, route d'Esch L-2953 Luxembourg (Grand Duchy of Luxembourg), registered at the Registre de Commerce et des Sociétés with register number B6307.
Rating Agencies	Fitch Ratings Limited and Moody's Deutschland GmbH. Each Rating Agency is established in the European Union and registered under the CRA Regulation. As such each of the Rating Agencies is included in the list of Rating Agencies published by ESMA on its website in accordance with the CRA Regulation. See section "*RATING OF THE NOTES*".

NOTES

	Class A Notes	**Class B Notes**
Principal Amount Outstanding at Closing Date	EUR 8,235,000,000.00	EUR 765,000,000.00
Issue Price	101.342 per cent.	100 per cent.
Expected Rating (Fitch/Moody's)	'AAAsf'/'Aaa(sf)'	Not rated
Closing Date	26 November 2021	
Listing	Luxembourg Stock Exchange, regulated market	Not listed
Clearing	Clearstream Luxembourg / Euroclear.	
Denomination	EUR 100,000.	
Form	Each Class of Notes will initially be represented by a temporary global bearer note in NGN form, without coupons attached. Each temporary global note will, upon certain conditions being fulfilled, be exchangeable for a permanent global bearer note in NGN form. Each global bearer note will be held in safe custody by a common safekeeper for Clearstream Banking S.A. and Euroclear Bank S.A./N.V.	
Status and ranking	*Pari passu* and *pro rata* without any preference or priority among Notes of the same Class of Notes in respect of the Security proceeds and payments of principal and, if applicable, interest. All payments of principal on the Class A Notes will rank in priority to payments of principal on the Class B Notes. Payments of principal amounts due under the Class B Notes shall be made from the Available Principal Funds only in accordance with the Principal Priority of Payments. See section "*TERMS AND CONDITIONS OF THE NOTES*".	
Floating rate of interest	**Class A Notes**	**Class B Notes**
	The Class A Notes will accrue interest at an annual rate of Euribor for three months deposits in euros (determined in accordance with Condition 3 (*Interest*)) plus the Relevant Margin, **provided that** the interest rate so calculated shall never be less than zero, and in respect of the first Interest Period the interest rate shall be 0.0170 per cent. *per annum*.	The Class B Notes will accrue interest at an annual rate of Euribor for three months deposits in euros (determined in accordance with Condition 3 (*Interest*)) plus the Relevant Margin, **provided that** the interest rate so calculated shall never be less than zero, and in respect of the first Interest Period the interest rate shall be 2.9170 per cent. *per annum*.
Relevant Margin	0.60 per cent. *per annum*	3.50 per cent. *per annum*
Interest Periods and accrual	Each Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in February 2022. The interest will be calculated on the basis of the actual days elapsed in an Interest Period divided by a year of 360 calendar days.	

Notes Payment Dates	Quarterly in arrears on the 20th day of February, May, August and November, subject to adjustment in accordance with the modified following business day convention and commencing on 20 February 2022.
Final Maturity Date	The Notes Payment Date falling in November 2109, unless previously purchased and cancelled or redeemed in full. Redemption of the Notes is to take place at their respective Notional Principal Amount Outstanding subject to and in accordance with the Conditions, in particular Condition 5(a) (*Final Redemption*). Any difference at such time between the Notional Principal Amount Outstanding and the Principal Amount Outstanding of such Note will not be due or payable and will be fully and finally written-off.
First Optional Redemption Date	The Notes Payment Date falling in November 2024.
Optional redemption	On each Optional Redemption Date the Issuer has the option, in accordance with Condition 5(g) (*Optional Redemption – Prepayment Call*), to redeem all (not some only) of the Notes at their respective Principal Amount Outstanding on such date, subject to and in accordance with the Conditions.
Mandatory redemption	The Issuer will apply the Available Principal Funds in an amount equal to the respective Note Principal Payment sequentially in the following order: *first*, the Class A Notes (either in whole or in part), until fully redeemed in accordance with the Conditions, and *second*, the Class B Notes (either in whole or in part), until fully redeemed in accordance with the Conditions.
Other redemption in full events	Redemption following exercise by the Seller of the Clean-up Call Option. See Condition 5(f) (*Redemption – Clean-Up Call Option*). Redemption for tax reasons. See Condition 5(h) (*Optional Redemption – Tax Call*).
Observations regarding Class A Notes	To the extent that the Available Principal Funds or the Available Revenue Funds are insufficient to redeem the Class A Notes in full or pay interest when due in accordance with the Conditions for a period of 7 (in the case of principal) or 14 (in the case of interest) calendar days or more, this will constitute an Event of Default in accordance with Condition 6(a) (*Events of Default*). If, on any date, the Security is to be enforced and the proceeds of the enforcement of all such Security would be insufficient to redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes and the Class B Notes will not be redeemed at all.
Events of Default	The Events of Default are fully set out in Condition 6(a) (*Events of Default*) and broadly include: • non-payment when due in accordance with the Conditions for a period of 7 (in the case of principal) or 14 (in the case of interest) calendar days or more; • default in the performance or observance of any of the Issuer's other obligations under or in respect of any of the Transaction Documents, the Notes or the Issuer Covenants, if applicable, subject to a remedy period of 30 calendar days; • insolvency of the Issuer; and • unlawfulness for the Issuer to perform its obligations under or in respect of the Notes or any of the Transaction Documents.

Security for the Notes, limited recourse and non-petition	The Notes are limited recourse obligations of the Issuer. See Condition 12 (*Limited Recourse*). The Notes will be (indirectly) secured, through the Security Trustee, by way of the following first ranking security rights granted by the Issuer to the Security Trustee: (i) security assignment of the Mortgage Receivables, (ii) pledge over the position of the Issuer as beneficiary of the Mortgage Receivables and the Mortgages in the Refinancing Register (*Übertragungsberechtigter*), (iii) pledge of the Issuer's rights under or in connection with the Transaction Documents and (iv) pledge of the Issuer's rights in respect of the Issuer Accounts. The enforcement of the payment obligations under the Notes shall only be effected by the Security Trustee for the benefit of all Noteholders, **provided that** each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Security Trustee, after having become obliged to enforce the Security and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. See Condition 12(e) (*Enforcement of Payment Obligations*). In the Security Trust Agreement, the Issuer will, by way of parallel debt, undertake to pay to the Security Trustee an amount equal to the aggregate amount, from time to time due by it to Noteholders and the other Secured Creditors, in order to create a claim of the Security Trustee thereunder which can be secured by the security referred to above.
Method of payment	For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro through Clearstream Luxembourg / Euroclear, for the credit of the respective accounts of the Noteholders. See Condition 4(a) (*Payment – General*).
Taxation	If any deduction or withholding on account of Tax is required to be made by the Issuer in respect of any payment in respect of the Notes, neither the Issuer, the Security Trustee nor the Paying Agent will be required to make any additional payments to the holders of such Notes in respect of such deduction or withholding on account of Tax. Notwithstanding any other provision in the Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments without FATCA Withholding.
Selling restrictions	There are selling restrictions in relation to the United States, the United Kingdom and the European Economic Area and such other restrictions as may apply in connection with the offering and sale of the Notes. See section "*SUBSCRIPTION AND SALE*".

Use of proceeds of the Notes	The Issuer will use the net proceeds from the issue of the Notes to pay (i) to the Seller the Initial Purchase Price for the Mortgage Receivables to be purchased on the Closing Date, pursuant to the Mortgage Receivables Purchase Agreement, (ii) to the Seller the Issuance Bonification pursuant to the Mortgage Receivables Purchase Agreement, (iii) EUR 57,000 into the Issuer Collection Account, which shall be used to fund the Issuer Expense Account in the Minimum Required Issuer Amount. The remaining funds will be credited to the Purchase Shortfall Ledger to fund the purchase of further Mortgage Receivables on the next following Transfer Date.
Rating	It is a condition precedent to issuance that, upon issue, the Class A Notes be assigned an 'AAAsf' rating by Fitch and an 'Aaa(sf)' rating by Moody's. The Class B Notes will not, upon issue, be assigned a rating by Fitch and Moody's. The identifier "sf" stands for "structured finance". The addition of the identifier "sf" (by Fitch) or "(sf)" (by Moody's) indicates only that the instrument is deemed to meet the regulatory definition of "structured finance" as referred to in the CRA Regulation. In no way does it modify the meaning of the rating itself.
Retention and disclosure requirements under the Securitisation Regulation	The Seller shall at all times comply with the retention and disclosure requirements set out in the Securitisation Regulation. See section "*Retention and Information Undertakings*" above.
Governing law	The Notes and the Transaction Documents, other than the Corporate Services Agreement, the English Security Deed and the Swap Agreement, and any non-contractual obligations arising out of or in relation to the Notes and the Transaction Documents other than the Corporate Services Agreement, the English Security Deed and the Swap Agreement, will be governed by and construed in accordance with German law. The Swap Agreement and the English Security Deed and any non-contractual obligations arising out of or in relation to the Swap Agreement and the English Security Deed will be governed by and construed in accordance with the laws of England and Wales. The Corporate Services Agreement and any non-contractual obligations arising out of or in relation to the Corporate Services Agreement will be governed by and construed in accordance with Luxembourg law. For the avoidance of doubt, the provisions of articles 470-3 to 470-19 of the Luxembourg Companies Law, as amended, do not apply.

CREDIT STRUCTURE

Available Funds

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Swap Agreement, the Liquidity Facility Agreement and in respect of the Issuer Accounts, to make payments of, among other things, principal and interest due in respect of the Notes.

Priorities of Payments

The obligations of the Issuer in respect of the Notes will rank subordinated to the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments (see section "*CREDIT STRUCTURE*"). Any payment of principal from Available Principal Funds under the Principal Priority of Payments or funds available for distribution in accordance with the Post-Enforcement Priority of Payments in respect of the Class B Notes is subordinated to payment of principal from Available Principal Funds under the Principal Priority of Payments and funds available for distribution in accordance with the Post-Enforcement Priority of Payments in respect of the Class A Notes. As more fully described herein under sections "CREDIT STRUCTURE" and "TERMS AND CONDITIONS OF THE NOTES".

Loss Allocation

To mitigate the risk that funds might otherwise be applied, the Issuer (or Cash Manager on its behalf) is required to maintain a Principal Deficiency Ledger, with sub-ledgers in respect of each Class of Notes in which the aggregate Realised Losses in respect of all Securitised Mortgage Receivables are administered. To the extent any amount is debited to the Principal Deficiency Ledger, (i) such debit entries in the relevant sub-ledger of the Principal Deficiency Ledger are required to be made up before lower ranking obligations in the Revenue Priority of Payments are paid or provided for and (ii) this will give rise to a Notional Principal Amount Outstanding of the relevant Class of Notes (as opposed to a Principal Amount Outstanding), which may result in a reduced payment by the Issuer on redemption of a Class of Notes.

The Issuer will record as a debit entry in the Principal Deficiency Ledger on any Notes Payment Date an amount equal to any Realised Loss up to the Principal Amount Outstanding of the Notes from time to time (so as to give rise to a negative amount in the relevant sub-ledger). The Issuer will record as a credit entry in the Principal Deficiency Ledger on any Notes Payment Date:

(i) (1) any amount equal to the lesser of (A) the Available Revenue Funds minus payments made in respect of items (i) up to and including (v) in the Revenue Priority of Payments and (B) the Class A Principal Deficiency and (2) any amount equal to the lesser of (A) the Available Revenue Funds minus payments made in respect of items (i) up to and including (vii) in the Revenue Priority of Payments and (B) the Class B Principal Deficiency, which amounts are added to the Available Principal Funds on such Notes Payment Date; and

(ii) where the balance of the relevant sub-ledger exceeds the Principal Amount Outstanding (including when zero after full redemption) of the relevant Class of Notes, an amount equal to the relevant excess.

Cash Management and Issuer Account Bank Agreement

Under the Cash Management and Issuer Account Bank Agreement the Cash Manager will agree to provide certain administration, calculation and cash management services for the Issuer to arrange for payments due to be made by the Issuer under any of the Transaction Documents.

	See section "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – 5. Cash Management and Issuer Account Bank Agreement*".
Hedging	Interest on the Mortgage Loans is calculated on the basis of a variety of different fixed rates, whilst interest on the Notes is calculated on the basis of the Reference Rate (set on the relevant Notes Calculation Date plus the Relevant Margin). Therefore the Issuer is exposed to a potential mismatch between the interest received on the Mortgage Loans and the interest due on the Notes. In order to reduce the risk of such mismatch, the Issuer will enter into the Swap Transaction on or about the Closing Date with the Swap Counterparty. The Swap Transaction will be documented under a confirmation which forms part of and is subject to the Swap Agreement. The Swap Agreement is governed by and construed in accordance with the laws of England and Wales.
Issuer Collection Account	The Issuer shall maintain with the Issuer Account Bank an Issuer Collection Account into which are paid, among other things, all amounts received by the Issuer in respect of the Mortgage Receivables and the relevant Transaction Documents.
Ledgers	The Issuer (or the Cash Manager on its behalf) will maintain and administer the Issuer Collection Account with the following Ledgers: the Income Ledger, the Redemption Ledger, the Purchase Shortfall Ledger and the Swap Replacement Ledger. The Issuer (or the Cash Manager on its behalf) will maintain and administer the Principal Deficiency Ledger.
Other Issuer Accounts	In addition to the Issuer Collection Account, the Issuer shall if and when required also maintain with the Issuer Account Bank one or more Swap Collateral Accounts, the Transfer Reserve Account, Commingling Risk Reserve Account, the Issuer Stand-by Account and a Set-Off Risk Reserve Account, whereas such accounts will be established as ledgers to the Issuer Collection Account. See section "*CREDIT STRUCTURE – Issuer Accounts*" for further details. Under the Cash Management and Issuer Account Bank Agreement, the Issuer Account Bank will open and maintain the Issuer Accounts in the name of the Issuer. The Issuer Account Bank will also provide to the Issuer certain account management and cash handling services in respect of the Issuer Accounts. The Issuer Account Bank shall pay a rate of interest on all funds standing to the credit of the Issuer Accounts, which is separately agreed between the Issuer and the Issuer Account Bank.
Liquidity Facility	Under the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to provide a liquidity facility to the Issuer in order to provide pre-financing in respect of certain liquidity shortfall in relation to interest payments under the Class A Notes. See section "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – 4. Liquidity Facility Agreement*".

PORTFOLIO INFORMATION

Mortgage Receivables

The Mortgage Receivables will result from Mortgage Loans secured by a first-ranking a certified or uncertified mortgage (*Brief- oder Buchgrundschuld*) securing the relevant Mortgage Receivables, ("**Mortgage**") over the Mortgaged Assets and entered into by the Seller with the relevant Borrowers which meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date.

The Mortgage Loan to which a Mortgage Receivable relates is an annuity Mortgage Loan.

See section "*PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA*".

PORTFOLIO DOCUMENTATION

Purchase by Issuer

Pursuant to the Mortgage Receivables Purchase Agreement the Seller has agreed to sell and assign, and the Issuer has agreed to purchase and accept assignment of, Mortgage Receivables and the Related Mortgages.

Purchase of Initial Mortgage Receivables

On the Closing Date, the Issuer will purchase the Initial Mortgage Receivables and the respective Initial Related Mortgages against payment of the Initial Purchase Price. Furthermore, the Issuer will pay an Issuance Bonification.

Replenishment

During the Replenishment Period, the Seller may on any Offer Day offer Eligible Substitute Mortgage Receivables and the respective Substitute Related Mortgages for purchase and with respect to such Eligible Substitute Mortgage Receivables only, for assignment (*Abtretung*) to the Issuer in an amount up to the Available Principal Funds as of such Offer Day, **provided that** neither an Event of Default pursuant to Condition 6(a) of the Conditions nor a Replenishment Period Termination Event has occurred.

The Issuer shall accept any Offer for purchase and assignment (*Abtretung*) in relation to any offered Substitute Mortgage Receivable and for purchase in relation to any Substitute Related Mortgage promptly upon receipt of such Offer **provided that**, *inter alia*, (i) the Replenishment Criteria are fulfilled, (ii) it has sufficient Monthly Principal Funds as of the respective Offer Day, and (iii) no Replenishment Period Termination Event or Event of Default has occurred.

Purchase Price

The Purchase Price for each Mortgage Receivable (including any Related Security) consists of an Initial Purchase Price or the Subsequent Purchase Price (as applicable). The Issuer will fund the Initial Purchase Price and the Issuance Bonification relating to the Initial Portfolio from the net proceeds of the Notes. The Purchase Price for any Further Advance Receivable or Substitute Mortgage Receivable will be funded from the Monthly Principal Funds, which shall not be subject to any relevant Priority of Payments.

Further Advances

The Issuer may from time to time purchase Further Advance Receivables (including any Related Security) if offered to it by the Seller and on the condition that such purchase does not result in a breach of the Additional Purchase Conditions always provided that Monthly Principal Funds shall be used to purchase Further Advance Receivables prior to purchasing Eligible Substitute Mortgage Receivables. The obligation of the Issuer to purchase Further Advance Receivables (subject to the Additional Purchase Conditions) shall continue following the Replenishment Period End Date.

If the purchase of the related Further Advance Receivable does not meet the Additional Purchase Conditions the Seller shall repurchase and accept the re-assignment of all Mortgage Receivables resulting from the Mortgage Loan in respect of which a Further Advance is granted subject to the Conditions specified in the Mortgage Receivables Purchase Agreement.

Refinancing Register

The Mortgage Receivables and the Related Mortgages will be entered into the refinancing register of the Seller with the Issuer as beneficiary (*Übertragungsberechtigter*).

Repurchase of Mortgage Receivables

Under the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of a Mortgage

Receivable on the relevant Mortgage Collection Payment Date if at any time in relation to a Mortgage Receivable any of the following events occur:

(i) a material breach of the Mortgage Receivables Warranties as of the relevant Transfer Date and (A) the Seller does not within 14 calendar days of receipt of written notice thereof from the Issuer remedy the matter giving rise to such breach if such matter is capable of being remedied or (B) such matter is not capable of being remedied; or

(ii) the Seller or the Servicer agrees with a Borrower to an amendment or waiver of the terms of a Mortgage Loan (which, for the avoidance of doubt, shall not include a reset of the interest rate under the relevant Loan Agreement, which option is already included in the original Loan Agreement) which does not result from a deterioration in the creditworthiness of the Borrower, and as a result thereof (i) the Maturity Date of such Mortgage Loan is extended beyond two (2) years before the Final Maturity Date or (ii) the related Mortgage Receivable does not qualify as an Eligible Mortgage Receivable, if tested against the Eligibility Criteria at the time of amendment or waiver; or

(iii) the Borrower makes use of an (one-sided) extension option granted to him pursuant to the relevant Loan Agreement (which for the avoidance of doubt, does not result from a deterioration in the creditworthiness of the Borrower), and as a result thereof the Maturity Date of such Mortgage Loan is extended beyond two (2) years before the Final Maturity Date; or

(iv) the Seller or the Servicer is not able to report material information related to any Securitised Mortgage Receivables; or

(v) if the purchase of the related Further Advance Receivable does not meet the Additional Purchase Conditions.

The Repurchase Price will be calculated as described in section "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – 1. Mortgage Receivables Purchase Agreement – Purchase, Repurchase and Sale"* below.

Sale of Mortgage Receivables on an Optional Redemption Date

The Issuer will have the right to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date to the Seller or a third party, provided in any case that the Issuer shall apply the proceeds of such sale to redeem the Notes (see Condition 5(g) (*Optional Redemption – Prepayment Call*)).

The Issuer may only sell and assign all but not some of the Mortgage Receivables, **provided that** the Issuer has provided to the Security Trustee a certificate signed by the Director to the effect that it expects to have the funds on the relevant Notes Payment Date required to redeem the Notes pursuant to Condition 5(g) (*Optional Redemption – Prepayment Call*) and meet its payment obligations under each of the items (i) to (iv) (inclusive) of the Revenue Priority of Payments.

The purchase price of the Mortgage Receivables is an amount equal to the higher of:

(i)

(a) in respect of a Mortgage Receivable that has Arrears of Interest for a period exceeding 60 calendar days or with respect to which enforcement procedures such as

compulsory sale (*Zwangsversteigerung*) or compulsory administration (*Zwangsverwaltung*) has been initiated, the lesser of: (x) the sum of the Gross Outstanding Principal Balance, Accrued Interest, Arrears of Interest and any other amount due in respect of the relevant Mortgage Receivable and any costs incurred by the Issuer in effecting and completing such sale and reassignment; and (y) the sum of (i) an amount equal to the most recently calculated indexed foreclosure value of the related Mortgaged Asset and (ii) the value of any other collateral attached to the Mortgage Loan and part of the security purpose agreement relating the security to the Mortgage Loan (*Sicherungszweckabrede*) and (iii) any costs incurred by the Issuer in effecting and completing such sale and reassignment, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls; or

(b) in respect of any other Mortgage Receivable, (i) the Gross Outstanding Principal Balance together with any Accrued Interest and Arrears of Interest and any other amount due in respect of the relevant Mortgage Receivable and (ii) any costs incurred by the Issuer in effecting and completing such sale and reassignment.

Sale of Mortgage Receivables if the Clean-Up Call Option is exercised

If on any Mortgage Calculation Date, the aggregate Gross Outstanding Principal Balance of the Mortgage Receivables is not more than 10 per cent. of the aggregate Gross Outstanding Principal Balance of the Mortgage Receivables comprising the Initial Portfolio on the Cut-Off Date relating to the Transfer Date of the Initial Portfolio, the Seller has the option to exercise on the first following Notes Payment Date the Clean-Up Call Option.

In such case, the purchase price of the Mortgage Receivables will be calculated in the same manner as described in *Sale of Mortgage Receivables on an Optional Redemption Date* above. The Issuer must redeem all (but not some only) of the Notes on the first Notes Payment Date following the Notes Payment Date on which the Seller exercises the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 5(f) (*Redemption – Clean-Up Call Option*) and to meet its payment obligations under each of the items (i) to (vi) (inclusive) of the Revenue Priority of Payments.

Sale of Mortgage Receivables for tax reasons

If the Issuer exercises its option to redeem the Notes on a Notes Payment Date for tax reasons in accordance with Condition 5(h) (*Optional Redemption – Tax Call*), the purchase price of such Mortgage Receivables will be calculated in the same manner as described in *Sale of Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 5(h) (*Optional Redemption – Tax Call*) and to meet its payment obligations of a higher priority under each of the items (i) to (vi) (inclusive) of the Revenue Priority of Payments.

Right of first refusal to Seller

If the Issuer decides to offer for sale of the Mortgage Receivables in accordance with Condition 5(h) (*Optional Redemption – Tax Call*) it will first offer such Mortgage Receivables to the Seller. The Seller shall within a period of 15 Notes Business Days from the offer inform the Issuer whether it wishes to repurchase the Mortgage Receivables. After such period, the Issuer may offer such Mortgage Receivables for sale to any third party.

Servicing Agreement

Under the Servicing Agreement the Servicer will agree to (a) administer the Mortgage Receivables in accordance with the Seller's servicing and

administration manuals and (b) use all reasonable endeavours to collect all payments due under or in connection with the Mortgage Receivables and to enforce all covenants and obligations of each Borrower in accordance with the standard enforcement and collection procedures of the Servicer as updated from time to time and take such action as is not materially prejudicial to the interests of the Issuer and in accordance with such actions as a person acting in accordance with the standards of a Reasonable Prudent Lender would undertake.

See section "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – 2. Servicing Agreement*" and "*CREDIT AND COLLECTION POLICY*".

OTHER

Overview of Credit Rating Triggers

Transaction Party	**Required Credit Ratings**	**Contractual requirements on occurrence of breach of credit ratings trigger include the following**:
Seller	Transfer Reserve Event	The occurrence of a Transfer Reserve Event.
	Set-Off Risk Reserve Trigger Event	The consequences of the occurrence of a Set-Off Risk Reserve Trigger Event are that the Seller could be obliged to deposit cash collateral in the Set-Off Risk Reserve Account in an amount equal to the relevant Set-Off Risk Reserve Required Amount.
Liquidity Facility Provider	Liquidity Facility Provider Trigger Event	The consequences of the occurrence of a Liquidity Facility Provider Trigger Event are that the Liquidity Facility Provider shall during the period of 14 days following such event either i appoint a replacement liquidity facility provider with the Liquidity Facility Provider Required Rating, **provided that** such replacement liquidity facility provider may not be appointed unless it has agreed in writing to assume all duties and obligations materially in accordance with the duties and obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement, ii furnish a guarantee of a guarantor with the Liquidity Facility Provider Required Rating, or iii secure its obligations hereunder by depositing an amount equal to the available commitment under the Liquidity Facility into the Issuer Stand-by Account to be utilised to make Liquidity Advances on behalf of the Liquidity Facility Provider.

Servicer	Commingling Risk Reserve Trigger Event	The consequences of the occurrence of a Commingling Risk Reserve Trigger Event are that the Servicer could be obliged to deposit cash collateral in the Commingling Risk Reserve Account in an amount equal to the relevant Commingling Risk Reserve Required Amount.
Swap Counterparty	Swap Counterparty Initial Trigger Event	The consequences of the occurrence of a Swap Counterparty Initial Trigger Event are that the Swap Counterparty is obliged to: i. provide collateral for its obligations under the Swap Agreement; or ii. arrange for its obligations under the Swap Agreement to be transferred to an entity with an appropriate credit rating (as set out in the Swap Agreement); or iii. procure another entity with the Swap Counterparty Subsequent Required Rating to become co obligor or guarantor, as applicable, in respect of its obligations under the Swap Agreement.
	Swap Counterparty Subsequent Trigger Event	The consequences of the occurrence of a Swap Counterparty Subsequent Trigger Event are that the Swap Counterparty is obliged to provide collateral for its obligations under the Swap Agreement and: i. arrange for its obligations under the Swap Agreement to be transferred to an entity with an appropriate credit rating (as set out in the Swap Agreement); or ii. procure another entity with the Swap Counterparty Subsequent Required Rating to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Agreement; or iii. provide collateral for its obligations under the Swap Agreement until the transfer of the Swap Counterparty's obligations under the Swap

		Agreement has been finalised or until another entity with the Swap Counterparty Subsequent Required Rating becomes a co-obligor or guarantor in respect of its obligation under the Swap Agreement.
Issuer Account Bank	Issuer Account Bank Trigger Event	The consequences of the occurrence of an Issuer Account Bank Trigger Event are that the Issuer Account Bank could be obliged to: i. on behalf of the Issuer, open new accounts under the terms of a new bank account agreement substantially on the same terms as the Cash Management and Issuer Account Bank Agreement with a financial institution (a) having the Issuer Account Bank Required Rating and (b) having the regulatory capacity for offering such services as a matter of German law; or ii. obtain a guarantee of its obligations under the Cash Management and Issuer Account Bank Agreement on terms acceptable to the Security Trustee, acting reasonably, from a financial institution having the Issuer Account Bank Required Rating.

VERIFICATION BY SVI

STS Verification International GmbH ("**SVI**") has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 - 26 of the EU Securitisation Regulation. Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) ("**CRR Assessment**") and (ii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("**LCR**") ("**LCR Assessment**").

The verification label "verified - STS VERIFICATION INTERNATIONAL" has been officially registered as a trade-mark and is licensed to an issuer of securities if the securities meet the requirements for simple, transparent and standardised securitisation as set out in articles 19 – 26 of the Securitisation Regulation ("**STS Requirements**").

SVI grants a registered verification label "verified - STS VERIFICATION INTERNATIONAL" if a securitisation complies with STS Requirements. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the SVI verification does not affect the liability of such originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

The verification label is issued on the basis of SVI's verification process, which is explained in detail on the SVI website (www.sts-verification-international.com). The verification process is based on the SVI verification manual which describes the verification process and the individual verification steps in detail. The verification manual is applicable for all parties involved in the verification process and its application ensures an objective and uniform verification of all transactions.

The originator will include in its notification pursuant to Article 27(1) of the Securitisation Regulation a statement that compliance of its securitisation with the STS Requirements has been confirmed by SVI.

SVI has carried out no other investigations or surveys in respect of the Issuer or the notes concerned other than as such set out in SVI's final verification report. SVI disclaims any responsibility for monitoring continuing compliance with the STS Requirements by the parties concerned or other aspect of their activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Issuer.

Verification by SVI is not a recommendation to buy, sell or hold securities. Investors should, therefore, not evaluate their investment in notes on the basis of this verification. Furthermore, the STS status of a transaction is not static and investors should therefore verify the current status of the transaction on ESMA's website.

CREDIT STRUCTURE

The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.

1. AVAILABLE FUNDS

Collections

Payments by the Borrowers of scheduled interest and principal (if any) under the Mortgage Loans are due on the 30th of each month, interest being payable in arrears. For as long as no Assignment Notification Event has occurred, all payments made by Borrowers will be paid into the Seller Collection Account. The Seller Collection Account is not pledged to any party and the Seller Collection Account is also used for the collection of moneys paid in respect of mortgage receivables other than Mortgage Receivables and in respect of other moneys belonging to the Seller.

Pursuant to the Servicing Agreement, as long as the assignment of the Mortgage Receivables has not been notified to the relevant Borrowers, the Servicer will on each Mortgage Collection Payment Date transfer to the Issuer Collection Account or such other account as the Security Trustee may direct, all amounts received by the Servicer during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Receivables unless the Issuer applies part or all of the Collections and amounts standing to the credit of the Purchase Shortfall Ledger (if any) to the replenishment of the portfolio (including by way of set-off, where relevant) in accordance with the terms of the Mortgage Receivables Purchase Agreement. If a Commingling Risk Reserve Trigger Event occurs, the Servicer will as soon as reasonably practicable and in any event within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) after such assignment of rating transfer to the Commingling Risk Reserve Account an amount equal to the Commingling Risk Reserve Required Amount. The aforementioned deposit shall no longer be required if the Seller has ensured that (i) the Borrowers shall be notified that they should immediately make their payments to the Issuer Collection Account, or into such other account as the Security Trustee may direct, **provided that** the transfer of such amounts to such an account shall not negatively affect the then current ratings assigned to the Class A Notes, (ii) payments to be made with respect to amounts received on the Seller Collection Account will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the Commingling Risk Required Rating, or, if (i) or (ii) is not reasonably practicable, (iii) the conditions for the occurrence of the Commingling Risk Reserve Trigger Event cease to exist, or (iv) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable.

Available Revenue Funds

The aggregate of the items set out below calculated as at each Notes Calculation Date, comprise the "**Available Revenue Funds**":

(a) the amount of Revenue Funds received by the Issuer in respect of the three Mortgage Calculation Periods preceding the Mortgage Calculation Period in which such Notes Calculation Date falls;

(b) all amounts of interest received by the Issuer on the Issuer Accounts in the preceding Notes Calculation Period (which, for the avoidance of doubt, may be negative);

(c) any drawings under the Liquidity Facility Agreement (including any loan advance drawn from the Issuer Stand-by Account);

(d) all amounts received by the Issuer under the Swap Agreement on or in respect of the relevant Notes Payment Date other than any amounts standing to the credit of any Swap Collateral Account;

(e) amounts standing to the credit of the Set-Off Risk Reserve Account corresponding to the interest component of the Set-Off Risk Reserve Required Amount if and to the extent a Borrower has exercised its set-off right and the Seller has failed to make a corresponding indemnity payment under the Mortgage Receivables Purchase Agreement;

(f) amounts standing to the credit of the Commingling Risk Reserve Account corresponding to the interest component of the Commingling Required Reserve Amount owed by a Borrower and the Servicer has failed to make a corresponding collection payment under Clause 6.2 of the Servicing Agreement;

(g) any other amounts (other than covered by item (a) through (f) above) (if any) paid to the Issuer by any other party to any Transaction Document up to (and including) the Note Payment Date immediately following such Determination Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Revenue Funds and which is standing to the credit of the Income Ledger; and

(h) any amounts to be transferred pursuant to item first of the Principal Priority of Payments on the relevant Notes Payment Date.

Available Principal Funds

The aggregate of the items set out below (without double counting) calculated as at each Notes Calculation Date, comprise the "**Available Principal Funds**":

(i) the sum of:

A. the amount of Principal Funds received by the Issuer in respect of the three Mortgage Calculation Periods preceding the Mortgage Calculation Period in which such Notes Calculation Date falls;

B. all amounts to be credited to any sub-ledger of the Principal Deficiency Ledger under the Revenue Priority of Payments on the following Notes Payment Date;

C. any other amount standing to the credit of the Redemption Ledger;

D. any amounts standing to the credit of the Purchase Shortfall Ledger; and

E. any principal related amounts in respect of a set-off by a Borrower that are paid by the Seller to the Issuer under the Mortgage Receivables Purchase Agreement, the Set-Off Risk Reserve Required Amount transferred from the Set-Off Risk Reserve Account to the Issuer Collection Account and any principal related amount in respect of a payment owed by a Borrower that should be paid by the Servicer to the Issuer pursuant to Clause 6.2 of the Servicing Agreement, the Commingling Risk Reserve Required Amount transferred from the Commingling Risk Reserve Account to the Issuer Collection Account;

(ii) less the aggregate Monthly Principal Funds used to purchase Substitute Mortgage Receivables and Further Advance Receivables on the two monthly Transfer Dates preceding the Notes Calculation Date as well as on the Transfer Date which falls on the relevant Notes Payment Date,

provided that, any amounts received as Swap Collateral shall not constitute Available Principal Funds.

2. PRIORITIES OF PAYMENTS

Revenue Priority of Payments

On each Notes Payment Date, as long as no Enforcement Notice has been delivered by the Security Trustee, the Available Revenue Funds will be applied by or on behalf of the Issuer in making payment of, or provision for, the following amounts in the following order of priority, in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, on a *pari passu* and *pro rata* basis, any taxes, fees, expenses or other amounts or liabilities due and payable to any taxing authority having power and authority to tax the Issuer;

(ii) *second*, any fees, expenses or other amounts or liabilities which are due and payable to the Security Trustee on such Notes Payment Date or in the first following Notes Calculation Period;

(iii) *third*, on a *pari passu* and *pro rata* basis, any fees, expenses or other amounts or liabilities due and payable to any of (1) the Paying Agent, (2) the Servicer, (3) the Cash Manager, (4) the Issuer Account Bank, (5) the Corporate Services Provider, (6) the Data Trustee, (7) the any stock exchange on which the Class A Notes are listed, (8) the Issuer's auditors, legal counsel and tax advisers, (9) the Rating Agencies, (10) any independent accountant or independent calculation agent appointed under the Swap Agreement, (11) any custodian, and (12) any other creditor (other than the Swap Counterparty) from time to time of the Issuer which has been notified to the Cash Manager in accordance with the Cash Management and Issuer Account Bank Agreement, in each case on such Notes Payment Date or in the first following Notes Calculation Period, in which case such amounts shall be transferred to the Issuer Expense Account;

(iv) *fourth*, on a *pari passu* and *pro rata* basis, amounts due and payable to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts), and any amounts to be credited to the Issuer Stand-by Account pursuant to the Liquidity Facility Agreement into such account;

(v) *fifth*, to the extent not paid from amounts standing to the credit of the relevant Swap Collateral Account or debited from the Swap Replacement Ledger, any amounts due and payable to the Swap Counterparty other than Subordinated Swap Payments;

(vi) *sixth*, on a *pari passu* and *pro rata* basis, all interest due (or accrued due) and payable on the Class A Notes (including, for the avoidance of doubt, any Interest Shortfall);

(vii) *seventh*, the amount required to replenish any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to nil;

(viii) *eighth*, the amount required to replenish any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to nil;

(ix) *ninth*, on a *pari passu* and *pro rata* basis, all interest due (or accrued due) and payable on the Class B Notes (including, for the avoidance of doubt, any Interest Shortfall);

(x) *tenth*, on a *pari passu* and *pro rata* basis, any Liquidity Subordinated Amounts to the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement;

(xi) *eleventh*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account or debited from the Swap Replacement Ledger, Subordinated Swap Payments due and payable under the Swap Agreement;

(xii) *twelfth*, the Minimum Required Issuer Amount to the Issuer Expense Account or any amount to ensure that the Minimum Required Issuer Amount stands to the balance of the Issuer Expense Account on any Notes Payment Date; and

(xiii) *finally*, any Seller Bonification to the Seller.

provided that, outside of such order of priority and on any date the Issuer may

(i) retransfer any Swap Collateral posted under the Swap Agreement pursuant to the provisions thereof;

(ii) apply any funds credited to the Transfer Reserve Account towards discharging any costs arising in connection with the transfer of the Related Mortgages if and to the extent the Seller fails to pay such costs and expenses pursuant to its obligation under Clause 13.6 of the Mortgage Receivables Purchaser Agreement;

(iii) re-transfer any amount standing to the credit of the Transfer Reserve Account to the Seller in accordance with Clause 20.1 of the Security Trust Agreement;

(iv) use any funds credited to the Issuer Stand-by Account to pay any amounts payable under the Liquidity Facility Agreement to the Liquidity Facility Provider in respect of the repayment of a Stand-by Advance made thereunder (together with accrued interest thereon);

(v) retransfer the Set-Off Risk Reserve Required Amount or any part thereof required to be repaid to the Seller in accordance with Clause 20.3 of the Security Trust Agreement; and

(vi) retransfer the Commingling Risk Reserve Required Amount or any part thereof required to be repaid to the Seller in accordance with Clause 20.4 of the Security Trust Agreement,

provided further that the Issuer may pay any interest accrued on amounts standing to the credit of the Set-Off Risk Reserve Account, the Transfer Reserve Account, the Commingling Risk Reserve Account, the Issuer Stand-by Account and the Swap Collateral Account to the Seller.

Principal Priority of Payments

On each Notes Payment Date, as long as no Enforcement Notice has been delivered by the Security Trustee, the Available Principal Funds or during the Replenishment Period and if a Purchase Shortfall Event has occurred, any amounts in excess of 10 per cent. of the initial aggregate Note Principal Amount of all Notes and standing to the credit of the Purchase Shortfall Ledger will be applied by or on behalf of the Issuer in making payment of, or provision for, the following amounts in the following order of priority, in each case only if and to the extent that payments or provisions of a higher priority have been made in full (the "**Principal Priority of Payments**"):

(i) *first*, to pay any amounts due under items *first* through *sixth* under the Revenue Priority of Payments, but only to the extent such items are not paid in full after the application on such Notes Payment Date of the Available Revenue Funds in accordance with the Revenue Priority of Payments;

(ii) *second*, in or towards, on a *pari passu* and *pro rata* basis, satisfaction of principal amounts due and payable on the Class A Notes, until fully redeemed in accordance with the Conditions; and

(iii) *third*, in or towards, on a *pari passu* and *pro rata* basis, satisfaction of principal amounts due and payable on the Class B Notes, until fully redeemed in accordance with the Conditions.

Post-Enforcement Priority of Payments

Available Revenue Funds and Available Principal Funds and any amounts standing to the credit of the Issuer Accounts and all monies received or recovered by the Security Trustee or any other Secured Creditor from the Issuer's assets subject to the Security or the Issuer (other than amounts standing to the credit of any Swap Collateral Account) will on each Notes Payment Date be applied by or on behalf of the Issuer following the date on which an Enforcement Notice is delivered by the Security Trustee in making payment of, or provision for, the following amounts in the following order of priority (the "**Post-Enforcement Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, on a *pari passu* and *pro rata* basis, any taxes, fees, expenses or other amounts or liabilities due and payable to any taxing authority having power and authority to tax the Issuer;

(ii) *second*, any fees, expenses or other amounts or liabilities which are due and payable to the Security Trustee on such date;

(iii) *third* on a *pari passu* and *pro rata* basis, any fees, expenses or other amounts or liabilities which are due and payable to any of (1) the Paying Agent, (2) the Servicer, (3) the Cash Manager, (4) the Issuer Account Bank, (5) the Corporate Service Provider, (6) the Data

Trustee, (7) any stock exchange on which the Class A Notes are listed, (8) the Issuer's auditors, legal counsel and tax advisers, (9) the Rating Agencies, (10) any independent accountant or independent calculation agent appointed under the Swap Agreement, (11) any custodian and (12) any other creditor (other than the Swap Counterparty) from time to time of the Issuer which has been notified to the Cash Manager in accordance with the Cash Management and Issuer Account Bank Agreement, on such date and which are secured by the Security;

(iv) *fourth*, on a *pari passu* and *pro rata* basis, amounts due and payable to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts), and any amounts to be credited to the Issuer Stand-by Account pursuant to the Liquidity Facility Agreement into such account;

(v) *fifth*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account, any amounts due and payable to the Swap Counterparty other than Subordinated Swap Payments;

(vi) *sixth*, on a *pari passu* and *pro rata* basis according to the amounts payable, all principal and interest then due (or accrued and due) and payable on the Class A Notes (including, for the avoidance of doubt, any Interest Shortfall);

(vii) *seventh*, on a *pari passu* and *pro rata* basis according to the amounts payable, all principal and interest then due (or accrued and due) and payable on the Class B Notes (including, for the avoidance of doubt, any Interest Shortfall);

(viii) *eigth*, on a *pari passu* and *pro rata* basis, any Liquidity *Subordinated* Amounts to the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement;

(ix) *ninth*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account, Subordinated Swap Payments due and payable under the Swap Agreement; and

(x) *finally*, any Seller Bonification to the Seller.

3. **LOSS ALLOCATION**

The Cash Manager shall agree in the Cash Management and Issuer Account Bank Agreement to manage and maintain the Principal Deficiency Ledger for and on behalf of the Issuer.

Debits

The Issuer (or the Cash Manager on its behalf) will record as a debit entry in the Principal Deficiency Ledger an amount equal to any Realised Loss up to the Principal Amount Outstanding of the Notes from time to time as well as any amounts due under items *first* through *sixth* under the Revenue Priority of Payments, but only to the extent such items are not paid in full after the application on such Notes Payment Date of the Available Revenue Funds in accordance with the Revenue Priority of Payments (so as to give rise to a negative amount in the relevant sub-ledger).

Credits

It has been agreed that the Issuer (or the Cash Manager on its behalf) will record as a credit entry in the Principal Deficiency Ledger on any Notes Payment Date:

(i)

(1) any amount equal to the lesser of (A) the Available Revenue Funds minus payments made in respect of items (i) up to and including (vi) in the Revenue Priority of Payments and (B) the Class A Principal Deficiency; and

(2) any amount equal to the lesser of (A) the Available Revenue Funds minus payments made in respect of items (i) up to and including (vii) in the Revenue Priority of Payments and (B) the Class B Principal Deficiency,

which amounts are added to the Available Principal Funds on such Notes Payment Date; and

(ii) where the balance of the relevant sub-ledger exceeds the Principal Amount Outstanding (including when zero after full redemption) of the relevant Class of Notes, an amount equal to the relevant excess

(iii) any amount previously borrowed and not repaid on the previous Notes Payment Date pursuant to item *first* of the Principal Priority of Payments to be applied to the Available Principal Funds.

Sub-ledgers

Within the Principal Deficiency Ledger, two sub-ledgers will be maintained, to be known as the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger.

Amounts recorded as a debit entry in the Principal Deficiency Ledger shall be allocated as of the first calendar day of the related Notes Calculation Period to each of such sub-ledgers in the following order:

(a) *first*, to the Class B Principal Deficiency Ledger, subject to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes then outstanding; and

(b) *second*, to the Class A Principal Deficiency Ledger, subject to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes then outstanding.

Amounts recorded as a credit entry in the Principal Deficiency Ledger shall be allocated as of the first calendar day of the related Notes Calculation Period:

(a) if it concerns amounts referred to under (i) under "Credits" above:

(i) first: to the Class A Principal Deficiency Ledger until the debit balance thereof is reduced to zero; and

(ii) second: to the Class B Principal Deficiency Ledger until the debit balance thereof is reduced to zero; or

(b) if it concerns an excess of the relevant sub-ledger over the Principal Amount Outstanding of the relevant Class of Notes (item (ii) under "Credits" above), to the sub-ledger in question.

4. HEDGING

Hedging of interest rate risk

The interest rates payable by Borrowers on the Mortgage Loans are payable by reference to fixed interest rates other than the Reference Rate. However, the interest rates payable by the Issuer with respect to the Notes are calculated by reference to the Reference Rate (set on the relevant EURIBOR Determination Date) plus the Relevant Margin.

In order to reduce the risk of a potential interest rate mismatch between:

(a) the variety of different fixed rates of interest payable by Borrowers on the Mortgage Loans and the dates on which those rates are set; and

(b) the Reference Rate applicable to the relevant Notes only, set on the relevant Notes Calculation Date,

the Issuer will enter into the Swap Transaction with the Swap Counterparty, on or about the Closing Date.

The Swap Agreement will govern the terms of the Swap Transaction.

The Swap Transaction

Under the Swap Transaction, on each Notes Payment Date the Swap Counterparty shall have an obligation to pay an amount determined by calculating the product of (i) the sum of the relevant Reference Rate, (ii) the Aggregate Outstanding Principal Amount as of the last day of the last full Mortgage Calculation Period ending prior to such Notes Payment Date and (iii) the relevant day count fraction; and

Under the terms of the Swap Agreement, upon the occurrence of an Swap Counterparty Initial Trigger Event, the Swap Counterparty will at its own cost and in accordance with the terms of the Swap Agreement, be required to elect to take certain remedial measures within the time frame stipulated in the Swap Agreement which may include providing collateral for its obligations under the Swap Agreement, procuring for its obligations under the Swap Agreement to be transferred to an entity with the Swap Counterparty Subsequent Required Rating, procuring another entity with the Swap Counterparty Subsequent Required Rating to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Agreement. Following further rating downgrades below the Swap Counterparty Subsequent Required Rating, the remedial measures available to the Swap Counterparty may be more limited than those specified above.

The Swap Transaction may be terminated by the Swap Counterparty in certain circumstances including, but not limited to, the following:

(a) if there is a failure by the Issuer to pay amounts due under the Swap Agreement and any applicable grace period has expired;

(b) if certain insolvency events occur with respect to the Issuer;

(c) if a change of law results in it becoming unlawful for one of the parties to perform one or more of its obligations under the Swap Agreement;

(d) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed either (i) on payment of the relevant amount by the Swap Counterparty which results in the Swap Counterparty being obliged to gross up its payments under the Swap Agreement, or (ii) on payment of the relevant amount by the Issuer;

(e) if the Class A Notes are to be redeemed in full prior to the Final Maturity Date pursuant to Conditions 5(g) (*Optional Redemption – Prepayment Call*) or 5(h) (*Optional Redemption – Tax Call*);

(f) following the delivery by the Security Trustee of an Enforcement Notice in accordance with Condition 6(b)(ii) (*Early Redemption for Default*); and

(g) if the relevant Priority of Payments is modified without the prior written consent of the Swap Counterparty which materially and adversely affects the Swap Counterparty.

The Swap Transaction may be terminated by the Issuer in certain circumstances, including but not limited to, the following:

(a) if there is a failure by the Swap Counterparty to pay amounts due under the Swap Agreement and any applicable grace period has expired;

(b) if certain insolvency events occur with respect to a the Swap Counterparty;

(c) if a breach of a provision of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period;

(d) if a change of law results in it becoming unlawful for one of the parties to perform one or more of its obligations under the Swap Agreement; and

(e) if the Swap Counterparty is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement.

Upon an early termination of the Swap Transaction, the Issuer or the Swap Counterparty may be liable to make a swap termination payment to the other. Such swap termination payment will be calculated and paid in euros. The amount of any such swap termination payment will, subject to the terms of the Swap Agreement, initially be based on the market value of the Swap Transaction as determined on the basis of quotations sought from leading dealers as to the payment required to be made in order to enter into a transaction that would have the effect of preserving the economic equivalent of the respective payment obligations of the parties (or, if an insufficient number of quotations can be obtained or if basing the valuation on quotations would not produce a commercially reasonable result, based upon a good faith determination of one of the party's total losses and costs (or gains)) and will include any unpaid amounts that became due and payable prior to the date of termination.

The Swap Counterparty may, subject to certain conditions specified in the Swap Agreement, transfer its obligations under the Swap Agreement to another entity **provided that** such entity has the Swap Counterparty Subsequent Required Rating.

Withholding Tax

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. The Swap Counterparty will be obliged to gross up payments made by it to the Issuer under the Swap Transaction if withholding taxes are imposed on such payments, although in such circumstances the Swap Counterparty may terminate the Swap Transaction early. The Issuer will not be obliged to gross up payments made by it to the Swap Counterparty under the Swap Transaction if withholding taxes are imposed on such payments. However, the Swap Counterparty may have the right to terminate such Swap Transaction in such circumstances. If the Swap Counterparty (or the Issuer) terminates the Swap Transaction then the Issuer may be required to pay (or entitled to receive) a swap termination payment.

Credit Support

On or around the Closing Date, the Swap Counterparty and the Issuer will enter into a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) in support of the obligations of the Swap Counterparty under the Swap Agreement. The credit support annex forms part of the Swap Agreement. If at any time the Swap Counterparty is required to provide collateral in respect of any of its obligations under the Swap Agreement following a Swap Counterparty Initial Trigger Event, in accordance with the terms of the Swap Agreement, the amount of collateral (if any) that, from time to time, (i) the Swap Counterparty is obliged to transfer to the Issuer or (ii) the Issuer is obliged to return to the Swap Counterparty, shall be calculated in accordance with the terms of the Swap Agreement.

The Issuer will receive any collateral from the Swap Counterparty pursuant to the Swap Agreement in any Swap Collateral Account. The Issuer may make payments utilising any monies held in the relevant Swap Collateral Account if such payments are made in accordance with the terms of the Swap Agreement. Amounts standing to the credit of any Swap Collateral Account will not, upon enforcement of the Security, be available to the Secured Creditors generally and may only be applied in satisfaction of amounts owing by the Swap Counterparty, or to be repaid to the Swap Counterparty, in accordance with the terms of the Swap Agreement.

The Swap Agreement will be governed by the laws of England and Wales.

The initial Swap Counterparty is ING-DiBa. See section "*THE SELLER AND SERVICER*".

5. ISSUER ACCOUNTS

Issuer Collection Account

Pursuant to the terms of the Cash Management and Issuer Account Bank Agreement, the Issuer will maintain, with the Issuer Account Bank, the Issuer Collection Account:

(a) into which are paid all amounts received by the Issuer in respect of the Mortgage Receivables and the Transaction Documents; and

(b) monies standing to the credit of which will on each Notes Payment Date be applied by the Cash Manager in accordance with the relevant Priority of Payments and the relevant Transaction Documents.

Transfer Reserve Account

Pursuant to the terms of the Cash Management and Issuer Account Bank Agreement, the Issuer will maintain upon instruction from the Issuer, with the Issuer Account Bank, the Transfer Reserve Account, which shall be established as ledger to the Issuer Collection Account.

Pursuant to the Mortgage Receivables Purchase Agreement, the Seller has agreed to ensure that following a Transfer Reserve Event an amount equal to the Transfer Reserve Required Amount stands to the credit of the Transfer Reserve Account within 14 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time). Any amount standing to the credit of the Transfer Reserve Account shall serve as security for the obligation of the Seller to pay any costs arising in connection with the transfer of the Related Mortgages to the Purchaser.

Pursuant to the terms of the Security Trust Agreement, upon the earlier of (i) the redemption of all Notes in full, (ii) the complete transfer, after the occurrence of a Transfer Event, of any and all Related Mortgages to the Issuer; (iii) the Purchaser being no longer entitled to any amounts of principal or interest under any Securitised Mortgage Receivable; or (iv) the conditions for the occurrence of the Transfer Reserve Event cease to exist, the Issuer has agreed to re-transfer any amount standing to the credit of the Transfer Reserve Account at such time (if any).

If and to the extent on any Notes Payment Date any Transfer Reserve Excess Amounts stand to the credit of the Transfer Reserve Account, the Issuer has agreed to retransfer to the Seller such Transfer Reserve Excess Amount.

Set-Off Risk Reserve Account

Pursuant to the terms of the Cash Management and Issuer Account Bank Agreement, the Issuer will maintain upon instruction from the Issuer, with the Issuer Account Bank, the Set-Off Risk Reserve Account, which shall be established as ledger to the Issuer Collection Account.

The Mortgage Receivables Purchase Agreement provides that upon occurrence of a Set-Off Risk Reserve Trigger Event, the Seller will within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such assignment of rating provide and ensure that funds in an amount equal to the relevant Set-Off Risk Reserve Required Amount are standing to the credit of the Set-Off Risk Reserve Account of the Issuer.

Each time when and to the extent that a Borrower invokes set-off in respect of any amount up to its cash deposit against any amount it owes under, pursuant to or in connection with a Mortgage Receivable, the Issuer shall debit the Set-Off Risk Reserve Account for an amount equal to the amount in respect of which set-off is so invoked (unless paid by way of an indemnity) and apply such amount, to the extent related to (i) interest, to the Income Ledger of the Issuer Collection Account for addition to the Revenue Funds collected in the immediately preceding Mortgage Calculation Period or (ii) principal, to the Redemption Ledger of the Issuer Collection Account for addition to the Principal Funds collected in the immediately preceding Mortgage Calculation Period, in accordance with the Cash Management and Issuer Account Bank Agreement.

The Issuer has, in the Security Trust Agreement, agreed to re-transfer to the Seller any amount standing to the credit of the Set-Off Risk Reserve Account if (i) the conditions for the Set-Off Risk Reserve Trigger Event cease to exist, (ii) the amount, in which a Borrower may invoke set-off in respect of any amount up to the relevant cash deposit against any amount it owes under, pursuant to or in connection with a Mortgage Receivable, will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the Set-Off Risk Required Rating or (iii) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. The Issuer has further agreed that if and to the extent on any Notes Payment Date any

Set-Off Risk Reserve Excess Amounts is standing to the credit of the Set-Off Risk Reserve Account, the Issuer will re-transfer to the Seller such Set-Off Risk Reserve Excess Amount.

Commingling Risk Reserve Account

Pursuant to the terms of the Cash Management and Issuer Account Bank Agreement, the Issuer will maintain upon instruction from the Issuer, with the Issuer Account Bank, the Commingling Risk Reserve Account, which shall be established as ledger to the Issuer Collection Account.

The Servicing Agreement provides that upon occurrence of a Commingling Risk Reserve Trigger Event, the Seller will within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such assignment of rating provide and ensure that funds in an amount equal to the relevant Commingling Risk Reserve Required Amount are standing to the credit of the Commingling Risk Reserve Account of the Issuer.

The Issuer has, in the Security Trust Agreement, agreed to re-transfer to the Servicer any amount standing to the credit of the Commingling Risk Reserve Account if the Servicer has ensured that (i) the Borrowers shall be notified that they should make their payments directly to the Issuer Collection Account, or into such other account as the Security Trustee may direct, **provided that** the transfer of such amounts to such an account shall not negatively affect the then current ratings assigned to the Class A Notes, (ii) payments to be made with respect to amounts received in the Seller Collection Accounts will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the Commingling Risk Required Rating, or, if (i) or (ii) is not reasonably practicable, (iii) the conditions for the Commingling Risk Reserve Trigger Event cease to exist, or (iv) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. The Issuer has further agreed that if and to the extent on any Notes Payment Date any Commingling Risk Reserve Excess Amounts is standing to the credit of the Commingling Risk Reserve Account, the Issuer will re-transfer to the Servicer such Commingling Risk Reserve Excess Amount.

Swap Collateral Account

Pursuant to the terms of the Cash Management and Issuer Account Bank Agreement, the Issuer will maintain upon instruction from the Issuer, with the Issuer Account Bank, one or more Swap Collateral Accounts, which shall be established as ledger to the Issuer Collection Account. Any collateral provided by the Swap Counterparty pursuant to the Swap Agreement will, unless otherwise agreed with the Issuer and the Security Trustee, be deposited in the relevant Swap Collateral Account. The Issuer (or the Cash Manager on its behalf) will not use the amounts standing to the credit of any Swap Collateral Account, except (x) following delivery of an Enforcement Notice by the Security Trustee, in accordance with the Post-Enforcement Priority of Payments and (y) as long as no Enforcement Notice has been delivered by the Security Trustee, as follows:

(a) to return collateral to the Swap Counterparty in accordance with the terms of the Swap Agreement and collateral arrangements; and

(b) following termination of the Swap Agreement to the extent not required to satisfy any termination payment due to the Swap Counterparty, (x) if a replacement swap agreement is to be entered into, for deposit in the Swap Collateral Account and credit to the Swap Replacement Ledger or (y) if no replacement swap agreement is to be entered into, for deposit in the Issuer Account and credit to the Income Ledger.

Change of Issuer Account Bank

Upon the occurrence of an Issuer Account Bank Trigger Event, within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such occurrence:

(a) the Issuer Accounts are not closed and new accounts opened under the terms of a new account agreement substantially on the same terms as the Cash Management and Issuer Account Bank Agreement with a financial institution (i) which has at least the Issuer

Account Bank Required Rating and (ii) having the regulatory capacity for offering such services as a matter of German law; or

(b) the Issuer Account Bank does not obtain a guarantee of its obligations under the Cash Management and Issuer Account Bank Agreement on terms acceptable to the Security Trustee, acting reasonably, from a financial institution having at least the Issuer Account Bank Required Rating,

then pursuant to the Cash Management and Issuer Account Bank Agreement, the Issuer (or the Cash Manager on its behalf) is required to terminate the Cash Management and Issuer Account Bank Agreement, unless the Rating Agencies confirm that its then current rating of the Class A Notes will not be adversely affected as a result of the relevant rating levels falling below the minimum credit rating as determined to be applicable by such Rating Agency from time to time (or the reason for this having occurred) within 15 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such downgrade. If such confirmation is given by a Rating Agency, for this purpose only, reference to "minimum credit rating" in respect of such Rating Agency shall be deemed to be instead the relevant credit rating assigned by a Rating Agency at the time of such confirmation, but the original rating shall be reinstated if the relevant rating levels are subsequently upgraded to the original level.

Pursuant to the Cash Management and Issuer Account Bank Agreement, the Issuer Account Bank has agreed to pay interest on the moneys standing to the credit of the Issuer Accounts at specified rates determined in accordance with the Cash Management and Issuer Account Bank Agreement (which, for the avoidance of doubt, might be negative, in which case such interest shall be paid by the Issuer to the Issuer Account Bank).

The initial Issuer Account Bank is ING-DiBa. See section "*THE SELLER AND SERVICER*".

Ledgers

In the Cash Management and Issuer Account Bank Agreement, the Cash Manager agrees to manage and maintain the following ledgers as a sub-ledger of the Issuer Collection Account for and on behalf of the Issuer.

Credits to ledgers

The following amounts shall be credited/debited to the following ledger upon deposit of the same into the Issuer Collection Account:

(i) the Income Ledger:

(a) all Revenue Funds;

(b) all amounts of interest paid on the Issuer Collection Account (which, for the avoidance of doubt, might be negative);

(c) all amounts received by the Issuer under the Swap Agreement (other than amounts standing to the credit of any Swap Collateral Account and amounts standing to the credit of the Swap Replacement Ledger); and

(d) all amounts not required to be credited to any other ledger;

(ii) the Redemption Ledger:

(a) all Principal Funds; and

(b) all amounts credited to the Principal Deficiency Ledger under the Revenue Priority of Payments;

(iii) the Swap Replacement Ledger:

(a) premiums received from any replacement Swap Counterparty upon entry by the Issuer into a replacement Swap Agreement; and

(b) termination payments received from the Swap Counterparty in respect of the termination of the Swap Agreement; and

(iv) the Purchase Shortfall Ledger, the Monthly Principal Funds exceeding the aggregate Purchase Price payable by the Issuer to the Seller for the Substitute Mortgage Receivables and Further Advances purchased on such Transfer Date.

Debits to ledgers

The Issuer (or the Cash Manager on its behalf) will not debit any amounts to any ledger, except (x) following the delivery of an Enforcement Notice by the Security Trustee, in accordance with the Post-Enforcement Priority of Payments and (y) as long as no Enforcement Notice has been delivered by the Security Trustee, as follows:

(i) the Income Ledger: in accordance with the Revenue Priority of Payments;

(ii) the Redemption Ledger: on each Transfer Date for the purchase of Substitute Mortgage Receivables and Further Advances and on each Note Payment Date in accordance with the Principal Priority of Payments;

(iii) the Swap Replacement Ledger:

(a) to pay any termination amount due to the Swap Counterparty in respect of a termination of the Swap Agreement;

(b) to pay any premium due to a replacement swap counterparty upon entry into a replacement swap agreement; and

(c) to the extent in excess of amounts owed to the Swap Counterparty in respect of (x) a termination of the Swap Agreement or (y) any premium payable to a replacement swap counterparty upon entry into a replacement swap agreement, for credit to the Income Ledger; and

(iv) the Purchase Shortfall Ledger: on each Transfer Date for payment of the Purchase Price in relation to Substitute Mortgage Receivables and Further Advances.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes are set out below. Appendix A to the Conditions sets out the "MASTER DEFINITIONS SCHEDULE" which is included in this Prospectus on pages 166 et seqq. (see "MASTER DEFINITIONS SCHEDULE") and Appendix B to the Conditions sets out the Security Trust Agreement (see "MATERIAL TERMS OF THE SECURITY TRUST AGREEMENT" on pages 83 et seqq.).

1. THE NOTES

(a) Principal Amounts, Definitions

German Lion RMBS S.A., acting for and on behalf of its Compartment 2021-1 is a securitisation company within the meaning of the Luxembourg law, incorporated as a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, has its registered office at 22-24, Boulevard Royal, L-2449 Luxembourg (Grand Duchy of Luxembourg) with register number B255.534 (the "**Issuer**") issues, on or about 26 November 2021 (the "**Closing Date**") the following classes of mortgage backed notes in bearer form (each a "**Class**") pursuant to these terms and conditions (the "**Conditions**"):

(i) EUR 8,235,000,000.00 Class A Mortgage Backed Floating Rate Notes due 20 November 2109 (the "**Class A Notes**"), divided into 82,350 notes, each having a principal amount of EUR 100,000; and

(ii) EUR 765,000,000.00 Class B Mortgage Backed Floating Rate Notes due 20 November 2109 (the "**Class B Notes**"), divided into 7,650 notes, each having a principal amount of EUR 100,000.

The Class A Notes and the Class B Notes are collectively referred to as the "**Notes**". The holders of the Notes are referred to as the "**Noteholders**". The holders of the Class A Notes are referred to as the "**Class A Noteholders**" and the holders of the Class B Notes are referred to as the "**Class B Noteholders**". Terms used but not defined in these Terms and Conditions have the same meaning as in Appendix A (*Master Definitions Schedule*) or in Appendix B (*Security Trust Agreement*) attached hereto.

Each of Appendices A, B, C and D forms an integral part hereof.

(b) Global Notes

Each Class of Notes will be initially represented by a temporary global bearer note (each, a "**Temporary Global Note**") without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in Condition 1(c) (*Exchange of Temporary Global Notes*) below, for permanent global bearer notes (each, a "**Permanent Global Note**") without interest coupons. Definitive Notes and interest coupons will not be issued. Each Temporary Global Note and each Permanent Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". The Global Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking S.A., Luxembourg ("**Clearstream Luxembourg**", and Euroclear and Clearstream Luxembourg each an "**ICSD**" and together the "**lCSDs**"). Copies of the Global Notes are available free of charge at the specified office of the Paying Agent, as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, in electronic form only.

"**Class of Notes**" means any of the Class A Notes or the Class B Notes, as applicable.

(c) Exchange of Temporary Global Notes

The Temporary Global Notes shall be exchanged for the Permanent Global Notes on a date (the "**Exchange Date**") not earlier than 40 days and not later than 180 days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants (each, a "**Euroclear Participant**" or a "**Clearstream Luxembourg Participant**") to Euroclear and Clearstream Luxembourg, as relevant, and by Euroclear or Clearstream Luxembourg, as relevant, to the Paying Agent, of certificates in the form which forms part of the Temporary Global Notes and are available

from the Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S.-person or are not U.S.-persons other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States, "**United States**" means, for the purposes of this Condition 1(c), the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any exchange of a Temporary Global Note pursuant to this Condition 1(c) shall be made free of charge to the Noteholders.

(d) **Execution**

Each Global Note shall be manually signed on behalf of the Issuer, authenticated by or on behalf of the Paying Agent and effectuated by the Common Safekeeper.

(e) **Records of the ICSDs**

The nominal amount of Notes represented by any of the Global Notes shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by the respective Global Note and, for these purposes, a statement issued by a ICSD stating the nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSDs at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the respective Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the respective Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid. On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

In the case of a partial redemption of the Notes represented by any of the Global Notes, such partial redemption may be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion.

(f) **Transfer**

The Noteholders shall be entitled to co-ownership participations in the respective Global Note. Transfer of any Note shall require appropriate entries in the relevant securities account.

(g) **Holder**

The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note is overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person will be liable for so treating such holder.

2. **STATUS**; **PRIORITY OF PAYMENTS AND SECURITY TRUSTEE COLLATERAL**

(a) **Status**

The Notes of each Class of Notes constitute direct, secured and unconditional limited recourse obligations of the Issuer and rank *pari passu* and *pro rata* without any preference or priority among Notes of the same Class of Notes.

(b) **Subordination**

In accordance with, and subject to, the provisions of Conditions 3 (*Interest*), 5 (*Redemption; Early Redemption*) and 6 (*Early Redemption for Default*) of the Terms and Conditions and the provisions of the Security Trust Agreement, (i) payments of principal on the Class B Notes are subordinated to, *inter alia*, payments of principal on the Class A Notes and (ii) payments of interest on the Class B Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes.

(c) **Revenue Priority of Payments**

On each Notes Payment Date, as long as no Enforcement Notice has been delivered by the Security Trustee, the Available Revenue Funds will be applied by or on behalf of the Issuer in making payment of, or provision for, the following amounts in the following order of priority, in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, on a *pari passu* and *pro rata* basis, any taxes, fees, expenses or other amounts or liabilities due and payable to any taxing authority having power and authority to tax the Issuer;

(ii) *second*, any fees, expenses or other amounts or liabilities which are due and payable to the Security Trustee on such Notes Payment Date or in the first following Notes Calculation Period;

(iii) *third*, on a *pari passu* and *pro rata* basis, any fees, expenses or other amounts or liabilities due and payable to any of (1) the Paying Agent, (2) the Servicer, (3) the Cash Manager, (4) the Issuer Account Bank, (5) the Corporate Services Provider, (6) the Data Trustee, (7) the any stock exchange on which the Class A Notes are listed, (8) the Issuer's auditors, legal counsel and tax advisers, (9) the Rating Agencies, (10) any independent accountant or independent calculation agent appointed under the Swap Agreement, (11) any custodian, and (12) any other creditor (other than the Swap Counterparty) from time to time of the Issuer which has been notified to the Cash Manager in accordance with the Cash Management and Issuer Account Bank Agreement, in each case on such Notes Payment Date or in the first following Notes Calculation Period, in which case such amounts shall be transferred to the Issuer Expense Account;

(iv) *fourth*, on a *pari passu* and *pro rata* basis, amounts due and payable to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts), and any amounts to be credited to the Issuer Stand-by Account pursuant to the Liquidity Facility Agreement into such account;

(v) *fifth*, to the extent not paid from amounts standing to the credit of the relevant Swap Collateral Account or debited from the Swap Replacement Ledger, any amounts due and payable to the Swap Counterparty other than Subordinated Swap Payments;

(vi) *sixth*, on a *pari passu* and *pro rata* basis, all interest due (or accrued due) and payable on the Class A Notes (including, for the avoidance of doubt, any Interest Shortfall);

(vii) *seventh*, the amount required to replenish any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to nil;

(viii) *eighth*, the amount required to replenish any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to nil;

(ix) *ninth*, on a *pari passu* and *pro rata* basis, all interest due (or accrued due) and payable on the Class B Notes (including, for the avoidance of doubt, any Interest Shortfall);

(x) *tenth*, on a *pari passu* and *pro rata* basis, any Liquidity Subordinated Amounts to the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement;

(xi) *eleventh*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account or debited from the Swap Replacement Ledger, Subordinated Swap Payments due and payable under the Swap Agreement;

(xii) *twelfth*, the Minimum Required Issuer Amount to the Issuer Expense Account or any amount to ensure that the Minimum Required Issuer Amount stands to the balance of the Issuer Expense Account on any Notes Payment Date; and

(xiii) *finally*, any Seller Bonification to the Seller.

provided that, outside of such order of priority and on any date the Issuer may

(xiv) retransfer any Swap Collateral posted under the Swap Agreement pursuant to the provisions thereof;

(xv) apply any funds credited to the Transfer Reserve Account towards discharging any costs arising in connection with the transfer of the Related Mortgages if and to the extent the Seller fails to pay such costs and expenses pursuant to its obligation under Clause 13.6 of the Mortgage Receivables Purchaser Agreement;

(xvi) re-transfer any amount standing to the credit of the Transfer Reserve Account to the Seller in accordance with Clause 20.1 of the Security Trust Agreement;

(xvii) use any funds credited to the Issuer Stand-by Account to pay any amounts payable under the Liquidity Facility Agreement to the Liquidity Facility Provider in respect of the repayment of a Stand-by Advance made thereunder (together with accrued interest thereon);

(xviii) retransfer the Set-Off Risk Reserve Required Amount or any part thereof required to be repaid to the Seller in accordance with Clause 20.3 of the Security Trust Agreement; and

(xix) retransfer the Commingling Risk Reserve Required Amount or any part thereof required to be repaid to the Seller in accordance with Clause 20.4 of the Security Trust Agreement,

provided further that the Issuer may pay any interest accrued on amounts standing to the credit of the Set-Off Risk Reserve Account, the Transfer Reserve Account, the Commingling Risk Reserve Account, the Issuer Stand-by Account and the Swap Collateral Account to the Seller.

Reference in this Condition 2(c) to amounts due and payable shall refer to amounts which would become due and payable but for the operation of Condition 12 (*Limited Recourse*) below and the corresponding provisions of the Transaction Documents.

The aggregate of the items set out below calculated as at each Notes Calculation Date, comprise the "**Available Revenue Funds**":

(a) the amount of Revenue Funds received by the Issuer in respect of the three Mortgage Calculation Periods preceding the Mortgage Calculation Period in which such Notes Calculation Date falls;

(b) all amounts of interest received by the Issuer on the Issuer Accounts in the preceding Notes Calculation Period (which, for the avoidance of doubt, may be negative);

(c) any drawings under the Liquidity Facility Agreement (including any loan advance drawn from the Issuer Stand-by Account);

(d) all amounts received by the Issuer under the Swap Agreement on or in respect of the relevant Notes Payment Date other than any amounts standing to the credit of any Swap Collateral Account;

(e) amounts standing to the credit of the Set-Off Risk Reserve Account corresponding to the interest component of the Set-Off Risk Reserve Required Amount if and to the extent a

Borrower has exercised its set-off right and the Seller has failed to make a corresponding indemnity payment under the Mortgage Receivables Purchase Agreement;

(f) amounts standing to the credit of the Commingling Risk Reserve Account corresponding to the interest component of the Commingling Required Reserve Amount owed by a Borrower and the Servicer has failed to make a corresponding collection payment under Clause 6.2 of the Servicing Agreement;

(g) any other amounts (other than covered by item (a) through (f) above) (if any) paid to the Issuer by any other party to any Transaction Document up to (and including) the Note Payment Date immediately following such Determination Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Revenue Funds and which is standing to the credit of the Income Ledger; and

(h) any amounts to be transferred pursuant to item first of the Principal Priority of Payments on the relevant Notes Payment Date.

(d) **Principal Priority of Payments**

On each Notes Payment Date, as long as no Enforcement Notice has been delivered by the Security Trustee, the Available Principal Funds or during the Replenishment Period and if a Purchase Shortfall Event has occurred, any amounts in excess of 10 per cent. of the initial aggregate Note Principal Amount of all Notes and standing to the credit of the Purchase Shortfall Ledger will be applied by or on behalf of the Issuer in making payment of, or provision for, the following amounts in the following order of priority, in each case only if and to the extent that payments or provisions of a higher priority have been made in full (the "**Principal Priority of Payments**"):

(i) *first*, to pay any amounts due under items *first* through *sixth* under the Revenue Priority of Payments, but only to the extent such items are not paid in full after the application on such Notes Payment Date of the Available Revenue Funds in accordance with the Revenue Priority of Payments;

(ii) *second*, in or towards, on a *pari passu* and *pro rata* basis, satisfaction of principal amounts due and payable on the Class A Notes, until fully redeemed in accordance with the Conditions; and

(iii) *third*, in or towards, on a *pari passu* and *pro rata* basis, satisfaction of principal amounts due and payable on the Class B Notes, until fully redeemed in accordance with the Conditions.

The aggregate of the items set out below (without double counting) calculated as at each Notes Calculation Date, comprise the "**Available Principal Funds**":

(iv) the sum of:

A. the amount of Principal Funds received by the Issuer in respect of the three Mortgage Calculation Periods preceding the Mortgage Calculation Period in which such Notes Calculation Date falls;

B. all amounts to be credited to any sub-ledger of the Principal Deficiency Ledger under the Revenue Priority of Payments on the following Notes Payment Date;

C. any other amount standing to the credit of the Redemption Ledger;

D. any amounts standing to the credit of the Purchase Shortfall Ledger; and

E. any principal related amounts in respect of a set-off by a Borrower that are paid by the Seller to the Issuer under the Mortgage Receivables Purchase Agreement, the Set-Off Risk Reserve Required Amount transferred from the Set-Off Risk Reserve Account to the Issuer Collection Account and any principal related amount in respect of a payment owed by a Borrower that should be paid by the Servicer to the Issuer pursuant to Clause 6.2 of the Servicing Agreement, the

Commingling Risk Reserve Required Amount transferred from the Commingling Risk Reserve Account to the Issuer Collection Account;

(v) less the aggregate Monthly Principal Funds used to purchase Substitute Mortgage Receivables and Further Advance Receivables on the two monthly Transfer Dates preceding the Notes Calculation Date as well as on the Transfer Date which falls on the relevant Notes Payment Date,

provided that, any amounts received as Swap Collateral shall not constitute Available Principal Funds.

(e) **Trustee Collateral**

The security for the obligations of the Issuer towards the Noteholders, the Paying Agent, the Security Trustee, the Data Trustee, the Issuer Account Bank, the Servicer, the Seller, the Liquidity Facility Provider, the Corporate Services Provider, the Arranger, the Swap Counterparty, the Cash Manager, the Arranger and the Lead Manager (the "**Secured Creditors**") shall be created pursuant to, and on the terms set out in the Security Trust Agreement and the English Security Deed and shall include security over:

(i) all rights in, to and under the Securitised Mortgage Receivables assigned (*abtreten*) to the Issuer under, and in accordance with, the Mortgage Receivables Purchase Agreement by way of assignment (*Abtretung*);

(ii) all present and future, contingent and unconditional rights and claims of the Issuer against the Seller under the Mortgage Receivables Purchase Agreement (other than the rights in, to and under the Securitised Mortgage Receivables), including, without limitation of the foregoing the Transfer Claims together with any separate right of the Issuer pursuant to Section 22j (1) of the German Banking Act (*Kreditwesengesetz*, the "**KWG**") pertaining thereto which can be subject to a pledge (*Pfandrecht*) by way of pledge (*Pfandrecht*);

(iii) all present and future, actual and contingent claims and rights the Issuer may have under the Servicing Agreement, the Liquidity Facility Agreement, the Paying Agency Agreement, the Cash Management and Issuer Account Bank Agreement, the Data Trust Agreement, the Swap Agreement and the Notes Purchase Agreement by way of pledge (*Pfandrecht*);

(iv) all present and future, actual and contingent claims and rights in relation to the Issuer Accounts and any amounts standing to the credit of the Issuer Accounts (including, but not limited to, the claim for the repayment of the amounts standing to the credit of each such account) by way of pledge; and

(v) all present and future, contingent and unconditional rights and claims of the Issuer against the Security Trustee arising under the Security Trust Agreement by way of pledge (*Pfandrecht*),

Pursuant to the Security Trust Agreement, the Trustee shall hold the Trustee Collateral on trust (*treuhänderisch*) for the benefit of itself and the other Secured Creditors.

(f) **Security Trust Agreement**

The Notes are subject to, and have the benefit of, the Security Trust Agreement. As long as any Notes are outstanding, the Issuer shall ensure that at all times a security trustee is appointed who meets the requirements of, and has undertaken substantially the same functions and obligations as, the Trustee pursuant to the Security Trust Agreement. The Notes will be secured (indirectly) by the Trustee Collateral. The Class A Notes shall rank in priority to the Class B.

The Trustee shall perform such functions, exercise such right and fulfil such obligations as are specified in the Security Trust Agreement. The Security Trust Agreement contains provisions requiring the Trustee to have regard solely to the interests of the Noteholders and not the other Secured Creditors (except where expressly provided otherwise) in the event of any conflict of interest between the Noteholders and any other Secured Creditor. In the event of a conflict between

the interests of the Noteholders, the Trustee shall be required to have regard only to the interests of the Class A Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders on the one hand and the Class B Noteholders on the other hand and, if no Class A Notes are outstanding, to have regard only to the interests of the Class B Noteholders. In addition, in the event of a conflict between the interests of the Secured Creditors (other than the Noteholders), the Trustee shall give priority to the interests of the Secured Creditor ranking senior pursuant to the Post-Enforcement Priority of Payments.

(g) **The Issuer Accounts**

Prior to the Closing Date, the Issuer shall establish the Issuer Collection Account and the Issuer Expense Account with the Account Bank. The Issuer Account Bank will maintain the Swap Collateral Account, the Transfer Reserve Account, the Commingling Risk Reserve Account, the Issuer Stand-by Account and the Set-Off Risk Reserve Account upon notice by the Issuer (or the Cash Manager on its behalf) that any amount is to be transferred to the relevant account in accordance with the terms of the Transaction Documents.

(h) **Payments to and from the Issuer Accounts**

(i) The Issuer will procure that any Available Revenue Funds and any Available Principal Funds are paid into the Issuer Collection Account. On each Notes Payment Date, the Issuer will procure that all amounts standing to the credit of the Issuer Collection Account (including for the avoidance of doubt any net amounts under the Swap Agreement paid by the Swap Counterparty to the Issuer with respect to such Notes Payment Date) be disbursed in accordance with the relevant Priority of Payments and will ensure that no other amount is paid out of the Issuer Collection Account. Any Monthly Principal Funds will be used to purchase Further Advances and Eligible Substitute Mortgage Receivables on each Transfer Date during the Replenishment Period.

(ii) In the case that the Seller is required to pay the Set-Off Risk Reserve Required Amount to the Issuer, the Issuer will procure that such amount, and any further amounts required to maintain the Set-Off Risk Reserve Required Amount at the required level, are paid directly by the Seller into the Set-Off Risk Reserve Account. The Issuer will procure that any amounts standing to the credit of the Set-Off Risk Reserve Account are paid (A) to the extent that they are required to be applied in satisfaction of the Seller's payment obligations under Clause 13.5 of the Mortgage Receivables Purchase Agreement, to the Issuer Collection Account and (B) to the extent they are required to be repaid to the Seller in accordance with the Mortgage Receivables Purchase Agreement, to the Seller not being subject to the relevant Priority of Payments.

(iii) The Issuer will procure that any Swap Collateral to be paid to the Issuer is paid directly into the Swap Collateral Account. The Issuer will procure the re-transfer of any Swap Collateral posted under the Swap Agreement pursuant to the terms and conditions thereof out of the Swap Collateral Account and the Swap Collateral shall not be subject to the relevant Priority of Payments.

(iv) The Issuer will procure that any interest accrued on amounts standing to the credit of the Set-Off Risk Reserve Account, the Commingling Risk Reserve Account and the Transfer Reserve Account are paid to the Seller.

(v) In the case that the Servicer is required to pay the Commingling Risk Reserve Required Amount to the Issuer, the Issuer will procure that such amount, and any further amounts required to maintain the Commingling Risk Reserve Required Amount at the required level, are paid directly by the Seller into the Commingling Risk Reserve Account. The Issuer will procure that any amounts standing to the credit of the Commingling Risk Reserve Account are paid (A) to the extent that they are required to be applied in satisfaction of the Seller's payment obligations under Clause 6.2 of the Servicing Agreement, to the Issuer Collection Account and (B) to the extent they are required to be repaid to the Seller in accordance with the Servicing Agreement, to the Seller not being subject to the relevant Priority of Payments.

3. **INTEREST**

(a) **Accrual of Interest**

Each Class of Notes bears interest on its Notional Principal Amount Outstanding.

Each Class of Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the principal is improperly withheld or refused, in which case, it will continue to bear interest in accordance with this Condition 3 until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and

(ii) the day which is seven calendar days after the Paying Agent or the Security Trustee has notified the Noteholders of such class that it has received all sums due in respect of the Notes of such class up to such seventh calendar day (except to the extent that there is any subsequent default in payment).

(b) **Interest Rate**

Interest on each Class of Notes for each Notes Calculation Period (other than the first Notes Calculation Period immediately following the Closing Date) will accrue at a rate equal to the sum of the Euro Interbank Offered Rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) ("**Euribor**") for three months deposits in euro plus the Relevant Margin. If the method for determining the rate of interest applicable to each Class of Notes would result in a negative figure, the applicable rate of interest will be deemed to be zero. The interest on the Class A Notes for the first Notes Calculation Period immediately following the Closing Date will accrue at a rate equal to 0.0170 per cent. *per annum*. The interest on the Class B Notes for the first Notes Calculation Period immediately following the Closing Date will at a rate equal to 2.9170 per cent. *per annum*.

"**Interest Rate**" means the rate of interest calculated in accordance with this Condition 3(b) (*Interest Rate*).

For the purpose of Condition 3(b) (*Interest Rate*), Euribor will be determined as follows:

Subject to paragraph (c) below, the Cash Manager will, on each date falling two Notes Business Days prior to a Notes Payment Date (the "**EURIBOR Determination Date**"), determine Euribor for the next following Notes Calculation Period, by reference to:

(a) the Screen Rate on such date;

(b) or if, on such date, the Screen Rate is unavailable, **provided that** no Benchmark Rate Modification in accordance with the terms of the Security Trust Agreement has occurred:

(i) the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards) of the offered quotations, as at or about 11:00 a.m. (Amsterdam time) on that date, of the Reference Banks to leading banks for euro deposits for the length in months of the related Notes Calculation Period in the Amsterdam interbank market in an amount that is representative for a single transaction in the relevant market at the relevant time, determined by the Paying Agent after request of the principal Amsterdam office of each of the Reference Banks; or

(ii) if, on such date, two or three only of the Reference Banks provide such quotations the rate determined in accordance with paragraph (i) above on the basis of the quotations of those Reference Banks providing such quotations; or

(iii) if, on such date, one only or none of the Reference Banks provide such a quotation,

(A) the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards) of the rates

quoted, as at or about 11:00 a.m. (local time in Amsterdam) on the date falling two Notes Business Days falling prior to the relevant Notes Payment Date, by leading banks in any EU Member State, to leading banks in the interbank market in the relevant EU Member State, for euro loans for the length in months of the related Notes Calculation Period in an amount that is representative for a single transaction in the relevant market at the relevant time, determined by the Paying Agent after request of the principal office in the principal financial centre of the relevant EU Member State of each such leading bank; or

(B) if the Cash Manager certifies that it cannot determine such arithmetic mean as aforesaid, the Reference Rate in effect for the Notes Calculation Period current on the date falling two Notes Business Days prior to a Notes Payment Date; or

(c) or if, on such date, the Screen Rate is unavailable and a Benchmark Rate Modification in accordance with the terms of the Security Trust Agreement has occurred, the Alternative Benchmark Rate on such date as determined in accordance with the terms of the Security Trust Agreement. If this paragraph (c) applies and the Alternative Benchmark Rate is to be determined in accordance with clause 17.4(ii) to (viii) (*Benchmark Rate Modification*) of the Security Trust Agreement, the Calculation Agent will, on each date falling two Notes Business Days prior to a Notes Payment Date, determine the Alternative Benchmark Rate for the Notes Calculation Period ending on such Notes Payment Date.

(c) **Day Count Fraction**

Whenever it is necessary to compute an amount of interest in respect of any Note for a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in such period divided by 360.

(d) **Calculation of Note Interest Amount**

Upon or as soon as practicable after each Notes Calculation Date, the Issuer shall calculate (or shall cause the Paying Agent to calculate) the Note Interest Amount (including any Interest Shortfall) payable on each Note for the related Notes Calculation Period.

(e) **Interest Payments**

Interest on each Class of Note is payable in Euro in arrears on each Notes Payment Date commencing on the first Notes Payment Date following the Closing Date, in an amount equal to the Note Interest Amount in respect of such Note for the Notes Calculation Period ending on the day immediately preceding such Notes Payment Date.

(f) **Interest Shortfall**

Accrued interest not paid on any Notes Payment Date related to the Interest Period in which it accrued, including but not limited to any accrued interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Period immediate prior to the Notes Payment Date, shall be an "**Interest Shortfall**" with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Notes Payment Date and on any following Notes Payment Date (subject to Condition 12 (*Limited Recourse*)) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time. For the avoidance of doubt, in respect of the most senior Class of Notes a default in the payment of interest on any Notes Payment

Date (where such default is not remedied within seven (7) Notes Business Days of its occurrence) will constitute an Event of Default.

(g) **Notification**

As soon as practicable after each date falling two Notes Business Days prior to the Notes Payment Date, the Paying Agent will cause:

- subject to the following paragraph, the Interest Rate for the related Notes Calculation Period;
- the Note Interest Amount payable in respect of each Class of Note for the related Notes Calculation Period; and
- the Notes Payment Date first following the related Notes Calculation Period,

to be notified to the Issuer, the Cash Manager, the Security Trustee and, for so long as the Class A Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

If Condition 3(b)(c) (*Interest Rate*) applies and the Alternative Benchmark Rate is to be determined in accordance with clause 17.4(ii) to (viii) (*Benchmark Rate Modification*) of the Security Trust Agreement, notwithstanding the preceding paragraph, as soon as practicable after each date falling two Notes Business Days prior to a Notes Payment Date, the Paying Agent will cause the Interest Rate for the Notes Calculation Period ending on such Notes Payment Date to be notified to the Issuer, the Cash Manager, the Security Trustee and, for so long as the Class A Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

(h) **Publication**

As soon as practicable after receiving each notification of the Interest Rate, the Note Interest Amount and the Notes Payment Date in accordance with Condition 3(g) (*Notification*) the Issuer will cause such Interest Rate, Note Interest Amount for a Note of each Class of Notes and the first following Notes Payment Date to be published in accordance with Condition 10 (*Notices*). The Issuer shall not be obliged to publish the Note Interest Amount but instead may publish only the Calculation Amount and the Note Interest Amount in relation to a Note having a denomination of EUR 100,000.

(i) **Amendments to Publications**

The Interest Rate, the Note Interest Amount for each Class of Notes and the Notes Payment Date so published/notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Notes Calculation Period.

(j) **Determination or Calculation by Security Trustee**

If the Cash Manager does not at any time for any reason determine the Interest Rate or the Note Interest Amount in accordance with this Condition, the Security Trustee may (but without any liability accruing to the Security Trustee as a result):

- determine the Interest Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Condition), it shall deem fair and reasonable in all the circumstances; and/or
- calculate the Note Interest Amount for each Class of Note in the manner specified in this Condition,

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

4. **PAYMENT**

(a) **General**

Payments of principal and interest in respect of the Notes shall be made by wire transfer of the same day funds to, or to the order of, Euroclear and Clearstream Luxembourg, as relevant, for credit to the accounts held by the relevant Euroclear Participants and Clearstream Luxembourg Participants for subsequent transfer to the Noteholders.

(b) **Payments of Interest on Temporary Global Notes**

Payments of interest on the Notes represented by a Temporary Global Note will be made only after delivery by the relevant Euroclear Participants and Clearstream Luxembourg Participants to Euroclear and Clearstream Luxembourg, as relevant, of the certifications described in Condition 1(c) (*Exchange of Temporary Global Notes*) above.

(c) **Discharge**

All payments made by the Paying Agent on behalf of the Issuer to, or to the order of Euroclear and Clearstream Luxembourg shall discharge the liability of the Issuer under the Notes to the extents of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 1(c) (*Exchange of Temporary Global Notes*) of the Conditions shall not affect the discharge referred to in the preceding sentence.

(d) **Payment Notes Business Days**

If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note (for the purposes of this Condition a "local business day"), the holder thereof shall not be entitled to payment until the next following such day, or to any interest or other payment in respect of such delay, **provided that** in the case of payment by transfer to a euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the local business day immediately following the day on which banks are open for business. The name of the Paying Agent and the address of its office are set out below.

5. **REDEMPTION**; **EARLY REDEMPTION**

(a) **Final Redemption**

Unless each of the Notes have been previously redeemed or purchased or cancelled as provided in this Condition, the Issuer shall redeem each of the Notes at their Notional Principal Amount Outstanding on the Final Maturity Date subject to the limitations set forth in Condition 12 (*Limited Recourse*).

(b) **Mandatory Redemption in part**

On each Notes Payment Date and **provided that** no Enforcement Notice has been delivered by the Security Trustee:

(i) during the Replenishment Period and if a Purchase Shortfall Event has occurred, any amounts in excess of 10 per cent. of the initial aggregate Note Principal Amount of all Notes and standing to the credit of the Purchase Shortfall Ledger; and

(ii) following the Replenishment Period End Date, any Available Principal Funds

shall be used by the Issuer to redeem each Class of Notes subject to the Principal Priority of Payments pursuant to Condition 2(d) (*Principal Priority of Payments*).

(c) **Calculation of Note Principal Payment, Principal Amount Outstanding and Notional Principal Amount Outstanding**

On (or as soon as practicable after) each Notes Calculation Date, the Issuer shall calculate (or cause the Cash Manager to calculate):

(i) the aggregate of any Note Principal Payment due in relation to each Class on the Notes Payment Date immediately succeeding such Notes Calculation Date; and

(ii) the Principal Amount Outstanding and the Notional Principal Amount Outstanding of each Note in each Class on the Notes Payment Date immediately succeeding such Notes Calculation Date (after deducting any Note Principal Payment due to be made on that Notes Payment Date in relation to such Note).

(d) **Calculations final and binding**

Each calculation by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding and the Notional Principal Amount Outstanding of a Note of each Class of Notes shall in each case (in the absence of any wilful default, fraud, illegal dealing or material breach of any agreement or by not following the standard of care of a prudent merchant (*mit der Sorgfalt eines ordentlichen Kaufmanns*)) be final and binding on all persons.

(e) **Security Trustee to determine amounts in case of Event of Default**

If the Issuer does not at any time for any reason calculate (or cause the Cash Manager to calculate) any Note Principal Payment, Principal Amount Outstanding or Notional Principal Amount Outstanding in relation to any Note in accordance with this Condition, such amounts may be calculated by the Security Trustee (without any liability accruing to the Security Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer or the Cash Manager) and each such calculation shall be deemed to have been made by the Issuer.

(f) **Redemption – Clean-Up Call Option**

The Issuer must redeem all (but not some only) of the Notes at their Principal Amount Outstanding on the first Notes Payment Date falling after the Notes Payment Date on which the Seller exercises the Clean-Up Call Option. If however the date on which the Seller exercises the Clean-Up Call Option falls less than 30 calendar days prior to the immediately following Notes Payment Date, the Issuer shall redeem all (but not some only) the Notes at their Principal Amount Outstanding and pay, in accordance with the Conditions, any accrued but unpaid amounts of interest on the Class A Notes on the second Notes Payment Date following the date on which the Seller exercises the Clean-Up Call Option.

The Issuer shall give not more than 60 nor less than 14 calendar days' notice to the Security Trustee and the Noteholders in accordance with Condition 10 (*Notices*) of its intention to redeem all (but not some only) of the Notes in each Class of Notes.

(g) **Optional Redemption – Prepayment Call**

The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding on any Notes Payment Date that is an Optional Redemption Date, **provided that** prior to giving any notice as referred to below, the Issuer shall have provided to the Security Trustee a certificate signed by the director of the Issuer to the effect that it expects to have the funds on the relevant Notes Payment Date required to redeem all (but not some only) of the Notes pursuant to this Condition at their Principal Amount Outstanding and pay, in accordance with the Conditions, any accrued but unpaid amounts of interest on the Class A Notes and to meet its payment obligations of a higher priority under each of the items (i) to (iv) (inclusive) of the Revenue Priority of Payments.

The Issuer shall give not more than 60 nor less than 14 calendar days' notice to the Security Trustee and the Noteholders in accordance with Condition 10 (*Notices*) of its intention to redeem all (but not some only) of the Notes in each Class of Notes on the relevant Optional Redemption Date.

(h) **Optional Redemption – Tax Call**

On any Notes Payment Date, the Issuer may redeem all (but not some only) of the Notes in each Class of Notes at their Principal Amount Outstanding and pay, in accordance with the Conditions, any accrued but unpaid amounts of interest on the Class A Notes on the Notes Payment Date:

(i) after the date on which the Issuer is to make any payment in respect of the Notes and the Issuer would be required to make any deduction or withholding on account of Tax in respect of such payment;

(ii) after the date on which the Issuer would, by virtue of a change in the tax law of Germany or Luxembourg (or the application or official interpretation of such Tax law), not be entitled to Tax relief for any material amount which it is obliged to pay under the Transaction Documents; or

(iii) after the date of a change in the tax law of Germany or Luxembourg (or the application or official interpretation of such tax law) which would cause the total amount payable in respect of interest in relation to the Mortgage Receivables to cease to be receivable by the Issuer, including as a result of any Borrower being obliged to make any deduction or withholding on account of tax in respect of any payment in relation to the relevant Mortgage Receivables,

subject to the following:

(i) that the Issuer has given not more than 60 nor less than 30 calendar days' notice to the Security Trustee and the Noteholders in accordance with Condition 10 (*Notices*) of its intention to redeem all (but not some only) of the Notes in each Class of Notes; and

(ii) that prior to giving any such notice, the Issuer has provided to the Security Trustee (a) a legal opinion (in form and substance satisfactory to the Security Trustee) from a firm of lawyers in Germany or, as applicable, Luxembourg of international repute (approved in writing by the Security Trustee), opining on the relevant change in tax law, (b) a certificate signed by the Issuer to the effect that the obligation to make any deduction or withholding on account of Tax cannot be avoided and (c) a certificate signed by the Issuer to the effect that the Issuer expects to have the funds on the Notes Payment Date required to redeem the Notes pursuant to this Condition at their Principal Amount Outstanding and pay, in accordance with the Conditions, any accrued but unpaid amounts of interest on the Class A Notes and to meet its payment obligations of a higher priority under each of the items (i) to (iv) (inclusive) of the Revenue Priority of Payments and under each of the items (i) and (ii) (inclusive) of the Principal Priority of Payments.

(i) **Conclusiveness of certificates and legal opinions**

Any certificate and legal opinion given by or on behalf of the Issuer pursuant to Condition 5(f) (*Redemption – Clean-Up Call Option*), Condition 5(g) (*Optional Redemption – Prepayment Call*) and Condition 5(h) (*Optional Redemption – Tax Call*) may be relied on by the Security Trustee without further investigation and shall (in the absence of any wilful default, fraud, illegal dealing or material breach of any agreement or by not following the standard of care of a prudent merchant (*mit der Sorgfalt eines ordentlichen Kaufmanns*)) be conclusive and binding on the Noteholders and on the other Secured Creditors.

(j) **Notice of Calculation**

The Issuer will cause each calculation of a Note Principal Payment, Principal Amount Outstanding and Notional Principal Amount Outstanding in relation to each Class of Notes to be notified immediately after calculation to the Security Trustee, the Paying Agent and, for so long as the Class A Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will immediately cause details of each calculation of a Note Principal Payment, Principal Amount Outstanding and Notional Principal Amount Outstanding in relation to each Class of Notes to be published in accordance with Condition 10 (*Notices*) by not later than three Notes Business Days prior to each Notes Payment Date.

(k) **Notice of no Note Principal Payment**

If no Note Principal Payment is due to be made on the Notes in relation to any Class of Notes on any Notes Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 10 (*Notices*) by not later than three Notes Business Days prior to such Notes Payment Date.

(l) **Notice irrevocable**

Any such notice as is referred to in Condition 5(f) (*Redemption – Clean-Up Call Option*), Condition 5(g) (*Optional Redemption – Prepayment Call*) and Condition 5(h) (*Optional Redemption – Tax Call*) or Condition 5(j) (*Notice of Calculation*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding in accordance with the relevant Conditions if effected pursuant to Condition 5(f) (*Redemption – Clean-Up Call Option*), Condition 5(g) (*Optional Redemption – Prepayment Call*) or Condition 5(h) (*Optional Redemption – Tax Call*) and in an amount equal to the Note Principal Payment in respect of the Notes calculated as at the related Notes Calculation Date if effected pursuant to Condition 5(b) (*Mandatory Redemption in part*).

(m) **Cancellation of redeemed Notes**

All Notes redeemed in full will be cancelled forthwith and may not be reissued and the Noteholders shall not receive any further payments of interest or principal in respect of such Notes.

6. **EARLY REDEMPTION FOR DEFAULT**

(a) **Events of Default**

The occurrence of any of the following events shall constitute an "**Event of Default**":

(i) the Issuer fails to pay any amount of principal or interest in respect of the Class A Notes within 7 or 14 calendar days, respectively, of the due date for such payment, where principal claims under the Class A Notes shall be determined and become due and payable as if Condition 12 (*Limited Recourse*) would not apply;

(ii) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction Documents and, in each such case (except where the Trustee certifies that, in its opinion, such failure is incapable of remedy when no notice will be required) such failure is continuing for a period of thirty (30) calendar days following the service by the Trustee on the Issuer of a notice requiring the same to be remedied;

(iii) the Issuer becomes subject to bankruptcy, examinership, insolvency, moratorium or similar proceedings, which affect or prejudice the performance of obligations under the Notes, or there is a refusal to institute such proceedings for lack of assets;

(iv) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which the Issuer is a party.

(b) **Early Redemption for Default**

(i) If an Event of Default pursuant to Condition 6(a)(iii) occurs, the Notes will become due and payable, at their then current Principal Amount Outstanding plus accrued interest in accordance with the relevant Priority of Payments, automatically and without any further action.

(ii) If any Event of Default other than pursuant to Condition 6(a)(iii) occurs and is continuing, than the Security Trustee at the written direction of the noteholders of at least 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes in accordance with the provisions of the Security Trust Agreement shall declare (subject to the Security Trustee being indemnified or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs,

charges and expenses which may be incurred by the Security Trustee in connection therewith) by written notice to the Issuer, to the Paying Agent and in accordance with Condition 10 (*Notices*) of the Conditions, to the Noteholders (such notice hereinafter referred to as "**Enforcement Notice**") all of the Notes (but not some only) due and payable at their then current Principal Amount Outstanding plus accrued interest in accordance with the relevant Priority of Payments, **provided that** the Event of Default has not been cured before the right is exercised.

(iii) Upon any declaration being made by the Security Trustee in accordance with Condition 6(b)(ii) above that the Notes are due and payable each Note shall thereby immediately become due and payable at its Principal Amount Outstanding together with accrued interest as provided in the Security Trust Agreement subject to the Post-Enforcement Priority of Payments.

(c) **Post-Enforcement Priority of Payments**

Available Revenue Funds and Available Principal Funds and any amounts standing to the credit of the Issuer Accounts and all monies received or recovered by the Security Trustee or any other Secured Creditor from the Issuer's assets subject to the Security or the Issuer (other than amounts standing to the credit of any Swap Collateral Account) will on each Notes Payment Date be applied by or on behalf of the Issuer following the date on which an Enforcement Notice is delivered by the Security Trustee in making payment of, or provision for, the following amounts in the following order of priority (the "**Post-Enforcement Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, on a *pari passu* and *pro rata* basis, any taxes, fees, expenses or other amounts or liabilities due and payable to any taxing authority having power and authority to tax the Issuer;

(ii) *second*, any fees, expenses or other amounts or liabilities which are due and payable to the Security Trustee on such date;

(iii) *third* on a *pari passu* and *pro rata* basis, any fees, expenses or other amounts or liabilities which are due and payable to any of (1) the Paying Agent, (2) the Servicer, (3) the Cash Manager, (4) the Issuer Account Bank, (5) the Corporate Service Provider, (6) the Data Trustee, (7) any stock exchange on which the Class A Notes are listed, (8) the Issuer's auditors, legal counsel and tax advisers, (9) the Rating Agencies, (10) any independent accountant or independent calculation agent appointed under the Swap Agreement, (11) any custodian and (12) any other creditor (other than the Swap Counterparty) from time to time of the Issuer which has been notified to the Cash Manager in accordance with the Cash Management and Issuer Account Bank Agreement, on such date and which are secured by the Security;

(iv) *fourth*, on a *pari passu* and *pro rata* basis, amounts due and payable to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts), and any amounts to be credited to the Issuer Stand-by Account pursuant to the Liquidity Facility Agreement into such account;

(v) *fifth*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account, any amounts due and payable to the Swap Counterparty other than Subordinated Swap Payments;

(vi) *sixth*, on a *pari passu* and *pro rata* basis according to the amounts payable, all principal and interest then due (or accrued and due) and payable on the Class A Notes (including, for the avoidance of doubt, any Interest Shortfall);

(vii) *seventh*, on a *pari passu* and *pro rata* basis according to the amounts payable, all principal and interest then due (or accrued and due) and payable on the Class B Notes (including, for the avoidance of doubt, any Interest Shortfall);

(viii) *eigth*, on a *pari passu* and *pro rata* basis, any Liquidity *Subordinated* Amounts to the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement;

(ix) *ninth*, to the extent not paid from amounts standing to the credit of any Swap Collateral Account, Subordinated Swap Payments due and payable under the Swap Agreement; and

(x) *finally*, any Seller Bonification to the Seller.

7. **TAXATION**

(a) **Payments free of Tax**

All payments of interest and principal in respect of the Notes shall be made free of Tax unless the Issuer, the Security Trustee or the Paying Agent (as the case may be) are required by law to make any deduction or withholding on account of Tax. In that event, the Issuer, the Security Trustee or the Paying Agent (as the case may be) shall make such payments after such deduction or withholding on account of Tax and shall account to the relevant authorities for the amount so deducted.

(b) **No payment of additional amounts**

Neither the Issuer, the Security Trustee nor the Paying Agent will be obliged to pay any additional amounts to the Noteholders as a result of any deduction or withholding on account of Tax. Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments without FATCA Withholding.

(c) **Taxing Jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than Luxembourg, for this purpose only references in these Conditions to Luxembourg shall be construed as references to Luxembourg and/or such other taxing jurisdiction.

(d) **Tax deduction not Event of Default**

Notwithstanding that the Issuer, the Security Trustee or the Paying Agent is required to make any deduction or withholding on account of Tax this shall not constitute an Event of Default.

8. **PRESENTATION AND PRESCRIPTION**

The presentation period provided in Section 801 paragraph I, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes. The period for prescription for Notes presented for payment during the presentation period shall be three years beginning at the end of the relevant presentation period.

9. **PAYING AGENT**

(a) **Appointment of the Paying Agent**

The Issuer has appointed ING Bank N.V., whose offices are at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands and registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 33031431, as paying agent (in such capacity, the "**Paying Agent**") which term shall also include any successor Paying Agent appointed pursuant to Condition 9(b) (*Variation or Termination of Appointment*).

(b) **Variation or Termination of Appointment**

The Issuer shall procure that for as long as any Notes are outstanding there shall always be (i) a Paying Agent to perform the functions assigned to the Paying Agent in these Conditions and (ii)

an Cash Manager to perform the functions assigned to the Cash Manager in these Conditions. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Condition 10 (*Notices*), replace the Paying Agent by one or more other banks or other financial institutions which assume such functions, **provided that** (i) the Issuer shall maintain at all times a paying agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (ii) no paying agent located in the United States will be appointed. The Paying Agent shall act solely as agent for the Issuer and shall not have any agency, fiduciary or trustee relationship with the Noteholders. The Issuer will for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange, assume the obligations assigned to a listing agent.

10. **NOTICES**

(a) **Form of Notices**

All notices to the Noteholders hereunder shall be either (i) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (ii) in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe or (iii) delivered to the ICSDs for communication by them to the Noteholders.

(b) **Time of Receipt**

Any notice referred to under Condition 10(a)(i) above shall be deemed to have been given to all Noteholders on the day on which it is made available on the website of the Luxembourg Stock Exchange (www.bourse.lu), **provided that** if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day. Any notice referred to under Condition 10(a)(ii) above shall be deemed to have been given to all Noteholders on the seventh (7^{th}) calendar day after the day on which such notice was delivered to the ICSDs.

(c) **Other stock exchanges**

If any Notes are, subject to the prior written consent of the Issuer, listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

11. **SUBSTITUTION OF THE ISSUER**

(a) **Substitution**

If, in the determination of the Issuer and the Security Trustee, as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Closing Date:

(i) any of the Issuer, the Seller, the Servicer, the Paying Agent, Cash Manager or the Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or

(ii) any of the Issuer, the Seller, the Servicer or the Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for

tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents;

then the Issuer shall, in order to avoid the relevant event described in paragraph (i) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11(b) (*The New Issuer*) and shall inform the Security Trustee about such measures. In order to avoid the relevant event described in paragraph (ii) above, the Issuer may, but shall not be obliged to, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11(b) (*The New Issuer*).

(b) **The New Issuer**

The Issuer is entitled to substitute in its place another company (the "**New Issuer**") as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition 11(a) (*Substitution*) and the following conditions:

(i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the other Transaction Documents by means of an agreement with the Issuer and/or the other parties to the Transaction Documents, and the Trustee Collateral is, upon the Issuers substitution, held by the Security Trustee for the purpose of securing the obligations of the New Issuer;

(ii) no additional expenses or legal disadvantages of any kind arise for the Noteholders from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable firm of lawyers or accountants in the relevant jurisdiction;

(iii) the New Issuer provides proof satisfactory to the Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered office and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes and the other Transaction Documents to which it will become a party without discrimination against the Noteholders in their entirety;

(iv) the Issuer and the New Issuer enter into such agreements and execute such documents necessary for the effectiveness of the substitution; and

(v) each Rating Agency has been notified of such substitution and such substitution will not adversely affect or result in a downgrading or withdrawal of the then current ratings of the Class A Notes.

Upon fulfilment of the aforementioned conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, *vis-à-vis* the Noteholders, be released from all obligations relating to the function of issuer under or in connection with the Notes.

(c) **Notice of Substitution**

Notice of such substitution of the Issuer shall be given in accordance with Condition 10 (*Notices*).

(d) **Change of References**

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the New Issuer and any reference to the jurisdiction of incorporation and for the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the jurisdiction of incorporation and for (as relevant) the country of domicile or residence for taxation purposes of the New Issuer.

12. **LIMITED RECOURSE**

(a) **Limited Recourse**

All payments of principal, interest or any other amount to be made by the Issuer in respect of each Class of Notes will be payable only from, and to the extent of, the sums paid to, or recovered by

or on behalf of, the Issuer or the Security Trustee in respect of the Security and only in accordance with the applicable Priority of Payments. If the proceeds of the Security are not sufficient to pay any amounts due in respect of the relevant Class of Notes, no other assets of the Issuer, in particular no assets relating to another Compartment nor equity capital of German Lion RMBS S.A. will be available to meet such insufficiency. The Noteholders of such Class of Notes will rely solely on such sums and the rights of the Issuer in respect of the Security for payments to be made by the Issuer in respect of such Class of Notes. The obligations of the Issuer to make payments in respect of the Notes will be limited to such sums (in the case of the Noteholders) following realisation of the Security and applied in accordance with the applicable Priority of Payments, and the Security Trustee and the Noteholders will have no further recourse to the Issuer in respect thereof.

(b) **Extinguishment of Claims**

Having realised the Security and distributed all funds available for distribution in accordance with the Post-Enforcement Priority of Payments, neither the Security Trustee nor the Noteholders shall have any further claims and/or take any further steps against the Issuer to recover any sum still unpaid and any remaining obligations to pay such amount shall be extinguished.

(c) **No proceedings against the Purchaser**

Irrespective of whether Compartment 2021-1 has been validly established, neither the Noteholders nor the Security Trustee nor any other Transaction Party may, until the expiry of one year and one day after the payment of all sums outstanding and owing under the latest maturing relevant Notes take any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation of, or the institution of Insolvency Proceedings against, the Issuer or (in the case of the Noteholders only) for the appointment of a receiver, administrator, liquidator or similar officer of the Issuer in respect of any or all of its revenues and assets provided that the Security Trustee may prove or lodge a claim in the event of a liquidation of the Issuer initiated by another party.

(d) **No application of limitations**

The limitations set out in this Condition 12 shall not apply in respect of liabilities for (i) damages to persons (*Verletzung von Leben, Körper und Gesundheit*); (ii) any losses, liability, claims, damages or expenses caused intentionally (*Vorsatz*) or by gross negligence (*grobe Fahrlässigkeit*) of the Issuer, its directors, officers, agents or persons acting on its behalf; or (iii) any losses, liability, claims, damages or expenses resulting solely from negligence (*einfache Fahrlässigkeit*) of the Issuer, its directors, officers, agents or persons acting on its behalf in relation to the breach of essential rights or duties (*Kardinalspflichten*) hereunder.

(e) **Enforcement of Payment Obligations**

The enforcement of the payment obligations under the Notes shall only be effected by the Security Trustee for the benefit of all Noteholders, **provided that** each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Security Trustee, after having become obliged to enforce the Trustee Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Security Trustee shall enforce the Trustee Collateral upon the occurrence of an Event of Default and acceleration of the Notes on the conditions and in accordance with the terms of the Security Trust Agreement, including, in particular, Clause 15 (*Realisation of the Trustee Collateral*) of the Security Trust Agreement.

(f) **Obligations of the Issuer only**

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of the Security Trustee, any other party to the Transaction Documents or any other third party.

13. **RESOLUTION OF NOTEHOLDERS**

(a) The Noteholders of any Class of Notes may agree by majority resolution to amend these Conditions, **provided that** no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.

(b) Majority resolutions shall be binding on all Noteholders of the relevant Class of Notes. Resolutions which do not provide for identical conditions for all Noteholders of the relevant Class of Notes are void, unless the Noteholders of such Class of Notes who are disadvantaged have expressly consented to their being treated disadvantageously. No amendment of the Terms and Conditions (including the Security Trust Agreement) passed by a resolution of the Noteholders of a Class shall be effective and the Security Trustee shall not be bound by a direction of the Noteholders passed by a resolution of a Class unless:

(i) resolutions of all other outstanding Classes have been cast in favour of such amendment or direction;

(ii) such other Classes are not affected thereby; or

(iii) if any other Class is affected thereby, the Noteholders of such other Class have expressly consented to such amendment or direction by way of resolution,

in each case, in accordance with these Terms and Conditions and the German Act on Debt Securities (*Schuldverschreibungsgesetz*).

(c) Noteholders of any Class of Notes may in particular agree by majority resolution in relation to such Class of Notes to the following:

(i) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;

(ii) the change of the due date for payment of principal;

(iii) the reduction of principal;

(iv) the subordination of claims arising from the Notes of such Class of Notes in insolvency proceedings of the Issuer;

(v) the conversion of the Notes of such Class of Notes into, or the exchange of the Notes of such Class of Notes for, shares, other securities or obligations;

(vi) the exchange or release of security;

(vii) the change of the currency of the Notes of such Class of Notes;

(viii) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class of Notes;

(ix) the substitution of the Issuer;

(x) the appointment or removal of a common representative for the Noteholders of such Class of Notes; and

(xi) the amendment or rescission of ancillary provisions of the Notes.

(d) Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Conditions, in particular to provisions relating to the matters specified in Condition 13(c) (*Resolution of Noteholders*) items (i) through (x) above, require a majority of not less than 75 per cent. of the votes cast (*qualifizierte Mehrheit* (qualified majority)).

(e) Noteholders of the relevant Class of Notes shall pass resolutions by vote taken without a meeting.

(f) Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes of the relevant Class of Notes. As long as the entitlement to the Notes of the relevant Class of Notes lies with, or the Notes of the relevant Class of Notes are held for the account of, the Issuer or any of its affiliates (Section 271(2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this

shall also apply to any Affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

(g) No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.

(h) A person entitled to vote may not demand, accept or accept the promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.

(i) The Noteholders of any Class of Notes may by qualified majority (*qualifizierte Mehrheit*) resolution appoint a Noteholders' Representative to exercise rights of the Noteholders of such Class of Notes on behalf of each Noteholder. Any natural person having legal capacity or any qualified legal person may act as Noteholders' Representative. Any person who:

(i) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer or employee, of the Issuer or any of its affiliates;

(ii) holds an interest of at least 20 per cent. in the share capital of the Issuer or of any of its affiliates;

(iii) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20 per cent. of the outstanding Notes of such Class of Notes, or is a member of a corporate body, an officer or other employee of such financial creditor; or

(iv) is subject to the control of any of the persons set forth in sub-paragraphs (i) to (iii) above by reason of a special personal relationship with such person,

must disclose the relevant circumstances to the Noteholders of such Class of Notes prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class of Notes promptly in appropriate form and manner.

If the Noteholders of different Classes of Notes appoint a Noteholders' Representative, such person may be the same person as is appointed Noteholders' Representative of such other Class of Notes.

(j) The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class of Notes. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class of Notes. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders of the relevant Class of Notes, the Noteholders of such Class of Notes shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class of Notes on its activities.

(k) The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class of Notes who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class of Notes. The Noteholders of the relevant Class of Notes shall decide upon the assertion of claims for compensation of the Noteholders of such Class of Notes against the Noteholders' Representative.

(l) The Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class of Notes without specifying any reasons. The Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of the Noteholders' Representative, including reasonable remuneration of the Noteholders' Representative.

14. MISCELLANEOUS

(a) Amendments to the Conditions

Subject to giving five (5) Notes Business Days prior notice to the Noteholders pursuant to Condition 10 (*Notices*), by publishing such notice with the Luxembourg Stock Exchange (www.bourse.lu), the Issuer will be entitled to amend any term or provision of the Conditions including this Condition 14(a) or the Transaction Documents with the consent of the Security Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Arranger, the Lead Manager or any other person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Transaction to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards authorised under the Securitisation Regulation.

(b) Presentation Period

The presentation period for the Global Notes shall be reduced to five (5) years after the date on which the last payment in respect of the Notes represented by such Global Note was due in accordance with Section 801 (1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**").

(c) Replacement of Global Notes

If any of the Global Notes is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued. If any Global Note is lost or destroyed, the foregoing shall not limit any right to file a petition for the annulment of such Global Note pursuant to the provisions of the laws of Germany.

(d) Governing Law

The form and content of the Notes and all of the rights and obligations of the Noteholders and the Issuer under the Notes shall be governed in all respects by the laws of Germany. For the avoidance of doubt, the provisions of Articles 470-3 to 470-19 of the Luxembourg Companies Law, as amended, do not apply.

(e) Jurisdiction

The non-exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be the district court (*Landgericht*) of Frankfurt am Main. The Issuer hereby submits to the jurisdiction of such court. The German courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

MATERIAL TERMS OF THE SECURITY TRUST AGREEMENT

The following sets out the main provisions of the Security Trust Agreement. The full text of the Security Trust Agreement (excluding any Schedule thereto) constitutes Appendix B to the Conditions and forms an integral part of the Conditions. The text of the recitals of the Security Trust Agreement has been omitted from the following.

The Security Trust Agreement is entered into on or before the Closing Date between the Transaction Parties.

For the purposes of this section, "**Agreement**" means the Security Trust Agreement.

1. DEFINITIONS, INTERPRETATION AND COMMON TERMS

1.1 Definitions

(a) Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement have the meanings ascribed to them in Clause 1 of the master definitions schedule (the "**Master Definitions Schedule**") set out in Schedule 1 of the incorporated terms memorandum (the "**Incorporated Terms Memorandum**") which is dated on or about the date of this Agreement and signed for the purpose of identification by each of the Transaction Parties. The terms of the Master Definitions Schedule are hereby expressly incorporated into this Agreement by reference.

(b) In the event of any conflict between the Master Definitions Schedule and this Agreement, this Agreement shall prevail.

1.2 Construction

Terms in this Agreement, except where otherwise stated or where the context otherwise requires, shall be construed in the same way as set forth in Clause 2 of the Master Definitions Schedule.

1.3 Common Terms

(a) Incorporation of Common Terms

Except as provided below, the Common Terms as set out in Schedule 2 of the Incorporated Terms Memorandum apply to this Agreement and shall be binding on the Transaction Parties to this Agreement as if set out in full in this Agreement.

(b) Common Terms and Applicable Priority of Payments

If there is any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail, subject always to compliance with Clause 7 (*Non-Petition and Limited Recourse against the Purchaser*) of the Common Terms. Nothing in this Agreement shall be construed as to prevail over or otherwise alter the applicable Priority of Payments.

(c) Governing Law and Jurisdiction

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it shall be governed by German law in accordance with Part 3 Clause 1 (*Governing Law*) of the Common Terms. Part 3 Clause 2 (*Exclusive Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

2. RIGHTS AND OBLIGATIONS OF THE SECURITY TRUSTEE

This Agreement sets out the general rights and obligations of the Security Trustee which govern the performance of its functions under this Agreement. The Security Trustee shall carry out the duties hereunder and shall perform the tasks and functions set out in the Conditions, this Agreement and in the other Transaction Documents to which the Security Trustee is a party in accordance with this Security Trust Agreement and as a trustee for the benefit of, and with particular regard to the interests of, the Secured Creditors.

3. POSITION OF THE SECURITY TRUSTEE IN RELATION TO THE SECURED CREDITORS

3.1 The Security Trustee shall acquire and hold the security granted to it under this Agreement and the English Security Deed and exercise its rights (other than its rights under Clauses 22 (*Reimbursement of Expenses*) to 25 (*Resignation, Replacement and Substitution of the Security Trustee*) of this Agreement which are for its own benefit only) and discharge its duties under the Transaction Documents as a trustee (*Treuhänder*) for the benefit of itself and the other Secured Creditors. Without prejudice to the Post-Enforcement Priority of Payments, the Security Trustee shall exercise its duties under this Agreement with regard to the most senior Class of Notes then outstanding, in particular (i) as long as any of the Class A Notes are outstanding, only to the interests of the Class A Noteholders, (ii) if no Class A Notes are outstanding, only to the interests of the Class B Noteholders, and (iii) if no Notes remain outstanding, only to the interests of the other Secured Creditors ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

3.2 In exercising its duties under this Agreement, the Security Trustee shall, as regards all of its duties, obligations and discretions hereunder or under the Notes or the other Transaction Documents, have regard solely to the interests of the Noteholders and not the other Secured Creditors (except where expressly provided otherwise) in the event of any conflict of interest between the Noteholders and any other Secured Creditor. Further, the Security Trustee shall, as regards all of its duties, obligations and discretions hereunder or under the Notes or the other Transaction Documents, have regard to the interests of the Class A Noteholders and the Class B Noteholders, each as a Class of Notes and in accordance with the Conditions of the Notes, and shall not have regard to the consequences of such exercise for individual Noteholders. If, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders on the one hand and the Class B Noteholders on the other hand, the Security Trustee shall have regard only to the interests of the Class A Noteholders. The Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer any indemnification or payment in respect of any tax or other consequence of any such exercise upon such individual Noteholder. In the event of a conflict between the interests of the Secured Creditors (other than the Noteholders), the Trustee shall give priority to the interests of the Secured Creditor ranking senior pursuant to the Post-Enforcement Priority of Payments.

3.3 This Agreement constitutes a genuine contract for the benefit of third parties (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) in respect of the obligations of the Security Trustee contained herein. The obligations of the Security Trustee under this Security Trust Agreement are owed exclusively to the Secured Creditors, unless otherwise specified or the context requires otherwise. For the avoidance of doubt, Section 334 of the German Civil Code shall be applicable.

4. POSITION OF THE TRUSTEE IN RELATION TO THE ISSUER

4.1 Security Trustee as Secured Creditor; Insolvency of the Security Trustee

With respect to its own claims against the Issuer under this Agreement or otherwise, in particular with respect to any fees, and with respect to the Trustee Claim (as set out below in Clause 4.2 (*Trustee Claim*)) the Security Trustee shall, in addition to the other Secured Creditors, be a secured party (*Sicherungsnehmer*) with respect to the Trustee Collateral. The Issuer hereby undertakes to assign any claim it may have in an insolvency of the Security Trustee with respect to this Agreement and the Trustee Collateral to the New Trustee appointed in accordance with this Agreement for the purposes set out herein.

4.2 Trustee Claim

(a) The Issuer hereby grants the Security Trustee a separate claim (the "**Trustee Claim**"), entitling the Security Trustee to demand from the Issuer:

(i) that any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note be fulfilled; and

(ii) that any present or future, actual or contingent obligation of the Issuer in relation to any Secured Creditor under any other Transaction Document to which the Issuer is a party be fulfilled.

(b) The obligation of the Issuer to make payments to the relevant Secured Creditor shall remain unaffected by the provisions of paragraph (a) above. The Trustee Claim may be enforced separately from the Secured Creditor's claim in respect of the same payment obligation of the Issuer. The Security Trustee agrees with the Issuer to pay any sums received from the Issuer pursuant to this Clause 4.2(b) to the relevant Secured Creditors in accordance with the Post-Enforcement Priority of Payments following an Event of Default and acceleration of the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions; the relevant Secured Obligations shall only be deemed fulfilled when the payment due has been made by the Security Trustee upon receipt of sums from the Issuer to the relevant Secured Creditor.

"**Secured Obligations**" means any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Issuer to the Noteholders under the Notes and the other Secured Creditors or any of them (including any future Secured Creditor following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provisions of the relevant current or future Transaction Documents) under or in connection with any of the Transaction Documents, as each may be amended, novated, supplemented or extended from time to time, and which shall, for the avoidance of doubt, include, without limitation, (i) any fees to be paid by the Issuer to any Secured Creditor in connection with the Transaction Documents irrespective of whether such fees are agreed or determined in the Transaction Documents or in any fee arrangement relating thereto, (ii) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (iii) any potential obligations on the grounds of any Invalidity or unenforceability of any of the Transaction Documents, in particular claims on the grounds of unjustified enrichment (*ungerechtfertigte Bereicherung*).

(c) If an Event of Default has occurred or the occurrence thereof is, in the professional judgement of the Security Trustee, imminent and insolvency proceedings have not been instituted against the assets of the Security Trustee, that any payment owed to the Secured Creditors will be made to, and at all times prior to the on-payment to the Secured Creditors held in, a trust account (*Treuhandkonto*) of the Security Trustee for on- payment to the relevant Secured Creditors. The Security Trustee shall on-pay any amount so received to the Secured Creditors without undue delay.

5. TRANSFER FOR SECURITY PURPOSES OF THE ASSIGNED SECURITY

5.1 The Issuer hereby assigns (*abtreten*) and transfers (*übertragen*) as security for the Trustee Claim and the Secured Obligations the Securitised Mortgage Receivables together with the Transfer Claim assigned and transferred to the Issuer in accordance with the Mortgage Receivables Purchase Agreement to the Security Trustee for the security purposes set out in Clause 7 (*Security Purpose*) (the "**Assigned Security**").

The Issuer hereby covenants in favour of the Security Trustee that it will assign and/or transfer (as applicable) any future assets received by it as security for any Securitised Mortgage Receivable as collateral for the obligations of the respective counterparty towards the Issuer, to the Security Trustee. The Issuer will perform such covenant in accordance with the provisions of this Agreement.

5.2 To the extent that title to the Assigned Security cannot be transferred by mere agreement between the Issuer and the Security Trustee as effected in the foregoing Clause 5.1, the Issuer and the Security Trustee hereby agree with respect to all Securitised Mortgage Receivables that:

(i) any transfer of possession (*Übergabe*) necessary to transfer title in a Assigned Security, in particular in relation to any form of retained title (*Vorbehaltseigentum*), is replaced by:

(A) in case that the Issuer has direct possession (*unmittelbaren Besitz*) in the relevant objects over which the security is created, the Issuer holding the relevant object in custody for the Security Trustee free of charge (*unentgeltliche Verwahrung*); and/or

(B) in case that the Issuer has indirect possession (*mittelbaren Besitz*) or otherwise a claim for return (*Herausgabeanspruch*) of or to the relevant objects over which the security is created, assigning hereby to the Security Trustee all claims for return (*Abtretung des Herausgabeanspruchs*) against the relevant persons which are in actual possession of such object; and

(ii) any other thing to be done or form or registration to be perfected shall be done and perfected without undue delay (*unverzüglich*) by the Issuer at its own cost if requested by the Security Trustee; the Issuer hereby agrees that if it fails to do such thing or fails to perfect such form or registration, the Security Trustee is hereby irrevocably authorised to do everything necessary for such thing to be done, such form to be perfected or such registration to be made on behalf of the Issuer, at the Issuer's own cost.

5.3 The Security Trustee hereby accepts the assignment (*Abtretung*) and transfer (*Übertragung*) of the Assigned Security and any security related thereto and the covenants of the Issuer hereunder.

5.4 The existing Assigned Security shall be transferred to the Security Trustee on the date on which this Agreement becomes effective, and the future Assigned Security shall be directly transferred to the Security Trustee on the date on which such Assigned Security arises, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the Assigned Security consists.

6. PLEDGES

6.1 The Issuer hereby grants to the Security Trustee as security for the Trustee Claim a pledge (*Pfandrecht*) pursuant to Sections 1204 *et seqq.* of the German Civil Code (*Bürgerliches Gesetzbuch*) with regard to:

(a) all its present and future, contingent and unconditional rights and claims against the Seller arising under the Mortgage Receivables Purchase Agreement (other than the rights in, to and under the Securitised Mortgage Receivables), including. without limitation of the foregoing, the Transfer Claims together with any separate right of the Issuer pursuant to Section 22j (1) KWG pertaining thereto which can be subject to a pledge (*Pfandrecht*);

(b) all its present and future, contingent and unconditional rights and claims against the Security Trustee arising under this Agreement;

(c) all its present and future, contingent and unconditional rights and claims under the Servicing Agreement, the Liquidity Facility Agreement, the Paying Agency Agreement, the Data Trust Agreement, the Notes Purchase Agreement and the Cash Management and Issuer Account Bank Agreement; and

(d) all of its present and future claims and rights in and to each of the Issuer Accounts (including without limitation any sub-account (*Unterkonto*), renewal, redesignation or replacement thereof) and any future account replacing such accounts and all monies standing to the credit thereof, including interest thereon (if any) and any claims and interests which the Issuer is now or may hereafter become entitled to, from or in relation to the Issuer Account Bank pursuant to or in respect of the Cash Management and Issuer Account Bank Agreement.

in each case including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*) (the "**Pledged Security**").

6.2 The Trustee hereby accepts the pledges referred to in Clause 6.1. The security interests granted pursuant to Clause 6.1, the Assigned Security and the security interests created pursuant to the English Security Deed together shall constitute the "**Trustee Collateral**". The Issuer shall promptly give any notice, make any filing or perform any other act in order to create and maintain a valid and perfected first priority security interest of the Security Trustee in the assets forming the Trustee Collateral. The Issuer undertakes to grant to the Security Trustee a security interest in all of the assets or claims held by the Issuer at any time and the Issuer shall perform any act make any filing or give any notice to create and maintain such security interest.

6.3 The Issuer hereby gives notice to the Security Trustee, the Issuer Account Bank and any other Transaction Party pursuant to Section 1280 of the German Civil Code (*Bürgerliches Gesetzbuch*) of the pledges pursuant to Clause 6 above and the Security Trustee, the Issuer Account Bank and each other Transaction Party confirms receipt of such notice and agrees to such pledges. The Issuer Account Bank and each Transaction Party hereby waives any existing pledge or other security interest relating to the claims being the subject of such pledges (including, but not limited to, the rights relating to the Issuer Accounts), whether pursuant to its standard terms and conditions (*Allgemeine Geschäftsbedingungen*) or otherwise and confirms that it is not aware of any rights of third parties in respect of such claims.

6.4 The Issuer and the Security Trustee agree that each pledge created under this Agreement regarding a Transfer Claim (or if such pledge extended to the Related Mortgage, the pledge regarding such Related Mortgage) is prior to the occurrence of an Event of Default and the acceleration of the obligations under the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions subject to the conditions subsequent (*aufschiebende Bedingungen*) that the Securitised Mortgage Receivable which is secured by such Related Mortgage to which such Transfer Claim relates has been repurchased and reassigned to the Seller against payment in full of the relevant Repurchase Price to the Issuer. The parties hereto agree that this Clause 6.4 shall not be amended without the consent of the Seller.

6.5 The Issuer shall create security over its claims against the Swap Counterparty under the Swap Agreement from time to time pursuant to the English Security Deed in accordance with English law. The Security Trustee shall hold such security and all rights resulting from the English Security Deed Assignment in its own right for the purpose of securing the Trustee Claim and as German law security Trustee (*Sicherungstreuhänder*) on behalf of the Secured Parties in respect of the Secured Obligations.

7. SECURITY PURPOSE

7.1 The Trustee Collateral serves to secure the Trustee Claim.

8. COLLECTION AUTHORISATION

8.1 Collection Authorisation

(a) The Issuer shall be authorised (*ermächtigt*) to collect or, have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) all claims and rights assigned (*abgetreten*) or transferred (*übertragen*) for security purposes under Clause 5 (*Transfer for Security Purposes of the Assigned Security*) or pledged pursuant to Clause 6 (*Pledges*) and shall be authorised to grant sub-authorities under the Transaction Documents or, with the written consent of the Security Trustee, grant sub-authorities to any other third party the Security Trustee thinks fit to exercise the rights conferred on the Issuer pursuant to this paragraph (a).

(b) The authority and consents contained in Clause 8.1 may be revoked by the Security Trustee if, in the Trustee's professional judgement, such revocation is necessary in order to avoid an adverse effect on the Trustee Collateral or their value, and the Security Trustee gives notice thereof to the Issuer. The authority and consents contained in Clause 8.1 shall automatically terminate upon the occurrence of an Event of Default and acceleration of the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions of the Notes.

8.2 Transfer Authorisation

The Security Trustee shall be authorised to transfer the Assigned Security in the event that the Security Trustee is replaced and the Trustee Collateral is to be transferred to the New Trustee pursuant to Clause 25 (*Resignation, Replacement and Substitution of the Security Trustee*).

9. RELEASE OF SECURITY

9.1 Upon the full and final discharge of the Secured Obligations and the Trustee Claim and to the extent the collateral has not been previously released pursuant to this Agreement, and in particular pursuant to Clauses 9.2, 9.3 and 9.4 below, the Security Trustee shall, at the Issuer's cost and

expense, promptly release and, to the extent applicable, transfer to the Issuer or to the Issuer's order the Trustee Collateral transferred to it under this Agreement or the English Security Deed.

9.2 Upon the discharge of all or any part of the Secured Obligations and the Trustee Claim, the Security Trustee shall at the Issuer's cost and expense transfer the remainder of the Assigned Security, if any, to the Issuer (or to its order) and shall do all steps necessary to effect such retransfer. The costs of any such transfer shall constitute an expense pursuant to item (a) of the relevant Priority of Payments.

9.3 Upon the discharge of all or any part of the Secured Obligations and the Trustee Claim any accessory security rights, if any, will, in the amount being discharged, cease to exist by operation of law.

9.4 With respect to the pledge granted pursuant to Clause 6.1 above, the Security Trustee undertakes to grant its consent, and to declare its consent *vis-à-vis* the relevant party, pursuant to Section 1276 of the German Civil Code (*Bürgerliches Gesetzbuch*) to any expiry, extinction or modification of the Transfer Claim or of any other right or claim pledged hereunder to the Security Trustee **provided that** any of the Transaction Documents provides for such expiry, extinction or modification.

10. REPRESENTATIONS OF THE ISSUER WITH RESPECT TO THE TRUSTEE COLLATERAL; COVENANTS

10.1 The Issuer hereby represents and warrants to the Security Trustee, also for the benefit of the other Secured Creditors, by way of an independent guarantee irrespective of fault within the meaning of Section 311 BGB (*selbständiges, verschuldensunabhängiges Garantieversprechen*) on the terms of the Issuer Representations and Warranties as set out in Schedule 4 (*Issuer Representations and Warranties*) of the Incorporated Terms Memorandum. Additionally, the Issuer hereby represent and warrants to and covenants with the Security Trustee that it has (and will have, insofar as future rights and claims are concerned) full and unaffected title to the Trustee Collateral and any related security thereto which is assigned, transferred or pledged hereby and that such Trustee Collateral and such related security is (and will be insofar as future rights and claims are concerned) free and clear from any encumbrances and adverse rights and claims of any third parties, always subject only to the rights and encumbrances created under this Agreement and that the security purpose agreement between the relevant Borrower and the Seller will be upheld and obliged by.

10.2 The Issuer covenants with the Security Trustee on the terms of the Issuer Covenants as set out in Schedule 4 (*Issuer Covenants*) of the Incorporated Terms Memorandum.

11. REPRESENTATIONS AND WARRANTIES OF THE SECURITY TRUSTEE

The Security Trustee hereby represents to the Issuer that

(a) it is validly existing and has the legal capacity and is in a position to perform its duties and obligations hereunder in accordance with the provisions of this Agreement and the other Transaction Documents to which it is a party; and

(b) this Security Trust Agreement has been duly authorized, executed and delivered by the Security Trustee.

12. DUTIES AND RESPONSIBILITIES OF THE TRUSTEE; LIABILITY

- The Security Trustee shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of its respective powers, unless such loss or damage is caused by its gross negligence (*grobe Fahrlässigkeit*) or wilful default (*Vorsatz*) or, with respect to a breach of essential obligations (*Kardinalspflichten*), ordinary negligence (*einfache Fahrlässigkeit*). The essential obligations (*Kardinalspflichten*) of the Security Trustee are to hold, administer and enforce the Trustee Collateral on behalf of the Secured Creditors. In fulfilling its obligations under this Security Trust Agreement and any other Transaction Document the Security Trustee shall apply the standard of care as set out in Clause 17 (*Standard of Care and Liability*) of Part 1 (*General Provisions*) of the Common Terms.

12.1 Money held by the Security Trustee in connection with its capacity as Security Trustee shall be held in trust (*treuhänderisch*) for the benefit of the Secured Creditors and shall be segregated from other property held by the Security Trustee. The Security Trustee shall be under no liability for interest on any money received by it in such capacity except as otherwise agreed upon with the Issuer.

12.2 If the Issuer requests that the Security Trustee grants its consent or approval in any matter hereunder, or in case of any other consent or approval requested pursuant to the Transaction Documents, the Security Trustee may grant or withhold the requested consent or approval at its discretion taking into account what the Security Trustee believes to be the interests of the Secured Creditors.

12.3 The Security Trustee undertakes to give its consent to the Issuer pursuant to Schedule 4 (*Issuer Covenants*) of the Incorporated Terms Memorandum only if all the rights, claims and/or assets arising from the action in respect of which the consent is sought are pledged or assigned to the Security Trustee, or, as applicable, an equivalent security interest of the Security Trustee in such rights, claims and/or assets is created.

12.4 If the Security Trustee in the course of its activities obtains knowledge that the existence or the value of the Trustee Collateral is at risk due to any failure of the Issuer to properly discharge its obligations under this Security Trust Agreement or the other Transaction Documents to which it is a party, the Security Trustee shall, at its discretion, take or initiate all actions which in the opinion of the Security Trustee are desirable or expedient to avert such risk.

12.5 Without prejudice to the other duties of the Security Trustee, promptly upon becoming aware of (i) any measures being taken by (A) the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the "**BaFin**") within the meaning of Section 46 of the German Banking Act (*Kreditwesengesetz*, "**KWG**"), (B) the BaFin under the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, "**SAG**") or (C) the German Federal Government (*Bundesregierung*) within the meaning of Section 46g of the German Banking Act (*Kreditwesengesetz*) in relation to the Seller, or (ii) any measures or proceedings being taken pursuant to the rules of the Regulation (EU) 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010 with respect to the Seller, the Security Trustee shall liaise with the BaFin or such other competent authority as required and represent the Issuer, if and to the extent legally possible, in any proceedings, including, without limitation of the foregoing, hearings (*Anhörungen*) initiated by the BaFin, in connection with the Refinancing Register with a view to support the appointment of a custodian (*Sachwalter*) pursuant to Section 22l (1) or Section 22o (1) of the KWG (as applicable).

12.6 The Security Trustee undertakes neither to assign, in whole or in part, the Trustee Claim, except in connection with a replacement of the Security Trustee pursuant to Clause 25 (*Resignation, Replacement and Substitution of the Security Trustee*), nor to give its consent to any transfer of the Trustee Collateral by the Issuer, except in connection with a substitution of the Issuer pursuant to Condition 11 (*Substitution of the Issuer*) of the Conditions.

12.7 Any written instruction to redeem the Notes (Condition 6(b) (*Early Redemption for Default*) of the Conditions) will be valid if made as follows:

(i) if given by one or more Noteholders together with proof of the Notes held at the time the written instruction is given, **provided that** such Notes represent at least 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes to the satisfaction of the Security Trustee; or

(ii) if the Security Trustee receives written instructions from Noteholders that do not hold the 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes, the Security Trustee shall invite all Noteholders of the Noteholders that do hold 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes to give written instructions. The Security Trustee shall notify the Noteholders of the 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of

Notes in accordance with Condition 10 (*Notices*) of the Conditions of such invitation together with a one month period during which such written instruction may be given by such Noteholders as well as of the form of such written instruction and other applicable procedures, as determined by the Security Trustee (in particular, with the view to avoiding multiple notices given in respect of any Note). Following the termination of the notice period, the Trustee shall determine whether written instructions to redeem the Notes have been given by the Noteholders holding at least 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes.

The Security Trustee shall notify the Noteholders in accordance with Condition 10 (*Notices*) of the Conditions of any written instruction validly given pursuant to item (i) above and any determination made pursuant to item (ii) sentence 3 above. If the Security Trustee has received written instructions from the Noteholders holding at least 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes, the Trustee shall declare the Notes due and payable in accordance with Condition 6(b) (*Early Redemption for Default*) of the Conditions (subject to the Security Trustee being indemnified or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all cost, charges and expenses which may be incurred by the Security Trustee in connection therewith).

13. FURTHER OBLIGATIONS

13.1 The Security Trustee shall perform the tasks and obligations specifically set forth in the other Transaction Documents to which it is a party in accordance with this Agreement. No implied covenants or obligations shall be read into such Transaction Documents against the Security Trustee.

13.2 The Security Trustee shall, unless otherwise provided for under this Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction Documents in its professional judgement in accordance with this Agreement.

14. FURTHER ASSURANCE AND POWER OF ATTORNEY

14.1 The Issuer shall from time to time execute and do all such things as the Security Trustee may require for perfecting or protecting the security interests created or intended to be created pursuant to this Agreement and the English Security Deed, and at any time after the Security becomes enforceable, the Issuer shall execute and do all such things as the Security Trustee may require in respect of the facilitation of the enforcement, in whole or in part, of the Security and the exercise of all powers, authorities and discretionary rights vested in the Security Trustee, including, without limitation, to make available to the Security Trustee copies of all notices to be given in accordance with the Conditions, to notify the Security Trustee of all amendments to the Transaction Documents and to make available to the Security Trustee, upon the reasonable request of the Security Trustee, such information, opinions, certificates and other evidence required by the Security Trustee to perform its obligations under this Agreement or any other Security Document or, as applicable, Transaction Document (including access to the Issuer's books and records, if required).

14.2 The Issuer hereby irrevocably appoints the Security Trustee as its agent and empowers the Security Trustee to do all such acts and things, to make all necessary statements or declarations and execute all relevant documents, which the Issuer ought to do, make or execute under or in connection with this Agreement and the English Security Deed or generally to give full effect to this Agreement and the other Transaction Documents. The Issuer hereby ratifies and agrees to ratify and approve whatever the Security Trustee as its agent shall do or purport to do in the exercise or purported exercise of the powers created pursuant to this Clause 14.

14.3 All parties to this Agreement undertake to provide all information to the Security Trustee that it shall require to exercise the powers contemplated by Clauses 14.1 and 14.2 or to carry out the Security Trustee's obligations under or in connection herewith. The Security Trustee (and its sub-agents) shall be exempted from the restrictions of Section 181 of the German Civil Code and any other restrictions under any other applicable law to the fullest extent permitted under applicable law and shall be entitled to release any sub-agent from any such restriction.

15. REALISATION OF THE TRUSTEE COLLATERAL

15.1 The Security Trustee shall enforce (*verwerten*) and shall be entitled to enforce the Trustee Collateral granted to it hereunder promptly upon becoming aware of the occurrence of an Event of Default and the acceleration of the obligations under the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions in a manner determined at its reasonable discretion. The enforcement of the pledges granted under this Trust Agreement is subject to the requirements set forth in Sections 1273 para 2, 1204 *et seq*. of the German Civil Code (*Bürgerliches Gesetzbuch*) with regard to the enforcement of any of the Pledges (*Pfandreife*), and shall not require any enforceable judgement or other executory title (*vollstreckbarer Titel*) and Section 1277 of the German Civil Code (*Bürgerliches Gesetzbuch*) shall not apply. The Issuer and the Security Trustee hereby agree that any Trustee Collateral which has a stock exchange price (*Börsenpreis*) or a market price (*Marktpreis*) may be enforced by the Security Trustee through a private sale (*freihändiger Verkauf*) in accordance with Section 1259 of the German Civil Code.

15.2 The Security Trustee shall promptly upon becoming aware of the occurrence of an Event of Default give notice thereof (unless such Event of Default shall have been cured) to the Noteholders in accordance with Condition 10 (*Notices*) of the Conditions as well as to the Issuer, the Issuer Account Bank and the Cash Manager.

15.3 Following the occurrence of an Event of Default and the acceleration of the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions, any proceeds from the Trustee Collateral, including from an enforcement or any sale (net of costs, charges and expenses), shall be applied by the Security Trustee on each Notes Payment Date towards discharging the claims of the Noteholders and the other Transaction Creditors in accordance with the Post-Enforcement Priority of Payments. For the avoidance of doubt, upon notification to the Issuer Account Bank by the Security Trustee in respect of the occurrence an Event of Default, the Security Trustee shall be entitled to exercise the rights of the Issuer under the Cash Management and Issuer Account Bank Agreement secured in favour of the Security Trustee, including, without limitation, the right to give instructions to the Issuer Account Bank pursuant to the Cash Management and Issuer Account Bank Agreement.

15.4 Payments on the obligations of the Issuer may not be made as long as, in the opinion of the Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post-Enforcement Priority of Payments.

16. ISSUER ACCOUNTS

16.1 The Issuer Accounts of the Issuer set up and maintained pursuant to the Cash Management and Issuer Account Bank Agreement, the Mortgage Receivables Purchase Agreement and this Agreement shall be used for receipt of amounts relating to the Transaction Documents and for the fulfilment of the payment obligations of the Issuer.

16.2 The Issuer shall ensure that all payments made to the Issuer be made by way of a bank transfer to or deposit in the Issuer Accounts. Should any amounts payable to the Issuer be paid in any way other than by deposit or bank transfer to the Issuer Accounts, the Issuer shall promptly credit such amounts to the Issuer Accounts. Condition 2 (*Status; Priority of Payments and Security Trustee Collateral*) of the Conditions and Clause 18 (*Application of Funds following Acceleration*) shall remain unaffected.

16.3 The Issuer shall not open any new bank account in addition to or as a replacement of the Issuer Accounts or the share capital account of the Issuer, unless it has pledged any and all rights relating thereto to the Security Trustee in accordance with this Agreement, and only after having obtained the written consent of the Security Trustee in accordance with this Agreement. Upon notification to the Servicer by the Security Trustee in respect of the occurrence an Event of Default, the Security Trustee shall be entitled to exercise the rights of the Issuer under the Servicing Agreement assigned to the Security Trustee in accordance with this Agreement, including, without limitation, the right to give instructions to the Servicer pursuant to the Servicing Agreement.

17. BENCHMARK RATE MODIFICATION

17.1 Notwithstanding Clause 9 (*Amendments*) of Part 1 (*General Provisions*) of the Common Terms, the Security Trustee shall be obliged, without any consent or sanction of the Noteholders and any of the other Transaction Parties, to agree with the Issuer in making any modification to the Agreement, the Conditions of the Notes or any other Transaction Document that the Issuer solely considers necessary for the purpose of changing EURIBOR that then applies to the Notes to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Benchmark Rate Modification**"), **provided that** the Servicer, on behalf of the Issuer, certifies to the Security Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:

(a) such Benchmark Rate Modification is being undertaken due to:

(i) a public statement or publication of information by or on behalf of the EURIBOR administrator announcing that it has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide EURIBOR;

(ii) a public statement or publication of information by the regulatory supervisor for the EURIBOR administrator, the central bank for the currency of EURIBOR, an insolvency official with jurisdiction over the EURIBOR administrator, a resolution authority with jurisdiction over the EURIBOR administrator or a court or an entity with similar insolvency or resolution authority over the EURIBOR administrator, which states that the EURIBOR administrator has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide EURIBOR; or

(iii) the reasonable expectation of the Servicer that any of the events specified in items (i) to (ii) above will occur or exist within six months of such Benchmark Rate Modification,

(a "**Benchmark Rate Cessation Event**")

and, in each case, such Benchmark Rate Modification is required solely for such purpose; and

(b) such Alternative Benchmark Rate is:

(i) a benchmark rate published, endorsed, approved or recognised by the relevant regulatory authority, central bank or any stock exchange on which the Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing;

(ii) a benchmark rate utilised in a material number of publicly-listed new issues of Euro denominated asset-backed floating rate notes prior to the effective date of such Benchmark Rate Modification;

(iii) a benchmark rate utilised in a publicly-listed new issue of Euro denominated asset-backed floating rate notes where the originator of the relevant assets is ING Bank N.V. or an affiliate of ING Bank N.V.; or

(iv) a base rate determined by the Servicer in accordance with Clause 17.4;

and:

(v) for the avoidance of doubt, the Servicer may propose an Alternative Benchmark Rate on more than one occasion **provided that** the conditions set out in this Clause 17 (*Benchmark Rate Modification*) are satisfied; and

(vi) which, for the avoidance of doubt, may be an Alternative Benchmark Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Benchmark Rate.

(c) Following the occurrence of a Benchmark Rate Cessation Event in respect of EURIBOR, the Issuer (or the Servicer on its behalf) shall notify the Swap Counterparty of the envisaged Benchmark Rate Modification and shall consult with the Swap Counterparty for a period of ten (10) Business Days with view to selecting the same Alternative Benchmark Rate for the purposes of both such Benchmark Rate Modification and any corresponding modification to the terms of any relevant Swap Transaction.

(d) If, upon expiry of such consultation period, the Issuer and the Swap Counterparty, acting in good faith and in a commercially reasonable manner, have agreed that the Alternative Benchmark Rate shall be a base rate identified by the Issuer (or the Servicer on its behalf) in accordance with Clause 17.1(b)(i) through to 17.1(b)(iv), then, *provided that* the Security Trustee consents to such Alternative Benchmark Rate in accordance with this Clause 17, the Alternative Benchmark Rate shall be the rate so selected.

(e) If, either, upon expiry of such consultation period, the Issuer and the Swap Counterparty, acting in good faith and in a commercially reasonable manner, have not agreed that the Alternative Benchmark Rate shall be a base rate identified by the Issuer (or the Servicer on its behalf) in accordance with Clause 17.1(a)(i) through to 17.1(b)(iii) or, alternatively, the Issuer and the Swap Counterparty have agreed, but the Security Trustee has not consented to such Alternative Benchmark Rate in accordance with this Clause 17, then the Alternative Benchmark Rate (and, in case of any Fallback Index Cessation Event, the Applicable Fallback Rate following the occurrence of such Fallback Index Cessation Event) shall be determined by the Servicer in accordance with Clause 17.4.

17.2 When implementing any modification pursuant to this Clause 17, the Security Trustee will not consider the interests of the Noteholders, any other Transaction Party or any other Person and will act and rely solely, and without further investigation, on any Modification Certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Clause 17, and shall not be liable to the Noteholders, any other Transaction Party or any other Person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Person.

17.3 The Issuer (or the Paying Agent on its behalf, itself acting upon instruction of the Servicer) will notify, or shall cause notice thereof to be given to, the Noteholders and the other Transaction Parties of any such effected modifications in accordance with Condition 10 (*Notices*).

17.4 The Servicer shall determine an Alternative Benchmark Rate for the purposes of Clause 17.1(b)(iv) as follows:

(i) if a Benchmark Rate Cessation Event has occurred with respect to EURIBOR for three months deposits in euro, but, for a EURIBOR Determination Date occurring after the Benchmark Rate Cessation Event, the EURIBOR administrator provides rates that would be EURIBOR but for the fact that they involve maturity periods that are, respective, longer and shorter than three months, then the Alternative Benchmark Rate for a EURIBOR Determination Date occurring after the Benchmark Rate Cessation Event shall be the Interpolated Rate;

(ii) if a Benchmark Rate Cessation Event has occurred with respect to EURIBOR and Clause 17.4(i) does not apply, the Alternative Benchmark Rate for a EURIBOR Determination Date occurring after the Benchmark Rate Cessation Event shall be determined as if reference to EURIBOR were references to Fallback Rate (EuroSTR) for the "Original IBOR Rate Record Day" that corresponds to the relevant EURIBOR Determination Date, as most recently provided or published at 11:30 a.m., Frankfurt time on the Fallback Observation Date in respect of such EURIBOR Determination Date. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) provides, nor authorised distributors publish, Fallback Rate (EuroSTR) for that "Original IBOR Rate Record Day" at, or prior to, 11:30 a.m., Frankfurt time on the Fallback Observation Date in respect of such EURIBOR Determination Date and a Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) has not occurred, then the Alternative Benchmark Rate for the EURIBOR Determination Date will be Fallback Rate (EuroSTR) as most recently provided or published at that time for

the most recent "Original IBOR Rate Record Day", notwithstanding that such day does not correspond to the EURIBOR Determination Date;

(iii) upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR), the Alternative Benchmark Rate for a EURIBOR Determination Date which occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) will be the Euro Short-Term Rate ("**EuroSTR**") administered by the European Central Bank (or any successor administrator), to which the Servicer shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of "Fallback Rate (EuroSTR)" after making such adjustments to EuroSTR as are necessary to account for any difference in term structure or tenor of EuroSTR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;

(iv) if neither the administrator nor authorised distributors provide or publish EuroSTR and a Fallback Index Cessation Effective Date with respect to EuroSTR has not occurred, then, in respect of any day for which EuroSTR is required, references to EuroSTR will be deemed to be references to the last provided or published EuroSTR;

(v) if a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (EuroSTR) and EuroSTR, then the Alternative Benchmark Rate for a EURIBOR Determination Date which occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) will be the ECB Recommended Rate, to which the Servicer shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of "Fallback Rate (EuroSTR)" after making such adjustments to the ECB Recommended Rate as are necessary to account for any difference in term structure or tenor of the ECB Recommended Rate by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;

(vi) if there is an ECB Recommended Rate before the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR) but neither the administrator nor authorised distributors provide or publish the ECB Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the ECB Recommended Rate is required, references to the ECB Recommended Rate will be deemed to be references to the last provided or published ECB Recommended Rate;

(vii) if:

A. no ECB Recommended Rate is recommended before the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR); or

B. a Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate subsequently occurs,

then the Alternative Benchmark Rate for a EURIBOR Determination Date which occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) or the Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate (as applicable) will be Modified EDFR, to which the Servicer shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of "Fallback Rate (EuroSTR)" after making such adjustments to Modified EDFR as are necessary to

account for any difference in term structure or tenor of Modified EDFR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book; and

(viii) if neither the administrator nor authorised distributors provide or publish Modified EDFR and a Fallback Index Cessation Effective Date with respect to that rate has not occurred, then, in respect of any day for which that rate is required, references to that rate will be deemed to be references to the last provided or published Modified EDFR.

Whereby:

"**Applicable Fallback Rate**" means Fallback Rate (EuroSTR) or, in each case, any other subsequent fallback contemplated within Clause 17.2.

"**Bloomberg IBOR Fallback Rate Adjustments Rule Book**" means the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) as updated from time to time in accordance with its terms.

"**ECB Recommended Rate**" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for EuroSTR by the European Central Bank (or any successor administrator of EuroSTR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of EuroSTR) for the purpose of recommending a replacement for EuroSTR (which rate may be produced by the European Central Bank or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor.

"**EDFR Spread**" means:

(a) if no ECB Recommended Rate is recommended before the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, before the end of the first TARGET2 Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR), the arithmetic mean of the daily difference between EuroSTR and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET2 Settlement Days starting 30 TARGET2 Settlement Days prior to the day on which the Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR) occurs (or, if later, 30 TARGET2 Settlement Days prior to the day on which the first Fallback Index Cessation Event with respect to EuroSTR occurs) and ending on the TARGET2 Settlement Day immediately preceding the day on which the Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR) occurs (or, if later, the TARGET2 Settlement Day immediately preceding the day on which the first Fallback Index Cessation Event with respect to EuroSTR occurs); or

(b) if a Fallback Index Cessation Event with respect to the ECB Recommended Rate occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET2 Settlement Days starting 30 TARGET2 Settlement Days prior to the day on which the Fallback Index Cessation Event with respect to the ECB Recommended Rate occurs and ending on the TARGET2 Settlement Day immediately preceding the day on which that Fallback Index Cessation Event occurs.

"**Eurosystem Deposit Facility Rate**" means the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem and which is published on the ECB's website.

"**Fallback Index Cessation Effective Date**" means, in respect of a Fallback Index Cessation Event, the first date on which the Applicable Fallback Rate is no longer provided. If the Applicable Fallback Rate ceases to be provided on the same day that it is required to determine the rate for a EURIBOR Determination Date for the purposes of the Notes but it was provided at the time at which it is to be observed for the purposes of the Notes (or, if no such time is specified in the terms of the Notes, at the time at which it is ordinarily published), then the Fallback Index Cessation

Effective Date will be the next day on which the rate would ordinarily have been published. If the Applicable Fallback Rate is Modified EDFR, references to the Applicable Fallback Rate in this definition shall be deemed to be references to the index, benchmark or other price source that is referred to in the definition of Modified EDFR, as applicable.

"**Fallback Index Cessation Event**" means, in respect of the Applicable Fallback Rate:

(a) a public statement or publication of information by or on behalf of the administrator or provider of the Applicable Fallback Rate announcing that it has ceased or will cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate; or

(b) if the Applicable Fallback Rate is Fallback Rate (EuroSTR) or EuroSTR, a public statement or publication of information by the regulatory supervisor for the administrator of EuroSTR, the central bank for the currency of EuroSTR, an insolvency official with jurisdiction over the administrator for EuroSTR, a resolution authority with jurisdiction over the administrator for EuroSTR or a court or an entity with similar insolvency or resolution authority over the administrator for EuroSTR, which states that the administrator of EuroSTR has ceased or will cease to provide EuroSTR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EuroSTR; or

(c) if the Applicable Fallback Rate is the ECB Recommended Rate, a public statement or publication of information by the regulatory supervisor for the administrator or provider of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator or provider for the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator or provider for the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator or provider for the ECB Recommended Rate, which states that the administrator or provider of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the ECB Recommended Rate; or

(d) if the Applicable Fallback Rate is Modified EDFR, a public statement or publication of information by or on behalf of the administrator or provider of the index, benchmark or other price source that is referred to in the definition of Modified EDFR announced that it has ceased or will cease to provide such index, benchmark or other price source permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide such index, benchmark or other price source.

"**Fallback Observation Date**" means, in respect of a EURIBOR Determination Date and the Interest Period immediately following such EURIBOR Determination Date, the day that is two Notes Business Days preceding Notes Payment Date at the end of such Notes Interest Period.

"**Fallback Rate (EuroSTR)**" means the term adjusted EuroSTR plus the spread relating to EURIBOR, in each case, for a period of 3 months provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), as the provider of term adjusted EuroSTR and the spread, on the Fallback Rate (EuroSTR) Screen (or by other means) or provided to, and published by, authorised distributors.

"**Fallback Rate (EuroSTR) Screen**" means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for EURIBOR for a period of 3 months accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).

"**Interpolated Rate**" means that the Alternative Benchmark Rate for a EURIBOR Determination Date shall be the rate R_n determined from the following formula:

$$R_n = R_1 + \frac{R_2 - R_1}{t_2 - t_1} \times (t_n - t_1)$$

where:

"**R_1**" means the rate for the EURIBOR Determination Date determined as if EURIBOR had the Shorter Designated Maturity.

"**Shorter Designated Maturity**" means the period of time for which rates are available that is next shorter than the relevant Notes Calculation Period to which the EURIBOR Determination Date relates.

"**R_2**" means the rate for the EURIBOR Determination Date determined as if EURIBOR had the Longer Designated Maturity.

"**Longer Designated Maturity**" means the period of time for which rates are available and that is next longer than the relevant Notes Calculation Period to which the EURIBOR Determination Date relates.

"**t_1**" means the number of calendar days from and including S to but excluding P_1.

"**t_2**" means the number of calendar days from and including S to but excluding P_2.

"**P_1**" means, if the Shorter Designated Maturity is:

(a) one day, the calendar day immediately following S, or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day;

(b) one week, two weeks or three weeks, the calendar day that is the corresponding number of weeks immediately following S, or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day unless it would as a result fall in the next calendar month, in which case it will be the Notes Business Day immediately preceding such day; or

(c) a period of months or years, the calendar day that is the corresponding number of months or years, as applicable, immediately following S (but if S is the 29th, 30th or the 31st day of a month and there is no corresponding numbered day in the month that is the relevant number of months following S, the last calendar day in the month that is the relevant number of months following S), or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day unless it would as a result fall in the next calendar month, in which case it will be the Notes Business Day immediately preceding such day.

"**P_2**" means, if the Longer Designated Maturity is:

(a) one week, two weeks or three weeks, the calendar day that is the corresponding number of weeks immediately following S, or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day unless it would as a result fall in the next calendar month, in which case it will be the Notes Business Day immediately preceding such day; or

(b) a period of months or years, the calendar day that is the corresponding number of months or years, as applicable, immediately following S (but if S is the 29th, 30th or the 31st day of a month and there is no corresponding numbered day in the month that is the relevant number of months following S, the last calendar day in the month that is the relevant number of months following S), or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day unless it would as a result fall in the next calendar month, in which case it will be the Notes Business Day immediately preceding such day.

"**S**" means the first day of the relevant Notes Calculation Period.

"**t_n**" means the number of calendar days in the relevant Notes Calculation Period.

"**ISDA**" means the International Swaps and Derivatives Association, Inc.

"**Modified EDFR**" means a rate equal to the Eurosystem Deposit Facility Rate plus the EDFR Spread.

"**Original IBOR Rate Record Day**" means the "Original IBOR Rate Record Day" as used on the Fallback Rate (EuroSTR) Screen.

"**TARGET2 Settlement Day**" means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system) (or any successor transfer system) is open for settlement of payments in Euro.

18. APPLICATION OF FUNDS FOLLOWING ACCELERATION

18.1 Following the occurrence of an Event of Default and the acceleration of the obligations under the Notes pursuant to Condition 6 (*Early Redemption for Default*) of the Conditions, the Security Trustee will be required to apply all funds received or recovered by it in accordance with the Post-Enforcement Priority of Payment.

18.2 Reference in this Clause 18 to amounts due and payable shall refer to amounts which would become due and payable but for the operation of Clause 7 (*Non-Petition and Limited Recourse against the Purchaser*) of the Common Terms.

19. RETAINING OF THIRD PARTIES

19.1 The Security Trustee may sub-contract or delegate the performance of some (but not all) of its obligations under this Agreement and the other Transaction Documents. If and to the extent the Security Trustee sub-contracts or delegates the performance of its obligations under this Agreement or any other Transaction Document to any agent, the Security Trustee shall only be liable for the careful selection of such agent and shall neither be responsible to supervise nor in any way be responsible for any liability incurred by any misconduct or default on the part of such agent, **provided that** the Security Trustee shall remain obliged to fulfil its duties hereunder notwithstanding any such delegation if and to the extent such agent does not properly perform its duties.

19.2 The Security Trustee is authorised, in connection with the performance of its obligations under this Agreement, at its own discretion, to seek information and advice from legal counsel, financial consultants, banks and other experts (each an "**Advisor**") at market prices or commercially reasonable prices, The Security Trustee, however, shall be under no obligation to seek information and advice from any Advisor.

19.3 The Security Trustee may rely on such written information and advice from any Advisor without having to make its own investigations. The Security Trustee shall not be liable for any damages or losses caused by its reliance on written information or advice of the Advisors. The Security Trustee shall only be liable if the Security Trustee has not exercised the Standard of Care in the selection of an Advisor.

19.4 The Security Trustee shall promptly notify in writing each of the Rating Agencies of every retainer of a third party made pursuant to this Clause 19 (*Retaining of Third Parties*) (such notice to include the name of the third party).

20. OTHER UNDERTAKINGS OF THE ISSUER

20.1 The Issuer shall upon becoming aware that any amounts are to be transferred to a transfer reserve account (the "**Transfer Reserve Account**" which term shall include any sub-account and any replacement account thereto) in accordance with the terms of the Transaction Documents, notify the Issuer Account Bank accordingly and establish and maintain the Transfer Reserve Account as ledger to the Issuer Collection Account. Upon the earlier of (i) the redemption of all Notes in full,

(ii) the complete transfer, after the occurrence of a Transfer Event, of any and all Related Mortgages to the Issuer, (iii) if the Purchaser is no longer entitled to any amounts of principal or interest under any Securitised Mortgage Receivable, or (iv) the conditions for the occurrence of the Transfer Reserve Event cease to exist, the Issuer shall re-transfer, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer re-transfers, to the Seller any amount standing to the credit of the Transfer Reserve Account at such time (if any). If and to the extent on any Note Payment Date any Transfer Reserve Excess Amounts stand to the credit of the Transfer Reserve Account, the Issuer shall, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer, retransfers to the Seller such Transfer Reserve Excess Amount.

20.2 The Issuer shall upon becoming aware that any amounts are to be transferred to a swap collateral account (the "**Swap Collateral Account**" which term shall include any sub-account and any replacement account thereto) in accordance with the terms of the Transaction Documents, notify the Issuer Account Bank accordingly and establish and maintain the Swap Collateral Account as ledger to the Issuer Collection Account. If any Swap Collateral is provided to the Issuer by the Swap Counterparty in accordance with the provisions of the Interest Rate Swap Agreement which is not credited to the Issuer Collection Account, the Issuer shall ensure that such Swap Collateral is transferred to the Swap Collateral Account.

20.3 The Issuer shall upon becoming aware that any amounts are to be transferred to a set-off risk reserve account (the "**Set-Off Risk Reserve Account**" which term shall include any sub-account and any replacement account thereto) in accordance with the terms of the Transaction Documents, notify the Issuer Account Bank accordingly and establish and maintain the Set-Off Risk Reserve Account as ledger to the Issuer Collection Account. The Issuer undertakes that it shall, immediately upon receipt of the notice in accordance with Clause 13.5 of the Mortgage Receivables Purchase Agreement, ensure that any Set-Off Risk Reserve Required Amount is transferred to the Set-Off Risk Reserve Account.

The Issuer shall re-transfer, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer re-transfers to the Seller any amount standing to the credit of the Set-Off Risk Reserve Account if (A) the conditions of the Set-Off Risk Reserve Trigger Event cease to exist; or (B) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. If and to the extent on any Note Payment Date any Set-Off Risk Reserve Excess Amounts stand to the credit of the Set-Off Risk Reserve Account, the Issuer shall re-transfer, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer re-transfers, to the Seller such Set-Off Risk Reserve Excess Amount.

20.4 The Issuer shall upon becoming aware that any amounts are to be transferred to a commingling risk reserve risk reserve account (the "**Commingling Risk Reserve Account**" which term shall include any sub-account and any replacement account thereto) in accordance with the terms of the Transaction Documents, notify the Issuer Account Bank accordingly and establish and maintain the Commingling Risk Reserve Account as ledger to the Issuer Collection Account. The Issuer undertakes that it shall, immediately upon receipt of the notice in accordance with Clause 6.8 of the Servicing Agreement, ensure that any Commingling Risk Reserve Required Amount following receipt of the relevant funds from the Seller is transferred to the Commingling Risk Reserve Account.

The Issuer shall re-transfer, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer re-transfers to the Seller any amount standing to the credit of the Commingling Risk Reserve Account if (i) the Borrowers shall be notified that they should immediately make their payments to the Issuer Collection Account, or into such other account as the Security Trustee may direct, **provided that** the transfer of such amounts to such an account shall not negatively affect the then current ratings assigned to the Class A Notes, (ii) payments to be made with respect to amounts received on the Seller Collection

Accounts will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the Commingling Risk Required Rating, or, if (i) or (ii) is not reasonably practicable, (iii) the conditions of the Commingling Risk Reserve Trigger Event cease to exist, or (iv) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. If and to the extent on any Note Payment Date any Commingling Risk Reserve Excess Amount stand to the credit of the Commingling Risk Reserve Account, the Issuer shall re-transfer, and the Seller shall be entitled to demand by way of a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) that the Issuer re-transfers, to the Seller such Commingling Risk Reserve Excess Amount.

20.5 If the Cash Manager does not at any time for any reason determine the Interest Rate or the Note Interest Amount in accordance with Condition 3(j) (*Determination or Calculation by Security Trustee*), the Security Trustee shall determine and/or calculate the Interest Rate or the Note Interest Amount in accordance with Condition 3(j) (*Determination or Calculation by Security Trustee*).

21. FEES

The Issuer shall pay the Security Trustee a fee as separately agreed upon between the Issuer and the Security Trustee in a fee letter dated on or about the date hereof.

22. REIMBURSEMENT OF EXPENSES

In addition to the remuneration of the Security Trustee, the Issuer shall pay all out-of-pocket costs, charges and expenses (including, without limitation, legal and travelling expenses and fees and expenses of its agents, delegates and advisors) which the Security Trustee properly incurs in relation to the negotiation, preparation and execution of this Agreement and the other Transaction Documents, any action taken by it under or in relation to this Agreement or any of the other Transaction Documents or any amendment, renewals or waivers made in accordance with the Transaction Documents in respect hereof.

23. RIGHT TO INDEMNIFICATION

23.1 The Issuer shall indemnify the Security Trustee in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Securities Trustee's own overall net profits income or gains and subject to Clause 23.2), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Trustee may be or become liable or which may be incurred by the Trustee in respect of anything done or omitted in relation to this Agreement and any of the other Transaction Documents, unless such costs and expenses are incurred by the Trustee due to a breach of the Standard of Care.

For the avoidance of doubt, it is hereby agreed that any indemnities shall be owed by the Issuer and that the Security Trustee has no right of indemnification against the Secured Creditors hereunder unless it has received instruction from the noteholders of at least 25 per cent of the aggregate principal Amount Outstanding of the Notes of such Class of Notes in accordance with Condition 6(b)(ii) (*Early Redemption for Default*) of the Conditions.

23.2 The Security Trustee shall not be bound to take any action under or in connection with this Agreement, any other Transaction Document or any document executed pursuant to any of them, including, without limitation, forming an opinion or employing any agent, unless in all cases:

(i) its fees, expenses, charges, costs and disbursements pursuant to Clauses 21 and 22 hereunder will be paid and it will be fully indemnified and/or secured to its satisfaction (either by reimbursement of costs or in any other way it deems appropriate) against all losses, claims, proceedings and demands and all costs, charges, expenses and liabilities pursuant to Clause 23.1 above; or

(ii) the Issuer has, upon the Security Trustee's request, paid an adequate advance for the Security Trustee's claims pursuant to (i) above.

24. TAXES

24.1 The Issuer shall bear all stamp duties, transfer taxes and other similar taxes, duties or charges which are imposed on or in connection with (i) the creation of, holding of, or enforcement of the Trustee Collateral, and (ii) any action taken by the Security Trustee pursuant to the Conditions of the Notes or the other Transaction Documents.

24.2 All payments of fees and reimbursements of expenses to the Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Security Trustee's net profits, overall income or gains, which are imposed in the future on the services of the Security Trustee.

25. RESIGNATION, REPLACEMENT AND SUBSTITUTION OF THE SECURITY TRUSTEE

25.1 Security Trustee terminating trusteeship and appointment of substitute Security Trustee

The Security Trustee may resign for good cause (*wichtiger Grund*) from its office as Security Trustee hereunder at any time giving two (2) months' prior written notice to the Issuer and the Rating Agencies **provided that**, for so long as Secured Obligations remain outstanding, upon or prior to the last Notes Business Day of such notice period, (i) a reputable accounting firm or financial institution which is experienced in the business of trusteeship relating to the securitisation of residential mortgage loans originated in Germany has been duly appointed by the Issuer as substitute Security Trustee, (ii) such substitute Security Trustee mentioned in Clause (i) holds all required licenses and authorisations, and (iii) such substitute Security Trustee (mentioned in Clause (i)) (by way of novation or otherwise) assumes, and is vested with, all rights and obligations, authorities, powers and trusts set forth in this Agreement and the other relevant Transaction Documents. In the event of any urgency, the Security Trustee shall be entitled to appoint a substitute Security Trustee meeting the requirements set out in the first sentence of this Clause 25.1 and acceptable to the Rating Agencies under terms substantially similar to the terms of this Agreement if the Issuer fails to do so within sixty (60) Notes Business Days of the resignation notice of the Security Trustee.

25.2 Issuer terminating trusteeship and appointing new Trustee

The Issuer shall be authorised and obligated to terminate the appointment of the Security Trustee and appoint a substitute Security Trustee in accordance with, *mutatis mutandis*, the provisions of Clause 25.1 if an Insolvency Event occurs with respect to the Security Trustee or, if the Issuer determines, in its sole discretion (exercised reasonably) that the Security Trustee has failed to perform its material obligations under this Agreement, the Conditions and the other Transaction Documents to which it is a party as trustee. The Issuer shall notify the Rating Agencies upon the appointment of a substitute Security Trustee without undue delay.

25.3 Transfer of Security, rights and interests

In the event of a substitution of an existing Security Trustee with a substitute Security Trustee, as contemplated by Clause 25.1 or Clause 25.2, the existing Security Trustee shall forthwith (by way of novation or otherwise) transfer the Trustee Collateral together with any other rights it holds under any Transaction Document including, for the avoidance of doubt, its Trustee Claim pursuant to Clause 4.2 (*Trustee Claim*) or grant analogous security interests to the substitute Security Trustee. Without prejudice to the obligation of the Security Trustee set out in the immediately preceding sentence, the Security Trustee hereby irrevocably grants power of attorney to the Issuer to transfer all the rights, security and interests mentioned in such preceding sentence on behalf of the Security Trustee to the substitute Security Trustee and for that purpose the Issuer (and its sub-agents) shall be exempted from the restrictions of Section 181 of the German Civil Code and any similar restrictions under any other applicable laws.

The Issuer and each Secured Party hereby undertakes to assign any claim for segregation (*Aussonderung*) it may have in an insolvency of the Security Trustee with respect to this Agreement and the Trustee Collateral to the substitute Security Trustee appointed in accordance with this Agreement for the purposes set out in this Agreement.

25.4 **Assumption of obligations**

In the event of a substitution of an existing Security Trustee with a substitute Security Trustee, as contemplated by Clause 25.1 or Clause 25.2, the existing Security Trustee shall (i) transfer (by way of novation or otherwise) all of its rights and obligations hereunder, and under any other Transaction Documents to the substitute Security Trustee on terms substantially similar to the terms of this Agreement and under any other Transaction Documents; and (ii) notify the Servicer, the Issuer, the Issuer Account Bank, the Paying Agent, the Data Trustee and the Cash Manager.

A termination pursuant to Clause 25.1 or Clause 25.2 above notwithstanding, the rights and obligations of the Security Trustee shall continue until the appointment of the substitute Security Trustee has become effective and the rights pursuant to the first paragraph of this Clause 25.4 have been assigned to the substitute Security Trustee.

25.5 **Costs**

The existing Security Trustee shall, in case of a termination, reimburse (on a *pro rata* basis) to the Issuer any up-front fees paid by the Issuer for periods after the date on which the substitution of the Security Trustee takes effect. In case of a termination by the Issuer for good cause (*aus wichtigem Grund*) which is attributable to a breach by the Security Trustee of the Standard of Care, the existing Security Trustee shall reimburse the Issuer for the costs (including legal costs and administration costs) or pay any costs incurred for the purpose of appointing a substitute Security Trustee. In any other cases of termination by the Issuer the Security Trustee shall not owe any reimbursement of cost to the Issuer. In case of a termination by the Security Trustee for good cause (*aus wichtigem Grund*) and in case of termination by the Issuer which is - in either case - not attributable to a breach by the Security Trustee of the Standard of Care, the Issuer shall reimburse the existing Security Trustee for any duly documented costs resulting from such termination as pre-agreed with the Issuer.

25.6 **Handover to substitute Security Trustee**

The existing Security Trustee shall be obliged, upon termination of its appointment and once a substitute Security Trustee is appointed, to provide the substitute Security Trustee with all information available to it to enable the substitute Security Trustee to take over all functions of a trustee hereunder efficiently and shall account for (*Rechenschaft ablegen*) its activities in respect of this Agreement and all other Transaction Documents *vis-à-vis* the substitute Security Trustee.

26. **MISCELLANEOUS**

26.1 **Global condition precedent**

All Parties to this Agreement agree that it shall constitute a condition precedent in respect of each Transaction Document that all Transaction Documents to be executed on or prior to the Closing Date have, no later than on the Closing Date, been executed and delivered by each of the relevant parties thereto. Each Party acknowledges that all other Parties are entering into this Transaction in reliance upon all such Transaction Documents being validly entered into by all relevant parties to such documents.

26.2 **Ringfencing and further securities/transactions**

All parties hereto agree that each Transaction Document (other than the Corporate Services Agreement) shall incur obligations and liabilities in respect of Compartment 2021-1 of the Issuer only and that the Transaction Documents shall not, at present or in the future, create any obligations or liabilities in respect of the Issuer generally or in respect of any Compartment of the Issuer other than Compartment 2021-1. All parties hereto further agree that the immediately preceding sentence shall be an integral part of all Transaction Documents and that, in the event of any conflict between any provision of any Transaction Documents and the immediately preceding sentence, the immediately preceding sentence shall prevail.

26.3 **Duty to appoint process agent**

All relevant Transaction Parties to the Transaction Documents governed by German law that are not resident in Germany have the duty to appoint a German process agent upon request within five (5) Notes Business Days and all parties to the Transaction Documents governed by English law that are not resident in England shall appoint an English process agent upon request within five (5) Notes Business Days.

OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

1. MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Pursuant to the Mortgage Receivables Purchase Agreement the Seller has agreed to sell and assign, and the Issuer has agreed to purchase and accept assignment of, Mortgage Receivables and the Related Mortgages.

Purchase of Initial Mortgage Receivables

On the Signing Date, the Seller offers to sell the Initial Mortgage Receivables and the respective Initial Related Mortgages to the Issuer and to assign (*abtreten*) such Initial Mortgage Receivables to the Issuer. The Issuer accepts such offer in respect of all Initial Mortgage Receivables and all Initial Related Mortgages and agrees to pay the Initial Purchase Price to the Seller on the Closing Date. The purchase and assignment (*Abtretung*) of the Initial Mortgage Receivables and the purchase of the Initial Related Mortgages will take effect as of the Closing Date.

The Seller will also grant to the Issuer with respect to each Initial Related Mortgage so sold the relevant Initial Related Mortgages Transfer Claim, which shall only become due (*fällig*) upon the occurrence of a Transfer Event.

Replenishment

During the Replenishment Period, the Seller may on any Offer Day offer Eligible Substitute Mortgage Receivables and the respective Substitute Related Mortgages for purchase and with respect to such Eligible Substitute Mortgage Receivables only, for assignment (*Abtretung*) to the Issuer in an amount up to the Monthly Principal Funds as of such Offer Day, **provided that** neither an Event of Default pursuant to Condition 6(a) of the Conditions nor a Replenishment Period Termination Event has occurred.

The Issuer shall accept any Offer for purchase and assignment (*Abtretung*) in relation to any Substitute Mortgage Receivable and for purchase in relation to any Substitute Related Mortgage promptly upon receipt of such Offer **provided that**, *inter alia*, (i) the Replenishment Criteria are fulfilled and would continue to be fulfilled after the respective sale and assignment (*Abtretung*) of such Eligible Substitute Mortgage Receivables to the Issuer, (ii) the aggregate Subsequent Purchase Price for all Substitute Mortgage Receivables offered for purchase and assignment (*Abtretung*) in the respective Offer does not exceed the Monthly Principal Funds as of the respective Offer Day, and (iii) no Replenishment Period Termination Event or Event of Default has occurred.

The Seller will also grant to the Issuer with respect to each Substitute Related Mortgage so sold the relevant Substitute Related Mortgages Transfer Claim, which shall only become due (*fällig*) upon the occurrence of a Transfer Event.

In the event that, on any Transfer Date immediately preceding a Notes Payment Date, the Monthly Principal Funds exceeds the aggregate Subsequent Purchase Price payable by the Issuer to the Seller for the Substitute Mortgage Receivables and Further Advances purchased on such Transfer Date, such excess will be credited to the Purchase Shortfall Ledger and be available for purchase for further Substitute Mortgage Receivables and/or Further Advances on the next Transfer Date. For further information on purchases relating to Further Advance Receivables, we refer to "*Purchases of Further Advance Receivables*" below.

Transfer Reserve

The Seller has agreed to ensure that following a Transfer Reserve Event an amount equal to the Transfer Reserve Required Amount stands to the credit of the Transfer Reserve Account. Any amount standing to the credit of the Transfer Reserve Account shall serve as security for the obligation of the Seller to pay any costs arising in connection with the transfer of the Related Mortgages to the Purchaser.

Purchases of Further Advance Receivables

In the Mortgage Receivables Purchase Agreement, the Seller covenants, among other things, that if it makes any Further Advance under any Mortgage Loans relating to a Mortgage Receivable, then on the first Offer Day following the origination of a Further Advance, the Seller will offer such Further Advance Receivable for sale and assignment to the Issuer for an amount equal to the Gross Outstanding Principal Balance of such Further Advance Receivable as of the relevant Cut-off Date in priority to offer any Eligible Substitute Mortgage Receivables. The Issuer is obliged to accept each such offer of Further Advance Receivables, on the condition that the purchase of such Further Advance Receivable does not result in a breach of any of the Additional Purchase Conditions. If the purchase of such Further Advance Receivable would, if completed, result in a breach of any of the Additional Purchase Conditions then the Issuer will not be obliged to purchase such Further Advance Receivable and will instead be obliged to sell, and the Seller will be obliged to repurchase and accept reassignment of, all Mortgage Receivables relating to the Mortgaged Assets in respect of which the relevant Further Advance was granted.

The Purchase Price for any Further Advance Receivable will be funded from the Monthly Principal Funds.

Additional Purchase Conditions

The purchase by the Issuer of any Further Advance Receivable will be subject to the Additional Purchase Conditions.

If the purchase of the related Further Advance Receivable does not meet the Additional Purchase Conditions the Seller shall repurchase and accept the re-assignment of all Mortgage Receivables resulting from the Mortgaged Assets in respect of which a Further Advance is granted.

Entry into the refinancing register

The Seller, a refinancing company (*Refinanzierungsunternehmen*) within the meaning of Section 1 subsection 24 KWG has established the Refinancing Register (*Refinanzierungsregister*) within the meaning of Sections 22a *et seq.* KWG, in which the Securitised Mortgage Receivables as well as the Related Mortgages will be recorded.

The Seller has agreed that promptly after signing of the Mortgage Receivables Purchase Agreement and prior to the Closing Date, it shall record the Initial Mortgage Receivables and the Initial Related Mortgages sold to the Issuer in the Refinancing Register in accordance with Section 22d (2) KWG. Prior to any assignment (*Abtretung*) of the Initial Related Mortgages sold to the Issuer, the Seller has agreed to hold the legal title thereto on a fiduciary basis (*treuhänderisch*) for the benefit of the Issuer.

The Seller has further agreed that promptly after the receipt of any valid acceptance by the Issuer to purchase Substitute Mortgage Receivables and the Substitute Related Mortgages, and prior to the relevant Transfer Day, the Seller shall record such Substitute Mortgage Receivables and the Substitute Related Mortgages so sold in the Refinancing Register in accordance with Section 22d (2) KWG. Prior to any assignment (*Abtretung*) of the Substitute Related Mortgages sold to the Issuer, the Seller has agreed to hold the legal title thereto on a fiduciary basis (*treuhänderisch*) for the benefit of the Purchaser.

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an Initial Purchase Price for each Mortgage Receivable equal to the Gross Outstanding Principal Balance of such Mortgage Receivable as at the relevant Cut-Off Date.

Each Initial Purchase Price is payable on the relevant Transfer Date.

The Issuer is entitled to all proceeds relating to a Mortgage Receivable to the extent relating to the period starting on the relevant Transfer Date or, if it concerns principal proceeds, the period starting on the relevant Cut-Off Date.

Additionally, on the Closing Date, the Purchaser shall pay to the Seller the Issuance Bonification.

Transfer of Related Mortgages

The Seller and the Issuer have agreed that no transfer of legal title in respect of any Initial Related Mortgage or any Substitute Related Mortgage (together, the "**Related Mortgages**") shall occur prior to the occurrence of a Transfer Event. The Seller has agreed to bear all costs and expenses incurred in connection with the transfer of the Related Mortgages to the Issuer upon the occurrence of a Transfer Event and to indemnify the Issuer if such costs and expenses are incurred by the Issuer. For the avoidance of doubt, the Issuer may but will not be obliged to accept the transfer of any Related Mortgage.

Set-Off

The Mortgage Receivables Purchase Agreement provides that if a Borrower invokes set-off in respect of any amount he owes under, pursuant to or in connection with a Mortgage Receivable against any amount he is entitled to receive from the Seller, then the Seller shall forthwith pay to the Issuer an amount equal to the amount in respect of which set-off is so invoked.

The Mortgage Receivables Purchase Agreement provides that in the event that, and for as long as, a Set-Off Risk Reserve Trigger Event occurs, the Seller will within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such assignment of rating provide and ensure that funds in an amount equal to the relevant Set-Off Risk Reserve Required Amount are standing to the credit of the Set-Off Risk Reserve Account of the Issuer. Each time when and to the extent that a Borrower invokes set-off in respect of any amount up to its cash deposit against any amount it owes under, pursuant to or in connection with a Mortgage Receivable, the Issuer shall debit the Set-Off Risk Reserve Account for an amount equal to the amount in respect of which set-off is so invoked and apply such amount, to the extent related to (i) interest, to the Income Ledger of the Issuer Collection Account for addition to the Revenue Funds collected in the immediately preceding Mortgage Calculation Period or (ii) principal, to the Redemption Ledger of the Issuer Collection Account for addition to the Principal Funds collected in the immediately preceding Mortgage Calculation Period, in accordance with the Cash Management and Issuer Account Bank Agreement.

The Issuer has, in the Security Trust Agreement, agreed to re-transfer to the Seller any amount standing to the credit of the Set-Off Risk Reserve Account if (A) the conditions of the Set-Off Risk Reserve Trigger Event cease to exist; or (B) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. The Issuer has further agreed that if and to the extent on any Note Payment Date any Set-Off Risk Reserve Excess Amounts stands to the credit of the Set-Off Risk Reserve Account, the Issuer will re-transfer to the Seller such Set-Off Risk Reserve Excess Amount.

Repurchase and sale

After the Closing Date the Issuer may from time to time sell Mortgage Receivables, either to the Seller or to third parties, as described in more detail below. Any sale and assignment of Mortgage Receivables by or to the Issuer will include any Related Security.

Mandatory repurchase by Seller

Other than in the events set out below, the Seller will not be obliged to repurchase any Mortgage Receivables from the Issuer. If at any time in relation to a Mortgage Receivable any of the following events occur:

(i) a material breach of the Mortgage Receivables Warranties as of the relevant Transfer Date and (A) the Seller does not within 14 calendar days of receipt of written notice thereof from the Issuer remedy the matter giving rise to such a breach if such matter is capable of being remedied or (B) such matter is not capable of being remedied;

(ii) the Seller or the Servicer agrees with a Borrower to an amendment or waiver of the terms of a Mortgage Loan (which, for the avoidance of doubt, shall not include a reset of the interest rate under the relevant Loan Agreement, which option is already included in the

original Loan Agreement) which does not result from a deterioration in the creditworthiness of the Borrower, and as a result thereof (i) the Maturity Date of such Mortgage Loan is extended beyond two (2) years before the Final Maturity Date or (ii) the related Mortgage Receivable would not qualify as an Eligible Mortgage Receivable, if tested against the Eligibility Criteria at such time; or

(iii) the Borrower makes use of an (one-sided) extension option granted to him pursuant to the relevant Loan Agreement (which for the avoidance of doubt, does not result from a deterioration in the creditworthiness of the Borrower), and as a result thereof the Maturity Date of such Mortgage Loan is extended beyond two (2) years before the Final Maturity Date; or

(iv) the Seller or the Servicer is not able to report material information related to any Securitised Mortgage Receivables; or

(v) if following the grant of a Further Advance, the purchase of the related Further Advance Receivable does not meet the Additional Purchase Conditions,

then the Seller is obliged to repurchase (at the relevant purchase price described below under "*Purchase price for repurchased / sold Mortgage Receivables*") and accept reassignment of the relevant Mortgage Receivable on the first following Mortgage Collection Payment Date.

Optional repurchase by Seller; sale to third party

If on any Mortgage Calculation Date the aggregate Gross Outstanding Principal Balance of the Mortgage Receivables is less than 10 per cent. of the aggregate Gross Outstanding Principal Balance of the Mortgage Receivables comprising the Initial Portfolio on the Cut-Off Date relating to the Transfer Date of the Initial Portfolio, the Seller may, but is not obliged to, on the second following Note Payment Date repurchase and accept reassignment of all (but not only part of) the Mortgage Receivables. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or to any third party appointed by the Seller at its sole discretion on the immediately following Notes Payment Date. If the date on which the Seller exercises the Clean-Up Call Option falls less than 30 calendar days prior to the immediately following Notes Payment Date, such sale shall be completed on the second Notes Payment Date following the date on which the Seller exercises the Clean-Up Call Option.

In addition, the Issuer has the right to sell and assign all but not some of the Mortgage Receivables (a) on any Optional Redemption Date or (b) following its exercise of the option to redeem the Notes pursuant to Condition 5(h) (*Optional Redemption – Tax Call*). If the Issuer decides to sell and assign all but not some of the Mortgage Receivables on (a) an Optional Redemption Date or (b) following the exercise of its right to redeem the Notes pursuant to Condition 5(h) (*Optional Redemption – Tax Call*), as the case may be, it shall, on the Notes Payment Date (a) immediately preceding such Optional Redemption Date or (b) on which the Notes will be redeemed following the exercise of its option to redeem the Notes pursuant to Condition 5(h) (*Optional Redemption – Tax Call*), as the case may be, first offer to the Seller all of the Mortgage Receivables for sale (such sale to be completed on such (a) Optional Redemption Date or (b) the Notes Payment Date following the exercise of its right of its option to redeem the Notes pursuant to Condition 5(h) (*Optional Redemption – Tax Call*), as the case may be). The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 5(h) (*Optional Redemption – Tax Call*) and to meet its payment obligations of a higher priority under each of the items (i) to (vi) (inclusive) of the Revenue Priority of Payments. The Seller shall within a period of fifteen Notes Business Days inform the Issuer whether it wishes to repurchase all of the Mortgage Receivables. If the Seller does on such date not so inform the Issuer that it wishes to repurchase and accept reassignment of the Mortgage Receivables, the Issuer may select a third party for the sale and assignment of the Mortgage Receivables on the relevant Notes Payment Date.

Purchase price for repurchased / sold Mortgage Receivables

The purchase price for each Mortgage Receivable so sold to the Seller or to a third party (other than in connection with a redemption of Notes pursuant to Condition 5(f) (*Redemption – Clean-Up Call Option*), Condition 5(g) (*Optional Redemption – Prepayment Call*) or Condition 5(h)

(*Optional Redemption – Tax Call*) or in connection with an obligation of the Seller to repurchase and accept reassignment of a Mortgage Receivable from the Issuer in accordance with the Mortgage Receivables Purchase Agreement in relation to which a material breach occurs of the Mortgage Receivables Warranties as of the relevant Transfer Date) shall be an amount equal to at least the relevant Gross Outstanding Principal Balance of such Mortgage Receivable increased with Accrued Interest and Arrears of Interest, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls, **provided that** with respect to a Mortgage Receivable that has Arrears of Interest for a period exceeding 60 calendar days or with respect to which enforcement proceedings have been initiated to sell the related Mortgaged Asset, the purchase price shall be the lesser of: (x) the sum of the Gross Outstanding Principal Balance, any Accrued Interest, Arrears of Interest and any other amount due in respect of the relevant Mortgage Receivables and together with any costs incurred by the Issuer in effecting and completing such sale and reassignment; and (y) the sum of (i) an amount equal to the most recently calculated indexed foreclosure value of the related Mortgaged Asset, (ii) the value of any other collateral attached to the Mortgage Loan and part of the declaration of purpose of the security (*Sicherungszweckerklärung*) and (iii) any costs incurred by the Issuer in effecting and completing such sale and reassignment, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls. If a Mortgage Receivable is repurchased by and reassigned to the Seller, the Seller is entitled to all proceeds relating to such Mortgage Receivable to the extent relating to the period starting on the relevant Mortgage Collection Payment Date or, if it concerns principal proceeds, the period starting on the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls.

The purchase price for each Mortgage Receivable so sold to the Seller or to a third party in connection with a redemption of Notes pursuant to Condition 5(f) (*Redemption – Clean-Up Call Option*), Condition 5(g) (*Optional Redemption – Prepayment Call*) or Condition 5(h) (*Optional Redemption – Tax Call*) shall be an amount equal to at least the higher of: (a) the amount calculated in accordance with the method described in the preceding paragraph (in respect of the purchase price for each Mortgage Receivable so sold to the Seller or to a third party (other than in connection with a redemption of Notes pursuant to Condition 5(f) (*Redemption – Clean-Up Call Option*)), Condition 5(g) (*Optional Redemption – Prepayment Call*) or Condition 5(h) (*Optional Redemption – Tax Call*)); and (b) the amount that is required to (A) redeem all Notes at their Principal Amount Outstanding as at the day immediately prior to the relevant Optional Redemption Date and (B) meet the Issuer's payment obligations under each of the items (i) to (iv) (inclusive) under the Revenue Priority of Payments.

The purchase price for each Mortgage Receivable so sold to the Seller in connection with an obligation of the Seller to repurchase and accept reassignment of such Mortgage Receivable from the Issuer in accordance with the Mortgage Receivables Purchase Agreement in relation to which a material breach occurs of the Mortgage Receivables Warranties as of the relevant Transfer Date, shall be an amount equal to (i) the relevant Gross Outstanding Principal Balance of such Mortgage Receivable increased with Accrued Interest and Arrears of Interest, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls and (ii) any costs incurred by the Issuer in effecting and completing such sale and reassignment. If such Mortgage Receivable is repurchased by and reassigned to the Seller, the Seller is entitled to all proceeds relating to such Mortgage Receivable to the extent relating to the period starting on the relevant Mortgage Collection Payment Date or, if it concerns principal proceeds, the period starting on the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls.

The Principal Funds (for the avoidance of doubt, such proceeds do not include Arrears of Interest or Accrued Interest) of such sale shall be applied by or on behalf of the Issuer as Available Principal Funds in accordance with the Principal Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

Governing law

The Mortgage Receivables Purchase Agreement is governed by German law.

2. **SERVICING AGREEMENT**

Pursuant to the terms of the Servicing Agreement the Servicer has agreed to act as agent (*Beauftragter*) of the Issuer and to service on behalf of the Issuer the Mortgage Receivables. The Servicer will be required to, among other things:

(i) in connection with the provision of the services specified in the Servicing Agreement exercise the due care and diligence of a prudent business person (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf;

(ii) service and administer the relevant Mortgage Receivables in accordance with the Seller's servicing and administration manuals;

(iii) use all reasonable endeavours to collect all payments due under or in connection with the Mortgage Receivables and to enforce all covenants and obligations of each Borrower in accordance with the standard enforcement and collection procedures of the Servicer from time to time and take such action as is not materially prejudicial to the interests of the Issuer and in accordance with such actions as a person acting in accordance with the due care and diligence of a prudent business person (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf;

(iv) if required in connection with the Mortgage Receivables and/or performance of services under the Servicing Agreement, maintain all approvals, authorisations and consents in connection with its business and the business of the Issuer (as set out in its articles of association); and

(v) if required in connection with the Mortgage Receivables and/or performance of services under the Servicing Agreement, comply with all applicable regulations and shall procure that (in so far as the Servicer having used its best endeavours is able to do so) the Issuer shall comply with all applicable regulations.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Issuer in relation to the Mortgage Receivables, and to do anything which it reasonably considers necessary or convenient or incidental to the servicing and administration of those Mortgage Receivables. In addition, subject to the provisions of applicable law and regulations, the Issuer revocably authorises in the Servicing Agreement the Servicer to amend or waive or agree to such amendment or waiver of the terms and conditions of any Mortgage Receivable that would be reasonably expected from the Servicer if it was administering receivables on its own behalf.

The Servicer has undertaken to, among other things, perform the services listed below in relation to the Mortgage Receivables, and to:

(i) on each Mortgage Calculation Date prepare a report (which includes information in respect of arrears) in respect of (i) the Mortgage Receivables and (ii) the Mortgage Calculation Period immediately preceding the Mortgage Calculation Period in which such Notes Calculation Date falls, and to deliver the same to the Issuer and the Security Trustee and the Rating Agencies;

(ii) following an Assignment Notification Event and upon the Servicer being required to do so by the Issuer or the Security Trustee pursuant to the Security Trust Agreement, do or use its best efforts to procure the doing all or any of the acts, matters or things in order to enable the notification of the transfer of Mortgage Receivables and any Related Security to the relevant Borrowers and Insurers as described in the Mortgage Receivables Purchase Agreement;

(iii) keep records and books of account on behalf of the Issuer in relation to the Mortgage Receivables;

(iv) assist the Cash Manager and the auditors of the Issuer and provide information to them upon reasonable request;

(v) subject to the provisions of the Servicing Agreement take all reasonable steps to recover all sums due to the Issuer including by the institution of proceedings and/or the enforcement of any Mortgage Receivable;

(vi) to the extent permitted under applicable data protection and other laws, provide on a timely basis to the Rating Agencies all information which is reasonably required in order for the Rating Agencies to be able to establish their credit estimates at all reasonable times upon reasonable notice subject to the Servicer being reasonably capable of providing such information without significant additional cost;

(vii) take all other action and do all other things which would be reasonable to expect a person acting in accordance with the due care and diligence of a prudent business person *(Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf to do in servicing and administering the Mortgage Receivables and the Related Security;

(viii) act as collection agent on behalf of the Issuer and, following the occurrence of an Event of Default, the Security Trustee in accordance with the provisions of the Servicing Agreement;

(ix) make all preparations and recordings and ancillary activities necessary to effect any (re) transfer of Mortgage Receivables to or by the Issuer and/or any pledge or release of pledge of such Mortgage Receivables; and

(x) not knowingly or negligently fail to comply with any legal requirements in the performance of the services specified in the Servicing Agreement.

The Servicer will represent and warrant that it is, and covenants that it shall remain, adequately licensed to act as consumer credit provider or intermediary and covenants to comply with the information duties towards the Borrowers under the German Civil Code (*Bürgerliches Gesetzbuch*). Furthermore, the Servicer will covenant that it shall only engage any sub-contractor with due observance of the applicable rules under the German Civil Code (*Bürgerliches Gesetzbuch*) and the German Banking Act (*Kreditwesengesetz*).

The Issuer and the Security Trustee may, upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately if a Servicer Termination Event occurs in respect of the Servicer.

Subject to the fulfilment of a number of conditions, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Security Trustee and the Issuer **provided that** a substitute servicer who meets certain agreed criteria (which include, among other things, that such person (i) has all licences, approvals, authorisations and consents which may be necessary in connection with the performance of the Mortgage Loan Services, and is duly licensed under the German Banking Act (*Kreditwesengesetz*) to act as consumer credit provider or intermediary and (ii) has experience with and is capable of servicing and administering portfolios of residential mortgage loans in Germany and is approved by the Issuer and the Security Trustee) has been appointed and enters into a servicing agreement with the Issuer substantially on the same terms as the Servicing Agreement, prior to such resignation becoming effective. The resignation of the Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Notes unless the Noteholders agree otherwise pursuant to Condition 13 (*Resolution of Noteholders*) of the Conditions of the Notes.

If the appointment of the Servicer is terminated, the Servicer must deliver all files and other documentation relating to each Mortgage Receivable serviced and administered by it to, or at the direction of, the Issuer.

The Servicer may sub-contract the performance of its duties under the Servicing Agreement **provided that** the proposed sub-contractor meets conditions as set out in the Servicing Agreement. No sub-contracting shall release or discharge the Servicer from any liability under the Servicing Agreement or any responsibility for the performance of its obligations under the Servicing Agreement or shall create any right or entitlement of the relevant sub-contractor under the Servicing Agreement.

The Servicing Agreement provides that in the event that, and for as long as, a Commingling Risk Reserve Trigger Event occurs, the Seller will within 60 calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time) of such assignment of rating provide and ensure that funds in an amount equal to the relevant Commingling Risk Reserve Required Amount are standing to the credit of the Commingling Risk Reserve Account of the Issuer. The Issuer will procure that such amount, and any further amounts required to maintain the Commingling Risk Reserve Required Amount at the required level, are paid directly by the Seller into the Commingling Risk Reserve Account. The Issuer will procure that any amounts standing to the credit of the Commingling Risk Reserve Account are paid (A) to the extent that they are required to be applied in satisfaction of the Seller's payment obligations under Clause 6.2 of the Servicing Agreement, to the Issuer Collection Account and (B) to the extent they are required to be repaid to the Seller in accordance with the Servicing Agreement, to the Seller not being subject to the relevant Priority of Payments.

The Issuer has, in the Security Trust Agreement, agreed to re-transfer to the Seller any amount standing to the credit of the Commingling Risk Reserve Account if (i) the Borrowers shall be notified that they should immediately make their payments to the Issuer Collection Account, or into such other account as the Security Trustee may direct, **provided that** the transfer of such amounts to such an account shall not negatively affect the then current ratings assigned to the Class A Notes, (ii) payments to be made with respect to amounts received on the Seller Collection Accounts will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the Commingling Risk Required Rating, or, if (i) or (ii) is not reasonably practicable, (iii) the conditions of the Set-Off Risk Reserve Trigger Event cease to exist, or (iv) the Issuer is no longer entitled to any amounts of principal and interest under any Securitised Mortgage Receivable. The Issuer has further agreed that if and to the extent on any Note Payment Date any Commingling Risk Reserve Excess Amount stands to the credit of the Commingling Risk Reserve Account, the Issuer will re-transfer to the Seller such Commingling Risk Reserve Excess Amount.

The Issuer will pay to the Servicer a servicing fee (plus any applicable value added tax) as agreed in the Servicing Agreement.

The Servicing Agreement is governed by German law

The initial Servicer is ING-DiBa. See section "*THE SELLER AND SERVICER*".

3. DATA TRUST AGREEMENT

Pursuant to the terms of the Mortgage Receivables Purchase Agreement, the Seller will deliver to the Data Trustee the Portfolio Decryption Key in relation to the Encrypted Portfolio Information.

The Data Trust Agreement has been structured to comply with the Secrecy Rules. Pursuant to the Data Trust Agreement, the Data Trustee will safekeep the Portfolio Decryption Key and will protect it against unauthorised access by third parties.

The Data Trustee will, upon written request from (as appropriate) the Issuer, the Servicer or the Security Trustee, release the Portfolio Decryption Key, as required and necessary to (a) the Security Trustee or a substitute Servicer; or (b) any agent of the Security Trustee or the substitute Servicer, always **provided that** such agent is compatible with the Secrecy Rules, in each case of (a) or (b) **provided that** at the relevant time such transfer of data complies with the then applicable rules issued by the BaFin or any then applicable Secrecy Rules and only to the extent necessary for the collection, enforcement or realisation of any Securitised Mortgage Receivable, Related Mortgage or other claims and rights under the underlying Mortgage Loans and the related Mortgage Conditions, if (i) the Seller directs the Data Trustee in writing to do so; (ii) any of the Issuer, the Seller or the Security Trustee has notified the Data Trustee in writing that the appointment of the Servicer under the Servicing Agreement has been terminated; (iii) any of the Issuer, the Seller or the Security Trustee has notified the Data Trustee in writing that (A) knowledge of the relevant data at the time of the disclosure is necessary for the Issuer (acting through the substitute Servicer referred to under (a) and (b) above) to pursue legal remedies with regard to proper legal enforcement, realisation or preservation of any Securitised Mortgage Receivables or Related Mortgages or other claims and rights under the underlying Mortgage Loan and the related Mortgage Conditions and (B) the prosecution of legal remedies through the Servicer to enforce,

realise or preserve the Securitised Mortgage Receivables or Related Mortgages or other claims and rights under the underlying Mortgage Loan and the related Mortgage Conditions is inadequate to preserve the rights of the Issuer; or (iv) the Issuer, the Seller, or the Security Trustee has notified the Data Trustee in writing that an Assignment Notification Event or a Servicer Termination Event has occurred.

If the Data Trustee is informed that an Event of Default has occurred and the obligations under the Notes have been accelerated pursuant to Condition 6 (*Early Redemption for Default*) and the delivery of the Portfolio Decryption Key is necessary for the collection, enforcement or realisation of the Securitised Mortgage Receivables or Related Mortgages or other claims and rights under the underlying Mortgage Loan and the related Mortgage Conditions in accordance with and subject to the provisions of the Security Trust Agreement, the Data Trustee will deliver the Portfolio Decryption Key.

Pursuant to the Data Trust Agreement, the Data Trustee will fully co-operate with the Issuer, the Security Trustee and any of the Issuer's and the Security Trustee's agents that are compatible with the Secrecy Rules and will in particular use its best endeavours to ensure, subject always to the Secrecy Rules, that the Portfolio Decryption Key is duly and swiftly delivered to the Security Trustee or the substitute Servicer or an agent thereof so that all information necessary in respect of the Borrowers to permit timely collections under the Securitised Mortgage Receivables.

The Data Trust Agreement is governed by German law.

The initial Data Trustee is Blue Flag B.V. See section "*THE DATA TRUSTEE*".

4. LIQUIDITY FACILITY AGREEMENT

Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider will provide a liquidity facility to the Issuer in order to provide pre-financing in respect of certain liquidity shortfall in relation to interest payments under the Class A Notes.

Maximum amount of advances

The Liquidity Facility will be a committed euro revolving liquidity facility, pursuant to which the Liquidity Facility Provider will grant loan advances requested by the Issuer in the amounts specified in each drawdown request, subject in each case to the satisfaction of all drawdown conditions stipulated in the Liquidity Facility Agreement, **provided that** the aggregate of the loan advances granted thereunder (Liquidity Advances as well as any Standby Advances) which are outstanding shall at no time exceed the higher of:

(i) 0.3 per cent. of the Principal Amount Outstanding of the Class A Notes as of the respective Notes Payment Date; and

(ii) EUR 1,000,000.

Application of proceeds

The Issuer shall apply the proceeds of the Liquidity Advances to meet the payment of interest under the Class A Notes and of any amounts ranking senior thereto pursuant to the Revenue Priority of Payments from time to time to the extent not covered by the Available Revenue Funds (excluding such Liquidity Advances).

The Liquidity Facility Provider shall not be obliged to enquire as to or monitor the use or application of the proceeds of any Liquidity Advance drawn under the Liquidity Facility Agreement.

Expiry and extension of Liquidity Facility

The Liquidity Facility will expire upon the Liquidity Facility Termination Date. Notwithstanding the foregoing, no Liquidity Facility Termination Date will occur later than the earlier of (i) the redemption of the Class A Notes in full and (ii) the Note Payment Date immediately preceding the

Final Maturity Date, and any extension of the Liquidity Facility which may be made prior to such date will expire at the latest on such date.

The Issuer will, by giving written notice to the Liquidity Facility Provider (with a copy to the Trustee) not earlier than 60 and not later than 40 days prior to the Liquidity Facility Termination Date, request the Liquidity Facility Provider to grant a new committed revolving liquidity facility which shall be on substantially the same terms as this Liquidity Facility (subject to such amendments as may be agreed between the Issuer and the Liquidity Facility Provider, which amendments shall be notified to each of the Rating Agencies) and which shall commence on the earlier of (a) the date specified in such notice and (b) the Liquidity Facility Termination Date of this Liquidity Facility. Following the receipt of such a notice, the Liquidity Facility Provider shall notify the Issuer (with a copy to the Trustee) at least 25 days prior to the Liquidity Facility Termination Date whether or not it agrees to such request. If the Liquidity Facility Provider fails to so notify the Issuer, the Liquidity Facility Provider shall be deemed to have notified the Issuer that it does not agree to such request. If the Liquidity Facility Provider agrees to such request, the Liquidity Facility Provider shall be obliged to grant a new revolving liquidity facility to the Issuer.

No agreement to extend Liquidity Facility

If the Liquidity Facility Provider does not agree to a request to grant a new facility, then the terms and conditions of the Liquidity Facility then in place will remain in force until the Liquidity Facility Termination Date, unless otherwise expressly agreed by the Issuer and the Liquidity Facility Provider. The Liquidity Facility Provider will use its reasonable efforts, upon consultation with the Security Trustee, to locate a replacement liquidity facility provider having at least the Liquidity Facility Provider Required Rating to grant a new committed revolving liquidity facility which shall be on substantially the same terms as this Liquidity Facility. If the Liquidity Facility Provider does not locate such replacement liquidity facility provider prior to the Liquidity Facility Termination Date, within 14 calendar days following the Liquidity Facility Termination Date, the Liquidity Facility Provider shall make available to the Issuer a Standby Advance, by way of crediting the Issuer Stand-by Account which shall be utilised to make Liquidity Advances on behalf of the Liquidity Facility Provider. Any costs and expenses incurred in connection with the making of a Stand-by Advance shall be borne by the Liquidity Facility Provider. If the Liquidity Facility Provider makes a Stand-by Advance, it shall be entitled to request the Issuer to repay the undrawn portion of the Stand-by Advance (in parts or in full) on any Notes Business Day if and when a replacement liquidity facility provider with the Liquidity Facility Provider Required Rating is located and grants a new committed revolving liquidity facility on substantially the same terms as this Liquidity Facility to the Issuer.

Maximum Drawdown Amount

With respect to the Notes Payment Date specified as drawdown date in the relevant drawdown request, the amount of a Liquidity Advance requested by the Issuer under the Liquidity Facility may not exceed, the amounts due under items *first* through *sixth* under the Revenue Priority of Payments and to the extent such items are not paid in full after the application on such Notes Payment Date of the Available Revenue Funds in accordance with the Revenue Priority of Payments and the Available Principal Funds in accordance with the Principal Priority of Payments.

Interest

Advances outstanding under the Liquidity Facility bear interest at a rate determined as 3-month Euribor plus a margin as agreed separately between the Issuer and the Liquidity Facility Provider.

Required Rating of Liquidity Facility Provider

In the event of a Liquidity Facility Provider Trigger Event, the Liquidity Facility Provider shall promptly notify the Issuer of such event and shall during the period of 14 calendar days following such event either

(i) appoint a replacement liquidity facility provider with the Liquidity Facility Provider Required Rating, **provided that** such replacement liquidity facility provider may not be appointed unless it has agreed in writing to assume all duties and obligations materially in

accordance with the duties and obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement,

(ii) furnish a guarantee of a guarantor with the Liquidity Facility Provider Required Rating, or

(iii) secure its obligations under the Liquidity Facility Agreement by depositing an amount equal to the available commitment under the Liquidity Facility at such time into the Issuer Stand-by Account to be utilised to make Liquidity Advances on behalf of the Liquidity Facility Provider.

If the Liquidity Facility Provider fails to take any of the measures set out in (i) through (iii) above, the Issuer will, upon the expiration of the 14 calendar days' period, be entitled to fully and immediately receive the Stand-by Advance in accordance with (iii) above.

Any costs and expenses incurred in connection with the appointment of a replacement liquidity facility provider, the furnishing of a guarantee or the making of a Stand-by Advance shall be borne by the Liquidity Facility Provider.

Events of Default

In case of certain events of default specified in the Liquidity Facility Agreement (including (i) non-payment of amounts due under the Liquidity Facility Agreement even though funds would be available in accordance with the Revenue Priority of Payments, (ii) the Issuer amending the Conditions or the Security Trust Agreement without the consent of the Liquidity Facility Provider or (iii) the occurrence of an Event of Default and the Notes having been declared due and payable as a consequence thereof) the Liquidity Facility Provider may declare that the Liquidity Facility shall be cancelled whereupon all outstanding advances together with accrued interest thereon will be immediately repayable and the available commitment under the Liquidity Facility will be reduced to zero. The Liquidity Facility Provider may also declare that all or part of the advances be payable on demand, whereupon such amounts shall immediately become payable on demand.

Governing law

The Liquidity Facility Agreement will be governed by German law.

5. CASH MANAGEMENT AND ISSUER ACCOUNT BANK AGREEMENT

Pursuant to the Cash Management and Issuer Account Bank Agreement, the Cash Manager will provide certain administration services to the Issuer, including to:

(a) calculate all amounts to be paid by the Issuer in accordance with the relevant Priority of Payments and arrange for all payments (including payment in respect of the Notes and also including the determination of EURIBOR in accordance with the Terms and Conditions of the Notes) due and payable by the Issuer under the Transaction Document to be made from the amounts standing to the credit of the Issuer Accounts and applied in accordance with the applicable Priority of Payments (and shall provide to the Liquidity Facility Provider an Extension Notice in accordance with Clause 2.5 of the Liquidity Facility Agreement) and calculate the Outstanding Principal Amount and Notional Principal Amount Outstanding in respect of each Class of Note and give the respective notices to the Paying Agent;

(b) operate the Issuer Accounts and ensure that payments are made into and from such accounts in accordance with the Cash Management and Issuer Account Bank Agreement, the Mortgage Receivables Purchase Agreement, the Security Documents and any other applicable Transaction Document, **provided however that** nothing herein shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made other than as expressly required by the Cash Management and Issuer Account Bank Agreement;

(c) give directions to the Issuer Account Bank in respect of payments to be received on the Issuer Accounts in accordance with the Transaction Documents, in particular, but not

limited to, arrange for all payments due and payable to the Issuer, if any, by any party to a Transaction Document to be made to any of the Issuer Accounts in accordance with the relevant Transaction Document;

(d) arrange for any term deposits, term loans and/or related payments which constitute Eligible Investments to optimize actual interest in the credit balance of the Issuer Accounts at all times as long as amounts standing to the credit of the Issuer Accounts are available for necessary payments to be made at the relevant monthly or quarterly payment dates according the Transaction Documents;

(e) prepare and maintain all books, ledgers, records and other documentation necessary for the proper performance of its duties hereunder, which includes the full and transparent documentation of all movements of funds on the Issuer Accounts as evidenced by the account statement reports prepared by the Issuer Account Bank and, subject to applicable law (data protection) law, provide upon not less than three Notes Business Days' prior notice by the Issuer, the Security Trustee or the Corporate Services Provider, as applicable, access to such documents at any time, as well as to any competent tax, regulatory or other authority;

(f) promptly (*unverzüglich*) notify the relevant debtor, the Security Trustee and the Issuer in writing if any payment owed to the Issuer under the agreements entered into by the Issuer in connection with the Transaction is overdue;

(g) calculate the amounts due to be paid by the Issuer and the Swap Counterparty under the Swap Documents and notify such amounts to the Issuer and the Swap Counterparty not later than 4 p.m. Frankfurt time on such Notes Calculation Date;

(h) maintain any records necessary for all taxation purposes;

(i) prepare the quarterly Investor Report and procure delivery of the Investor Report to a repository in accordance with Article 7 of the Securitisation Regulation;

(j) assist the auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors;

(k) make all filings, give all notices and make all registrations and other notifications required in the day-to-day operation of the business of the Issuer or required to be given by the Issuer pursuant to the Transaction Documents;

(l) arrange for all payments due to be made by the Issuer under any of the Transaction Documents (including under each relevant Priority of Payments), **provided that** such monies are at the relevant time available to the Issuer and **provided further that** nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Issuer under any of the Transaction Documents;

(m) arrange for all payments due to be made by the Issuer pursuant to the applicable Priority of Payments;

(n) provide accounting services, including reviewing receipts and payments, supervising and assisting in the preparation of interim statements and final accounts and supervising and assisting in the preparation of Tax returns;

(o) on behalf of the Issuer, **provided that** such monies are at the relevant time available to the Issuer, pay all the out-of-pocket expenses of the Issuer, incurred by the Cash Manager on behalf of the Issuer in the performance of the Cash Manager's duties hereunder including:

(i) all Taxes which may be due or payable by the Issuer;

(ii) all registration, transfer, filing and other fees and other charges payable in respect of the transfer by the Seller of Mortgage Receivables to the Issuer;

(iii) all necessary filing and other fees in compliance with regulatory requirements;

(iv) all legal and audit fees and other professional advisory fees;

(v) all communication expenses including postage, courier and telephone charges;

(vi) all premiums payable by the Issuer in respect of any insurance policies; and

(vii) following the occurrence of an Event of Default, all fees payable to the Luxembourg Stock Exchange and/or any other stock exchange on which the Class A Notes are listed but only if the Issuer has not otherwise paid those fees; and

(p) on behalf of the Issuer claim payment to which the Issuer is entitled under the Transaction Documents and the Notes if the conditions for payment thereunder are met.

Authorisation

During the continuance of the appointment of the Cash Manager, the Cash Manager shall, upon the terms and subject to the conditions of the Cash Management and Issuer Account Bank Agreement, have the full power, authority and right to do or cause to be done any and all things which the Cash Manager reasonably considers necessary, convenient or incidental to the exercise of the rights, powers and duties referred to in the Cash Management and Issuer Account Bank Agreement and the performance of its duties and obligations under the Cash Management and Issuer Account Bank Agreement. The Issuer grants a power of attorney to the Cash Manager to act on behalf of the Issuer for such purpose (including, for the avoidance of doubt, any term investments).

Fee, Costs and Expenses

The Issuer shall for each Notes Calculation Period pay to the Cash Manager for its services provided under the Cash Management and Issuer Account Bank Agreement in arrears on the first following Notes Payment Date a fee and an indemnification for out-of-pocket costs, expenses and charges (plus any applicable value added tax), incurred by the Cash Manager in the performance of such services, such fee to be agreed between the Issuer, the Cash Manager and the Security Trustee from time to time.

Termination

If an event of default (which includes subject to applicable grace periods, a payment default, breach of undertaking and Insolvency Proceedings in respect of the Cash Manager) occurs in respect of the Cash Manager or the Issuer Account Bank under the Cash Management and Issuer Account Bank Agreement, then the Issuer and/or the Security Trustee may at once or at any time thereafter while such event of default is continuing, terminate the appointment of the Cash Manager or the Issuer Account Bank with effect from a date specified by the Issuer and/or the Security Trustee. Upon the termination of the respective appointment of the Cash Manager or Issuer Account Bank, the Issuer or, following an Event of Default, the Security Trustee shall use its reasonable endeavours to appoint a substitute Cash Manager that satisfies the conditions set forth in the Cash Management and Issuer Account Bank Agreement.

The appointment of the Cash Manager under the Cash Management and Issuer Account Bank Agreement may be terminated upon the expiry of not less than 12 months' notice of termination given by the Cash Manager to each of the Issuer and the Security Trustee (or such shorter time as may be agreed between the Cash Manager, the Issuer and the Security Trustee) **provided that**, among other things, a substitute administrator has been appointed by the Issuer and such appointment will be effective not later than the date of such termination.

Upon termination of the appointment of the Cash Manager under the Cash Management and Issuer Account Bank Agreement the Cash Manager shall:

(a) forthwith deliver (and in the meantime hold for, and to the order of, the Issuer or the Security Trustee, as the case may be) to the Issuer or the Security Trustee, as the case may be or as it shall direct, all books of account, papers, records, registers, correspondence and

documents in its possession or under its control relating to the affairs of or belongings of the Issuer or the Security Trustee, as the case may be (if practicable, on the date of receipt), any monies then held by the Cash Manager on behalf of the Issuer or, the Security Trustee and any other assets of the Issuer and the Security Trustee;

(b) take such further action as the Issuer or the Security Trustee, as the case may be, may reasonably direct at the expense of the Issuer (including in relation to the appointment of a substitute administrator), **provided that** the Issuer or the Security Trustee, as the case may be, shall not be required to take or direct to be taken such further action unless it has been indemnified to its satisfaction (and in the event of a conflict between the directions of the Issuer and the directions of the Security Trustee, the directions of the Security Trustee shall prevail);

(c) provide all relevant information contained on computer records in the form of a flat file and/or CD Rom, together with details of the layout of the files set out in such flat file and/or CD Rom; and

(d) co-operate and consult with and assist the Issuer or the Security Trustee or its nominee, as the case may be, for the purposes of explaining the file layouts and the format of the flat file/CD Rom containing such computer records on the computer system of the Issuer or the Security Trustee or such nominee, as the case may be.

The initial Cash Manager is ING-DiBa. See section "*THE SELLER AND SERVICER*".

For more information on the Issuer Accounts see section "*CREDIT STRUCTURE*" including a description of the Issuer Accounts and the main provisions of the Cash Management and Issuer Account Bank Agreement.

6. PAYING AGENCY AGREEMENT

Pursuant to the Paying Agency Agreement, the Paying Agent is appointed by the Issuer and will act as agent of the Issuer to make certain determinations in respect of the Notes and to effect payments in respect of the Notes.

The Paying Agent will be effecting all payments in respect of the Notes required to be made by the Issuer in respect of the applicable Priority of Payments, based on information set out in the relevant quarterly Investor Report.

The functions, rights and duties of the Paying Agent are set out in the Conditions. See section "*TERMS AND CONDITIONS OF THE NOTES*".

The Paying Agency Agreement is governed by German law.

The initial Paying Agent is ING. See section "*THE PAYING AGENT*".

7. SWAP AGREEMENT

See section "*CREDIT STRUCTURE*" including a description of the main provisions of the Swap Agreement.

8. ENGLISH SECURITY DEED

Pursuant to the English Security Deed, the Issuer has granted a security interest to the Security Trustee in respect of all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Swap Counterparty and/or any other party pursuant to or in respect of the Swap Agreement as security for the payment and/or discharge on demand of all monies and liabilities due by the Issuer to the Security Trustee.

Such security interest will secure the Secured Obligations and the Trustee Claim.

The English Security Deed is governed by English law.

EXPECTED MATURITY AND AVERAGE LIFE OF CLASS A NOTES AND ASSUMPTIONS

Assumed Weighted Average Life of the Class A Notes

Weighted average life of the Class A Notes refers to the average amount of time that will elapse (on an "act/360" basis) from the date of issuance of a Note to the date of distribution of amounts to the holders of the Class A Notes distributed in reduction of principal of such Class A Note. The weighted average life of the Class A Notes will be influenced by, amongst other things, delinquencies and losses, as well as the rate at which the Securitised Mortgage Receivables are paid, which may be in the form of scheduled amortisation, prepayments or liquidation. It should be noted that the actual amortisation of the Notes may differ substantially from the amortization scenarios indicated below.

The following table was prepared based on the characteristics of the Mortgage Loans and the following additional assumptions:

(a) the Prepayment Call and the Tax Call are not called by the Issuer;

(b) CPR assumptions applied to the weighted average life tables are 0.0 per cent., 2.5 per cent., 5.0 per cent. and 10.0 per cent.;

(c) the Replenishment Period ends 3 years after the Closing Date and no Replenishment Period Termination Event occurs;

(d) Monthly Principal Funds accrued from the Initial Cut-Off Date (31 August 2021) until the Closing Date are used for replenishment on the first Notes Payment Date after the Closing Date the Seller makes full use of its right to sell additional loans;

(e) the difference between the Outstanding Principal Amount on the Closing Date and the Notional Principal Amount Outstanding is used for replenishment on the first Notes Payment Date after the Closing Date;

(f) the Mortgage Loans continue to be fully performing and there are no arrears or foreclosures;

(g) no Mortgage Receivable is sold by the Issuer;

(h) there is no debit balance on the Principal Deficiency Ledger on any Notes Payment Date;

(i) the Seller is not in breach of the terms of the Mortgage Receivables Purchase Agreement;

(j) no Mortgage Receivable is required to be repurchased by the Seller;

(k) no Further Advances are purchased after the end of the revolving period;

(l) at the Closing Date, the Class A Notes represent 91.5 per cent. of the Notes;

(m) at the Closing Date, the Class B Notes represent 8.5 per cent. of the Notes;

(n) the Notes are issued on the Closing Date and all payments on the Notes are received on the 20th day of February, May, August and November of each year commencing from February 2022;

(o) the Final Maturity Date of the Notes is the Notes Payment Date falling in February 2109;

(p) the weighted average life has been calculated on an actual/360 basis;

(q) Mortgage Loans which are repaid in full are assumed to be repaid on the last day of the Mortgage Calculation Period;

(r) the Notes will be redeemed in accordance with the Conditions;

(s) the Trustee Collateral has not been enforced; no Enforcement Notice has been served and no Event of Default has occurred;

(t) the pool of Mortgage Receivables (described above) as of the Initial Cut-Off Date will be purchased by the Issuer on the Closing Date.

Average Life

CPR	**Possible Average Life of the Class A Notes (years)**	**Possible Average Life of the Class B Notes (years)**
0.0 per cent.	12.7	47.4
2.5 per cent.	10.5	36.0
5.0 per cent.	9.0	29.2
10.0 per cent.	7.3	21.6

ELIGIBILITY CRITERIA

On the Cut-Off Date immediately preceding the relevant Transfer Date, the following Eligibility Criteria must have been met by the Mortgage Receivables to be eligible for acquisition by the Issuer pursuant to the Mortgage Receivables Purchase Agreement.

A Mortgage Receivable is an Eligible Mortgage Receivable if it meets the following criteria:

(i) ING-DiBa has originated the Mortgage Receivable and is its sole creditor;

(ii) the Mortgage Receivable has been originated by the Seller in accordance with its standard credit policies and guidelines at the time of origination and all required consents, approvals and authorisations have been obtained in respect thereof and in respect of the ability of the Seller to undertake such business;

(iii) the Mortgage Receivable constitutes legal, valid and binding obligations of the respective Borrower, and the Mortgage Receivable is enforceable against the Borrower in accordance with the terms of the Mortgage Conditions related thereto and applicable provisions of law (including, but not limited to, German consumer protection laws and therefore the Borrower has not exercised its relevant right to revocation (*Widerrufsrecht*));

(iv) the Mortgage Receivable shall not be a bond but shall be a term loan agreement for principal and interest;

(v) ING-DiBa has proper documentation in place for the respective Mortgage Receivable, indicating, in particular, the amounts outstanding thereunder from time to time and the related collateral;

(vi) ING-DiBa has not entered into an agreement with the Borrower, according to which the repayment of the Mortgage Receivable would be suspended;

(vii) the Mortgage Receivable is a fully disbursed loan;

(viii) the Maturity Date of a Mortgage Receivable falls at the latest two (2) years before the Final Maturity Date;

(ix) the Mortgage Receivable was disbursed by ING-DiBa to a Borrower domiciled in the European Economic Area and not employed by ING-DiBa or any of its affiliates;

(x) the Mortgage Receivable is denominated in euro;

(xi) the Mortgage Receivable is not a Non-Performing Mortgage Receivable;

(xii) the Mortgage Receivable is a loan bearing a fixed interest rate; interest on the Mortgage Receivable is payable monthly,

(xiii) the Mortgage Loan relating to the Mortgage Receivable is an annuity loan with an amortising repayment profile and is secured by one first ranking Mortgage which is free from any third party prior ranking rights and in case of a subordinated Mortgage where the Seller granted also a mortgage loan secured by a first ranking mortgage related to the same object and which mortgage loan is or designated to be sold to the Issuer;

(xiv) the Mortgage Receivable is evidenced by a Mortgage Loan and Mortgage Conditions governed by German law;

(xv) the aggregate amount of all Mortgage Receivables relating to a Mortgaged Assets does not exceed EUR 1,500,000.00;

(xvi) the Mortgage Receivable has not been, in part or in whole, pledged, assigned, seized or attached or transferred in any way nor has it been otherwise subject to any similar third party right;

(xvii) at least 1 monthly instalment in respect of the Mortgage Receivable has been received (which, for the avoidance of doubt, shall not be relevant in relation to any Further Advance);

(xviii) the Mortgage Receivable is secured by a mortgage (*Grundschuld*) on property located in Germany;

(xix) the Borrower under the related Mortgage Receivable has granted an assumption of personal liability (*Übernahme der persönlichen Haftung*) and a submission to immediate enforcement (*Unterwerfung unter die sofortige Zwangsvollstreckung*);

(xx) is a claim which can be transferred by way of assignment without the consent of the related Borrower and which shall be validly transferred, to the Purchaser in the manner contemplated by the Mortgage Receivables Purchase Agreement;;

(xxi) the Mortgage Receivable is not secured by an accessory mortgage (*Hypothek*);

(xxii) each Mortgage Receivable comprises any and all claims for payment of principal and interest (but, excluding other claims resulting from the respective loan agreements such as Prepayment Penalties) owed by a Borrower to the Seller under the related Mortgage Loan;

(xxiii) the relevant Mortgage Conditions contain a provision according to which it is agreed that amortisations (*Tilgungsleistungen*) are not allocated to the mortgage (*Grundschuld*), but on the claims secured by such Mortgage (*Grundschuld*), unless payment is made as justified on a case by case basis on the mortgage (*Grundschuld*);

(xxiv) the Mortgage Receivable constitutes an unsubordinated, unconditional, irrevocable, binding and enforceable obligation of the relevant Borrower to pay its full face amount in accordance with its terms, and is neither subject to any defense, dispute, counterclaim or enforcement order or other similar claim nor (without prejudice to any mortgages and other encumbrances ranking in priority to the related Mortgage Receivable) subordinated in priority of payment;

(xxv) to the best knowledge of the Seller, the Borrower is not subject to bankruptcy, sequestration, moratorium or any other similar proceedings;

(xxvi) the Mortgage Receivable and Related Mortgage can be identified in the files of the Seller on the basis of the Mortgage Receivable List and comply with the information (including the account number, the principal balance, the interest rate and Loan To Value Ratio) provided in this Mortgage Receivable List according to the Mortgage Receivable Purchase Agreement and neither the Borrower nor the Servicer may unilaterally increase the principal balance of such Mortgage Receivable or extend its term other than in accordance with the servicing standards as described in the Credit and Collection Policy;

(xxvii) each Mortgage has been appraised in accordance with the Seller's lending guidelines for German residential mortgage loans and in compliance with any applicable regulatory requirements, in each case as they applied at the time of the relevant appraisal;

(xxviii) the Mortgaged Asset relating to the Mortgage Receivable is used for residential purposes or in case of mixed-use properties primarily for residential purposes;

(xxix) the Mortgage Receivable has a Current Loan To Value Ratio at the Cut-Off Date of not more than 100 per cent. (the "**Maximum LTV**");

(xxx) the lengths of the Fixed Interest Rate Period in relation to the Mortgage Receivable has a term of no longer than 240 months (the "**Maximum Original Term**") and a remaining term at the Cut-Off Date of not more than 240 months (the "**Maximum Remaining Term**"); and

(xxxi) Each Borrower of such Mortgage Receivable is not a credit-impaired debtor or guarantor, who, to the best of the Seller's knowledge:

(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the Issuer;

(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller or original lender; or

(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitized.

REPLENISHMENT CRITERIA

On any relevant Cut-Off Date preceding the relevant Transfer Date, the purchase by the Issuer of Substitute Mortgage Receivables will be subject to the following conditions with regard to the relevant Transfer Date:

(i) the weighted average interest rate of all Securitised Mortgage Receivables is not lower than 1.3 per cent. (which shall, for the avoidance of doubt, include the offered Substitute Mortgage Receivables on the relevant Offer Day);

(ii) the weighted average Current Loan to Value Ratio of all Securitised Mortgage Receivables is not higher than 67.5 per cent. (which shall, for the avoidance of doubt, include the offered Substitute Mortgage Receivables on the relevant Offer Day);

(iii) no Replenishment Period Termination Event has occurred;

(iv) the three (3) months rolling average portion of all Securitised Mortgage Receivables with a minimum of 90 (ninety) days in arrears does not exceed X, whereby X shall be defined as 0.50 per cent. following the first 365 days of the Closing Date and shall increase by 0.50 per cent. per every additional 365 days;

(v) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;

(vi) the share of Securitised Mortgage Receivables which fall under the property category Buy-to-Let is not higher than 22.0 per cent. of the Aggregate Outstanding Principal Amount of all Securitised Mortgage Receivables (which shall, for the avoidance of doubt, include the offered Substitute Mortgage Receivables on the relevant Offer Day); and

(vii) the share of Securitised Mortgage Receivables which relate to Borrowers which are self-employed is not higher than 15.0 per cent. of the Aggregate Outstanding Principal Amount of all Securitised Mortgage Receivables (which shall, for the avoidance of doubt, include the offered Substitute Mortgage Receivables on the relevant Offer Day).

ADDITIONAL PURCHASE CONDITIONS

On any relevant Cut-Off Date preceding the relevant Transfer Date the sale and purchase of a Further Advance Receivable will be subject to the following conditions with regard to the relevant Transfer Date:

(i) the Further Advance relates to a Mortgage Receivable;

(ii) the Seller will represent and warrant to the Issuer and the Security Trustee the matters specified in Schedule 5 (*Seller and Servicer Representation*) – Part B (*Mortgage Receivables Warranties*) of the Incorporated Terms Memorandum in respect of such Further Advance Receivable;

(iii) no Assignment Notification Event has occurred and is continuing;

(iv) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;

(v) all Mortgage Receivables relating to the Further Advance Receivable are owned by the Issuer;

(vi) the Monthly Principal Funds as at the Transfer Date are sufficient to pay the Subsequent Purchase Price for the relevant Further Advance Receivable;

(vii) the aggregate Outstanding Principal Amount of all Further Advance Receivables sold and assigned by the Seller to the Issuer does not exceed 3 per cent. of the aggregate Outstanding Principal Amount of all Initial Mortgage Receivables as of the Cut-Off Date; and

(viii) during the Replenishment Period only, the Replenishment Criteria are fulfilled;

PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA

Pursuant to Article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria and the terms of an external verification applying a confidence level at least 95 per cent. has been made in respect of the Receivables prior to the Closing Date by an appropriate and independent party, including verification that the data disclosed in any formal offering document in respect of the Securitised Mortgage Receivables is accurate, and, in this respect, no significant adverse findings have been found.

The portfolio consists of the Securitised Mortgage Receivables arising under the Loan Agreements and the Related Mortgages, originated by the Seller pursuant to the Credit and Collection Policy. See "*CREDIT AND COLLECTION POLICY*". The Securitised Mortgage Receivables included in the portfolio are derived from a portfolio of loans to retail customers to finance the acquisition of Mortgaged Assets and were acquired by the Issuer pursuant to the Mortgage Receivables Purchase Agreement. The aggregate Outstanding Principal Amount as of the Cut-Off Date is EUR 8,732,977,263.75.

The valuation of the properties over which the Related Mortgages have been granted has been made as at the date of the origination of the Securitised Mortgage Receivables and there has been no revaluation of the properties for the purpose of the issuance of the Notes. The historical information set out in below is based on the past experience and present procedures of the Seller. There can be no assurance as to the future performance of the Securitised Mortgage Receivables.

The portfolio information presented in this Prospectus is based on the pool as of 31 August 2021.

Summary	
Portfolio Cut-off Date	31 August 2021
Number of Loans	87,019
Number of Borrowers	64,310
Aggregate Outstanding Not. Amount	8,732,977,263.75
Average Principal Balance (loan-level)	100,357
Average Principal Balance (borrower-level)	135,795
WA Current LTV	62.32%
WA Seasoning (months):	60
WA Remaining Time to Interest Reset (months):	81
Weighted Average Coupon	1.62
Minimum	0.28
Maximum	6.4

Coupon (%)	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
0.25% - 0.50%	185,568,481	2.1%	899	1.0%
0.50% - 0.75%	872,961,284	10.0%	8,798	10.1%
0.75% - 1.00%	765,028,902	8.8%	6,051	7.0%
1.00% - 1.25%	1,052,503,632	12.1%	9,841	11.3%
1.25% - 1.50%	1,421,805,872	16.3%	13,637	15.7%
1.50% - 1.75%	1,211,102,868	13.9%	12,313	14.1%
1.75% - 2.00%	892,730,077	10.2%	8,781	10.1%
2.00% - 2.25%	625,397,366	7.2%	6,633	7.6%
2.25% - 2.50%	520,425,982	6.0%	5,491	6.3%
2.50% - 2.75%	363,732,464	4.2%	4,480	5.1%
2.75% - 3.00%	284,702,277	3.3%	3,456	4.0%
3.00% - 3.25%	194,655,468	2.2%	2,352	2.7%
3.25% - 3.50%	109,151,729	1.2%	1,330	1.5%
3.50% - 3.75%	94,206,804	1.1%	1,213	1.4%
3.75% - 4.00%	58,710,572	0.7%	705	0.8%
4.00% - 4.25%	34,338,231	0.4%	408	0.5%
4.25% - 4.50%	22,344,111	0.3%	281	0.3%
4.50% - 4.75%	13,602,946	0.2%	197	0.2%
4.75% - 5.00%	6,390,470	0.1%	88	0.1%
5.00% - 5.25%	1,988,607	0.0%	36	0.0%
5.25% - 5.50%	1,139,797	0.0%	17	0.0%

Coupon (%)	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
5.50% - 5.75%	191,934	0.0%	4	0.0%
5.75% - 6.00%	159,434	0.0%	3	0.0%
6.00% - 6.25%	125,074	0.0%	4	0.0%
6.25% - 6.50%	12,883	0.0%	1	0.0%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Origination Year	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
2010	241,645,418	2.8%	3,531	4.1%
2011	274,695,964	3.1%	3,488	4.0%
2012	261,851,473	3.0%	3,491	4.0%
2013	693,841,409	7.9%	8,054	9.3%
2014	692,433,019	7.9%	7,670	8.8%
2015	1,670,176,445	19.1%	16,538	19.0%
2016	1,012,662,649	11.6%	10,798	12.4%
2017	873,451,769	10.0%	8,670	10.0%
2018	1,087,471,561	12.5%	9,686	11.1%
2019	848,057,696	9.7%	6,911	7.9%
2020	812,486,965	9.3%	6,485	7.5%
2021	264,202,896	3.0%	1,697	2.0%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Interest Reset Year	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
2022	105,654,087	1.2%	1,409	1.6%
2023	657,436,927	7.5%	7,554	8.7%
2024	718,464,049	8.2%	8,040	9.2%
2025	981,713,129	11.2%	10,917	12.5%
2026	885,090,240	10.1%	10,352	11.9%
2027	786,410,688	9.0%	8,907	10.2%
2028	920,302,688	10.5%	9,308	10.7%
2029	704,314,044	8.1%	7,100	8.2%
2030	1,286,456,835	14.7%	11,617	13.3%
2031	567,658,768	6.5%	5,231	6.0%
2032	251,374,418	2.9%	1,760	2.0%
2033	246,416,413	2.8%	1,592	1.8%
2034	247,959,581	2.8%	1,418	1.6%
2035	163,720,306	1.9%	889	1.0%
2036	49,068,562	0.6%	256	0.3%
2037	4,842,855	0.1%	18	0.0%
2038	12,187,033	0.1%	77	0.1%
2039	8,459,321	0.1%	28	0.0%
2040	100,328,644	1.1%	414	0.5%
2041	35,118,676	0.4%	132	0.2%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Seasoning (years)	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
< 0.5	153,802,489	1.8%	918	1.1%
0.5 - 1	400,717,305	4.6%	2,974	3.4%
1 - 2	778,714,838	8.9%	6,377	7.3%
2 - 3	840,353,364	9.6%	7,028	8.1%
3 - 4	1,160,701,932	13.3%	10,512	12.1%
4 - 5	933,353,278	10.7%	9,609	11.0%
5 - 6	1,276,070,831	14.6%	12,934	14.9%
6 - 7	1,150,332,139	13.2%	11,941	13.7%
7 - 8	836,955,890	9.6%	9,168	10.5%
8 - 9	558,741,664	6.4%	6,916	7.9%
9 - 10	218,817,623	2.5%	2,768	3.2%
10 - more	424,415,912	4.9%	5,874	6.8%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Remaining Time to Interest Reset (years)	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
1	105,654,087	1.2%	1,409	1.6%
2	657,436,927	7.5%	7,554	8.7%
3	718,464,049	8.2%	8,040	9.2%
4	981,713,129	11.2%	10,917	12.5%
5	885,090,240	10.1%	10,352	11.9%
6	786,410,688	9.0%	8,907	10.2%
7	920,302,688	10.5%	9,308	10.7%
8	704,314,044	8.1%	7,100	8.2%
9	1,286,456,835	14.7%	11,617	13.3%
10	567,658,768	6.5%	5,231	6.0%
11	251,374,418	2.9%	1,760	2.0%
12	246,416,413	2.8%	1,592	1.8%
13	247,959,581	2.8%	1,418	1.6%
14	163,720,306	1.9%	889	1.0%
15	49,068,562	0.6%	256	0.3%
16	4,842,855	0.1%	18	0.0%
17	12,187,033	0.1%	77	0.1%
18	8,459,321	0.1%	28	0.0%
19	100,328,644	1.1%	414	0.5%
20	35,118,676	0.4%	132	0.2%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Original Notional Amount

Aggregate Outstanding Notional	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
< 10,000	3,762,277	0.0%	537	0.6%
10,001 - 50,000	336,278,820	3.9%	12,616	14.5%
50,001 - 75,000	664,926,338	7.6%	12,628	14.5%
75,001 - 100,000	1,243,115,501	14.2%	17,379	20.0%
100,001 - 125,000	958,788,253	11.0%	11,169	12.8%
125,001 - 150,000	970,852,093	11.1%	9,469	10.9%
150,001 - 175,000	587,321,701	6.7%	4,930	5.7%
175,001 - 200,000	705,659,429	8.1%	5,027	5.8%
200,001 - 225,000	431,527,023	4.9%	2,741	3.1%
225,001 - 250,000	468,418,014	5.4%	2,633	3.0%
250,001 - 275,000	272,713,590	3.1%	1,386	1.6%
275,001 - 300,000	350,413,210	4.0%	1,601	1.8%

Aggregate Outstanding Notional	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
300,001 - 325,000	189,158,247	2.2%	804	0.9%
325,001 - 350,000	216,373,836	2.5%	833	1.0%
350,001 - 375,000	136,084,947	1.6%	479	0.6%
375,001 - 400,000	184,079,009	2.1%	610	0.7%
400,001 - 500,000	357,587,740	4.1%	1,031	1.2%
500,001 - 600,000	211,053,530	2.4%	475	0.5%
600,001 - 700,000	151,929,804	1.7%	291	0.3%
700,001 - 800,000	102,368,984	1.2%	162	0.2%
800,001 - 900,000	49,859,130	0.6%	70	0.1%
900,001 - 1,000,000	52,741,954	0.6%	64	0.1%
1,000,001 - 2,000,000	87,963,831	1.0%	84	0.1%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Employment Type	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
Employed - Sector Unknown	6,237,599,184	71.4%	63,300	72.7%
Self-employed	1,006,653,016	11.5%	7,287	8.4%
Employed - Public Sector.....	719,175,995	8.2%	7,875	9.0%
Pensioner.....	625,570,055	7.2%	7,348	8.4%
Unemployed.....	71,998,357	0.8%	698	0.8%
Other.....	69,048,941	0.8%	482	0.6%
Student	2,931,716	0.0%	29	0.0%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Number of Loans Per Borrower	Aggregate O/S Not. Amount	% of Total	No of Obligors	% of Total
1	5,763,695,418	66.0%	46,801	72.8%
2	2,099,752,705	24.0%	13,431	20.9%
3	633,311,907	7.3%	3,238	5.0%
4	168,933,838	1.9%	652	1.0%
5	42,038,445	0.5%	124	0.2%
6	17,262,370	0.2%	46	0.1%
7	6,053,513	0.1%	13	0.0%
8	914,307	0.0%	2	0.0%
9	0	0.0%	0	0.0%
10	660,492	0.0%	2	0.0%
11	354,270	0.0%	1	0.0%
Grand Total	**8,732,977,264**	**100.0%**	**64,310**	**100.0%**

Current LTV	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
< 30	807,746,779	9.2%	12,330	14.2%
30 - 40	856,945,670	9.8%	11,635	13.4%
40 - 50	1,067,482,688	12.2%	12,687	14.6%
50 - 60	1,185,505,481	13.6%	12,479	14.3%
60 - 70	1,257,302,887	14.4%	11,745	13.5%
70 - 80	1,236,568,949	14.2%	10,266	11.8%
80 - 90	1,231,623,754	14.1%	8,943	10.3%
90 - 100	1,088,645,278	12.5%	6,927	8.0%

Current LTV	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
100 - 110	1,155,778	0.0%	7	0.0%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

Concentration Obligor	Aggregate O/S Not. Amount	% of Total
Top 1	1,498,974	0.0%
Top 10	14,445,959	0.2%
Top 20	28,089,333	0.3%
Top 50	65,234,331	0.7%
Top 100	117,458,027	1.3%

Property Type	Aggregate O/S Not. Amount	% of Total	No of Loans	% of Total
Residential (Flat or Apartment)....	2,651,951,596	30.4%	25,434	29.2%
Residential (House, detached or semi-detached)	5,040,548,574	57.7%	50,776	58.4%
Residential (Terraced House).....	1,040,477,094	11.9%	10,809	12.4%
Grand Total	**8,732,977,264**	**100.0%**	**87,019**	**100.0%**

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Class A Notes.

CREDIT AND COLLECTION POLICY

Under the Servicing Agreement, the Securitised Mortgage Receivables are administered along with all other residential mortgage financing receivables of ING-DiBa according to ING-DiBa's normal business procedures. The Borrowers will not be notified of the fact that the Securitised Mortgage Receivable(s) arising under their respective Mortgage Loan(s) has/have been assigned to the Issuer, except under special circumstances.

The normal business procedures of ING-DiBa relevant for the Mortgage Loans currently include the following:

Product characteristics

Residential mortgage loans are granted to private individuals for financing of real estate properties. ING-DiBa's new mortgage business consists of new financings and re-financings. The main financing purposes are: purchase, new construction, re-financing and raising of capital.

ING-DiBa's offers are focused on owner-occupied properties. Private investors looking for capital investments (buy-to-let) could also be financed considering additional restrictions.

The loans are generally annuity loans with a fixed interest rate period. The generally offered fixed interest terms are currently up to 20 years. Since September 2021 ING-DiBa offers as well fixed interest terms up to 30 years for new financings on a pilot basis.

ING-DiBa also offers Bridge loans (*Zwischenfinanzierungen*). Bridge loans are offered in conjunction with residential mortgages. It is used for temporary financing of a long term loans (up to 24 month term). This is usually the case when customers are planning to sell a currently owned house, where the expected price is part of the overall financing of the new object.

Customers can choose their repayment rate between 1 per cent. and 10 per cent. with an additional option of up to 5 per cent. of the original loan amount for prepayments on an annual basis. ING-DiBa offers also interest-only loans with a repayment surrogate, e.g. life insurance or building loan contract which are assigned to ING-DiBa as repayment surrogate.

The minimum loan amount for newly offered mortgages is in general EUR 75,000 for new financings and re-financings.

The policy and process for residential mortgages in ING-DiBa is applicable for all mortgage loans. For loans with a larger size (above EUR 1.5 million. total customer outstanding volume) an additional policy and process applies: "Real Estate Loans" ("*Immobilienkredite*").

Residential Mortgage Lending criteria at a glance

The details for a standard mortgage loan from ING-DiBa are:

- the minimum amount is EUR 75,000 (temporarily increased from EUR 50,000 as shown in relevant guidelines)
- the borrower is a private individual with its permanent residence and income in Germany
- secured over residential properties located in Germany, residential usage of secured properties is normal; in case of mixed-use properties the use is primarily (max. 50 per cent. commercial use as per internal guidelines) for residential purposes and provided that the commercially used part can also be used for residential purposes
- property that serves as collateral is usually owner occupied, however non-owner occupations are also accepted under restrictions
- financing is provided up to 100 per cent. of the current purchase price or current cost of construction (including land)

- first lien financing; subordinate loans (external) only allowed in case of minor preloads (preload = max. 20 per cent. of market value and preload + ING-DiBa loan amount does not exceed 70 per cent. of market value)

- periods of fixed interests in accordance with the current schedule of terms and conditions (currently the maximum period offered with fixed interest is 20 years in general and up to 30 years for new financings on a pilot base since September 2021)

- interest conditions are in accordance with the current schedule of terms and conditions (currently only fixed interest is offered)

- interest is charged on the principal outstanding at the end of the previous month and repayments are charged monthly

- the monthly instalment is paid by a direct debit of the reference account

Valuation of collateral

The value of a property, and thus the amount of money that can be borrowed against it, is determined

by the nature and use of the property. The calculation is based on the 'German Regulation on the Determination of the Mortgage Lending Value' ("**BelWertV**").

Depending on the nature of the property and its type of use, its mortgage lending value (the "**MLV**") is determined either by using:

- the asset value method (*Sachwertverfahren*): calculation of the property market value as a function of the land value and the building value

- the reference value method (*Vergleichswertverfahren*): calculation of the property market value by a comparison of properties which are equal in structure, usage etc.

- the earning capacity method (*Ertragswertverfahren*): the property market value is calculated by capitalization of sustainable rent

A mortgage lending value must be determined for every property that is used as collateral in the context of a mortgage. This determination of the MLV is based on the provisions of the BelWertV.

The mortgage lending value is determined with the help of the valuation tool "Ten2Click". This tool provides a detailed valuation based on i.a. realised purchases for similar properties and official ground values.

In order to obtain correct valuation results, the correct entry or validation of the recorded property data must be ensured. The result of the valuation via "Ten2Click" and / or in the context of an external appraisal must be critically examined by a credit officer and manually authorized (4-Eyes-Principle).

In order to check the quality of the determination of the mortgage lending value, the mortgage lending values determined are checked at regular intervals by an internal expert as part of a random test based on section 24 (2) BelWertV.

Financing can be provided for up to 100 per cent. of the purchase price or building cost (including land). No financing is provided for ancillary acquisition costs (e.g. financing costs, notary and legal fees, broker commissions or land transfer tax). Additionally, the MLV is limited to 140 per cent.

ING-DiBa Clients

Borrowers are exclusively private individuals. The maximum number of borrowers per account is two applicants/borrowers. Borrowers may only act for their own account. Borrowers must be of legal age (in Germany: 18 years). Borrowers must have their residence and place of work in Germany. Exceptions are allowed only for German embassy staff abroad and European civil servants and MPs from Germany based abroad.

Credit approval process

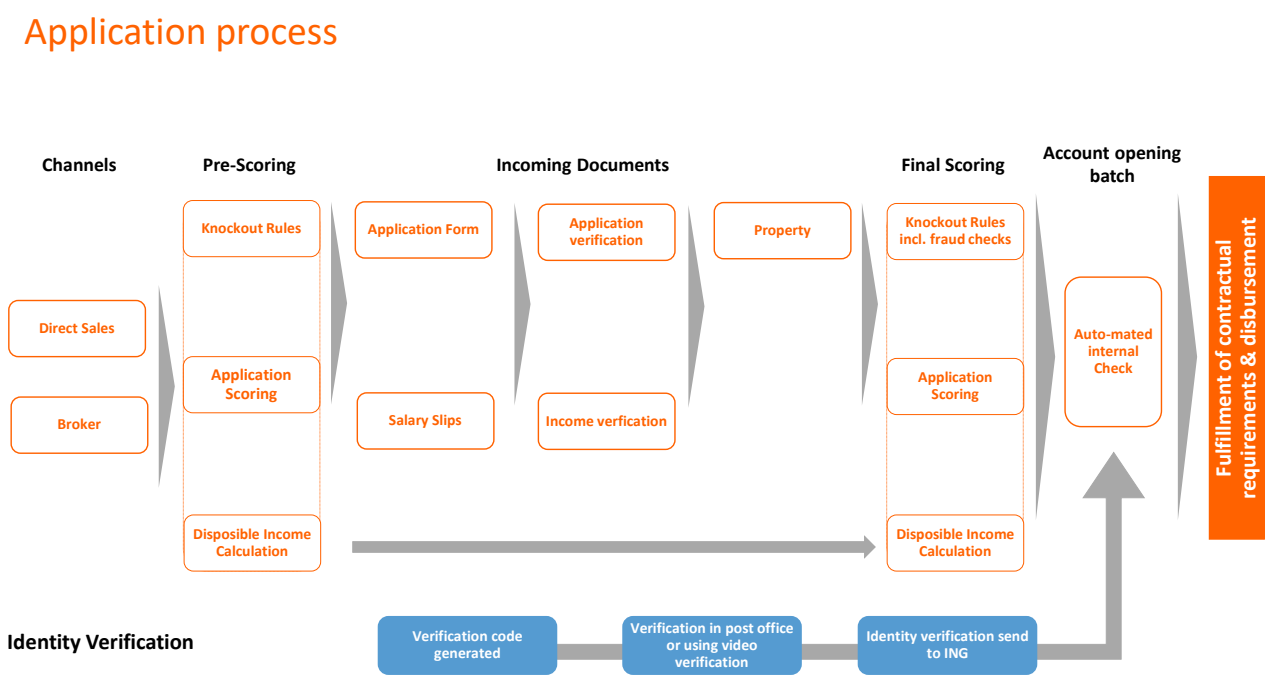
Mortgages application and approval process starts generally with a consultation about the requested loan which takes place either at Direct Sales department (internally) or via Broker (externally). Broker as well as staff in Direct Sales department go through the questions to be answered for an application like purpose of financing, property type and other required data for property, personal situation of applicants (i.a. income, expenses) and also conditions for the loan itself. For both channels, direct and broker, a pre-scoring takes place where the collected data and additionally obtained data (credit bureau information) will be checked by decision engine. Based on not-yet validated applicants information the application scoring takes place as well as a disposable income calculation and also defined knockout rules are checked.

In case of a positive vote of the decision engine applicants are requested to send in several documents (depending on purpose of financing, employment and type of property): i.a. signed application form, proof of income (e.g. salary slips, income tax assessment, rental contracts), proof of equity, cadastral map, construction drawings, computation of living space, statement of costs and/or purchase contract.

All the requested information and documents are checked by loan officers (back office). The therefore checked data will be updated in the back office system where necessary. Additionally to the income verification the property valuation will be performed by using the evaluation tool "Ten2Click". This tool provides a detailed evaluation based on i.a. realised purchases for similar properties and official ground values.

Based on the now validated data a final system decision is made. This final scoring includes again the application scorecard, the disposable income calculation and knockout rules including checks for existing customer. The final loan approval will be done manually by authorized staff with regard to the 4-Eyes-Principle. The level of approval is depending on the total loan amount of an applicant (new requested and existing loans). The higher the total loan amount, the higher is the needed level of competence. Loan officers are generally bounded to the system decision, using their credit competences a contrary vote and approval is possible. In this case a detailed explanation is mandatory. With the final approval a loan contract is send to applicants including all regulations and requirement e.g. for further documents or the disbursement.

The following chart gives an additional overview about the approval process:



Acceptance Criteria & Rules

The credit policy sets the general framework and contains all the criteria and regulations for credit approval:

- Policy and knock-out rules,
- Disposable income calculation,
- Usage of the application scorecard.

Policy and knock-out rules include for example:

- Accepted/Not-accepted applicants (residence, job categories etc.),
- Check of credit bureau information (Schufa),
- Accepted/Not-accepted properties and additional property criteria,
- Financial capacity (positive disposable income calculation)
- Behavioral criteria for existing customers,
- Statistical risk profile above cut-off of application scorecard.

The policy criteria are checked by decision engine in pre-scoring as well as in final scoring and sets therefore the system decision.

Account Delinquency

An account is viewed as in arrears when the monthly payment is missing on the billing cycle date. Since the payment method is always direct debit a NSF event (no sufficient fund - bounce back) must have occurred. The direct debit date is usually the end of the month for all accounts.

If an account is still in arrears 20 days after the payment was due and the amount in arrears is at least EUR 25, the first reminder is sent automatically and the delinquency level ('*Mahnstufe*') is set to 01. During the period between the delinquency start date and the sending of the first reminder the client has the opportunity to eliminate the arrears by making a money transfer.

The second written notification follows 1 month later and the system sets the delinquency level to 02.

After another month in case the client did not repay the delinquency level switches to 03. At this moment the automatic process ends and the CoE Collections further handle each file manually.

In addition to the automatic dunning process, the customer will be contacted by telephone and e-mails (proactive customer approach) by the CoE Collections. Personal attention will be given, with the aim to re-instate the normal payment pattern and to retain the customer.

To achieve a settlement arrangement with the customer, the following measures are part of the policy and can be taken according to the respective authorization level:

a) Promise to Pay (PTP)

b) Payment Arrangement

c) Temporary and permanent reduction of installment

d) Decrease of the principal payment rate to a min. floor of 1 per cent.

e) Capitalization of Arrears, given that the condition set in the policy are jointly fulfilled

In case no settlement arrangement can be achieved for the repayment of the mortgage with the client, or in case the agreed arrangement does not prove to be successful, the contract will be terminated if the legal requirements for termination are fulfilled and the mortgage account is set 'in notice'.

Within this process it is always the goal to prevent losses and/or liquidations, to control the risk and maximise collections.

Treatment of Problem Loans

After the account is in notice, the security / collateral is liquidated or sold and compulsory measures are initiated by the collections department.

To maximise recoveries, the team urges the customers to voluntarily sell the collateral, the necessary support (takeover of the broker's commission, if the real estate sale is commissioned through the cooperation partner of ING-DiBa) will be given by ING-DiBa.

The foreclosure process starts immediately if and when the borrower is unwilling or unable to sell the property voluntarily. Again, in this case the collections department aims to maximise the recoveries.

If the proceeds from the sale (auction) of the property do not fully cover the Seller's claims (loan residual claim balance), an agreement over fixed instalments is usually made with the borrower. If no agreement can be reached with the client, enforcement options will be investigated.

If repayments can no longer be achieved and the write-off criteria defined in the write-off policy of ING-DiBa are met, the receivable is written off.

THE ISSUER

1. General

German Lion RMBS S.A., a public company with limited liability (*société anonyme*), was incorporated for the purpose amongst others, of issuing asset backed securities under the laws of Luxembourg on 18 May 2021, for an unlimited period and with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg. German Lion RMBS S.A. is registered with the Luxembourg Register of Trade and Companies under registered number B255.534.

German Lion RMBS S.A. is subject, as an unregulated securitisation undertaking, to the provisions of the Luxembourg Securitisation Law.

The articles of incorporation of German Lion RMBS S.A. were filed with the Luxembourg trade and companies register and published in the RCS, Registre de Commerce et des Sociétés, on 09 June 2021 in the RCS under the registered number B255.534.

The Issuer has not set-up and does not maintain a website.

The legal entity identifier (LEI) of German Lion RMBS S.A. is 549300OKUMPRCLI67188.

The legal entity identifier (LEI) of the Issuer is 549300CC8RG7F2LUD822.

2. Corporate purpose of the Issuer

The corporate object of German Lion RMBS S.A. is the securitisation (within the meaning of the Luxembourg Securitisation Law which applies to German Lion RMBS S.A.) of receivables (for the purposes of this paragraph, the "**Permitted Assets**"). German Lion RMBS S.A. may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, **provided that** it is consistent with the Luxembourg Securitisation Law.

3. Compartments

The Board of Directors of German Lion RMBS S.A. may, in accordance with the terms of the Luxembourg Securitisation Law, and in particular its Article 5 of the Articles of Incorporation of German Lion RMBS S.A., create one or more Compartments within German Lion RMBS S.A. Each Compartment shall correspond to a distinct part of the assets and liabilities of German Lion RMBS S.A. The resolution of the Board of Directors creating one or more Compartments within German Lion RMBS S.A., as well as any subsequent amendments thereto, shall be binding as of the date of such resolution against any third party.

Rights of creditors of German Lion RMBS S.A. that (i) have, when coming into existence, been designed as relating to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are, except if otherwise provided for in the resolution of the Board of Directors creating the relevant Compartment, strictly limited to the assets of that Compartment and such assets shall be exclusively available to satisfy such creditors. Creditors of GERMAN LION RMBS S.A. whose rights are designated as relating to a specific Compartment of GERMAN LION RMBS S.A. shall (subject to mandatory law) have no rights to the assets of any other Compartment or equity capital of GERMAN LION RMBS S.A.

Unless otherwise provided for in the resolution of the Board of Directors of GERMAN LION RMBS S.A. creating such Compartment, no resolution of the Board of Directors of GERMAN LION RMBS S.A. may be taken to amend the resolution creating such Compartment or take any other decision directly affecting 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 of Directors taken in breach of this provision shall be void.

The liabilities and obligations of the Issuer incurred or arising in connection with the Notes and the other Transaction Documents and all matters connected therewith will only be satisfied or discharged against the assets of Compartment 2021-1. The assets of Compartment 2021-1 will be exclusively available to satisfy the rights of the Noteholders and the other creditors of the Issuer in respect of the Notes, the other Transaction Documents and all matters connected therewith, as

provided therein, and (subject to mandatory law) no other creditors of the Issuer will have any recourse against the assets of Compartment 2021-1 of the Issuer.

4. **Business activity**

GERMAN LION RMBS S.A. has not previously carried on any business or activities other than those incidental to its incorporation other than entering into certain transactions prior to the Closing Date with respect to the securitisation transaction contemplated herein.

In respect of Compartment 2021-1, the Issuer's principal activities will be the issue of the Notes, the granting of Compartment 2021-1 Security and the entering into all other Transaction Documents to which it is a party and the establishment of the Issuer Accounts and the exercise of related rights and powers and other activities reasonably incidental thereto.

In respect of Compartments other than Compartment 2021-1, the principal activities of GERMAN LION RMBS S.A. will be the operation as a multi-issuance securitisation conduit for the purposes of, on an on-going basis, purchasing assets, directly or via intermediary purchasing entities, from several selling entities, or assuming the credit risk in respect of assets in any other way, and funding such purchases or risk assumptions in particular in the asset-backed markets. Each such securitisation transaction can be structured as a singular or as a revolving purchase of assets (or other assumption of credit risk) and shall be separate from all other securitisations entered into by GERMAN LION RMBS S.A. To that end, each securitisation carried out by GERMAN LION RMBS S.A. shall be allocated to a separate Compartment.

5. **Corporate Administration and Management**

The Directors of GERMAN LION RMBS S.A. are:

Director	**Business address**	**Principal activities outside the Issuer**
Zamyra H. Cammans	22-24 boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business
Meenakshi Mussai Ramassur	22-24 boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business
Hélène Grine Siciliano	22-24 boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business

Each of the directors confirms that there is no conflict of interest between his duties as a director of the Issuer and his principal and/or other activities outside GERMAN LION RMBS S.A.

6. **Capital and Shares, shareholders**

The subscribed capital of GERMAN LION RMBS S.A. is set at EUR 30,000 divided into 300 shares fully paid up, registered ordinary shares with a par value of EUR 100 each.

The sole shareholder of the Company is Stichting German Lion. Stichting German Lion is a foundation duly incorporated and validly existing under the laws of The Netherlands with its registered office at Barbara Strozzilaan 101, 1083HN, Amsterdam, The Netherlands registered with the trade register of the Chamber of Commerce in Amsterdam under number 82612633.

7. **Capitalisation**

The unaudited capitalisation of GERMAN LION RMBS S.A. as at the date of this Prospectus, adjusted for the issue of the Notes on the Closing Date, is as follows:

Share Capital

Issued and fully paid up: EUR 30,000

8. **Indebtedness**

GERMAN LION RMBS S.A. has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Prospectus, other than that which GERMAN LION RMBS S.A. has incurred or shall incur in relation to Compartment 2021-1 and the transactions contemplated in the Prospectus.

9. **Holding Structure**

Stichting German Lion…	300 shares
Total	**300 shares**

10. **Subsidiaries**

GERMAN LION RMBS S.A. has no subsidiaries or Affiliates.

11. **Name of the financial auditors of GERMAN LION RMBS S.A. for future financial statements**

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

KPMG Luxembourg, Société coopérative is a member of the Institut des Réviseurs d'Entreprises.

12. **Main Process for Director's Meetings and Decisions**

GERMAN LION RMBS S.A. is managed by a Board of Directors comprising at least three (3) members, whether shareholders or not, who are appointed for a period not exceeding six years by the general meeting of shareholders which may at any time remove them.

The number of directors, their term and their remuneration are fixed by the general meeting of the shareholders.

The Board of Directors must elect from among its members a chairman.

The Board of Directors convenes upon call by the chairman, as often as the interest of GERMAN LION RMBS S.A. so requires. It must be convened each time two directors so request.

Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, **provided that** all actions approved by the directors at any such meeting will be reproduced in writing in the form of resolutions.

Resolutions signed by all members of the Board of Directors will be as valid and effectual as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letter, fax, email or similar communication.

The Board of Directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of GERMAN LION RMBS S.A.

The Board of Directors can create one or several separate compartments, in accordance with article 4 of the Articles of Incorporation.

13. **Financial Statements**

Audited financial statements will be published by GERMAN LION RMBS S.A. on an annual basis.

The business year of GERMAN LION RMBS S.A. extends from 1 January to 31 December.

The first business year began on 18 May 2021 and ends on 31 December 2021. The issuer has not commenced operations since the date of incorporation and no financial statements have been made up.

14. **Inspection of Documents**

For the life of the Notes, the following documents (or copies thereof)

(a) the Articles of Incorporation of GERMAN LION RMBS S.A.;

(b) the minutes of the meeting of the Board of Directors of GERMAN LION RMBS S.A. approving the issue of the Notes, the issue of the Prospectus and the Transaction as whole; and

(c) the Prospectus and all the Transaction Documents referred in this Prospectus;

may be inspected at the office of GERMAN LION RMBS S.A. at 22-24, Boulevard Royal, L-2449 Luxembourg or requested in electronic form.

The Notes will be obligations of the Issuer acting in respect of its Compartment 2021-1 only and will not be guaranteed by, or be the responsibility of the Seller, the Servicer, the Arranger, the Lead Manager or any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Issuer, GERMAN LION RMBS S.A., the Seller, the Servicer (if different), the Security Trustee, the Arranger, the Lead Manager or any of their respective Affiliates, the Facility Provider, the Issuer Accounts Bank, the Cash Manager, the Listing Agent, the Paying Agent, the Swap Counterparty, the Corporate Services Provider or the Foundation.

THE SELLER AND SERVICER

General Information

ING-DiBa AG (the "**Seller**" and the "**Servicer**") acts under its legal and commercial name "ING-DiBa AG". The Seller's predecessor, the "Bankhaus Lunk und Co. GmbH" was incorporated on 20 April 1955 and was granted the permission to commence its business activities under the laws of the Federal Republic of Germany in April 1955. On 31 August 1956, its legal name was changed to "Kreditbank Hagen GmbH". After the place of business was transferred from Hagen to Frankfurt, its corporate form was changed to a stock corporation with the legal name "Bank für Sparanlagen und Vermögensbildung Aktiengesellschaft" on 11 October 1965. It was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Frankfurt am Main on 21 October 1965 under No. HRB 7727. It began as a specialist financial institution to invest employer contributions to employees' tax-deductible savings schemes. Four years later, it began offering mortgage financing.

On 20 September 1976, Bank für Sparanlagen und Vermögensbildung Aktiengesellschaft changed its legal name to "BSV Bank für Sparanlagen und Vermögensbildung".

On 14 May 1993, the legal name was changed to "Deutsche Direktbank Aktiengesellschaft" and thereafter to "Allgemeine Deutsche Direktbank Aktiengesellschaft". Until 1998, the share capital was fully owned by a union-owned company called "BGAG Beteiligungsgesellschaft der Gewerkschaften AG (Frankfurt am Main)". In the same year, the ING Groep N.V. bought a 49 per cent. stake in the Issuer; it acquired full ownership in 2003. Since 1 July 2005, the Issuer is operating in the market under the name "ING-DiBa AG" as a stock corporation (*Aktiengesellschaft*) under the laws of the Federal Republic of Germany.

The head office is located at Theodor-Heuss-Allee 2, 60486 Frankfurt am Main, Germany. Its telephone number is +49 69 27 222 0. The Seller's and the Servicer's website is www.ing.de.

None of the information on the Seller's and the Servicer's website forms part of this Prospectus.

The legal entity identifier ("**LEI**") of the Seller is: 3KXUNHVVQFIJN6RHLO76.

On 31 August 2011, the Issuer took over the German commercial banking (now wholesale banking) business of ING Bank N.V. by legally integrating the German branch of ING Bank N.V. (ING Bank N.V., Frankfurt Branch) into ING-DiBa AG.

Business Activities

The Issuer is a universal bank with a direct bank model for its Retail Banking segment and offers private customers a wide range of products and services. Furthermore, the Seller provides commercial customers with core banking services such as *inter alia* lending, payments and cash management solutions, treasury services and specialised financing forms for selected clients.

However, the Seller does not have physical bank branches. Instead, the products are distributed to customers primarily through direct channels, i.e. through online or telephone services or by mail, including electronic mail. The exception is residential mortgage lending, for which the Seller also cooperates with carefully chosen mortgage brokers and commercial banks where relationship managers individually attend to the Seller's customers' needs. The products offered by the Seller to Retail customers range from payment and saving accounts, investment funds and securities brokerage to various types of private consumer loans and residential mortgage financing. Products offered to commercial customers range from payments and cash management solutions, advice on mergers and acquisitions to structured finance and syndicated loans.

The Seller divides its business activities into Retail Banking (see I.) and Wholesale Banking (see II.), subdivided into the core products as described below. Financial reports on the business of the Seller are determined on the basis of the International Financial Reporting Standard ("**IFRS**") accounting, as the institute is managed by means of key figure calculations according to IFRS. The information on the financial performance indicators can therefore only be compared to a limited extent with the commercial law figures of the annual financial report which has been prepared pursuant to the German Commercial Code (*Handelsgesetzbuch*).

I. Retail Banking

Retail Banking includes all investment products offered by the Seller: savings deposits (*Spargelder*) (see 1)), current accounts (see 2)) and securities services business (see 3)). Additionally, the segment Retail Banking covers all lending products offered by the Seller: mortgage loans and consumer loans.

1) Savings deposits (*Spargelder*)

The Seller offers its customers standard savings products and special savings products as well as savings bonds and savings schemes within the scope of capital contribution benefits (*vermögenswirksame Leistungen*). It also offers fixed-term deposits with various terms.

As at 31 December 2020, the Seller held a total of around 11.3 million savings accounts (including current accounts) for its customers (as at 31 December 2019: around 11.2 million) with a total portfolio volume for savings deposits and deposits in current accounts in the area of Retail Banking customer business amounting to EUR 144.3 billion (as at 31 December 2019: EUR 138.5 billion).

2) Current accounts (*Girokonten*)

The Seller offers current accounts with the possibility to withdraw cash at no cost from any automated teller machine (ATM) within the Eurozone with a Visa debit card.

As at 31 December 2020, the Seller managed approximately 2.9 million current accounts (as at 31 December 2019: approximately 2.9 million).

3) Securities services business (*Wertpapierdienstleistungsgeschäft*)

The Seller offers customers securities accounts with low transaction costs. The assets deposited with the securities accounts include securities, shares in investment funds and exchange traded funds (ETF).

As at 31 December 2020, the number of securities accounts managed by the Seller amounted to approximately 1.7 million (as at 31 December 2019: approximately 1.4 million). The securities account volume (*Depotvolumen*) of the Seller stood at EUR 57.3 billion as at 31 December 2020 (as at 31 December 2019: EUR 45.7 billion). As at 31 December 2020, the fund volume included in these accounts of the Seller amounted to EUR 21.2 billion (as at 31 December 2019: EUR 17.6 billion).

Mortgage loans (*Baufinanzierungen*)

The Seller offers new financings and re-financings for retail property owners with terms of up to thirty (30) years since September 2021 as a pilot only for new financings as well as financing models in connection with programes offered by KfW (*Kreditanstalt für Wiederaufbau*). In addition to this, it offers forward loans with a lead time of up to three years by means of which a present interest rate level may be used for a later follow-up financing. The Seller finances predominantly owner-occupied properties. Loans for properties that are intended as a capital investment are only granted in exceptional cases and under very specific conditions. The residential mortgage loan business takes place through direct channels; in addition, the Seller works with carefully chosen intermediaries.

In the financial year ended 31 December 2020, new business of the Seller accounted for a committed volume of EUR 13.2 billion (in the financial year ended 31 December 2019: a committed volume of EUR 9.1 billion). The portfolio volume in the mortgage loans of the Seller amounted to EUR 79.4 billion as at 31 December 2020, compared to EUR 75.3 billion as at 31 December 2019, an increase of 5.5 per cent.

Consumer loans (*Konsumentenkredite*)

The Seller covers the entire segment of consumer loans. In addition to traditional loans based on regular installments, the Seller offers flexible lines of loans that can be drawn daily based on a pre-approved limit. Special consumer loan offers for the acquisition of automobiles and the acquisition or modification of privately owned homes round off the product range.

As at 31 December 2020, the portfolio volume of consumer loans of the Seller amounted to EUR 9.2 billion (as at 31 December 2019: EUR 8.9 billion). As at 31 December 2020, the number of consumer loan accounts held by the Seller amounted to 843 thousand (as at 31 December 2019: 831 thousand).

II. Wholesale Banking

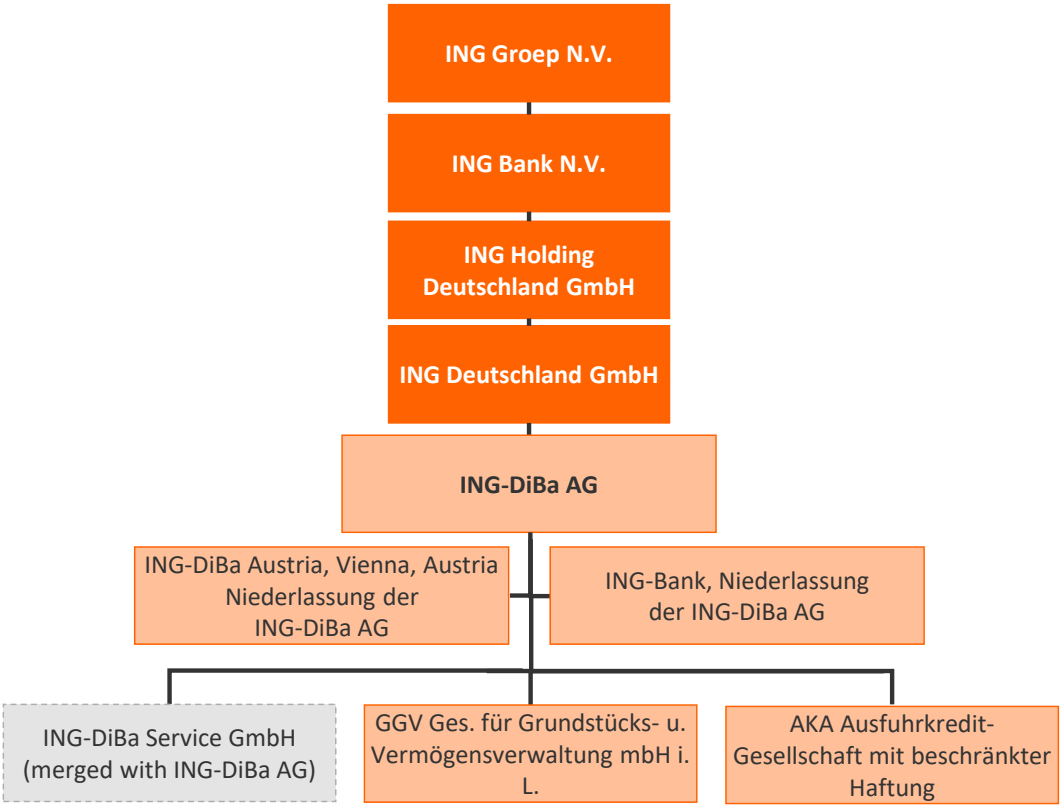
The segment wholesale banking combines the Seller`s banking business with commercial clients. The Seller operates the wholesale banking business mainly in its branch ING Bank, eine Niederlassung der ING-DiBa AG. The customers are predominantly internationally operating industrial and trading companies headquartered in Germany, subsidiaries of foreign groups in Germany who are already ING customers in other countries, and globally active investors. Additionally, the Seller has acquired risk sub-participations resulting from structured finance activities of ING Capital LLC, New York. New risk sub-participations are not acquired. Ordinarily the risk sub-participations expire going forward at the moment the relevant loans with respect to which the risk-sub-participation exists are repaid, refinanced or otherwise cease to exist. In addition, it is currently being considered whether all still outstanding sub-participations shall by way of agreement with ING Capital LLC, New York be ended already in December 2021.

Apart from core banking services such as lending, the Seller also offers *inter alia* short to long term export financing, energy financing, financing of telecom, media and technology business and of health care business and real estate finance and operates a balance sheet distribution team. Furthermore, in the area of financial markets, the Seller offers financial products for hedging currency, commodity and interest rate risks as well as solutions for payment transactions, documentary merchandise transactions and cash management. In addition, the Seller offers specialised financing forms (including the financing forms described at the beginning of this paragraph) for selected clients. As at 31 December 2020, loans and advances to customers of the segment wholesale banking of the Seller amounted to EUR 31.5 billion (as at 31 December 2019: EUR 35 billion).

Organisational Structure

The subscribed capital of the Seller is fully owned by ING Deutschland GmbH (Frankfurt am Main). The Seller is a wholly owned indirect subsidiary of ING Bank N.V.

The following chart shows the Seller's position within the group to which it belongs and its branches ING Bank, eine Niederlassung der ING-DiBa AG and ING-DiBa Austria (formerly ING-DiBa Direktbank Austria), Vienna, Austria, unconsolidated subsidiaries, associates and other participations as of the date of this Prospectus. The Seller holds a 5.02 per cent. stake in AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung, a specialised bank for export financing.



The operating activities of the subsidiary ING-DiBa Service GmbH were primarily related to property and asset management. ING-DiBa Service GmbH has been merged with ING-DiBa AG with effect from 31 August 2021. The merger was registered in the commercial register end of August 2021.

The subsidiary GGV Gesellschaft für Grundstücks- und Vermögensverwaltung mbH, an administrator of real estate portfolios, is in liquidation.

In accordance with section 17 paragraph 2 of the German Stock Corporation Act (*Aktiengesetz*), it is assumed that a majority owned enterprise is dependent on the company holding the majority interest and the majority in voting rights.

THE SWAP COUNTERPARTY

ING-DiBa will act as Swap Counterparty. See section "*THE SELLER AND SERVICER*".

THE LIQUIDITY FACILITY PROVIDER

ING Bank, a branch of ING-DiBa will act as Liquidity Facility Provider. See section "*THE SELLER AND SERVICER*".

THE SECURITY TRUSTEE

The Trustee is Oversea FS B.V.

Oversea FS B.V, a company with limited liability incorporated under the laws of The Netherlands and with its registered office at Barbara Strozzilaan 101, 1083 HN Amerstdam, The Netherlands, registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 34280199, will act as Trustee for the purposes of the Transaction. Oversea FS B.V. has served and is currently serving as trustees for numerous securitisation transactions.

The information in the previous 1 paragraph regarding the Security Trustee has been provided by Oversea FS B.V. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Oversea FS B.V., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE PAYING AGENT

The Paying Agent is ING Bank N.V.

ING Bank N.V., whose offices are at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands and registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 33031431 will act as Paying Agent for the purposes of the Transaction. ING Bank N.V. has served a as paying agent for numerous securitisation transactions.

The information in the previous 1 paragraph regarding the Paying Agent has been provided by ING Bank N.V. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by ING Bank N.V., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE ISSUER ACCOUNT BANK

ING-DiBa will act as Issuer Account Bank. See section "*THE SELLER AND SERVICER*".

THE DATA TRUSTEE

The Data Trustee is Blue Flag B.V.

Blue Flag B.V. was established in The Netherlands to provide independent directors and corporate administration services for the securitisation and structured finance industry.

The information in the previous 1 paragraph regarding the Data Trustee has been provided by Blue Flag B.V. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Blue Flag B.V., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE CORPORATE SERVICES PROVIDER

For the purposes of the Transaction Circumference FS (Luxembourg) S.A., will act as Corporate Services Provider of the Issuer.

Circumference FS (Luxembourg) S.A. provides directors and a full range of corporate administrative services in Luxembourg for SPVs created for international securitisations, collateralised debt obligations and structured finance transactions. Circumference FS (Luxembourg) S.A. is 100 per cent. owned by Circumference FS (Luxembourg) Sàrl.

Board of directors

Zamyra H. Cammans, director and managing director

Gordon Fitzjohn, director

Alan Turner, director

Board of directors of the Issuer

Zamyra H. Cammans, director

Hélène M. Grine Siciliano, director

Meenakshi D. Mussai Ramassur, director

Circumference FS (Luxembourg) S.A. has a business licence as Domiciliation Agents ("**Domiciliataires de Sociétés**") and is supervised by the CSSF.

The information in the previous 5 paragraphs regarding the Corporate Services Provider has been provided by Circumference FS (Luxembourg) S.A. for use in this Prospectus. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Circumference FS (Luxembourg) S.A., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE LISTING AGENT

The Listing Agent is Banque Internationale à Luxembourg S.A.

Founded in 1856, Banque Internationale à Luxembourg S.A. is the oldest multi-business bank in the Grand Duchy of Luxembourg. It has always played an active role in the development of Luxembourg's economy and issued its first banknotes in the very year of its creation. The bank offers retail, private, corporate and institutional banking as well as treasury and financial market services.

The information in the previous 1 paragraph regarding the Listing Agent has been provided by Banque Internationale à Luxembourg S.A. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Banque Internationale à Luxembourg S.A., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE CASH MANAGER

ING-DiBa will act as Cash Manager. See section "*THE SELLER AND SERVICER*".

RATING OF THE NOTES

The Rating Agencies' rating of the Class A Notes addresses the likelihood that the Noteholders of such Class will receive all payments to which they are entitled, as described herein. The rating of "AAAsf" and "Aaa(sf)" is the highest rating that each of Fitch and Moody's, respectively, assigns to long-term structured finance obligations. See "*RISK FACTORS —Ratings of the Class A Notes*".

According to the latest available version of the Fitch rating definitions dated 14 April 2021 an AAA rating denotes the lowest expectation of default risk. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. The suffix 'sf' denotes an issuance that is a structured finance transaction.

According to the latest available version of the Moody's rating definitions dated 26 January 2021 obligations that are rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk. Moody's differentiates structured finance ratings from fundamental ratings (i.e., ratings on nonfinancial corporate, financial institution, and public sector entities) on the global long-term scale by adding (sf) to all structured finance ratings. The addition of (sf) to structured finance ratings should eliminate any presumption that such ratings and fundamental ratings at the same letter grade level will behave the same. The (sf) indicator for structured finance security ratings indicates that otherwise similarly rated structured finance and fundamental securities may have different risk characteristics. Through its current methodologies, however, Moody's aspires to achieve broad expected equivalence in structured finance and fundamental rating performance when measured over a long period of time.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the holders of the Class A Notes might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments. Prepayments may for example occur in the event of a clean-up call (see "*TERMS AND CONDITIONS OF THE NOTES – Condition 5(f) (Redemption – Clean-Up Call Option)*").

The ratings assigned to the Class A Notes should be evaluated independently against similar ratings of other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time.

TAXATION

1. GENERAL

The following information summarises certain aspects of the tax law in force, and the related practice applied in Germany and Luxembourg as of the date of this Prospectus. The tax related information contained in this Prospectus is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective investor in the Notes. As each Class of Notes may be subject to a different tax treatment due to the specific terms of such Class of Notes, the following section only provides some very general information on the possible tax treatment. **Prospective investors are advised to consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest and distributions with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation.** Prospective investors should be aware that tax law and its practice and interpretation may change, possibly with retroactive or retrospective effect.

2. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

Income Taxation - Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon, if any, plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

– *Taxation if the Notes are held as private assets (Privatvermögen)*

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

-- *Income*

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. If similar Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the sale are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward to subsequent assessment periods. However, if the losses result from the full or partial non-recoverability of the repayment claim under the Notes including a default of the Issuer or a (voluntary) waiver, such losses together with other losses of such kind of the same year and loss-carry forwards of previous years can only be offset up to an amount of EUR 20,000 per year ("**Limitation on Loss Deduction**"). Any exceeding loss amount resulting from the full or partial non-recoverability of the repayment claim under the Notes including a default of the Issuer or a (voluntary) waiver, together with other losses of such kind, can be carried forward and offset against future savings income, but again subject to the

EUR 20,000 limitation. Given that the Limitation on Loss Deduction will not be applied by the German Disbursing Agent (as defined below) holding the Notes in custody, investors suffering losses which are subject to the Limitation on Loss Deduction are required to declare such losses in their income tax return.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 18 January 2016, as amended from time to time, neither a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, nor a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. In contrast to the view of the German tax authorities, the German Federal Fiscal Court decided in 2017 and confirmed this in a more recent decision (published on 17 June 2021) that a final bad debt loss with respect to a capital claim shall be deductible for tax purposes. On 6 August 2019, the German Federal Fiscal Court further ruled that also a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a contribution) shall be treated like a sale and, therefore, might lead to a taxable loss if the taxpayer had acquisition costs for the respective part of the receivable. However, the Federal Ministry of Finance has not yet updated the aforementioned tax decree in this respect.

While the German tax authorities previously took the position that a disposal (and, as a consequence, a tax loss resulting from such disposal) shall not be recognised if notes are sold at a market price which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price, the German tax authorities have concluded in an amendment to the abovementioned tax decree published on 10 May 2019 that the recognition of a sale as a disposal shall not depend on the amount of any consideration or the amount of the transaction costs.

Similarly, while the German tax authorities previously took the position that capital losses shall not be recognised by the German tax authorities if no (or only *de minimis*) payments are made to the individual noteholders on the maturity or redemption date of the respective notes, the German Federal Fiscal Court has published a decision to the contrary with regard to losses incurred in connection with knock-out certificates. In this decision the German Federal Fiscal Court took the view that exceeding the knock-out threshold (i.e. no payments on the day of exceeding the knock-out threshold) shall be treated similar to a bad debt loss as a sale at the value of zero, so that losses suffered shall also be deductible for tax purposes. According to an amendment to the abovementioned tax decree published on 16 September 2019, the German Federal Ministry of Finance now also applies the principles of the ruling of the German Federal Fiscal Court.

If the Notes provide for a physical delivery of bonds, shares, interests in funds, shares in exchange-traded-funds ("**ETF-shares**") or other interests, the Notes may qualify as convertible, exchangeable or similar instruments, subject to the relevant final terms and conditions (e. g. whether the Issuer or the investor has the right to opt for a physical delivery). In such a case, the sales proceeds from the Notes and the acquisition costs of the received securities may be deemed to be equal to the initial acquisition costs of the Notes (section 20 para 4a sentence 3 ITA) so that no taxable capital gains would be achieved due to the conversion. However, capital gains realised upon an on-sale of the received securities generally qualify as taxable income.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

-- *German withholding tax (Kapitalertragsteuer)*

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are kept or administered in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (e.g. if the Notes had been transferred from a non-EU custodial account prior to the sale) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes (ignoring any acquisition costs). When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct certain negative savings income (*negative Kapitalerträge*) and paid accrued interest (*Stückzinsen*) in the same calendar year as well as certain unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

-- *Tax assessment*

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375 per cent. - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed spouses or registered life partners the application can only be filed uniformly for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses (other than expenses directly and factually related to the sale), if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

-- *Taxation if the Notes are held as business assets (Betriebsvermögen)*

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent. (plus 5.5 per cent.

solidarity surcharge thereon) or income tax at a rate of up to 45 per cent. (plus 5.5 per cent. solidarity surcharge thereon, if applicable; please see below under *Amendment of the Solidarity Surcharge Act*), as the case may be. In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

If instead of a cash-settlement at maturity of the Notes, a physical delivery of bonds, shares, interests in funds or ETF-shares takes place, such delivery would be regarded as a taxable sale of the Notes and the corresponding capital gain will be taxable.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

– *Amendment of the Solidarity Surcharge Act*

Due to the recent amendment of the Solidarity Surcharge Act, the solidarity surcharge will be levied for wage tax and income tax purposes from 2021 onwards if the individual income tax of the investor exceeds the threshold of EUR 16,956 (EUR 33,912 for jointly assessed spouses or registered life partners). Pursuant to the amended law the solidarity surcharge shall remain in place for purposes of the withholding tax, the flat tax regime and the corporate income tax.

Income Taxation - Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. Please note that, even though the Notes are called Mortgage Backed Notes, this should not automatically lead to the income from the Notes qualifying as German source income, as the Notes are only indirectly secured by the respective Mortgage Receivables. However, it cannot be excluded that the German tax authorities take a different view such that the income from the Notes shall qualify as German source income.

If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a trade or business for which a German permanent establishment is maintained or a permanent representative in Germany has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

3. LUXEMBOURG TAXATION

Income Taxation

The Issuer is a fully taxable company and any profit realised by the Issuer is subject to corporate income tax and municipal business tax in Luxembourg. Under the Luxembourg Securitisation Law, all payments made by the Issuer to investors, or commitment to make such payments, should be fully tax deductible to the extent that (i) these payments are formally approved and properly documented and (ii) the conditions to benefit from the securitisation regime are met.

However, according to the ATAD I Law, the tax deduction of interest payments made by the Issuer may be denied if (i) the Issuer has exceeding borrowings costs (i.e. tax-deductible borrowing costs that are in excess of the taxable interest income and other economically equivalent taxable income of the Issuer) and (ii) such exceeding borrowing costs are higher than (a) 30 per cent. of the Issuer's EBITDA and (b) EUR 3 million.

Based on the current wording of the ATAD I Law, this restriction would however not apply if the Issuer (i) is not part of a consolidated group for financial accounting purposes and has no associated enterprise or permanent establishment outside of Luxembourg or (ii) is a securitisation entity within the meaning of article 2-2) of the Regulation (EU) 2017/2042 (an "**SSPE**"). Please however note that the latter SSPE exemption has recently been challenged by the EU Commission and is expected to be removed from the ATAD I Law by the Luxembourg legislator in the near future (possibly with retroactive effects). Accordingly, if and when this particular exemption is removed from the ATAD I Law, an SSPE established in Luxembourg may recognise a taxable profit where it receives income that (i) do not qualify as interest income within the meaning of the ATAD I Law and (ii) exceed, on an annual basis, (a) 30 per cent. of the taxpayer's EBITDA and (b) EUR 3 million.

Furthermore, the tax deductions of payments made by the Issuer may also be denied if (i) such payments are not included in the taxable base of the ultimate recipient/beneficiary as a result of a hybrid mismatch and (ii) (a) the ultimate recipient/beneficiary of the payment and the Issuer are associated enterprises or (b) the ultimate recipient/beneficiary and the Issuer have concluded a structured arrangement which entails this hybrid mismatch. While this rule only targeted hybrid mismatches within the EU until 2019, the anti-hybrid rule has been expanded to (a) non-EU hybrid mismatches and (b) more sophisticated hybrid mismatches as from fiscal year 2020, as a result of the transposition of the ATAD II.

Finally, according to the Luxembourg law dated 10 February 2021 and applicable since 1 March 2021, the tax deduction of interest due by the Issuer may be denied if the following conditions are simultaneously met:

(a) The beneficiary of the interest is a collective entity, as defined by Article 159 of the Luxembourg income tax law ("**LITL**"). If the beneficiary of the interest is not the beneficial owner, the actual beneficial owner will have to be considered.

(b) The collective entity, which is the beneficial owner of the interest, is an affiliated enterprise of the Issuer, within the meaning of Article 56 LITL.

(c) The collective entity, which is the beneficial owner of the interest, is established in a country included in the EU list of non-cooperative countries and territories (the "**EU blacklist**"). Subject to subsequent updates, the EU blacklist currently includes the American Samoa, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.

Withholding Tax

All payments of interest and principal by the Issuer under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject, however, to the application as regards Luxembourg resident individuals of the amended Luxembourg law of 23 December 2005 (the "**Law**") which provides for a 20 per cent. withholding tax on savings income. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of tax in application of the abovementioned Law is assumed by the Luxembourg paying agent within the meaning of this Law and not by the Issuer.

In addition, pursuant to the Law as amended, Luxembourg resident individuals can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg or a Member State of the European Economic Area.

The 20 per cent. tax as described above is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Taxes on Income and Capital Gains

Noteholders who derive income from such Notes or who realise a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains, subject to the application of the Law referred to above, and unless:

(a) such Noteholders are, or are deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or

(b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

Net Wealth Tax

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to whom such Notes are attributable, is subject to Luxembourg wealth tax on these Notes, except if the Noteholder is governed by (i) the law of 11 May 2007 on family estate management companies, as amended, or (ii) by the law of 17 December 2010 on undertakings for collective investment, as amended, or (iii) by the law of 13 February 2007 on specialised investment funds, as amended, or is (iv) a securitisation company governed by the Luxembourg Securitisation Law, or is (v) a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended, or is (vi) a reserved alternative investment funds, within the meaning of the law of 23 July 2016.

However, please note that securitisation companies governed by the Luxembourg Securitisation Law, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof, are subject to minimum net wealth tax.

A minimum net wealth tax is indeed levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceeds 90 per cent. of their total gross assets and EUR 350,000, the minimum net wealth tax is currently set at EUR 4,815. For all other companies having their statutory seat or central administration in Luxembourg, which do not fall within the scope of the EUR 4,815 minimum net wealth tax, the minimum net wealth tax ranges from EUR 535 to EUR 32,100, depending on the company's total gross assets.

An individual Noteholder, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Inheritance and Gift Tax

Where the Notes are transferred for no consideration:

(a) no Luxembourg inheritance tax is levied on the transfer of the Notes upon the death of a Noteholder in cases where the deceased Noteholder was not a resident of Luxembourg for inheritance tax purposes; or

(b) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

Value Added Tax

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note. Luxembourg value added tax may, however, be payable in respect of fees invoiced for services rendered to the Issuer, if, for Luxembourg value added tax purposes, such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Other Taxes and Duties

It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes. In case of voluntary registration of the Notes, the statutory fixed registration duty will be levied (as at the date of this Prospectus equal to EUR 12).

Residence

A Noteholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

Common Reporting Standard

The Organisation for Economic Co-operation and Development has developed a global standard for the annual automatic exchange of financial information between tax authorities (the "**CRS**"). The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. The regulation may impose obligations on the Issuer and its Noteholders, if the Issuer is actually regarded as a reporting Financial Institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of tax residency (through the issuance of self-certifications forms by the Noteholders), the tax identification number and CRS classification of the Noteholders in order to fulfil its own legal obligations.

Prospective investors should contact their own tax advisers regarding the application of CRS to their particular circumstances.

SUBSCRIPTION AND SALE

Pursuant to the notes purchase agreement dated the Signing Date amongst the Lead Manager, the Notes Purchaser, the Arranger, the Issuer and the Seller (the "**Notes Purchase Agreement**") (i) the Notes Purchaser has agreed with the Issuer, subject to certain conditions, to purchase the Class A Notes at its issue price and (ii) the Seller has agreed with the Issuer, subject to certain conditions, to purchase the Retained Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Lead Manager against certain liabilities and expenses in connection with the issue of the Notes.

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered, to the best of the Notes Purchaser's, the Lead Manager's and the Arranger's knowledge and belief. The Notes Purchaser, the Arranger and the Lead Manager has agreed that it will not, directly or indirectly offer, sell or deliver any of the Notes or distribute the Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof, to the best of the Note Purchaser's, the Lead Manager's and the Arranger's knowledge and belief and it will not impose any obligations on the Issuer except as set out in the Notes Purchase Agreement.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Issuer, the Lead Manager, the Arranger and the Notes Purchaser has agreed that, except as permitted by the Notes Purchase Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period, as defined in Regulation S under the Security Act, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons, to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 calendar days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each of the Issuer, the Lead Manager, the Arranger and the Notes Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or

(ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each of the Issuer, the Lead Manager, the Arranger and the Notes Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each of the Issuer, the Lead Manager, the Arranger and the Notes Purchaser has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

USE OF PROCEEDS

The gross proceeds of the Notes to be issued on the Closing Date amount to EUR 9,110,513,700.00. The gross proceeds are equal to the net proceeds.

The net proceeds of the issue of the Class A Notes will be applied by the Issuer on the Closing Date to pay (i) to the Seller (part of) the Initial Purchase Price for the Initial Portfolio purchased by the Issuer under the Mortgage Receivables Purchase Agreement on the Closing Date, (ii) to the Seller the Issuance Bonification pursuant to the Mortgage Receivables Purchase Agreement and (iii) EUR 57,000 into the Issuer Collection Account, which shall be used to fund the Issuer Expense Account in the Minimum Required Issuer Amount. The remaining funds will be credited to the Purchase Shortfall Ledger to fund the purchase of further Mortgage Receivables on the next following Transfer Date.

The costs of the Issuer in connection with the issue of the Notes, including, without limitation, transaction structuring fees, costs and expenses payable on the Closing Date to the Arranger and Lead Manager and to other parties in connection with the offer and sale of the Notes and certain other costs, and in connection with the admission of the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, are paid separately by the Seller to the respective recipients.

GENERAL INFORMATION

1. **Subject of this Prospectus**

This Prospectus relates to EUR 9,000,000,000.00 aggregate principal amount of the Notes issued by the Issuer.

2. **Authorisation**

The issue of the Notes was authorised by a resolution of the Board of Directors of GERMAN LION RMBS S.A. passed on 19 November 2021.

3. **Litigation**

Neither GERMAN LION RMBS S.A. is, or has been since its incorporation, nor the Seller is, or has during the period covering at least the previous 12 months has been, engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position or profitability, and, as far as GERMAN LION RMBS S.A. and the Seller is aware, no such litigation or arbitration proceedings are pending or threatened, respectively.

4. **Payment Information**

For as long as the Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Class A Note Interest Amounts, the Interest Periods and the Class A Interest Rates and, if relevant, the payments of Principal Amount Outstanding on the Class A Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Notes will be settled through the ICSDs, as described herein. The Notes have been accepted for clearing by the ICSDs.

All notices regarding the Notes will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and delivered to the ICSDs for communication by them to the Noteholders.

5. **Material Change**

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer as of the date of its incorporation on 18 May 2021.

6. **Miscellaneous**

No statutory or non-statutory accounts in respect of any business year of GERMAN LION RMBS S.A. have been prepared. GERMAN LION RMBS S.A. will not publish interim accounts. The business year in respect of GERMAN LION RMBS S.A. is the calendar year.

7. **Luxembourg Listing**

Application has been made for the Class A Notes to be listed to the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The total estimated listing expenses related to the admission to trading are EUR 17,500.

8. **Clearing Systems**

The Notes have been accepted for clearance through Clearstream Banking S.A., Luxembourg and Euroclear Bank SA/NV.

9. **Availability of Documents**

Prior to the listing of the Class A Notes on the Luxembourg Stock Exchange, the constitutional documents of the Issuer will be registered with the Corporate Services Provider where such

documents are available for inspection and copies of these documents may be obtained, free of charge, upon request.

Upon listing of the Class A Notes on the Luxembourg Stock Exchange and so long as the most senior Notes remain outstanding, copies of the constitutive documents of the Issuer may also be obtained free of charge during customary business hours at the specified offices of the Paying Agent and at the registered office of the Issuer and, as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, can be requested from the Corporate Services Provider by email under the following address 22-24, Boulevard Royal, L-2449 Luxembourg. The following documents may also be inspected or requested in electronic form during Business Hours at the specified offices of the Paying Agent and of the Issuer:

(a) the Articles of Incorporation of GERMAN LION RMBS S.A.;

(b) the minutes of the meeting of the board of directors of GERMAN LION RMBS S.A. approving the issue of the Notes, the issue of the Prospectus and the Transaction as a whole;

(c) the future annual financial statements of GERMAN LION RMBS S.A. (interim financial statements will not be prepared);

(d) the Investor Reports;

(e) the Security Trust Agreement;

(f) all notices given to the Noteholders pursuant to the Conditions; and

(g) this Prospectus and all Transaction Documents referred to in this Prospectus.

Additionally, this Prospectus will be made available to the public by publication in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The following documents will be available for inspection on the following website www.circumferencefs-luxembourg.com:

(a) this Prospectus;

(b) the constitutional documents of the Issuer; and

(c) the future annual financial statements of the Issuer (interim financial statements will not be prepared).

10. Websites

Any website mentioned in this document does not form part of the Prospectus.

11. Post-issuance Reporting

Following the Closing Date, the Paying Agent will provide, to the Noteholders, so long as any of the Class A Notes are listed on the official list of the Luxembourg Stock Exchange and so long as the most senior Notes remain outstanding, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Paying Agency Agreement and the Conditions:

(i) with respect to each Notes Payment Date, the Note Interest Amount pursuant to Condition 3(d) (*Calculation of Note Interest Amount*) of the Conditions;

(ii) with respect to each Notes Payment Date, the amount of Interest Shortfall pursuant to Condition 3(f) (*Interest Shortfall*) of the Conditions, if any;

(iii) with respect to each Notes Payment Date the amount of Principal Amount Outstanding on each Class A Note and each Class B Note pursuant to Condition 5(c) (*Calculation of Note*

Principal Payment, Principal Amount Outstanding and Notional Principal Amount Outstanding) of the Conditions to be paid on such Notes Payment Date;

(iv) with respect to each Notes Payment Date the Notional Principal Amount Outstanding of each Class A Note and each Class B Note; and

(v) in the event the payments to be made on a Notes Payment Date constitute the final payment with respect to the Notes pursuant to Condition 5(a) (*Final Redemption*) or Condition (f) (*Redemption – Clean-Up Call Option*) of the Conditions, the fact that such is the final payment.

In each case, such information will be contained in the Investor Reports which will be made available through the securitisation repository's website (which is currently located at www.eurodw.eu). See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Paying Agency Agreement*".

Furthermore, the Issuer undertakes to make available to the Noteholders from the Closing Date until the Final Maturity Date data and a cash flow model either directly or indirectly through one or more entities who provide such cash flow models to investors generally in accordance with article 22 para. 3 Securitisation Regulation.

12. **ICSDs**

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Belgium
Clearstream Banking S.A., Luxembourg
42 Avenue JF Kennedy
L-1885 Luxembourg

13. **Clearing Codes**

Class A Notes	**Class B Notes**
ISIN: XS2407027205 Common Code: 240702720 WKN: A3KYMU	ISIN: XS2407027627 Common Code: 240702762 WKN: A3KYMV

MASTER DEFINITIONS SCHEDULE

The following is the text of section 1 of the Master Definitions Schedule. The text will be attached as Appendix A to the Conditions and constitutes an integral part of the Conditions. In case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Prospectus, the definitions of the Master Definitions Schedule will prevail.

The Transaction Parties agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Transaction Document.

"**Accrued Interest**" means in relation to any Mortgage Receivable and as at any date (the "**Receivable Interest Determination Date**") on or after the relevant Transfer Date, interest on such Mortgage Receivable (not being interest which is currently payable on such date) which has accrued from and including the scheduled interest payment date under the associated Mortgage Conditions immediately prior to the Receivable Interest Determination Date up to and including the Receivable Interest Determination Date;

"**Additional Purchase Conditions**" means the criteria as set out in the "ADDITIONAL PURCHASE CONDITIONS" on page 124 of this Prospectus;

"**Cash Management and Issuer Account Bank Agreement**" means the Cash Management and Issuer Account Bank Agreement between the Issuer, the Cash Manager, the Issuer Account Bank and the Security Trustee dated the Signing Date;

"**Adverse Claim**" means any charge, encumbrance, pledge, proprietary or security interest, lien (including, without limitation, any lien by attachment), priority, or other right or claim in, over or on any person's assets or properties in favour of any person other than the Purchaser;

"**Advisor**" has the meaning ascribed to it in Clause 19.2 of the Security Trust Agreement;

"**Aggregate Outstanding Principal Amount**" means, in respect of all Securitised Mortgage Receivables at any time, the aggregate of the Outstanding Principal Amounts of all Securitised Mortgage Receivables;

"**Arranger**" means ING;

"**Arrears of Interest**" means in relation to any Mortgage Receivable and as at the Receivable Interest Determination Date, interest which is due and payable and unpaid up to and including the Receivable Interest Determination Date;

"**Assignment Notification Event**" means the earliest to occur of the following unless the Security Trustee, having obtained Rating Agency Confirmation to that effect, has confirmed in writing to the Seller and the Issuer that, subject to any condition imposed by the Security Trustee, any such event shall not (or not immediately) constitute an Assignment Notification Event:

1. a default is made by the Seller in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party and such failure is not remedied within ten (10) Notes Business Days after notice thereof has been given by the Issuer or the Security Trustee to the Seller;

2. the Seller fails duly to perform or comply with any of its obligations under any Transaction Document to which it is a party and if such failure is capable of being remedied, such failure, is not remedied within ten (10) Notes Business Days after notice thereof has been given by the Issuer or the Security Trustee to the Seller;

3. any action under Sections 45, 46, 46(b), 46(g) and 48(t) of the German Banking Act (*Kreditwesengesetz*) or any measures under the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) have been taken with respect to the Seller or any measures or proceedings have been taken pursuant to the rules of the Regulation (EU) 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit

institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010; or

4. an Event of Default occurs which is continuing;

"**Available Principal Funds**" has the meaning ascribed thereto in Condition 2(d) of the Conditions of the Notes;

"**Available Revenue Funds**" has the meaning ascribed thereto in Condition 2(c) of the Conditions of the Notes;

"**Beneficiary Rights**" means all rights which the Seller has *vis-à-vis* the relevant Insurance Company in respect of an Insurance Policy, under which the Seller has been appointed by the Borrower / insured as beneficiary (*Begünstigter*) in connection with the relevant Mortgage Receivable;

"**Borrower**" means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;

"**BRRD**" has the meaning ascribed thereto in section 5 (*Risks relating to the transaction parties*) of the Risk Factors;

"**Buy-to-Let**" means a Mortgage Loan which is extended to a Borrower who wishes to purchase a residential property for the purpose of letting to third parties or a Mortgage Loan where the Borrower decided subsequently to let out the Mortgaged Assets to third parties;

"**Calculation Amount**" means EUR 1,000;

"**Cash Manager**" means ING-DiBa;

"**Class A Notes**" means the EUR 8,235,000,000.00 Class A Mortgage Backed Floating Rate Notes due 20 November 2109 issued by the Issuer;

"**Class B Notes**" means the EUR 765,000,000.00 Class B Mortgage Backed Floating Rate Notes due 20 November 2109 issued by the Issuer;

"**Clean-Up Call Option**" means the right of the Seller to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding which right may be exercised on any Notes Payment Date if on the preceding Mortgage Calculation Date the aggregate Gross Outstanding Principal Balance of the Securitised Mortgage Receivables is not more than 10 per cent. of the aggregate Gross Outstanding Principal Balance of the Initial Mortgage Receivables on the Cut-Off Date relating to the Transfer Date of such Initial Mortgage Receivables;

"**Clearing System**" means Clearstream Banking S.A., Luxembourg and Euroclear Bank SA/NV.

"**Closing Date**" means 26 November 2021 or such later date as may be agreed between the Issuer, the Seller, the Arranger, the Lead Manager and the Notes Purchaser;

"**Collections**" means any amounts received by the Servicer or any of its agents during a Mortgage Calculation Period to which the Purchaser is entitled pursuant to the Mortgage Receivables Purchase Agreement under a Securitised Mortgage Receivable;

"**Commingling Risk Reserve Account**" means the bank account established by the Issuer in accordance with Clause 20.4 of the Security Trust Agreement which will be funded by the Servicer in case of a Commingling Risk Reserve Trigger Event;

"**Commingling Risk Reserve Excess Amount**" means in respect of any Note Payment Date, the higher of (i) zero and (ii) the Commingling Risk Reserve Required Amount as at the immediately preceding Note Payment Date less the Commingling Risk Reserve Required Amount as at the current Note Payment Date, in each case as of the relevant Notes Calculation Date;

"**Commingling Risk Reserve Required Amount**" means either (i) as long as no Commingling Risk Reserve Trigger Event has occurred, zero (0) and (ii) from the date of the occurrence of a Commingling Risk Reserve Trigger Event and as long as such Commingling Risk Reserve Trigger Event continues, an

amount equal to the highest monthly value of Revenue Funds and Principal Funds in the last 12 months but in relation to the 12 months following the Closing Date, the highest monthly value of Revenue Fund and Principal Funds in the month following the Closing Date;

"**Commingling Risk Required Rating**" means a Long Term Issuer Default Rating of BBB by Fitch and a Long Term Counterparty Risk Assessment of Baa2(cr) by Moody's;

"**Commingling Risk Reserve Trigger Event**" means at any time the occurrence of,

1.

(i) ING Bank N.V ceases to have a Long Term Issuer Default Rating of BBB+ by Fitch, or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Seller or ING-DiBa ceases to be part of the Resolution Group of ING Bank N.V.,

unless in each case (i) and (ii), the Seller has at least the Commingling Risk Required Rating by Fitch; or

2. the Seller ceases to have the Commingling Risk Required Rating by Moody's;

"**Common Terms**" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum.

"**Conditions**" means the terms and conditions of the Notes as attached to the relevant Global Note and "**Condition**" means any referenced clause thereof;

"**Corporate Services Provider**" means Circumference FS (Luxembourg) S.A., with its registered office at 22-24 boulevard Royal, L-2449 Luxembourg (Grand Duchy of Luxembourg), registered at the register de commerce et des sociétés of Luxembourg with register number B58628;

"**CRA Regulation**" means Regulation (EC) No. 1060/2009 of 16 September 2009 on Rating Agencies, as amended by Regulation (EU) No. 462/2013 of 21 May 2013;

"**CRD**" means Directive 2006/48/EC of the European Parliament and of the Council (as amended by Directive 2009/111/EC);

"**Credit and Collection Policy**" means the summary of the credit and collection principles of the Seller which must be complied with in respect of the Mortgage Receivables, as set out in Schedule 1 of the Servicing Agreement;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

"**Cumulative Realised Loss Ratio**" means the ratio obtained by dividing A by B, whereas A means the cumulative Realised Losses since the Closing Date and B means the aggregate Outstanding Principal Amount of Securitised Mortgage Receivables as of the Closing Date;

"**Custodian Bank**" means any bank or other financial institution of recognised standing authorised to engage in security custody business (*Wertpapierverwahrungsgeschäft*) with which a Noteholder maintains a securities account in respect of the Notes and which maintains an account with the Clearing Systems.

"**Cut-Off Date**" means in relation to a Transfer Date, a Mortgage Calculation Date or a Notes Calculation Date, the final day of the calendar month preceding the calendar month in which such Transfer Date, Mortgage Calculation Date or Notes Calculation Date falls, and in relation to the Transfer Date falling on the Closing Date means 26 November 2021;

"**Current Loan to Value Ratio**" means the aggregate of (i) the outstanding amount of all Mortgage Receivables secured by the property and capitalizing encumbrances reducing the property value of the relevant Mortgaged Asset such as usufructs or interest on heritable building rights and any similar right on the relevant Mortgaged Asset, minus (ii) the amount of additional collateral with respect to such Mortgage Receivable, divided by the property value of the relevant Mortgaged Asset as last determined by the Servicer according to applicable laws, regulations and the Seller's Credit and Collection Policy and

servicing standards; whereby the property value means the mortgage lending value (*Beleihungswert*) of a Mortgaged Asset;

"**Defaulted Mortgage Receivable**" means, at any time, any Securitised Mortgage Receivable in respect of which:

1. any instalment remains unpaid past the respective due date for 90 (ninety) calendar days;

2. the Servicer, in accordance with the Servicer's Credit and Collection Policy, considers the relevant Borrower to be unlikely to make instalment payments as they fall due;

"**Data Trust Agreement**" means the data trust agreement entered into by *inter alia* the Date Trustee and the Issuer dated the Signing Date;

"**Data Trustee**" means Blue Flag B.V., with its registered office at Utrechtseweg 83, 1213 TM Hilversum, The Netherlands, registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 55546153;

"**Early Redemption Price**" means the higher of (a) the Repurchase Price, (b) the amount that is required to (A) redeem all Notes at their Principal Amount Outstanding as at the day immediately prior to the relevant Optional Redemption Date and (B) meet the Issuer's payment obligations under each of the items (i) to (iv) (inclusive) under the Revenue Priority of Payments;

"**Eligibility Criteria**" means the criteria as set out in Schedule 1 to the Mortgage Receivables Purchase Agreement (and as set out in section "ELIGIBILITY CRITERIA" of this Prospectus);

"**Eligible Institution**" means any depository institution, organised under the laws of any state which is a member of the European Union or of the United States, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated, at least P-1' by Moody's and has a short term rating of at least F1 from Fitch and the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated, at least A2' by Moody's and has a long term rating of at least A from Fitch (or such other minimum rating as determined by the Rating Agencies in their respective applicable counterparty criteria);

"**Eligible Investment**" means any senior, unsubordinated debt security, investment, commercial paper, deposit or other debt instrument (including, for the avoidance of doubt, a money market fund, provided that they are designed to meet the dual objective providing liquidity and preserving capital and either they maintain the highest rating from Fitch or Moody's) issued by, or fully and unconditionally guaranteed by, an Eligible Institution, which:

(a) if applicable, has a stated maturity (giving effect to any applicable grace period) no later than the second Notes Business Day immediately preceding the Transfer Date related to such Mortgage Calculation Period;

(b) is not an asset backed security;

(c) provides for principal to be repaid in respect of such investment which is at least equal to the price paid to purchase such investment and does not fall to be determined by reference to any formula or index and is not subject to any contingency

(d) (except in the case of a deposit) will be in the form of notes or financial instruments (denominated in euro) having, as applicable:

(A) a long-term rating of at least A2 and a short-term rating of at least P-1 by Moody's; and

(B) in the case of Eligible Investments with a maturity which is equal to or less than 30 calendar days, a short-term issuer default rating of at least F1 or a long-term issuer default rating at least A (or its replacement) by Fitch or in the case of Eligible Investments with a maturity which is longer than 30 calendar days, a short-term issuer default rating of at least F1+ or a long-term issuer default rating at least AA- (or its replacement),

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time to maintain the then current ratings of the Notes;

"**Eligible Mortgage Receivable**" means a Mortgage Receivable that complies with the Eligibility Criteria as at the relevant Cut-Off Date of such Mortgage Receivable;

"**Eligible Substitute Mortgage Receivable**" means a Substitute Mortgage Receivable that complies with the Eligibility Criteria as at the relevant Cut-Off Date of such Substitute Mortgage Receivable;

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;

"**Encrypted Portfolio Information**" means the list in accordance with the Date Protection Trust Agreement and Clause 2.1 of the Mortgage Receivables Purchase Agreement, which contains Borrower related personal or confidential data and which the Seller shall deliver to the Purchaser in encrypted form and to which the Portfolio Decryption Key shall be delivered to the Data Trustee;

"**Enforcement Notice**" means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 6(b) (*Early Redemption for Default*);

"**Enforcement Proceeds**" means, in relation to a Securitised Mortgage Receivable, an amount in euro equal to the sum of the following: (a) the proceeds of a foreclosure on the relevant Securitised Mortgage Receivable; (b) the proceeds of foreclosure on any Related Mortgage securing the relevant Securitised Mortgage Receivable; (c) the proceeds, if any, of collection of any insurance policies in connection with the relevant Securitised Mortgage Receivable, including but not limited to fire insurance; (d) the proceeds of any guarantees or sureties; and (e) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Securitised Mortgage Receivable;

"**ESMA**" means the European Securities and Markets Authority;

"**EU Insolvency Regulation**" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast);

"**EUR**", "**Euro**" or "**€**" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;

"**Euribor**" has the meaning ascribed thereto in Condition 3(b) (*Interest Rate*);

"**Event of Default**" means any of the events specified as such in Condition 6(a) (*Early Redemption for Default – Events of Default*);

"**Excess Available Revenue Funds**" means any Available Revenue Funds available for item 2(c)(xiii) of the Revenue Priority of Payments;

"**Exchange Date**" means the date, not earlier than forty (40) days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;

"**Exchange Event**" has the meaning ascribed to such term in the Permanent Global Notes;

"**FATCA**" means the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010;

"**Final Maturity Date**" means the Notes Payment Date falling on 20 November 2109;

"**First Optional Redemption Date**" means the Notes Payment Date falling in November 2024;

"**Fitch**" means Fitch Ratings Ltd., and includes any successor to its rating business;

"Fixed Interest Rate" means applicable fixed interest rate under a Mortgage Loan as determined in the Fixed Interest Rate Agreement;

"**Fixed Interest Rate Agreement**" means the currently valid agreement between the Seller and Borrower which determines, among others, the Fixed Interest Rate and the Fixed Interest Rate Period of a Mortgage Loan (*Festzinsvereinbarung*);

"**Fixed Interest Rate Period**" means the original contractual period of the Fixed Interest Rate Agreement;

"**Foreclosure Value**" means the foreclosure value of the Mortgaged Asset;

"**FSMA**" has the meaning ascribed thereto in section "SUBSCRIPTION AND SALE" of this Prospectus;

"**Further Advance**" means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;

"**Further Advance Receivable**" means the Securitised Mortgage Receivable resulting from a Further Advance;

"**GDPR**" means Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons to the processing of personal data and on the free movement of such data, as amended;

"**German Civil Code**" means the German civil code (*Bürgerliches Gesetzbuch*);

"**German Insolvency Proceedings**" means insolvency proceedings as provided for in the German Insolvency Code (*Insolvenzordnung*), including provisional insolvency proceedings (*vorläufiges Insolvenzverfahren*) and protective proceedings (*Schutzschirmverfahren*);

"**Global Note**" means any Temporary Global Note or Permanent Global Note;

"**Gross Outstanding Principal Balance**" means, in relation to a Mortgage Receivable at any date, the Outstanding Principal Amount of such Mortgage Receivable at such date (but avoiding double counting) including the following:

- the Outstanding Principal Amount of such Mortgage Receivable, as at the Cut-Off Date relating to its Transfer Date; and
- any increase in the Outstanding Principal Amount due under such Mortgage Receivable due to any Further Advance,

in each case relating to such Mortgage Receivable less any prepayment, repayment or payment of the foregoing made on or prior to such date;

"**Income Ledger**" means the ledger of the Issuer Collection Account designated as such;

"**Incorporated Terms Memorandum**" means the incorporated terms memorandum, signed for identification purposes on or around the Signing Date between all parties to the Transaction Documents;

"**ING**" means ING Bank N.V., a public company (*naamloze vennootschap*) having its corporate seat (*statutaire zetel*) in Amsterdam and its registered offices at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands and being registered at the Chamber of Commerce under number 33031431;

"**ING -DiBa**" means ING-DiBa AG, having its registered seat at Theodor-Heuss-Allee 2, 60486 Frankfurt am Main, Germany, and being registered in the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under number HRB 7727;

"**Initial Loan Agreement**" means the loan agreement evidencing an Initial Mortgage Receivable;

"**Initial Mortgage Receivables**" means the claims for the payment of principal and interest (but, excluding other claims resulting from the respective loan agreements such as Prepayment Penalties) owed to the Seller by the Borrowers under the related real estate mortgage loans as set out on the Initial Mortgage Receivables List attached as Schedule 2 to the Mortgage Receivables Purchase Agreement.

"**Initial Mortgage Receivables List**" means the list attached as Schedule 2 to the Mortgage Receivables Purchase Agreement;

"**Initial Purchase Price**" in relation to each Mortgage Receivable means the Gross Outstanding Principal Balance of such Mortgage Receivable as at the relevant Cut-Off Date;

"**Initial Related Mortgage**" means with respect to each Initial Mortgage Receivable the certificated or uncertificated mortgage (*Brief- oder Buchgrundschuld*) securing such Initial Mortgage Receivable;

"**Initial Related Mortgages Transfer Claim**" means the claim granted by the Seller to the Issuer for transfer (*Übertragungsanspruch*) with respect to each Initial Related Mortgage sold under the Mortgage Receivables Purchase Agreement pursuant to which the Purchaser shall be entitled to request from the Seller upon the occurrence of a Transfer Event the assignment (*Abtretung*) of any Initial Related Mortgages sold hereunder (i) to itself or (ii) to the relevant collateral provider of such Initial Related Mortgage.

"**Insolvency Event**" means

(a) with respect to Persons that are subject to the German insolvency code (*Insolvenzordnung*), the relevant Person is

  (i) unable to pay its debts when due (*Zahlungsunfähigkeit*) pursuant to section 17 of the German Insolvency Code (InsO);

  (ii) in a situation where the scenario described under (a) above is imminent (*drohende Zahlungsunfähigkeit*) pursuant to section 18 of the German Insolvency Code (InsO);

  (iii) over-indebted (including "Überschuldung" pursuant to section 19 of the German Insolvency Code (InsO));

(iv) subject to preliminary measures by a court or administrative body (*Androhung von Sicherungsmaßnahmen*) pursuant to section 21 of the German Insolvency Code (InsO);

(b) with respect to Persons that are subject to the insolvency law in Luxembourg, a reference to:

(i) a moratorium of any indebtedness, winding-up, administration or dissolution includes, without limitation, bankruptcy "faillite", insolvency, voluntary or judicial liquidation "liquidation volontaire ou judiciaire", composition with creditors "concordat préventif de faillite", moratorium or reprieve from payment "sursis de paiement", controlled management "gestion contrôlée", fraudulent conveyance "actio pauliana", general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;

(ii) a receiver, administrative receiver, administrator or the like includes, without limitation, a juge délégué, commissaire, juge-commissaire, liquidateur or curateur;

(iii) a security interest includes any hypothèque, nantissement, gage, privilège, sûreté réelle, droit de retention and any type of real security "sûreté réelle" or agreement or arrangement having a similar effect and any transfer of title by way of security; and

(iv) a person being unable to pay its debts includes that person being in a state of cessation of payments "cessation de paiements".

(c) with respect to any other Person each of the following events:

(i) the official appointment of an insolvency administrator, custodian, trustee (other than the Trustee for the purposes of the Trust Agreement), liquidator or similar official for such Person or a substantial portion of its property or any application for, seeking of, consents to, or acquiescence in, such appointment;

(ii) the initiation of any case, action or proceedings before any court or Governmental Authority against such Person under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws excluding such proceedings which have apparently been initiated for abusive purposes (excluding such proceedings, winding-up petition or application in respect of any such proceeding or action which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen days of commencement of such petition or application);

(iii) the levy, attachment or enforcement of a distress or execution against the whole or any substantial portion of the undertaking or assets of such Person, unless such possession or process is discharged or otherwise ceases to apply within ten (10) days;

(iv) an initiation of any action or proceeding or a resolution has been made for the winding-up or liquidation of the respective Person;

(v) such Person is unable to pay its debts when due within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment;

(vi) such Person is over-indebted within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment; and

(vii) insolvency proceedings against the assets of such Person are dismissed for lack of assets.

"**Insolvency Proceedings**", "**Administration**", "**Bankruptcy**", "**Dissolution**", "**Liquidation**", "**Execution**" or "**Winding-up**" means any German Insolvency Proceeding or any equivalent or analogous proceeding under the laws of any other jurisdiction;

"**Insurance Company**" means any insurer that issued an insurance policy to a Borrower connected to the property over which a Related Mortgage has been granted pursuant to the terms of the relevant Mortgage Loan;

"**Insurance Policy**" means a Mixed Insurance Policy or a Risk Insurance Policy;

"**Interest Period**" means the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling in February 2022 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;

"**Interest Shortfall**" means, with respect to any Note, accrued interest not paid on any Notes Payment date related to the Interest Period in which it accrued, including but not limited to any accrued interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Period immediate prior to the Notes Payment Date;

"**Interest Rate**" means the rate of interest applicable from time to time to each Class of Notes as determined in accordance with Condition 3 (*Interest*);

"**Investor Report**" has the meaning ascribed to such term in Article 7 paragraph 1(e) of the Securitisation Regulation;

"**ISDA**" means the International Swaps and Derivatives Association, Inc.;

"**Issuance Bonification**" means an upfront payment from the Purchaser to the Seller in accordance with the Mortgage Receivables Purchase Agreement;

"**Issue Price**" means 100 per cent. of the nominal amount of each Note (other than the Class A Notes) and 101.342 per cent. of the nominal amount for each Class A Note;

"**Issuer**" means German Lion RMBS S.A. acting for and on behalf of its Compartment 2021-1, a securitisation company (*société de titrisation*) within the meaning of the Luxembourg Securitisation law, incorporated as a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg with registered number B255534;

"**Issuer Account Bank**" means ING-DiBa;

"**Issuer Account Bank Required Rating**" means a Long Term Deposit Rating of A by Fitch and a Long Term Deposit Rating of Baa1 and if no Long Term Deposit Rating is available a senior unsecured rating of Baa1 by Moody's;

"**Issuer Account Bank Trigger Event**" means at any time the occurrence of,

1.

(i) ING Bank N.V ceases to have a Long Term Issuer Default Rating of A+ by Fitch, or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Seller or ING-DiBa ceases to be part of the Resolution Group of ING Bank N.V.,

unless in each case (i) and (ii), the Seller has at least the Issuer Account Bank Required Rating by Fitch; or

2. the Seller ceases to have the Issuer Account Bank Required Rating by Moody's;

"**Issuer Account Rights**" means any and all rights of the Issuer in respect of the Issuer Accounts, against any Issuer Account Bank;

"**Issuer Accounts**" means any of (i) the Issuer Collection Account and (ii) the Issuer Expense Account as well as (iii) the Transfer Reserve Account, (iv) the Set-Off Risk Reserve Account, (v) the Commingling Risk Reserve Account, (vi) the Issuer Stand-by Account and (vii) the Swap Collateral Account, whereas (iii) through (vii) the Issuer establishes as ledgers to the Issuer Collection Account;

"**Issuer Collection Account**" means the bank account of the Issuer designated as such in the Cash Management and Issuer Account Bank Agreement;

"**Issuer Covenants**" means the covenants of the Issuer set out in Schedule 4 (*Issuer Covenants*) of the Incorporated Terms Memorandum;

"**Issuer Expense Account**" means an account with the Issuer Account Bank and IBAN DE47500210000218226308;

"**Issuer Representations and Warranties**" means the representations and warranties as set out in Schedule 3 (*Issuer Representations and Warranties*) of the Incorporated Terms Memorandum;

"**Issuer Rights**" means any and all rights of the Issuer under and in connection with the Transaction Documents;

"**Issuer Stand-by Account**" means an interest bearing account with the Issuer Account Bank which the Issuer shall establish upon request, or a making of, a Stand-by Advance pursuant to the Liquidity Facility Agreement;

"**Lead Manager**" means ING;

"**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"**Life Insurance Policy**" means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

"**Liquidity Advance**" means a loan advance granted under the Liquidity Facility;

"**Liquidity Facility**" means a committed euro revolving liquidity facility granted by the Liquidity Facility Provider to the Issuer pursuant to the Liquidity Facility Agreement;

"**Liquidity Facility Agreement**" means the liquidity facility agreement between the Issuer, the Security Trustee and the Liquidity Facility Provider dated the Signing Date;

"**Liquidity Facility Provider**" means ING Bank, a branch of ING-DiBa;

"**Liquidity Facility Provider Required Rating**" means a Long Term Issuer Default Rating of A by Fitch and a Long Term Counterparty Risk Assessment of A2(cr) and a Short Term Counterparty Risk Assessment Rating P-1, and if no Short Term Rating available either Long Term Counterparty Risk Assessment A2(cr) or senior unsecured A2 by Moody's;

"**Liquidity Facility Provider Trigger Event**" means at any time the occurrence of,

1.

(i) ING Bank N.V ceases to have a Long Term Issuer Default Rating of A+ by Fitch, or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Seller or ING-DiBa ceases to be part of the Resolution Group of ING Bank N.V.,

unless in each case (i) and (ii), the Seller has at least the Liquidity Facility Provider Required Rating by Fitch; or

2. the Seller ceases to have the Liquidity Facility Provider Required Rating by Moody's;

"**Liquidity Facility Termination Date**" means the 364th calendar day following the Closing Date, and in respect of a new Liquidity Facility granted pursuant to the terms of the Liquidity Facility Agreement, the 364th day following the commencement of such new Liquidity Facility;

"**Liquidity Subordinated Amounts**" means any increased costs, mandatory costs and tax gross-up amounts;

"**Listing Agent**" means Banque Internationale à Luxembourg S.A., with its registered office at 69, route d'Esch L-2953 Luxembourg (Grand Duchy of Luxembourg), registered at the registre de commerce et des sociétés with register number B6307;

"**Loan Agreement**" means any Initial Loan Agreement and any Substitute Loan Agreement;

"**Luxembourg Companies Law**" means the Luxembourg law of 10 August 1915 on commercial companies, as amended.

"**Luxembourg Securitisation Law**" means the Luxembourg law on securitisation of 22 March 2004, as amended.

"**Majority**" has the meaning ascribed to such term in Condition 6(b) (*Early Redemption for Default*) of the Conditions of the Notes.

"**Maturity Date**" means the date on which the repayment of the outstanding loan amount is initially calculated and expected (under the assumption that the interest rate and the loan instalment remain the same until the loan is repaid in full);

"**Minimum Required Issuer Amount**" means an amount equal to 50,000.00 EUR or as otherwise agreed between the Issuer, the Security Trustee and the Seller;

"**Mixed Insurance Policy**" means any insurance policy under which premium is paid consisting of a risk element and a capital element consisting of a savings part and/or an investment part, as the case may be, including a Life Insurance Policy;

"**Monthly Principal Funds**" means in respect of each Offer Day the sum of:

(a) the amount of Principal Funds received by the Issuer;

(b) any amounts standing to the credit of the Purchase Shortfall Ledger;

(c) any principal related amounts in respect of a set-off by a Borrower that are paid by the Seller to the Issuer under the Mortgage Receivables Purchase Agreement, the Set-Off Risk Reserve Required Amount transferred from the Set-Off Risk Reserve Account to the Issuer Collection Account and any principal related amount in respect of a payment owed by a Borrower that should be paid by the Servicer to the Issuer pursuant to Clause 6.2 of the Servicing Agreement, the Commingling Risk Reserve Required Amount transferred from the Commingling Risk Reserve Account to the Issuer Collection Account;

(d) any other amount standing to the credit of the Redemption Ledger not covered by items (a) to (c) above; and

(e) all amounts to be credited to any sub-ledger of the Principal Deficiency Ledger under the Revenue Priority of Payments on the following Notes Payment Date,

in each case, in respect of the Mortgage Calculation Period preceding the Offer Day;

"**Moody's**" means Moody's Deutschland GmbH, and includes any successor to its rating business;

"**Mortgage**" means a certified or uncertified mortgage (*Brief- oder Buchgrundschuld*) securing the relevant Mortgage Receivables;

"**Mortgage Calculation Date**" means, in respect of a Mortgage Collection Payment Date, the third Notes Business Day prior to such Mortgage Collection Payment Date;

"**Mortgage Calculation Period**" means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month except for the first

mortgage calculation period, which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of November 2021;

"**Mortgage Collection Payment Date**" means the 20th day of each calendar month, **provided that** if any such day is not a Notes Business Day, that Mortgage Collection Payment Date shall be the immediately succeeding Notes Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the immediately preceding Notes Business Day;

"**Mortgage Conditions**" means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;

"**Mortgage Loan Services**" means the services to be provided by the Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans, as set out in the Servicing Agreement;

"**Mortgage Loans**" means the mortgage loans granted by the Seller to the relevant borrowers as set forth in the list of loans attached to the Mortgage Receivables Purchase Agreement and, after any purchase and assignment of any Further Advance Receivables or any Substitute Mortgage Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, the relevant Further Advances, or, as applicable, the relevant Substitute Loans to the extent any and all rights under and in connection therewith are not retransferred or otherwise disposed of by the Issuer;

"**Mortgage Receivable**" means the claims for the payment of principal and interest (but, excluding other claims resulting from the respective loan agreements such as Prepayment Penalties) owed to the Seller by the Borrowers under the related Mortgage Loans (but, excluding other claims resulting from the respective loan agreements such as Prepayment Penalties);

"**Mortgage Receivables Purchase Agreement**" means the mortgage receivables purchase agreement between the Seller, the Issuer and the Security Trustee dated the Signing Date;

"**Mortgage Receivables Warranty**" means the representations and warranties given by the Seller in respect of the Mortgage Receivables as set out in Part B of the Seller and Servicer Representations and Warranties set out in Schedule 5 of the Incorporated Terms Memorandum;

"**Mortgaged Asset**" means (i) a real property (*Grundstück*) or (ii) an apartment right (*Wohnungseigentum*);

"**Most Senior Class of Notes**" means such Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority than any other Class of Notes;

"**Non-Performing Mortgage Receivable**" means a Mortgage Receivable in relation to which:

- a dunning letter has been sent to the Borrower within the 2 years prior to the Cut-off Date or relevant Offer Day (as applicable);
- as of the Cut-off Date or the relevant Offer Day (as applicable), the Borrower is in arrears in relation to any payment pursuant to the Mortgage Loan;
- the relevant Mortgage Receivable has been subject to restructurings in the 3 (three) years before the Cut-off Date or the relevant Offer Day (as applicable);

"**Note Interest Amount**" means:

- in respect of a Note for the related Notes Calculation Period commencing on the Closing Date, the Quarterly Note Interest calculated on the related Notes Calculation Date; or
- in respect of a Note for any subsequent Notes Calculation Period, the Quarterly Note Interest calculated on the related Notes Calculation Date;

"**Note Principal Amount**" means the initial note principal amount of any Note (i.e. EUR 100,000).

"**Note Principal Payment**" means in respect of any Note on any Notes Payment Date, the principal amount redeemable in respect of such a Note, which shall be a proportion of the amount of Available Principal Funds or Available Revenue Funds, as the case may be, required as at that Notes Payment Date pursuant to the Principal Priority of Payments or the Revenue Priority of Payments, as the case may be, to be applied in redemption of the relevant Class of Notes on such date equal to the proportion that the Notional Principal Amount Outstanding of the relevant Note bears to the aggregate Notional Principal Amount Outstanding of such Class of Notes rounded down to the nearest euro **provided that** no such Note Principal Payment may exceed the Notional Principal Amount Outstanding of the relevant Note;

"**Noteholders**" has the meaning ascribed to it in Condition 1(a) of the Conditions of the Notes;

"**Notes**" means the Class A Notes and the Class B Notes;

"**Notes Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in Frankfurt, Luxembourg and Amsterdam, **provided that**, when used in the definition of Notes Payment Date and in Condition 3(b) (*Interest Rate*) such day is also a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2) ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

"**Notes Calculation Date**" means, in respect of a Notes Payment Date, the third Notes Business Day prior to such Notes Payment Date;

"**Notes Calculation Period**" means each period from (and including) a Notes Payment Date (or the Closing Date) to (but excluding) the first following Notes Payment Date and, in respect of a Notes Calculation Date, the "**related Notes Calculation Period**" means the Notes Calculation Period in which such Notes Calculation Date falls, except for the first Notes Calculation Period which will commence on the Closing Date and end on (and exclude) the Notes Payment Date falling in February 2022;

"**Notes Payment Date**" means the 20th day of February, May, August and November of each year or, if such day is not a Notes Business Day, the immediately succeeding Notes Business Day unless it would as a result fall in the next calendar month, in which case it will be the Notes Business Day immediately preceding such day;

"**Notes Purchase Agreement**" means the notes purchase agreement between the Lead Manager, the Issuer, the Seller and the Notes Purchaser dated the Signing Date;

"**Notes Purchaser**" means ING-DiBa AG in its capacity as purchaser of the Class A Notes;

"**Notice**" means (i) in respect of notice to be given to Noteholders, a notice validly given pursuant to Condition 10 (*Notices*) and (ii) in respect of a notice to be given to a party to a Transaction Document, a notice validly given pursuant to Clause 22 (*Notices*) of Part 1 (*General*) of Schedule 2 (*Common Terms*) to the Incorporated Terms Memorandum;

"**Notional Principal Amount Outstanding**" means on any day, in relation to a Note, the Principal Amount Outstanding of such Note minus an amount equal to that portion of the negative balance of the relevant Principal Deficiency Ledger for such Class of Notes on that day as calculated by the Issuer (or the Cash Manager on its behalf) divided by the number of outstanding Notes in such Class of Notes;

"**Offer Day**" means the second Notes Business Day immediately preceding any Mortgage Calculation Payment Date on which Eligible Substitute Mortgage Receivables and/or a Further Advance are offered for purchase to the Issuer by the Seller;

"**Optional Redemption Date**" means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;

"**Original Foreclosure Value**" means the Foreclosure Value of the Mortgaged Asset as assessed by the Seller at the time of granting the Mortgage Loan;

"**Original Loan to Value Ratio**" means the aggregate of (i) the outstanding amount of all Mortgage Loans secured by the property and capitalizing encumbrances reducing the property value of the relevant Mortgaged Assets such as usufructs or interest on heritable building rights and any similar right on the relevant Mortgaged Assets, minus (ii) the amount of additional collateral with respect to such Mortgage

Receivable, divided by the property value of the relevant Mortgaged Assets as initially determined by the Servicer according to applicable laws, regulations and the Seller's Credit and Collection Policy and servicing standards; whereby the property value means the mortgage lending value (*Beleihungswert*) of a Mortgaged Assets;

"**Originator**" means the Seller;

"**outstanding**" means, in relation to the Notes, all the Notes other than:

(i) those which have been redeemed in full and cancelled in accordance with the Conditions;

(ii) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Security Trustee or the Principal Paying Agent in the manner provided for in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;

(iii) those which have been purchased and surrendered for cancellation as provided in 5 (*Redemption, Early Redemption*) and notice of the cancellation of which has been given to the Security Trustee;

(iv) those which have become void under the Conditions;

(v) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and

(vi) any Temporary Global Note, to the extent that it shall have been exchanged for a Permanent Global Note of the same class or any Permanent Global Note, to the extent that it shall have been exchanged for the related Definitive Notes of the same class pursuant to the provisions contained therein and the Conditions;

"**Outstanding Principal Amount**" means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss, zero;

"**Paying Agency Agreement**" means the paying agency agreement between the Issuer, the Paying Agent and the Security Trustee dated the Signing Date;

"**Paying Agent**" means ING;

"**Permanent Global Note**" means a permanent global note in respect of a Class of Notes;

a "**Person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"**Portfolio Decryption Key**" means a file of information sent by the Seller to the Data Trustee, required to decrypt the Encrypted Portfolio Information;

"**Portfolio Information**" means a portfolio file (non-encrypted information) and a Data Trustee file (encrypted information) with the information as set out in Schedule 3 of the Mortgage Receivables Purchase Agreement sent by the Seller to the Issuer (the Encrypted Portfolio Information readable only together with the Portfolio Decryption Key);

"**Post-Enforcement Priority of Payments**" means the priority of payments set out as such in Condition 6(c) (*Post Enforcement Priority of Payments*);

"**Prepayment Penalties**" (*Vorfälligkeitsentschädigung*) means any payment to be made by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the Maturity Date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;

"**Principal Amount Outstanding**" means the principal amount outstanding of any Note from the Closing Date less the aggregate of all amounts of Note Principal Payments that have been paid by the Issuer in respect of that Note on or prior to that date;

"**Principal Deficiency**" means the debit balance, if any, of the relevant Principal Deficiency Ledger and the "**Class A Principal Deficiency**" means the debit balance, if any, of the relevant Principal Deficiency Ledger in respect to the Class A Notes and the "**Class B Principal Deficiency**" means the debit balance, if any, of the relevant Principal Deficiency Ledger in respect to the Class B Notes;

"**Principal Deficiency Ledger**" means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes and the "**Class A Principal Deficiency Ledger**" means the principal deficiency ledger relating to the Class A Notes and comprising sub-ledgers for the Class A Notes and the "**Class B Principal Deficiency Ledger**" means the principal deficiency ledger relating to the Class B Notes and comprising sub-ledgers for the Class B Notes;

"**Principal Funds**" means:

(a) any amounts of scheduled repayments (whether in part or in full) of principal in respect of any Securitised Mortgage Receivable, which the Servicer has received from any person;

(b) any amounts of principal prepayment (whether in part or in full) of principal in respect of any Securitised Mortgage Receivable, which the Servicer has received from any person, but, for the avoidance of doubt, excluding Prepayment Penalties, if any;

(c) any Enforcement Proceeds on any Securitised Mortgage Receivable to the extent such proceeds relate to principal; and

(d) any amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, in particular, but not limited to the principal portion of the Repurchase Price paid by the Seller to the Issuer in connection with any repurchase by the Seller of a Securitised Mortgage Receivable in accordance with the Mortgage Receivables Purchase Agreement, as a result of the exercise of an Optional Redemption pursuant to Condition 5 (*Redemption; Early Redemption*) or as a result of a breach of a representation or warranty by the Seller;

"**Principal Liabilities**" means any amounts the Issuer owes to the Noteholders and the other Secured Creditors as and when the same fall due for payment and whether or not any such obligations have arisen as at the Closing Date under or pursuant to the Notes and the Transaction Documents, respectively, but excluding the Parallel Debt;

"**Principal Priority of Payments**" means the priority of payments set out as such in Condition 2(d) of the Conditions of the Notes;

"**Priority of Payments**" means any of the Revenue Priority of Payments, the Principal Priority of Payments or the Post-Enforcement Priority of Payments;

"**Prospectus**" means this prospectus;

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

"**Purchase Price**" means either the Initial Purchase Price or the Subsequent Purchase Price (as applicable);

"**Purchase Shortfall Event**" shall have occurred if, on two (2) consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Ledger is higher than 10 per cent. of the initial aggregate Note Principal Amount of all Notes;

"**Purchase Shortfall Ledger**" means the ledger on the Issuer Collection Account designated as such;

"**Quarterly Note Interest**" means the amount of interest determined in respect of such Note for such Notes Calculation Period, being the product of:

- the relevant Interest Rate for such Notes Calculation Period;
- the relevant day count fraction (being the actual number of days in such period divided by 360) and rounding the resultant figure to the nearest EUR 0.01; and
- a fraction equal to the Principal Amount Outstanding of such Note on the Notes Payment Date first following such Notes Calculation Date;

"**Rating Agency**" means any Rating Agency (including any successor to its rating business) who, at the request of the Seller, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch and Moody's;

"**Rating Agency Confirmation**" means, with respect to a matter which requires Rating Agency Confirmation under the Transaction Documents and which has been notified to each Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:

(a) a confirmation from each Rating Agency that its then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a "**confirmation**");

(b) if no confirmation is forthcoming from any Rating Agency, a written indication, by whatever means of communication, from such Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an "**indication**"); or

(c) if no confirmation and no indication is forthcoming from any Rating Agency and such Rating Agency has not communicated that the then current ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter:

  (i) a written communication, by whatever means, from such Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or

  (ii) if such Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 days have passed since such Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Rating Agency.

"**Realised Loss**" means on any Notes Calculation Date, an amount equal to the sum of:

- the amount of the difference between (x) the Outstanding Principal Amount of a relevant Mortgage Receivable, which the Seller, the Servicer, the Issuer or the Security Trustee (as the case may be) has foreclosed during the related Notes Calculation Period, and (y) the sum of the Enforcement Proceeds applied to reduce the principal amount under such Mortgage Receivable;
- the Outstanding Principal Amount of a Mortgage Receivable sold by or on behalf of the Issuer or the Security Trustee pursuant to the Mortgage Receivables Purchase Agreement and/or the Security Trust Agreement, and *less* the net purchase price (to the extent relating to principal) received by or on behalf of the Issuer in respect of such sold Mortgage Receivable during the related Notes Calculation Period; and
- with respect to a Mortgage Receivable which has been extinguished, in part or in full, during the related Notes Calculation Period as a result of a set-off right having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between the amount by which the Mortgage Receivable has been extinguished and the amount paid by the Seller pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off;

"**Receivable Interest Determination Date**" is as defined in the definition "Accrued Interest";

"**Redemption Ledger**" means the ledger of the Issuer Collection Account designated as such;

"**Refinancing Register**" means the refinancing register (*Refinanzierungsregister*) within the meaning of Sections 22a *et seq.* KWG established by the Seller;

"**Regulation S**" means Regulation S of the Securities Act;

"**Reference Banks**" means, the principal office of four major banks in the Eurozone interbank market selected by the Paying Agent at the relevant time;

"**Reference Rate**" means the rate of Euribor as calculated in accordance with Condition 3 (*Interest*);

"**Registered Assets**" means the Securitised Mortgage Receivables as well as the Related Mortgages recorded in the Refinancing Register;

"**Related Mortgage**" means any Initial Related Mortgage or, as applicable, any Substitute Related Mortgage;

"**Related Security**" means, with respect to any Mortgage Receivable, all related accessory security (*akzessorische Sicherheiten*) and ancillary rights (*Nebenrechte*), including pledges claims (*verpfändete Ansprüche*), suretyships (*Bürgschaften*), rights to receive interest and penalties and, to the extent transferable, Beneficiary Rights and interest reset rights;

"**Relevant Margin**" means for the Class A Notes 0.60 per cent. *per annum* and for the Class B Notes 3.50 per cent. *per annum*;

"**Relevant Member State**" means each member state of the European Economic Area which has implemented the Prospectus Directive;

"**Relevant Related Mortgage**" means any Related Mortgage which (a) has not been deleted from the Refinancing Register in accordance with the Mortgage Receivables Purchase Agreement, (b) secures a Securitised Mortgage Receivable, (c) has not been released to the relevant collateral provider and (d) which has not been repurchased by the Seller in accordance with the Mortgage Receivables Purchase Agreement;

"**Replenishment Criteria**" means the criteria as set out in the "REPLENISHMENT CRITERIA" on page 123 of this Prospectus;

"**Replenishment Period**" means the period from the Closing Date up to and including the Replenishment Period End Date;

"**Replenishment Period End Date**" means the earlier of the Notes Calculation Date falling in November 2024 and the Notes Calculation Date following the occurrence of an Replenishment Period Termination Event;

"**Replenishment Period Termination Event**" means the occurrence of any of the following events during the Replenishment Period:

1. a Transfer Event has occurred;

2. an Assignment Notification Event has occurred;

3. the Swap Agreement has been terminated;

4. a Servicer Termination Event has occurred;

5. the Servicing Agreement or the Data Trust Agreement are not effective for any reason;

6. following a demand for performance, the Seller fails within 15 Notes Business Days to perform its material obligations owed to the Issuer under the Mortgage Receivables Purchase Agreement and/or the Data Trust Agreement; and

7. the Cumulative Realised Loss Ratio exceeds 15 bps during the first twelve (12) calendar month following the Closing Date, 30 bps thereafter until 24 months following the Closing Date or 50 bps thereafter until the Replenishment Period End Date;

"**Repurchase Price**" means an amount equal to at least the relevant Gross Outstanding Principal Balance of such Mortgage Receivable increased with Accrued Interest and Arrears of Interest, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls, **provided that** with respect to a Mortgage Receivable that has Arrears of Interest for a period exceeding 60 calendar days or with respect to which enforcement proceedings have been initiated to sell the related Mortgaged Asset, the purchase price shall be the lesser of: (x) the sum of the Gross Outstanding Principal Balance, any Accrued Interest, Arrears of Interest and any other amount due in respect of the relevant Mortgage Receivables and together with any costs incurred by the Issuer in effecting and completing such sale and reassignment; and (y) the sum of (i) an amount equal to the most recently calculated indexed foreclosure value of the related Mortgaged Asset, (ii) the value of any other collateral attached to the Mortgage Loan and part of the declaration of purpose of the security (*Sicherungszweckerklärung*) and (iii) any costs incurred by the Issuer in effecting and completing such sale and reassignment, all as at the final day of the calendar month preceding the calendar month in which the relevant reassignment date falls

"**Resolution Group**" has the meaning given in Article 2(1)(83b) of Directive 2014/59/EU (as inserted pursuant to Article 1(1)(e) of Directive (EU) 2019/879);

"**Retained Notes**" means the Class A Notes and the Class B Notes initially purchased by the Seller;

"**Revenue Funds**" means

1. any amounts of scheduled interest payments;

2. any amounts of Arrears of Interest as well as default interest (*Verzugszinsen*);

3. any Enforcement Proceeds on any Securitised Mortgage Receivable to the extent such proceeds relate to interest;

4. any amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to interest, in particular, but not limited to the interest portion of the Repurchase Price paid by the Seller to the Issuer in connection with any repurchase by the Seller of a Securitised Mortgage Receivable in accordance with the Mortgage Receivables Purchase Agreement, as a result of the exercise of an Optional Redemption pursuant to Condition 5 (*Redemption; Early Redemption*) or as a result of a breach of a representation or warranty by the Seller;

"**Revenue Priority of Payments**" means the priority of payments set out in Condition 2(c) (*Revenue Priority of Payments*);

"**Risk Insurance Policy**" means the risk insurance which pays out upon the death of the life insured, taken out by a Borrower with any insurance company;

"**Sanctions**" means any laws, regulations, economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the government of the United States of America, the United Nations, the European Union or any of its member states in which the Issuer, or any individual or entity that owns or controls the Issuer, is resident, the U.S. Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC), the Office of Export Enforcement of the U.S. Department of Commerce (OEE), the U.S. Department of State and/or Her Majesty's Treasury or any other relevant sanctions authority;

"**Screen**" means the display as quoted on page EURIBOR01 of the Thomson Reuters screen; or

- such other page as may replace page EURIBOR01 of Thomson Reuters on that service for the purpose of displaying such information; or

- if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Security Trustee) as may replace such screen;

"**Screen Rate**" means, in relation to a date falling two Notes Business Days prior to the Notes Payment Date, the offered quotations for euro deposits for the length in months of the related Notes Calculation Period (or, in the case of the first Notes Calculation Period from the Closing Date to but excluding the Notes Payment Date falling in February 2022, the linear interpolation of the offered quotations for 3 and 6 months euro deposits, rounded to five decimal places with the mid-point rounded up) in the Amsterdam interbank market determined by reference to the Screen as at or about 11:00 a.m. (Amsterdam time) on that date;

"**Secrecy Rules**" means, collectively, the rules of German banking secrecy (*Bankgeheimnis*), the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*), the GDPR, and the German Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) as such rules are binding the relevant Transaction Party to the Transaction Documents with respect to the Securitised Mortgage Receivables and the Related Mortgages from time to time.

"**Secured Creditors**" means the Security Trustee (in its own capacity and on behalf of the Noteholders), the Seller, the Servicer, the Cash Manager, the Arranger, the Lead Manager, the Swap Counterparty, the Paying Agent, any Participant, the Listing Agent, the Issuer Account Bank and all other creditors for whom the Security is expressed to be granted subject to and in accordance with the Security Trust Agreement;

"**Secured Obligations**" has the meaning ascribed to such term in Clause 4.2(b) (*Trustee Claim*) of the Security Trust Agreement;

"**Securities Act**" means the United States Securities Act of 1933 (as amended);

"**Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012;

"**Securitised Mortgage Receivables**" means the Initial Mortgage Receivables and the Substitute Mortgage Receivables;

"**Security**" means any and all security interest created pursuant to the Security Documents;

"**Security Documents**" means the Security Trust Agreement and the English Security Deed;

"**Security Interest**" means any pledge, lien, charge, assignment or security interest or other agreement or arrangement having the effect of conferring security;

"**Security Trust Agreement**" means the security trust agreement between *inter alia* the Issuer and the Security Trustee dated the Signing Date;

"**Security Trustee**" means Oversea FS B.V., with its registered office at Barbara Strozzilaan 101, 1083 HN Amerstdam, The Netherlands, registered with the Kamer van Koophandel (The Netherlands Chamber of Commerce) under KvK number 34280199;

"**Seller**" means ING-DiBa AG;

"**Seller Bonification**" means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Seller Bonification have been satisfied;

"**Seller Collection Account**" means the bank account in the name of the Seller with Deutsche Bundesbank into which, among other things, payments under the Mortgage Receivables are collected;

"**Seller Event of Default**" any of the Seller Covenants are breached and remain unremedied for 15 Days;

"**Seller Representations**" means representations and warranties as set out for the Seller and Servicer in Schedule 5 (*Seller and Servicer Representations and Warranties*) of the Incorporated Terms Memorandum;

"**Seller Required Rating**" means Long Term Issuer Default Rating of BBB- by Fitch and Long Term Credit Risk Assessment of Baa3(cr) by Moody's;

"**Servicing Agreement**" means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated the Signing Date;

"**Servicer**" means the Seller;

"**Servicer Termination Event**" means each of the following events:

1. the Servicer fails to make a payment due under the Servicing Agreement at the latest on the seventh Notes Business Day after its due date, or, in the event no due date has been determined, the Servicer fails to make the relevant payment within 10 Notes Business Days after the demand for payment by the Issuer;

2. following a demand for performance the Servicer fails within 10 Notes Business Days to perform its material (as determined by the Issuer in its sole professional discretion) obligations (other than those referred to in paragraph 1 above);

3. the occurrence of an Insolvency Event or any action under Sections 45, 46, 46(b), 46(g) and 48(t) of the German Banking Act (*Kreditwesengesetz*) or any measures under the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) have been taken with respect to such person or any measures or proceedings have been taken pursuant to the rules of the Regulation (EU) 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010;

4. the Servicer is in breach of any of the covenants set out in the Servicing Agreement;

5. the Servicer is not collecting the Securitised Mortgage Receivables or the Related Mortgages in accordance with the Servicing Agreement or is no longer entitled or capable to collect the Securitised Mortgage Receivables or the Related Mortgages for practical or legal reasons; or

6. any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any information provided by the Servicer to the Cash Manager for inclusion in any relevant report or Investor Report or information transmitted is materially false and, if capable of remedy, is not remedied within 10 Notes Business Days of notice from the Issuer and has a material adverse effect on the Issuer's ability to make payments to the Noteholders under the Notes;

however, that a delay or failure of performance referred to under paragraph 1., paragraph 2. and paragraph 6. above for a period of 150 calendar days will not constitute a Servicer Termination Event if such delay or failure was caused by an event beyond the reasonable control of the Servicer (*höhere Gewalt*) or similar occurrence;

"**Set-Off Risk Reserve Required Amount**" means either (i) as long as no Set-Off Risk Reserve Trigger Event has occurred, zero (0) and (ii) from the date of the occurrence of a Set-Off Risk Reserve Trigger Event and as long as such Set-Off Risk Reserve Trigger Event continues, an amount, calculated on the date of such lowering of the rating and, on a rolling basis, on the corresponding date for each following month thereafter, **provided that**, if such date is not a Notes Business Day, the Notes Business Day immediately preceding such date shall be the relevant calculation date (each such calculation date, a "**Set-Off Risk Calculation Date**"), equal to an amount sized to cover the set-off risk exposure of the Seller as of the calendar month immediately preceding the relevant Set-Off Risk Calculation Date and calculated as the aggregate exposure in relation to each Borrower, which shall be the lesser of:

1. the Aggregate Outstanding Principal Amount of all Mortgage Loans relating the relevant Borrower; and

2. ((a) + (b)) – EUR 100,000, whereas: (a) all term deposits (*Festgeldanlagen*) of the relevant Borrowers with the Seller; and (b) all monies standing to the credit of current accounts and daily savings accounts (*Sichteinlagen*) of the relevant Borrowers with the Seller;

"**Set-Off Risk Required Rating**" means at least a Long Term Issuer Default Rating of BBB by Fitch and a Long Term Credit Risk Assessment of Baa2(cr) by Moody's;

"**Set-Off Risk Reserve Account**" means the bank account established by the Issuer in accordance with Clause 20.3 of the Security Trust Agreement in respect of any Swap Collateral;

"**Set-Off Risk Reserve Excess Amount**" means in respect of any Note Payment Date, the higher of (i) zero and (ii) the Set-Off Risk Reserve Required Amount as at the immediately preceding Note Payment Date less the Set-Off Risk Reserve Required Amount as at the current Note Payment Date, in each case as of the relevant Notes Calculation Date;

"**Set-Off Risk Reserve Trigger Event**" means at any time the occurrence of,

1.

(i) ING Bank N.V ceases to have a Long Term Issuer Default Rating of BBB+ by Fitch, or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Seller or ING-DiBa ceases to be part of the Resolution Group of ING Bank N.V.,

unless in each case (i) and (ii), the Seller has at least the Set-Off Risk Required Rating by Fitch; or

2. the Seller ceases to have the Set-Off Risk Required Rating by Moody's;

"**Signing Date**" means 24 November 2021 or such later date as may be agreed between the Issuer and the Lead Manager;

"**Specified Office**" means, in relation to any Paying Agent, either the office identified with its name in the Conditions or any other office notified to any relevant parties pursuant to the Paying Agency Agreement;

"**Standard of Care**" means the standard of care as set out in Clause 17 (*Standard of Care and Liability*) of Part 1 (*General Provisions*) of the Common Terms.

"**Stand-by Advance**" means an amount made available by the Liquidity Facility Provider to the Issuer in accordance with Clause 2.7 of the Liquidity Facility Agreement which shall be equal to the available commitment under the Liquidity Facility at the time such amount is to be made available to the Issuer.

"**Subordinated Swap Payment**" means in relation to the Swap Agreement, an amount equal to the amount of any termination payment due and payable to the relevant Swap Counterparty as a result of an Event of Default or an Additional Termination Event pursuant to Part 7(c) (*Rating Event Implications*) of the schedule to the Swap Agreement (as the case may be) (each as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party or the sole Affected Party (as the case may be) (each as defined in the Swap Agreement);

"**Subsequent Purchase Price**" means the Gross Outstanding Principal Balance of the relevant Mortgage Receivable on the relevant Transfer Date;

"**Substitute Loan**" means with respect to a Substitute Mortgage Receivable, the underlying residential mortgage loan originated by the Seller;

"**Substitute Loan Agreement**" means, with respect to a Substitute Mortgage Receivable, the relevant loan agreement between the Seller and the relevant Borrower evidencing such Substitute Mortgage Receivable,

"**Substitute Mortgage Receivable**" means any claim for payment of principal and interest (but, excluding other claims resulting from the respective loan agreements such as Prepayment Penalties) owed to the Seller by a Borrower under the related Substitute Loan;

"**Substitute Related Mortgage**" means with respect to each Substitute Mortgage Receivable the certificated or uncertificated mortgage (*Brief- oder Buchgrundschuld*) securing such Substitute Mortgage Receivable;

"**Substitute Related Mortgages Transfer Claim**" means the claim granted by the Seller to the Purchaser for transfer (*Übertragungsanspruch*) with respect to each Substitute Related Mortgage sold hereunder pursuant to which the Purchaser shall be entitled to request from the Seller upon the occurrence of a Transfer Event the assignment (*Abtretung*) of any Substitute Related Mortgages sold hereunder (i) to itself or (ii) to the relevant collateral provider of such Substitute Related Mortgage.

"**Swap Agreement**" means the swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Issuer, the Swap Counterparty and the Security Trustee dated the Closing Date;

"**Swap Collateral**" means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;

"**Swap Collateral Account**" means the bank account established by the Issuer in accordance with Clause 20.2 of the Security Trust Agreement in respect of any Swap Collateral;

"**Swap Counterparty**" means ING-DiBa;

"**Swap Counterparty Initial Required Rating**" means a Long Term Derivative Counterparty Rating of A or a Long Term Issuer Default Rating of A by Fitch and a Long Term Credit Risk Assessment of A3 by Moody's;

"**Swap Counterparty Subsequent Required Rating**" means a Long Term Derivative Counterparty Rating of BBB+ or, as the case may be, F3 by Fitch and Baa2(cr) or if not available senior unsecured of Baa2 by Moody's;

"**Swap Counterparty Initial Trigger Event**" means at any time the occurrence of,

1.

(i) as long as the Swap Counterparty is ING-DiBa AG and ING-DiBa AG is not rated by Fitch,

(A) ING Bank N.V. ceases to have a Long Term Issuer Default Rating of at least A+ by Fitch; or

(B) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Swap Counterparty; or

(C) ING-DiBa AG ceases to be part of the Resolution Group of ING Bank N.V.; or

(ii) in all other cases, neither the Swap Counterparty, nor any credit support provider from time to time of the Swap Counterparty has the Swap Counterparty Initial Required Rating by Fitch; or

2. the Swap Counterparty ceases to have the Swap Counterparty Initial Required Rating by Moody's;

"**Swap Counterparty Subsequent Trigger Event**" means at any time the occurrence of,

1. as long as the Swap Counterparty is ING-DiBa AG and ING-DiBa AG is not rated by Fitch, either:

(i) ING Bank N.V. ceases to have a Long Term Issuer Default Rating of at least BBB by Fitch; or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Swap Counterparty; or

(iii) ING-DiBa AG ceases to be part of the Resolution Group of ING Bank N.V.; or

2. the Swap Counterparty ceases to have the Swap Counterparty Subsequent Required Rating by Moody's;

"**Swap Replacement Ledger**" means the ledger of the Issuer Collection Account designated as such;

"**Swap Transaction**" means the swap transaction entered into under the Swap Agreement;

"**TARGET 2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;

"**TARGET 2 Settlement Day**" means any day on which TARGET 2 is open for the settlement of payments in euro;

"**Tax**" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of Luxembourg or Germany or any political subdivision or authority thereof or therein;

"**Temporary Global Note**" means a temporary global note in respect of a Class of Notes;

"**Termination Event**" means the occurrence of any of the following events:

1. the Seller fails to make a payment due under the Mortgage Receivables Purchase Agreement at the latest on the tenth (10th) Notes Business Day after its due date, or, in the event no due date has been determined, within ten (10) Notes Business Days after the demand for payment;

2. the Seller fails within ten (10) Notes Business Days to perform its material obligations (other than those referred to in limb 1. above) owed to the Issuer under the Mortgage Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within ten (10) Notes Business Days after the demand for performance;

3. any of the Corporate Seller and Servicer Representations and Warranties (as set out in Schedule 5 (*Seller and Servicer Representations and Warranties*) of the Incorporated Terms Memorandum), is materially false or incorrect;

4. the Seller is over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), reorganisation or dissolution proceedings and the Seller fails to remedy such status within five (5) Notes Business Days;

5. an Event of Default has occurred; or

6. a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Mortgage Receivables Purchase Agreement.

"**Transaction Documents**" means:

1. the Cash Management and Issuer Account Bank Agreement;

2. the Corporate Services Agreement;

3. the Data Trust Agreement;

4. the Incorporated Terms Memorandum

5. the English Security Deed;

6. the Liquidity Facility Agreement;

7. the Mortgage Receivables Purchase Agreement;

8. the Notes Purchase Agreement;

9. the Paying Agency Agreement;

10. the Servicing Agreement;

11. the Swap Agreement; and

12. the Security Trust Agreement;

13. and any agreements entered into in connection therewith from time to time;

"**Transaction Parties**" means the parties to the Transaction Documents;

"**Transfer Claims**" means the Initial Related Mortgages Transfer Claims and the Substitute Related Mortgages Transfer Claims;

"**Transfer Costs**" means with respect to each Relevant Related Mortgage an amount equal to 0.3 per cent. of the nominal amount of the aggregate Outstanding Principal Amount of all Securitised Mortgage Receivables;

"**Transfer Date**" means the Closing Date or, as applicable, the date of transfer of any Further Advance Receivables to the Issuer in accordance with the Mortgage Receivables Purchase Agreement, or, with respect to any Eligible Substitute Mortgage Receivables offered for purchase to the Purchaser by the Seller, the Mortgage Collection Payment Date;

"**Transfer Event**" means the occurrence of any of the following events: (i) Insolvency Proceedings have been instituted against the Seller, (ii) a petition for the institution of Insolvency Proceedings against the Seller has been filed by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the "BaFin"), (iii) the Seller is in breach of any of its covenants pursuant to Clause 14 the Mortgage Receivables Purchase Agreement or (iv) the occurrence of a Servicer Termination Event;

"**Transfer Reserve Account**" means the account established by the Issuer in accordance with Clause 20.1 of the Security Trust Agreement;

"**Transfer Reserve Event**" means at any time the occurrence of,

1.

(i) ING Bank N.V ceases to have a Long Term Issuer Default Rating of BBB by Fitch, or

(ii) ING Bank N.V. ceases to own 100 per cent. of the share capital of the Seller or ING-DiBa ceases to be part of the Resolution Group of ING Bank N.V.,

unless in each case (i) and (ii), the Seller has at least the Seller Required Rating by Fitch; or

2. the Seller ceases to have the Seller Required Rating by Moody's;

"**Transfer Reserve Excess Amount**" means in respect of any Note Payment Date, the higher of (i) zero and (ii) the Transfer Reserve Required Amount as at the immediately preceding Note Payment Date less

the Transfer Reserve Required Amount as at the current Note Payment Date, in each case as of the relevant Notes Calculation Date;

"**Transfer Reserve Required Amount**" means either (i) as long as no Transfer Reserve Event has occurred, zero (0) and (ii) the sum of all Transfer Costs, calculated for each Notes Payment Date on the relevant Notes Calculation Date and with respect to the Closing Date calculated with regard to the Cut-Off Date;

"**Trustee Claim**" has the meaning ascribed to such term in Clause 4.2 of the Security Trust Agreement;

"**Trustee Collateral**" has the meaning ascribed to such term in Clause 6.2 of the Security Trust Agreement;

"**Value-Added Tax**" shall be construed so as to include any value-added taxes under any jurisdiction

"**United States person**" (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organised in or under the laws of the United States or any State of the United States, (iii) a trust subject to the primary supervision of a U.S. court and the control of United States persons and (iv) an estate of which the income is subject to U.S. Federal income tax regardless of its source;

"**U.S. person**" has the meaning given to it by Regulation S under the Securities Act;

REGISTERED OFFICES

ISSUER

German Lion RMBS S.A.
acting for and on behalf of its Compartment 2021-1
22-24, Boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

SELLER

ING-DiBa AG
Theodor-Heuss-Allee 2
60486 Frankfurt am Main
Germany

SERVICER

ING-DiBa AG
Theodor-Heuss-Allee 2
60486 Frankfurt am Main
Germany

DATA TRUSTEE

Blue Flag B.V.
Utrechtseweg 83
1213 TM Hilversum
The Netherlands

SECURITY TRUSTEE

Oversea FS B.V.
Barbara Strozzilaan 101
1083 HN Amsterdam
The Netherlands

ARRANGER AND LEAD MANAGER

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

LEGAL ADVISERS TO THE SELLER

(as to German law)
Clifford Chance
Partnerschaft mit beschränkter Berufshaftung
Junghofstr. 14
60311 Frankfurt am Main
Germany

(as to English law)
Clifford Chance LLP
10 Upper Bank Street
Canary Wharf
London E14 5JJ
United Kingdom

PAYING AGENT

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

LISTING AGENT

Banque Internationale à Luxembourg S.A.
69, route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg