ING DiBa - Mortgage Pfandbriefe

Covered Bonds / Germany

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Reporting as of: 30/09/2016
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: 2001
Total outstanding liabilities: EUR 7,813,000,000
Total assets in the Cover Pool: EUR 3,492,374,211
Issuer name / CR Assessment: ING-DiBa AG / Aa3
Group or parent name / CR Assessment: NA
Main collateral type: Residential

Covered Bonds rating: Aaa
Entity used in Moody's EL & TPI analysis: ING-DiBa AG

CR Assessment: High
CB anchor: CR Assessment + 1 notch

Cover Pool losses

Market Risk: 12.6%
21%
Collateral Risk (Collateral Score post-haircut): 3.4%

2.2%
Unsecured claim used for Moody's EL analysis: Yes
SUP: n/a

CR Assessment:
CB anchor:

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

Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-collateralisation levels are presented on any of the following: nominal basis or un stressed NPV basis or on stressed NPV basis.
NPV stress test where stressed: Dynamic

Current situation

Committed OC (Stressed NPV): 2.0%
Current OC (Unstressed NPV): 49.4%
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 0.5%

Legal framework

Does a specific covered bond law apply for this programme: Yes, Pfandbrief Act
Main country in which collateral is based: Germany
Supplementary assets, 2.2%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI)

High

Timely payment

Barring period for principal payments of 6 months or greater
Yes

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

* Please refer to section 4 of the Pfandbrief Act

Note: The data reported in this IFG 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 be realised. This is especially significant in the case of Issuers currently rated B3 or below, as the necessary OC levels required are substantially higher than the amount suggested here as market risk is considered more critically by Moody's at this time. In any event, the necessary OC amounts stated here are subject to change at any time in Moody's discretion.

In Moody's view, OC consistently 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, the sensitivity run is model output only and therefore a simplification as it does not take into account certain assumptions that may change as an issue is downgraded, and as a result the actual OC number consistent with the current rating may be higher than shown. The

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V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)
- Fixed rate assets in the cover pool: 100.0%
- Fixed rate covered bonds outstanding: 80.9%
- WAL of outstanding covered bonds: 8.6 years
- WAL of the cover pool: 15.3 years

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

Chart 3: Stressed refinancing needs per quarter (% of liabilities)
Maximum mismatch: 69.3%

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

Chart 5: Amortisation profile (in millions) (note 7)

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) 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 for capital management: no swaps in place in Cover Pool and no further CB issuance.

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VII. 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>3,470,334,211</td>
</tr>
<tr>
<td>Average loan balance</td>
<td>66,616</td>
</tr>
<tr>
<td>Number of loans</td>
<td>45,477</td>
</tr>
<tr>
<td>Number of properties</td>
<td>45,834</td>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>187</td>
</tr>
<tr>
<td>WA seasoning (in months)</td>
<td>64</td>
</tr>
</tbody>
</table>

Details on LTV

<table>
<thead>
<tr>
<th>LTV Type</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA unindexed LTV (**)</td>
<td>99.7%</td>
</tr>
<tr>
<td>WA indexed LTV</td>
<td>n/a</td>
</tr>
<tr>
<td>Loan to tenants of tenant-owned Housing Cooperatives</td>
<td>n/a</td>
</tr>
<tr>
<td>Loans to landlords of Multi-Family Properties</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Specific Loan and Borrower characteristics

<table>
<thead>
<tr>
<th>Loan Characteristics</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans with an external guarantee in addition to a mortgage</td>
<td>n/a</td>
</tr>
<tr>
<td>Interest only Loans</td>
<td>6.4%</td>
</tr>
<tr>
<td>Loans for second homes/ Vacation</td>
<td>0.0%</td>
</tr>
<tr>
<td>Buy to let loans/ Non owner occupied properties</td>
<td>13.0%</td>
</tr>
<tr>
<td>Limited income verified</td>
<td>0.0%</td>
</tr>
<tr>
<td>Adverse credit characteristics (**):</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Performance

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans in arrears (≥ 2months &lt; 6months)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Loans in arrears (≥ 6months &lt; 12months)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Loans in arrears (≥ 12months)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Loans in a foreclosure procedure</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Multi-Family Properties

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to tenants of tenant-owned Housing Cooperatives</td>
<td>n/a</td>
</tr>
<tr>
<td>Other type of Multi-Family loans (***)</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(Notes: (*) may be based on property value at time of origination or further advance or borrower refinancing.
(Notes **) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.
(Notes ***) This “other” type includes loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let.)
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>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>58</td>
</tr>
<tr>
<td>Number of assets</td>
<td>1</td>
</tr>
<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>

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

Specific Loan and Borrower characteristics

- Repo eligible assets: 100.0%
- Percentage of fixed rate assets: 100.0%
- Percentage of bullet assets: 100.0%
- Percentage of non-domestic currency: 0.0%
- Performance:
  - Assets in arrears (≥ 2months – < 6months): 0.0%
  - Assets in arrears (≥ 6months – < 12months): 0.0%
  - Assets in arrears (≥ 12months): 0.0%
  - Assets in 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