Deutsche Hypothekenbank (Actien-Gesellschaft) - Mortgage Covered Bonds

Covered Bonds / Germany

Overview

Year of initial rating assignment: 2001
Total outstanding liabilities: EUR 8,929,075,756
Total assets in the Cover Pool: EUR 9,920,783,664

Issuer name / CR Assessment: Deutsche Hypothekenbank (Actien-Gesellschaft) / Baa2(cr)
Group or parent name / CR Assessment: Norddeutsche Landesbank / Baa2(cr)
Main collateral type: Commercial

Ratings

Covered bond rating: Aa1 On review for Upgrade
Rating used in Moody's EL & TPI analysis: Deutsche Hypothekenbank (Actien-Gesellschaft) (CB) / Baa2(cr)
CB anchor: CR Assessment + 1 notch
CR Assessment: Baa2(cr)
SUR: Bas
Unsecured claim used for Moody's EL analysis: Yes

I. Programme Overview

II. Value of the Cover Pool

Collateral quality
Collateral Score: 8.4%
Collateral Score excl. systemic risk: 7.9%

Cover Pool losses

Collateral Risk (Collateral Score post-haircut): 5.6% 38%
Market Risk: 9.3% 84%
14.7% 136.9%

III. Over-Collateralisation Levels

Cover Pool losses:

OC consistent with current rating (note 4) 11.0%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI)

TPI Leeway: 1

Extract from TPI Table - CB anchor is CR Assessment + 1 notch

Scenario 1: CB anchor is lowered by 1 notch 13.0%

Sensitivity scenario CB anchor

OC consistent with current rating

Chart 1:
Ratings history

Chart 2:
Graph of asset types in cover pool

Entity used in Moody’s EL & TPI analysis:
Deutsche Hypothekenbank (Actien-Gesellschaft)

Covered bonds rating:
Aa1 On review for Upgrade

Rating history:

CR Assessment:
Baa2(cr)

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Note: 1) The data reported in this PD is based on information provided by the issuer and may include certain assumptions made by Moody's. Moody's accepts no responsibility for the information provided to it and whilst it believes the assumptions it has made are reasonable, cannot guarantee that they are or will remain accurate. Although Moody's encourages all issuers to provide reporting data in a consistent manner, there may be differences in the way that certain data is categorised by issuers. The data reporting template (which Issuers are requested to use) is available on request.

2) This assumes the Covered Bonds rating is not constrained by the TPI. Also, to the extent rating assumptions change following a downgrade or an upgrade of the issuer, the necessary OC stated here may also change. This is especially significant in the case of CR assessments of A1 and A2.

3) The necessary OC following a 1-notch downgrade may be substantially higher than the amount suggested here. The Liquidity reserve to support Timely payments on all issuances is not set at any time of Moody's discretion.

4) If the necessary OC calculated is to be consistent with the current rating under Moody's expected loss model, however, the level of OC consistent with a generating level may differ from the amount where ratings are capped under the TIP framework and, for example, where certain derivative exposures are applied.

5) The level of OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating, at its current level on the basis of the pool as per the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a simplification as it does not take into account certain assumptions that may change as an issuer is downgraded, and as a result the actual OC number consistent with the current rating may be higher than shown. The OC required may also differ from the model output at any valuation when certain derivative exposure applies. In all events, the OC amounts stated here are subject to change at anytime of Moody's discretion.

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I. Programme Overview

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Page 1
30 August 2019
V. Asset Liability Profile

**Interest Rate & Duration Mismatch (note 5)**
- Fixed rate assets in the cover pool: 74.3%
- Fixed rate covered bonds outstanding: 94.3%
- WAL of the cover pool: 4.6 years

**Swap Arrangements**
- Interest rate swaps in the Cover Pool: Yes
- Intra-group interest rate swap provider(s): Yes
- Currency swaps in the Cover Pool: Yes
- Intra-group currency swap provider(s): Yes

**Fixed rate covered bonds outstanding:** 94.5%
**WAL of the cover pool:** 4.6 years
**Currency swap(s) in the Cover Pool:** Yes
**Intra-group currency swap(s) provider(s):** Yes

*Note 5* This assumes no prepayment.

*Note 6* Based on principal flows only. Assumptions include no prepayments, principal collections limited to the portion of assets that make up the amount of the liabilities plus committed OC, no further CB issuance and no further assets added to the cover pool.

*Note 7* Assumptions include swaps in place in Cover Pool, no prepayment and no further CB issuance.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

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VI. Performance Evolution

**Chart 3:**
Stressed refinancing needs per quarter (% of liabilities)

**Chart 4:**
Currency mix before swaps (Main Currencies)

**Chart 5:**
Amortisation profile (in millions) (note 7)

**Chart 6:**
Collateral Score

**Chart 7:**
Cover Pool Losses

**Chart 8:**
OC consistent with covered bond rating vs. Current OC

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[Deutscher Hypothekenbank (Aktiengesellschaft) - Mortgage Covered Bonds]

[Deutsche Hypothekenbank (Aktiengesellschaft) - Mortgage Covered Bonds]

Page 2

Deutsche Hypothekenbank (Aktiengesellschaft) - Mortgage Covered Bonds

30 August 2019
VII. Cover Pool Information - Commercial Assets

Overview

Asset type: Commercial
Asset balance: 8,689,863,282
Average loan balance: 13,008,777
Number of loans: 668
Number of borrowers: 560
Number of properties: 1,820
Largest 10 loans: 9.8%
WA remaining term (in months): 58
WA seasoning (in months): 57
Main countries: Germany (50.4%), Netherlands (18.2%), UK (13.4%)

Specific Loan and Borrower characteristics

Performance

Number of borrowers: 560
Number of properties: 1,820
Loans in a foreclosure procedure: 0.0%
Largest 10 loans: 9.8%
WA current LTV(*): 77.0%
WA indexed LTV: n/d
Details on LTV

WA current LTV(*): 77.0%
WA indexed LTV: n/d
Valuation type: Lending Value

Junior ranks: n/d

Deutsche Hypothekenbank (Actien-Gesellschaft) - Mortgage Covered Bonds
Page 3
30 August 2019

Chart A: Balance per LTV-band

Chart B: Percentage of commercial assets

Chart C: Borrower concentration

Chart D: Property type

Chart E: Main country regional distribution

Chart F: Remaining Term (in years)

Chart G: Year of loan origination

(note *) Based on original property valuation.
VIII. Cover Pool Information - Supplementary Assets

**Overview**
- **Asset type:** Supplementary Assets
- **Asset balance:** 1,224,425,273
- **WA remaining Term (in months):** 51
- **Number of assets:** 37
- **Percentage of bullet assets:** 100.0%
- **Number of borrowers:** 21
- **Performance**
  - **Average assets size:** 33,092,575
  - **Average exposure to borrowers:** 58,305,965

**Specific Loan and Borrower characteristics**
- **Repo eligible assets:** 77.6%
- **Percentage of fixed rate assets:** 67.8%
- **Assets in non-domestic currency:** 0.0%
- **Assets in arrears ( > 12 months):** 0.0%
- **Assets in enforcement procedure:** 0.0%

**Deutsche Hypothekenbank (Actien-Gesellschaft) - Mortgage Covered Bonds**

![Chart A: Interest rate type](chart_a.png)
- Floating rate (no Caps)
- Fixed rate with reset
- Fixed rate with reset <2 years
- Fixed rate with reset >2 years
- Fixed rate with reset >5 years

![Chart B: Percentage of supplementary assets](chart_b.png)
- Supplementary Assets, 12.3%

![Chart C: Distribution by country, rating](chart_c.png)
- Country A
- Country B
- Country C
- Country D

![Chart D: Distribution by country rating](chart_d.png)
- Aaa
- Aa2
- A1
- Baa3
- Ba1
- Ba2
- B1

**Deutsche Hypothekenbank (Actien-Gesellschaft) - Mortgage Covered Bonds**
## IX. Swap Information

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<td>n/d</td>
<td>EUR</td>
<td>150,000,000</td>
<td>30/09/2024</td>
<td>30/09/2024</td>
<td>Fixed rate</td>
<td>1.250%</td>
<td>BULLET</td>
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<td>BULLET</td>
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</tr>
</tbody>
</table>

Deutsche Hypothekenbank (Aktien-Gesellschaft) - Mortgage Covered Bonds

30 August 2019
THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

AN INVESTMENT DECISION.

IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

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COVERED BONDS