

# RatingsDirect®

---

## Summary:

## ING Verzekeringen N.V.

### Primary Credit Analyst:

Simon Ashworth, London (44) 20-7176-7243; [simon.ashworth@standardandpoors.com](mailto:simon.ashworth@standardandpoors.com)

### Secondary Contact:

Mark Button, London (44) 20-7176-7045; [mark.button@standardandpoors.com](mailto:mark.button@standardandpoors.com)

## Table Of Contents

---

Rationale

Outlook

Ratings Score Snapshot

## Summary:

# ING Verzekeringen N.V.

**Credit  
Rating:**

BBB+/Stable/A-2

## Rationale

Standard & Poor's Ratings Services' ratings and outlook on ING Verzekeringen N.V. (INGV) and its operating subsidiaries are limited by their ownership by ING Groep N.V. (ING). In our opinion, this will continue until INGV has a significantly larger degree of insulation from ING and more control of its financing cashflows and strategy. Currently there is a one-notch constraint on the rating on INGV given its ownership by ING, as the group credit profile (GCP) of the INGV insurance sub-group remains at 'a+'. This latter assessment analyses the insurance operations before the current constraint from ING ownership.

The 'a+' GCP combines our view of INGV's strong business risk profile, given its market position in the Benelux, its strong financial risk profile, and one notch of uplift owing to a favorable combined assessment of enterprise risk management (ERM) and management and governance.

On Dec. 2, 2013, we lowered a number of ING ratings following the downgrade of the sovereign credit rating on the State of The Netherlands. The impact on the ratings of the insurance operating subsidiaries was the direct result of the current ownership and control by ING. (See "Three Dutch Financial Service Groups Ratings Lowered Following Similar Action On The Netherlands," published Dec. 2, 2013.)

Although INGV's operations are assessed as "not strategically important" to ING, the ratings on INGV's subsidiaries are limited by those on ING Bank because of the ongoing linkages between ING and INGV. We expect this to continue until ING makes significant progress in divesting INGV, for example, if it were to become a minority shareholder and if INGV's funding was largely independent of ING.

There is downward pressure on the 'a+' GCP of the insurance sub-group. Prior to the downgrade of INGV's core insurance operating entities on Dec. 2, 2013 to 'A' from 'A+', both entities had a negative outlook, predominantly signaling the risks to the GCP of the INGV insurance sub-group and the potential for a weakening of INGV's financial risk profile during the divestment by ING.

## Outlook

The stable outlook on INGV is linked to the stable outlook on ING. The ratings and outlook on INGV and its operating subsidiaries will remain limited by its ownership until there is a significantly larger degree of insulation from ING and more control by INGV of its financing cashflows and strategy.

We could take a positive rating action on INGV if:

There is a significantly larger degree of insulation from ING than is currently the case. This might occur when ING makes significant progress in divesting INGV, for example, if it were to become a minority shareholder and if INGV's funding was largely independent of ING; and most importantly that the GCP of INGV's core operating entities remains 'a+'. This would require:

- Capital and earnings remaining resilient at strong levels; and
- The insurance operations' access to sources of capital and liquidity remaining substantial and overall financial flexibility remaining strong; and
- No downward revision to the overall assessment of insurance industry and country risk in the Dutch life sector to moderate from industrywide profitability concerns.

We could also raise the ratings on INGV if we raise the ratings on ING due to the ongoing linkages between ING and INGV. However, ING currently has a stable outlook.

We may take a negative rating action on INGV if:

- There is a negative rating action on ING prior to a significantly larger degree of INGV's insulation from ING; or
- The GCP of the insurance sub-group deteriorates by at least two notches from the current 'a+' level. We currently consider this remote, but it could occur from a combined deterioration in both the business and financial risk profiles.

## Ratings Score Snapshot

### Financial Strength Rating\*: A/Stable

\*Of INGV's core operating subsidiaries.

### Group Credit Profile: a+

#### Insurance sub-group

#### Anchor: a

- Business Risk Profile: Strong
- IICRA: Intermediate Risk
- Competitive Position: Strong
- Financial Risk Profile: Strong
- Capital and Earnings: Strong
- Risk Position: Intermediate Risk
- Financial Flexibility: Strong

#### Modifiers: +1

- ERM and Management: +1
- Enterprise Risk Management: Strong
- Management and Governance: Satisfactory
- Holistic Analysis: 0
- Liquidity: Strong

**Support: -1**

- Group Support: -1
- Government Support: 0

IICRA--Insurance Industry And Country Risk Assessment.

**Additional Contact:**

Insurance Ratings Europe; InsuranceInteractive\_Europe@standardandpoors.com

Copyright © 2013 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription) and [www.spcapitaliq.com](http://www.spcapitaliq.com) (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).