ING DiBa AG - Mortgage Covered Bonds

Covered Bonds / Germany

Contacts
Lenhard, Martin - +49 (69) 703-3743 - Martin.Lenhard@moodys.com
Albert Sanchez, Javier - +44 (207) 772-5515 - Javier.AlbertSanchez@moodys.com

Monitoring
Monitor: CB@moodys.com

Client Service Desk
London: +44 20 772-5454, csdlondon@moodys.com

Reporting as of: 31/12/2017

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

Data as provided to Moody’s Investors Service (note 1)

I. Programme Overview

Overview
Year of initial rating assignment: 2011
Total outstanding nominal: 1,235,000,000
Total assets in the Cover Pool: 3,532,157,243

Issuer name / CR Assessment:
ING-DiBa AG / Aa3(cr)

Group or parent name / CR Assessment:

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:
Aa3(cr)

SUR: n/a

Unsecured claim used for Moody’s EL analysis:
Yes

II. Value of the Cover Pool

Collateral quality
Collateral Score: 5.0%
Collateral Score excl. systemic risk: 2.9%

Cover Pool losses
Collateral Risk (Collateral Score post-haircut): 3.4%
Market Risk: 15.8% (100%)

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 test where stressed:
Dynamic

Current situation
COMMENOC (Stressed NPV): 2.0%
Current OC (Unstressed NPV): 223.3%
OC consistent with current rating (note 4): 0.0%

Scenario 1: CB anchor is lowered by 1 notch
6.5%

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

CR Assessment: High

Aaa(cr) Aaa
Aa1(cr) Aaa
Aa2(cr) Aaa
Aa3(cr) Aaa
A1(cr) Aaa
A2(cr) Aaa
A3(cr) Aaa
Baa1(cr) Aaa
Baa2(cr) Aaa
Baa3(cr) Aaa

Legal framework
Deals 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

Timely payment
Refinancing period for principal payments of 6 months or greater: No
Liquidity reserve to support timely payments on all issuances: Yes Funded *

(footnote)

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 categorised 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) and Baa1(cr), as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here. 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 anytime at Moody’s discretion.

note 3 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 generating level may differ from the amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

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 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 the one shown. The OC required may also differ from the model output in situations where committee 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%
- Fixed rate covered bonds outstanding: 91.9%
- WAL of outstanding covered bonds: 14.8 years
- WAL of the cover pool: 14.8 years

Swap Arrangements
- Intra-group interest rate swap provider(s): No
- Currency swap in the Cover Pool: No
- Intra-group currency swap provider(s): No

Maximum mismatch: 65.0% in EUR millions

Amortisation profile (in millions) (note 7)

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 in the corresponding page on www.moodys.com for the most updated credit rating action information and rating history.

(1) Assumptions include no prepayment.
(2) 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.
(3) Assumptions include no swap in place in Cover Pool and no further CB issuance.

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

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

0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%
0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%
0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%
0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%
VII. Cover Pool Information - Residential Assets

Overview

<table>
<thead>
<tr>
<th>Asset type</th>
<th>Residential</th>
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</thead>
<tbody>
<tr>
<td>Asset balance</td>
<td>3,457,697,743</td>
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<tr>
<td>Average loan balance</td>
<td>76,324</td>
</tr>
<tr>
<td>Number of loans</td>
<td>49,298</td>
</tr>
<tr>
<td>Number of properties</td>
<td>44,978</td>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>182</td>
</tr>
<tr>
<td>WA seasoning (in months)</td>
<td>70</td>
</tr>
</tbody>
</table>

Details on LTV

- WA unindexed LTV (**) = 96.6%
- WA indexed LTV = n/a
- LTV threshold = 60.0%
- Prior rank = 0.0%

*WA information not disclosed by issuer
n/a: information not applicable

Specific Loan and Borrower characteristics

- Loans with an external guarantee in addition to a mortgage: 0.0%
- Interest only loans: 6.0%
- Loans for second homes / Vacation: 0.0%
- Number of loans: 49,298
- Loans for second homes / Vacation: 0.0%
- Number of borrowers: 43,874
- Limited income verified: 0.0%
- Number of properties: 44,178
- Adverse credit characteristics (**): 0.0%
- WA remaining term (in months): 70
- WA seasoning (in months): 70

Performance

- Loans in arrears (1-6 months): 0.0%
- Loans in arrears (6-12 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: n/a
- Other type of Multi-Family loans (**): n/a

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**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

<table>
<thead>
<tr>
<th>Asset type:</th>
<th>Supplementary Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset balance:</td>
<td>75,000,000*</td>
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<tr>
<td>WA remaining term (in months):</td>
<td>43</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>
</tr>
<tr>
<td>Average exposure to borrowers:</td>
<td>75,000,000</td>
</tr>
</tbody>
</table>

*All information not disclosed by Issuer

### 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% |
| Performance |
| Assets in arrears (1-2 months): | 0.0% |
| Assets in arrears (2-6 months): | 0.0% |
| Assets in arrears (>6 months): | 0.0% |
| Assets in enforcement procedure: | 0.0% |

### Performance Charts

#### Chart A: Interest Rate Type

- Fixed rate with reset: <2 but <5 years: 100.0%

#### Chart B: Percentage of Supplementary Assets

- Supplementary Assets: 2.3%

#### Chart C: Distribution by Country, Rating

- Germany, Aaa: 100.0%

#### Chart D: Distribution by Rating

- Aaa, 100.0%
### 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 Date</th>
<th>Legal Final Maturity Date</th>
<th>Interest Rate Type</th>
<th>Coupon</th>
<th>Principal Payment</th>
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<tbody>
<tr>
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<td>EUR</td>
<td>500,000,000</td>
<td>16/11/2016</td>
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<td>11/11/2024</td>
<td>Fixed rate</td>
<td>0.937%</td>
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<tr>
<td>A1KRJN</td>
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<td>5,000,000</td>
<td>28/02/2013</td>
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<td>Fixed rate</td>
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<td>30/02/2018</td>
<td>30/02/2018</td>
<td>Fixed rate</td>
<td>1.963%</td>
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<tr>
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<td>30/01/2018</td>
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<td>21/02/2022</td>
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<td>50,000,000</td>
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<td>03/02/2022</td>
<td>Floating rate</td>
<td>EURIBOR (EUR) 6 MONATE + 24 bps</td>
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<tr>
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<td>500,000,000</td>
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<td>28/02/2010</td>
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<td>28/02/2019</td>
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<td>12/02/2020</td>
<td>12/02/2020</td>
<td>Fixed rate</td>
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<td>Floating rate</td>
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<td>BULLET</td>
</tr>
</tbody>
</table>

**Notes:**
- **Series Number:** n/d indicates not applicable.
- **Currency:** EUR for all issuances.
- **Outstanding Amount:** Varies from 5,000,000 to 500,000,000 EUR.
- **Issuance Date:** Dates range from 03/02/2012 to 28/02/2013.
- **Expected Maturity Date:** Dates range from 11/02/2013 to 13/03/2012.
- **Legal Final Maturity Date:** Dates range from 11/02/2021 to 13/03/2019.
- **Interest Rate Type:** Fixed rate for all issuances except two floating rate.
- **Coupon:** Ranges from 0.250% to 2.400%.
- **Principal Payment:** BULLET for all issuances except two floating rate.
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