ING-Diba AG - Mortgage Covered Bonds

Covered Bonds / Germany

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Reporting as of: 31/12/2018
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 2,736,000,000
Total assets in the Cover Pool: EUR 4,135,857,028
Issuer name / CR Assessment: ING-Diba AG / Aa3(cr)
Group or parent name / CR Assessment: Aaa
Main collateral type: Residential

Ratings
Covered bonds rating: Aaa
Entity used in Moody's EL & TPI analysis: CB anchor
CB anchor CR Assessment: Aaa
SUR: n/a
Unsecured claim used for Moody's EL analysis: Yes

II. Value of the Cover Pool

Collateral quality
Collateral Score: 5.9%
Collateral Score excl. systemic risk: 2.9%

Cover Pool losses
Collateral Risk (Collateral Score post-haircut): 3.4%
Market Risk: 14.9% 99%
14.9% 189%

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 (Stressed NPV): 2.0%
Current OC (Unstressed NPV): 67.3%
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: 6.5%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI)
TPI Leeway: High

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

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(note 1) The data reported in this PO 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 categorized by issuers. The data reporting template (which Issuers are requested to use) is available on request.

(note 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 at the issuer, the necessary OC stated here may also change. This is especially significant in the case of CR assessments of A3(cr) or Below-Ba3(cr) as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here as market risks 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.

(note 3) 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 is 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 when certain data is not available. In any event, the OC amounts stated here are subject to change at any time at Moody's discretion.

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

V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)

Fixed rate assets in the cover pool: 100.0%
Swap Arrangements

Fixed rate covered bonds outstanding: 96.3%
No Interest rate swap(s) in the Cover Pool
WAL of outstanding covered bonds: 6.3 years
Intra-group interest rate swap(s) provider(s): No
WAL of the cover pool: 31.5 years
Intra-group currency swap(s) provider(s): No

Maximum mismatch: 49.3%

Amortisation profile (in millions) (note 7)

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

(note 6) Maximum mismatch: 49.3%

VI. Performance Evolution

As of March 25, 2019

ING-DiBa AG – Mortgage Covered Bonds

Rating History and Outlook

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.
VII. Cover Pool Information - Residential Assets

Overview

- **Asset type:** Residential
- **Average loan balance:** 96,002
- **Number of loans:** 46,844
- **Number of properties:** 47,164
- **WA remaining term (in months):** 352
- **WA seasoning (in months):** 71

Specific Loan and Borrower characteristics

- **Loans with an external guarantee in addition to a mortgage:** 0.0%
- **Interest only loans:** 5.6%
- **Loans for second homes / Vacation:** 13.4%
- **Buy to let loans / Non owner occupied properties:** 12.4%
- **Limited income verified:** 0.0%
- **Adverse credit characteristics (**)** 0.9%

Performance

- **Loans in arrears (> 2 months – > 12 months):** 0.0%
- **Loans in arrears (> 12 months):** 0.0%
- **Loans in a foreclosure procedure:** 0.0%

Multi-Family Properties

- **Loans to tenants of tenant-owned Housing Cooperatives:** 0.0%
- **Other type of Multi-Family Loans (***):** 0.0%

Details on LTV

- **WA unindexed LTV (**) 93.3%
- **WA indexed LTV:** n/a
- **Valuation type:** Lending Value
- **LTV threshold:** 60.0%
- **Junior ranks:** 0.0%
- **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

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*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: 150,000,000
- WA remaining Term (in months): 33
- Number of assets: 2
- Average assets size: 75,000,000
- Average exposure to borrowers: 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%
- Assets in non-domestic currency: 0.0%
- Number of borrowers: 2
- Performance
  - Average assets size: 75,000,000
  - Average exposure to borrowers: 75,000,000

Chart A: Interest rate type
- 100.0%

Chart B: Percentage of supplementary assets
- Supplementary Assets: 3.6%

Chart C: Distribution by country, rating
- AAA: 100.0%

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

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<tr>
<th>ISIN</th>
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<th>Outstanding Amount</th>
<th>Issue Date</th>
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