



Second Quarter 2014 Results

ING posts 2Q14 underlying net profit of EUR 1,181 mln

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Amsterdam – 6 August 2014
www.ing.com



Key points

- Successful IPO of NN Group has substantially completed the repositioning of ING as a Bank
 - IPO NN Group successfully completed
 - EUR 8.1 bln combined market value of NN Group and Voya Financial comfortably exceeds remaining double leverage
- ING Group posts underlying net profit of EUR 1,181 mln, up 31.1% from 2Q13 and 19.5% from 1Q14, due to improved results of both ING Bank and NN Group
- Bank posted a strong quarter, with an underlying pre-tax result of EUR 1,278 mln, up 11.4% from 2Q13 and 8.7% from 1Q14
 - Strong volume growth in lending and deposits
 - Healthy income development
 - Lower risk costs
 - Capital position further strengthened
- The pre-tax result of NN Group improved to EUR 310 mln from EUR 113 mln in 2Q13

Successful IPO of NN Group has substantially completed the repositioning of ING as a leading European Bank

IPO NN Group successfully completed

- NN Group successfully listed on 2 July
- ING's remaining stake is 68.1%

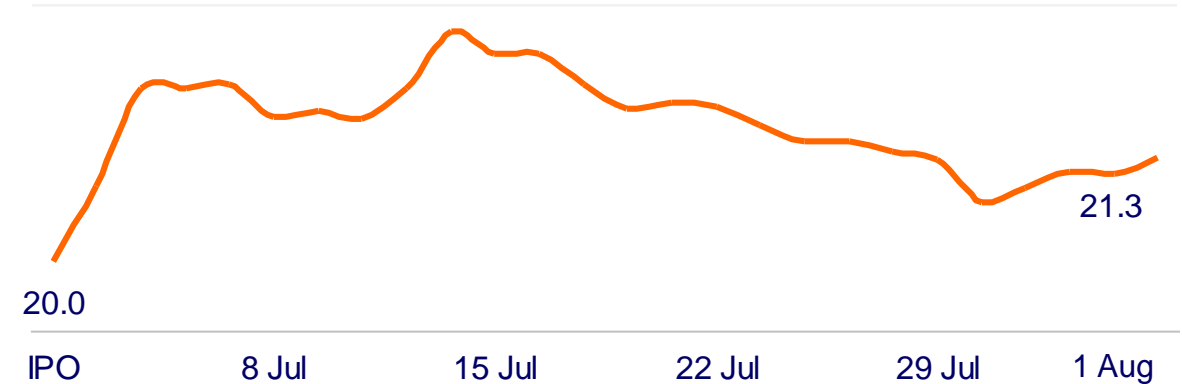
ING completed sale SulAmerica; Remaining stake Voya 43.2%

- Sale SulAmerica completed in June
- Remaining stake Voya 43.2%

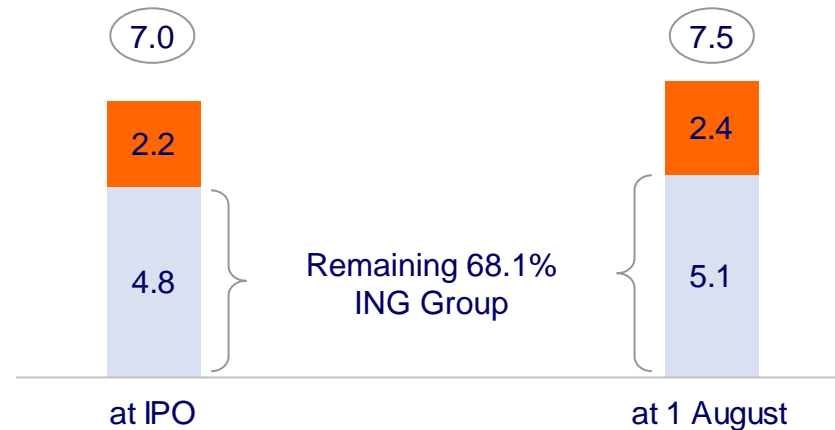
Final payment to the Dutch State

- Final payment of EUR 1,025 mln to the Dutch State ultimately in May 2015
- Possible early repayment will be considered after outcome of AQR and stress test

Share price NN Group since IPO

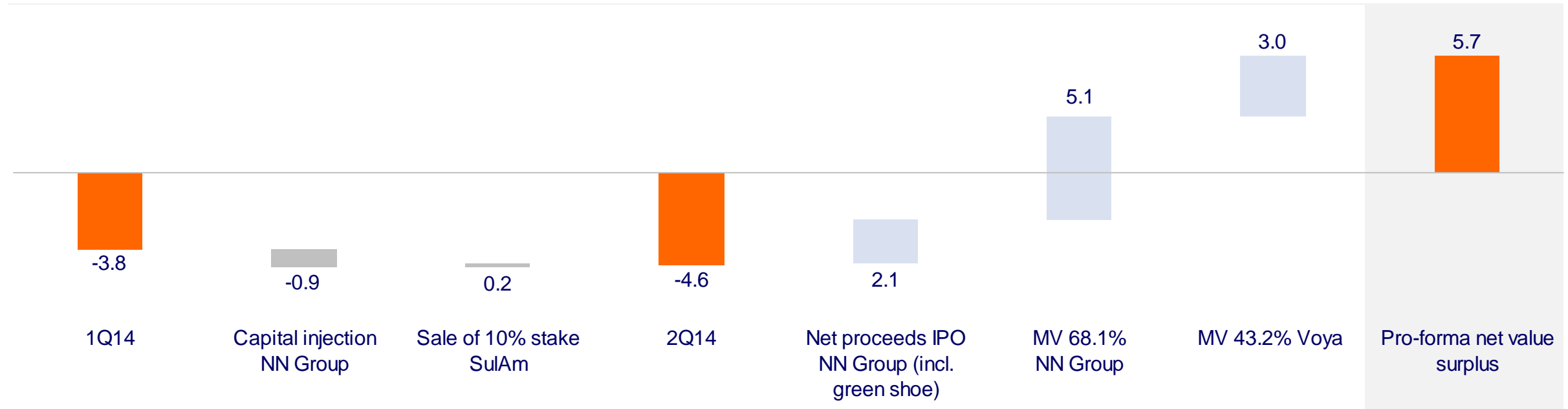


Market capitalisation NN Group (in EUR bln)



EUR 8.1 bln combined market value of NN Group and Voya Financial comfortably exceeds remaining double leverage

Group core debt and pro-forma net value surplus (in EUR bln)

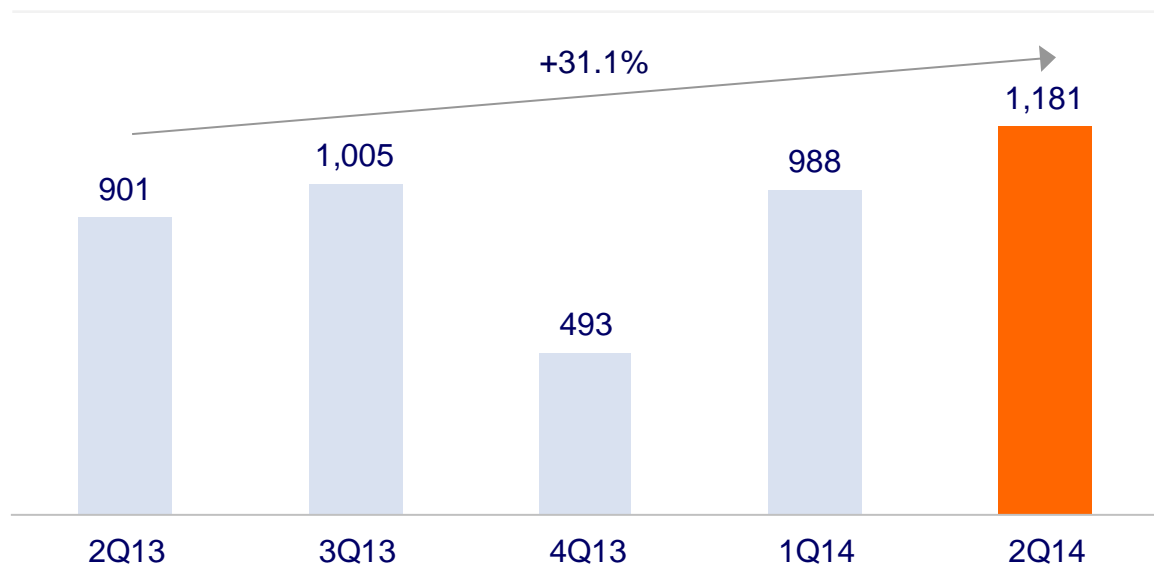


- Group core debt was EUR 4.6 bln at the end of the second quarter
- The net proceeds from the IPO of NN Group totalled EUR 2.1 bln, including exchange of first tranche of notes and the over-allotment option
- Combined market value of remaining 68.1% stake NN Group and 43.2% stake Voya Financial (on 1 August) amounts to EUR 8.1 bln
- Consequently, pro-forma net value surplus amounts to approximately EUR 5.7 bln

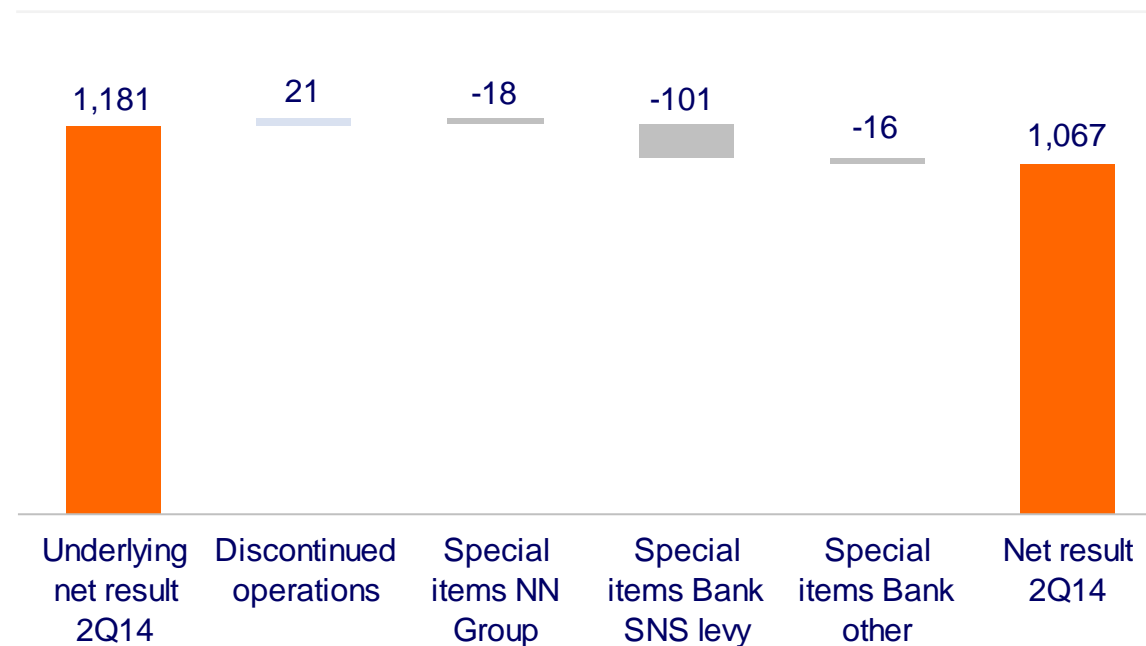
Second quarter 2014 results

Underlying net profit ING Group significantly up from 2Q13 and 1Q14

Underlying net result ING Group
(in EUR mln)



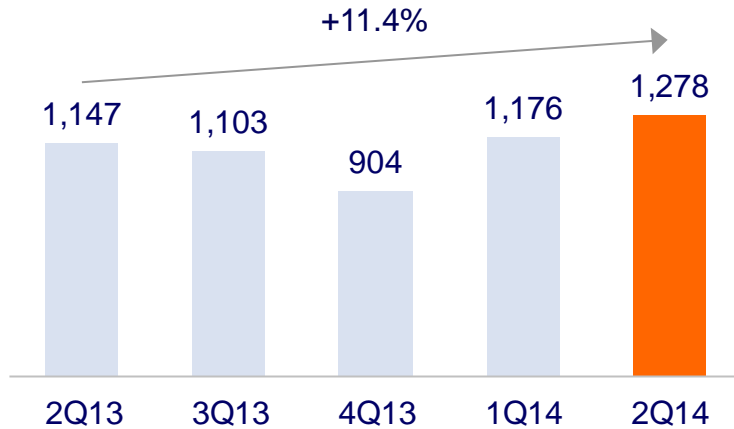
Net result 2Q14 ING Group negatively impacted by SNS levy
(in EUR mln)



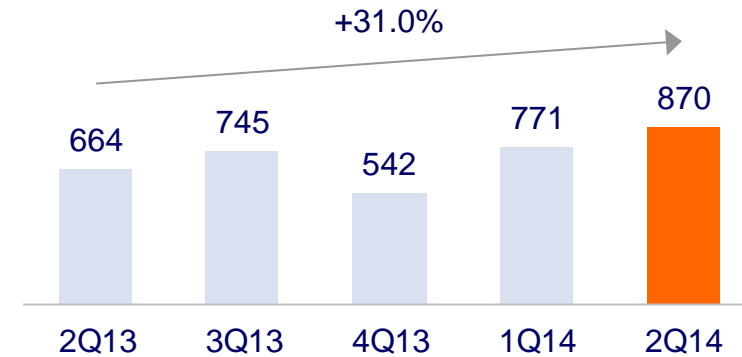
- ING Group posted underlying net profit of EUR 1,181 mln, up 31.1% from 2Q13 and 19.5% from 1Q14, due to improved results of both ING Bank and NN Group
- Net result amounts to EUR 1,067 mln, EUR 114 mln lower than the underlying net result. The difference can mainly be explained by the second payment of EUR 101 mln related to the nationalisation of SNS

ING Bank posted a strong second quarter...

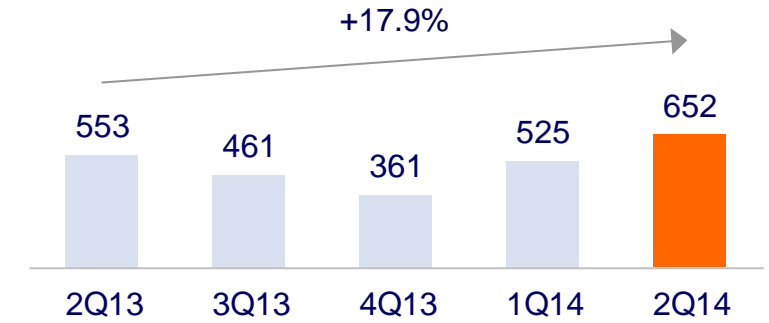
Pre-tax result ING Bank
(in EUR mln)



Pre-tax result Retail Banking
(in EUR mln)



Pre-tax result Commercial Banking,
excluding CVA/DVA (in EUR mln)

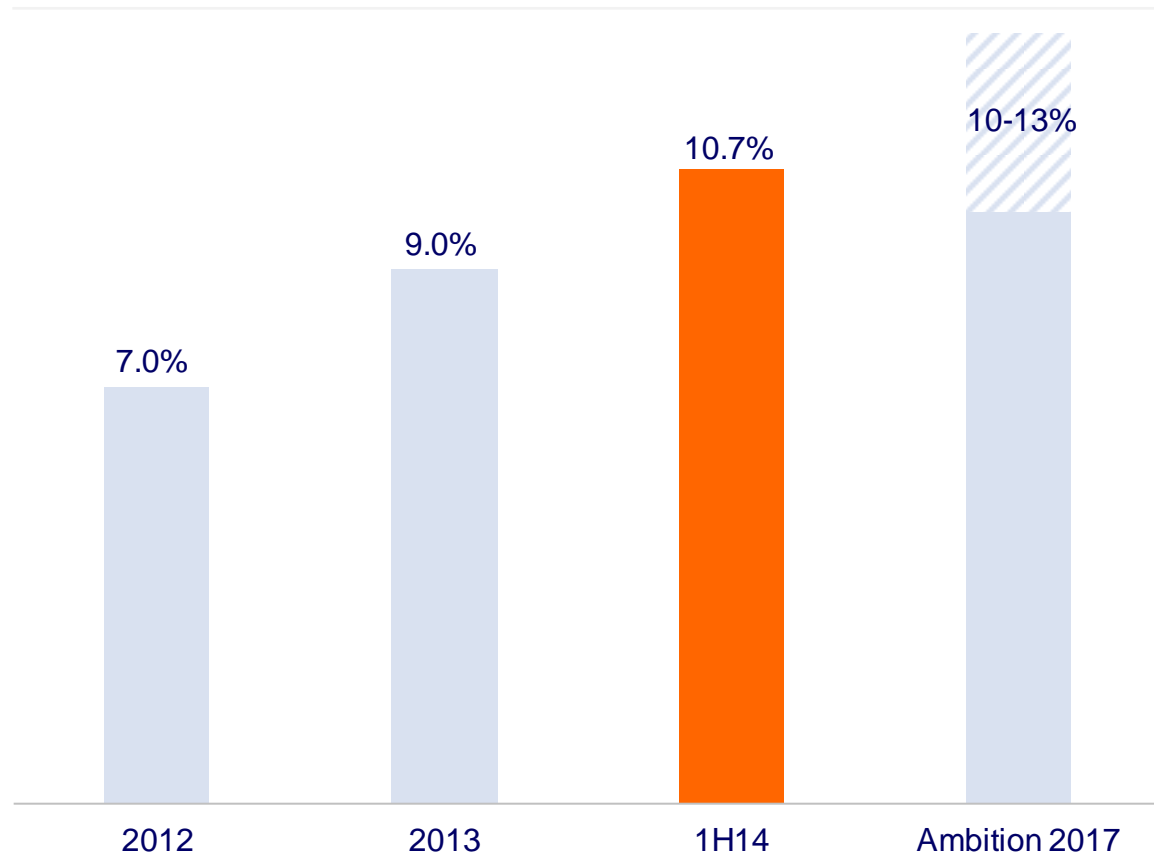


- Underlying pre-tax result was EUR 1,278 mln in 2Q14, up 11.4% from 2Q13 and 8.7% from 1Q14
 - Strong volume growth in lending and deposits
 - Healthy income development
 - Lower risk costs
 - Capital position further strengthened

* Pre-tax result Commercial Banking including CVA/DVA was EUR 605 mln in 2Q14, EUR 471 mln in 1Q14 and EUR 632 mln in 2Q13

...resulting in a Return on Equity of 11.1% in 2Q14 and 10.7% YTD

ING committed to deliver target RoE* of 10-13% in 2017

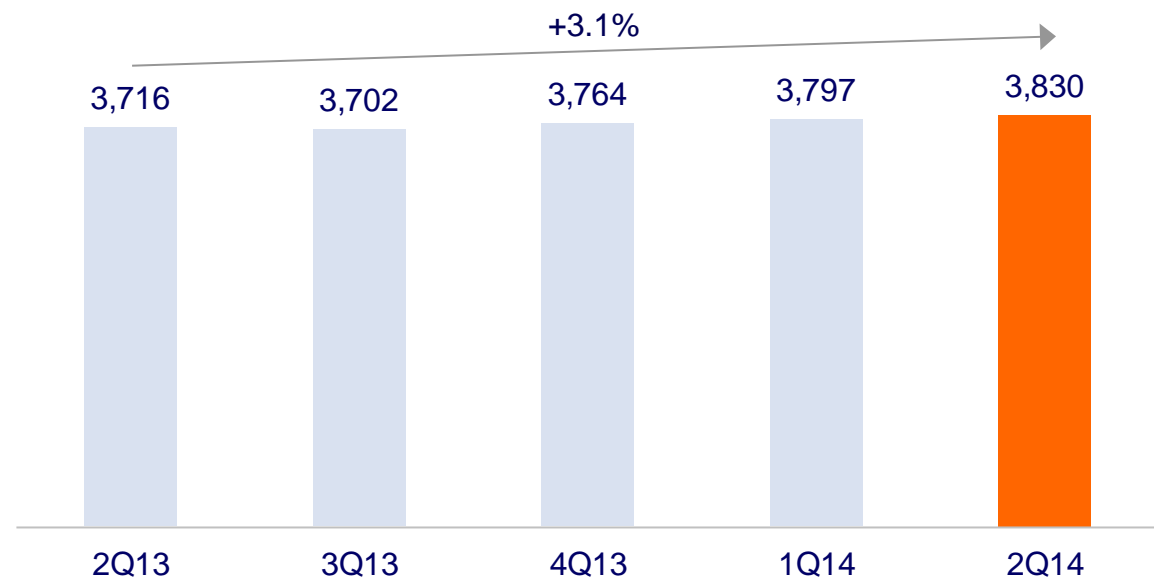


* Based on IFRS-EU Equity

- The underlying return on IFRS-EU equity was 11.1% in 2Q14 and 10.7% year-to-date
- Increased RoE versus last year driven by Retail Banking, particularly Retail Banking International
- ING committed to deliver target RoE of 10-13%
 - New business must be RoE accretive
 - Normalisation of risk costs supports RoE growth
 - Capital buffer to withstand volatility will impact RoE

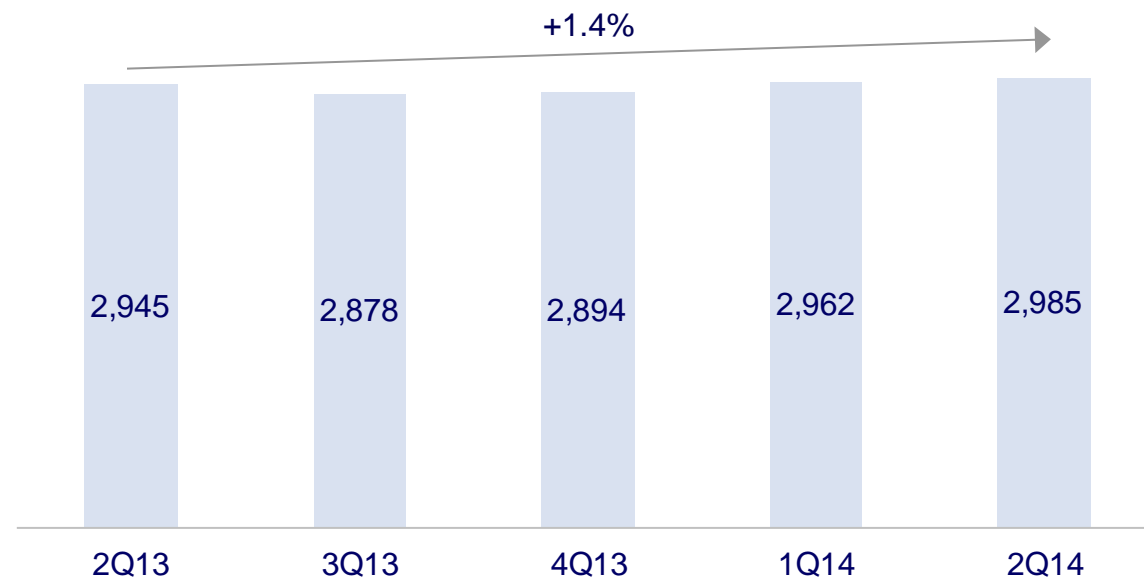
Underlying income showed a healthy development

Underlying income excluding CVA/DVA and deconsolidation Vysya
(in EUR mln)



- Total underlying income showed a healthy development despite negative CVA/DVA impacts and deconsolidation of ING Vysya Bank
- Excluding these items, income rose by 3.1% from 2Q13 and 0.9% from 1Q14, supported by strong volume growth in both lending and funds entrusted

Net interest income excluding deconsolidation Vysya
(in EUR mln)

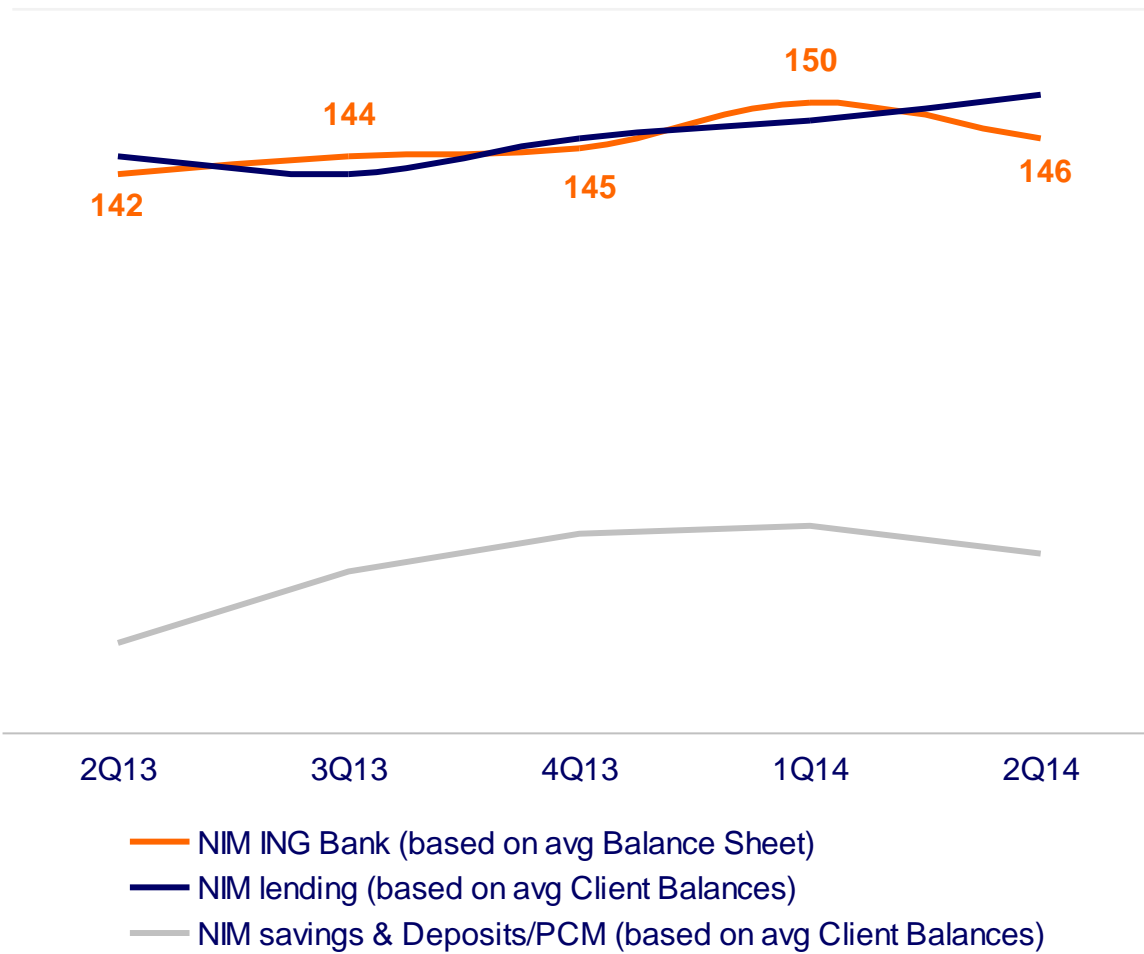


- Total income dominated by net interest income, reflecting a relatively stable and predictable income stream, in line with our differentiated client proposition.
- The underlying interest result excluding the impact of the deconsolidation of Vysya increased slightly versus 1Q14 despite lower interest results in Financial Markets and Corporate Line

* Reporting underlying income was EUR 3,781 mln in 2Q14, EUR 3,818 mln in 1Q14 and EUR 3,853 mln in 2Q13

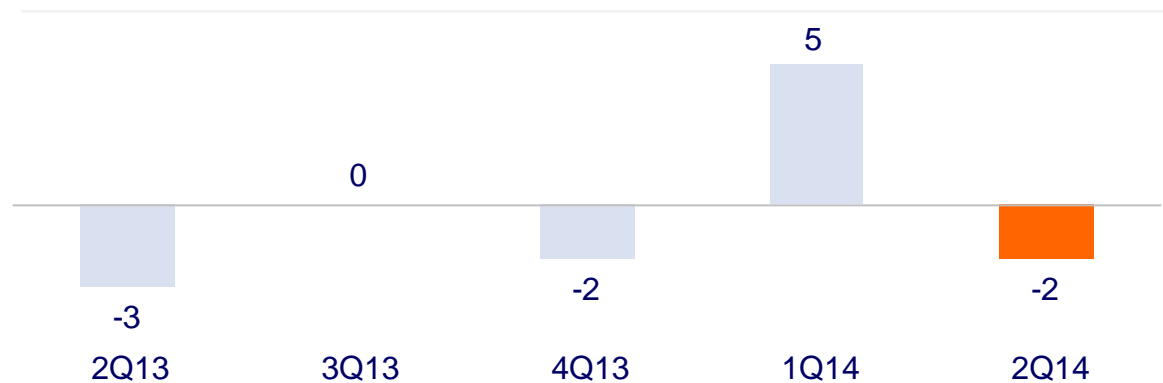
Net interest margin on client balances remained stable as lower savings margins were offset by higher lending margins

Underlying interest margin by quarter (in bps)



Financial Markets contribution to change in NIM can be volatile

Financial markets impact on NIM Q-on-Q (in bps)

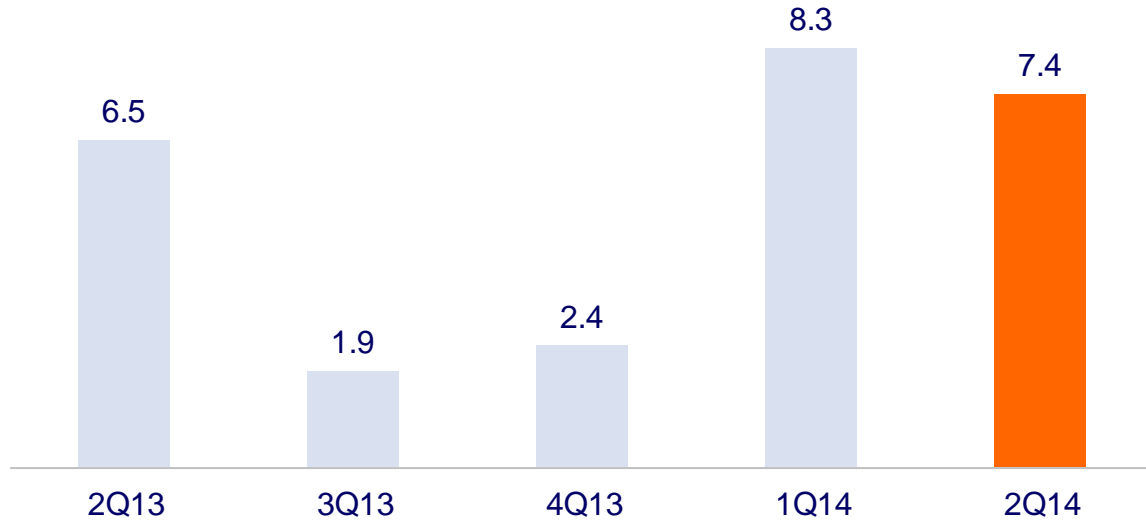


- Net interest margin down from 150 bps in 1Q14 to 146 bps in 2Q14, driven by the deconsolidation of ING Vysya Bank and lower net interest results in Financial Markets and Corporate Line
- Lending margins increased from 1Q14 driven by higher margins on mortgages and other lending in Retail Benelux as well as higher margins in Industry Lending
- Savings margins down from 1Q14, reflecting the low interest rate environment
- ING reduced the client savings rates in July 2014 in Germany, Netherlands and Belgium.

Consistent customer focus has enabled us to increase net lending by EUR 7.4 bln, funded through a EUR 7.4 bln inflow of customer deposits

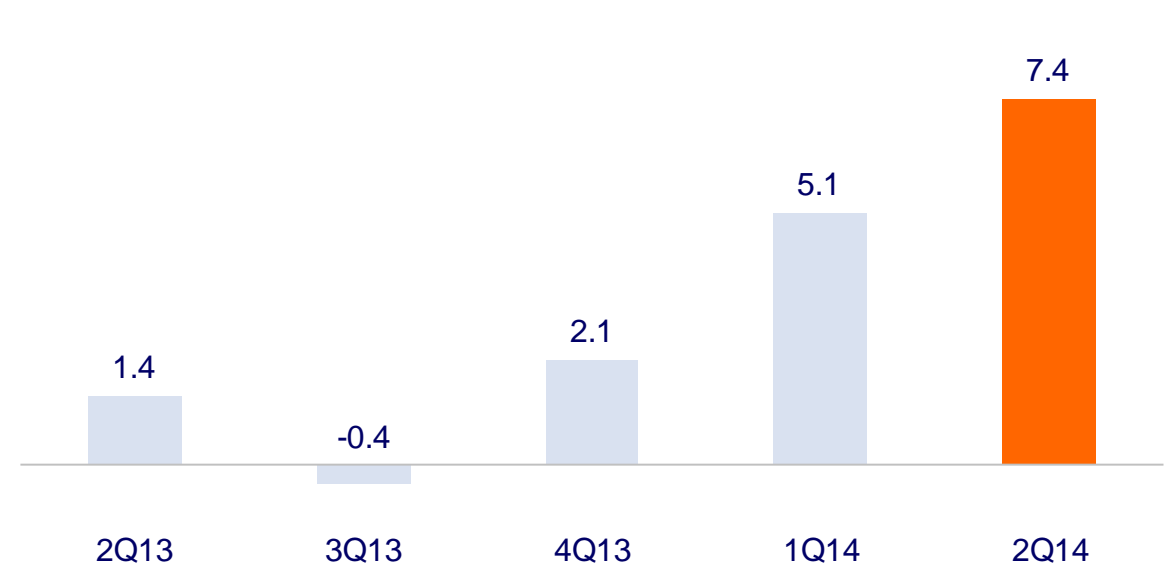
Strong deposit gathering ability

Net inflow in funds entrusted (Client Balances, in EUR bln)



Increase in net lending growth

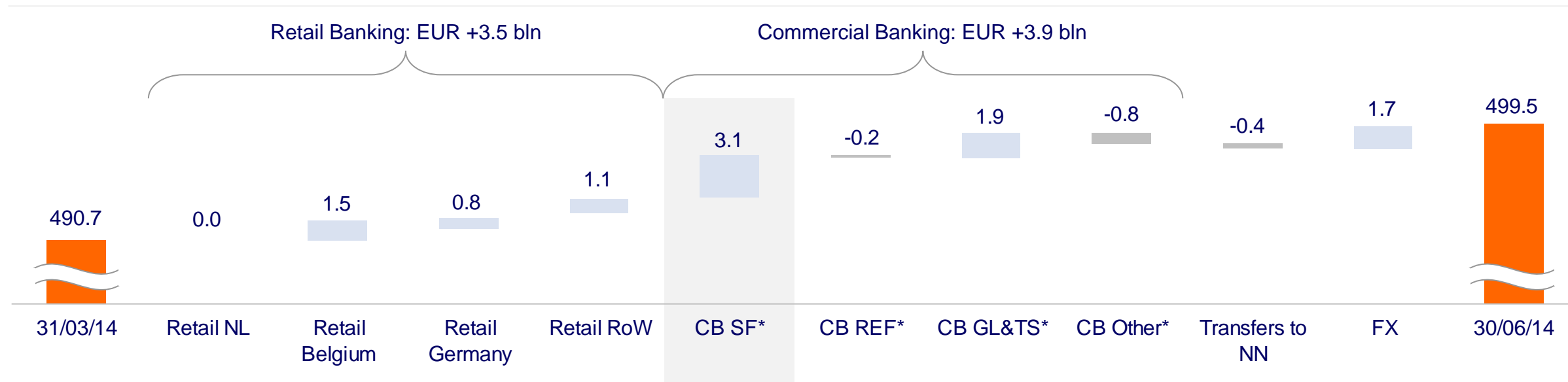
Net lending growth (Client Balances, in EUR bln)



- Good commercial momentum continued in the second quarter of 2014, with EUR 7.4 billion of net lending growth (adjusted for currency impacts and additional transfers of WUB mortgages to NN Bank) and EUR 7.4 billion of net funds entrusted inflow

Net lending increased in both Retail Banking and Commercial Banking

Lending Assets ING Bank (Client Balances, in EUR bln)



Net lending, excluding the impact of FX and asset transfers, increased by EUR 7.4 bln

- Net lending in Retail Banking increased by EUR 3.5 bln driven by Retail Belgium, Retail Germany and Retail RoW
- Net lending in Commercial Banking increased by EUR 3.9 bln driven by Structured Finance and General Lending & Transaction Services
- Strong increase in Structured Finance across all products and geographies.

* SF is Structured Finance; REF is Real Estate Finance; GL&TS is General lending & Transaction Services; Other includes Lease run-off

ING on track to deliver flat costs

ING on track to deliver flat costs (in EUR bln)



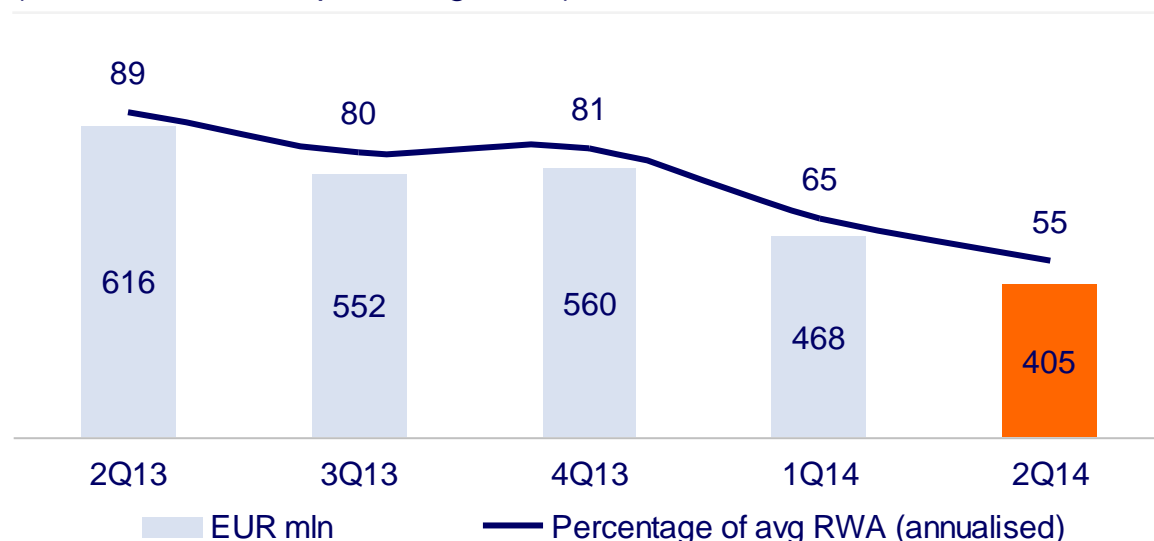
Restructuring programmes on track (in EUR mln)

	Cost savings achieved	Cost savings by 2015	Cost savings by 2017
Retail Banking NL	304	460	480
ING Bank Belgium	60	160	160
Commercial Banking	157	260	315
Total Bank	521	880	955

- Underlying expenses reported were up 0.4% from 2Q13, but down 3.5% from 1Q14
- Excluding the deconsolidation impact of ING Vysya Bank and the Belgian bank taxes, operating expenses rose 3.3% from 2Q13, mainly due to higher pension costs, increased IT spending, and business growth in Retail International and Industry Lending
- Restructuring on track to reach cost savings of EUR 880 mln by 2015 and EUR 955 mln by 2017

Risk costs continue their downward trend

Underlying additions to loan loss provisions
(in EUR mln and bps of avg RWA)



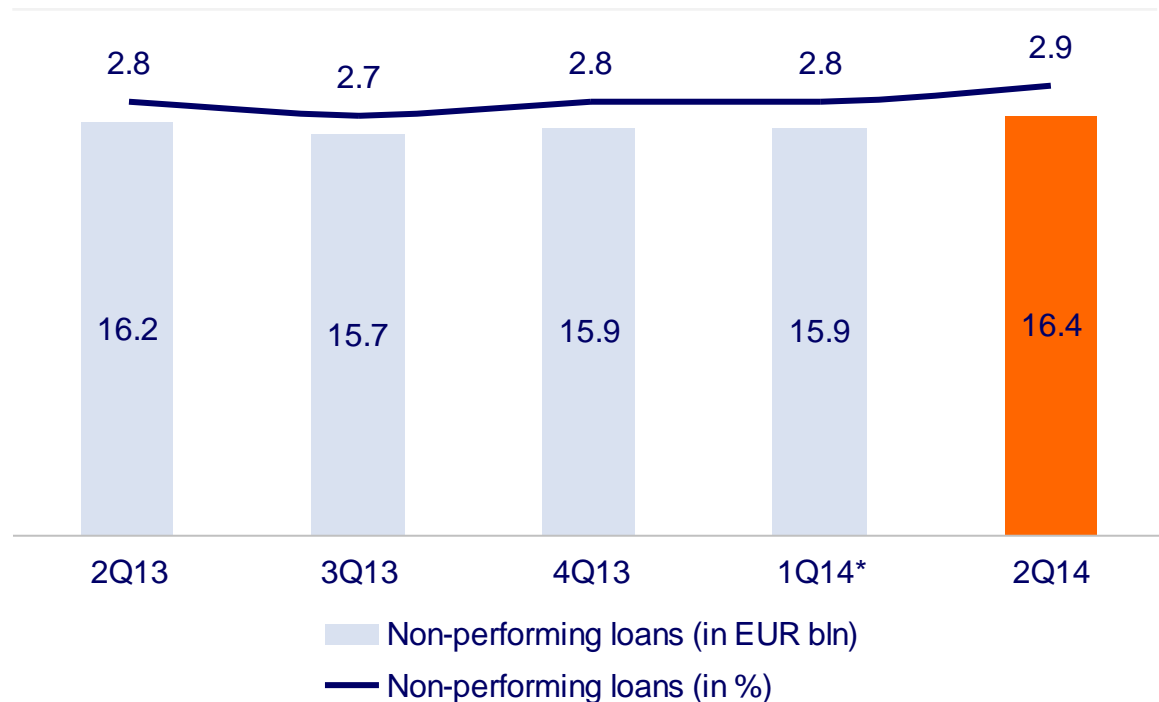
Underlying additions to loan loss provisions
(in EUR mln)



- Risk costs decreased from both 2Q13 and 1Q14 to EUR 405 mln, driven by lower risk costs in most segments and countries
- Risk costs Commercial Banking continue their downward trend. We expect risk costs Commercial Banking to decline further gradually over time, though quarter-on-quarter comparisons may be somewhat volatile.
- Risk costs Retail Banking Netherlands slightly down from 1Q14, but expected to remain elevated

NPL ratio slightly up to 2.9%

Non-performing loans (in EUR bln and %)



NPL ratio (in %)

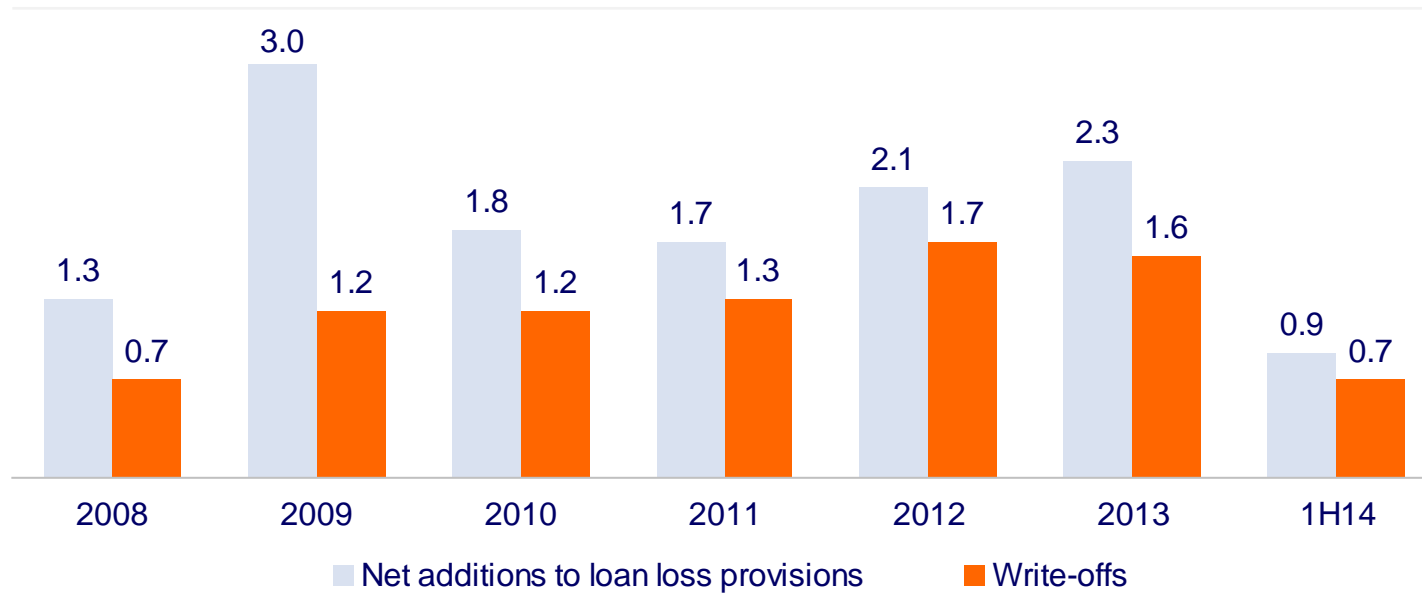
	2Q14	1Q14
Retail Banking		
- Dutch Mortgages	2.0	2.0
- Business Lending NL	7.8	7.7
- Retail Belgium	3.2	3.2
- Retail International	1.4	1.4
Commercial Banking		
- Structured Finance	2.0	1.8
- RE Finance	11.1	10.9
- General Lending & TS	2.0	1.8
- Lease run-off	18.1	16.7
Other Retail and Commercial Banking		
- Other RB and CB	2.5	2.0
Total / average	2.9	2.8

- The NPL ratio rose slightly to 2.9% in 2Q14, driven by Commercial Banking and Business Lending Netherlands within Retail Banking
- Increase in NPL ratio Commercial Banking driven by a few major files in different products and different geographies

* 1Q14 is restated for the deconsolidation of ING Vysya:

Provisions continue to exceed write-offs

Net provisions have structurally outweighed write-offs (in EUR bln)



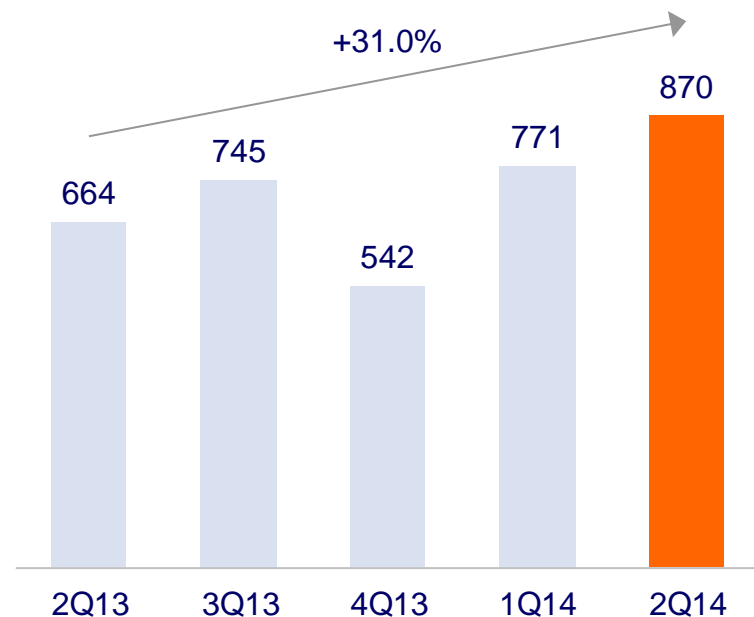
Coverage ratio (in EUR bln)

	2Q14	1Q14
Stock of provisions	6.2	6.2
Non-performing loans	16.4	15.9
Coverage ratio	38.0%	38.6%

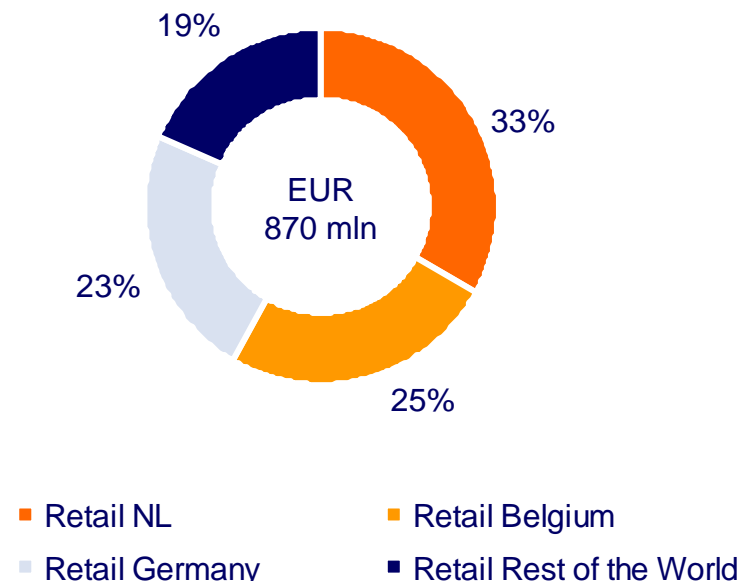
- Net additions to loan loss provisions have structurally exceeded write-offs resulting in a higher stock of provisions
- Over a 6.5 year horizon, we have total risk costs of EUR 13.0 bln compared with total write-offs of EUR 8.4 bln
- ING's loan book is well collateralised: approximately 80% of the portfolio consists of secured lending such as mortgages, Real Estate Finance, Leasing and Structured Finance

Retail Banking posted strong results, up from both 2Q13 and 1Q14

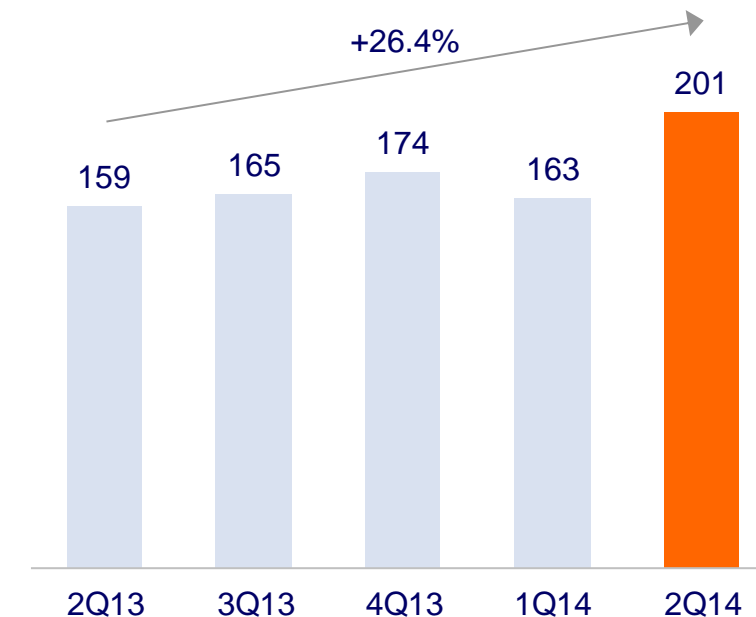
Pre-tax result Retail Bank (in EUR mln)



Pre-tax result by segment (in EUR mln)



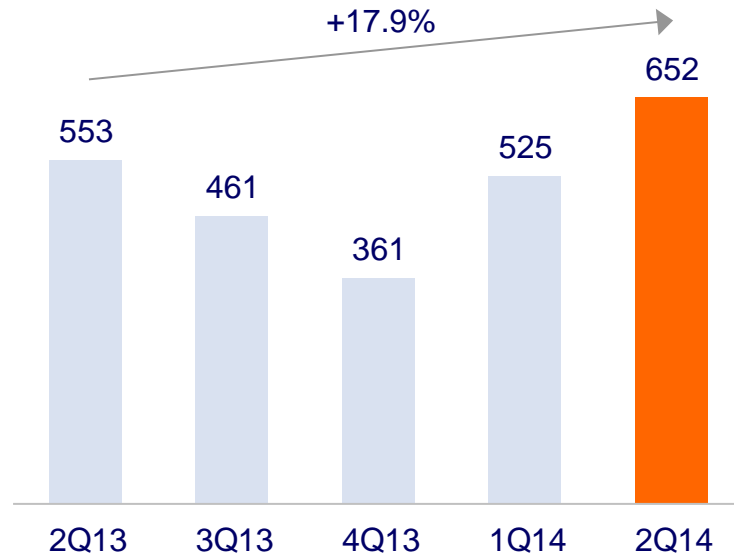
Pre-tax result Retail Germany (in EUR mln)



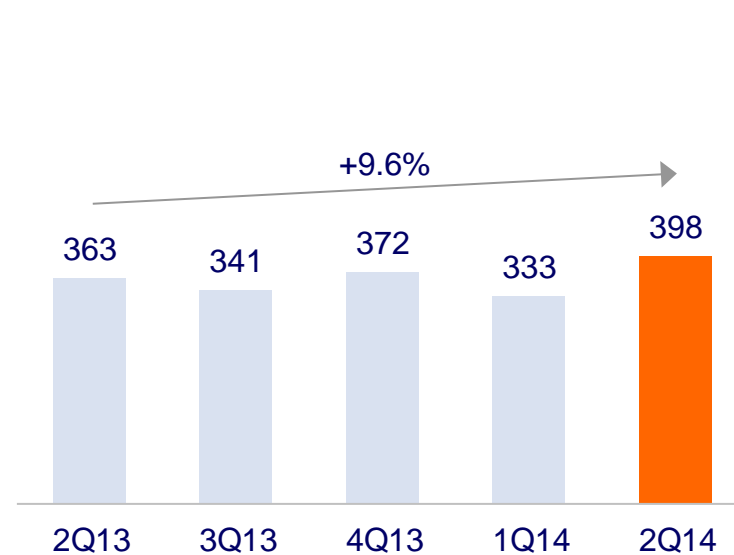
- The underlying pre-tax result from Retail Banking was strong at EUR 870 mln, up significantly from 2Q13 and 1Q14
- Retail Germany is growing fast and reported a record high quarterly result, driven by strong income growth and lower risk costs

Commercial Banking reported a strong quarter, driven by Structured Finance

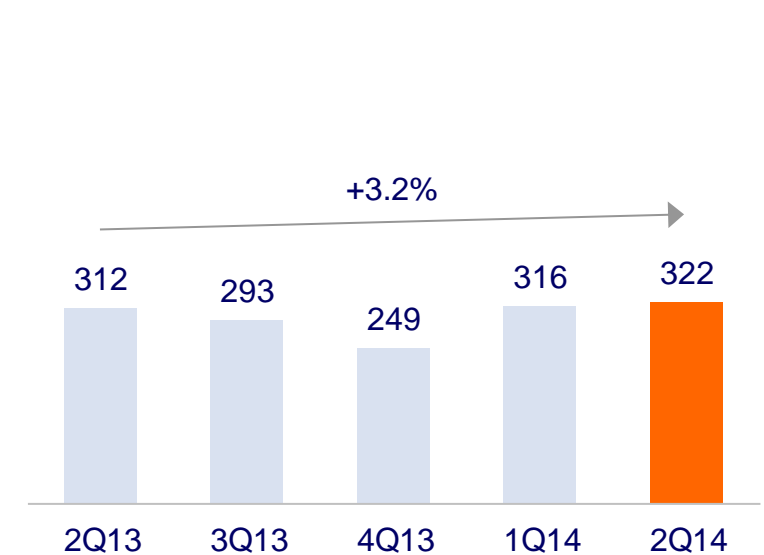
Pre-tax result Commercial Banking
excluding CVA/DVA* (in EUR mln)



Underlying income Structured Finance
(in EUR mln)



Underlying income Financial Markets
excluding CVA/DVA** (in EUR mln)



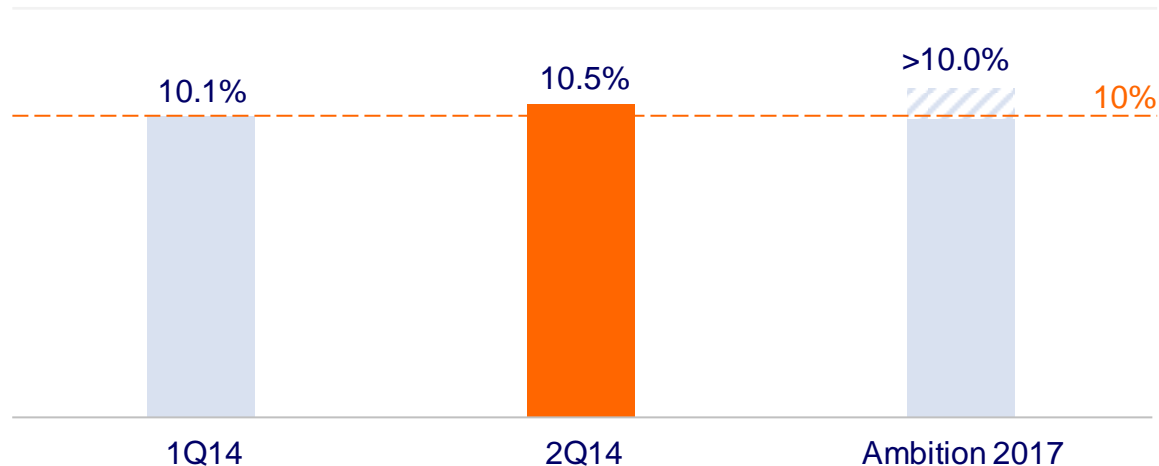
- Excluding CVA/DVA, underlying pre-tax result was up from both 2Q13 and 1Q14, driven by lower risk costs and healthy income growth
- Structured Finance performed well in 2Q14. Income up 9.6% from 2Q13 and 19.5% from 1Q14, supported by strong volume growth and higher margins
- Financial Markets income excluding CVA/DVA slightly up due to strong client flow despite challenging market conditions

* Pre-tax result Commercial Banking including CVA/DVA was EUR 605 mln in 2Q14, EUR 471 mln in 1Q14 and EUR 632 mln in 2Q13

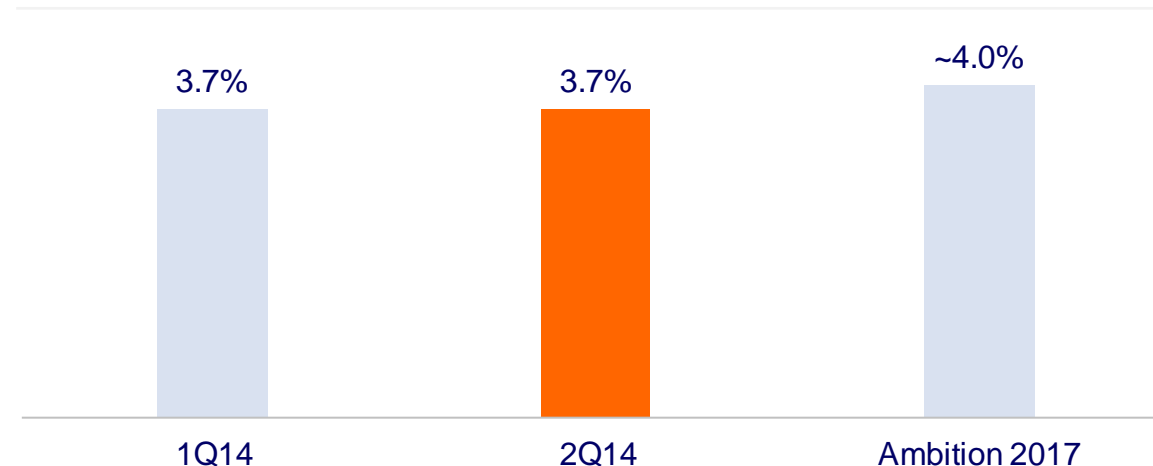
** Underlying income Financial Markets including CVA/DVA was EUR 274 mln in 2Q14, EUR 262 mln in 1Q14 and EUR 391 mln in 2Q13

Fully loaded CET1 ratio rose to 10.5%, mainly due to retained earnings

Fully-loaded CET1 ratio increased to 10.5%



Leverage ratio broadly in line with Ambition 2017 level*



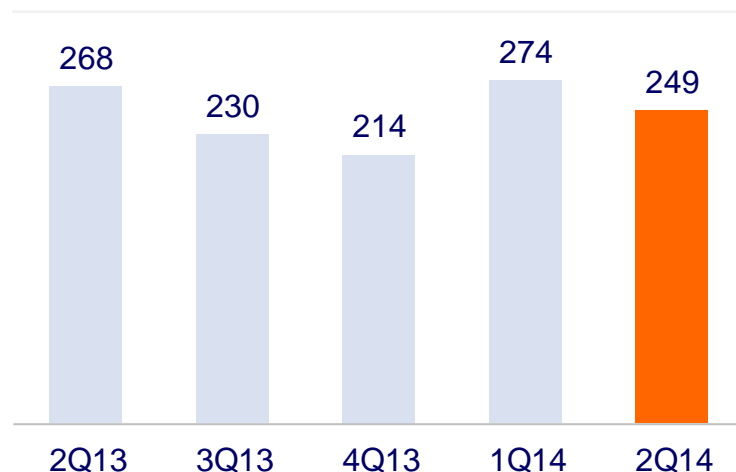
- ING Bank's pro-forma CET1 ratio on a fully loaded basis increased to 10.5% due to retained earnings and higher revaluation and FX reserves
- As communicated at the Investor Day on 31 March, ING Bank targets a CET1 ratio of more than 10%, including a comfortable buffer
- ING Bank's leverage ratio remained stable at 3.7% as retained earnings were offset by negative impact of calling 8% perpetual hybrid in April

* Leverage ratio defined as Tier 1 capital divided by IFRS-EU balance sheet total including off-balance sheet items; AT1 capital to be replaced in coming years in line with grandfathering rules

NN Group

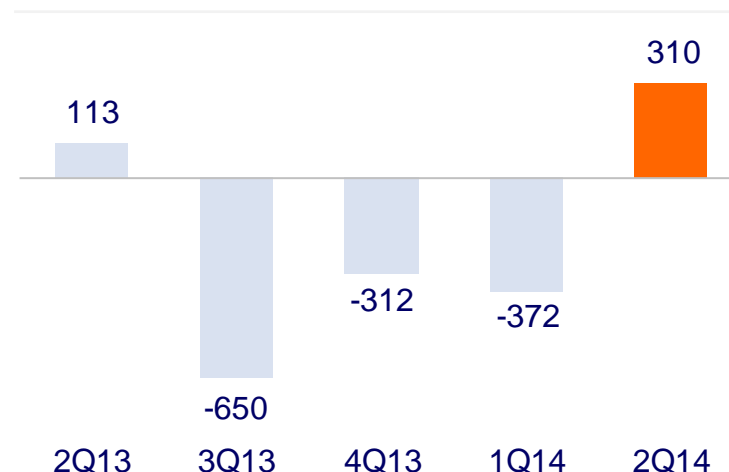
NN Group reported solid pre-tax result of EUR 310 mln

Operating result ongoing business
(in EUR mln)



- The operating result for the ongoing business was EUR 249 million, down 7.1% from 2Q13 and down 9.1% from 1Q14

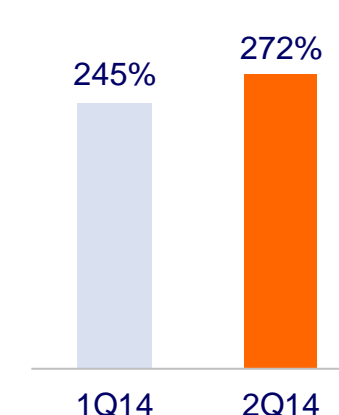
Result before tax
(in EUR mln)



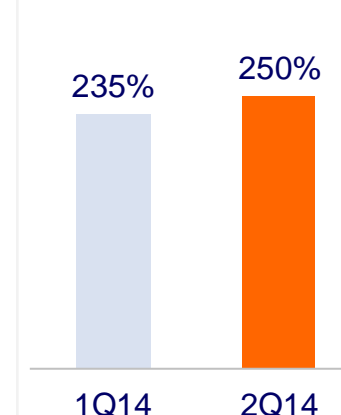
- The result before tax improved significantly on both comparable quarters to EUR 310 mln

Sound capital ratios

IGD ratio NN Group



Solvency 1 ratio NN Life



- The IGD ratio rose to 272% due to capital injection of EUR 850 mln by ING Group and the positive net result for NN Group in 2Q14
- Solvency NN Life rose to 250% due to the subordinated debt issued to NN Group

Wrap up

Wrap up

- Successful IPO of NN Group has substantially completed the repositioning of ING as a Bank
 - IPO NN Group successfully completed
 - EUR 8.1 bln combined market value of NN Group and Voya Financial comfortably exceeds remaining double leverage
- ING Group posts underlying net profit of EUR 1,181 mln, up 31.1% from 2Q13 and 19.5% from 1Q14, due to improved results of both ING Bank and NN Group
- Bank posted a strong quarter, with an underlying pre-tax result of EUR 1,278 mln, up 11.4% from 2Q13 and 8.7% from 1Q14
 - Strong volume growth in lending and deposits
 - Healthy income development
 - Lower risk costs
 - Capital position further strengthened
- The pre-tax result of NN Group improved to EUR 310 mln from EUR 113 mln in 2Q13

Appendix

Reported and pro-forma ING Group capital structure at 30 June 2014

ING Group 30 June 2014

ING Bank	34	Equity	48
NN Group	17	Minority interest NN Group	0
Voya	3	CT1 securities	1
Hybrids ^B	4	Core Debt	5
Hybrids ^I	2	Hybrids	6
	60		60

NN Group 30 June 2014

NN Group	20.6	Equity	16.9
		Equity for 3 rd party	0.0
		Hybrids (ING Group)	1.8
		Hybrids (external)	1.5
		Financial debt	0.4
	20.6		20.6

Pro-forma - ING Group 30 June 2014

ING Bank	34	Equity	44
NN Group	17	Minority interest NN Group	5
Voya	3	CT1 securities	1
Hybrids ^B	4	Core Debt	2
Hybrids ^I	2	Hybrids	6
		Provision loss exchangeable*	1
	60		60

Pro-forma - NN Group 30 June 2014

NN Group	20.6	Equity	11.5
		Equity for 3 rd party	5.4
		Hybrids (ING Group)	1.8
		Hybrids (external)	1.5
		Financial debt	0.4
	20.6		20.6

- Pro-forma capital structure reflects NN Group IPO including exchange of first tranche of subordinated notes into NN Group shares and the exercise of the green shoe
- The EUR 1 bln hybrid debt issued in July 2014 by NN Group is not reflected in the pro-forma numbers

* The IPO had a negative impact on shareholders' equity of ING Group of EUR 4,264 mln, of which EUR 1,012 mln for the 2nd and 3rd tranche of the mandatorily exchangeable notes in 2015/16. The difference between the market value and estimated IFRS carrying value of these notes has been deducted from pro forma Group equity through a provision.

CRD IV Common equity Tier 1 ratio fully-loaded 10.5%

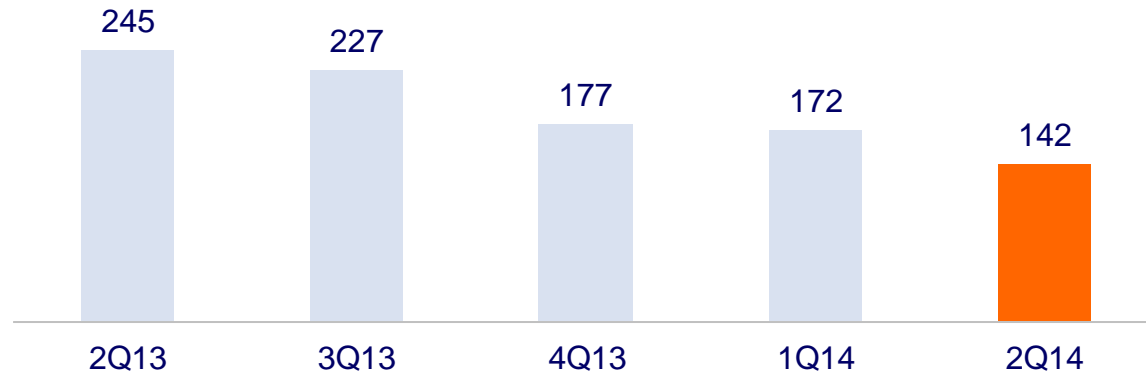
Impact CRD IV 2Q2014 (in EUR bln)

	Common equity Tier 1 capital	RWAs	Common equity Tier 1 ratio
30 June 2014 (Phased-in)	31.6	293.4	10.8%
Defined benefit pension fund assets	-0.3		
Intangibles	-1.3		
DTA	-0.2		
Other	-1.6		
Revaluation reserve debt securities	+1.3		
Revaluation reserve equity securities	+1.1		
Revaluation reserve real estate own use	+0.3		
Pro-forma common equity Tier 1 ratio (fully loaded)	30.9	293.4	10.5%

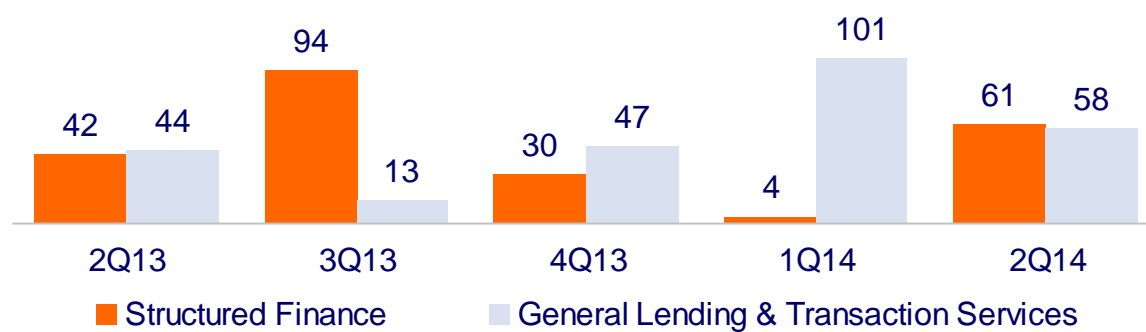
- ING Bank's common equity Tier 1 ratio (CET1 ratio) on a fully-loaded basis rose to 10.5% from 10.1% at the end of March, mainly due to retained earnings and higher revaluation and FX reserves
- ING Bank's CET1 ratio (phased-in) rose to 10.8% in 2Q14 from 10.0% at the end of March 2014, mainly due to the revised interpretation of the CRD IV phase-in impact, which increased the ratio by 0.6%-point. Elements adjusted were significant investments in financial institutions, shortfall of loan loss provision, goodwill and intangibles. The fully loaded CET1 ratio was not affected by the revised regulation

Risk costs Commercial Banking continued their downward trend, but can be volatile quarter-on-quarter

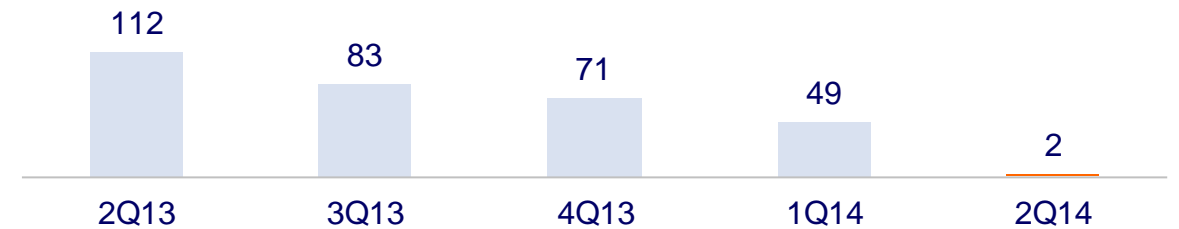
Risk costs Commercial Banking trending down...
(in EUR mln)



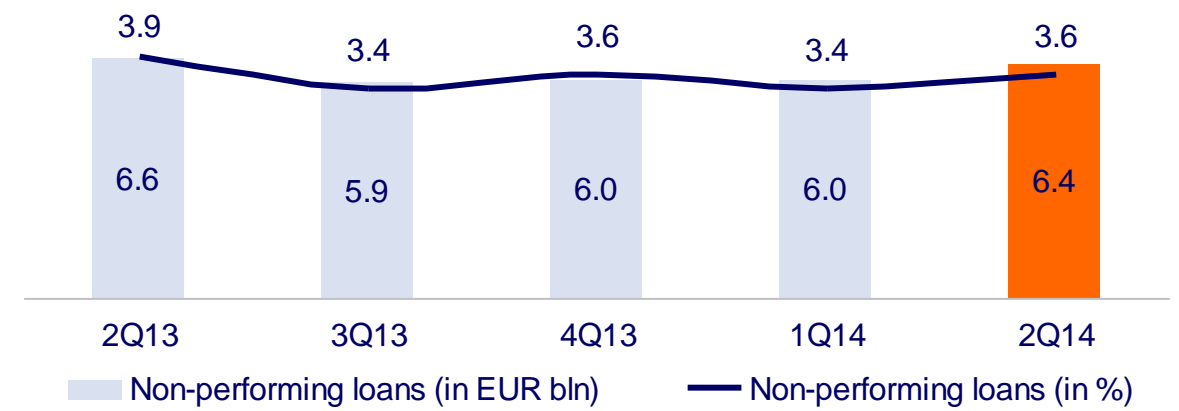
Risk cost development can be volatile due to provisioning or releases for a few large files in Structured Finance and/or General Lending
(in EUR mln)



...driven by lower risk costs Real Estate Finance, partly as a result of releases (in EUR mln)

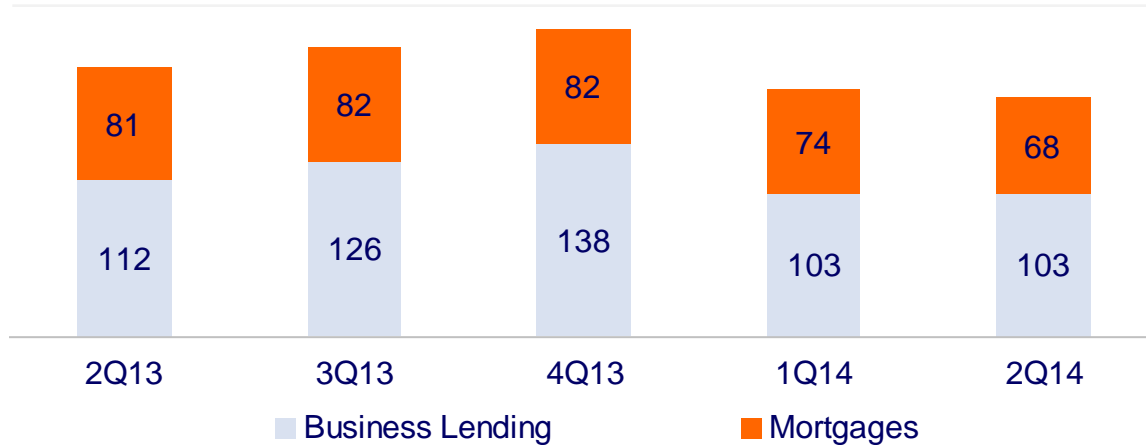


The NPL ratio increased slightly, mainly due to a few major files

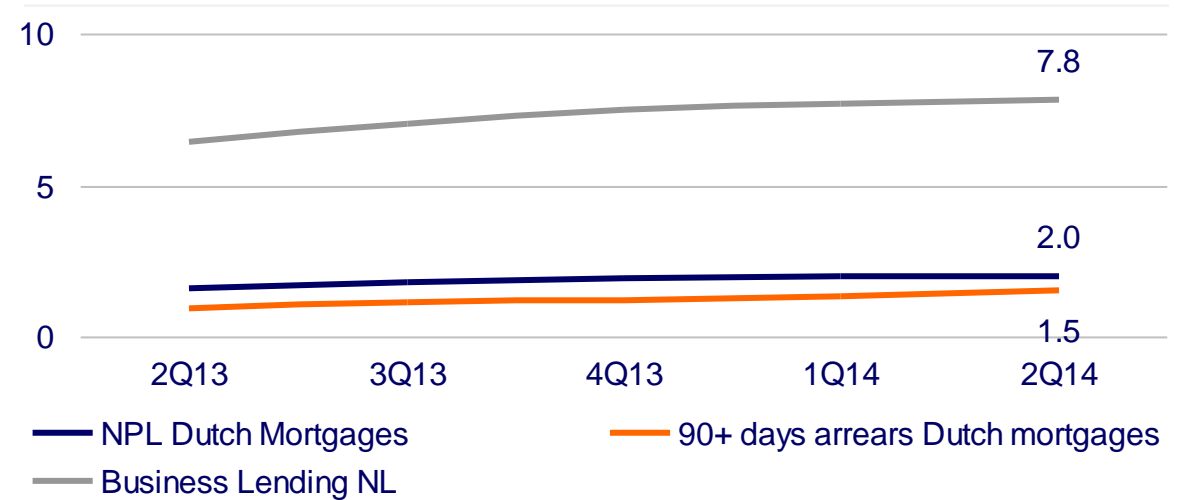


Risk costs Retail Banking Netherlands slightly down, but expected to remain elevated

Risk costs Dutch mortgages and Business Lending NL
(in EUR mln)



Non-performing loans (NPL) ratio Dutch mortgages and Business Lending NL (in %)

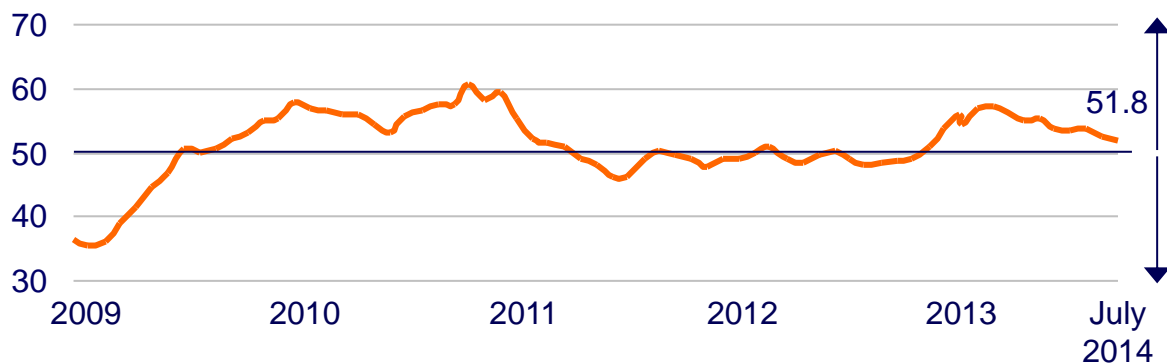


Risk costs Retail Banking NL expected to remain elevated

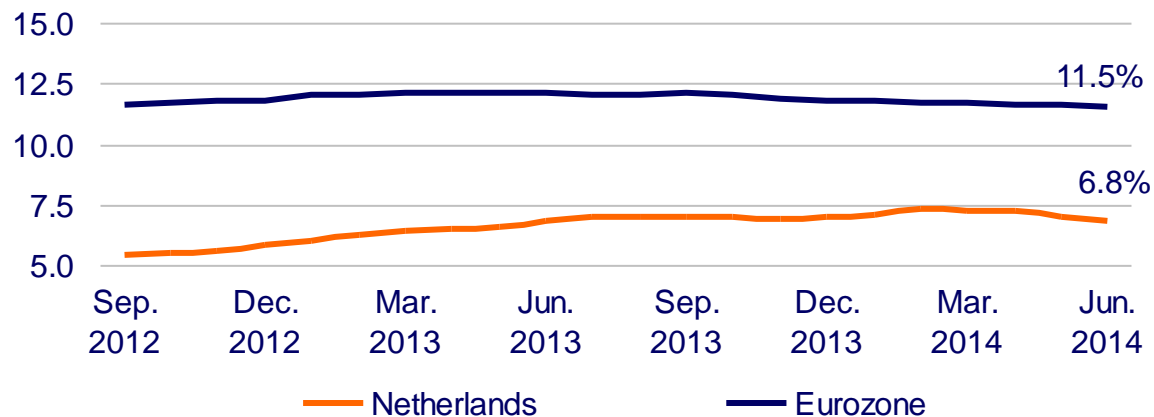
- Risk costs for Dutch mortgages declined slightly versus both 2Q13 and 1Q14
- Risk costs for Business Lending stable at EUR 103 mln, while the NPL ratio edged up slightly in 2Q14
- Despite some early signs of economic improvement in the Netherlands, we expect the NPLs and risk costs at Retail Banking Netherlands to remain elevated due to the relatively subdued domestic economy

Dutch economy and housing market gradually improving

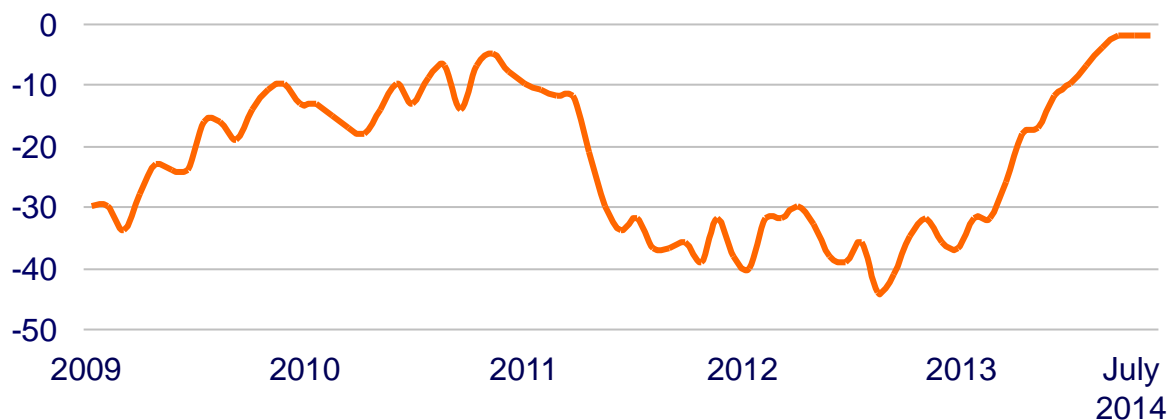
Dutch Purchasing Managers Index (PMI) was 52.3 in June 2014.
Above 50 indicates positive growth



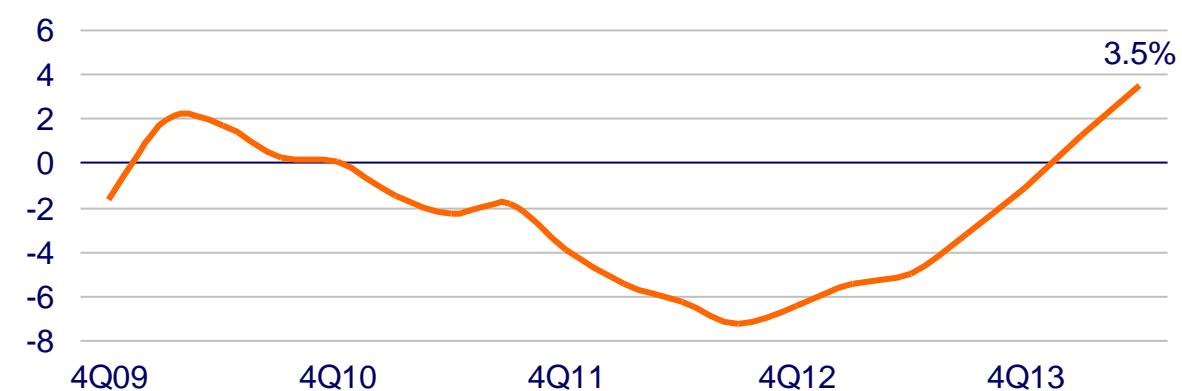
Unemployment rate (%) down to 6.8%



Dutch consumer confidence* at highest level since 2007



Dutch house prices in 2Q14 up 3.5% y-o-y**



* Source: CBS data

** Source: NVM

Exposure ING Bank to Russia and Ukraine has been reduced

Exposure ING Bank to Russia and Ukraine (in EUR mln)

Exposure, 30 June 2014

	Russia	Ukraine
Total Lending Credit O/S	7,256	1,369
Other*	700	13
Total outstanding	7,956	1,382
Undrawn committed Facilities	1,032	161

Note: data is based on country of residence

NPL ratio and Coverage ratio Russia and Ukraine, 30 June 2014

	Russia	Ukraine
NPL ratio	0.1%	19.9%
Coverage ratio**	>100%	35%

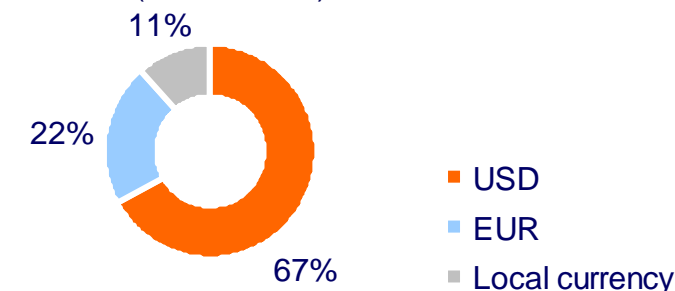
- Total outstanding to Russia and Ukraine combined has been reduced by EUR 742 mln or 7.4% from 1Q14
- We will continue to manage exposure down in close cooperation with our clients, protecting their interests and our franchise as much as reasonably possible
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is approximately EUR 1 bln

* Other includes Investment, trading exposure and pre-settlement

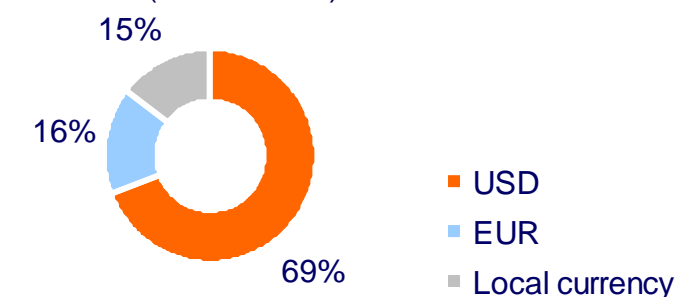
** Coverage ratio is defined as total provisions divided by total non performing loans

Total Lending outstanding per currency

Russia (EUR 7.3 bln)



Ukraine (EUR 1.4 bln)



Important legal information

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the 2Q2014 ING Group Interim Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of ING's restructuring plan to separate banking and insurance operations, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to purchase accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit ratings, (18) ING's ability to achieve projected operational synergies and (19) the other risks and uncertainties detailed in the Risk Factors section contained in the most recent annual report of ING Groep N.V. Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and, ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction. The securities of NN Group have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

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