

# Consistently profitable Commercial Bank

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Member Management Board Banking, CEO Commercial Banking

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[www.ing.com](http://www.ing.com)

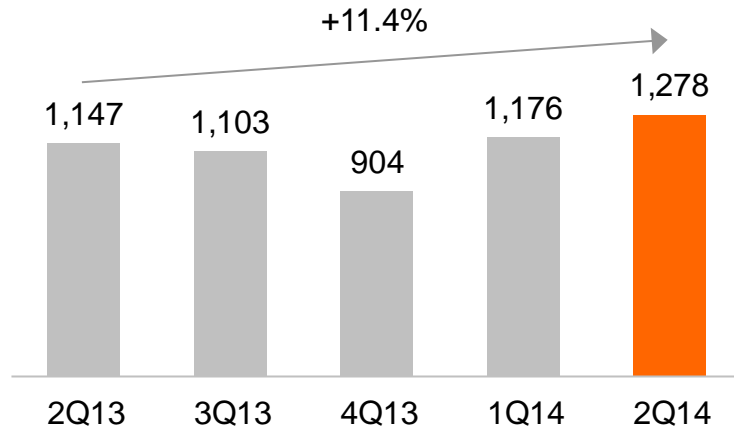
Please note that certain numbers on page 7 and 19 of this presentation have been adjusted from a previous version.

# Executive Summary

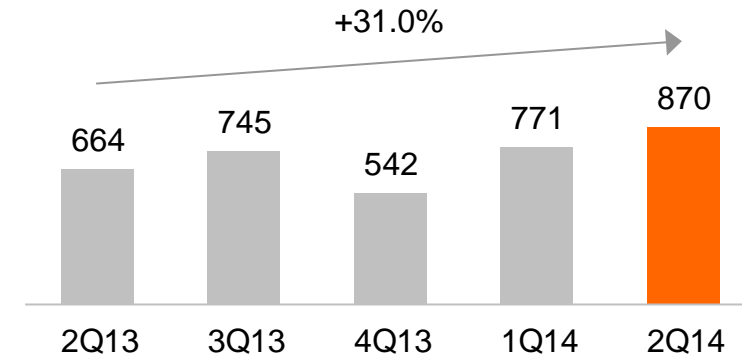
- ING Commercial Banking continues to show solid results, supported by strong volume growth
- Results achieved through consistent customer focus
- New technologies and further standardisation are key to further leveraging our international platform
  - A foundation for improving the client experience and supporting innovation
- Industry Lending generates diversified, secure, high return assets
  - Mature franchise built over 20 years
  - Financing based on industry knowledge
  - Global franchise benefiting from economic growth in US and Asia
  - We will continue to selectively invest in our centres of expertise to support growth

# ING Bank posted a strong second quarter...

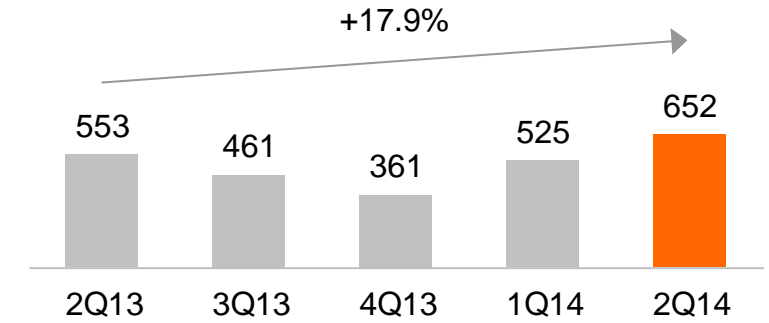
Pre-tax result ING Bank  
(in EUR mln)



Pre-tax result Retail Banking  
(in EUR mln)



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

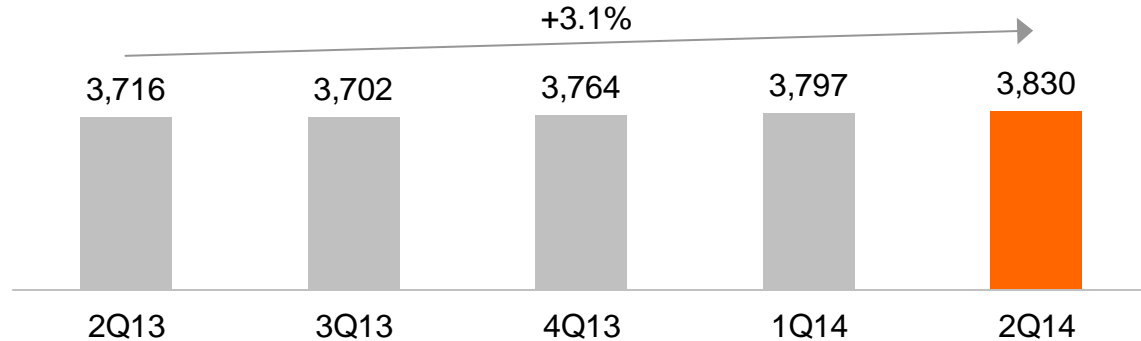


- Underlying pre-tax result was EUR 1,278 mln, up 11.4% from 2Q13 and 8.7% from 1Q14, driven by both Retail Banking and Commercial Banking
  - Strong volume growth in lending and deposits
  - Healthy income development
  - Lower risk costs
  - Capital position further strengthened

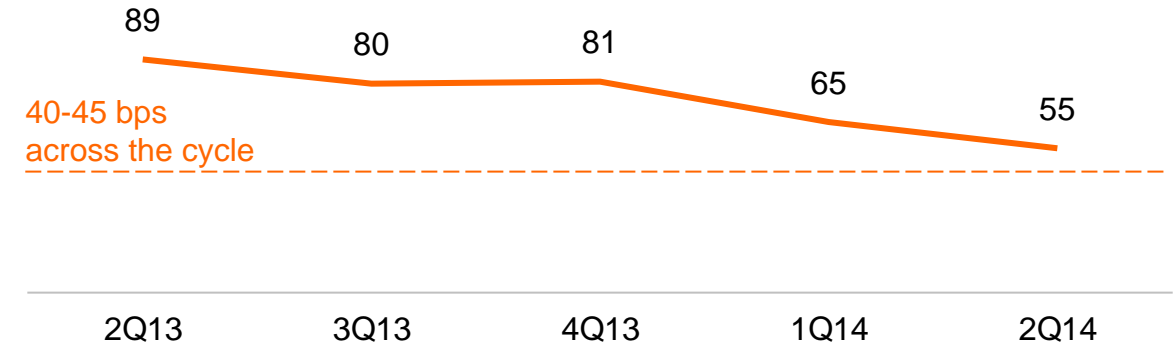
\* Pre-tax result Commercial Banking including CVA/DVA was EUR 605 mln in 2Q14, EUR 471 mln in 1Q14 and EUR 632 mln in 2Q13

# ...supported by healthy income and lower risk costs, as well as strong volume growth in lending and deposits...

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

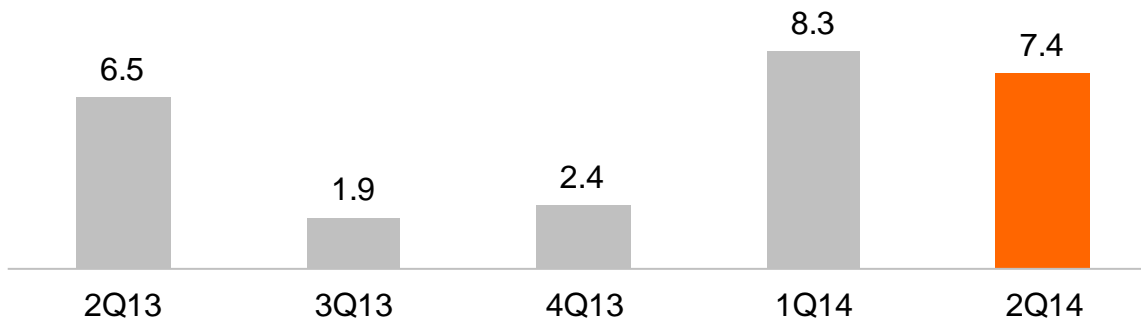


Risk costs started to decline from 2013 (bps of RWA)



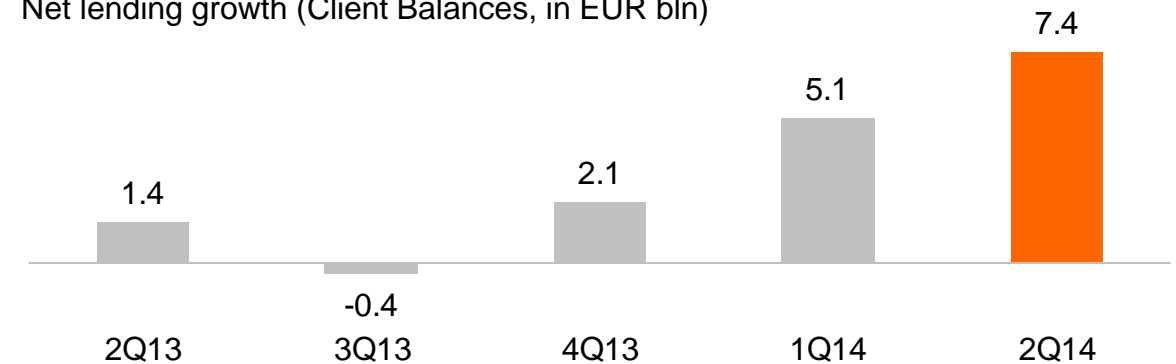
Strong deposit growth...

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



... and increase in net loan growth

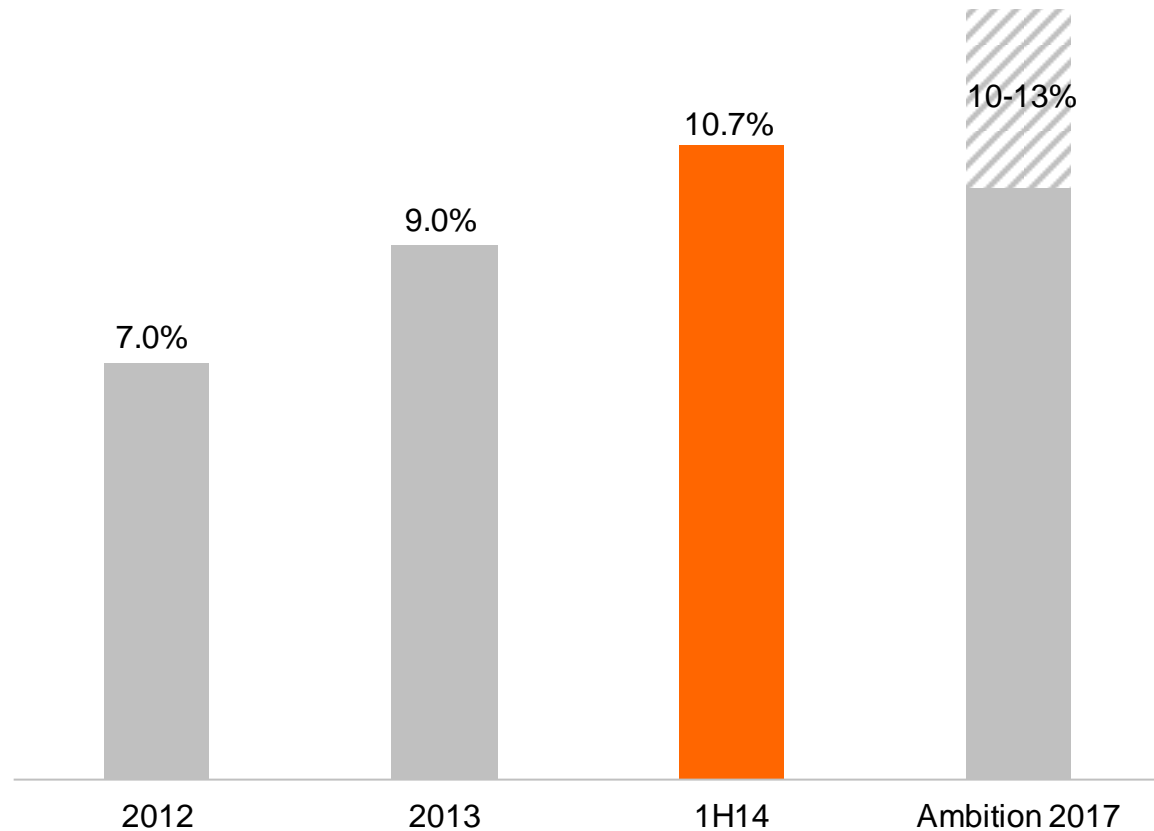
Net lending growth (Client Balances, in EUR bln)



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



- The underlying return on IFRS-EU equity was 11.1% in 2Q14 and 10.7% year-to-date
- 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

\* Based on IFRS-EU Equity





# Solid performance from a client focused Commercial Bank

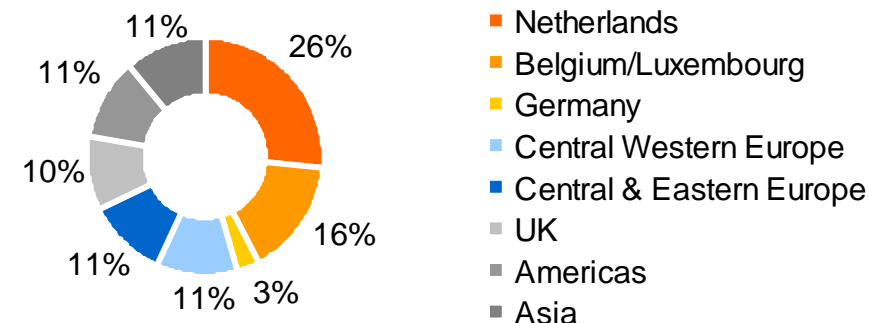
# Solid results from a consistent strategy and strong client franchises

## Client Focused Commercial Bank

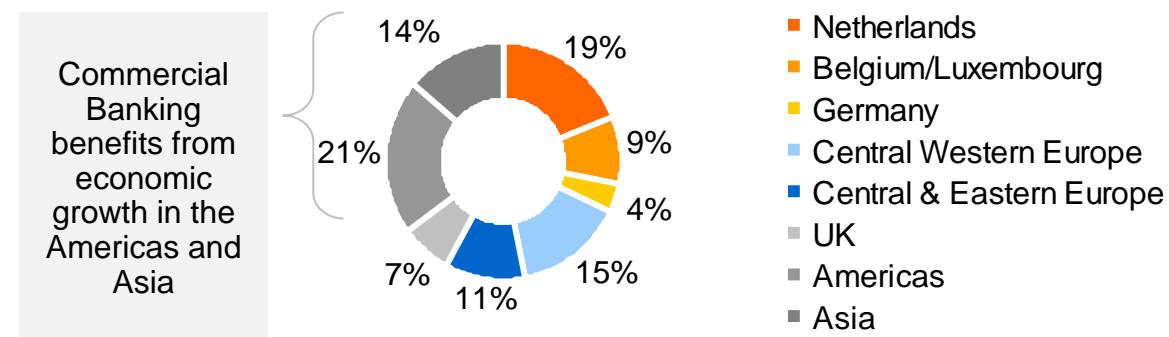
- Solid results through the cycle and strong 1H14 results
  - Risk costs reached their peak in 2Q13
  - Strong volume growth, particularly in Structured Finance
- A strong, Europe-focused Commercial Bank with global reach
  - Extensive international network with strengths across Europe, Asia Pacific and the US
  - Supporting our global client base with a comprehensive European banking offering
  - And our 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 strong, Europe-focused Commercial Bank with global reach

Income by country / region based on country booking\*, 1H14 (excl. CVA/DVA)



Income by country /region based on country of residence\*\*, 1H14 (excl. CVA/DVA)



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

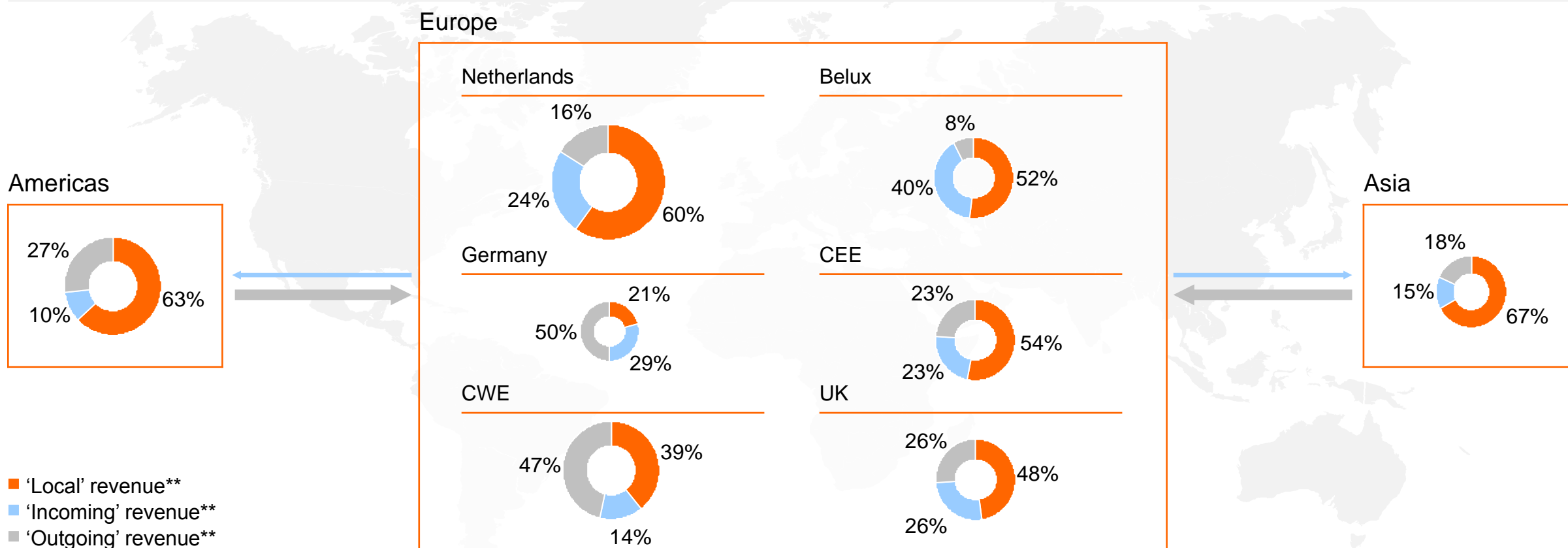
\*\* Data is based on country of residence. From the perspective of a given country, a resident is a legal entity or branch (or individual) that has its major operations in the given country

Please note that the numbers have been adjusted from a previous version to more accurately reflect the breakdown by country/geography



# Focus on servicing clients in Europe and beyond

A strong, Europe-focused Commercial Bank with global reach\*



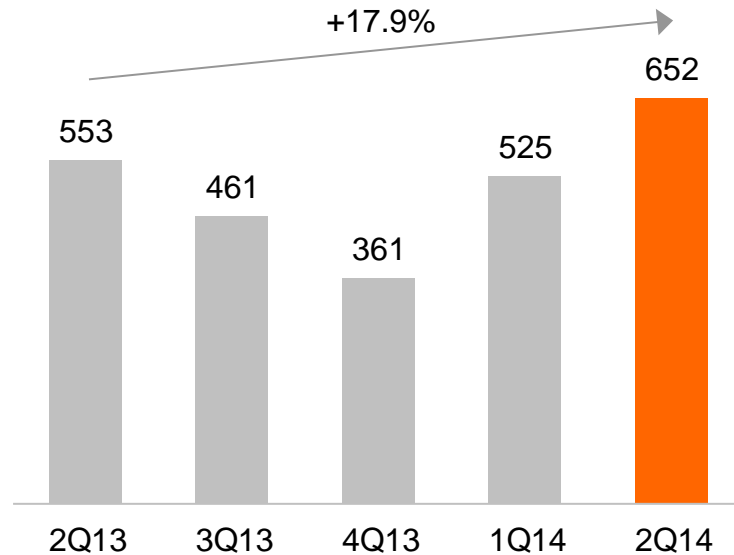
\* Above geographical split of revenues is based on internal servicing of Clients. Excluding Group items and excluding Run-off businesses

\*\* 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

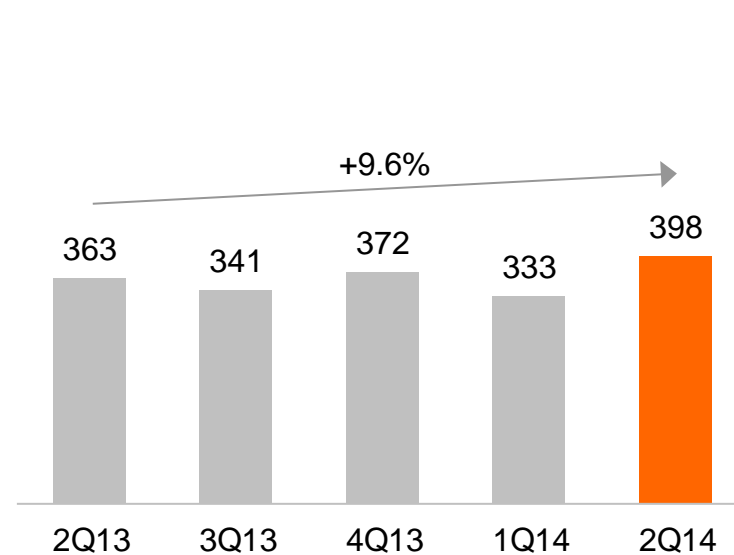


# Commercial Banking reported a strong quarter, driven by Structured Finance

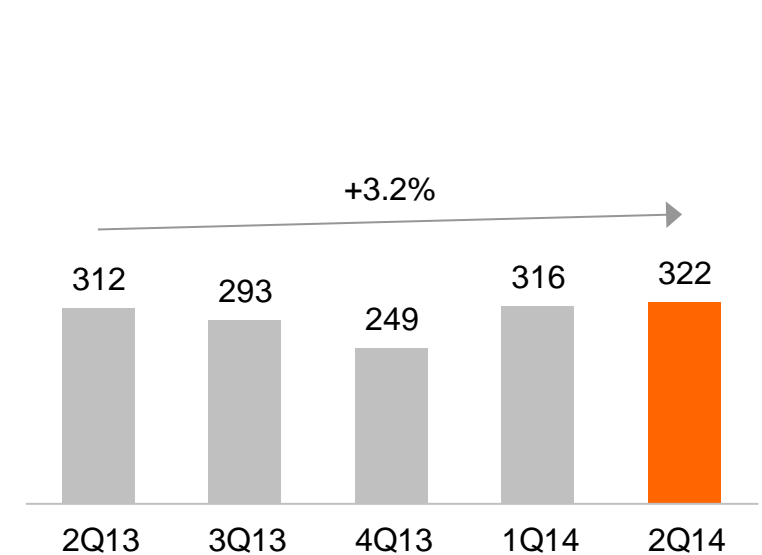
Pre-tax result Commercial Banking excluding CVA/DVA\* (in EUR mln)



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

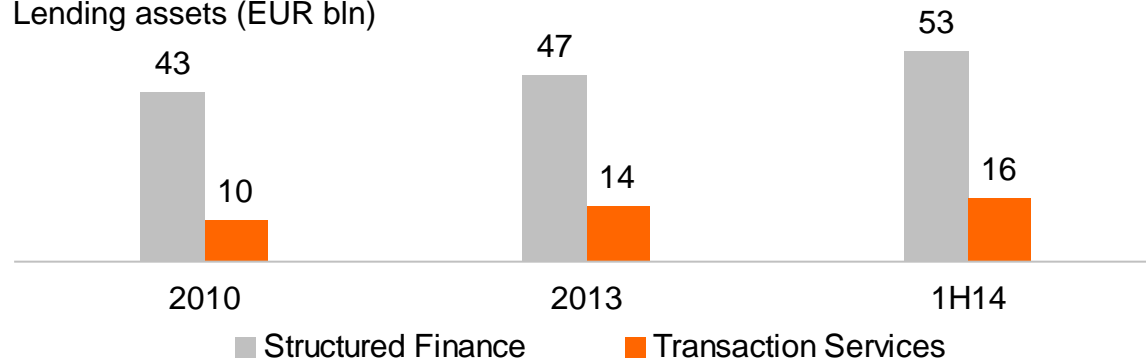
\* Pre-tax result Commercial Banking including CVA/DVA was EUR 605 mln in 2Q14, EUR 471 mln in 1Q14 and EUR 632 mln in 2Q13

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

# Lending assets in our focus areas, Structured Finance and Transaction Services, have been growing steadily

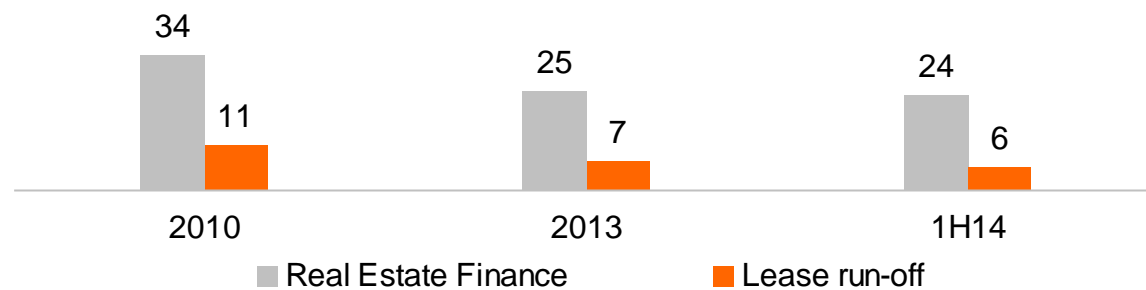
We have been growing our Structured Finance and Transaction Services assets

Lending assets (EUR bln)



Real Estate Finance has been reduced and non-core Lease has been put in run-off\* (in EUR bln)

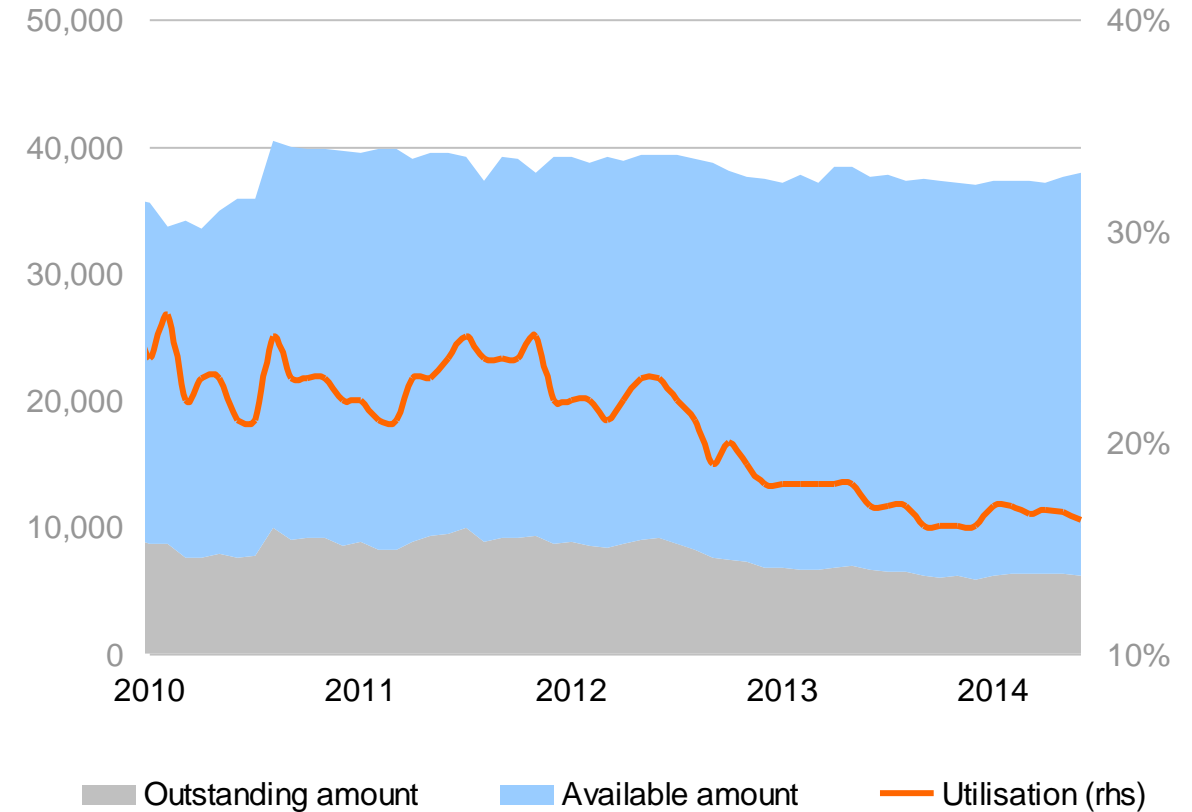
Lending assets (EUR bln)



\* Non-core Lease is expected to decline further to around EUR 3 bln in 2017

General Lending assets decreased in the past years, reflecting weak economic growth, but undrawn commitments have recently increased

General Lending assets - Committed Revolving Loans



# Clear focus and cost discipline - supports redeployment of resources

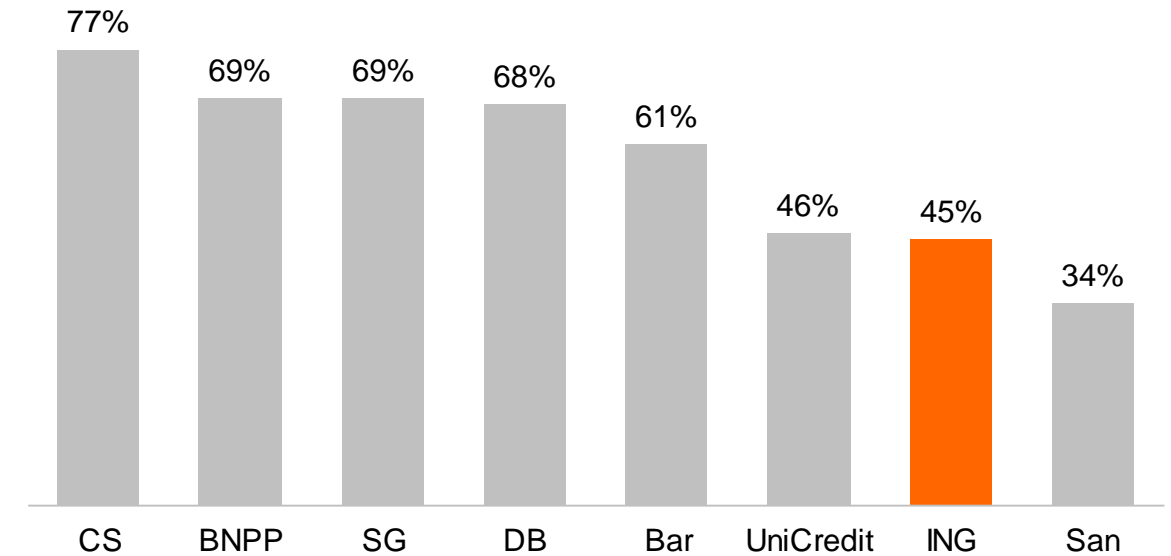
A robust business model combined with disciplined, effective execution

- 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
  - Exploiting opportunities as they arise
- New technologies and further standardisation – the foundation for further growth

Restructuring programmes on track (in EUR mln)

	Cost savings achieved	Cost savings by 2015	Cost savings by 2017
<b>Commercial Banking</b>	157	260	315

Cost/income ratio Commercial Banking businesses in 1H14\*



\* Source: ING Internal benchmarking data based on analysis of published annual reports; cost/income ratio ING CB excl. CVA/DVA was 44% in 1H14

# Our transformation programme will provide standardisation and an improved client experience...

## 2013

- Programme kick-off
- Created single Front Office & Client Services organisation
- Established global operations hubs (Manila & Bratislava)

## 2014

- Implementation new Client Service model globally
- Introduction new integrated client portal
- New cross-border cash management platform
- New online channel for trade
- Single lending platform

## 2015

- Completion Financial Markets standardisation
- Completion operations hubs
- New products added to client portal

## 2016

- Completion new Pan-European payments platform
- IT decommissioning
- Full service integrated client portal

- Transformation programme will lead to simplification and standardisation resulting in:
  - Improved client experience
  - Significant cost efficiencies

# Our clients will experience the benefits of our investments in seamless cross border solutions

## Standardised products and channels

- Single standardised product catalogue, simplified documentation and uniform transacting

## Consistent billing and reporting

- Single invoice for all fee charges and consolidated billing across all payment products and countries
- Strongly enhanced management information across all payment products

## Integrated client portal

- Supports transacting and reporting across products and geographies
- Provides secure and mobile access to information on multiple devices

## Harmonised client service model

- Supports integrated decision-making and monitoring

## Global on-line channel for trade

- Faster and uniform transacting, especially for higher volumes

## Improved pricing

- Faster pricing (for FX, equity derivatives and trade)

## Harmonised back-office and IT

- Increased reliability and stability
- Quicker implementation and processing
- Quicker time-to-market

### Multi Country

International reach, multiple languages and support

### Multi Product

Online client interactions in an integrated Portal



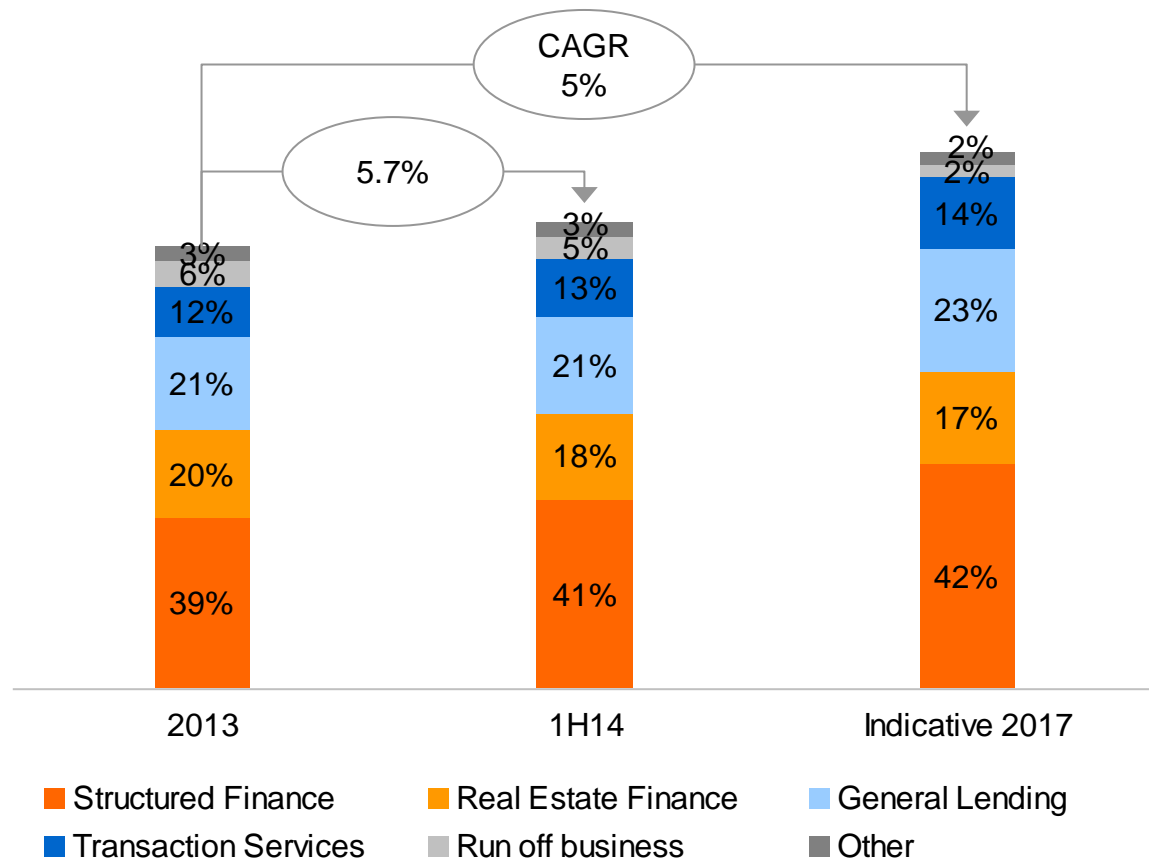
### Multi Device

Platform ready for Web and App

# Disciplined delivery in combination with our transformation programme – foundation for future growth of our businesses

## Lending Assets growth and breakdown by product (in %)

Lending Assets rose by 5.7% from EUR 122 bln in 2013 to EUR 129 bln in 1H14



## Focus areas

- Diversified asset growth in Industry Lending, General Lending and Transaction Services
- Prospect client list targeted
- Sector “centres of expertise” being established in Germany and Belgium
- Additional front office teams hired in challenger countries
- Become a Top 5 European player in Transaction Services, most notably Payments
- Become a European market leader in client satisfaction

## Commercial Banking on track in Ambition 2017 asset growth

- Lending assets grew by 5.7% since the end of 2013, particularly in the focus areas. At constant FX, lending assets grew by 4.4%
- Structured Finance grew 11% since 4Q13, 9% at constant FX
- Transaction Services grew 15% since 4Q13, 13% at constant FX

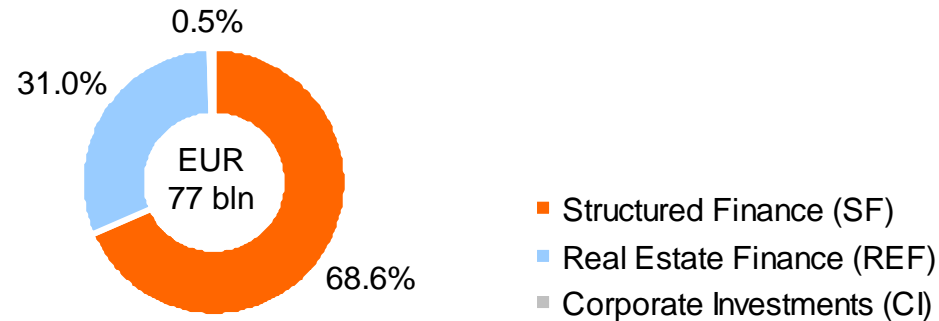


An aerial photograph of a wind farm in a rural landscape. In the foreground, the white nacelle and part of a wind turbine tower are visible. A worker in safety gear is on a platform near the nacelle. The background shows a vast expanse of green and brown agricultural fields, with a small village and rolling hills in the distance under a clear sky. A large, semi-transparent orange rectangle is overlaid on the center of the image, containing white text.

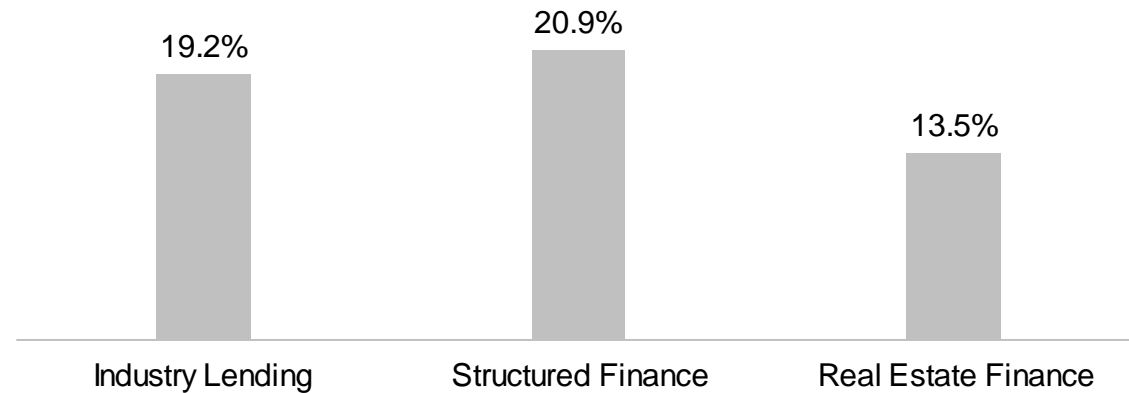
**Industry Lending generates  
diversified, secure, high return  
assets**

# Industry Lending generates diversified, secure, high return assets

Lending assets Industry Lending (in %, 2Q14)

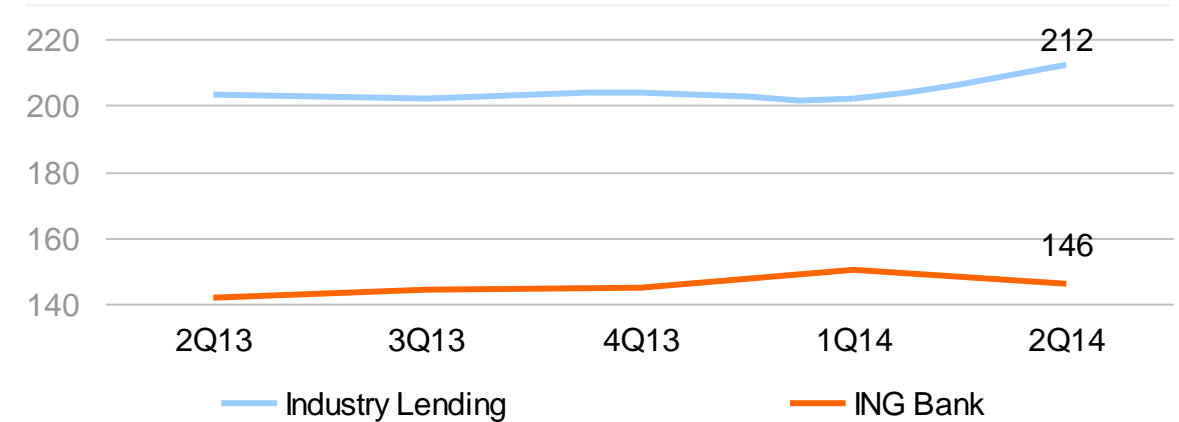


Return on Equity based on CET 1 of 10% (in %, 1H14)



\* Increase in the NIM in 2Q14 partly due to one-off interest income

Net interest margin Industry Lending\* (in bps)



- Industry Lending generates diversified, high return assets, making this attractive for balance sheet integration
- Financing based on industry knowledge
- In recent years, ING's Real Estate Finance portfolio has been reduced. The planned de-risking of our Real Estate Finance portfolio has been finalised
- Focus of growth going forward will be Structured Finance

# Structured Finance is a top 10 player globally generating a consistent high RoE

## Structured Finance

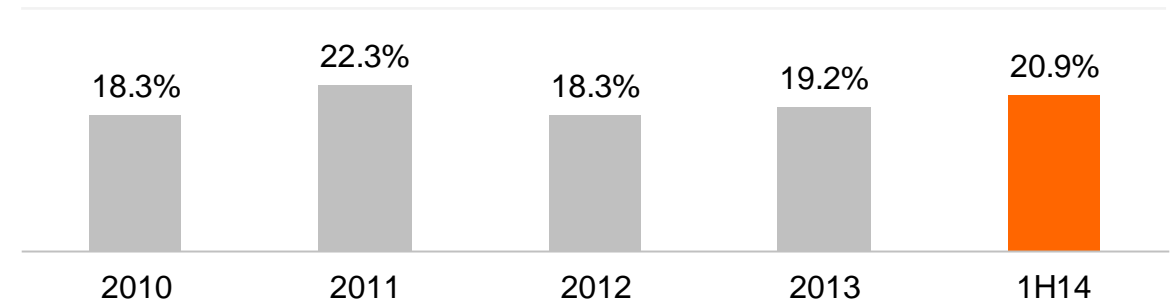
- Structured Finance business is a traditional lending business based on specialised industry knowledge
- ING is a top 10 player in this area
- Mature franchise built over 20 years
  - Expertise through experienced, long-serving teams
- Well diversified loan portfolio across segments and geography
- 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 generated a RoE at around 20% in the past 4.5 years.

## Leading global player Industry Lending excl. REF 1H14: MLA by number of deals

No.		Deals
1	Bank of America Merrill Lynch	181
2	Deutsche Bank	138
3	JP Morgan	128
4	Credit Suisse	121
5	Barclays	108
6	Mitsubishi UFJ	107
7	BNP Paribas	103
8	Citi	97
9	ING	96
10	Goldman Sachs & Co	92

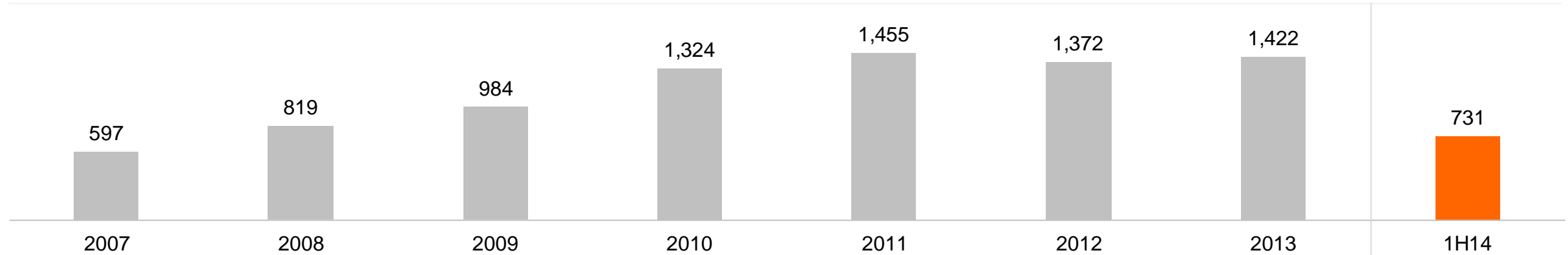
Source: Thomson Reuters

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



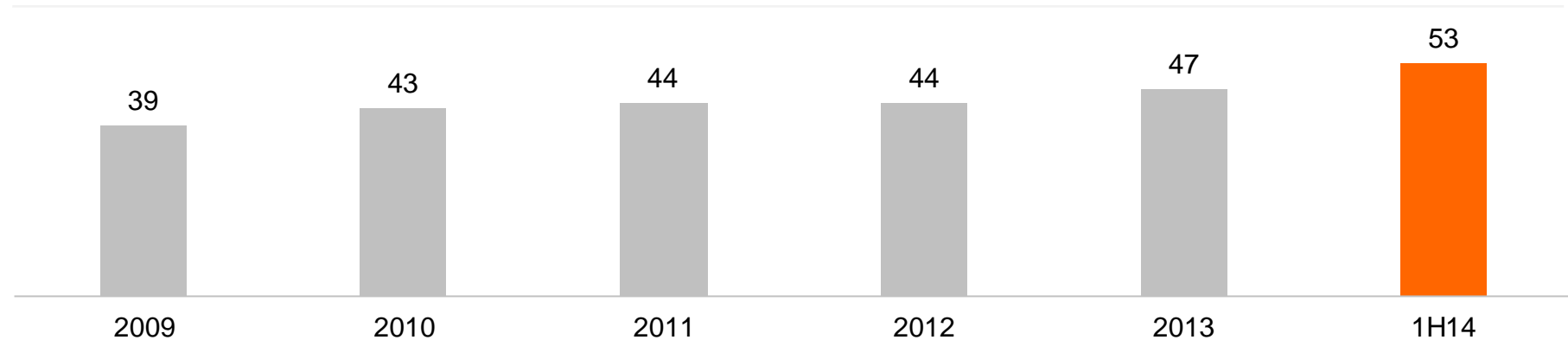
# Structured Finance has a long record of organic growth...

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 in 2013 and 1H14

Structured Finance lending assets (in EUR bln)

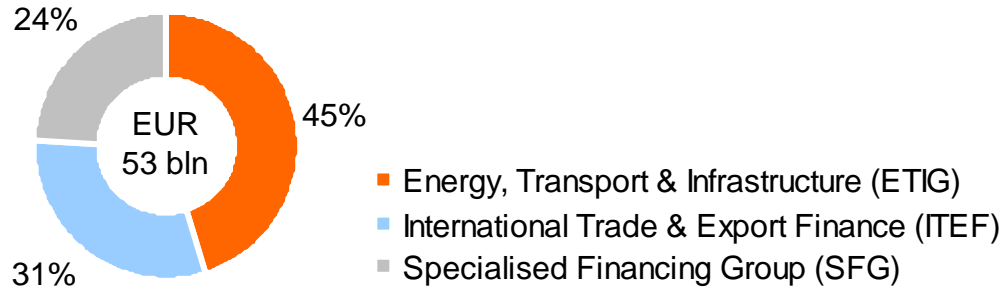




# ...while diversification and prudent risk management resulted in well controlled risk costs

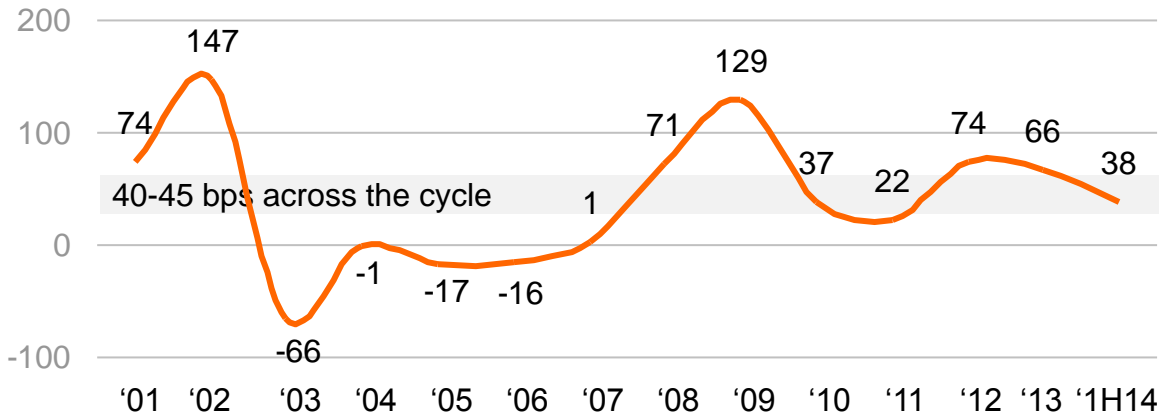
## Structured Finance is well diversified by product...

Lending assets (in %, 2Q14)



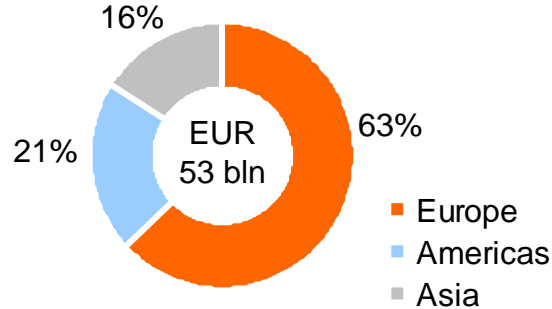
## ...resulting in well controlled risk costs

Risk costs in bps of average RWA

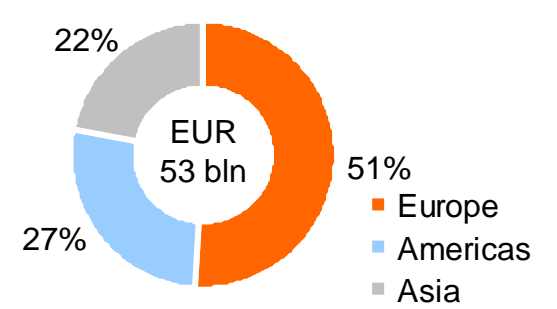


## ...and geography

Lending assets based on country of booking\*



Lending assets based on country of residence\*\*



\* 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. Please note that the numbers have been adjusted from a previous version to more accurately reflect the breakdown by country/geography

- Structured Finance is well diversified in terms of products and geography
- Diversification, strong collateral and prudent risk management 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)

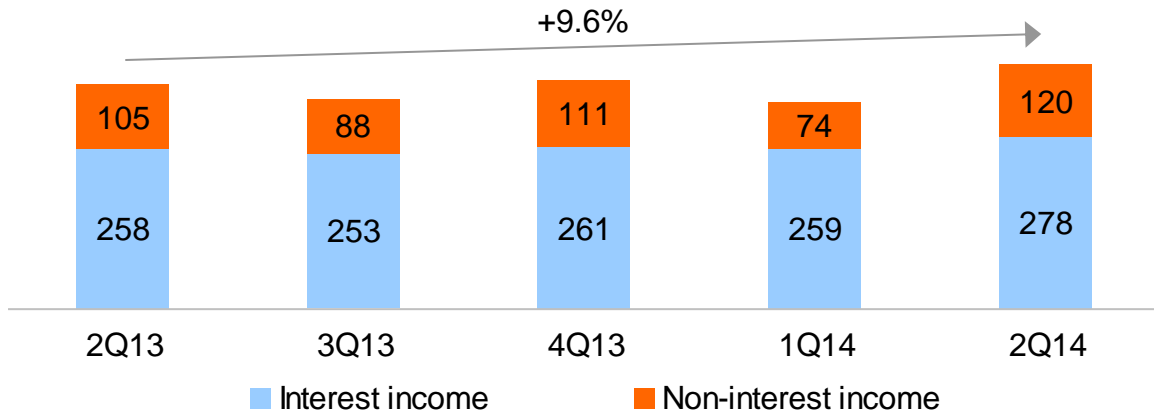
# Structured Finance is a well diversified mix of financing based on specialised industry knowledge

Structured Finance	Sub-segments (% of total lending assets SF)	A diversified lending business
<b>Energy, Transport and Infrastructure Group (ETIG)</b>	<ul style="list-style-type: none"> <li>Natural Resources (13%)</li> <li>Utilities-Power (5%)</li> <li>Infrastructure (8%)</li> <li>Transportation Finance (12%)</li> <li>Structured Metals &amp; Energy (7%)</li> </ul>	<ul style="list-style-type: none"> <li>Structured Finance business is a traditional lending business based on specialised industry knowledge</li> <li>Core strengths: <ul style="list-style-type: none"> <li>The ability to select clients and business segments, based on a consistent long term focus on the industry sectors covered</li> <li>The ability to structure lending solutions tailored to the needs of each industry segment</li> </ul> </li> <li>Aiming for lead roles in lending transactions to build client relationship, to optimize revenues and to maximize cross sell opportunity</li> <li>Broad range of industry sectors (Oil &amp; Gas, Mining, Power-Utilities, Renewables, Infrastructure, Transportation, Commodities, Telecommunication, Media)</li> <li>Diverse lending structures and financing purposes (e.g. project finance, acquisition finance, pre-export finance, borrowing base financing, reserve based lending, trade finance, etc.)</li> <li>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)</li> <li>Risk mitigation by way of client selection and appropriate lending structures, which includes asset security, credit insurance, covenants, borrowing base, etc.</li> <li>RoE roughly similar across the different sectors despite differences in margins and tenors</li> </ul>
<b>International Trade and Export Finance (ITEF)</b>	<ul style="list-style-type: none"> <li>Trade and Commodity Finance (23%)</li> <li>Structured Export Finance (8%)</li> </ul>	
<b>Specialised Financing Group (SFG)</b>	<ul style="list-style-type: none"> <li>Telecom and Media Finance (7%)</li> <li>Structured Acquisition Finance (6%)</li> <li>Local Structured Finance (7%)</li> <li>Other (4%)</li> </ul>	



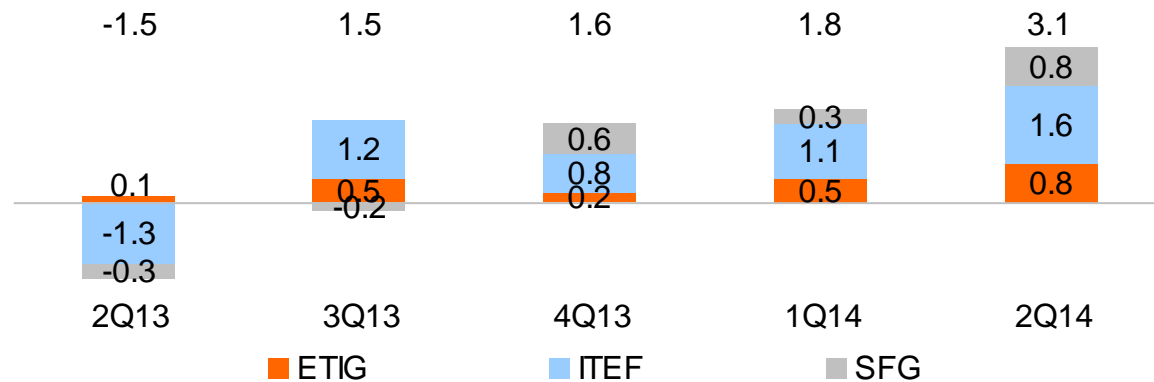
# Structured Finance benefitted from strong volume growth across all segments and geographies...

Structured Finance income (in EUR mln)

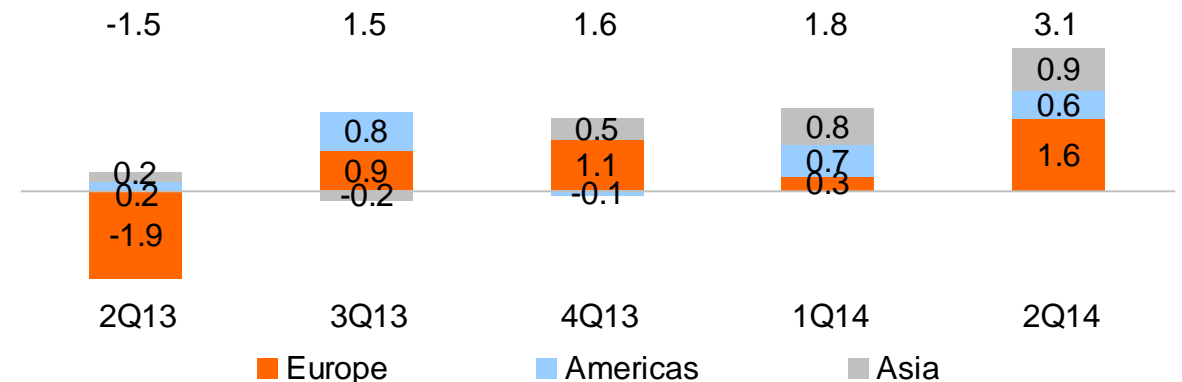


- Revenues Structured Finance grew by 9.6%, reflected in higher interest income and commission income, supported by strong volume growth
- Fees are generally accrued and released over the life of the deal. But fees relating to the underwriting component (as opposed to final take) are booked up front. If a deal pre-pays, then the remaining accrued fees are released at that time
- Net lending assets grew across all segments and geographies

Net lending growth, excl. FX, breakdown by segment (in bln)



Net lending growth, excl. FX, breakdown by geography\*



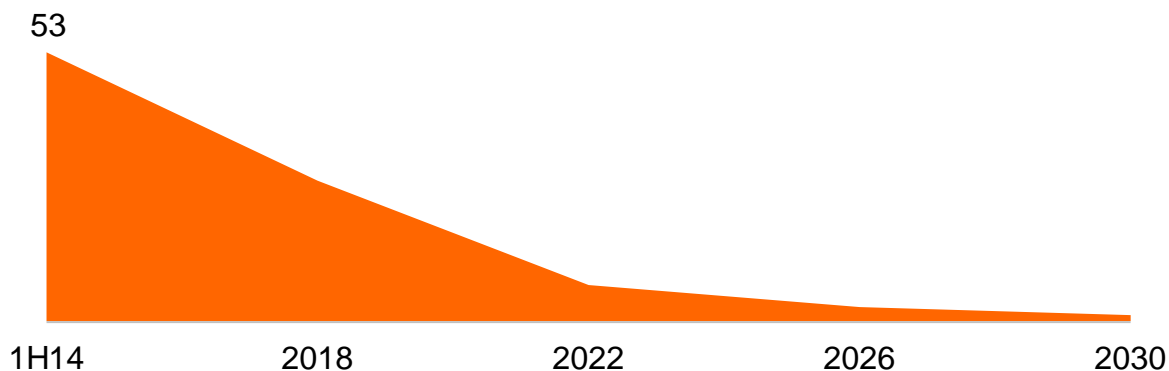
\* Data is based on country of booking, which includes non-domestic business booked on the domestic balance sheets

# ...while pressure on pricing was offset by lower funding costs

Illustrative return, market (in bps)

	Mid 2010	Mid 2011	Mid 2012	Mid 2013	Mid 2014
A-rated Investment Grade Corporate Facilities Drawn Margin	90	70	105	65	40
Project Finance	120	175	250	225	150
Offshore	250	230	300	275	200
LBO (TLA/RCF)*	415	400	475	440	415

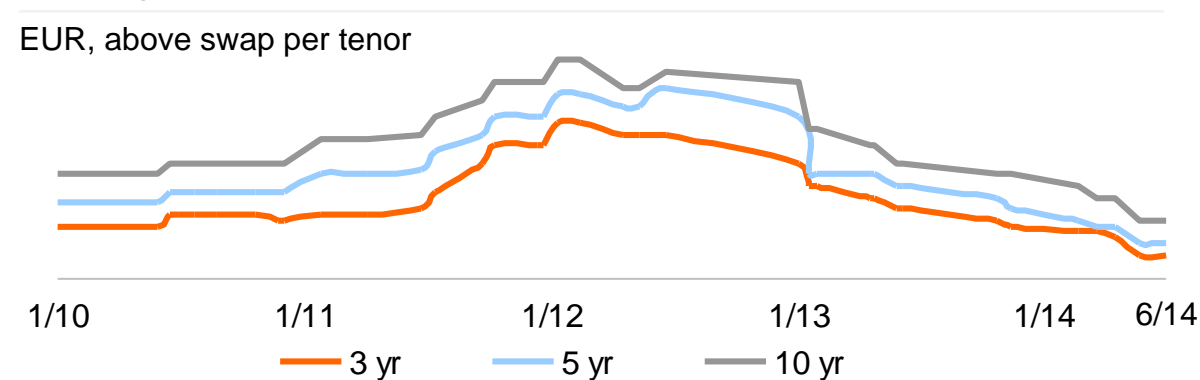
Structured Finance – average asset life circa 4 years



\* Leveraged Buy Out (Term Loan A/Revolving Credit Facility)

Funding costs (in %)

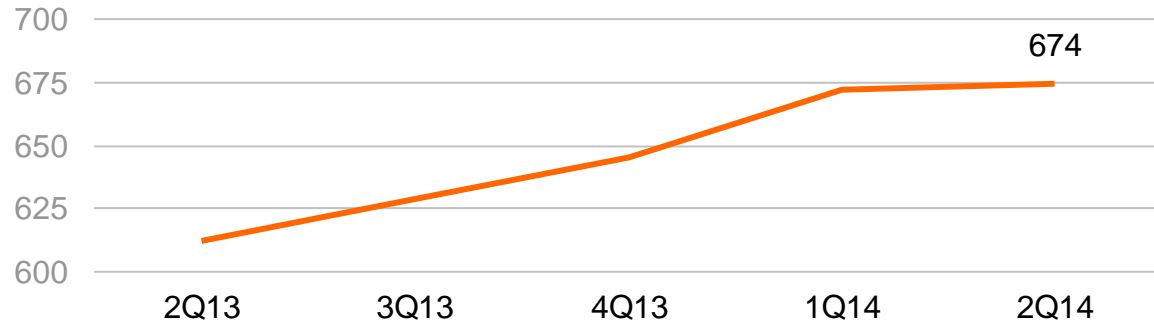
EUR, above swap per tenor



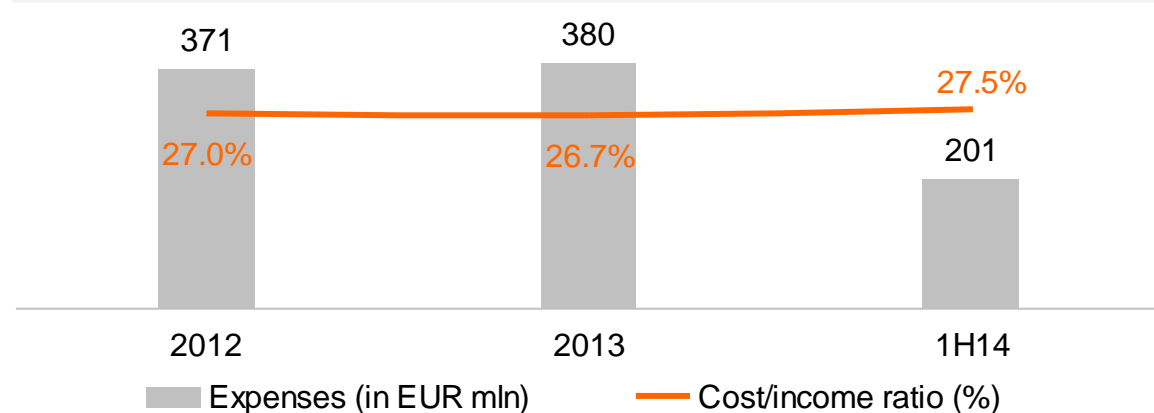
- Pressure on pricing is offset by lower funding costs, resulting in relatively stable margins
- As the average asset life is circa 4 years, ING Bank still benefits from repricing at higher margins.

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

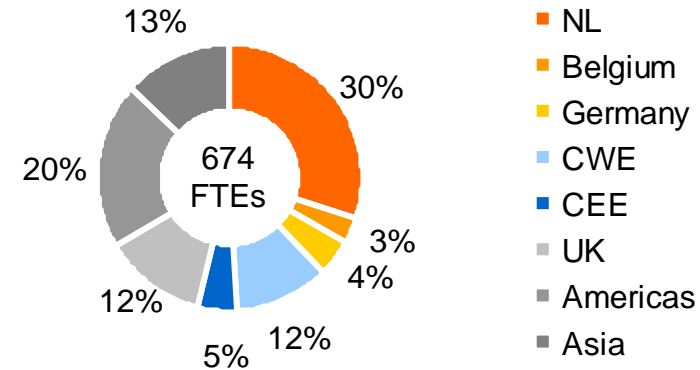
Amount of FTEs has increased to support the growth ambition in Structured Finance. FTEs



Cost/income ratio remains low despite investments



Breakdown of FTEs by geography

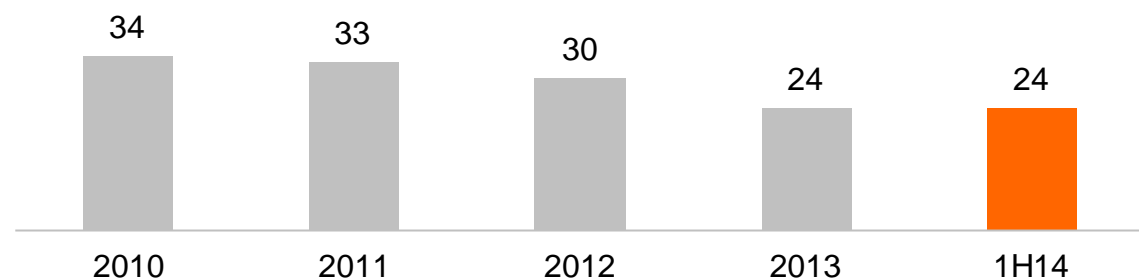


- Structured Finance covered from our centres of expertise in Amsterdam, Brussels, London, Frankfurt, Geneva, New York, Singapore and Hong Kong
- Currently expanding local expertise centres in some of our funding rich countries (Germany and Belgium) for origination purposes to support balance sheet integration
- The total FTE in SF showed an increase of about 10% 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

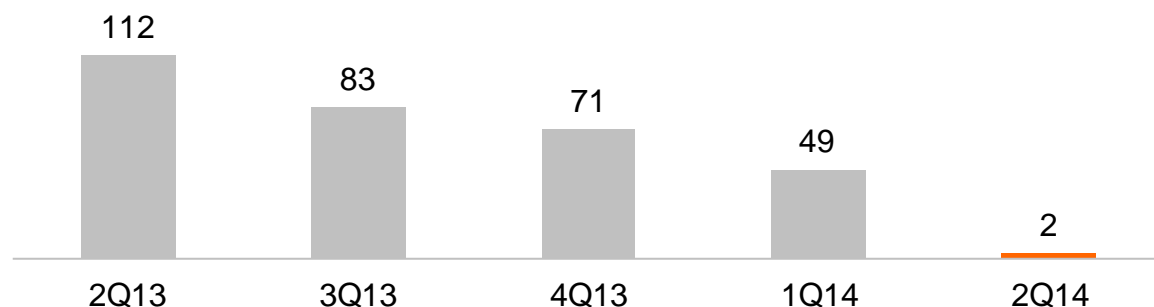
Planned de-risking of Real Estate Finance portfolio has been finalised

Lending assets (in EUR bln)



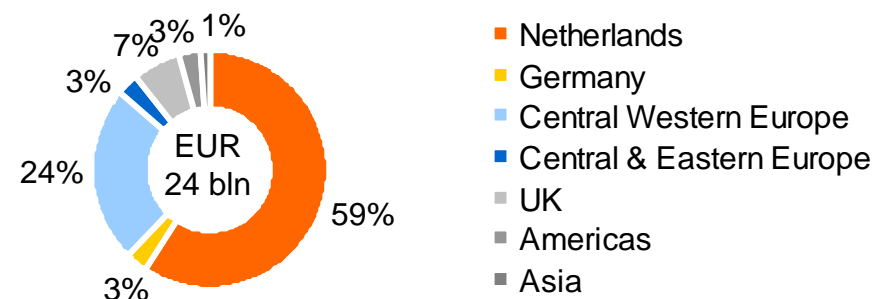
Risk costs REF have come down since 2Q13...

(in EUR mln)



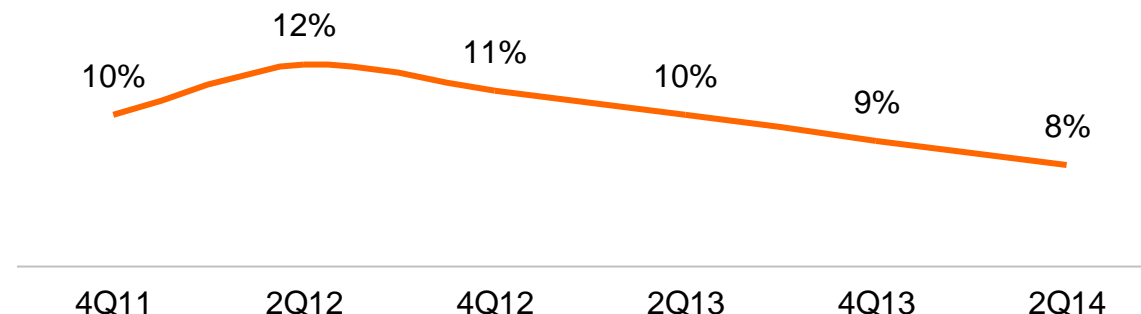
\* Data is based on country of booking

Lending assets, breakdown by geography (in %)\*



...reflecting an improvement in the Commercial Real Estate market

Vacancy levels REF NL (in %)







# Wrap up

# Wrap up

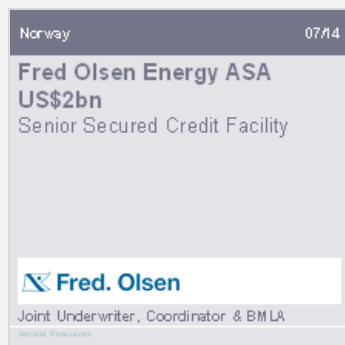
- ING Commercial Banking continues to show solid results, supported by strong volume growth
- Results achieved through consistent customer focus
- New technologies and further standardisation are key to further leveraging our international platform
  - A foundation for improving the client experience and supporting innovation
- Industry Lending generates diversified, secure, high return assets
  - Mature franchise built over 20 years
  - Financing based on industry knowledge
  - Global franchise benefiting from economic growth in US and Asia
  - We will continue to selectively invest in our centres of expertise to support growth



# Appendix

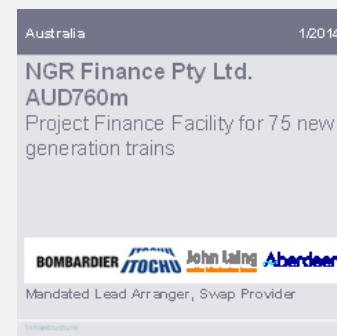
# Examples of Structured Finance deals – Energy, Transport and Infrastructure Group

USD 2 bln 6-yr senior secured credit facility for Fred Olsen Energy, Norway; 2014



- Fred Olsen Energy ASA is one of the largest Norwegian drilling companies
- ING acted as underwriter, co-ordinator and bookrunner.
- The transaction is one the largest ever done in the Offshore space
- ING has had a close relationship with Fred Olsen Energy since 1998

AUD 760 mln syndicated credit facility for NGR Finance Pty Ltd, Australia; 2014



- Delivery and maintenance of 75 new six-car trains under a 32 year PPP with the Queensland State Government by a consortium comprising technology leader Bombardier Transportation together with Itochu, John Laing and Aberdeen Infrastructure Investments
- ING acted as a Mandated Lead Arranger and Swap Provider in the AUD 760 mln project financing

Financing for building 48 wind turbines, Westermeerwind, Netherlands; 2014



- Westermeerwind transaction concerns the financing to build 48 wind turbines in the IJsselmeer (144MW)
- ING acted as Structuring Bank, MLA, Underwriter, Junior Debt Provider, Agent, and Hedging bank
- Next to the term loan typical associated facilities were provided covering i.a. contingencies, VAT and junior term loan.

Financing of 2014 container box capex of Hapag Lloyd AG, Germany; 2014



- Hapag Lloyd AG is a leading global container liner company
- The transaction was structured as a series of Japanese Operating Leases with Call Option (JOLCOs). The equity part of these JOLCOs has been arranged by specialized JOLCO equity arranger FPG
- By using JOLCO financings for the financing of their container box capex, Hapag Lloyd benefits from 100% financing at attractive all in rates



# Examples of Structured Finance deals – International Trade and Export Finance

## USD 15.3 bln credit facility for Glencore, Switzerland; 2014



- Glencore is one of the world's largest global diversified natural resource companies
- USD 15.3 billion syndicated revolving credit facility for Glencore International AG and Glencore Funding LLC
- ING was awarded with a dual lead mandate as Active Bookrunner in both the refinancing of the Revolving Credit Facility (Europe's largest lending facility to-date in 2014 backed by 67 banks) and the issuance of the EUR 1.1 billion benchmark seven and twelve year Eurobond

## USD 125 mln syndicated standby letter of credit facility for New Zealand Farming Systems, Uruguay; Dec 2013



- New Zealand Farming Systems (NZFS) Uruguay is the biggest milk producer in Uruguay with the largest herd size and area under management.
- NZFS is a 100% subsidiary of Olam International
- USD 125 mln syndicated Standby Letter of Credit Facility for NZ Farming System Uruguay
- ING acted as sole arranger and underwriter
- Leading trade finance magazine, Global Trade Review announced its list of 'Best Deals 2013'

## USD 440 mln syndicated pre-export finance facility for Biosev, Brazil; 2014



- Biosev is the world's 2<sup>nd</sup> largest producer of sugar and ethanol, a subsidiary of Louis Dreyfus Commodities
- USD 440 mln syndicated, in house developed, three year revolving pre-export facility
- ING acted as Coordinating Bookrunner, Mandated Lead Arranger and Facility Agent

## USD 1.375 bln credit facilities for Varo Energy, Germany; 2014



- Commodity trading company Vitol and financial sponsor Carlyle formed a joint venture in 2014 creating Varo Energy
- Varo Energy is operated by Vitol/Carlyle as their NWE downstream platform active in refining, storage and distribution of petroleum products
- USD 1.375 billion credit facilities for Varo Energy
- ING acted as joint coordinator, bookrunning mandated lead arranger, security agent and hedging bank

# Examples of Structured Finance deals – Specialised Finance Group

## EUR 655 mln financing package for UNIT4, Netherlands, 2014

Netherlands	03/14
<b>UNIT4</b> EUR 490m Senior Syndicated Credit Facility EUR 165m Second Lien Facility	
 BUSINESS SOFTWARE Bookrunner & MLA	

- UNIT4 is a market-leading business software and services company
- Structured Acquisition Finance acted as MLA/Bookrunner underwriting the EUR 655 million financing package
- ING's strong existing relationships with UNIT4, ING's public to private expertise and ING's strong financing capabilities led UNIT4 and the financial sponsor to mandate ING for this transaction

## EUR 430 mln fixed rate issue for Paroc, Finland 2014

Finland	05/14
<b>Paroc</b> EUR430m Sr Secured Notes Sr Secured FRNs EUR60m Super Senior RCF	
 Joint Physical Bookrunner/ MLA/ Agent Building materials	

- Paroc is a Helsinki-based premium stone wool insulation producer with leading market positions in Finland, Sweden and the Baltic states
- ING acted as an active physical bookrunner and sole ratings advisor on Paroc's EUR 430 million dual tranche inaugural bond issue and as mandated lead arranger on a concurrent EUR 60 million super senior RCF
- It allowed ING to actively lead a public market debt financing with stated proceeds to refinance legacy debt

## EUR 15.8 bln debt package for Altice SA/Numericable Group SA, France 2014

France	01/14
<b>Altice SA</b> EUR 15.8bn Debt Facilities	
  Joint BMLA, Underwriter & Swap Arranger Telecommunications	

- Numericable Group SA, listed on the Paris stock exchange, is the sole major cable operator in France
- ING, together with 8 banks, covered the underwrite of a EUR15.8 billion debt package for international telecom group Altice SA and its affiliate French cable operator Numericable Group SA
- This transactions highlights the excellent collaboration between various global product lines and the local bank in France

## EUR 775 mln fixed rate issue for Heat Exchangers, Germany 2014

Germany	Pending
<b>Heat Exchangers</b> EUR 775m Senior Notes EUR 475m Senior Secured Facilities	
 MLA & Bookrunner General Industries	

- Heat Exchangers is a global manufacturer of heat exchangers for industrial applications, headquartered in Bochum, Germany
- ING acted as joint bookrunner and joint mandated lead arranger
- This transaction stands for an excellent cooperation between SAF & DCM and the ability to offer a bridge financing and High Yield Bond on a competitive basis

# League tables

Industry Lending excl. REF 1H14: Global  
MLA by number of deals

No.		Deals
1	Bank of America Merrill Lynch	181
2	Deutsche Bank	138
3	JP Morgan	128
4	Credit Suisse	121
5	Barclays	108
6	Mitsubishi UFJ	107
7	BNP Paribas	103
8	Citi	97
9	<b>ING</b>	<b>96</b>
10	Goldman Sachs & Co	92

Industry Lending excl. REF 1H14: EMEA  
MLA by number of deals

No.		Deals
1	BNP Paribas	59
2	<b>ING</b>	<b>51</b>
3	Credit Agricole	50
4	Societe Generale	49
5	HSBC	44
6	Deutsche Bank	43
7	RBS	31
8	UniCredit	28
9	Natixis	26
10	Santander	26

Natural resources: 1H14: Global MLA by  
number of deals

No.		Deals
1	<b>ING</b>	<b>11</b>
2	Rabobank	10
3	Mitsubishi	9
4	ANZ Banking Group	8
5	HSBC	8

Source: Thomson Reuters. League tables are for syndicated loans only.

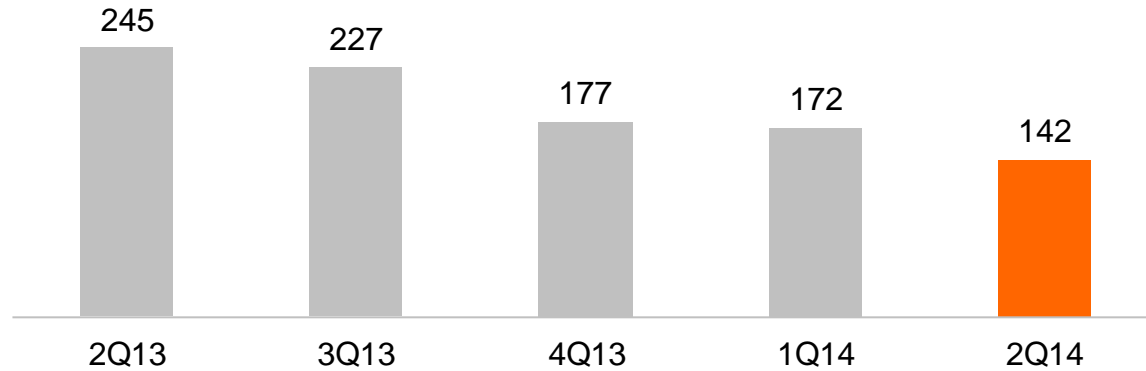
# Excellence Awards 2013 / 2014



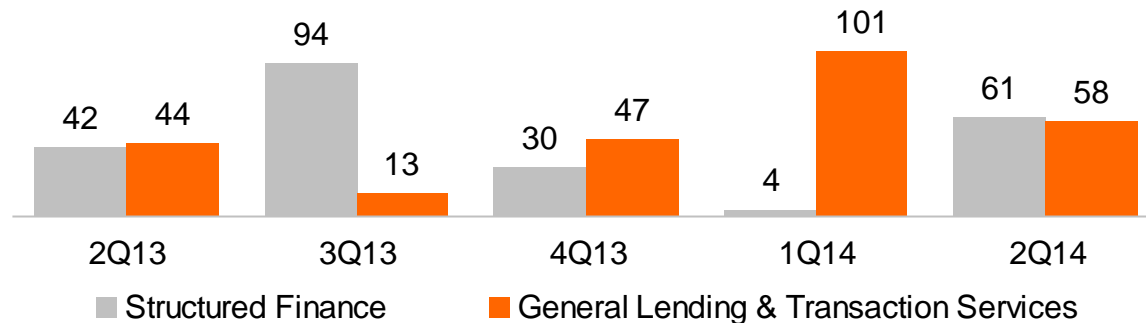


# Risk costs Commercial Banking continued their downward trend, but can be volatile quarter-on-quarter

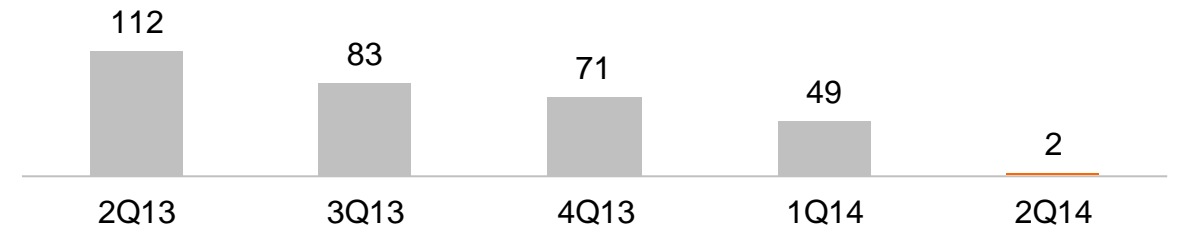
Risk costs Commercial Banking trending down...  
(in EUR mln)



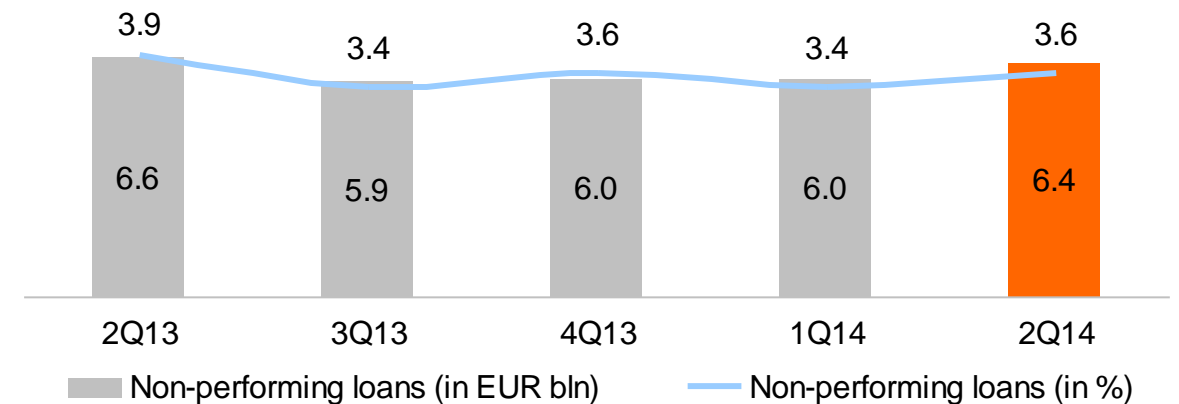
Risk cost development can be volatile due to provisioning or releases for a few large files in Industry Lending and/or General Lending  
(in EUR mln)



...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



# 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
<b>Total outstanding</b>	<b>7,956</b>	<b>1,382</b>
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%

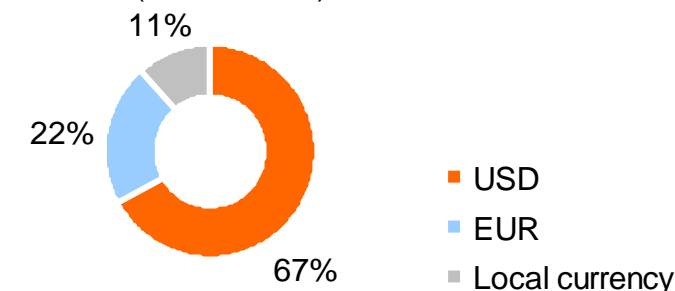
- Total outstanding to Russia and Ukraine combined has been reduced by EUR 742 mln or 7.4% from 1Q14
- We will continue to manage exposure down in close cooperation with our clients, protecting their interests and our franchise as much as reasonably possible
- The lending exposure to Russia covered by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

\* Other includes Investment, trading exposure and pre-settlement

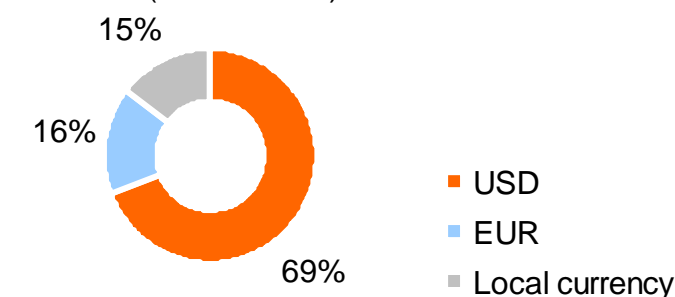
\*\* Coverage ratio is defined as total provisions divided by total non performing loans

## 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.

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