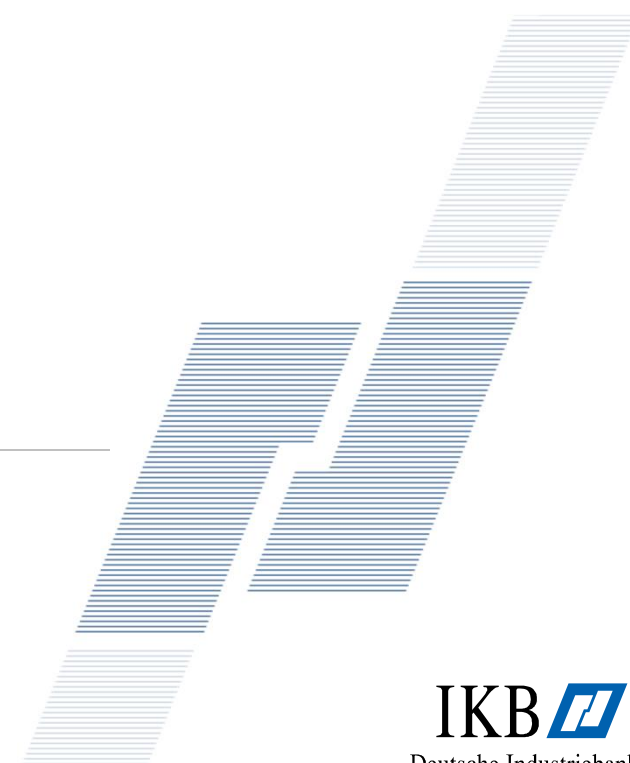


# Performance Summary of IKB balance sheet securitisations

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September 2012



# Content

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1.	Securitisation History
2.	Performance Summary SME transactions
3.	PROMISE-I Mobility transactions
4.	STABILITY CMBS 2007-1

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1.	Securitisation History
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## Securitisation History

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- IKBs Securitisation activities starts in 2000 with a synthetic transaction of US Corporate Loans and Bonds: IKB Credit Linked Notes 2000-1
- End of 2000 IKB placed the first PROMISE transaction on the well known platform of KfW: PROMISE-I 2000-1
- Overall IKB has placed 19 Securitisation transactions with a total volume of approx. EUR 30 billion (including replenishments)
  - 4 synthetic transactions only for regulatory capital relief
  - 5 synthetic transactions with economic risk transfer
  - 7 cash CLOs
  - 3 Repo transactions
- Transactions represents several asset classes:
  - SME (Corporate Finance)
  - Structured Finance (Leverage Loans, Project Finance)
  - CMBS (Real Estate Finance)
  - Mezzanine (Equity Finance)
  - Equipment Leases

# Securitisation History

Corporate Financing	Structured Financing	Real Estate Financing	Private Equity
<b>PROMISE-I 2000-1</b> Start-Vol.: € 2.500 million Incl. Repl.: € 3.583 million	<b>IKB Credit Linked Notes 2000-1</b> US-\$ 534 million	<b>STABILITY CMBS 2007-1</b> Vol.: € 909 million Incl. Repl.: € 1.078 million	<b>FORCE 2005-1</b> € 370 million
<b>PROMISE-I 2002-1</b> Start-Vol.: € 3.650 million Incl. Repl.: € 6.127 million	<b>SEAS 2005-1</b> Vol.: € 750 million Incl. Repl.: € 1.350 million		<b>FORCE 2006-1</b> € 216 million
<b>PROMISE-I Mob. 2005-1</b> Vol.: € 750 million Incl. Repl.: € 1.619 million	<b>Bacchus 2006-1</b> € 400 million		
<b>PROMISE-I Mob. 2005-2</b> Vol.: € 1.800 million Incl. Repl.: € 3.505 million	<b>Bacchus 2006-2</b> € 410 million		
<b>PROMISE-I Mob. 2006-1</b> Vol.: € 2.400 million Incl. Repl.: € 4.776 million	<b>Bacchus US 2006-1</b> € 353 million		
<b>PROMISE-I Mob. 2008-1</b> Start-Vol.: € 1.500 million Static Pool	<b>Bacchus 2007-1</b> € 400 million		
<b>Sigismund CBO 2008-1</b> € 452 million	<b>Bacchus 2008-1</b> € 626 million		
<b>German Mittelstand Equipment Finance No. 1</b> € 232 million	<b>Bacchus 2008-2</b> € 453.5 million		
		<b>Synthetic CLO (economic risk transfer)</b>	
		<b>ECB Repo</b>	
		<b>Synthetic CLO (capita relief)</b>	
		<b>Cash CLO</b>	

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## Performance Summary SME transactions

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- PROMISE-I 2000-1 has been called in Jan 2007
  - Cumulative Realised Losses at 0.54% of Total Pool Volume\*
  - Recovery rate of liquidated loans at 81.5%
- PROMISE-I 2002-1 has been called in Feb 2008
  - Cumulative Realised Losses at 0.49% Total Pool Volume\*
  - Recovery rate of liquidated loans at 79,1%
- The first two PROMISE-I transactions included an allowance for Debtors rated up to category 15.
- PROMISE-I Mobility is specifically targeted to manage IKB's risk exposure to its larger internationally operating, high credit quality clients.

	rated	Initial WARF
PROMISE-I Mobility 2005-1	only 11 and better	8.27
PROMISE-I Mobility 2005-2	only 11 and better	8.01
PROMISE-I Mobility 2006-1	only 11 and better	7.24
PROMISE-I Mobility 2008-1	only 11 and better	7.41

\* Total Pool Volume exclusive non complying Reference Claims (Removals) / as of last investor report

## Performance Summary SME transactions

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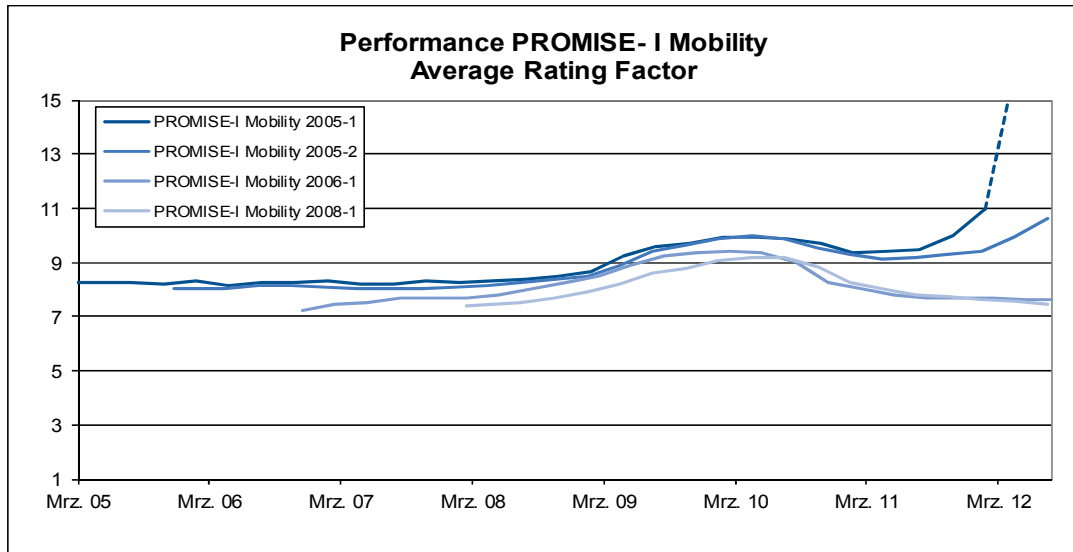
- PROMISE-I Mobility 2005-1
  - Cumulative Credit Events at 2.55% of Total Pool Volume\*
  - Cumulative Realised Losses at 0.35% of Total Pool Volume\*
- PROMISE-I / IKB Mobility 2005-2
  - Cumulative Credit Events at 3.42% of Total Pool Volume\*
  - Cumulative Realised Losses at 0.28% of Total Pool Volume\*
- PROMISE-I Mobility 2006-1
  - Cumulative Credit Events at 2.11% of Total Pool Volume\*
  - Cumulative Realised Losses at 0.34% of Total Pool Volume\*
- PROMISE-I Mobility 2008-1
  - Cumulative Credit Events at 2,35% of Total Pool Volume\*
  - Cumulative Realised Losses at 0.46% of Total Pool Volume\*
- Currently the Cumulative Credit Events of PROMISE-I Mobility 2005-1, PROMISE-I/IKB Mobility 2005-2 and PROMISE-I Mobility 2006-1 are above the original expectations of Fitch and the Cumulative Credit Events of PROMISE-I Mobility 2008-1 are slightly above expectations based on S&P default rates.
- Current Loss expectations for existing Credit Events are covered for all PROMISE-I Mobility transactions by the first loss pieces

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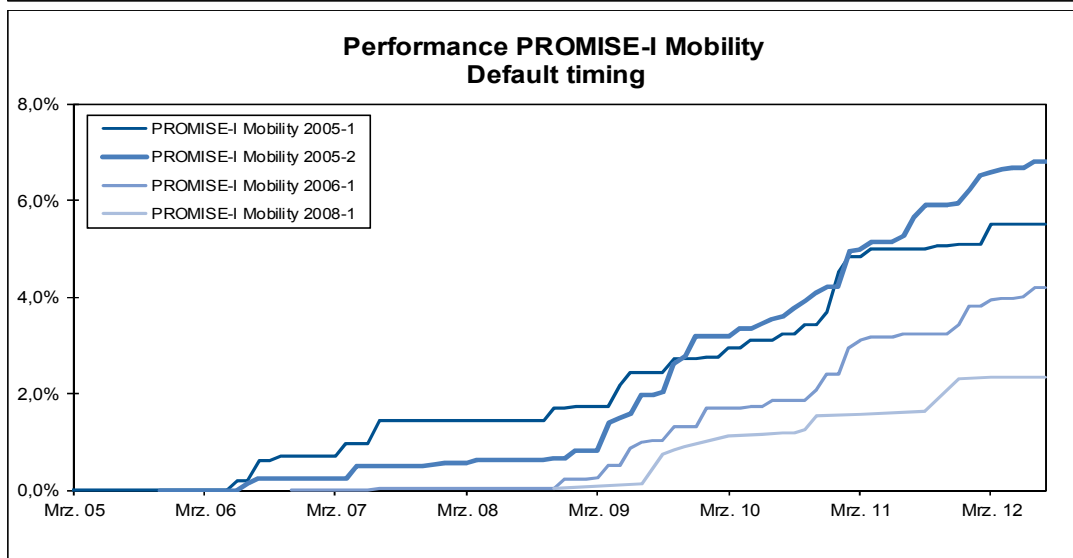
\* Total Pool Volume exclusive non complying Reference Claims (Removals) / as of last investor report



## Performance Summary SME transactions

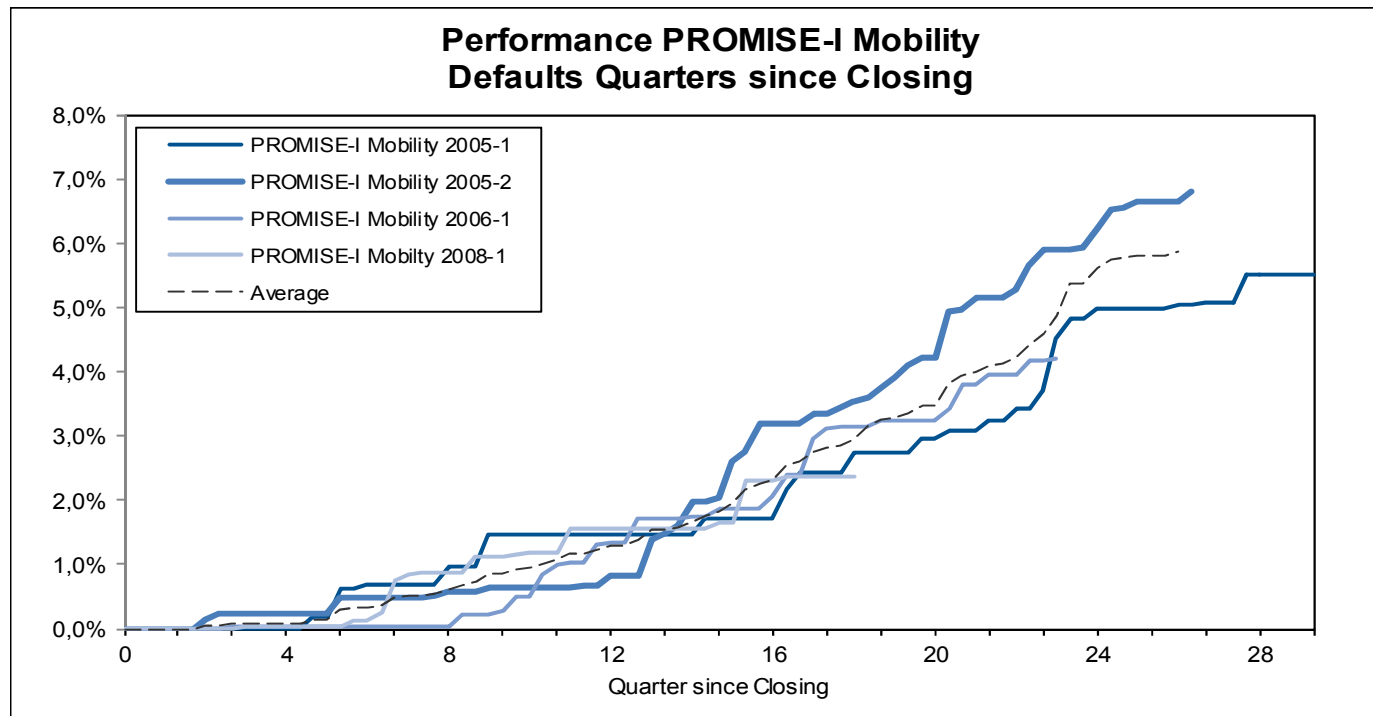


- Development of the average Rating Faktor reflects the past crisis starting in 2008/2009
- Average Rating Factor now nearly on starting levels, except maturing transactions from 2005 where outstanding Credit Events became a larger portion of the pool while performing loans amortise.
- Increasing Credit Events as a result of the difficult economic environment from 2009 until 2011



## Performance Summary SME transactions

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- Comparable Credit Event development of all transactions
- Mobility 2005-2 shows a sharper increase of defaults in 2009 and after 2010 because of a higher number of defaulted debtor groups compared to the other transactions. But no special reasons or circumstances for defaults. (limited accuracy of statistical analysis due to smaller data base)

## Performance Summary SME transactions

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- Credit Events\*
  - In total a volume of € 297,3 million Credit Events occurred in the four existing Mobility transactions
  - This volume refers to 126 obligors and 109 debtor groups respectively
  - For 47 obligors the Workout has been completed
  - 79 obligors are still in workout
  - Collateral Structure: 75,8% mortgage, 7,5% machinery, 13,1% other, 1,2% pos/neg. pledge and 2,3% unsecured
- Realised Losses\*
  - So far the Trustee verified 26 Loss Allocations for 18 obligors with a total volume of € 38.7 million without any dispute
  - The Recovery rates rank between nearly 0% (fraud case only secured by shares) and 96% (average 42%)
- Recoveries\*
  - Average Recoveries for completed Workouts of the Mobility transactions rank between 49,1% and 82,5% (average 67,4%)
  - Estimated average Recoveries for existing Credit Events of the Mobility transactions rank between 52.5% and 70,8% (average 63.7%)

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\* as of last Investor Report

## Performance Summary SME transactions

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- “Workout” of credit events often in form of restructuring. More than 50% of the Credit Events (€ 152.1 million) in the Mobility transactions have been restructured, inclusive partially write offs.
  - Recovery Rate of completed workouts (€ 56,9 million): 89,9%
  - Expected Recovery Rate of on going restructurings (€ 95.2 million): 84,6%
- For further 10% of the Credit Events (€ 32.9 million) the “Workout” have been completed by the sale of the underlying loans.
  - Recovery Rate: 41,5%
- Only for 30% of the Credit Events (€ 87 million) the “Workout” needs the liquidation of collateral.
  - Recovery Rate of completed workouts (20 million €): 74,4%
  - Expected Recovery Rate of remaining workouts (€ 67 million): 50,4%

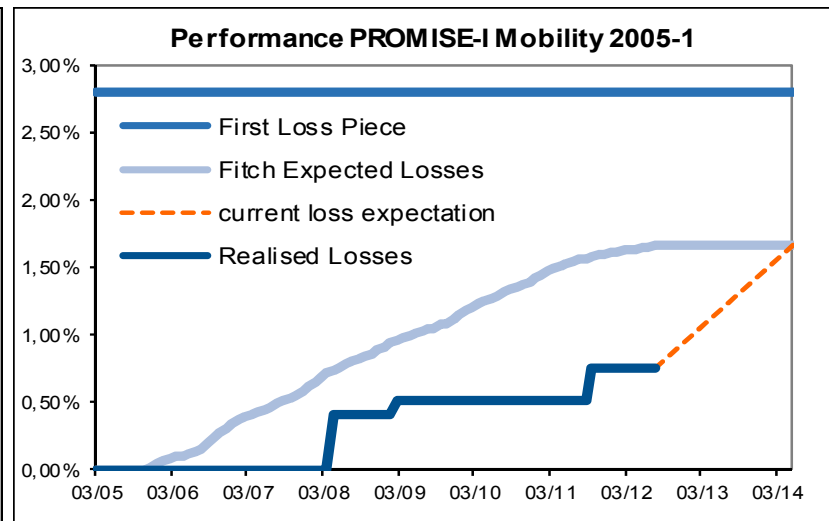
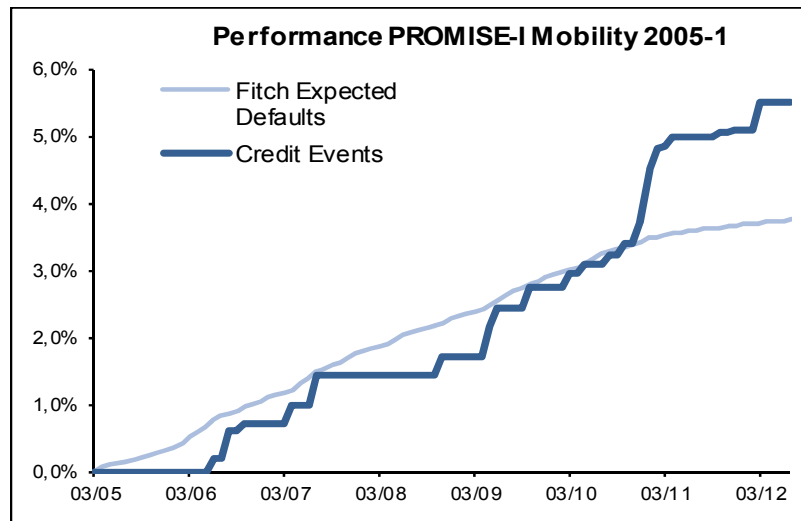
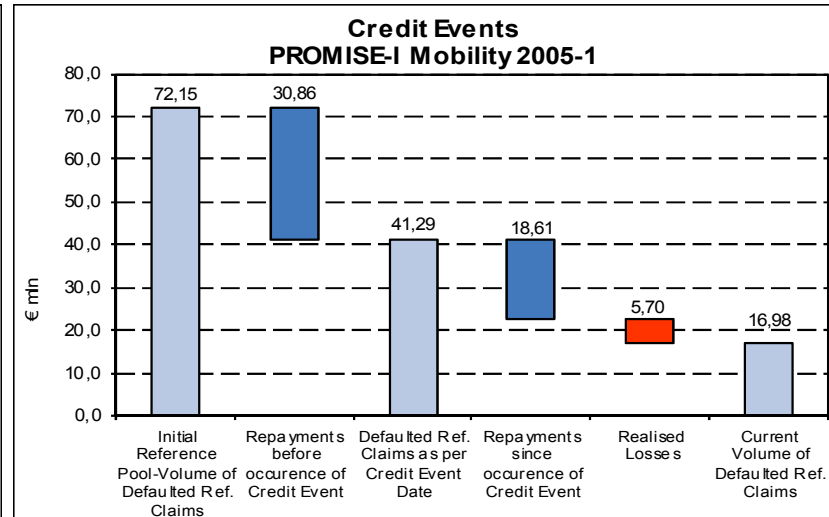
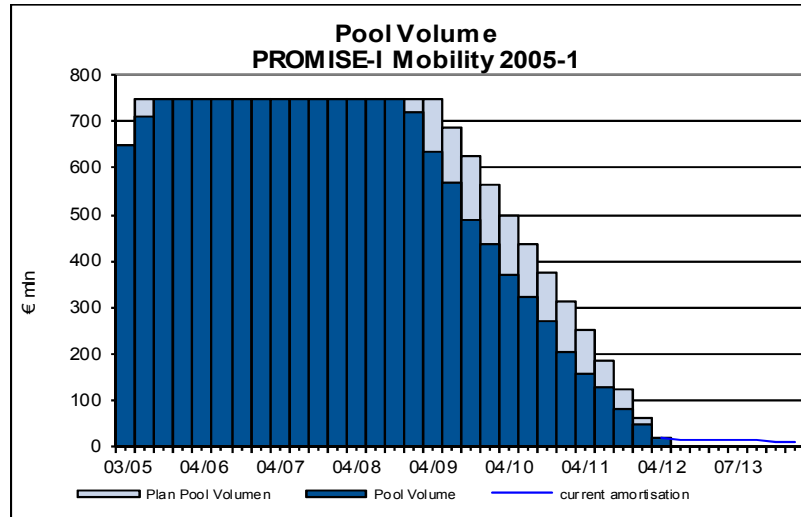
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# PROMISE-I Mobility 2005-1: Performance Overview<sup>1)</sup>

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1) as of July 2012

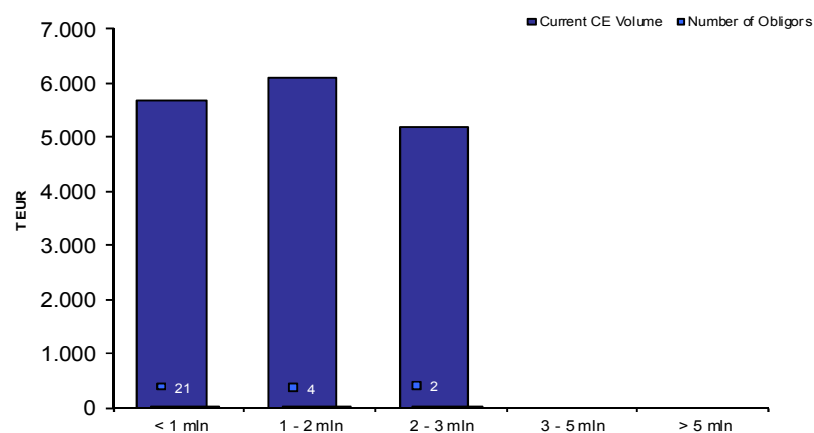
# PROMISE-I Mobility 2005-1: Credit Events

15

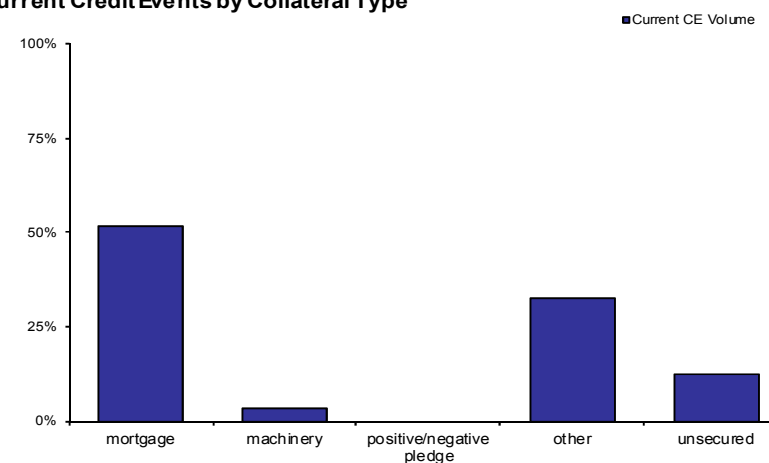
## Credit Event Status

	Volume as of Credit Event	Liquidation Proceeds so far	Final Losses	Current Volume
Bankruptcy	34.962.206,24	14.520.686,87	4.946.797,36	15.494.722,01
Failure to pay	6.326.175,07	4.088.020,34	755.567,77	1.482.586,96
Totals	41.288.381,31	18.608.707,21	5.702.365,13	16.977.308,97

## Current Credit Events by Volume



## Current Credit Events by Collateral Type



## Work-Out Completed

	Number of Obligors	Volume as of Credit Event	Liquidation Proceeds	Final Losses	Average Recovery
Bankruptcy	6	9.838.536,05	4.891.738,69	4.946.797,36	49,72%
Failure to pay	3	4.011.461,93	3.255.894,16	755.567,77	81,16%
Totals	9	13.849.997,98	8.147.632,85	5.702.365,13	58,83%

- a Loss of € 3.1 million was the result of one Debtor secured by shares based on a fraud with more than € 200 mln of debt affected being held by the german banking industry

## PROMISE-I Mobility 2005-1: Outlook

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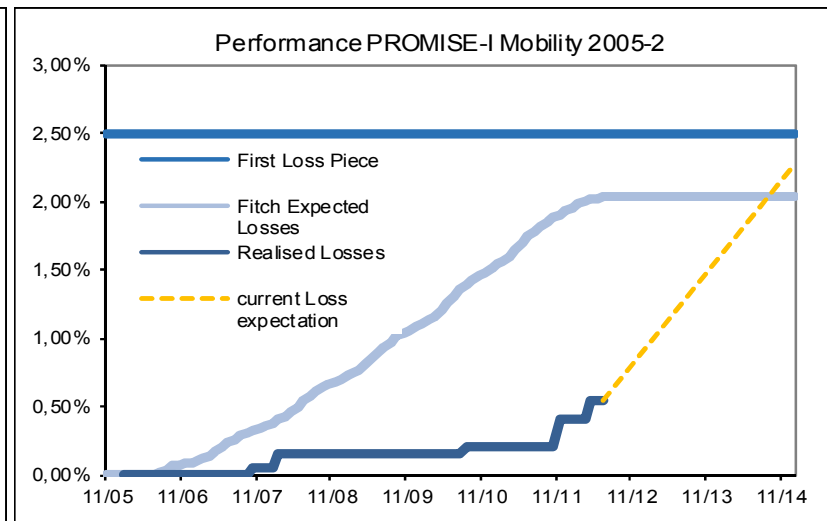
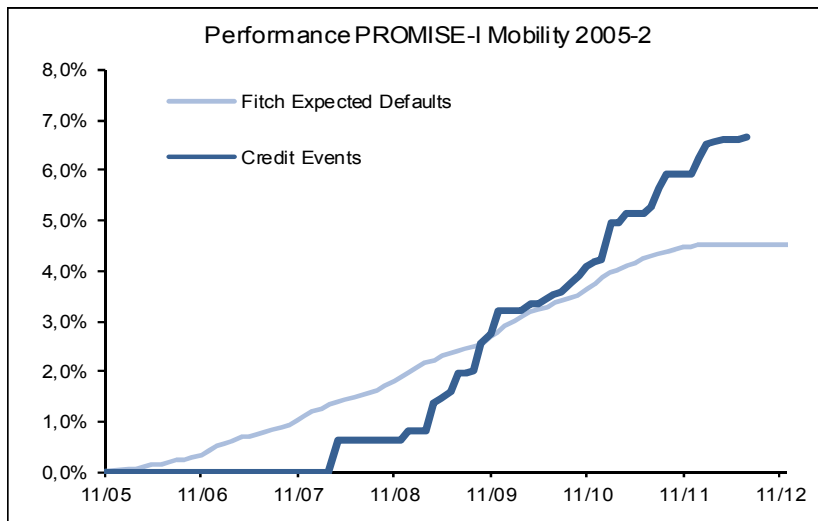
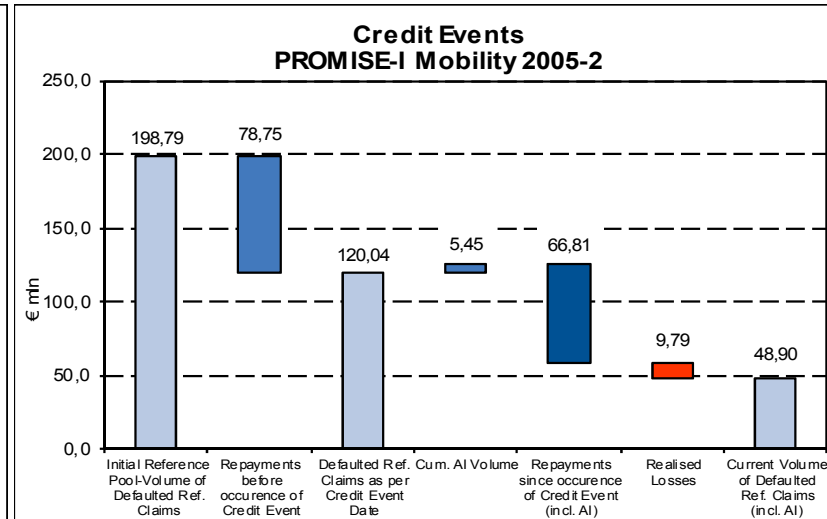
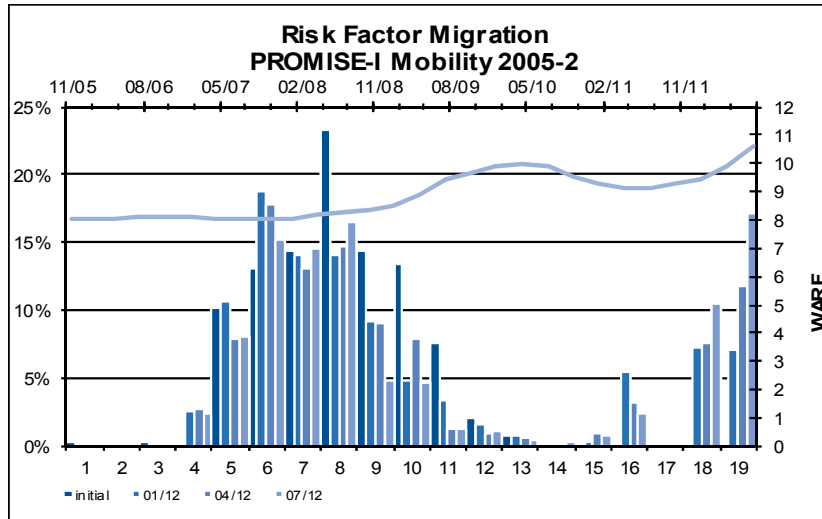
16

- For the remaining Credit Events in work out of € 17.0 million we currently expect Losses of approximately € 6.3 million.
  - This would lead to a Recovery Rate of 69 % (inclusive completed work outs).
  - Current Loss expectation is covered by the first loss piece.
- 
- The transaction has reached the Scheduled Maturity in May 2012.
  - Only the redemption of the E- and F-Note has been deferred.
  - The remaining Credit Events will pass the work out process until the legal Maturity in May 2014.
  - For all outstanding Credit Events in May 2014 two independent experts appointed by the trustee will determine final Loss Allocation.



# PROMISE-I Mobility 2005-2: Performance Overview<sup>1)</sup>

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1) as of July 2012

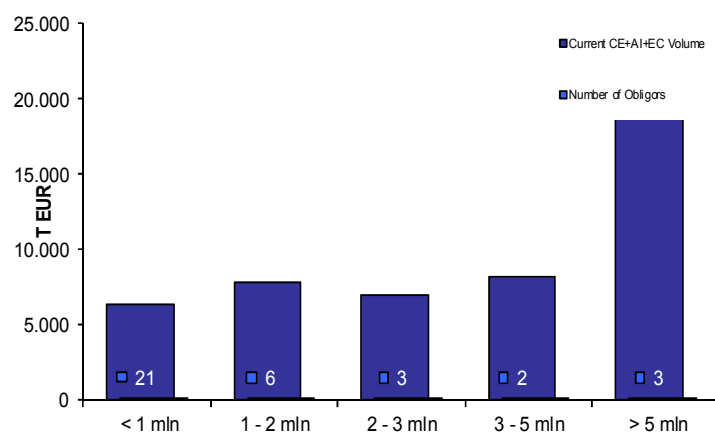
# PROMISE-I Mobility 2005-2: Credit Events

18

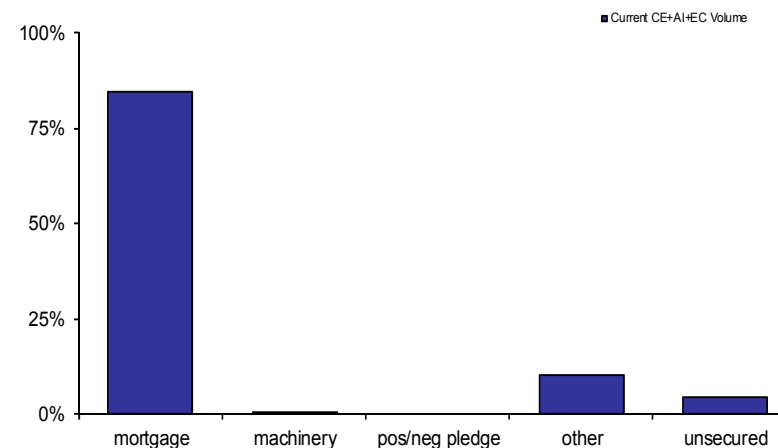
## Credit Event Status

	Principal-Volume as of Credit Event	Max. cum. AI-Volume	Liquidation Proceeds so far (on Principal + AI)	Final Losses	Current Principal+ AI-Volume
Bankruptcy	70.074.083,54	2.653.414,65	33.074.550,49	7.103.261,18	32.549.686,52
Failure to pay	49.970.320,12	2.792.218,40	33.734.539,06	2.682.270,62	16.345.728,84
Totals	120.044.403,66	5.445.633,05	66.809.089,55	9.785.531,80	48.895.415,36

## Current Credit Events by Principal+AI+EC Volume



## Current Credit Events by Collateral Type



## Work-Out Completed

	Number of Obligors	Principal-Volume as of Credit Event	Max. cum. AI-Volume	Liquidation Proceeds (on Principal + AI)	Final Losses	Average Recovery
Bankruptcy	18	25.019.307,43	669.739,56	18.585.785,81	7.103.261,18	72,35%
Failure to pay	17	31.562.773,89	1.179.215,08	30.059.718,35	2.682.270,62	91,81%
Totals	35	56.582.081,32	1.848.954,64	48.645.504,16	9.785.531,80	83,25%

## PROMISE-I Mobility 2005-2 / IKB Mobility 2005-2: Outlook

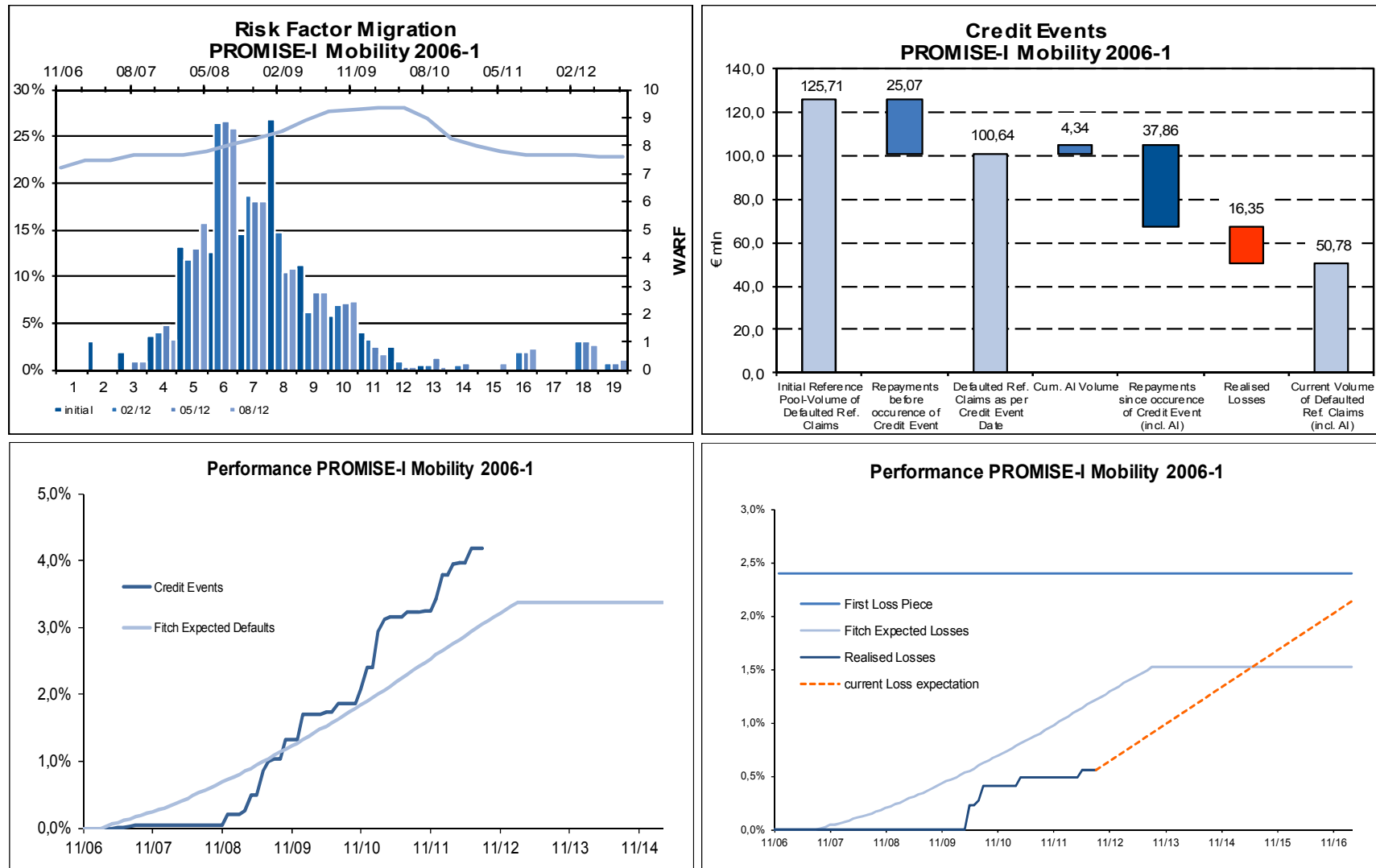
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- For the remaining Credit Events in work out of € 48.9 million (inclusive Accrued Interest) we currently expect Losses of approximately € 31.5 million.
- For the current reporting period we currently expect € 2.3 million new Credit Events.
- For these new Credit Events we expect € 2.1million losses.
- This would lead to a Recovery Rate so far of 69 % (inclusive completed work outs).
- Current Loss expectation for existing Credit Events is covered by the first loss piece.

# PROMISE-I Mobility 2006-1: Performance Overview<sup>1)</sup>

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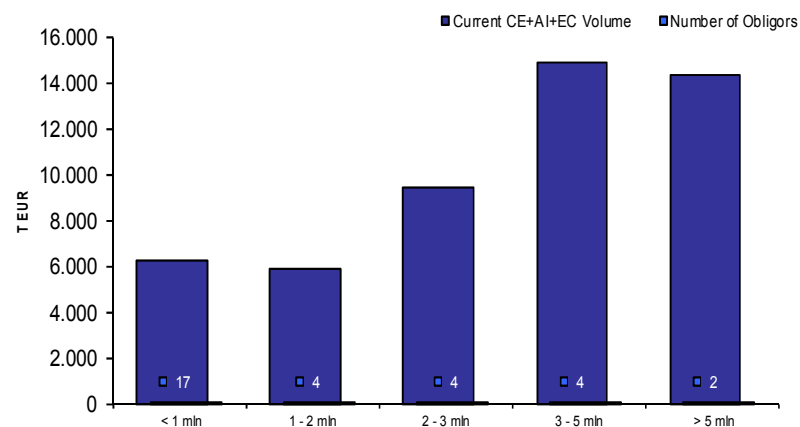
1) as of August 2012

# PROMISE-I Mobility 2006-1: Credit Events

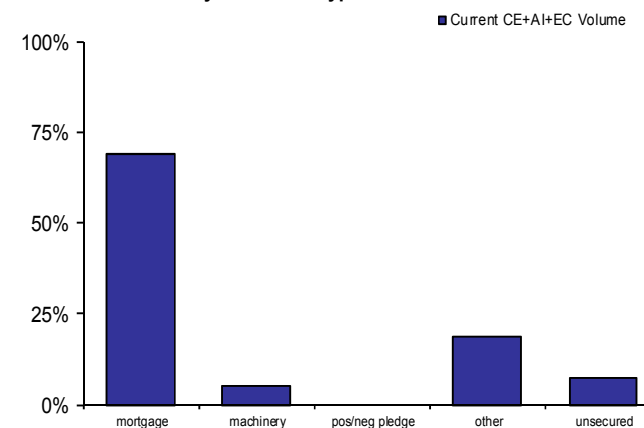
## Credit Event Status

	Principal-Volume as of Credit Event	Max. cum. AI+EC-Volume	Liquidation Proceeds so far (on Principal +AI+EC)	Final Losses	Current Principal+ AI+EC-Volume
Bankruptcy	75.827.959,24	3.526.079,47	24.827.933,16	6.650.849,26	47.875.256,29
Failure to pay	24.812.613,71	817.345,73	13.029.793,37	9.695.529,98	2.904.636,09
Totals	100.640.572,95	4.343.425,20	37.857.726,53	16.346.379,24	50.779.892,38

## Current Credit Events by Principal+AI+EC Volume



## Current Credit Events by Collateral Type



## Work-Out Completed

	Number of Obligors	Principal-Volume as of Credit Event	Max. cum. AI+EC-Volume	Liquidation Proceeds (on Principal+AI+EC)	Final Losses	Average Recovery
Bankruptcy	7	12.992.536,60	282.784,05	6.624.471,39	6.650.849,26	49,90%
Failure to pay	11	18.918.162,38	449.036,13	9.671.668,53	9.695.529,98	49,94%
Totals	18	31.910.698,98	731.820,18	16.296.139,92	16.346.379,24	49,92%

## PROMISE-I Mobility 2006-1: Outlook

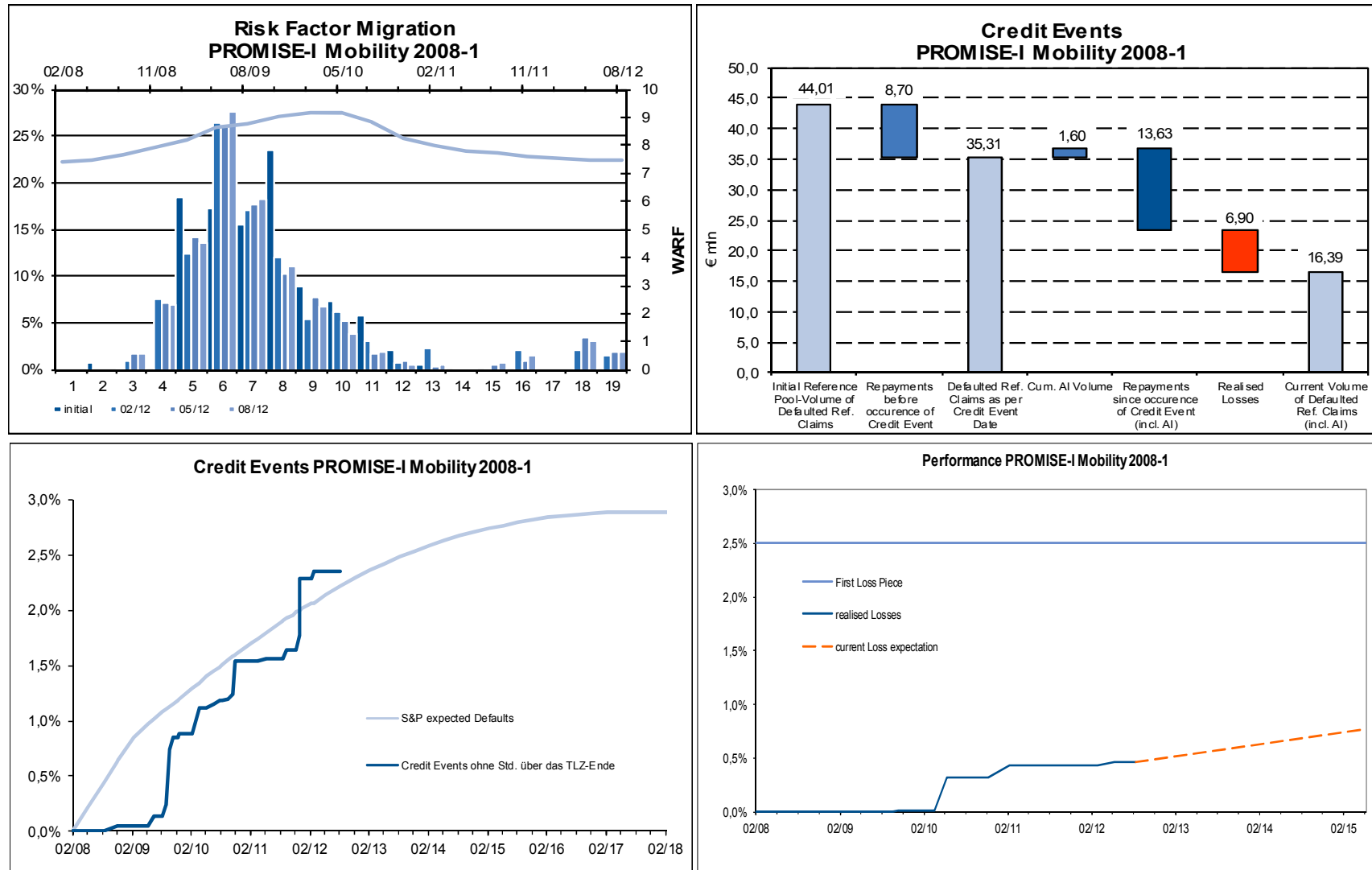
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- For the remaining Credit Events in work out of € 50.8 million (inclusive Accrued Interests) we currently expect Losses of approximately € 35.0 million.
- Currently we expect no further Credit Events in the following reporting period.
- This would lead to a Recovery Rate so far of 52.5 % (inclusive completed work outs).
- Current Loss expectation for existing Credit Events is covered by the first loss piece.

# PROMISE-I Mobility 2008-1: Performance Overview<sup>1)</sup>

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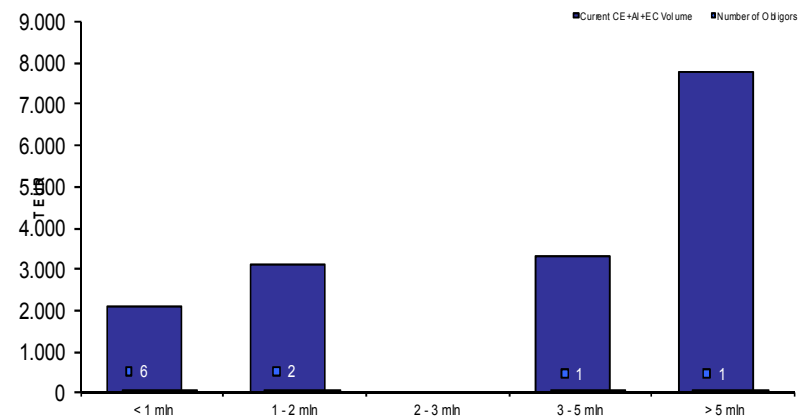
1) as of August 2012

# PROMISE-I Mobility 2008-1: Credit Events

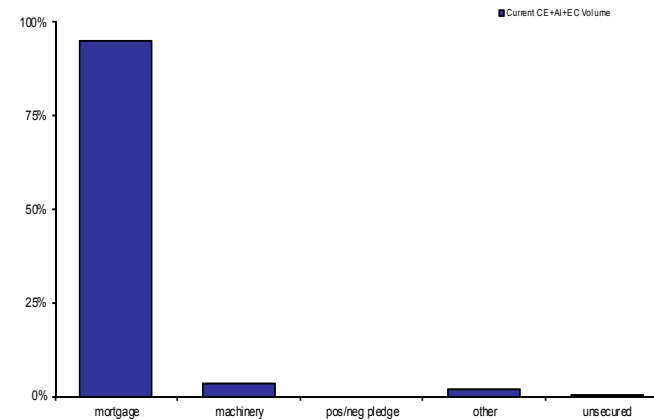
## Credit Event Status

	Principal-Volume as of Credit Event	Max. cum. AI+EC-Volume	Liquidation Proceeds so far (on Principal + AI +EC)	Final Losses	Current Principal+ AI+EC-Volume
Bankruptcy	19.441.146,62	818.537,65	7.023.939,38	273.928,48	12.961.816,41
Failure to pay	15.869.851,40	779.599,38	6.604.475,01	6.621.715,73	3.423.260,04
Totals	35.310.998,02	1.598.137,03	13.628.414,39	6.895.644,21	16.385.076,45

## Current Credit Events by Principal+AI+EC Volume



## Current Credit Events by Collateral Type



## Work-Out Completed

	Number of Obligors	Principal-Volume as of Credit Event	Max. cum. AI+EC-Volume	Liquidation Proceeds (on Principal + AI +EC)	Final Losses	Average Recovery
Bankruptcy	4	4.241.698,62	215.430,73	4.183.200,87	273.928,48	93,85%
Failure to pay	6	11.884.119,40	494.816,60	5.757.220,27	6.621.715,73	46,51%
Totals	10	16.125.818,02	710.247,33	9.940.421,14	6.895.644,21	59,04%



## PROMISE-I Mobility 2008-1: Outlook

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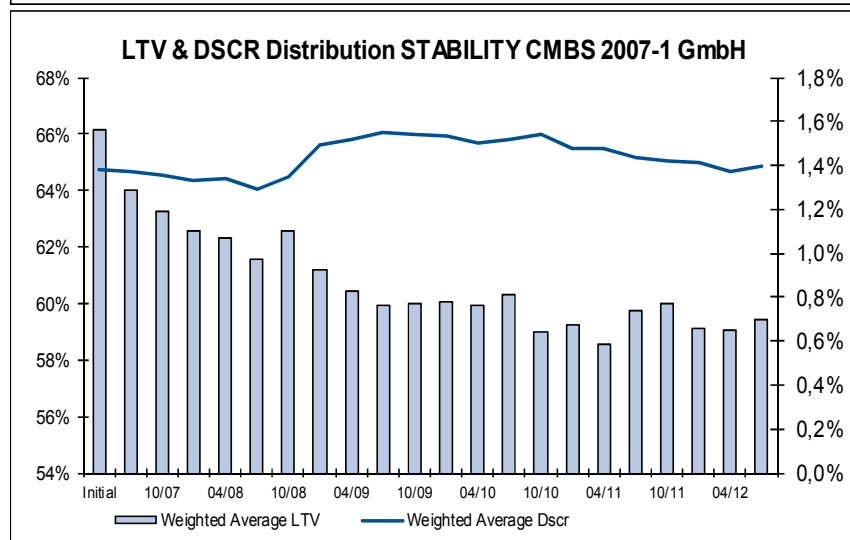
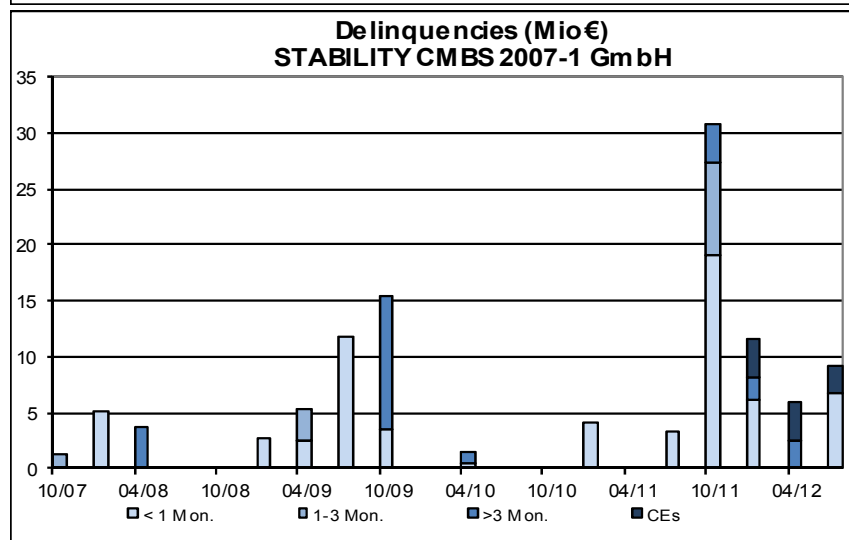
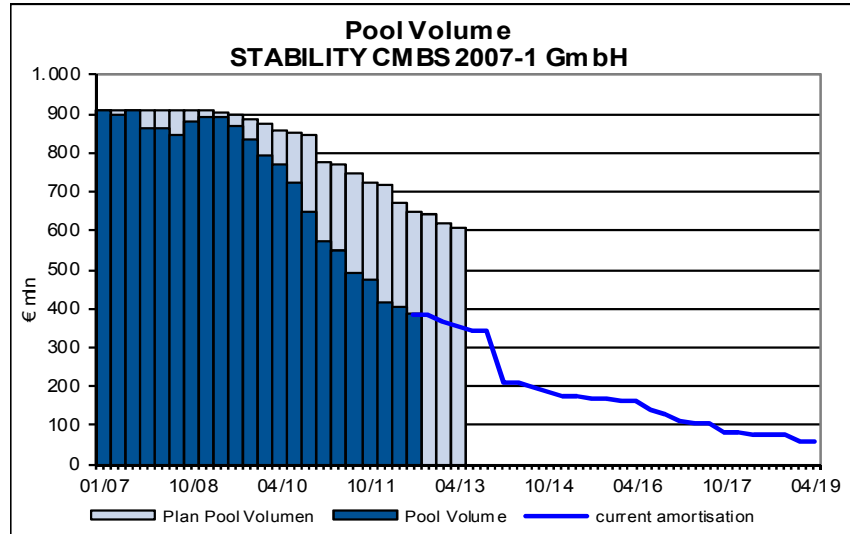
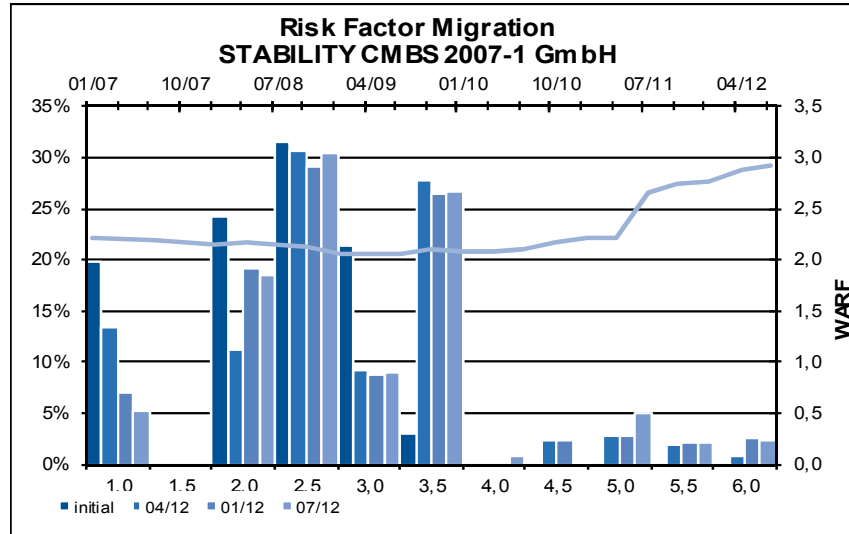
- For the remaining Credit Events in work out of 16.4 million € (inclusive Accrued Interest) we currently expect Losses of approximately 6.2 million €.
- For the current reporting period we currently expect 8.0 million € new Credit Events.
- For these new Credit Events we expect 4.3 million € losses.
- This would lead to a Recovery Rate so far of 63 % (inclusive completed work outs).
- Current Loss expectation for existing Credit Events is covered by the first loss piece.

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# STABILITY CMBS 2007-1



## STABILITY CMBS 2007-1

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- Volume of 909 million € declines to 386 million €.
- Vacancy: 4.90 % (Top Ten: 3.90 %)
- Cumulative Credit Event Volume 12.8 Mio. €
- For the current Reporting Period we expect 5.9 million € new Credit Events.
- Currently we expect an average Recovery Rate in the area of 70%.
- First Loss Allocation of 0,7 million € in July 2012 is still in the varification process by the trustee. Main reasons for default and loss have been the increased CHF rate, a decline of the the rental fee and a respective decline of the property value.
- Current Loss expectation for existing Credit Events is covered by the first loss piece.

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