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

Ratings

Covered bonds rating: Aaa
Entity used in Moody's EL & TPI analysis: ING-Diba AG
CR Assessment: Aaa

II. Value of the Cover Pool

Collateral quality

Collateral Score excl. systemic risk: 7.9%

Collateral Score excl. systemic risk: 2.9%

Cover Pool assets

Covered assets: 3.4%
Unsecured claim used for Moody's EL analysis: 2.0%

III. Over-Collateralisation Levels (note 2 & 3)

Over-Collateralisation (OC) figures presented below include Eligible only collateral.

Current OC as calculated (note 4)

Current situation

Scenario 1: CB anchor is lowered by 1 notch
SCA = Aaa (assumed)
Aaa (Assumed) Aaa
Aaa (Assumed) Aaa
Aaa (Assumed) Aaa

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

Cover Pool losses

Covered Bond rating: Aaa

Chart 1: Rating history

Chart 2: Assrt types in cover pool

Cover Pool losses

Covered Asset types: 98.0%

Residential assets, 98.0%

Country in which issuer is based:

Germany

Notes:

1. 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 encloses all issues in order to provide reporting data in a consistent manner, there may be differences in the way that certain issues are categorised by issuers. The data reporting template (which issuers are requested to use) is available on request.

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 levels stated here may also change. This is especially significant in the case of CR assessments of Baa3 or Ba1 or lower, 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.

3. The TPI consists of the following levels: CR Assessment + 0 notches; CR Assessment + 1 notch; CR Assessment + 2 notches. The TPI is developed to support the CR assessment in conjunction with the TPI. The CR assessment 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 may be higher than shown. The OC required may also differ from the model output in situations where competitive dynamics is applied. In such events, the OC amount stated here is 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%
- Yield rate covered bonds outstanding: 91.8%
- 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 providers: No
- Currency swaps in the Cover Pool: No
- Intra-group currency swap providers: No

Asset Liability Profile

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

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

VI. Performance Evolution

Chart 6: Collateral Score

Chart 7: Cover Pool Losses

Chart 8: OC consistent with covered bond rating vs. Current OC

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 prepayment, 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
- **Interest only Loans:** 5.8%
- **Average loan balance:** 73,604
- **Number of borrowers:** 45,266
- **Number of properties:** 45,576
- **WA remaining term (in months):** 180
- **WA seasoning (in months):** 70

### 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:** 13.2%
- **Income verified:** 0.0%
- **Adverse credit characteristics:** 0.0%
- **Valuation type:** Lending Value
- **LTV threshold:** 60.0%
- **Junior ranks:** n/a
- **Prior ranks:** 0.0%

### Performance
- **Loans in a 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

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*Note 1: May be based on property value at time of origination or further advance or borrower refinancing.*

*Note 2: Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.*

*Note 3: This “other” type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let).*

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![Chart A: Balance per LTV-band](image)

![Chart B: Percentage of residential assets](image)

![Chart C: LTV](image)

![Chart D: Main country regional distribution](image)

![Chart E: Seasoning (in months)](image)

![Chart F: Interest rate type](image)
VIII. Cover Pool Information - Supplementary Assets

Overview

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Asset type</td>
<td>Supplementary Assets</td>
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<tr>
<td>Asset balance</td>
<td>75,000,000</td>
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<tr>
<td>WA remaining term (in months)</td>
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<tr>
<td>Number of assets</td>
<td>1</td>
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<tr>
<td>Number of borrowers</td>
<td>1</td>
</tr>
<tr>
<td>Average assets size</td>
<td>75,000,000</td>
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<tr>
<td>Average exposure to borrowers</td>
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Specific Loan and Borrower characteristics

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<tr>
<th>Characteristic</th>
<th>Value</th>
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<tr>
<td>Repo eligible assets</td>
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<tr>
<td>Percentage of fixed rate assets</td>
<td>100.0%</td>
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<tr>
<td>Percentage of bullet assets</td>
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<tr>
<td>Asset in non-domestic currency</td>
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Performance

<table>
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<th>Characteristic</th>
<th>Value</th>
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<tbody>
<tr>
<td>Assets in arrears ( &gt; 12 months)</td>
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</tr>
<tr>
<td>Assets in arrears (1-6 months)</td>
<td>0.0%</td>
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<tr>
<td>Assets in arrears (0-1 months)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Assets in a enforcement procedure</td>
<td>0.0%</td>
</tr>
</tbody>
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![Chart A: Interest rate type](chart_a.png)
![Chart B: Percentage of supplementary assets](chart_b.png)
![Chart C: Distribution by country, rating](chart_c.png)
![Chart D: Distribution by country rating](chart_d.png)
## IX. Liabilities Information: Last 50 Issuances

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<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>Coupon</th>
<th>Principal Payment</th>
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<td>EUR</td>
<td>500,000,000</td>
<td>16/11/2016</td>
<td>16/11/2026</td>
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<td>Fixed rate</td>
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<td>03/03/2021</td>
<td>EURIBOR + 25 bps</td>
<td>Floating rate</td>
<td>EURIBOR + 25 bps</td>
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</tr>
</tbody>
</table>
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