

Consistently profitable Commercial Bank

ING Benelux Conference

William Connelly, Global Head of Commercial Banking

London • 10 September 2015

thinkforward

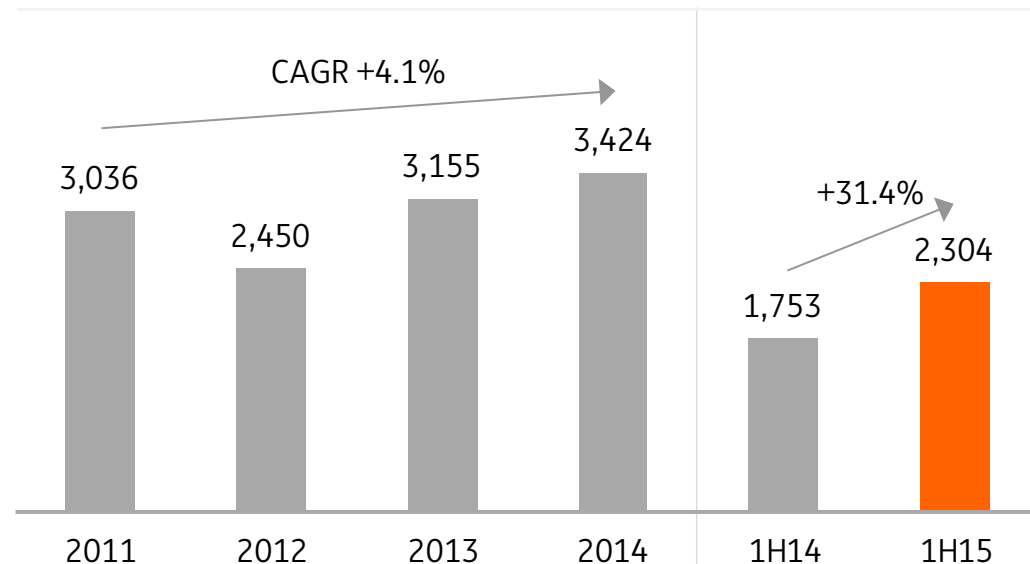


Executive Summary

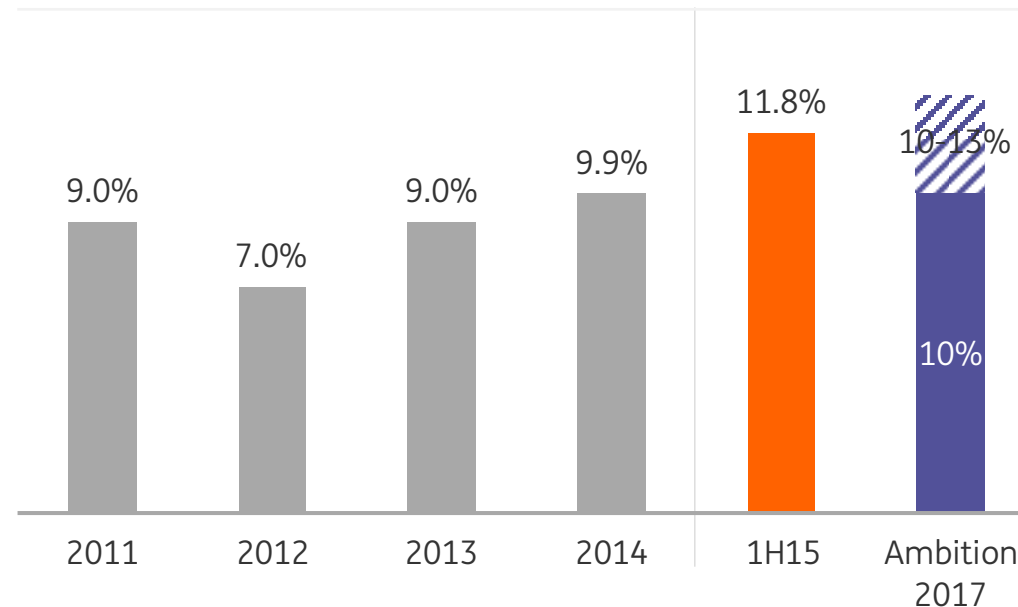
- ING Bank reported strong results with an RoE of 11.8% in 1H15
- ING Commercial Banking contributed 42% of 1H15 bank profit and continued to show solid results from a consistent strategy and focused client franchise
- Transformation programme on track to deliver a digital experience for our clients and additional cost savings
- Industry Lending generates diversified, secure, high return assets
- We continue to invest in Transaction Services 'flow' capabilities
- Financial Markets has remained profitable despite the ongoing changing regulatory environment

ING Bank continues to show solid results with an RoE of 11.8% in 1H15...

Underlying net result Banking rose 31.4% from 1H14
(in EUR mln)



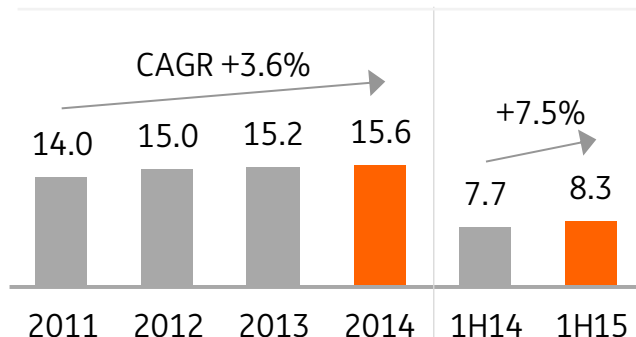
...resulting in underlying RoE of 11.8% in 1H15



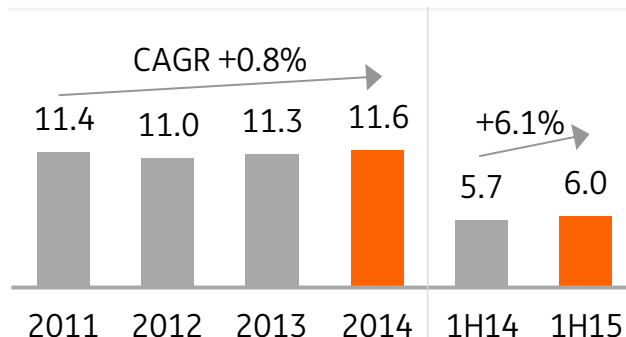
- Underlying net result Banking increased to EUR 2,304 mln, up 31.4% from 1H14
- Underlying net result, excluding CVA/DVA, increased 17.0% to EUR 2,156 mln
 - Healthy income growth, supported by strong volume growth
 - Lower risk costs
- The underlying return on IFRS-EU equity was 11.8% in 1H15, or 11.1% excluding CVA/DVA

...supported by healthy income growth, an improved cost/income ratio and lower risk costs

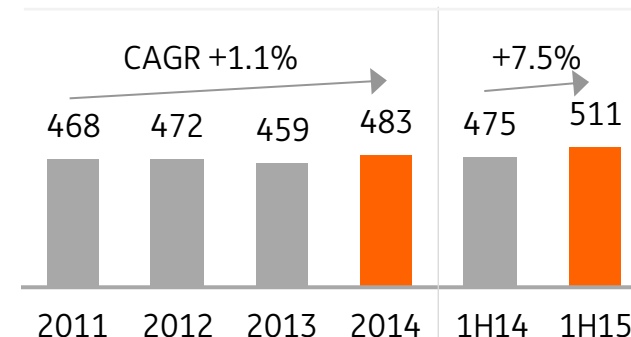
Underlying income excl. CVA/DVA
(in EUR bln)



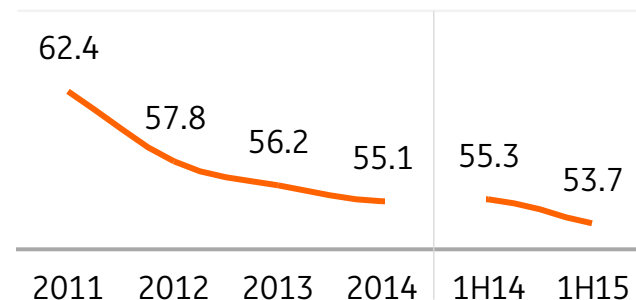
Net interest result excl. FM
(in EUR bln)



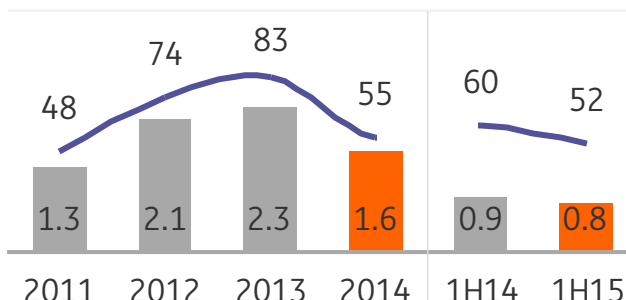
Customer lending*
(in EUR bln)



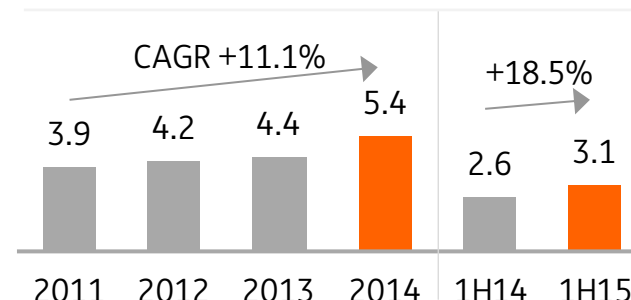
Cost/income ratio**
(in %)



Risk costs
(in EUR bln and bps of RWA)



Pre-tax result**
(in EUR bln)

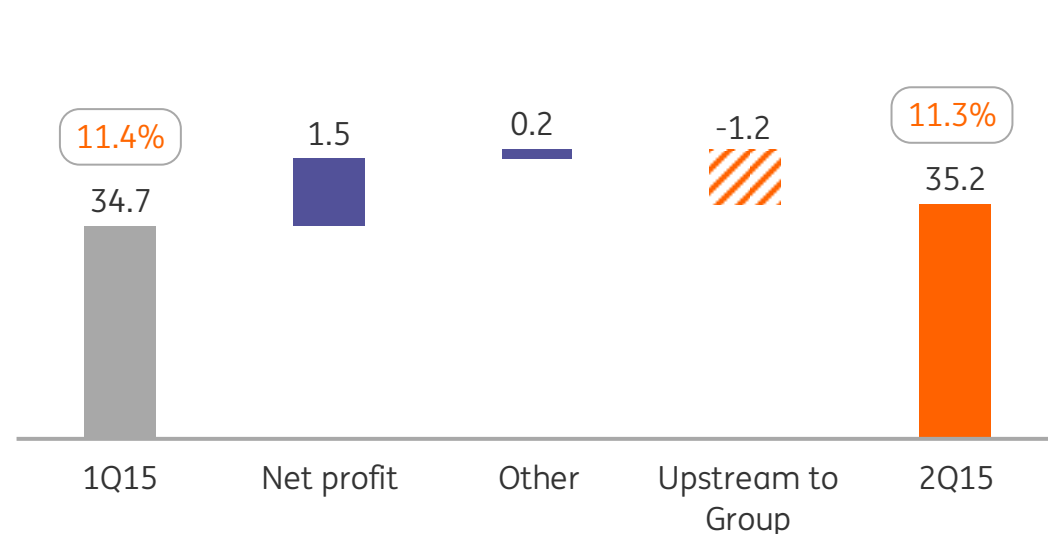


* Excluding Vysya & WUB/Lease run-off. Remaining WUB run-off portfolio amounts to EUR 23.3 bln and Lease run-off portfolio amounts to EUR 4.5 bln

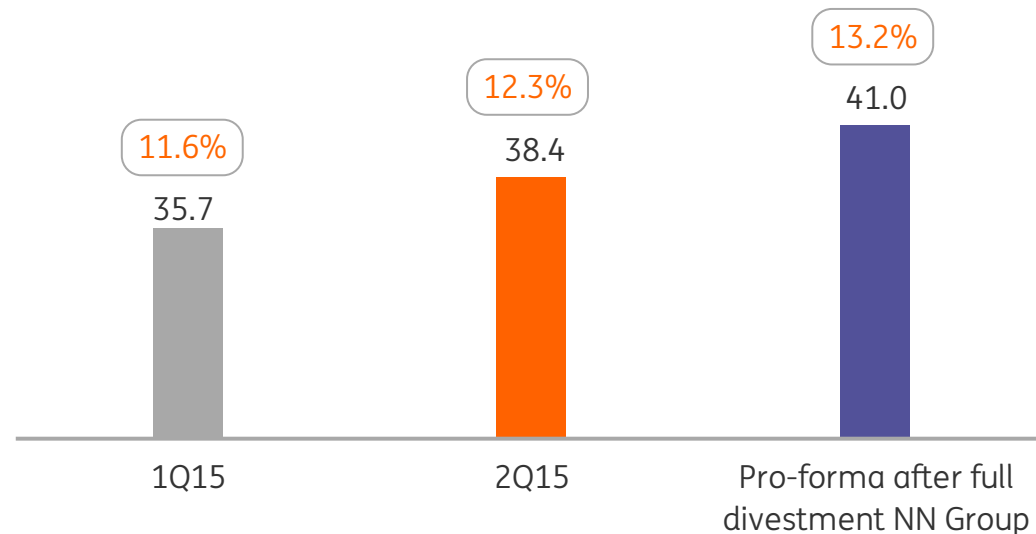
** Excluding CVA/DVA and redundancy provisions

Capital ratio ING Bank remains strong, despite upstream to Group, while capital ratio ING Group continues to increase

ING Bank fully-loaded CET 1 ratio slightly down to 11.3% due to EUR 1.2 bln upstream to the Group (in EUR bln)



ING Group fully-loaded CET1 ratio increased to 12.3% in 2Q15 (in EUR bln)



- Bank capital generation remained strong at 30 bps in 2Q15*, offset by 40 bps capital upstream to Group
- Group CET 1 capital increased by EUR 2.7 bln in 2Q15 following deconsolidation NN Group
- ING has decided not to include any of the 2Q15 profit in Group CET 1 capital as this will create further flexibility to decide on a dividend pay-out ratio at the end of the year, subject to regulatory developments
- Buffer/Surplus at Group level (ie Group CET 1 Capital after full divestment of NN versus Bank CET 1 Capital) amounted to EUR 5.9 bln in 2Q15. Buffer/Surplus, including EUR 2.1 bln profit not allocated to Group capital, amounted to EUR 7.9 bln

* Increase in Bank Capital, partly offset by increase in RWAs

On track to deliver on our Ambition 2017

ING Bank	2014	1H15	Ambition 2017	Guidance
CET1 (CRD IV)	11.4%	11.3%	>10%	<ul style="list-style-type: none"> We will maintain a comfortable buffer above the minimum 10% to absorb regulatory changes and potential volatility
Leverage*	4.1%	4.3%	~4%	
C/I**	55.1%	53.7%	50-53%	<ul style="list-style-type: none"> Aim to reach 50-53% cost/income ratio in 2017. Over time, improve further towards the lower-end of the range
RoE (IFRS-EU equity)	9.9%	11.8%	10-13%	
Group dividend pay-out	40% of 4Q Group net profit	40% of 1H15 Group underlying net profit	≥40% of annual Group net profit	<ul style="list-style-type: none"> Target dividend pay-out ≥40% of ING Group's annual net profit Interim and final dividend; final may be increased by additional capital return

* The leverage exposure of 4.3% at 30 June 2015 is calculated using the published IFRS-EU balance sheet, in which notional cash pooling activities are netted, plus off-balance sheet commitments. In January 2015, the EC formally adopted the Delegated Act for the leverage ratio. The pro-forma leverage ratio of ING Bank based on the Delegated Act is 3.8%

** Excluding CVA/DVA and redundancy costs

**Solid performance from a client
focused Commercial Bank**

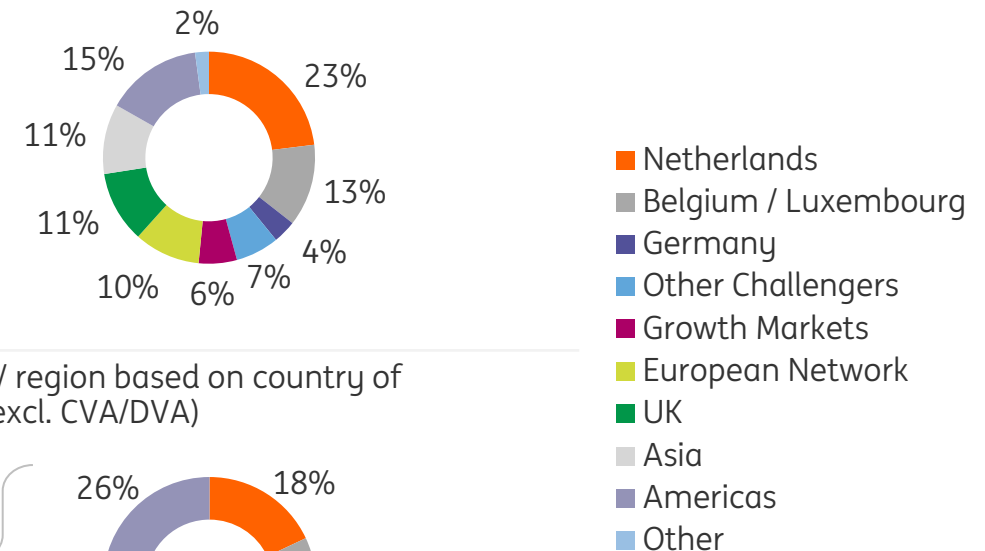
Solid results from a consistent strategy and client focused franchises

Client Focused Commercial Bank

- Solid results through the cycle and strong 1H15 results
- A predominantly European Commercial Bank with global reach
 - Extensive international network with strengths across Europe, Asia and the Americas
- Global franchises in:
 - Industry Lending and Financial Markets
 - Trade Finance Services and Cash-Pooling (BMG)
- Consistent client focus
 - Targeting a seamless, differentiating client experience
 - With new technologies and further standardisation
 - Supporting growth in our domestic and international client franchises

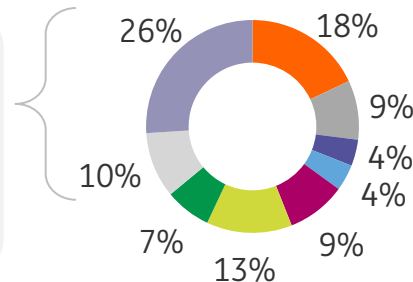
A predominantly European Commercial Bank with global reach

Income by country / region based on country of booking*, 1H15 (excl. CVA/DVA)



Income by country / region based on country of residence**, 1H15 (excl. CVA/DVA)

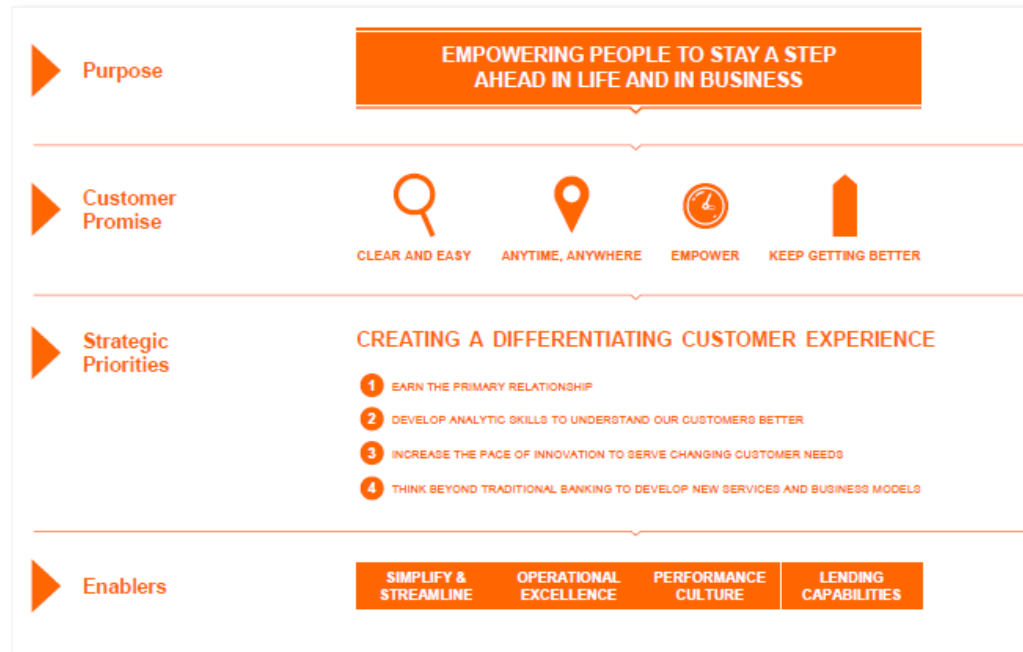
Commercial Banking benefits from economic growth in the Americas and Asia



* Data is based on country of booking, which includes non domestic business booked on the domestic balance sheets

** Data is based on country of residence. From the perspective of a given country, a resident is a legal entity or branch (or individual) that has its major operations in the given country

Think Forward strategy translated to the Commercial Bank



Client focused Commercial Bank

- We lead with our financing capabilities, differentiated through our sector expertise and network
- We are investing in Transaction Services and Financial Markets 'flow' capabilities, diversifying income streams towards more fee business, generating operation intensity, creating firmer bonding in our relationships and building access to data
- Our offering is underpinned by our Transformation programme, including our digital platform InsideBusiness, a new service model and increased standardisation
- And we are extending our analytics skills whilst seeking to develop innovative new products
- Through all of this, we seek to create a differentiating client experience

Our digital Commercial Banking client platform, called InsideBusiness, provides a differentiating client experience

InsideBusiness supports transacting and reporting across products and geographies

- Transaction Services
 - Payments and reporting
 - Cash management
 - Trade finance
- Financial Markets
 - Pre-trade analytics & market research
 - FX & Money Market deal execution
 - Post-trade confirmation & reporting
- Lending Services
 - Lending portfolio management
- Client Self-Service
 - Service request
 - Account opening
 - Documentation and knowledge base
 - Digital signing of documents

Multi Country

International reach, multiple languages and support

Multi Product

Online client interactions in an integrated platform



Multi Device

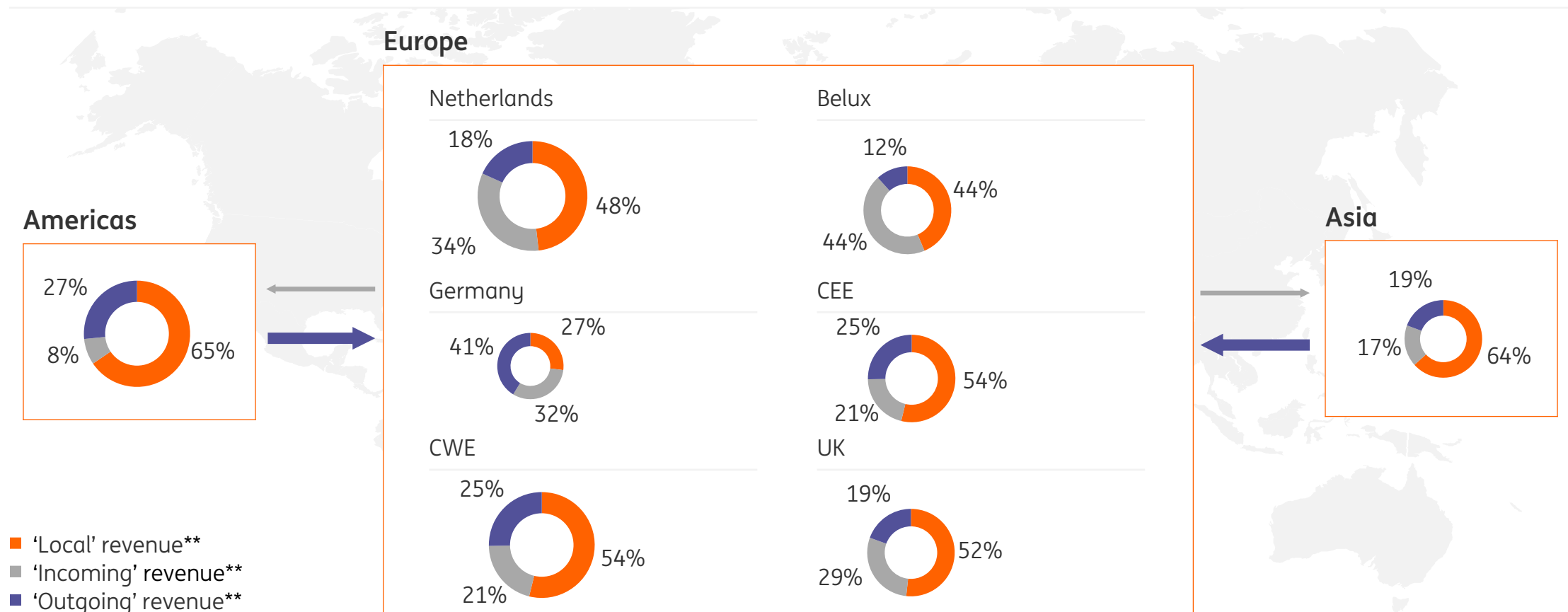
Platform accessible via Web and App

Anytime, anywhere

InsideBusiness
is available
24/7
wherever you are.

Focus on servicing clients in Europe and beyond

A predominantly European network bank with global reach, supporting our client's international business*

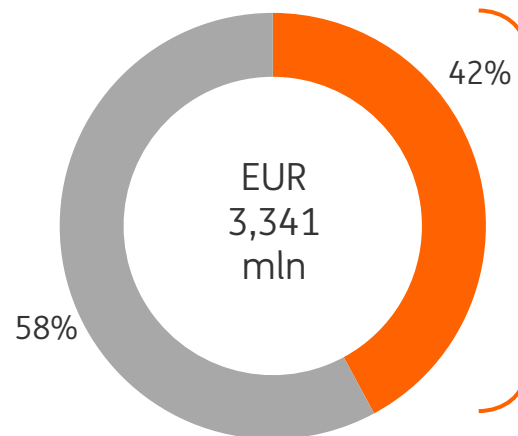


* Above geographical split of revenues is based on internal servicing of Clients. Excluding Group items and excluding Run-off businesses

** Local revenue are revenues from local companies/institutions, booked locally; Incoming revenues are revenues from non-local companies/institutions, serviced locally and booked locally; Outgoing revenues are revenues from local companies, serviced non-locally and booked non-locally

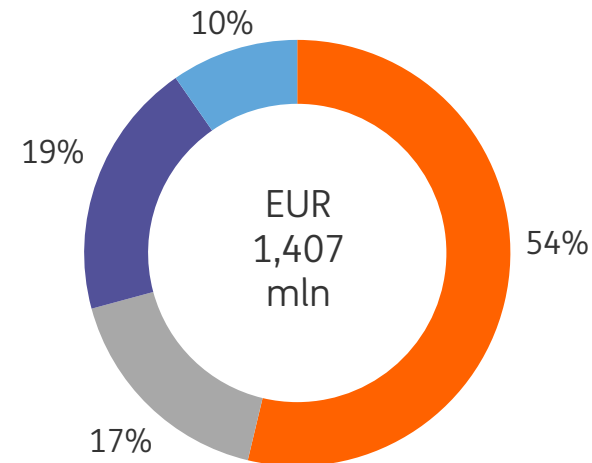
Commercial Banking contributed 42% of 1H15 pre-tax profit

Pre-tax profit total bank, 1H15*, **



- Commercial Banking excl. CVA/DVA
- Retail Banking

Pre-tax profit Commercial Banking, 1H15**



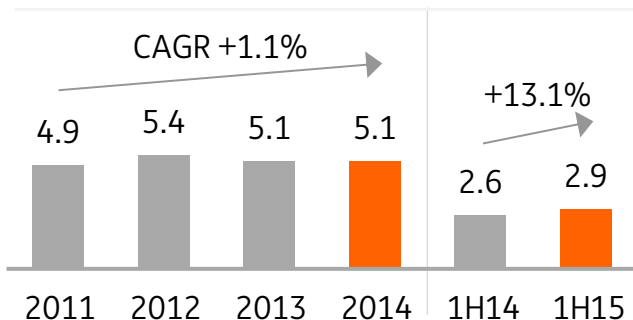
- Industry Lending
- General Lending & Transaction Services
- Financial Markets
- Bank Treasury, RE & Other

* Pre-tax profit ING Bank excluding Corporate Line

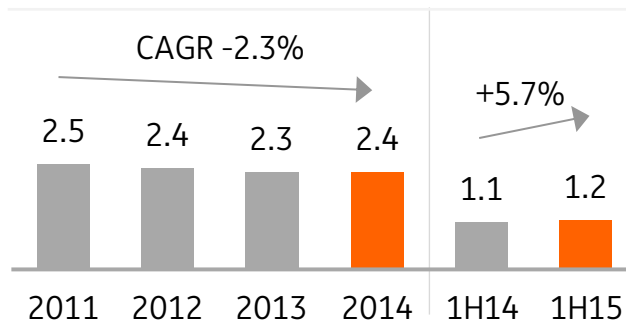
** Pre-tax profit Commercial Bank excluding CVA/DVA

Commercial Banking has shown a consistently solid performance through the cycle and very strong 1H15 results

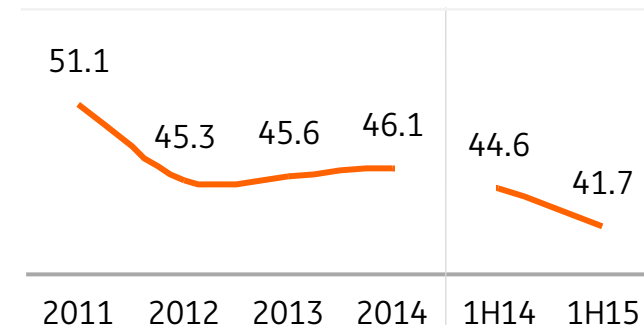
Underlying income*
(in EUR bln)



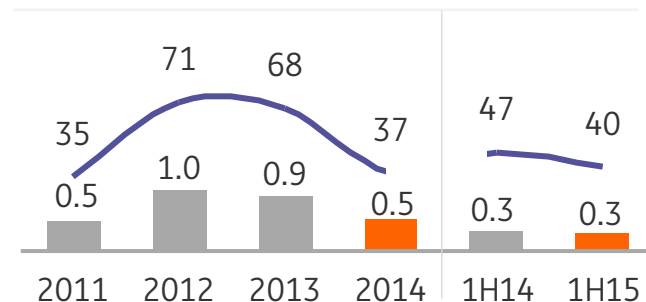
Underlying expenses*
(in EUR bln)



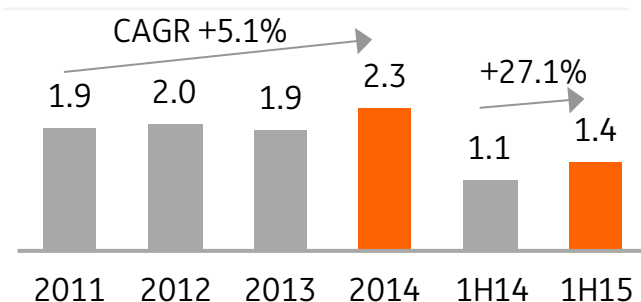
Cost/income ratio*
(in %)



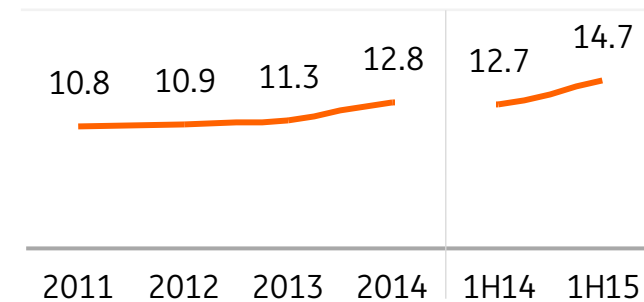
Risk costs
(in EUR bln and bps of RWA)



Pre-tax result*
(in EUR bln)



Return on Equity*, **
(in %)

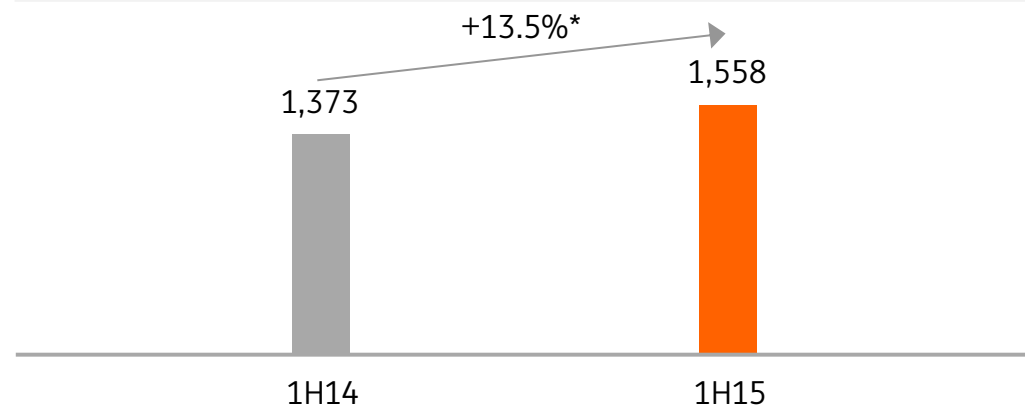


* Income excluding CVA/DVA and expenses excluding redundancy provisions

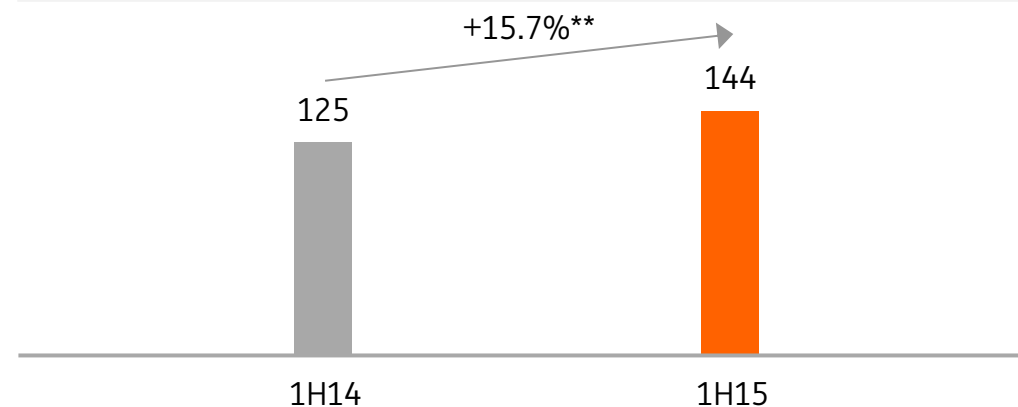
** RoE based on CET 1 ratio of 10%

Net interest income grew by 13.5% in 1H15, supported by strong loan growth and stable margins

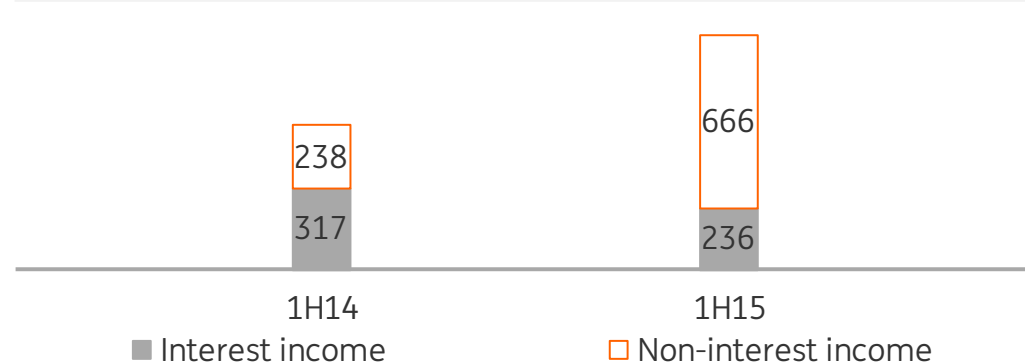
Net interest income excl. Financial Markets (in EUR mln)



Customer lending (in EUR bln)



Underlying income Financial Markets (FM)*** (in EUR mln)



Net interest margin excl. FM remained stable

- Net interest margin in 1H15 remained stable from 1H14
 - Net interest margin on lending products increased from 1H14
 - Net interest margin on Cash Management remained under pressure, reflecting the low interest rate environment

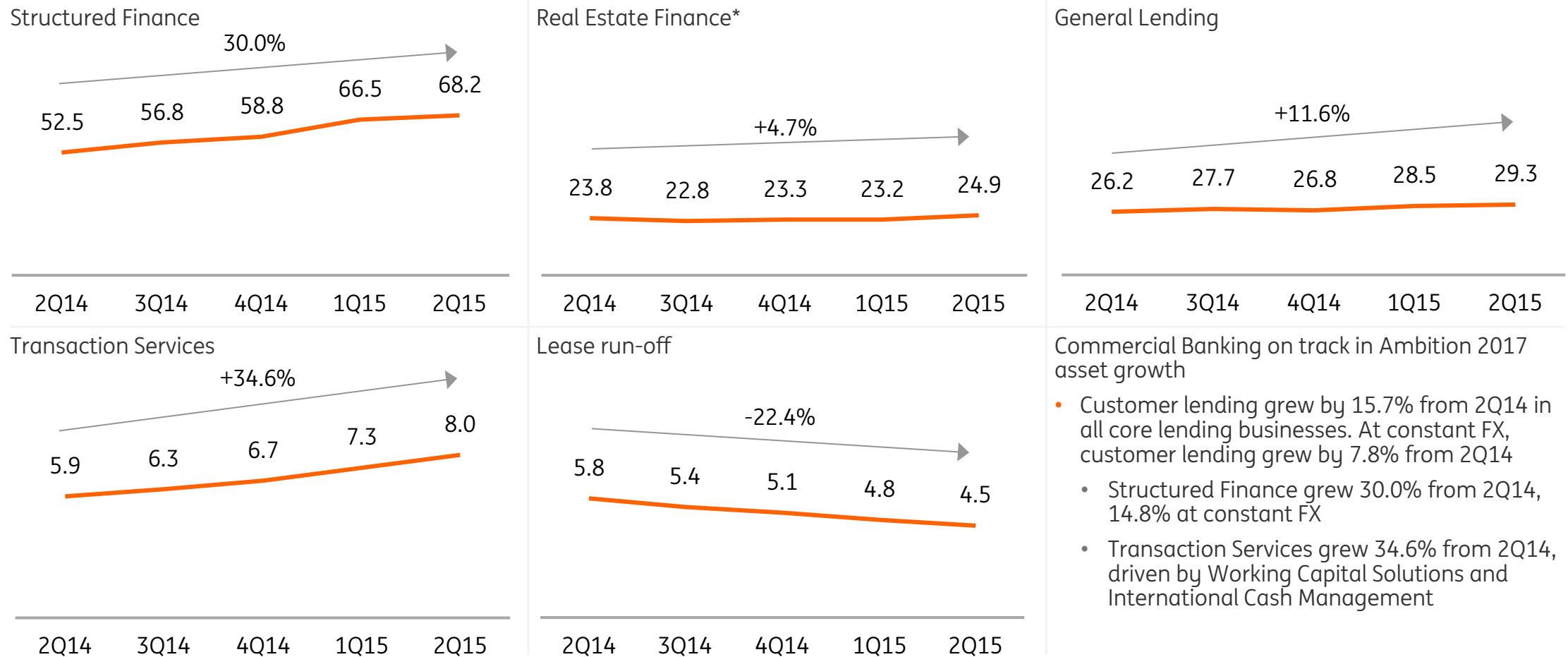
* Net interest income excl. FM and adjusted for FX increased 4.6%

** Customer lending excl. FX increased by 7.8%

*** Excl. CVA/DVA

Lending assets are growing in all core lending businesses

Commercial Lending growth over the last 12 months (in EUR bln)



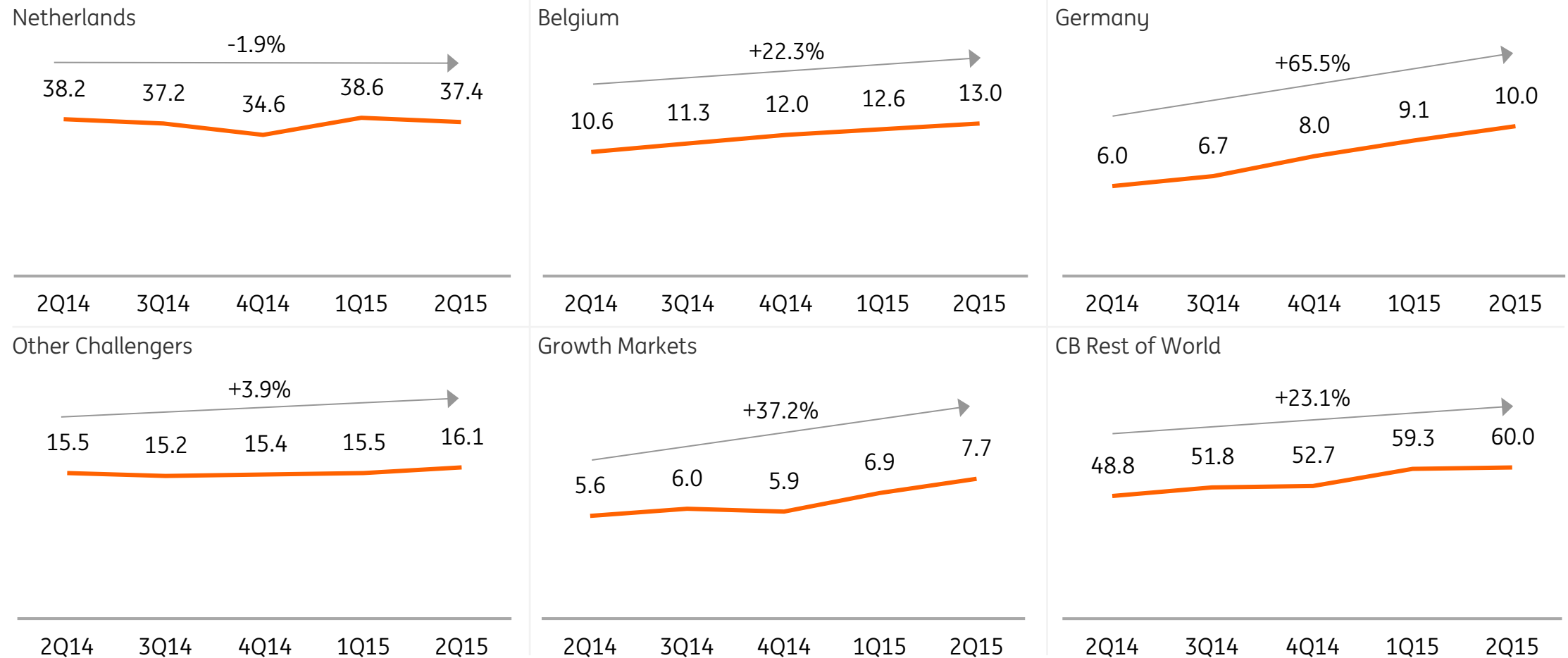
* EUR 1.7 bln increase in 2Q15 versus 1Q15 includes EUR 0.9 bln transfer from WUB

Commercial Banking on track in Ambition 2017 asset growth

- Customer lending grew by 15.7% from 2Q14 in all core lending businesses. At constant FX, customer lending grew by 7.8% from 2Q14
- Structured Finance grew 30.0% from 2Q14, 14.8% at constant FX
- Transaction Services grew 34.6% from 2Q14, driven by Working Capital Solutions and International Cash Management

Commercial Banking lending growth contributes to more sustainable balance sheets in our Challenger & Growth Markets

Commercial Lending growth over the last 12 months (in EUR bln)*



* Data is based on country of booking, which includes non domestic business booked on the domestic balance sheets

Clear focus and cost discipline – creates flexibility in allocation of resources

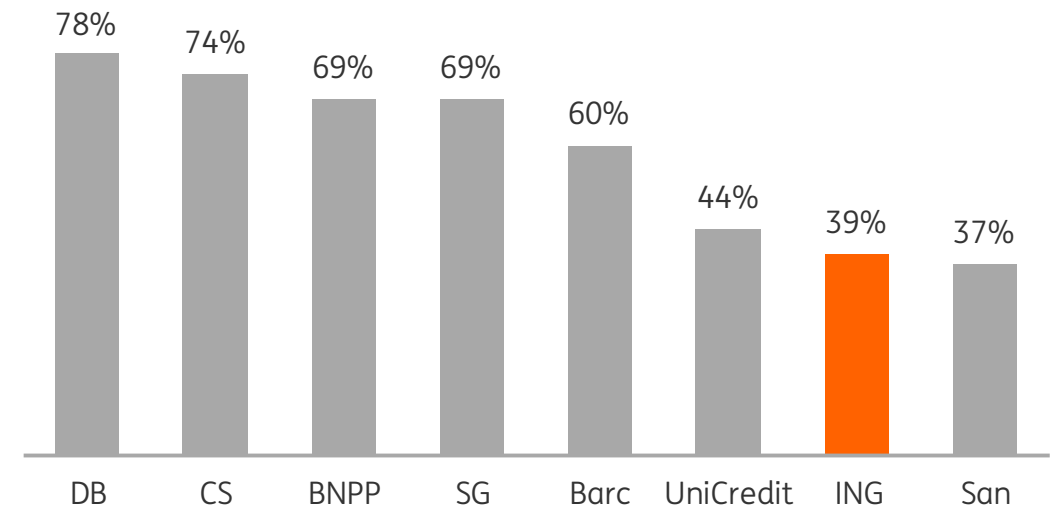
A robust business model combined with disciplined, effective execution

- Strict cost discipline
 - Cost-reduction programme on track
 - Allows for selected strategic initiatives
 - Continue to review our cost base
- Client relationships managed (and measured) on cross-border, cross-product, global basis
 - Disciplined client selection and allocation of capital / resources
 - Strict profitability measurement per transaction and per client relationship
- Robust and flexible model with broad reach
 - (Re)-allocation of resources, in line with changing clients needs
 - React to opportunities as they arise
- New technologies and further standardisation – the foundation for growth

Restructuring programmes on track (in EUR mln)

	Cost savings achieved	Cost savings by 2017	Cost savings by 2018
Commercial Banking	231	345	355

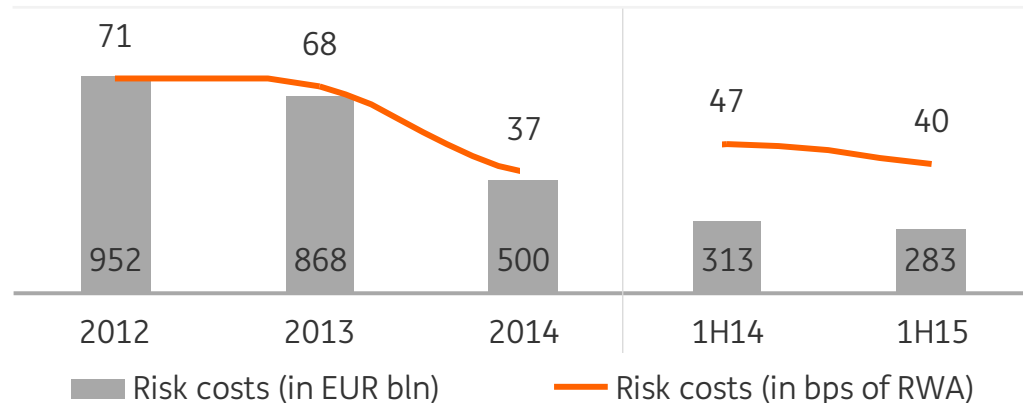
Cost/income ratio Commercial Banking businesses in 1H15*



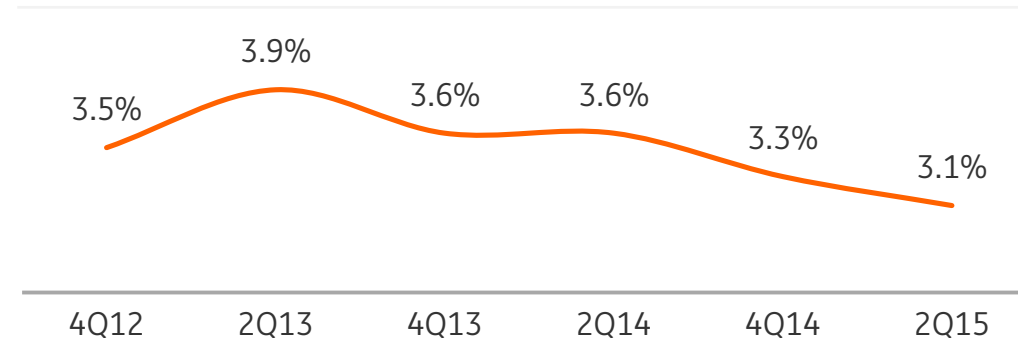
* Source: ING Internal benchmarking data based on analysis of published annual reports; Cost/income ratio ING CB excl. CVA/DVA was 42% in 1H15

Risk costs declined to longer term average, but will remain volatile quarter on quarter

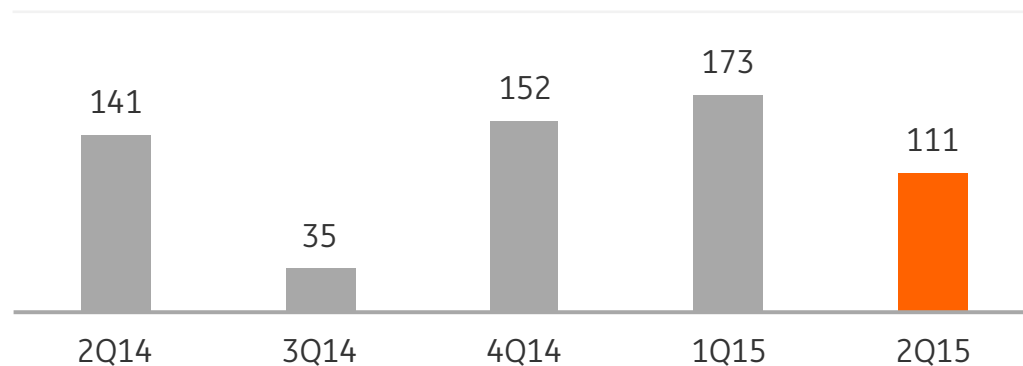
Risk costs Commercial Banking have come down to 40 bps in 1H15... (in EUR mln and in bps)



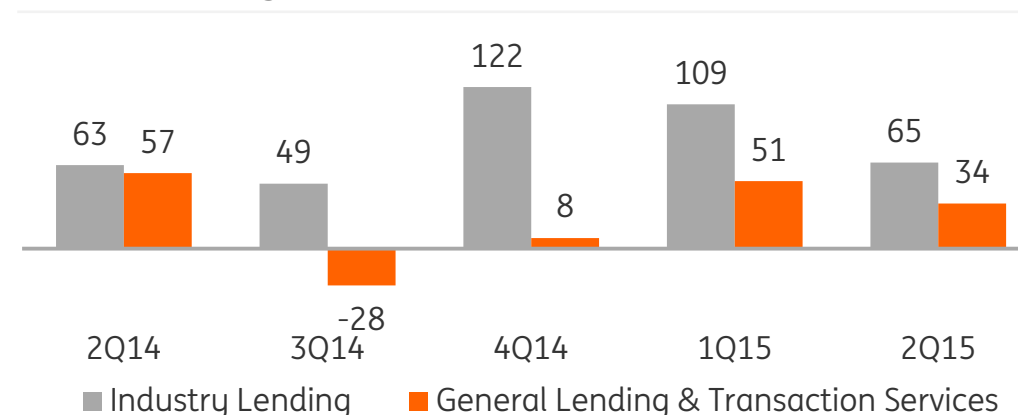
...supported by a decline in the NPL ratio (%)



However, risk costs remain volatile per quarter... (in EUR mln)



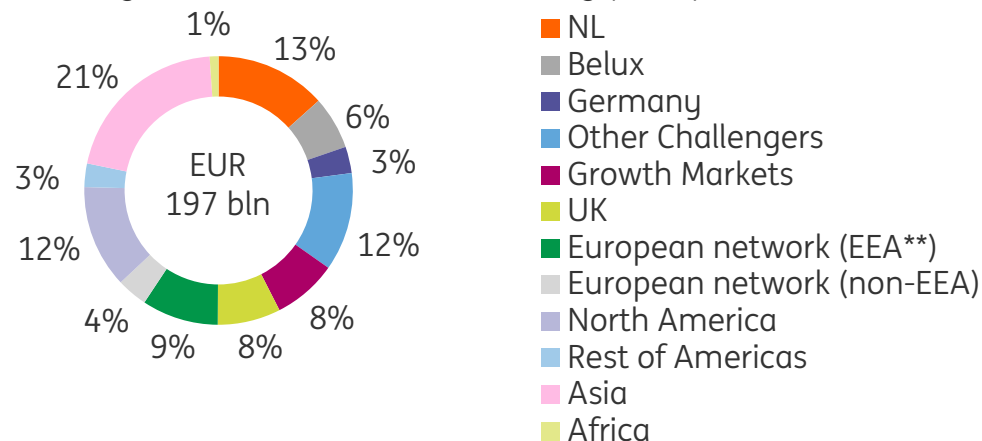
...in our lending business (in EUR mln)



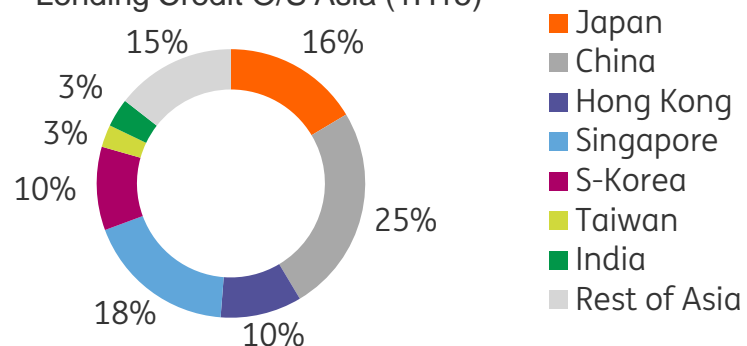
Lending credit outstandings Commercial Banking are well diversified by geography and...

Loan portfolio is well diversified across geographies...

Lending Credit O/S Commercial Banking (1H15)*



Lending Credit O/S Asia (1H15)



* Data is based on country of residence

** Member countries of the European Economic Area (EEA)

*** Excluding our stake in Bank of Beijing

...with the majority in developed countries

- Our business model is the same throughout our global CB franchise
- We focus on top end corporates, including domestic blue chips and multinationals, and Financial Institutions
- We concentrate on sectors where we have proven expertise

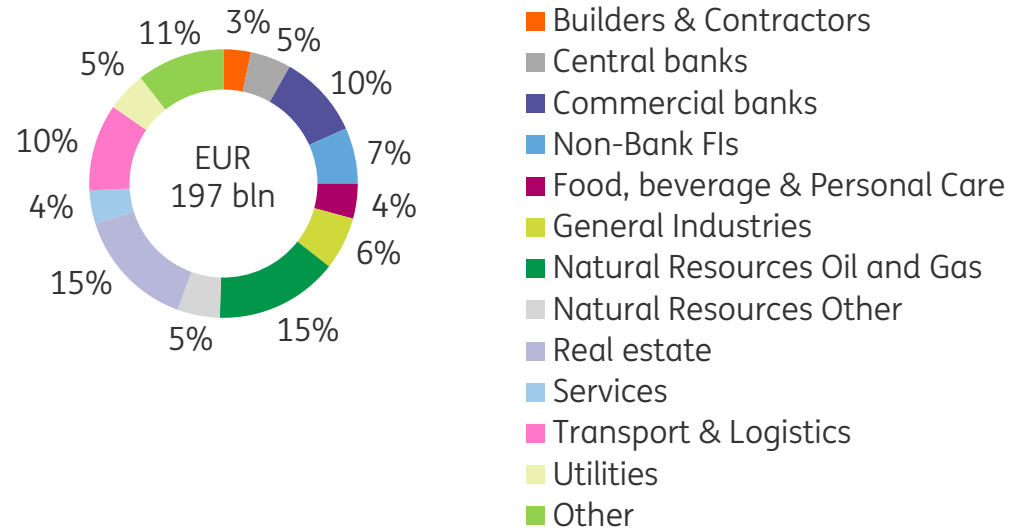
The quality of our China portfolio is strong

- Commercial Banking exposure to China was around EUR 10 bln at end 2Q15***
- Around EUR 5 bln of our exposure is short-term trade finance and the rest is to major state-owned companies, top end corporates and financial institutions
- Our China lending exposure is relatively short-term, 70% matures less than 1 year
- 72% is USD, 20% is RMB and 8% other
- We have no non-performing loans at end 2Q15

...well diversified in terms of sectors

Loan portfolio is well diversified

Lending Credit O/S Commercial Banking (1H15)*



Loan portfolio is well diversified across sectors

- We concentrate on sectors where we have proven expertise, among which (top-end) Financial Institutions, oil & gas, (collateralised) real estate and transport & logistics

Oil price risk is limited

- Oil & gas lending credit O/S was approximately EUR 30 bln in 2Q15, or 15% of Commercial Banking lending credit O/S**
- 86% of oil & gas exposure, of which the majority is short-term self liquidating trade finance, is not directly exposed to oil price risk
- Around 6% of oil & gas exposure is somewhat exposed to oil price risk.
- Remaining 8% is Reserve Based Lending, which is potentially most vulnerable to oil price movements, but there are frequent resets
- NPL ratio of total oil & gas portfolio was 1.3% in 2Q15

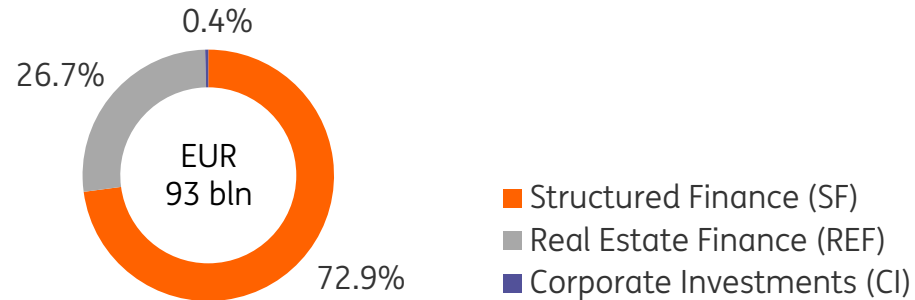
* Lending credit O/S includes guarantees and letters of credit

** Total oil & gas is 5% of ING Bank lending credit O/S of EUR 591 bln

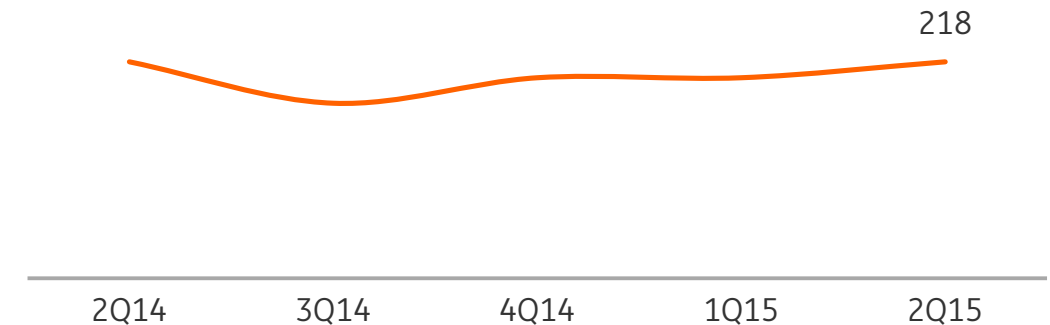
Industry Lending generates
diversified assets with an attractive
risk return profile

Industry Lending generates diversified assets with an attractive risk return profile

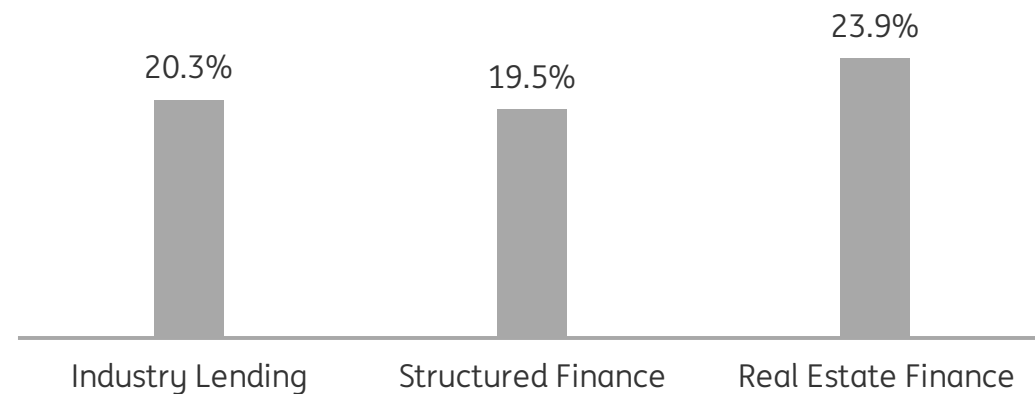
Industry Lending by segment (customer lending 1H15, in %)



Net interest margin Industry Lending (in bps)



Return on Equity based on CET 1 of 10% (in %, 1H15)



- Industry Lending generates diversified, high return assets, making this attractive for balance sheet optimisation
- Financing based on specialist industry knowledge
- The planned de-risking of our Real Estate Finance portfolio has been finalised last year. We are selectively growing the portfolio again.
- Focus of growth going forward will be Structured Finance

Structured Finance is a top 10 player globally generating a consistently high RoE

Structured Finance

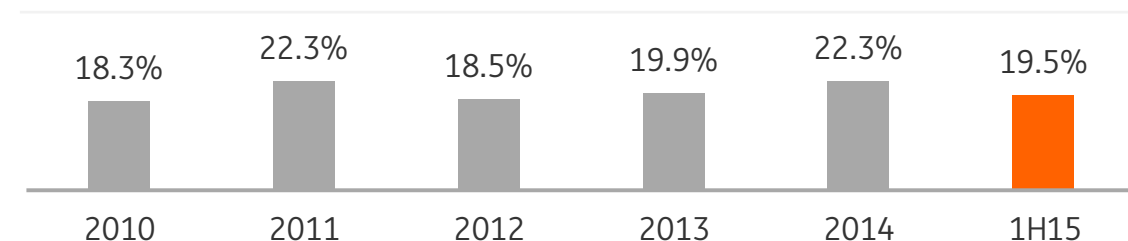
- A traditional lending business based on specialised industry knowledge
- ING is a top 10 player in this area
- Mature franchise built over 20 years
 - Expertise through experienced, long-serving teams
- Well diversified loan portfolio across segments and geographies
- Strong risk management and structuring capabilities
 - focused on providing lending solutions to clients needs
 - Risk costs Structured Finance 40-45 bps of RWA over the cycle
- Ability to select the right clients/businesses in the sector
- Centres of expertise around the world to support our local and global clients
- Structured Finance has consistently generated a RoE at around 20%

Structured Finance 1H15: Global Bookrunner by number of deals

No.		Deals
1	Industrial & Comm Bank China	50
2	BNP Paribas SA	46
3	Mizuho Financial Group	42
4	Mitsubishi UFJ Financial Group	41
5	Credit Agricole CIB	35
6	Deutsche Bank	34
7	ING	31
8	Sumitomo Mitsui Finl Grp Inc	30
9	Natixis	29
10	HSBC Holdings PLC	29

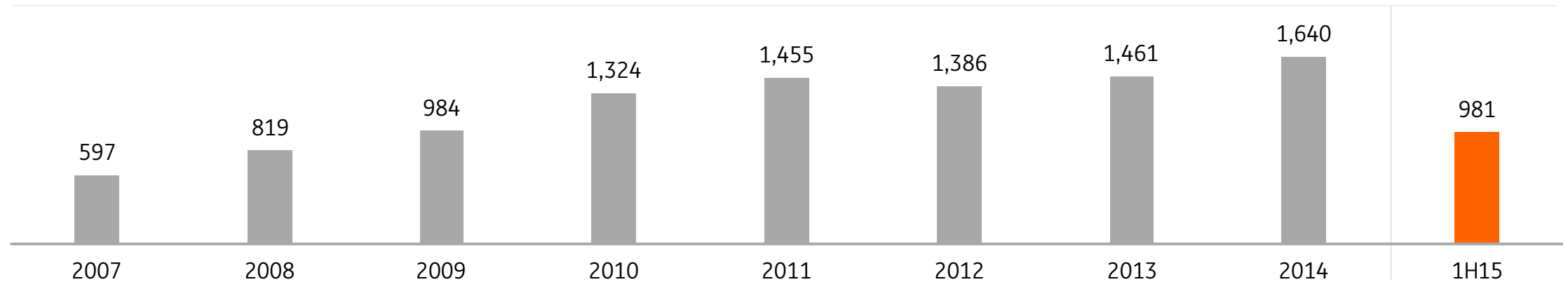
Source: Thomson Reuters. League tables are for syndicated loans only; excluding LBO US

Structured Finance – RoE (based on CET1 of 10%)



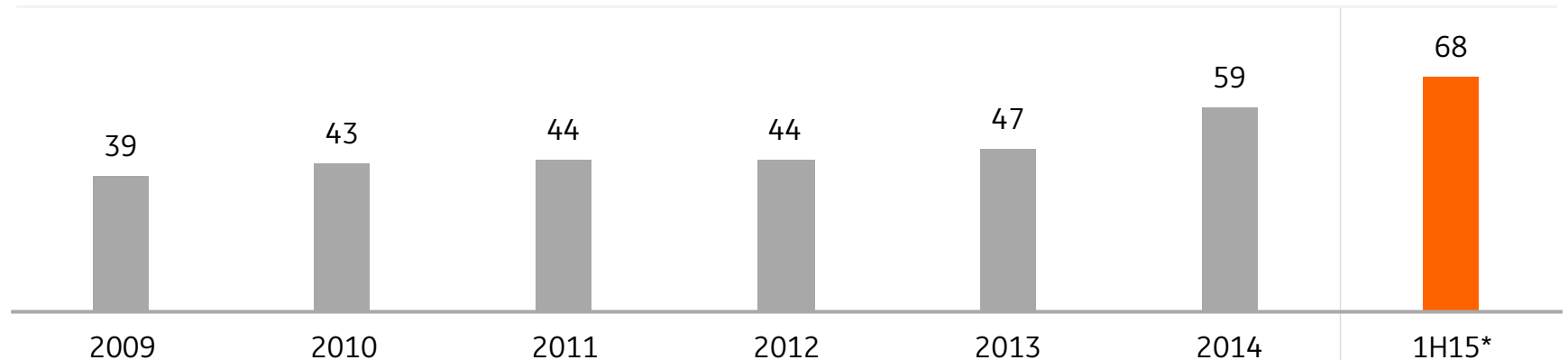
Structured Finance has a long record of organic growth...

Structured Finance total revenues (in EUR mln)



- Mature franchise built over 20 years
 - Expertise through experienced, long-serving teams
 - Deep-rooted relationships, with over 90% repeat business

Structured Finance customer lending (in EUR bln)

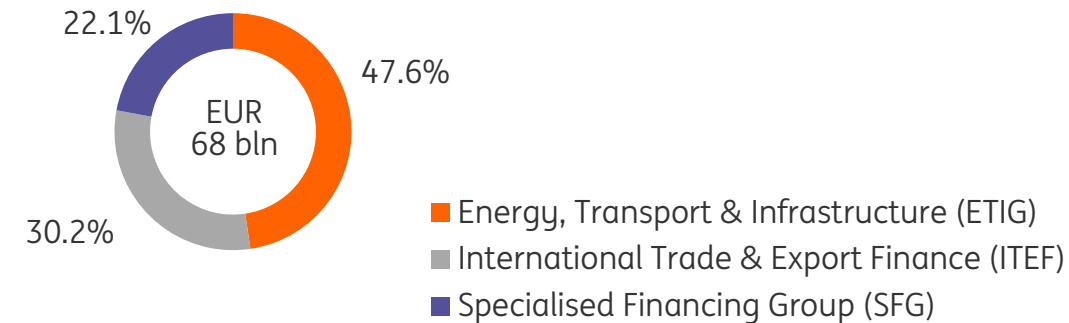


* Customer lending increased by 15.9% from year-end 2014. Excluding FX, customer lending increased by 9.7% from year-end 2014

...while diversification and prudent risk management resulted in well controlled risk costs

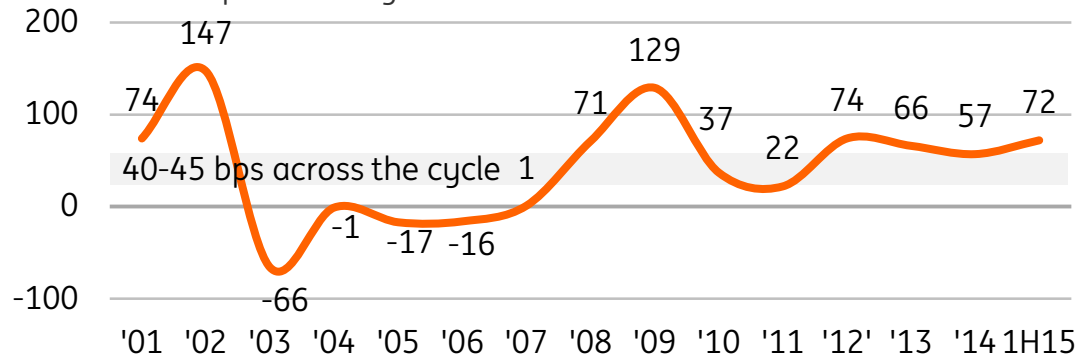
Structured Finance is well diversified by product...

Customer lending by product (1H15)



...resulting in well controlled risk costs

Risk costs in bps of average RWA

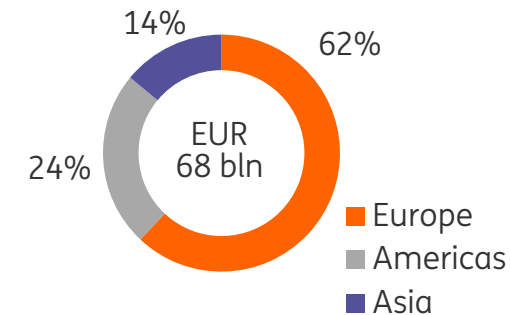


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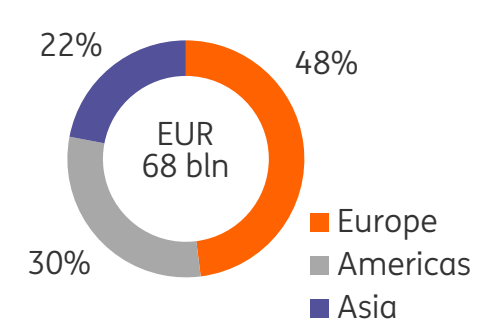
** Data is based on country of residence.

...and geography

Customer lending based on country of booking (1H15)*



Customer lending based on country of residence (1H15)**



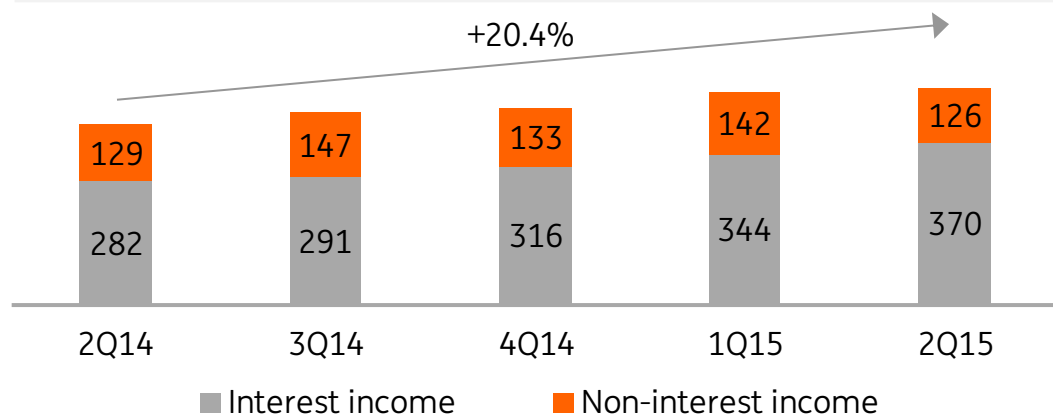
- Structured Finance is well diversified in terms of products and geography
- Diversification, strong collateral and prudent risk management have resulted in well controlled risk costs
- Strong cooperation between the front office and Risk Management, Legal and Compliance
- Risk profile Structured Finance is in line with the total bank (40-45 bps across the cycle)

Structured Finance is a well diversified mix of financing based on specialised industry knowledge

Structured Finance	Sub-segments (% of total customer lending SF)		A diversified lending business
Energy, Transport and Infrastructure Group (ETIG)	<ul style="list-style-type: none"> Natural Resources (15%) Utilities-Power (6%) Infrastructure (7%) Transportation Finance (14%) Structured Metals & Energy (6%) 		<ul style="list-style-type: none"> Structured Finance business is a traditional lending business based on specialised industry knowledge Core strengths: <ul style="list-style-type: none"> The ability to select clients and business segments, based on a consistent long term focus on the industry sectors covered The ability to structure lending solutions tailored to the needs of each industry segment Aiming for lead roles in lending transactions to build client relationship, to optimize revenues and to maximize cross sell opportunity Broad range of industry sectors (Oil & Gas, Mining, Power-Utilities, Renewables, Infrastructure, Transportation, Commodities, Telecommunication, Media) Diverse lending structures and financing purposes (e.g. project finance, acquisition finance, pre-export finance, borrowing base financing, reserve based lending, trade finance, etc.) Tenors range from very short term (1-3 months in trade finance) to very long term (up to 15 years in export finance, typically 95% credit insured by ECAs) Risk mitigation by way of client selection and appropriate lending structures, which includes asset security, credit insurance, covenants, borrowing base, etc. RoE roughly similar across the different sectors despite differences in margins and tenors
International Trade and Export Finance (ITEF)	<ul style="list-style-type: none"> Trade and Commodity Finance (21%) Structured Export Finance (8%) 		
Specialised Financing Group (SFG)	<ul style="list-style-type: none"> Telecom and Media Finance (5%) Structured Acquisition Finance (5%) Local Structured Finance (8%) Other (4%) 		

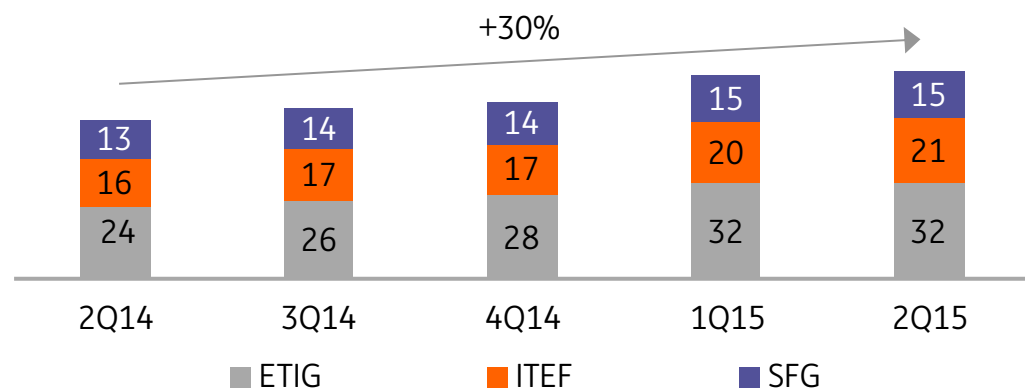
Structured Finance benefitted from strong volume growth across all segments and geographies

Structured Finance income (in EUR mln)

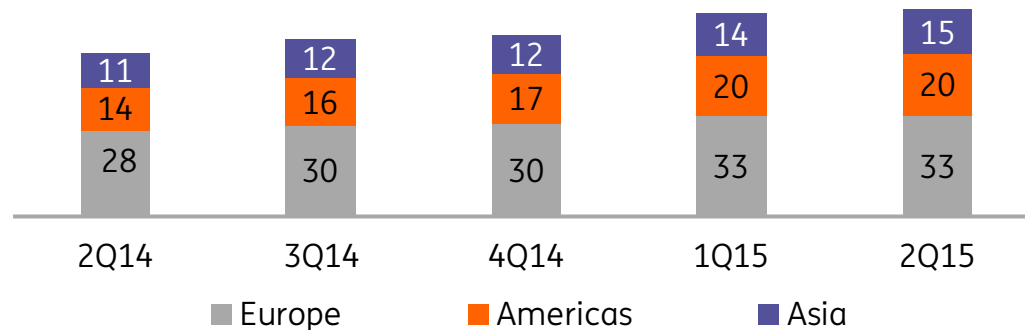


- Underlying income grew by 20.4% from 2Q14 and 1.9% from 1Q15 due to ongoing loan growth, reflected in higher interest income and supported by FX
- Income excl. FX grew 4% from 2Q14 and was flat on 1Q15
- Customer lending increased 30% from 2Q14 and 3% from 1Q15 across all segments and geographies
- Customer lending excl. FX increased 15% from 2Q14 and 5% from 1Q15

Customer Lending by segment (in bln)



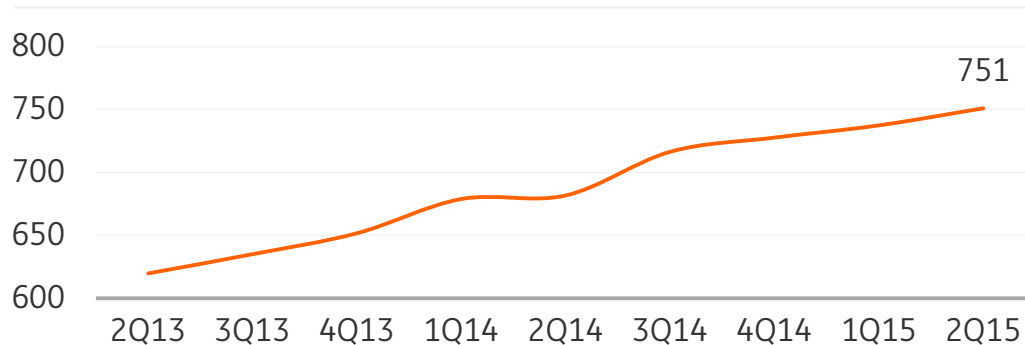
Customer lending by geography*



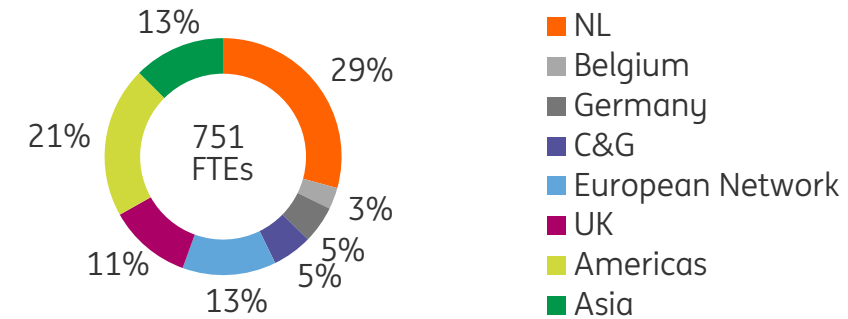
* Data is based on country of residence

We will continue to selectively invest in our centres of expertise around the world to support growth

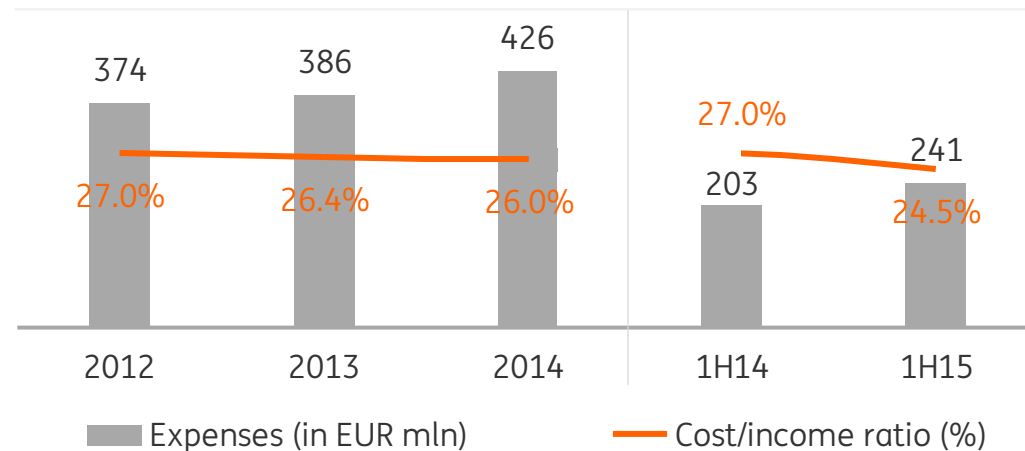
Amount of FTEs has increased to support the growth ambition in Structured Finance (in FTEs)



Breakdown of FTEs by geography (2Q15)



Cost/income ratio remains low despite investments

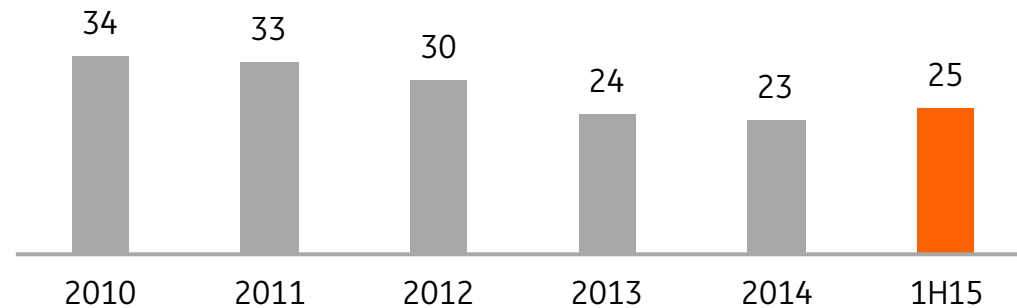


- Structured Finance is staffed from our centres of expertise in Amsterdam, Brussels, London, Frankfurt, Geneva, New York, Singapore and Hong Kong
- Currently expanding local expertise centres in some of our funding rich countries (Germany and Belgium) for origination purposes to support balance sheet integration
- The total FTE in SF showed an increase of about 21% since 2Q13
- Despite investments to support future growth, the cost/income ratio has remained relatively low
- We will continue to invest in the business

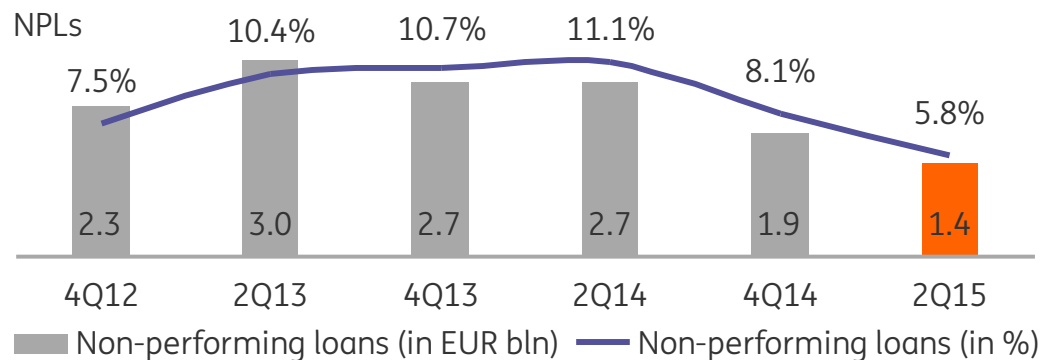
Real Estate Finance remains an integral part of Industry Lending

Planned de-risking of Real Estate Finance portfolio has been finalised (in EUR bln)*

Lending assets

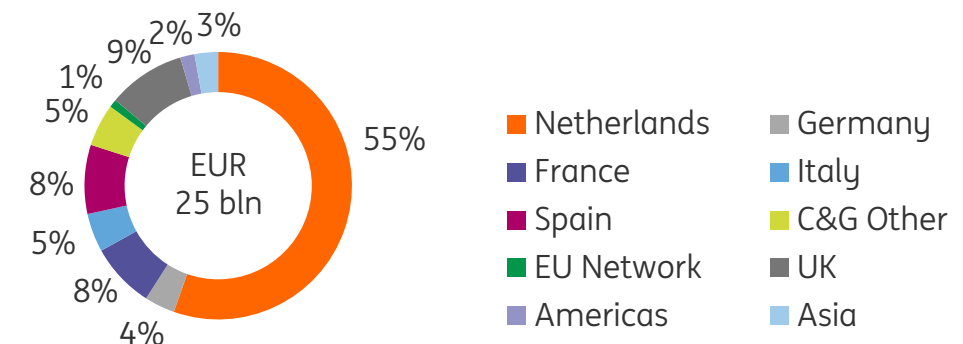


Non-performing loans have declined since peak in 2Q13... (in EUR bln and %)

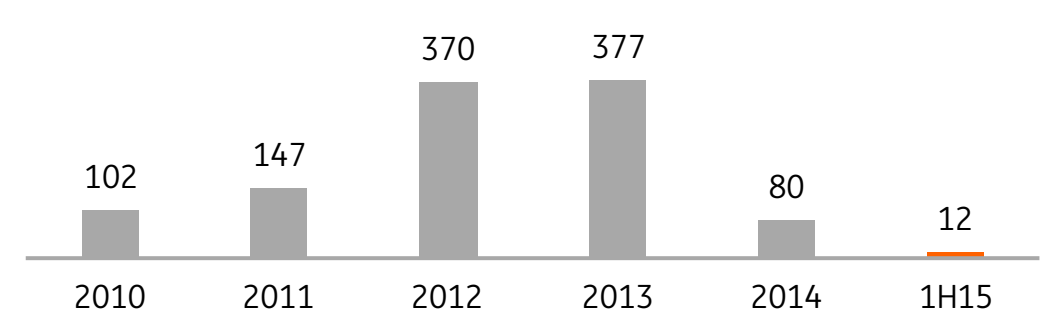


* EUR 1.6 bln increase in 1H15 versus 2014 includes EUR 0.9 bln transfer from WUB
 ** Data is based on country of booking

Lending assets, breakdown by geography (in %, 1H15)**

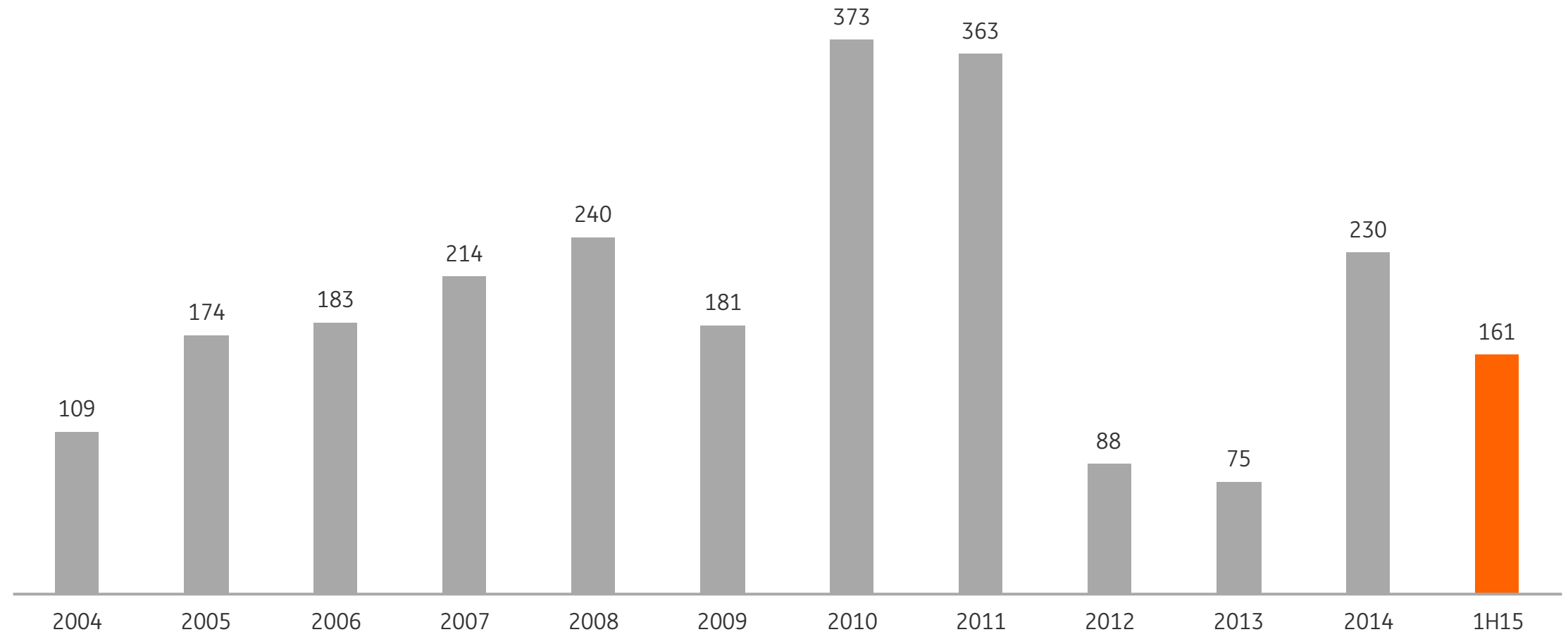


...with lower risk costs, supported by releases (in EUR mln)



REF has remained profitable during the crisis despite strong increase in risk costs in 2012 and 2013

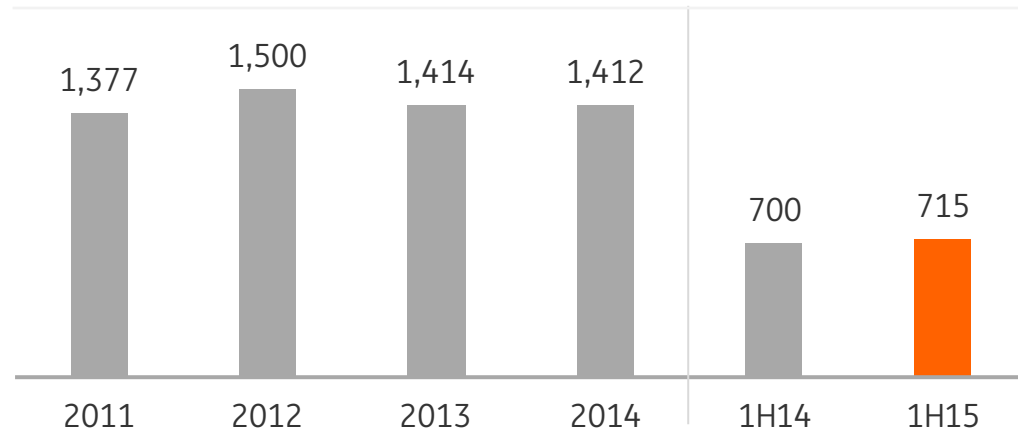
Pre-tax result Real Estate Finance (in EUR mln)



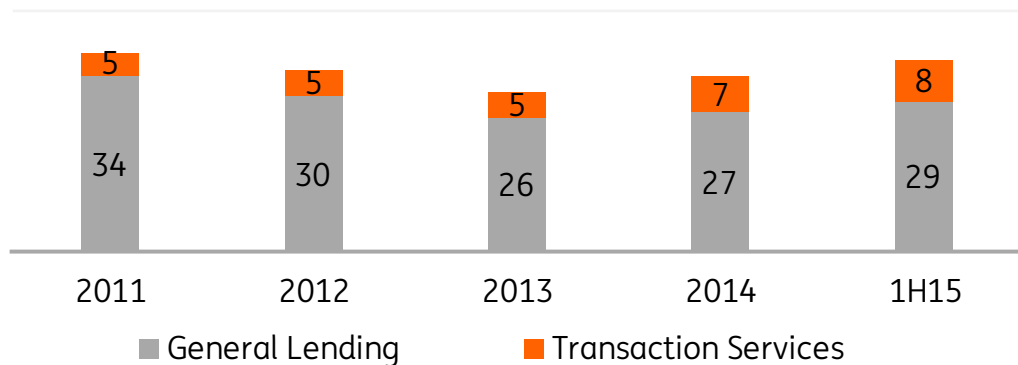
General Lending & Transaction Services

General Lending and Transaction Services is generating a stable income stream with a relatively low risk profile

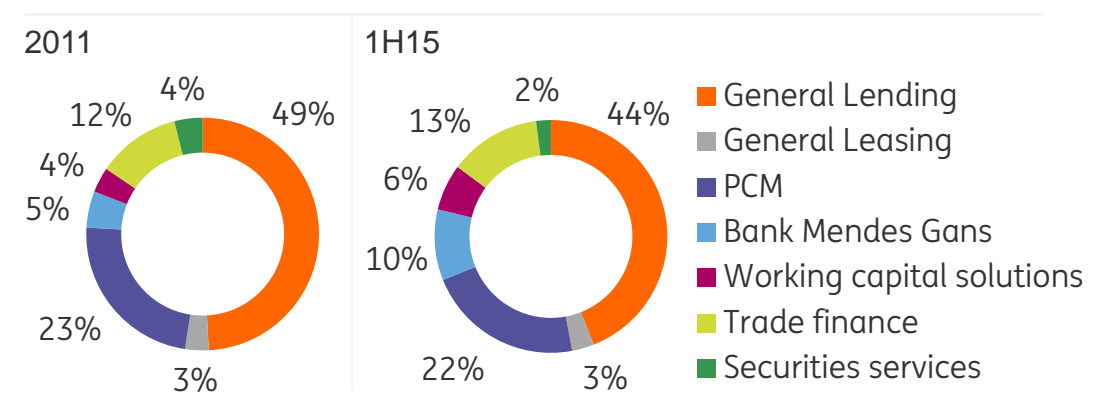
A relatively stable income business (in EUR mln)



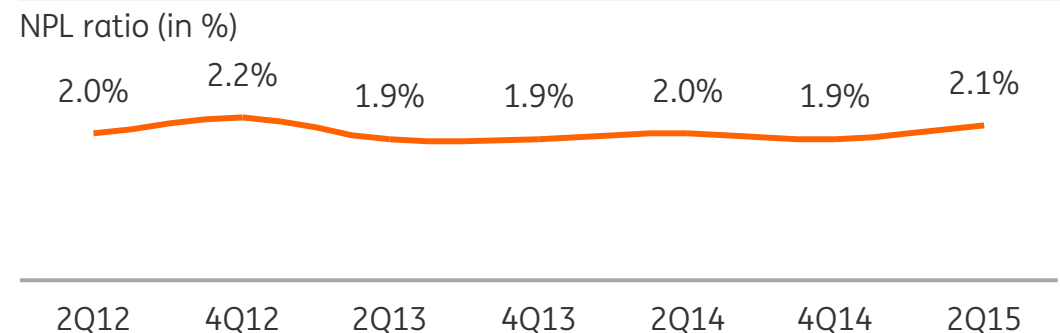
Customer Lending assets started to grow again in 2014, supported by solid growth in Transaction Services*



... with the proportion of Transaction Services increasing (in %)



Stable NPL ratio at around 2%...



* Please note that a significant part of lending assets of Transaction Services, Trade Finance Services in particular, is booked under amount due from banks on the balance sheet. Consequently, the proportion of Transaction Services is bigger than suggested by customer lending only. Moreover, guarantees and letters of credit are off balance sheet positions

We are making progress in our growth plans for Transaction Services, particularly in providing Payments services and...

- Providing Payments services to clients is key for client relationships, both in terms of
 - (i) supporting the clients' primary processes; and
 - (ii) risk management and revenue opportunities

Market position	<ul style="list-style-type: none">▪ Benelux market leader▪ Europe solid top 10 player with largest European network
Strategy	<ul style="list-style-type: none">▪ To become a top 5 pan-European competitor.▪ We continue to invest in our cash management, product and channel capabilities
SEPA impact	<p>Opportunities:</p> <ul style="list-style-type: none">▪ Target mass payers segment across Eurozone by leveraging our scale and efficient operations in the Benelux

Key differentiators

- Harmonised way of working
 - Harmonised products
 - Harmonised reporting format
 - Uniform billing
- Focus on innovation resulting in new & improved capabilities
 - Single source for Digital Banking (online and mobile): InsideBusiness
 - Improved cut-off times
- Flawless execution
- International Cash management capabilities



...Working Capital Solutions to our clients

Working capital is a growth area as treasurers seek ways to unlock funds trapped in their supply chains

Supply Chain Finance

- Supply Chain Finance (“SCF”) is a W/C optimisation tool which offers payment certainty, transparency and liquidity to Suppliers.
- In exchange for these benefits, Buyers are able to improve and modify commercial terms with their Suppliers

Receivable-based finance

- Receivable-based finance facilitates Sellers in reducing W/C through the financing of trade receivables.
- Depending on the number of debtors, size of the receivables and granularity of the portfolio, various solutions can be offered

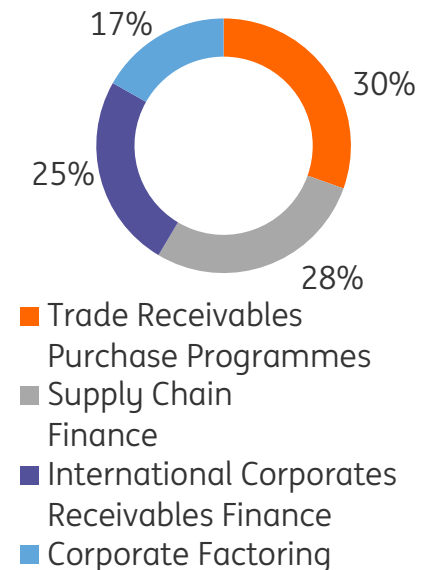
Key drivers for clients to choose working capital finance solutions:

- Cash-flow improvement / Working Capital optimisation
- Financial ratio management
- Funding diversification
- De-risking
- Enhanced pricing

Benefits for ING

- Enrichment of our client relationships
- Cross-buy and deep-selling

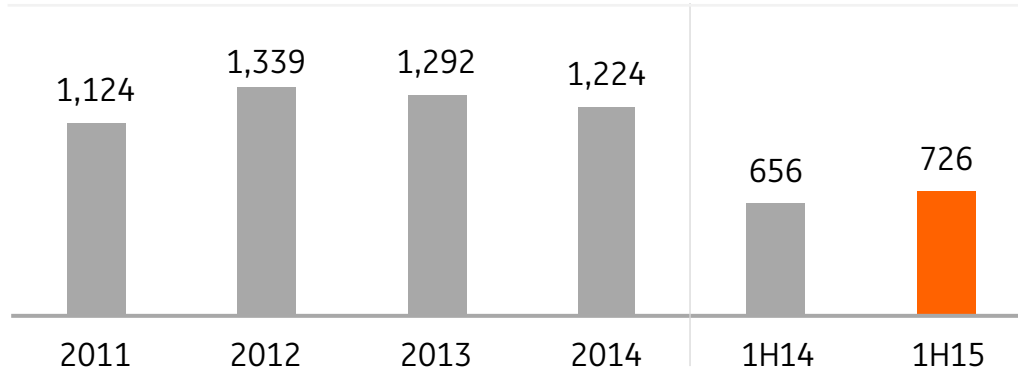
Customer Lending Working Capital Solutions (1H15, in %)



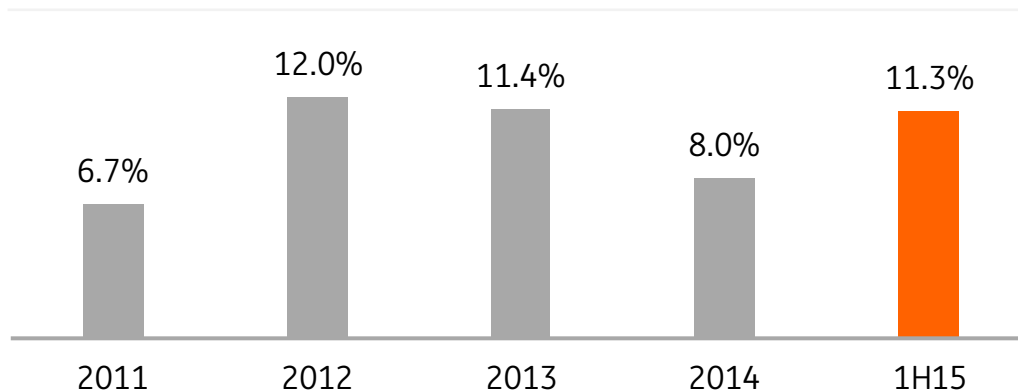
Financial Markets

Financial Markets has remained profitable despite the ongoing changing regulatory environment

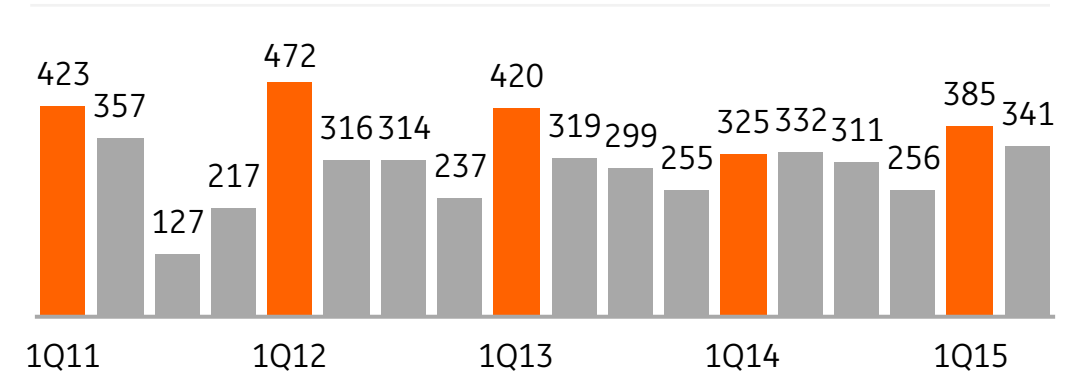
Income has held up well despite exiting certain products and regions (income excl. CVA/DVA in EUR mln)



Return on Equity excl. CVA/DVA (based on CET 1 ratio of 10%)



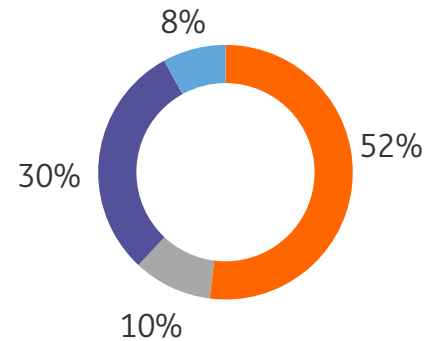
Quarterly development impacted by seasonality (income excl. CVA/DVA in EUR mln)



- Financial Markets has adapted to the regulatory environment by focusing on our core corporate and institutional clients, while we have been mitigating the pressure on RWA by exiting certain products and regions
- In addition, we have taken measures to improve the efficiency
- We continue to monitor the regulatory developments closely and will take additional measures as necessary

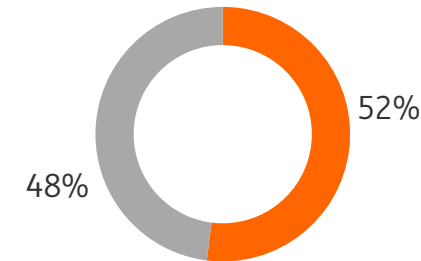
Financial Markets support our clients needs by providing hedging and financing solutions resulting in sustainable flow income

FM - Income by product 1H15*



- Rates & FX
- Credit**
- Global Equity Products
- GCM, CF & Other

FM - Client income by Client Segment, 1H15*



- Corporates
- Financial Institutions

- Financial Markets (FM) is a well diversified business
- FM is skewed to rates and FX, rather than credit
- Our ambition is to grow our client base by increasing penetration of existing ING core client base around the world

* Excluding CVA/DVA

** Credit trading includes Sales/Market Making/Trading of Sovereign and Corporate bonds

Wrap up

Wrap up

- ING Bank reported strong results with an RoE of 11.8% in 1H15
- ING Commercial Banking contributed 42% of 1H15 bank profit and continued to show solid results from a consistent strategy and focused client franchise
- Transformation programme on track to deliver a digital experience for our clients and additional cost savings
- Industry Lending generates diversified, secure, high return assets
- We continue to invest in Transaction Services 'flow' capabilities
- Financial Markets has remained profitable despite the ongoing changing regulatory environment

Appendix

League tables Structured Finance

Structured Finance 1H15: Global Bookrunner by number of deals*

No.		Deals
1	Industrial & Comm Bank China	50
2	BNP Paribas SA	46
3	Mizuho Financial Group	42
4	Mitsubishi UFJ Financial Group	41
5	Credit Agricole CIB	35
6	Deutsche Bank	34
7	ING	31
8	Sumitomo Mitsui Finl Grp Inc	30
9	Natixis	29
10	HSBC Holdings PLC	29

Structured Finance 1H15: EMEA Bookrunner by number of deals*

No.		Deals
1	BNP Paribas SA	26
2	Deutsche Bank	22
3	Natixis	19
4	Credit Agricole CIB	18
5	ING	17
6	HSBC Holdings PLC	17
7	Barclays	16
8	DNB ASA	16
9	Goldman Sachs & Co	15
10	JP Morgan	15

Trade & Commodity Finance 1H15: Global Bookrunner by number of deals**

No.		Deals
1	ING	11
2	Societe Generale	10
3	Rabobank	9
4	Natixis	7
5	Standard Chartered Bank	6
6	Mitsubishi UFJ Financial Group	6
7	BNP Paribas	6
8	ABN AMRO Bank	6
9	HSBC	5
10	DBS	5

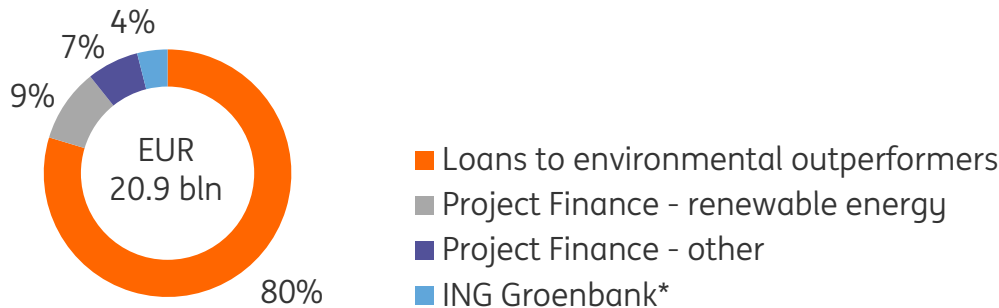
* Source: Thomson Reuters. League tables are for syndicated loans only; Global deals are excluding Leveraged Buyout US

** Source: Dealogic

ING Commercial Banking accelerates sustainable transitions through its strong lending capabilities

Sustainable transitions financed (in %, 1H15)

Lending credits outstanding



- ING created a Sustainable Finance team in 2012 to promote sustainable business opportunities in addition to our ongoing assessment and management of environmental and social risks (ESR)
- Sustainable transactions financed represents the volume of business that ING conducts with clients that satisfy the following criteria: they provide sustainable solutions and outperform their sector on environmental performance
- At the end of 2Q15, total sustainable transactions financed were EUR 20.9 bln, up 7.2% from 4Q14

* ING Groenbank offers lending services at favourable rates for a diverse range of sustainable projects, from wind turbines to organic farming to solar panels, both in and outside the Netherlands. Funding comes from savings with fiscal incentive.

Sustainable Transitions Financed covers several business areas of Commercial Banking that support:

- Renewable Energy in the areas of wind, solar, geothermal, hydro and biomass
- Low carbon transport such as public transport or significant improvement in fuel efficiency
- Real estate which is certified for its environmental outperformance
- Reduction and reuse of waste and greenhouse gas emissions
- Climate change and mitigation
- Social welfare
- Companies which outperform their peers on environmental aspects

Environmental, Social and Governance (ESG) rating score, 2015

	Banks	Score
1	ING Group	88.4
2	SEB	88.3
3	DNB	88.2
4	Westpac	84.6
5	Credit Agricole	81.7



The quality of our Russian portfolio remains strong

Exposure ING Bank to Russia (in EUR mln)

	2Q15	1Q15	Change 2Q-1Q	Change 2Q-1Q at constant FX
Total Lending Credit O/S	5,842	5,927	-85	40
Other*	691	932	-241	-168
Total outstanding	6,534	6,859	-326	-128
Undrawn committed Facilities	972	1,221	-250	-224

Note: data is based on country of residence

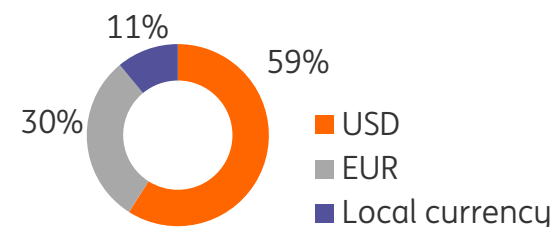
NPL ratio and Coverage ratio Russia

	2Q15	1Q15
NPL ratio	3%	3%
Coverage ratio	16%	16%

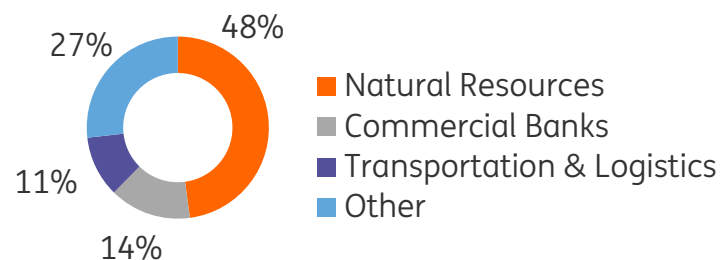
- Total outstanding to Russia has been reduced by EUR 326 mln from 1Q15, EUR -128 mln at constant FX
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is stable at EUR 1.1 bln, despite reduction of overall lending portfolio
- Focus on mitigated exposures; ECA-covered, pre-export facilities, offshore collateralized and shorter tenors
- The quality of the portfolio remains strong with the NPL ratio stable at 3%

* Other includes Investments, trading exposure and pre-settlement

Lending outstanding per currency



Lending breakdown by Industry



The quality of our Ukraine portfolio continues to be under pressure, but manageable

Exposure ING Bank to Ukraine (in EUR mln)

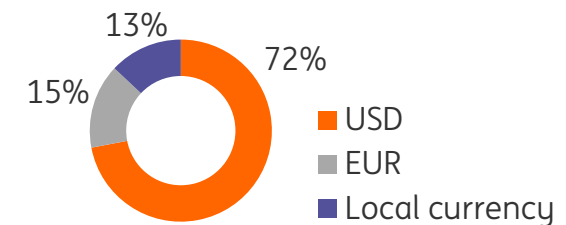
	2Q15	1Q15	Change 2Q-1Q	Change 2Q-1Q at constant FX
Total Lending Credit O/S	1,252	1,217	35	57
Other*	5	9	-4	-4
Total outstanding	1,257	1,226	31	53
Undrawn committed Facilities	37	41	-4	-3

Note: data is based on country of residence

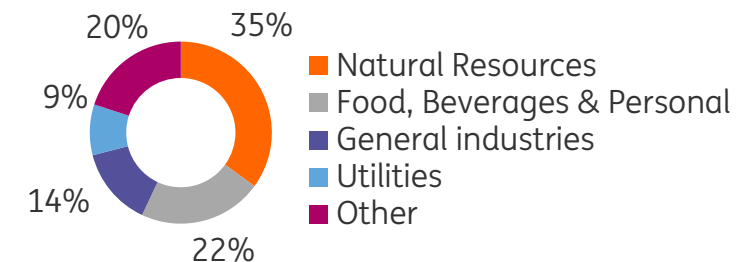
- Total outstanding to Ukraine amounted to EUR 1,257 mln in 2Q15
- The NPL ratio increased to 52% in 2Q15, reflecting the economic recession in Ukraine
- The coverage ratio was 51% in 2Q15

* Other includes Investments, trading exposure and pre-settlement

Lending outstanding per currency



Lending breakdown by Industry



Exposure ING Bank to Oil & Gas Industry - oil price risk is limited

		Lending Credit O/S	
Trade Finance	• Trade-related exposure; short-term self-liquidating trade finance, generally for major trading companies, either pre-sold or price hedged, not exposing the Bank to oil price risk	48%	86% of lending is not directly exposed to oil price risk
Export Finance	• ECA covered loans in oil & gas: typically 95-100% credit insured	5%	
Corporate Lending	• Corporate Loans in oil & gas sector: predominantly loans to investment grade integrated oil companies	19%	
Midstream	• E.g. pipelines, tank farms, LNG terminals, etc.: these assets typically generate revenues from long-term tariff based contracts, not affected by oil price movements	14%	
Offshore Drilling Companies	• Loans to finance drilling rigs, generally backed by 3-7 yr charter contracts and corporate guaranteed	4%	Somewhat exposed to oil price risk
Other Offshore Services Companies	• Diversified portfolio of companies active in pipe laying, heavy lifting, subsea services, wind park installation, etc. Corporate guaranteed	2%	
Reserve Based Lending	• Financing based on borrower's oil & gas assets. Loans secured by reserves of oil & gas. Includes smaller independent oil & gas producers	8%	Exposed to oil price risk but other risk mitigants provide protection
Total Oil & Gas related exposure		EUR 30 bln	

- Total oil & gas exposure was EUR 30 bln in 2Q15, flat from 1Q15
- ING has stress tested the Reserve Based Lending portfolio. Based on the current oil price environment, we see limited risk of increased loan losses

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 2014 ING Group Annual 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) ING's implementation of the restructuring plan as agreed with the European Commission, (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.

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