ING-DiBa AG Mortgage Covered Bonds

**Covered Bonds / Germany**

**Contacts**
Rast, Martin - (+44) 20 7772 8676 – martin.rast@moodys.com
Richtering, Stephan - (+44) 20 7772 1788 - stephan.richtering@moodys.com

**Monitoring**
Monitor Cliq:moodys.com
London: +44 20 7772 5454, csdlondon@moodys.com

**Reporting as of**
30/09/2011
All amounts in EUR (unless otherwise specified)

---

**I. Programme Overview**

**Overview**
- Year of initial Rating Assignment: 2011
- Total outstanding liabilities: EUR 500,000,000
- Total Assets in the Cover Pool: EUR 1,099,811,084

**Issuer Name:** ING-DiBa AG
**Group / Parent Name:**
**Main Collateral Type (>50%):** Residential

**Ratings**
- Issuer Senior Unsecured rating: Aa3 / Stable
- Group / Parent Senior Unsecured rating: Aaa
- Covered Bonds Rating: Aaa

**II. Value of the Cover Pool**

**Collateral Quality**
- Collateral Score: 8.9%

**III. Over-Collateralisation Levels**

**Over-Collateralisation (OC) figures presented below can include Eligible and Non-Eligible collateral.**

**Over-collateralisation levels are provided on nominal basis.**

**NPV stress test where stressed : 0%**

**Current situation (note 4 & note 6)**
- Committed OC: 2.0%
- Current OC: 120.0%
- OC Level necessary to maintain current rating: 6.0%

**IV. Charts & Tables**

**Interest Rate & Duration Mismatch (note 8)**
- Fixed Rate assets in the Cover Pool: 100.0%
- Floating Rate assets in the Cover Pool: 0.0%
- WAL of outstanding Covered Bonds: 4.5 years
- WAL of the Cover Pool: 15.5 years

**Currency Mix**
- Residential, 56.8%
- Other / Substrate assets, 3.2%

**Swap 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

---

**Legal Framework**

**Does a specific Covered Bonds Law apply for this programme?**
- Yes

**Country in which issuer is based:**
- Germany

**Timely Payment**

**Refinancing period for principal payments of 6 months or greater:**
- No

**Liquidity reserve to support timely payments on all issuances:**
- Yes Funded

**TPI Leeway (note 2):** High

**Cover Pool last assumed following issuer default (note 3)**
- Collateral Risk (Collateral Score post-haircut): 76%
- Market Risk: 84%
- Over-Collateralisation: 16.3% (100%)

**Estimated OC to maintain current rating in following scenarios:**
- Scenario 1: Issuer is downgraded by 1 notch:
  - Stressed scenario (note 5 & note 6)
  - Mismatch in % of the total Cover Pool: 44.3%
- Scenario 2: Issuer is downgraded by 2 notches:
  - Mismatch in % of the total Cover Pool: 69.6%

**Scenario 1: Issuer is downgraded by 1 notch:**

**Market Risk:**
- Maximum Mismatch: 94%

---

**Note:**
- 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 categorised by issuers. The data reporting template (which issuers are requested to use) is available on request.
- (note 2) Based on the current TPI, this is the number of notches at “Issuer Rating” (as defined in Moody’s Monitoring Overview) can be downgraded before the covered bonds are downgraded.
- (note 3) The “Collateral Score” combines the “Collateral Score post haircut (if any)” for eligible and ineligible (if any) assets which Moody’s gives value to in the cover pool. The Collateral Score considers only the credit deterioration of the Cover Pool and here excludes certain related collateral related/legal risks, such as set off. Market risk includes refinancing risk, currency and interest rate mismatches and certain collateral related/legal risks.
- (note 4) Committed OC means that the issuer should not have discretion to remove it without negative consequences under the law or otherwise. Any other OC is regarded as “not committed.”
- (note 5) 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, elsewhere may change, is especially significant in the case of Issuers currently rated A2 or A3, as the necessary OC following a notch downgrade may then be substantially higher than the amount suggested here at market risk levels are considered more critically by Moody’s at this time. In any event, the necessary OC awarded here is subject to change at any time at Moody’s discretion.
- (note 6) This is the minimum OC calculated to be consistent with the current rating under Moody’s expected loss model. However, the level of OC consistent with a given rating level may differ from this amount. Reasons for such differences include: (i) Committee discretion, and (ii) TPI considerations.
- (note 7) 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 8) This assumes no prepayment.
### V. Cover Pool Information - Residential Assets

#### Overview

<table>
<thead>
<tr>
<th>Asset type</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset balance</td>
<td>1,064,811,084</td>
</tr>
<tr>
<td>Average loan balance</td>
<td>69,496</td>
</tr>
<tr>
<td>Number of loans</td>
<td>15,322</td>
</tr>
<tr>
<td>Number of borrowers</td>
<td>13,814</td>
</tr>
<tr>
<td>Number of properties</td>
<td>13,869</td>
</tr>
<tr>
<td>WA Remaining Term (in months):</td>
<td>191</td>
</tr>
<tr>
<td>WA Seasoning (in months):</td>
<td>16</td>
</tr>
</tbody>
</table>

#### Details on LTV

<table>
<thead>
<tr>
<th>WA Unindexed LTV (*)</th>
<th>93.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA Indexed LTV</td>
<td>n/d</td>
</tr>
<tr>
<td>Valuation type</td>
<td>Lending Value</td>
</tr>
<tr>
<td>LTV threshold</td>
<td>80.0%</td>
</tr>
<tr>
<td>Prior ranks</td>
<td>n/d</td>
</tr>
</tbody>
</table>

n/d: information not disclosed by issuer
n/a: information not applicable

(*) Based on original property valuation

(****) Should include Borrowers with a previous personal bankruptcy or Borrowers with record of court claims against them at time of origination

(*****) This “other” type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

#### Performance

- Loans in arrears (≥ 2 months - < 6 months): 0.0%
- Loans in arrears (≥ 6 months - < 12 months): 0.0%
- Loans in arrears (> 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

---

**Charts:***

- **Chart A:** Balance per LTV-band
  - Unindexed LTV
  - Indexed LTV

- **Chart C:** Seasoning
  - 12 months
  - 24 - 36 months
  - 36 - 48 months
  - 48 - 60 months
  - 60 - 90 months
  - 90 - 120 months

- **Chart D:** Interest Rate Type
  - Fixed
  - Fixed with Caps
  - Fixed with Floors

- **Chart E:** Main Country Regional Distribution
  - North Rhine Westphalia
  - Bavaria
  - Lower Saxony
  - Hesse
  - Mecklenburg-West Pomerania
  - Saxony
  - Thuringia
  - Baden-Württemberg
  - Saxony-Anhalt
  - Leipzig
  - Hamburg
  - Mecklenburg-West Pomerania
  - Brandenburg
  - S. Hesse
  - Berlin (State)
  - Hesse
  - Thuringia
  - Saxony
  - Lower Saxony
  - Bremen
  - Saarland
Appendix 1: Liabilities Information: Last 50 Issuances

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Series</th>
<th>Number</th>
<th>Currency</th>
<th>Outstanding Amount</th>
<th>Issuance Date</th>
<th>Expected Maturity</th>
<th>Legal Final Maturity</th>
<th>Interest Rate Type</th>
<th>Coupon</th>
<th>Principal Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1KRJA</td>
<td>n/d</td>
<td>n/d</td>
<td>EUR</td>
<td>500,000,000</td>
<td>29/06/2011</td>
<td>29/06/2016</td>
<td>29/06/2016</td>
<td>Fixed Rate</td>
<td>2.750%</td>
<td>Bullet</td>
</tr>
</tbody>
</table>

(*) Assumptions include no prepayment, no Swap in place in Cover Pool, and no further CB issuance.

Chart A: Amortisation Profile (*

<table>
<thead>
<tr>
<th>Years</th>
<th>Liabilities</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1,200,000,000</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>1,000,000,000</td>
<td>200,000,000</td>
</tr>
<tr>
<td>2</td>
<td>800,000,000</td>
<td>400,000,000</td>
</tr>
<tr>
<td>3</td>
<td>600,000,000</td>
<td>600,000,000</td>
</tr>
<tr>
<td>4</td>
<td>400,000,000</td>
<td>800,000,000</td>
</tr>
<tr>
<td>5</td>
<td>200,000,000</td>
<td>1,000,000,000</td>
</tr>
</tbody>
</table>

(*) Chart A Amortisation Profile (*

© 2011 Moody’s Investors Service, Inc. All rights reserved.

Credit Ratings are Moody’s Investors Service, Inc. (“MIS”) current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. MIS defines credit risk as the risk that an entity may not meet its contractual, financial obligations as they come due and any estimated financial loss in the event of default. Credit ratings do not address any other risk, including but not limited to, liquidity risk, market value risk, or price volatility.

Credit ratings and not statements of current or historical fact. Credit ratings do not constitute investment advice, and credit ratings are not recommendations to purchase, sell, or hold particular securities. Credit ratings do not comment on the suitability of an investment for any particular investor. MIS issues its credit ratings with the expectation and understanding that each investor will make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

MOODY’S INVESTORS SERVICE