ING-DiBa - Mortgage Pfandbriefe

Covered Bonds / Germany

Contacts

Lenhard, Martin - +49 (69) 772-1084 - Sandra.Loehndorf@moodys.com
Lopez Navarro, Sandra - +44 (207) 772-1084 - Sandra.LopezNavarro@moodys.com

Monitoring

Client Service Desk

London: +44 20 7772-5454, clientdesk@moodys.com

Reporting as of: 30/06/2016

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

I. Programme Overview

Overview

| Year of initial rating assignment | 2011 |
| Total outstanding liabilities | EUR 780,000,000 |
| Total assets in the Cover Pool | EUR 3,095,000,000 |

Issuer name / CR Assessment

ING-DiBa AG / Aa3(cr)

Main collateral type

Residential

Ratings

Covered bonds rating: Aaa

Entity used in Moody’s EL & TPI analysis: ING-DiBa AG

CB anchor: CE Assessment + Trend

CR Assessment: Aa3(cr) / A1(cr)

Adjusted BCA: a2

SUR: n/a

Adjusted claim used for Moody’s EL analysis: NA

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%

Cover Pool losses: 3.4% (21.5%

Market Risk (Collateral Risk (Collateral Score post-haircut)): 12.6% (79.5%)

15.9% (100.0%)

III. Over-Collateralisation Levels

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

Committed OC (Stressed NPV): 2.0%

Current OC (Unstressed NPV): 4.25%

OC consistent with current rating (note 4): 0.0%

Sensitivity scenario CB anchor

OC consistent with current rating: 3.0%

Scenario 1: CB anchor is lowered by 1 notch: 3.5%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI)

TPI Leeway: 5

Extract from TPI table - CB anchor is CE Assessment + 1 notch

<table>
<thead>
<tr>
<th>CR Assessment</th>
<th>TPI Leeway</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE Assessment</td>
<td>High</td>
</tr>
<tr>
<td>Aa3(cr)</td>
<td>Aaa</td>
</tr>
<tr>
<td>Aa2(cr)</td>
<td>Aaa</td>
</tr>
<tr>
<td>A1(cr)</td>
<td>Aaa</td>
</tr>
<tr>
<td>A3(cr)</td>
<td>Aaa</td>
</tr>
<tr>
<td>Baa3(cr)</td>
<td>Aaa</td>
</tr>
</tbody>
</table>

Legal framework

Safe harbor

Debt is 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

TMI (Subsidy to support timely payments on all issuances)

Yes Funded*

[Notes]

(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 by issuers, which it believes the assumptions if the made are reasonable. current data and that they are in effect at the time of the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. In the event of a downgrade or an upgrade of the issuer, the necessary OC amount stated may also change. This is especially significant in the case of Issuers currently rated A2 or A3, as the necessary OC amounts stated are subject to charge at anytime at Moody’s discretion.

(2) 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 given rating level may differ from the amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

(3) The OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating at current level of the base of the paper 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 scenarios 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 when committee discretion is applied. In any event, the OC amounts stated here are subject to charge at anytime at Moody’s discretion.

* Please refer to section on the Pfandbrief Act

ING, DiBa - Mortgage Pfandbriefe

09 August 2016
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: 3.5 years
- WAL of the cover pool: 15.5 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: 69.2%

Chart 4: Currency mix before swaps (9 Main Currencies)

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

Chart 6: Collateral Score

VI. Performance Evolution

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 issuencer/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 OC issuance and no further assets added to the cover pool.
(note 7) Assumptions include no prepayment, no swap in place in Cover Pool and no further CB issuance.
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>3.571,075.13</td>
</tr>
<tr>
<td>Average Loan Balance</td>
<td>66,956</td>
</tr>
<tr>
<td>Number of Loans</td>
<td>52,936</td>
</tr>
<tr>
<td>Number of Borrowers</td>
<td>46,713</td>
</tr>
<tr>
<td>Number of Properties</td>
<td>47,960</td>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>150</td>
</tr>
<tr>
<td>WA seasoning (in months)</td>
<td>61</td>
</tr>
</tbody>
</table>

**Details on LTV**

- WA unindexed LTV (*) | 99.6%
- WA indexed LTV: n/a
- Valuation type: Lending Value
- LTV threshold: 60.0%
- Junior ranks: n/a
- Prior ranks: 0.0%

**Loan and Borrower Characteristics**

- Loans with an external guarantee in addition to a mortgage: n/a
- Interest only Loans: 0.4%
- Loans for second homes/ Vacation: 0.0%
- Buy to let loans/ Non owner occupied properties: 13.0%
- Limited income verified: 0.0%
- Adverse credit characteristics (**): 0.0%
- 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%
- Loans to tenants of tenant-owned Housing Cooperatives: n/a
- Other type of Multi-Family loans (***): n/a

**Multi-Family Properties**

- Loans to tenants of tenant-owned Housing Cooperatives: n/a
- Other type of Multi-Family loans (***): n/a

**Charts**

- **Chart A:** Balance per LTV-band
- **Chart B:** Percentage of residential assets
- **Chart C:** Time line evolution of pool’s LTV
- **Chart D:** Interest rate type
- **Chart E:** Main country regional distribution
- **Chart F:** Seasoning (in months)

(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 refers to 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

- **Asset type**: Supplementary Assets
- **Asset balance**: 75,000,000
- **WA remaining term (in months)**: 61
- **Number of assets**: 1
- **Average asset size**: 75,000,000
- **Number of borrowers**: 1
- **Average exposure to borrowers**: 75,000,000

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%

**Specific Loan and Borrower characteristics**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repo eligible assets</td>
<td>100.0%</td>
</tr>
<tr>
<td>Percentage of fixed rate assets</td>
<td>100.0%</td>
</tr>
<tr>
<td>Percentage of bullet assets</td>
<td>100.0%</td>
</tr>
<tr>
<td>Percentage of assets in non-domestic currency</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

```
Chart A: Interest rate type

Interest rate type: Fixed rate with reset = 5 years

100.0%
```

```
Chart B: Percentage of supplementary assets

Supplementary Assets: 2.1%
```

```
Chart C: Distribution by country, rating

Germany: 100.0%
```

```
Chart D: Distribution by country rating

Aaa: 100.0%
```
Appendix 1: Liabilities Information: Last 50 Issuances

<table>
<thead>
<tr>
<th>ISIN</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>
</tr>
</thead>
<tbody>
<tr>
<td>A1KRJM</td>
<td>JPY</td>
<td>500,000,000</td>
<td>11/02/2013</td>
<td>11/02/2014</td>
<td>11/02/2014</td>
<td>Fixed rate</td>
<td>0.937%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJH</td>
<td>JPY</td>
<td>100,000,000</td>
<td>26/04/2012</td>
<td>26/04/2013</td>
<td>26/04/2013</td>
<td>Fixed rate</td>
<td>1.625%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>200,000,000</td>
<td>30/01/2013</td>
<td>30/01/2018</td>
<td>30/01/2018</td>
<td>Fixed rate</td>
<td>2.610%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJJ</td>
<td>JPY</td>
<td>500,000,000</td>
<td>30/04/2012</td>
<td>30/04/2024</td>
<td>30/04/2024</td>
<td>Fixed rate</td>
<td>2.400%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJG</td>
<td>JPY</td>
<td>25,000,000</td>
<td>26/04/2012</td>
<td>26/04/2017</td>
<td>26/04/2017</td>
<td>Fixed rate</td>
<td>2.340%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJH</td>
<td>JPY</td>
<td>100,000,000</td>
<td>06/02/2013</td>
<td>06/02/2014</td>
<td>06/02/2014</td>
<td>Fixed rate</td>
<td>1.550%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>50,000,000</td>
<td>30/04/2012</td>
<td>30/04/2017</td>
<td>30/04/2017</td>
<td>Fixed rate</td>
<td>3.105%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>100,000,000</td>
<td>26/04/2012</td>
<td>26/04/2017</td>
<td>26/04/2017</td>
<td>Fixed rate</td>
<td>2.035%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>25,000,000</td>
<td>26/04/2012</td>
<td>26/04/2017</td>
<td>26/04/2017</td>
<td>Fixed rate</td>
<td>2.985%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>500,000,000</td>
<td>13/03/2012</td>
<td>13/03/2019</td>
<td>13/03/2019</td>
<td>Fixed rate</td>
<td>2.065%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>200,000,000</td>
<td>21/09/2012</td>
<td>21/09/2017</td>
<td>21/09/2017</td>
<td>Fixed rate</td>
<td>2.785%</td>
<td>BULLET</td>
</tr>
<tr>
<td>A1KRJL</td>
<td>JPY</td>
<td>500,000,000</td>
<td>30/02/2012</td>
<td>30/02/2017</td>
<td>30/02/2017</td>
<td>Fixed rate</td>
<td>2.850%</td>
<td>BULLET</td>
</tr>
</tbody>
</table>

© 2016 Moody’s Corporation. Moody’s Investors Service, Inc., Moody’s Analytics, Inc. and/or their licensors and affiliates (collectively, “MOODY’S”). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY’S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES (“MIS”) ARE MOODY’S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, COMMITTEES, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS ISSUED BY MOODY’S (“MOODY’S PUBLICATIONS”) MAY INCLUDE MOODY’S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, COMMITTEES, OR DEBT OR DEBT-LIKE SECURITIES. MIS’S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET CONTRACTUAL, FINANCIAL, OBLIGATIONS AS THEY COME DUE AND ANY EXPECTED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY’S OPINIONS INCLUDED IN MOODY’S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY’S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL- BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY’S ANALYTICS, INC. CREDIT RATINGS AND MOODY’S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY’S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY’S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY’S RESERVES THE RIGHT TO MAKE CHANGES TO ITS CREDIT RATINGS AND PUBLISH EXCERPTS THEREOF AT ITS DISCRETION. MIS’S CREDIT RATINGS AND PUBLISH EXCERPTS THEREOF ARE MADE AVAILABLE FOR USE AT THE SOLE DISCRETION OF EACH INVESTOR. MIS’S CREDIT RATINGS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY’S CREDIT RATINGS OR MOODY’S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

All information contained herein is obtained from sources believed to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. Moody’s adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY’S considers to be reliable including, where appropriate, independent third party sources. However, MOODY’S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody’s Publications.

To the extent permitted by law, Moody’s and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any person or entity to any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use or inability to use any such information, even if Moody’s or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to (a) any loss of present or prospective profits or (b) any loss or damage arising when the relevant financial instrument is not the subject of a particular credit rating assigned by Moody’s.

To the extent permitted by law, Moody’s and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to (i) negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or (ii) any conduct or omissions on the part of, MOODY’S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use or inability to use any such information.

Please visit our website at www.moodys.com for a detailed discussion of the limitations to our ratings and rating process.

© 2016 Moody’s Corporation, Moody’s Investors Service, Inc., Moody’s Analytics, Inc. and/or their licensors and affiliates (collectively, “MOODY’S”). All rights reserved.

Additional terms for Japan only: Moody’s Japan K.K. (“MJKK”) is a wholly-owned credit rating agency subsidiary of Moody’s Corporation (“MCO”), and Moody’s SF Japan K.K. (“MSFJ”) is a wholly-owned credit rating agency subsidiary of Moody’s Corporation. In addition to the statements above, Moody’s Japan K.K. ("MJKK") and Moody’s SF Japan K.K. ("MSFJ") also maintain policies and procedures to address Japanese regulatory requirements.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

MJKK and MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) a fee equal to or less than one percent of the gross issuance price of the debt obligation and that, in the event of default or payment default, MJKK or MSFJ (as applicable) will be entitled to receive, in addition to the fee described above, a success fee equal to a percentage of the outstanding principal amount of the debt obligation.

The rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

Additional terms for Japan only: All issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) a fee equal to or less than one percent of the gross issuance price of the debt obligation and that, in the event of default or payment default, MJKK or MSFJ (as applicable) will be entitled to receive, in addition to the fee described above, a success fee equal to a percentage of the outstanding principal amount of the debt obligation.

Additional terms for Japan only: Moody’s Japan K.K. (“MJKK”) is a wholly-owned credit rating agency subsidiary of Moody’s Corporation and Moody’s SF Japan K.K. (“MSFJ”) is a wholly-owned credit rating agency subsidiary of Moody’s Corporation.

MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK and MSFJ maintain policies and procedures to address Japanese regulatory requirements.