ING-Diba AG - Mortgage Covered Bonds

Covered Bonds / Germany

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Reporting as of: 30/06/2020

All amounts in EUR (unless otherwise specified)

Data as provided to Moody's Investors Service (note 1)

I. Programme Overview

Overview
Year of initial rating assignment: 2011
Total outstanding liabilities: EUR 3,695,000,000
Issuer name / CR Assessment: ING-Diba AG / Aa2(cr)
Group or parent name / CR Assessment: Aa1(cr)
Main collateral type: Residential

Ratings
Covered Bond rating: Aaa
Entity used in Moody's TPI & TPI analysis: ING-Diba AG
CR Assessment: Aa2(cr)

OC: Yes

II. Value of the Cover Pool

Collateral quality
Collateral Score: 5.0%
Collateral Score excl. systemic risk: 3.0%

Cover Pool losses
Cover Pool loss (Collateral Score post-haircut): 2.4% 27.0%
Market Risk: 12.4% 79.9%
10.8% 60.8%

III. Over-Collateralisation Levels

(notes 2 & 3)

Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-Collateralisation levels are provided on any of the following: nominal basis or unstressed NPV basis or on stressed NPV basis.
NPV stress assumptions applied as required by the legal framework for German Pfandbriefe.

Current situation
Committed OC (Unstressed NPV): 2.0%
Current OC (Unstressed NPV): 72.2%
OC consistent with current rating (note 4): 0.0%

Sensitivity scenario CB anchor
OC consistent with current rating

Scenario 1: CB anchor is lowered by 1 notch
1 notch 0.0%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI)
High

TPI Leeway: 6

Extract From TPI table - CB anchor is CR Assessment + 1 notch

<table>
<thead>
<tr>
<th>CR Assessment</th>
<th>High</th>
</tr>
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<tbody>
<tr>
<td>Aaa(cr)</td>
<td>Aaa</td>
</tr>
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<td>AA(cr)(2)</td>
<td>Aaa</td>
</tr>
<tr>
<td>AA(cr)(2)</td>
<td>Aaa</td>
</tr>
<tr>
<td>A(cr)(2)</td>
<td>Aaa</td>
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<td>A(cr)</td>
<td>Aaa</td>
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<td>A2(cr)</td>
<td>Aaa</td>
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<td>Aaa</td>
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<tr>
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<td>Aaa</td>
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<tr>
<td>Baa1(cr)</td>
<td>Aaa</td>
</tr>
<tr>
<td>Baa3(cr)</td>
<td>Aaa</td>
</tr>
</tbody>
</table>

Legal framework
Notes:

Please refer to section 4 of the Pfandbrief Act.

(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 A(cr) or lower, as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here as market tests are considered more critically by Moody’s at this time. In any event, the necessary OC amounts stated here are subject to change at any time at Moody’s discretion.

(3) This is the minimum OC, calculated to be consistent with the current rating under Moody’s expected/suspected model. However, the level of OC consistent with a rating level may differ from this amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

(4) If the CR consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating, no current level on the basis of the pool at 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 in situations where committee discretion is applied. In any event, the OC amounts stated here are subject to change at any time at Moody’s discretion.

(5) For information on how to read this report, see the latest Moody’s Covered Bonds Sector Update.

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CBO Committee 2020-21
V. Asset Liability Profile

**Interest Rate & Duration Mismatch (note 5)**
- Fixed rate assets in the cover pool: 100.0%
- Interest rate swap(s) in the Cover Pool: No
- Fixed rate covered bonds outstanding: 97.3%
- WAL of the cover pool: 30.6 years
- WAL of outstanding covered bonds: 8.9 years
- Intra-group interest rate swap(s) provider(s): No
- Currency swap(s) in the Cover Pool: No
- Intra-group currency swap(s) provider(s): No

**Maximum mismatch:** 36.2% in EUR millions

(this assumes no prepayment)

**Swaps Arrangements**
- Interest rate swap(s) in the Cover Pool: No
- Intra-group interest rate swap(s) provider(s): No
- Currency swap(s) in the Cover Pool: No
- Intra-group currency swap(s) provider(s): No

 VI. Performance Evolution

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.

(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 no swap in place in Cover Pool, no prepayment and no further CB issuance.

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**Chart 3:** Stressed refinancing needs per quarter (% of liabilities)
- (note 6) Maximum mismatch: 36.2%

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

**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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(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 no swap in place in Cover Pool, no prepayment and no further CB issuance.
VII. Cover Pool Information - Residential Assets

Overview

Specific Loan and Borrower characteristics

- Loans with an external guarantee in addition to a mortgage: 0.0%
- Interest only loans: 4.8%
- Loans for second homes/ Vacation: 0.0%
- Buy to let loans/ Non-owner occupied properties: 30.8%
- Limited income verified: 0.0%
- Adverse credit characteristics (**) 0.0%

Asset type:

- Residential

Loans with an external guarantee in addition to a mortgage: 0.0%

Asset balance:

- Interest only Loans: 4.8%

Average loan balance:

- 81,408

Number of borrowers:

- 62,695

Number of properties:

- 63,348

WA remaining term (in months): 384

WA seasoning (in months): 67

Details on LTV

- WA unindexed LTV (%): 87.9%

- WA Indexed LTV: 0.0%

Valuation type:

- Lending Value

LTV threshold:

- 60.0%

Junior ranks:

- n/a

Loans with Prior Ranks:

- 0.0%

Multi-Family Properties

- Loans to tenants of tenant-owned Housing Cooperatives: n/a
- Other type of Multi-Family loans (***) n/a

Performance

- Loans in arrears (n ≤ 2months): 0.0%
- Loans in arrears (n ≥ 6months): 0.0%
- Loans in arrears (n ≥ 12months): 0.0%
- Loans in a foreclosure procedure: 0.0%

Chart A: Balance per LTV-band

Chart B: Percentage of residential assets

Chart C: LTV

Chart D: Interest rate type

Chart E: Main country regional distribution

Chart F: Seasoning (in months)

(note *) May be based on property value at time of origination or further advance or borrower refinancing.

(note **) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.

(note *** This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let).
VIII. Cover Pool Information - Supplementary Assets

Overview
- **Asset type:** Supplementary Assets
- **Asset balance:** 250,000,000
- **WA remaining Term (in months):** 19
- **Number of assets:** 3
- **Number of borrowers:** 3
- **Average asset size:** 83,333,333
- **Average exposure to borrowers:** 83,333,333

Specific Loan and Borrower characteristics
- **Repo eligible assets:** 100.0%
- **Percentage of fixed rate assets:** 100.0%
- **Percentage of bullet assets:** 100.0%
- **Assets in non-domestic currency:** 0.0%

Performance
- **Assets in arrears ( > 12months):** 0.0%
- **Assets in arrears (1-6months):** 0.0%
- **Assets in arrears (1-12months):** 0.0%
- **Assets in enforcement procedure:** 0.0%

Chart A: Interest rate type
- 100.0%

Chart B: Percentage of supplementary assets
- Supplementary Assets, 41.0%

Chart C: Distribution by country, rating
- 100.0%

Chart D: Distribution by country rating
- Aaa, 100.0%
### IX. Liabilities Information: Last 50 Issuances

| ISIN  | Series Number | Currency | Outstanding Amount | Issue Date | Expected Maturity | Legal Final Maturity | Interest Rate Type | Coupon | Principal Payment
<table>
<thead>
<tr>
<th></th>
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**Note:** The table above provides a summary of the last 50 issuances, including ISIN, Series Number, Currency, Outstanding Amount, Issue Date, Expected Maturity, Legal Final Maturity, Interest Rate Type, Coupon, and Principal Payment. The currency used is EUR (Euro).