ING DiBa AG - Mortgage Covered Bonds

Covered Bonds / Germany

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**Reporting as of:**
30/06/2017

**All amounts in EUR (unless otherwise specified)**

For information on how to read this report, see the latest Moody's Global Covered Bond Monitoring Overview

**I. Programme Overview**

**Overview**
Year of initial rating assignment: 2011
Total outstanding liabilities: EUR 1,230,000,000
Total assets in the Cover Pool: EUR 3,493,250,092
Issuer name / CR Assessment: ING-DiBa AG / Aa3(cr)
Group or parent name / CR Assessment: ING-DiBa AG / Aa3(cr)
Main collateral type: Residential

- **Ratings**
  - Covered bonds rating: Aaa
  - Entity used in Moody's EL & TPI analysis: ING-DiBa AG
  - CB anchor: Aa3(cr)
  - CR Assessment: Aa3(cr)
  - SUR: A2
  - Unsecured claim used for Moody's EL analysis: Yes

**II. Value of the Cover Pool**

- **Collateral Score:** 5.0%
- **Collateral Score excl. systemic risk:** 2.9%
- **Collateral Risk (Collateral Score post-haircut):** 3.4%

<table>
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<th>Market Risk</th>
<th>12.5%</th>
<th>79%</th>
<th>15.9%</th>
<th>100%</th>
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**III. Over-Collateralisation Levels**

- **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 test where stressed:** Dynamic

- **Current situation**
  - Committed OC (Stressed NPV): 2.0%
  - Current OC (Unstressed NPV): 218.6%

- **Scenario 1:** CB anchor is lowered by 1 notch
  - OC consistent with current rating (note 4): 0.0%

**IV. Timely Payment Indicator & TPI Leeway**

- **Timely Payment Indicator (TPI):** High
- **TPI Leeway:** 5

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

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<th>CR Assessment</th>
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<th>Aa2(cr)</th>
<th>Aa1(cr)</th>
<th>Aa0(cr)</th>
<th>Aaa(cr)</th>
<th>Aa3(cr)</th>
<th>Aa2(cr)</th>
<th>Aa1(cr)</th>
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</table>

**Legal framework**

- Does a specific covered bond law apply for this programme: Yes, Pfandbrief Act
- Main country in which collateral is based: Germany
- Country in which issuer is based: Germany

**Sensitivity scenario CB anchor**

- OC consistent with current rating: 0.0%

- **Scenario 1:** CB anchor is lowered by 1 notch
  - OC consistent with current rating: 0.0%

**Note:** Please refer to section 4 of the Pfandbrief Act.

**Note (4):** The 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 in the basis of the pool as per the cut-off dates. 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 requirement may also differ from the model output in situations when credit discretion is applied. In any event, the OC amounts stated here are subject to change at any time at Moody's discretion.
V. Asset Liability Profile

**Interest Rate & Duration Mismatch (note 5)**

- Fixed rate assets in the cover pool: 100.0%
- WAL of outstanding covered bonds: 5.5 years
- WAL of the cover pool: 15.0 years
- Interest rate swap(s) in the Cover Pool: No
- Currency swap(s) in the Cover Pool: No
- Intra-group currency swap(s) provider(s): No
- Intra-group interest rate swap(s) provider(s): No

**Swap Arrangements**

- Maximum mismatch: 64.4% in EUR millions

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VI. Performance Evolution

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

*Maximum mismatch: 64.4%*

**Chart 4**: Currency mix before swaps (3 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

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

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VII. Cover Pool Information - Residential Assets

Overview

Asset Type: Residential
Asset balance: 3,364,250.000
Average loan balance: 68,353
Number of loans: 49,219
Number of properties: 44,157
WA remaining tenor (in months): 184
WA seasoning (in months): 68

Details on LTV

WA unindexed LTV (n): 98.5%
WA indexed LTV: 0.0%
Valuation Type: Lending Value
Junior rank: n/a
Prior rank: 0.0%

Performance

Loans in arrears (1-2 months): 0.0%
Loans in arrears (3-6 months): 0.0%
Loans in arrears (6-12 months): 0.0%
Loans in foreclosure procedure: 0.0%

Multi-Family Properties

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

Specific Loan and Borrower characteristics

Loans with an external guarantee in addition to a mortgage: 0.0%
Interest only Loans: 6.3%
Loans for second homes / Vacation: 12.5%
Buy to let loans / Non owner occupied properties: 0.0%
Limited income verified: 0.0%
Adverse credit characteristics (**): 0.0%

(n) may be based on property value at time of origination or further advance or borrower refinancing.
(see **) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.
(see ***): This “other” type refers directly to the financing of co-operative or landlord's Multi-Family properties not included in Buy to Let.
VIII. Cover Pool Information - Supplementary Assets

Overview

- Asset type: Supplementary Assets
- Asset balance: 75,000,000
- WA remaining Term (in months): 49
- Number of assets: 1
- Number of borrowers: 1
- Average assets size: 75,000,000

Specific Loan and Borrower characteristics

- Repo eligible assets: 100.0%
- Percentage of fixed rate assets: 100.0%
- Percentage of bullet assets: 100.0%
- Asset in non-domestic currency: 0.0%

Performance

- Assets in arrears (≤ 3months - < 6months): 0.0%
- Assets in arrears (≤ 6months - < 12months): 0.0%
- Assets in arrears (≥ 12months): 0.0%
- Assets in enforcement procedure: 0.0%

Average assets size: 75,000,000
Average exposure to borrowers: 75,000,000
n/d: information not disclosed by Issuer

Assets in arrears ( > 12months): 0.0%
Assets in arrears ( = 12months): 0.0%
Assets in arrears ( < 12months): 0.0%
Assets in enforcement procedure: 0.0%

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### IX. Liabilities Information: Last 50 Issuances

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<th>Issuance Date</th>
<th>Expected Maturity</th>
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