ING-Diba AG - Mortgage Covered Bonds

Covered Bonds / Germany

I. Programme Overview

Overview

Year of initial rating assignment: 2007
Total outstanding liabilities: EUR 1,215,500,000
Total assets in the Cover Pool: EUR 3,818,440,822
Interest rate / Key maturity: ING-Diba AG
Group or parent name / CR Assessment: ING-Diba AG
Main collateral type: Residential

Ratings

Covered bonds rating: Aaa
Entity used in Moody’s EL & TPI analysis: ING-Diba AG
CB anchor: CR Assessment + 1 notch
CR Assessment: Aaa
SURE: n/a
Unsecured claim used for Moody’s EL analysis: Yes

II. Value of the Cover Pool

Collateral quality

Collateral Score excl. systemic risk: 7.0%
Collateral Score excl. systemic risk: 2.9%

Cover Pool losses

Collateral Risk (Collateral Score post-haircut): 3.4% 22%
Market Risk: 12.5% TPI
Market Risk: 19.8% (2009)

III. Over-Collateralisation Levels

(Note 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

Committee OC (Unstressed NPV): 2.0%
Committee OC (Stressed NPV): 20.5%
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): High
TPI Leeway: 5

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

CR Assessment: Aaa
Aaa(cr): Aaa
Aa2(cr): Aaa
Aa1(cr): Aaa
A3(cr): Aaa
Ba2(cr): Aaa
Ba3(cr): Aaa

Note 2: 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 uses all issues to provide reporting data in a consistent manner, there may be differences between the actual data that is categorised by issuers. The data reporting template (which Issuers are requested to use) is available on request.

Note 3: 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 (or SURE) may then be substantially higher than the amount suggested here as marked risks are considered more critically by Moody’s at this time. In any event, the necessary OC amounts stated above are to be charged at any time at Moody’s discretion.

Note 4: The CR Assessment calculated is consistent with the current rating under Moody’s expected loss model. However, the level of OC consistent with a generating rating level may differ from the amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

Note 5: 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 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 level may be higher than above. The OC required may also differ from the model output in situations where committee discretion is applied. In any event, the OC amounts stated 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%
- Fixed rate covered bonds outstanding: 95.0%
- WAL of outstanding covered bonds: 4.8 years
- WAL of the cover pool: 14.7 years

Swap Arrangements

- Interest rate swaps in the Cover Pool: No
- Intra-group interest rate swap provider: No
- Currency swaps in the Cover Pool: No
- Intra-group currency swap provider: No

Fixed rate covered bonds outstanding: 91.8%

WAL of the cover pool: 14.7 years

Currency swap(s) in the cover pool: No

Intra-group currency swap(s) provider(s): No

(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.

WAL of outstanding covered bonds: 4.8 years

Swap Arrangements

- Interest rate swaps in the Cover Pool: No
- Intra-group interest rate swap provider: No
- Currency swaps in the Cover Pool: No
- Intra-group currency swap provider: No

Fixed rate assets in the cover pool: 100.0%

(note 5) This assumes no prepayment.

(note 6) Maximum mismatch: 65.9% in EUR millions

Intra-group interest rate swap provider: No

Fixed rate covered bonds outstanding: 91.8%

Intra-group currency swap provider: No

WAL of outstanding covered bonds: 4.8 years

Intra-group currency swap provider: No

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

Maximum mismatch 65.9%

Chart 4: Currency mix before swaps (3 Main Currencies)

(note 7) Assumptions include no swap in place in Cover Pool, no prepayment and no further CB issuance.

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

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.
## VII. Cover Pool Information - Residential Assets

### Overview

<table>
<thead>
<tr>
<th>Asset type</th>
<th>Residential</th>
</tr>
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<tbody>
<tr>
<td>Asset balance</td>
<td>3,743,440,422</td>
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<tr>
<td>Average loan balance</td>
<td>73,804</td>
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<tr>
<td>Number of loans</td>
<td>55,359</td>
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<tr>
<td>Number of borrowers</td>
<td>45,246</td>
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<tr>
<td>Number of properties</td>
<td>65,276</td>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>910</td>
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<tr>
<td>WA seasoning (in months)</td>
<td>70</td>
</tr>
</tbody>
</table>

### Specific Loan and Borrower characteristics

- Loans with an external guarantee in addition to a mortgage: 0.0%
- Loans for second homes / Vacation: 0.0%
- Buy to Let Loans / Non-owner occupied properties: 0.0%
- Unaudited Income verified: 0.0%
- Adverse credit characteristics (**): 0.0%
- Loans in a foreclosure procedure: 0.0%

### 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 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

<table>
<thead>
<tr>
<th>Unindexed WA LTV (*)</th>
<th>95.0%</th>
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<tbody>
<tr>
<td>Indexed WA LTV</td>
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<tr>
<td>Valuation type</td>
<td>Lending Value</td>
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<tr>
<td>LTV threshold</td>
<td>60.0%</td>
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<tr>
<td>Junior ranks</td>
<td>0.0%</td>
</tr>
<tr>
<td>Prior ranks</td>
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</tbody>
</table>

### Charts

- **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)
VIII. Cover Pool Information - Supplementary Assets

**Overview**

- **Asset type:** Supplementary Assets
- **Asset balance:** 75,000,000
- **WA remaining term (in months):** 37
- **Number of assets:** 1
- **Number of borrowers:** 1
- **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%
- **Asset in non-domestic currency:** 0.0%

**Performance**

- **Assets in arrears (< 12 months):** 0.0%
- **Assets in arrears (1-24 months):** 0.0%
- **Assets in arrears (24 months - 120 months):** 0.0%
- **Assets in a enforcement procedure:** 0.0%

**Charts**

- **Chart A:** Interest rate type
- **Chart B:** Percentage of supplementary assets
- **Chart C:** Distribution by country, rating
- **Chart D:** Distribution by country rating
### IX. Liabilities Information: Last 50 Issuances

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Series 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>Interest Rate Details</th>
<th>Coupon</th>
<th>Principal Payment</th>
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<tbody>
<tr>
<td>A1KRJQ</td>
<td>n/d</td>
<td>EUR</td>
<td>500,000,000</td>
<td>16/11/2016</td>
<td>16/11/2026</td>
<td>16/11/2026</td>
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<td>EUR0.00%</td>
<td>0.250%</td>
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<tr>
<td>A1KRJP</td>
<td>n/d</td>
<td>EUR</td>
<td>50,000,000</td>
<td>11/11/2014</td>
<td>11/11/2024</td>
<td>11/11/2024</td>
<td>Fixed rate</td>
<td>2.340%</td>
<td>EUR0.00%</td>
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<tr>
<td>A1KRJN</td>
<td>n/d</td>
<td>EUR</td>
<td>5,000,000</td>
<td>28/02/2013</td>
<td>28/02/2023</td>
<td>28/02/2023</td>
<td>Fixed rate</td>
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<td>1.250%</td>
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<td>EUR</td>
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<td>18/07/2019</td>
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<td>EUR0.00%</td>
<td>2.000%</td>
<td>BULLET</td>
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<tr>
<td>A1KRJU</td>
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<td>EUR</td>
<td>20,000,000</td>
<td>21/02/2013</td>
<td>21/02/2023</td>
<td>21/02/2023</td>
<td>Fixed rate</td>
<td>EUR0.00%</td>
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<td>03/02/2021</td>
<td>Floating rate</td>
<td>EURIBOR + 29 bps</td>
<td>EUR6M + 25 bps</td>
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