ING Bank Credit Update

Amsterdam – 5 November 2014
www.ing.com

Key points

- ING accelerates repayment of final tranche of core Tier 1 securities after comfortably passing the AQR and stress test
  - EUR 7.9 bln combined market value of ING's stakes in NN Group and Voya provide substantial financial flexibility
  - Following the ECB's comprehensive assessment, ING accelerates its final repayment of state aid to November 2014
  - Pro-forma surplus at Group level amounts to EUR 5.4 billion after repayment Group debt and final payment to the Dutch state

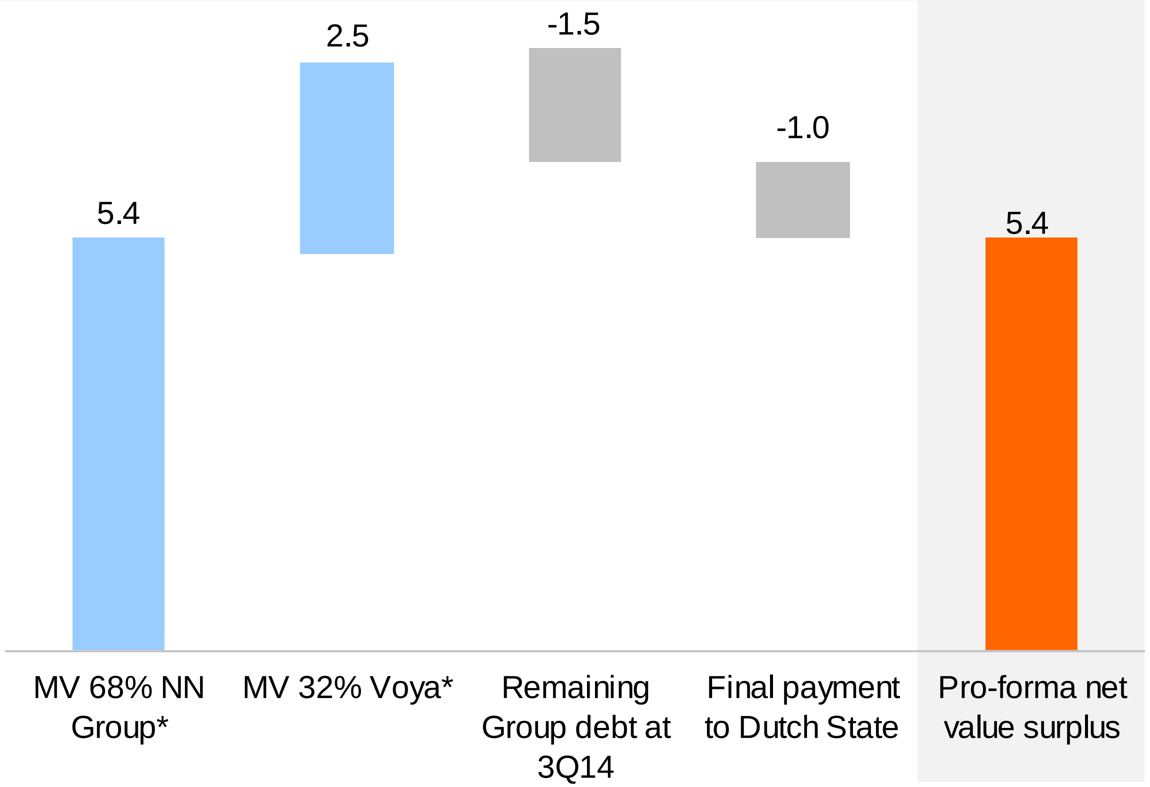
- Underlying net result Banking was EUR 1,123 mln, up 37.0% from 3Q13 and up 21.7% from 2Q14
  - Strong income growth spurred by net interest income
  - Net interest margin increased to 153 bps
  - Risk costs declined to EUR 322 mln in 3Q14, partly due to a release on a larger file
  - Underlying RoE increased to 12.7% in 3Q14 and 11.4% YTD

- The Bank's capital and liquidity position remains strong and funding needs are moderate
  - CRD IV Common equity Tier 1 ratio fully-loaded improved to 11.1%, up from 10.5% in 2Q14
  - Large part of the balance sheet is funded with stable retail based customer deposits
  - ING Bank has a sizeable EUR 201 billion liquidity buffer, which compares favourably to a balance sheet of EUR 832 billion
  - Long term funding has increased to EUR 103 billion, up from EUR 65 billion in 2009
  - ING Bank has modest long-term funding needs going forward

ING Group

Surplus at Group level enables us to accelerate final payment to the Dutch State

Comfortable surplus at ING Group level



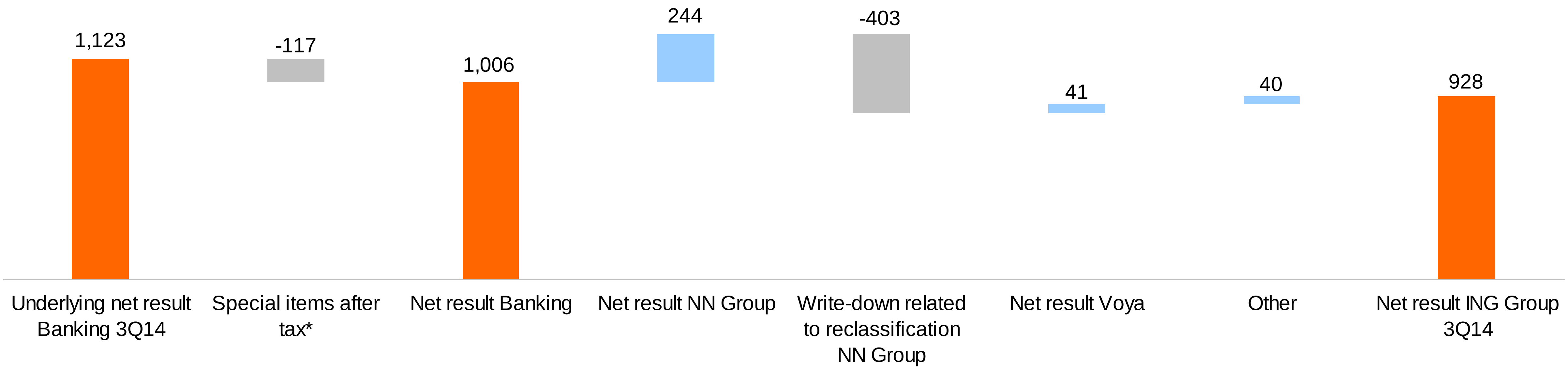
Surplus enables us to repay the Dutch State early

- We will pay the final tranche to the Dutch State on 7 November
- Upon completion, total payments to the Dutch State amounted to 135% of the capital support received, giving the State an average annualised return of 12.7%
- Surplus at Group level amounts to EUR 5.4 bln after final payment to the Dutch State
- We will divest our remaining stakes in NN Group and Voya over time, while maintaining an orderly market

* Market value of remaining stakes in NN Group and Voya are based on market prices at 31 October 2014

NN Group reclassified as ‘held for sale’ and ‘discontinued operations’

Net result ING Group includes net results NN Group and Voya (in EUR mln)



- NN Group reclassified as ‘held for sale’ and ‘discontinued operations’ led to write-down of goodwill and other non-current assets of EUR 403 mln
- Net result of NN Group was EUR 354 mln in 3Q14 and EUR 244 mln after deducting 31.9% minority interest
- Net result ING Group was EUR 928 mln, including special items and insurance businesses, up from EUR 128 mln in 3Q13 and down from EUR 1,067 mln in 2Q14

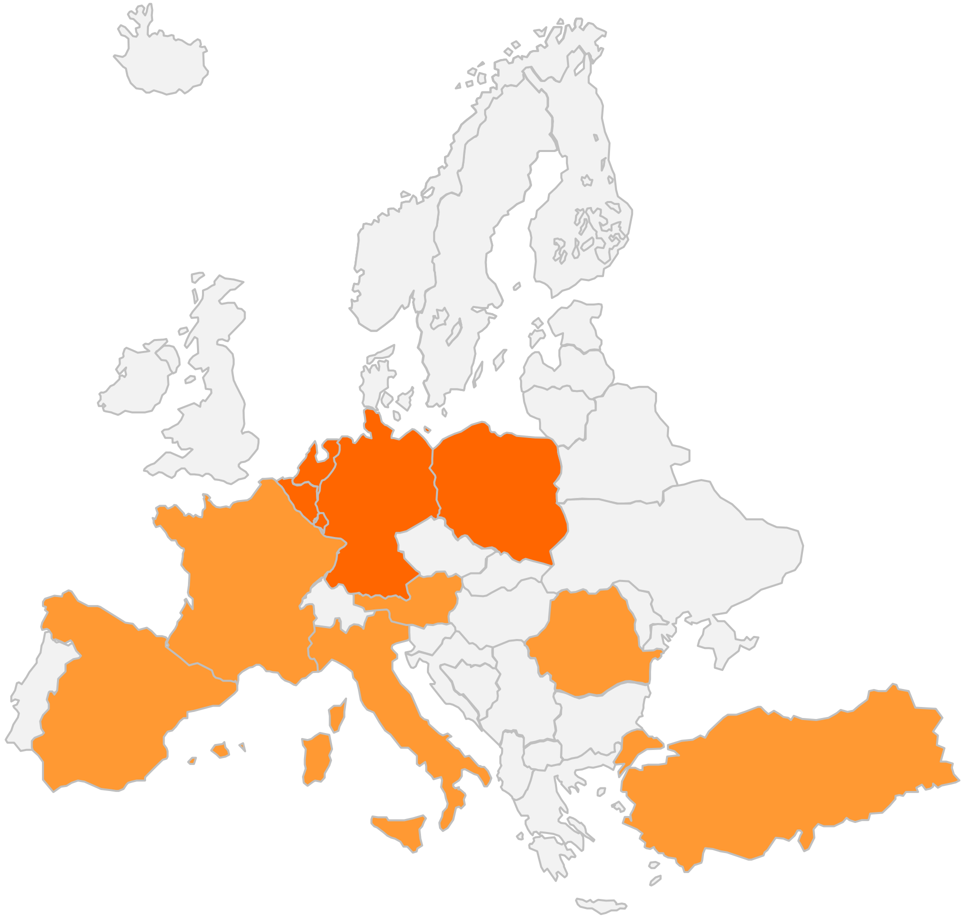
* Special items after tax of EUR 117 mln includes final payment SNS levy of EUR 101 mln

thinkforward

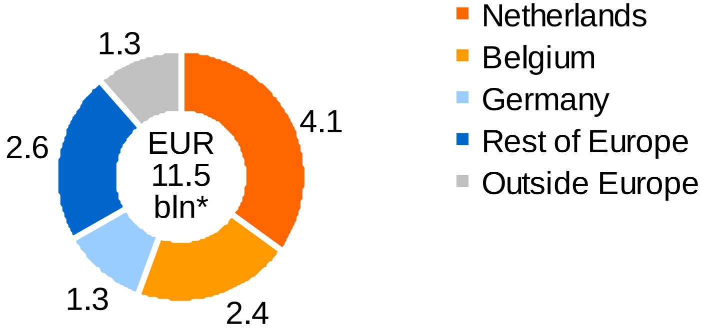
ING Bank

ING Bank has strong positions in resilient northern European home markets

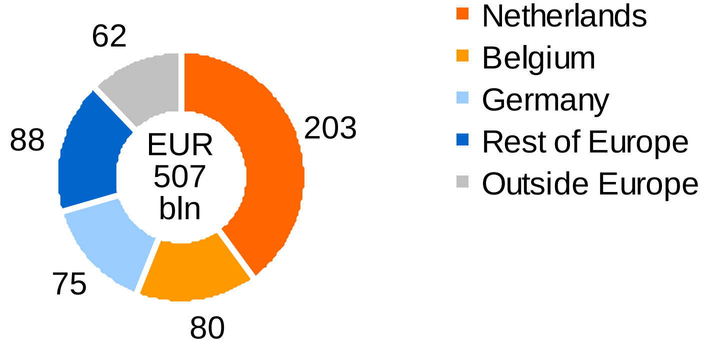
Strong positions in European home markets



ING Bank total underlying income 9M2014 (EUR bln)



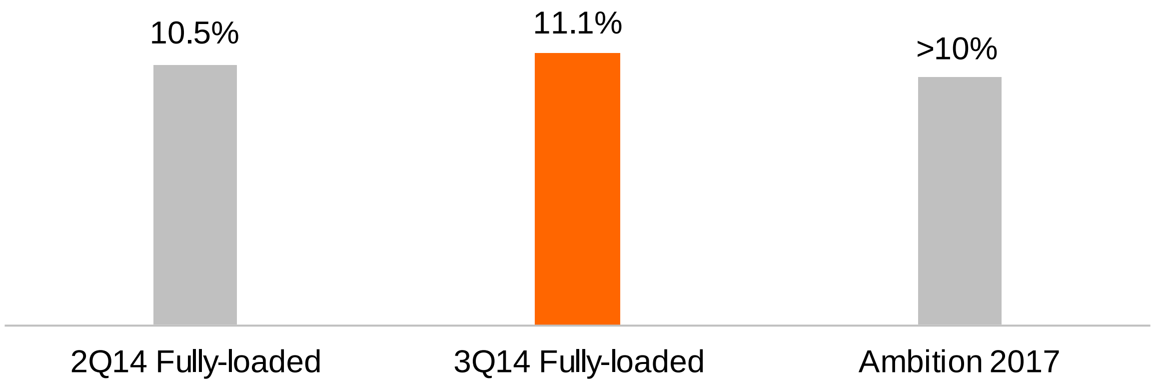
Lending portfolio September 2014 (EUR bln)



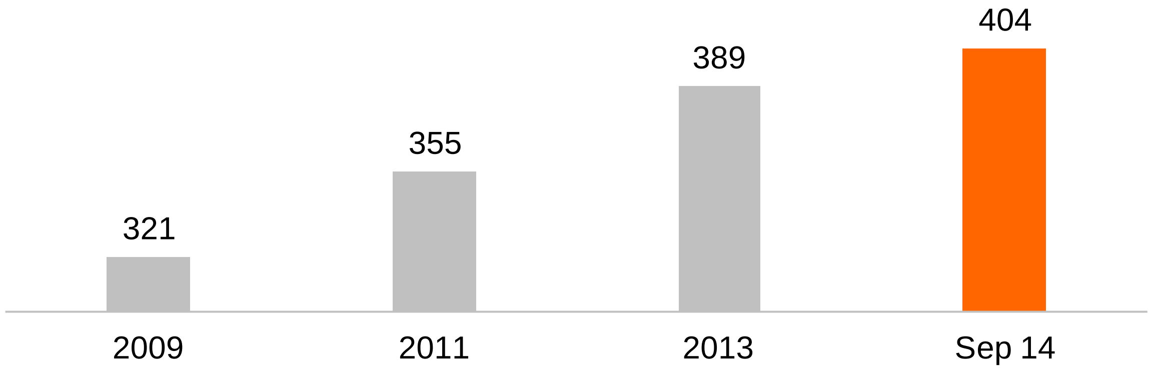
* Total EUR 11.5 billion reported includes EUR 0.2 billion negative income reported under Other, not visible in the chart

ING Bank has key strengths to support our success

Fully-loaded CET1 ratio at 11.1%

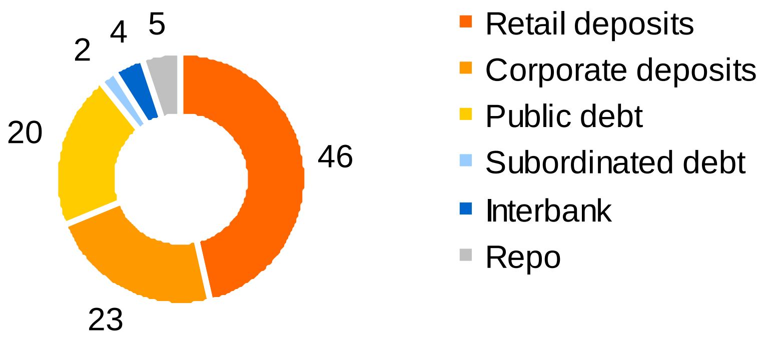


Strong retail deposit gathering ability* (in EUR bln)

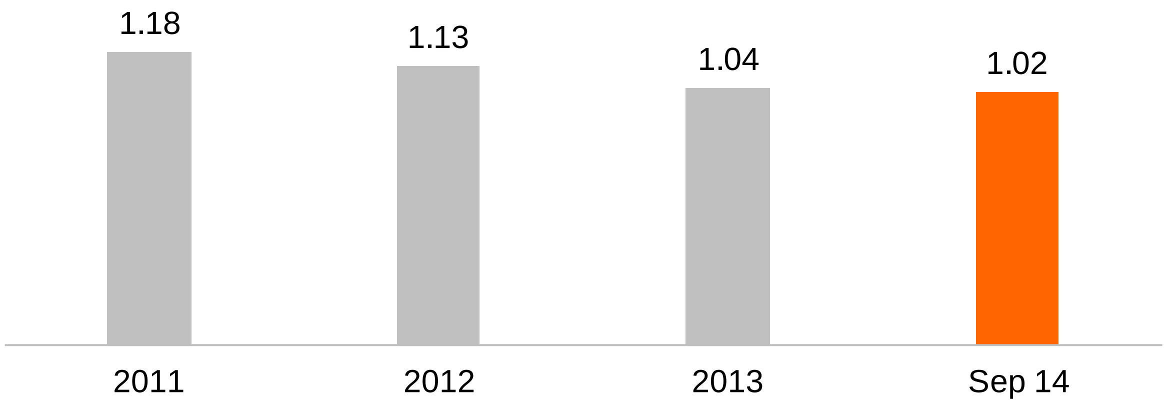


Conservative funding mix

Per 30 September 2014 (%)



Attractive Loan-to-Deposit Ratio*



* Adjusted for divestments

We reiterate our intention to resume regular dividend payments to our shareholders from Bank earnings as of 2015

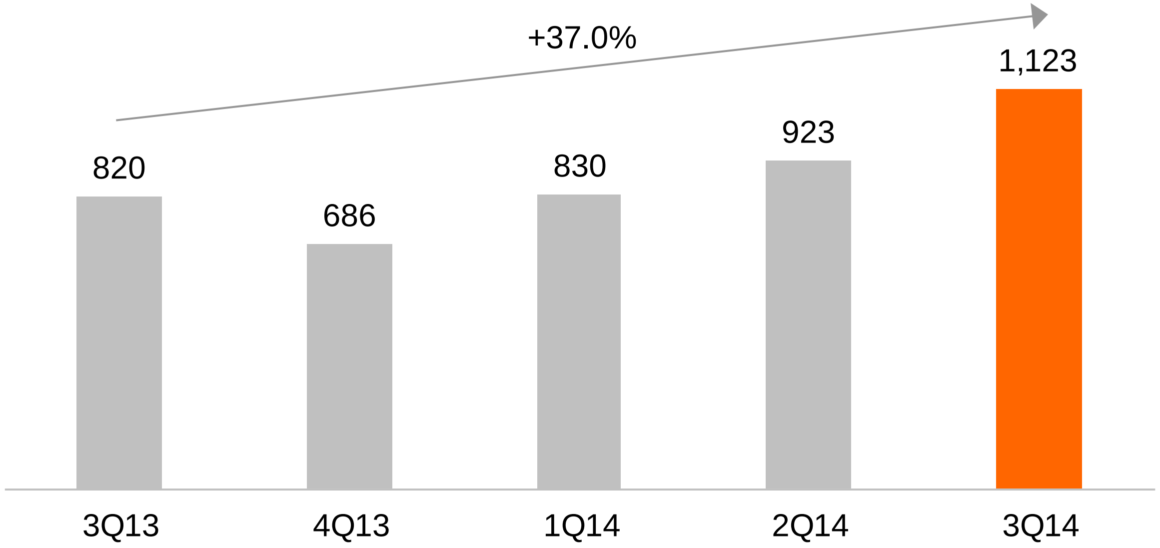
	Ambition 2017	9M 2014	Guidance
CET1 (CRD IV)	>10%	11.1%	• Target fully-loaded CET1 ratio remains >10%, but it is prudent to maintain a comfortable buffer above the minimum to absorb regulatory changes and potential volatility
Leverage	~4%	4.0%	• Approximately 4% leverage ratio; awaiting final regulations
C/I	50-53%	55.5%*	• Aim to reach 50-53% cost/income ratio in 2016. Over time, improve further towards the lower-end of the range
RoE (IFRS-EU equity)	10-13%	11.4%	• RoE target range maintained at 10-13% based on IFRS-EU equity (absorbing capital buffer)
Dividend pay-out	>40%		• Target dividend pay-out >40% of Bank net profit, to be paid as of 2015

* Excluding the volatile CVA/DVA impact, the cost/income ratio was 54.6% in 9M 2014

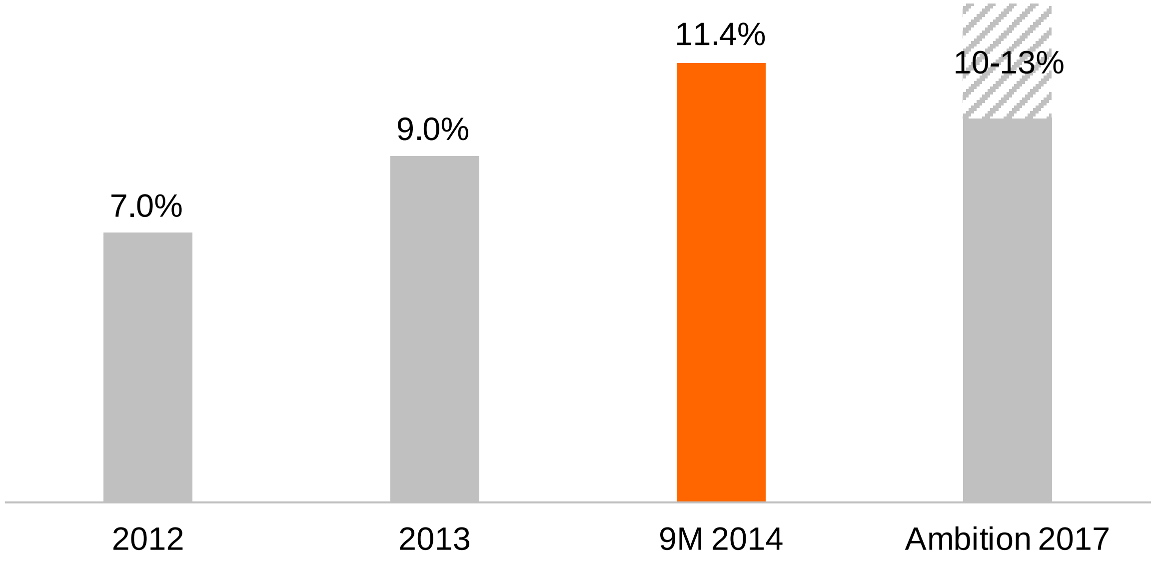
ING Bank results

Underlying net result Banking rose 37.0% resulting in RoE of 11.4% YTD

Underlying net result Banking increased 37.0% from 3Q13...
(in EUR mln)



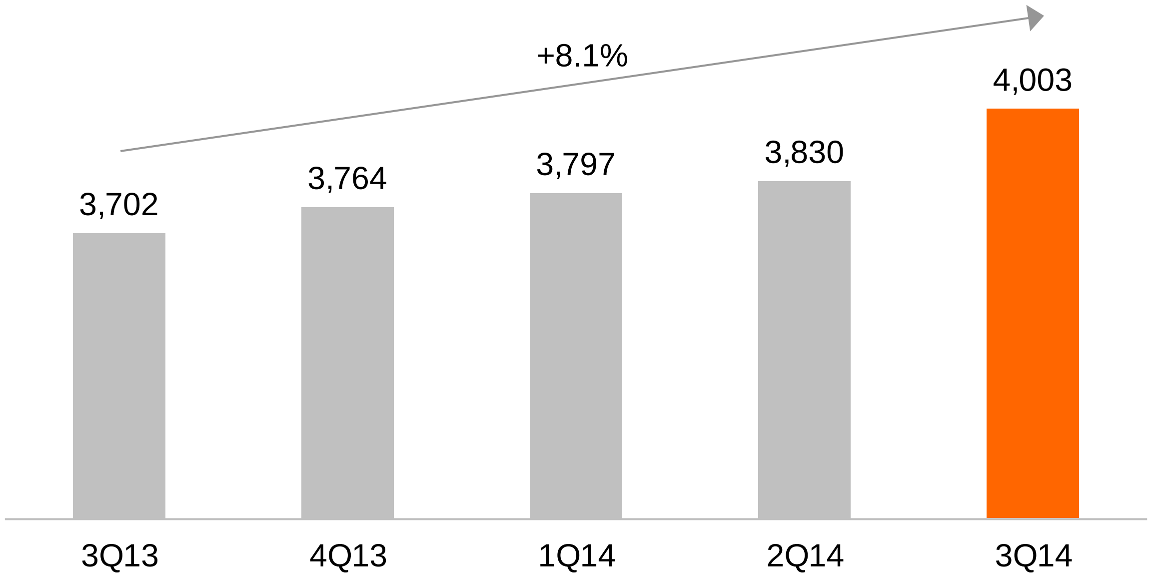
…resulting in underlying RoE of 12.7% in 3Q14 and 11.4% YTD



- Underlying net result Banking increased to EUR 1,123 mln, up 37.0% from 3Q13 and up 21.7% from 2Q14
  - Strong income growth spurred by net interest income
  - Lower risk costs
- The underlying return on IFRS-EU equity was 12.7% in 3Q14 and 11.4% year-to-date

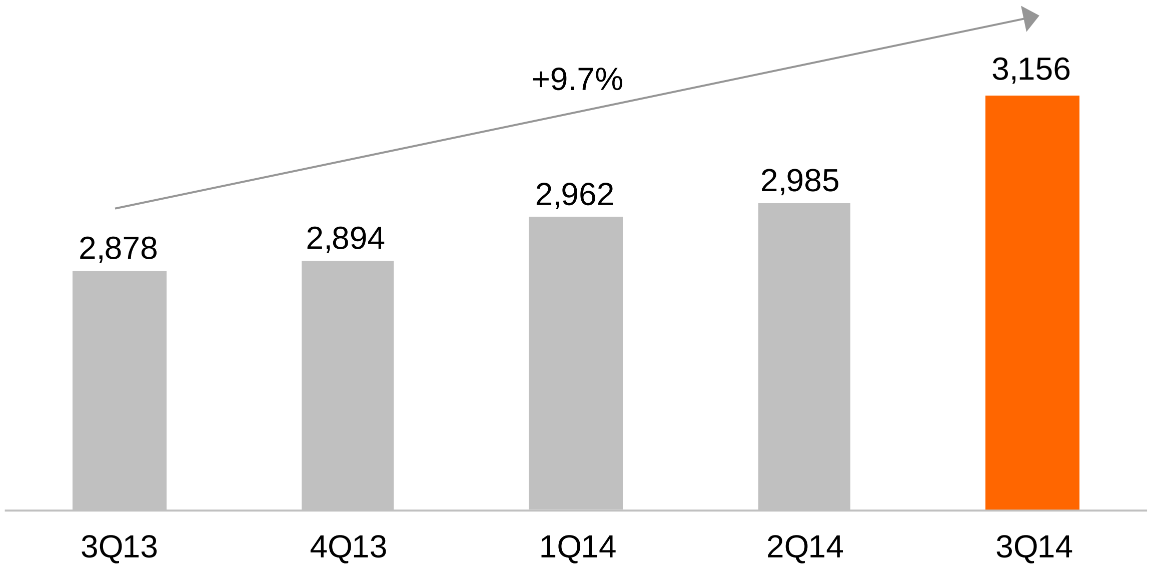
Strong rise in underlying income spurred by net interest income

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



- Excluding CVA/DVA impacts and Vysya, income rose by 8.1% from 3Q13 and 4.5% from 2Q14, supported by a strong increase in net interest income

Net interest income excluding Vysya (in EUR mln)



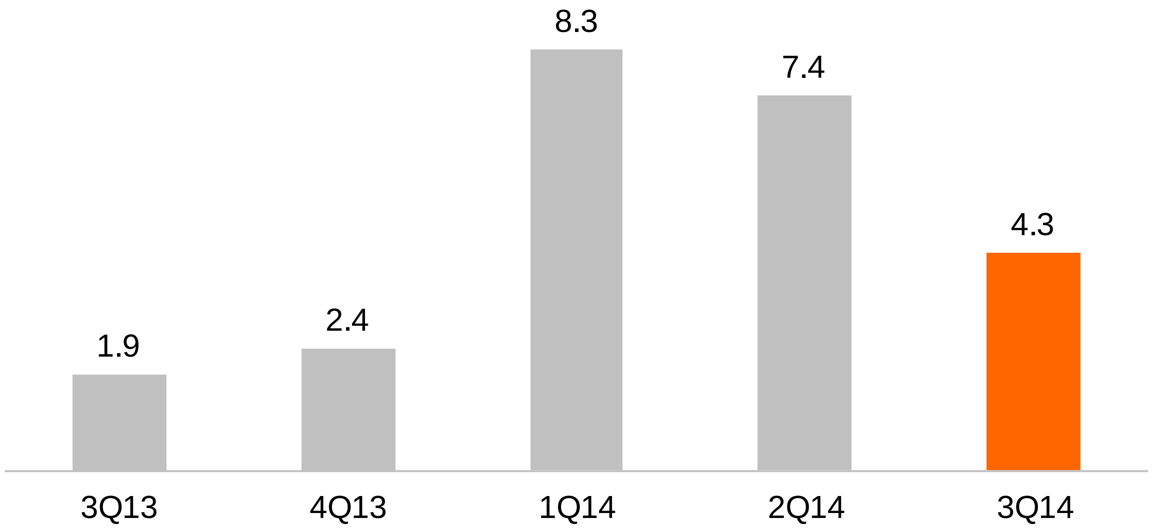
- Excluding Vysya and the negative one-off in the Corporate Line in 2Q14, net interest income rose 9.7% from 3Q13 and 4.0% from 2Q14 driven by higher margins on savings and higher volumes as well as higher net interest results in Financial Markets
- Growth interest results especially in Retail Germany, Retail Netherlands and Rest of Europe

* Reported underlying income was EUR 3,942 mln in 3Q14, EUR 3,781 mln in 2Q14 and EUR 3,774 mln in 3Q13, resulting in reported income growth of 4.5% from 3Q13 and 4.3% from 2Q14

Our consistent customer focus contributed to robust business growth

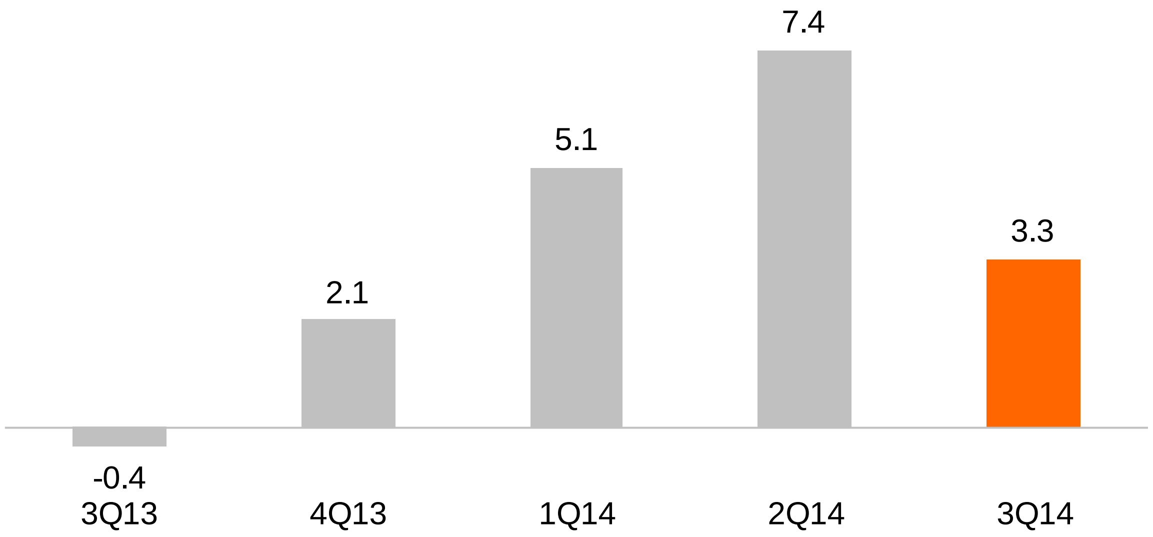
Strong deposit gathering ability and…

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



…continuing positive net lending growth

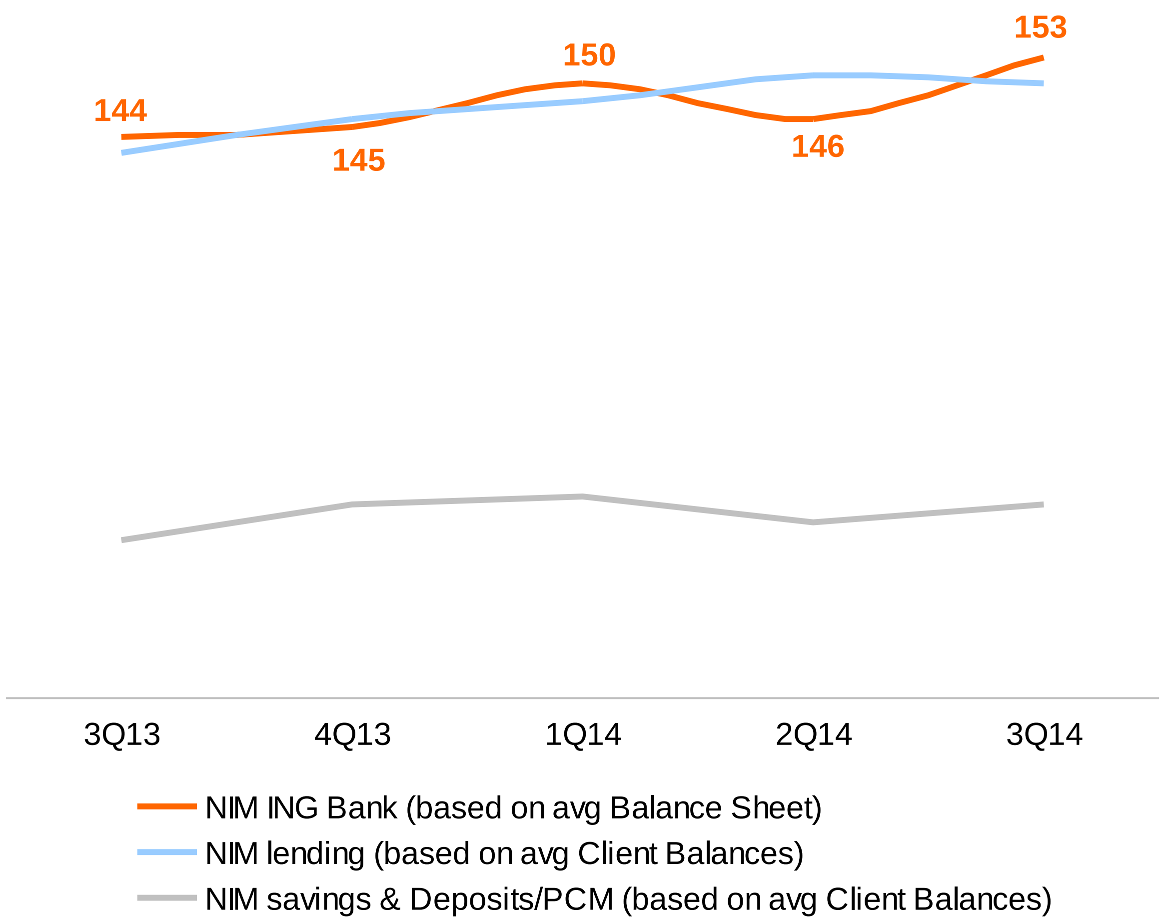
Net lending growth, excl. FX and transfers to NN (Client Balances, in EUR bln)



- Net inflow of Funds Entrusted was EUR 4.3 bln in 3Q14
- Net lending growth, excl. FX and additional transfers of WUB mortgages to NN Group, was EUR 3.3 bln in 3Q14, primarily in Structured Finance, General Lending and residential mortgages generated outside the Netherlands

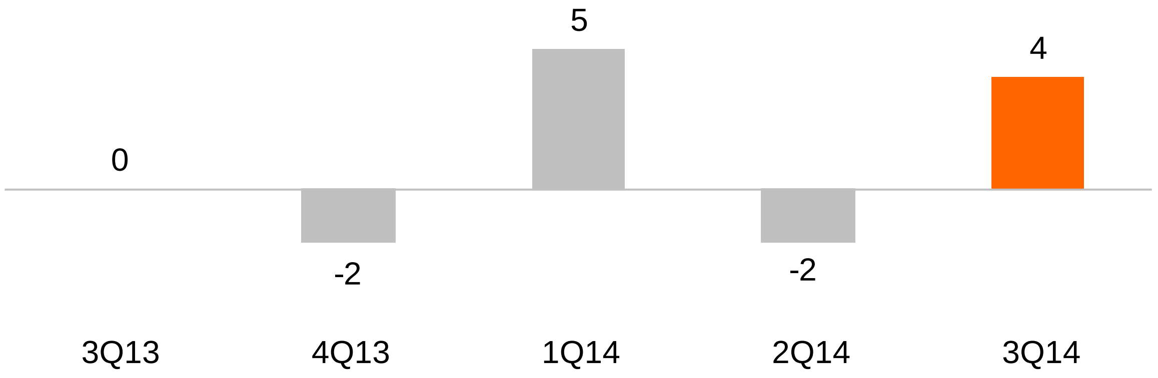
Net interest margin rose to 153 bps due to higher margins on savings and stronger contribution from Financial Markets

Underlying interest margin by quarter (in bps)



Financial Markets contribution to change in NIM can be volatile

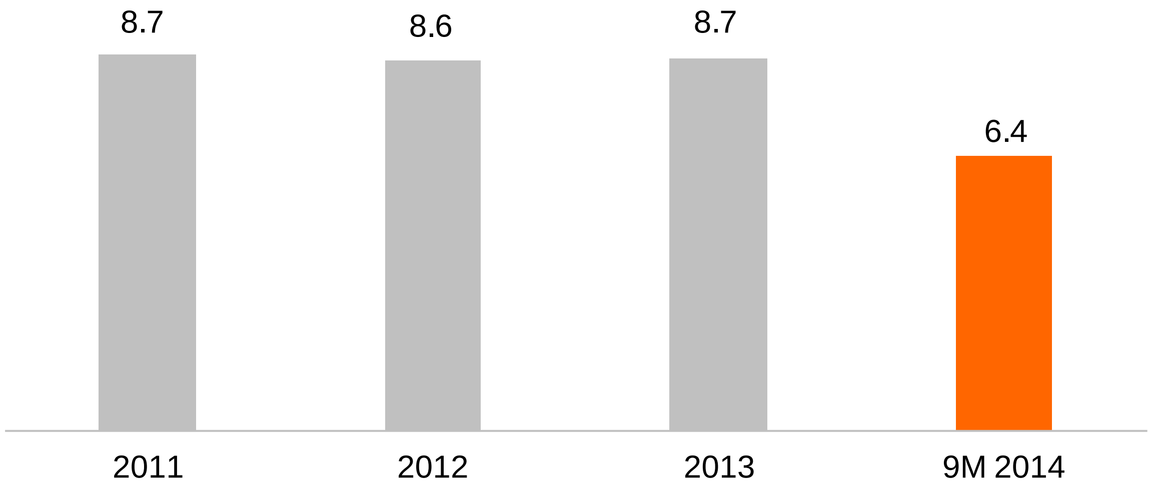
Financial markets impact on NIM Q-on-Q (in bps)



- Net interest margin up from 146 bps in 2Q14 to 153 bps in 3Q14, driven by higher net interest results in Corporate Line (negative one-off in 2Q14) and Financial Markets which is volatile by nature
- Savings margins up from 2Q14, reflecting the reduction in client savings rates more than offsetting - at least for this quarter - the low interest rate environment
- Lending margins decreased slightly from 2Q14 due to slightly lower margins in the lending business of Commercial Banking
- ING has further reduced the client savings rates in October 2014 in the Netherlands and France

ING continues to be vigilant on costs …

Expenses are expected to remain flat this year (in EUR bln)



Restructuring programmes on track (in EUR mln)

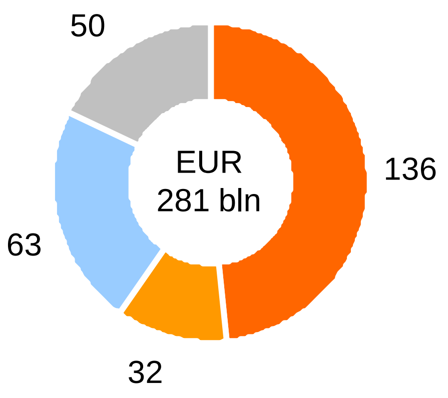
	Cost savings achieved	Cost savings by 2017
Retail Banking NL	328	480
ING Bank Belgium	79	160
Commercial Banking	173	315
Total Bank	580	955

- Underlying expenses reported were up 0.7% from 3Q13 and 1.7% from 2Q14
- Excluding Vysya and the Belgian bank taxes reported in 3Q13, operating expenses rose 3.2% from 3Q13, mainly due to higher pension costs, business growth in Retail International and Industry Lending as well as higher expenses on the Corporate Line
- The reported underlying cost/income ratio was 54.1% in 3Q14 and 55.5% YTD
- The Dutch bank tax will be fully recognised in the fourth quarter and is expected at approximately EUR 140 mln

ING Bank asset quality

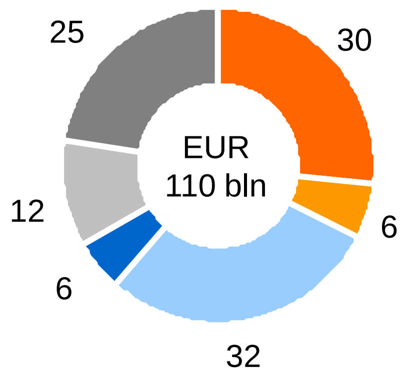
A well diversified loan book

Residential mortgages* (in EUR bln)



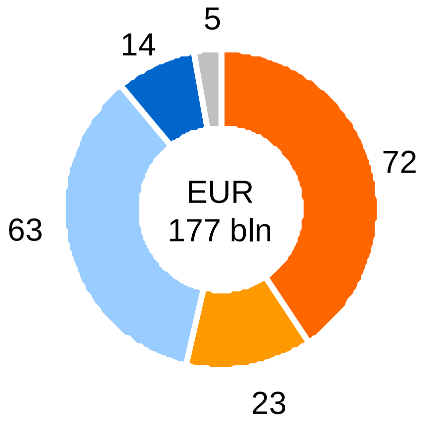
- Netherlands
- Belgium
- Germany
- Rest of World

Other retail lending* (in EUR bln)



- Business lending Netherlands
- Other lending Netherlands**
- Business lending Belgium
- Other lending Belgium**
- Other lending Germany
- Other lending Rest of World

Commercial Banking* (in EUR bln)



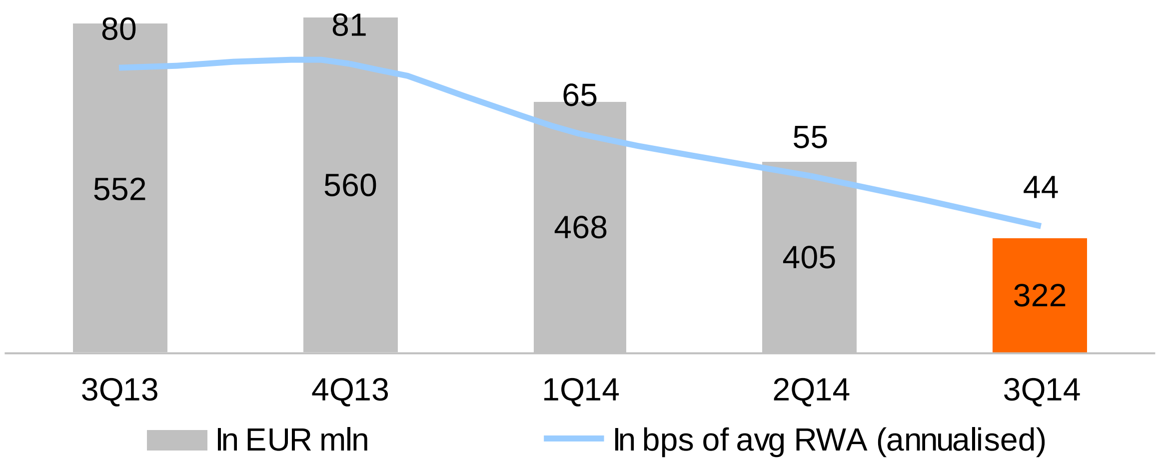
- Structured Finance
- Real Estate Finance
- General Lending & Transaction Services
- FM, Bank Treasury, Real Estate & other
- General Lease run-off

- ING Bank has a well diversified and collateralized loan book with a strong focus on own originated mortgages
- 69% of the portfolio is retail based

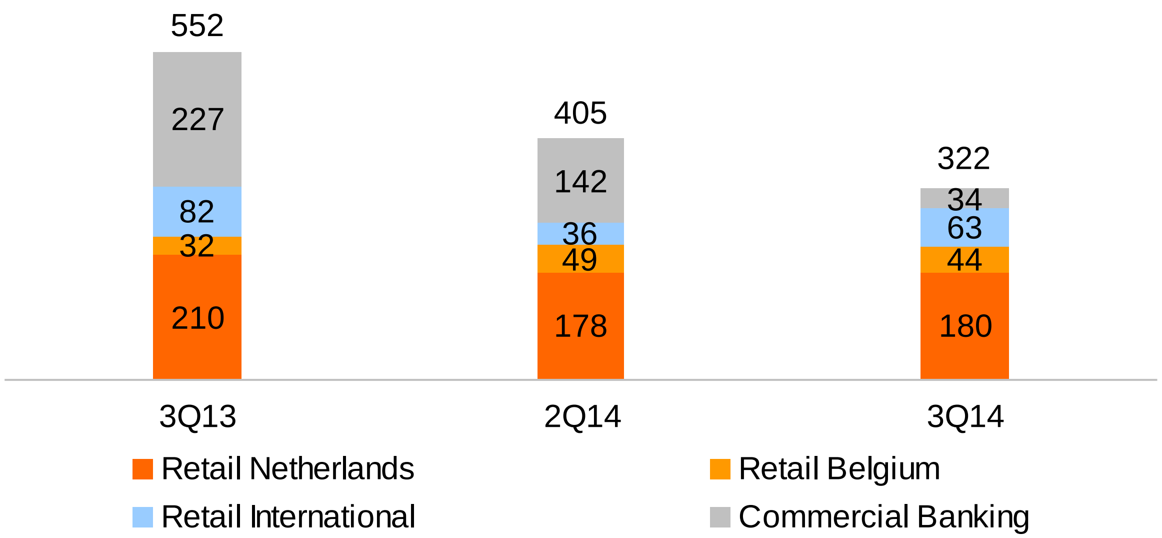
* 30 September 2014 lending and money market credit risk outstanding, including guarantees and letters of credit (off balance sheet positions)
** Other lending excludes Business lending

Risk costs decreased in 3Q14, led by Commercial Banking

Risk costs declined in 3Q14…
(in EUR mln and bps of avg RWA)



…led by Commercial Banking
(in EUR mln)

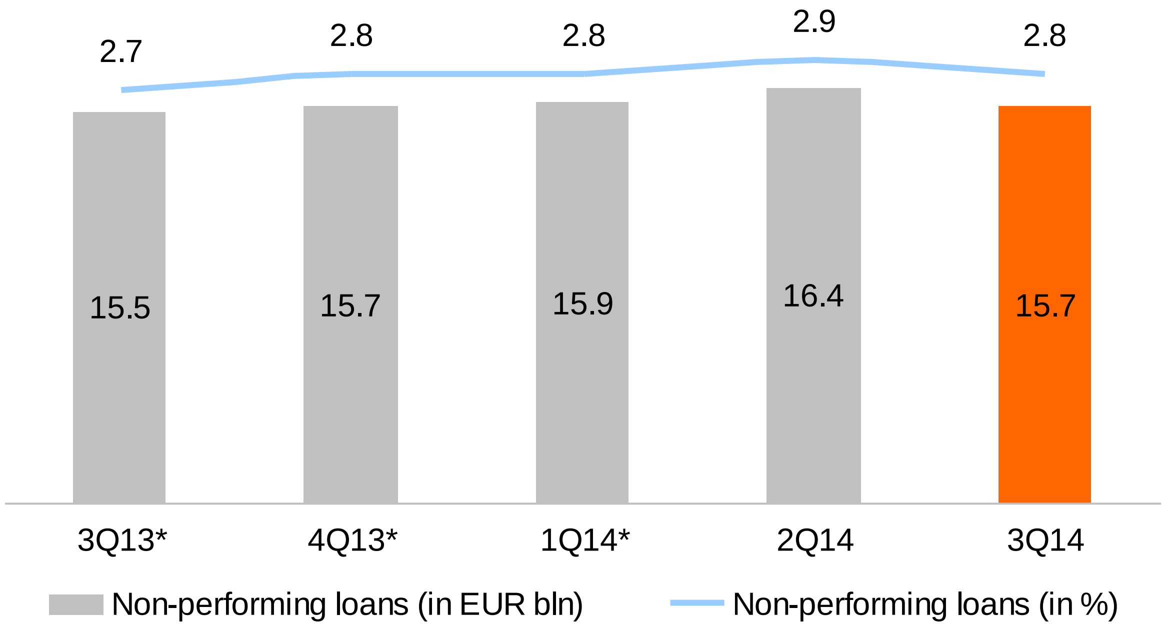


- Risk costs Commercial Banking declined to EUR 34 mln in 3Q14, flattered by a release on a larger file
- Risk costs in Retail Banking were slightly up from the previous quarter

thinkforward

NPL ratio declined slightly to 2.8%

Non-performing loans excl. deconsolidation Vysya
(in % and EUR bln)



NPL ratio (in %)

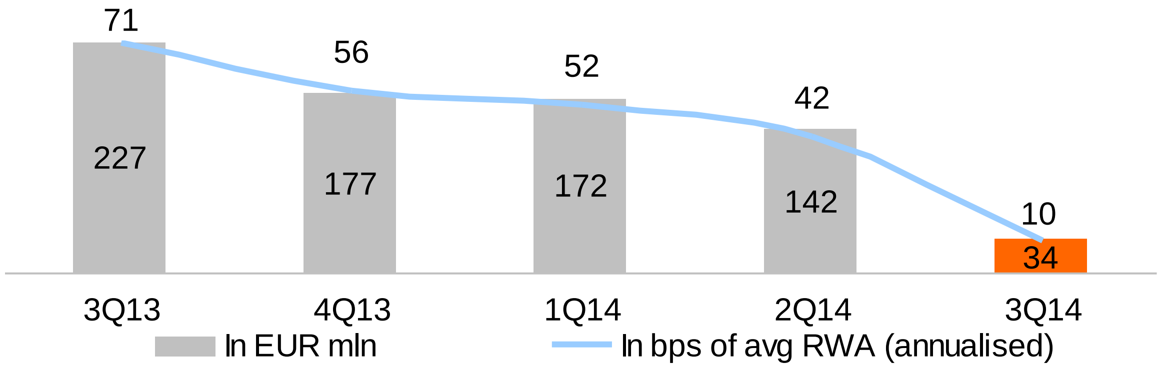
	3Q14	2Q14
Retail Banking		
- Dutch Mortgages	2.0	2.0
- Business Lending NL	7.8	7.8
- Retail Belgium	3.2	3.2
- Retail International	1.2	1.4
Commercial Banking		
- Structured Finance	2.0	2.0
- RE Finance	10.5	11.1
- General Lending & TS	1.9	2.0
- Lease run-off	19.8	18.1
Other Retail and Commercial Banking		
- Other RB and CB	2.8	2.5
Total / average	**2.8**	**2.9**

- The NPL ratio declined slightly to 2.8% in 3Q14, driven by a 4.1% drop in non-performing loans
- The amount of NPLs decreased in both Commercial Banking and Retail Banking, partly due to sale of non-performing loans

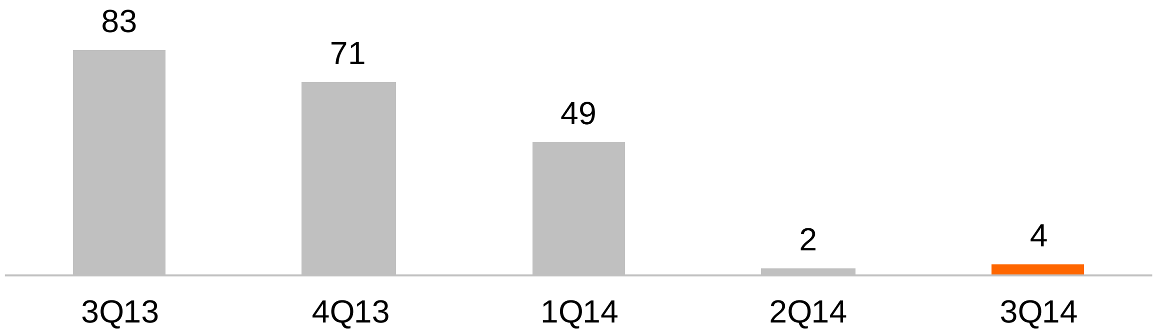
* 3Q13-1Q14 are restated for the deconsolidation of Vysya

Risk costs Commercial Banking declined in 3Q14, flattered by a net release on a large file

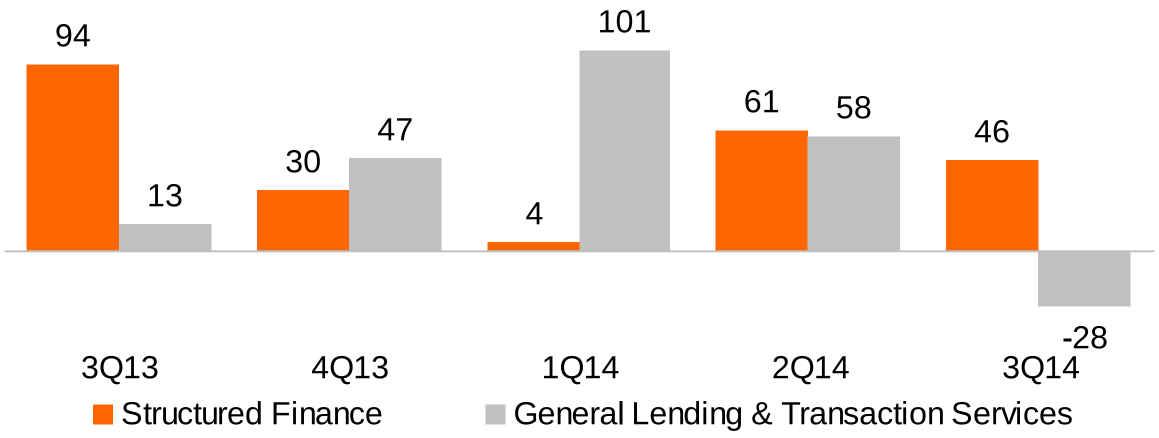
Risk costs Commercial Banking declined from 3Q13 and 2Q14…
(in EUR mln)



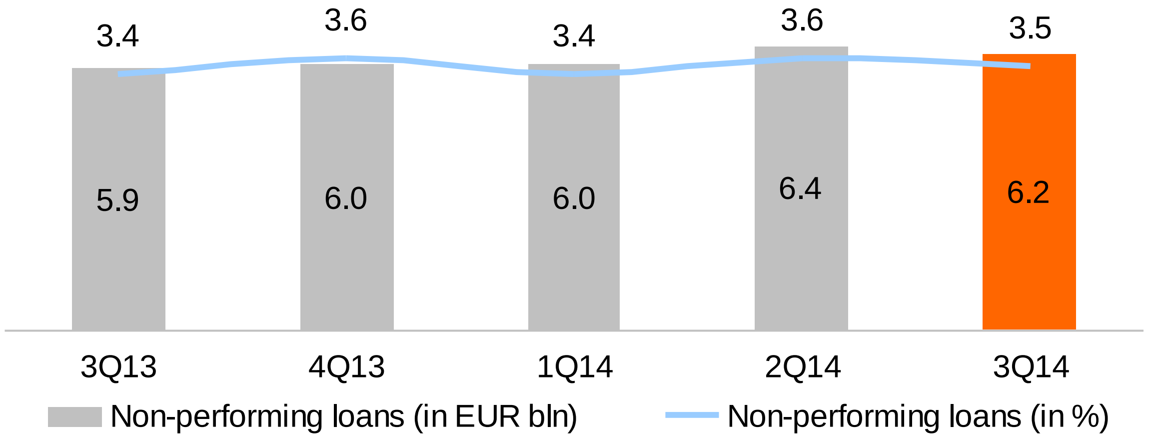
…driven by lower risk costs Real Estate Finance and…
(in EUR mln)



…a release in a large file within General Lending (in EUR mln)

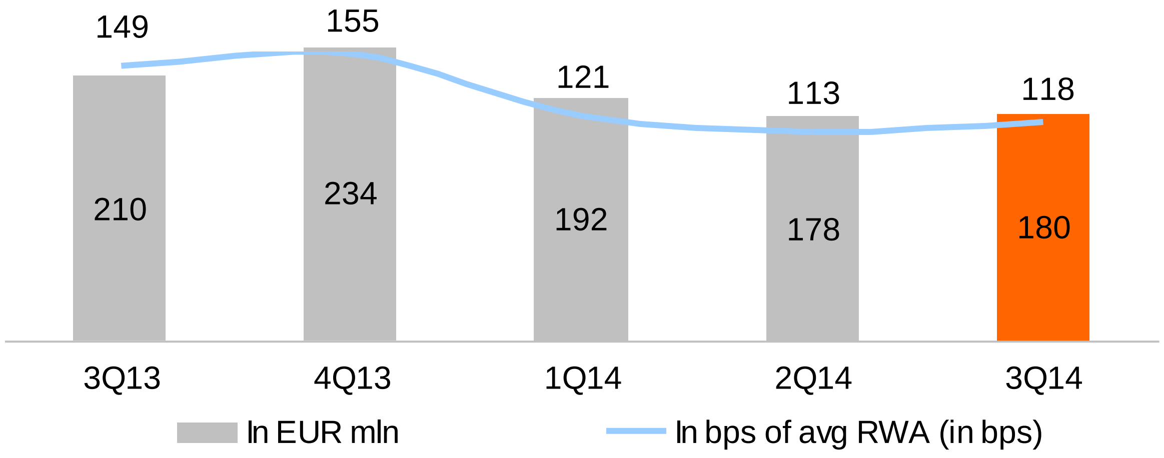


The NPL ratio decreased slightly in 3Q14

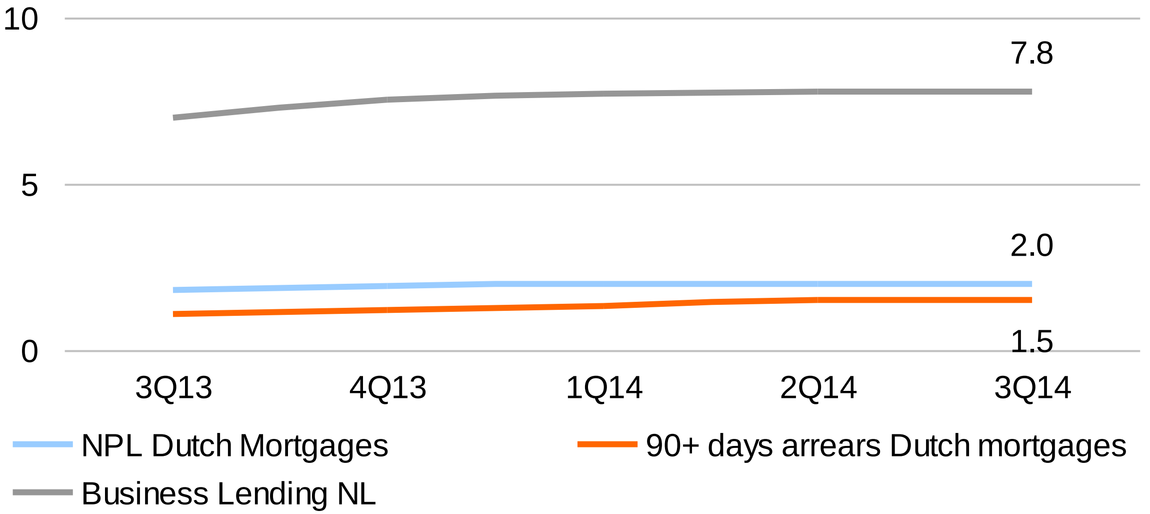


Risk costs Retail Banking Netherlands stable from 2Q14 and expected to remain elevated

Risk costs Retail Banking NL
(in EUR mln and as % of avg RWA)



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

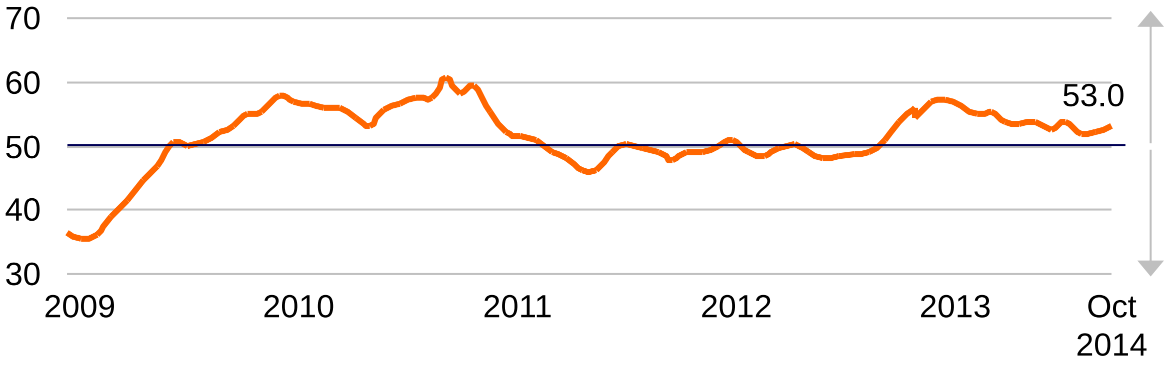


Risk costs Retail Banking NL expected to remain elevated

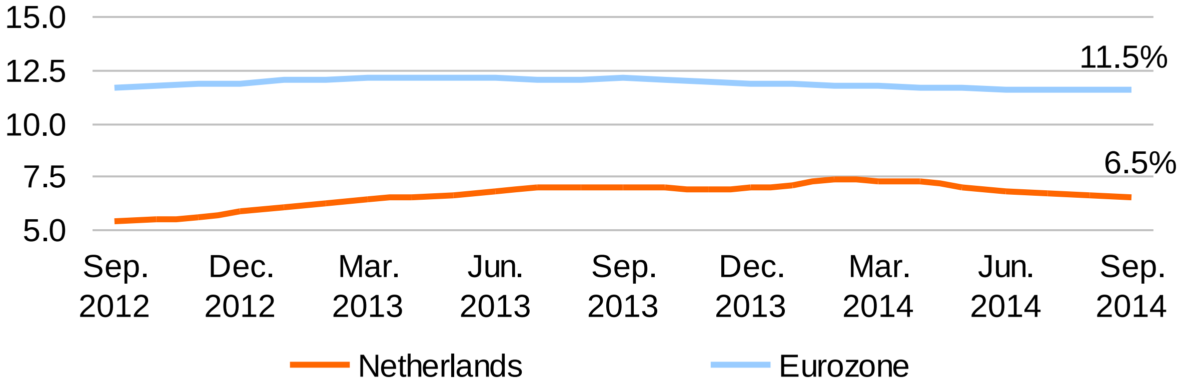
- Risk costs for Dutch mortgages were EUR 62 mln, down from EUR 82 mln in 3Q13 and EUR 68 mln in 2Q14
- Risk costs for Business Lending were EUR 104 mln and the NPL ratio was 7.8%, both stable from 2Q14

Dutch economy and housing market gradually improving

Dutch Purchasing Managers Index (PMI) was 53.0 in October 2014
Above 50 indicates positive growth

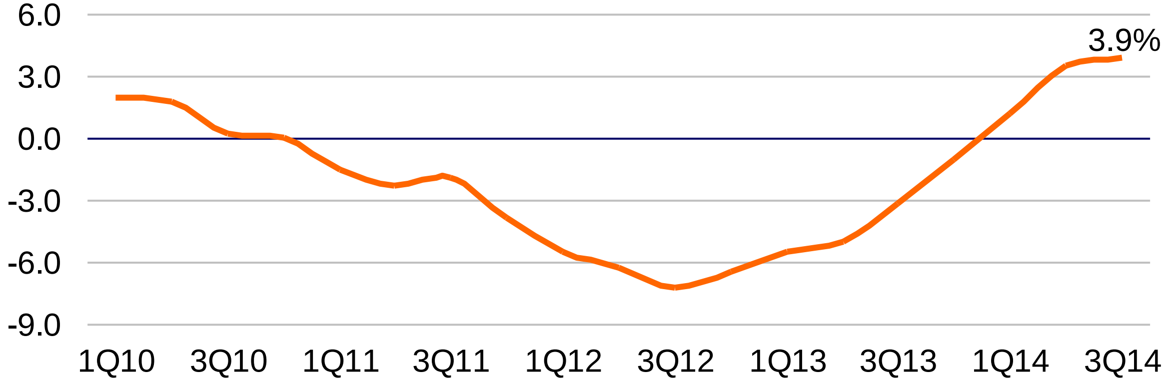


Unemployment rate (%) declined for the 5th consecutive month to 6.5% in September



Dutch consumer confidence* above long-term average past 20 years

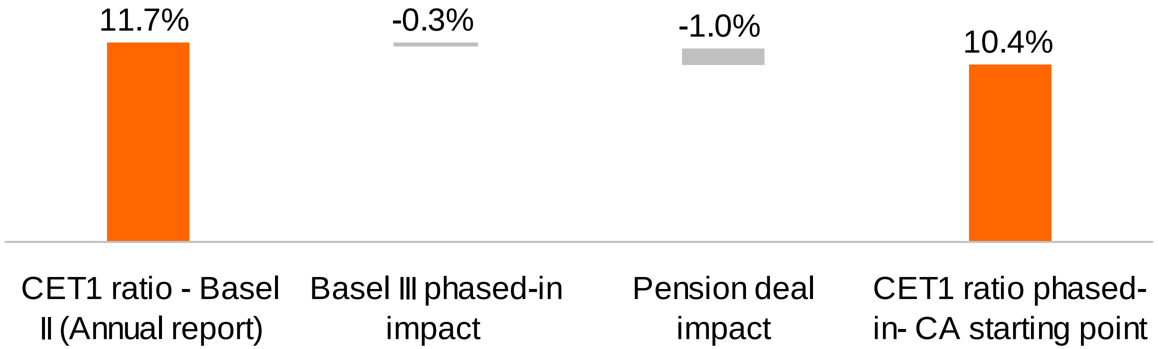
Dutch house prices in 3Q14 up 3.9% y-o-y**



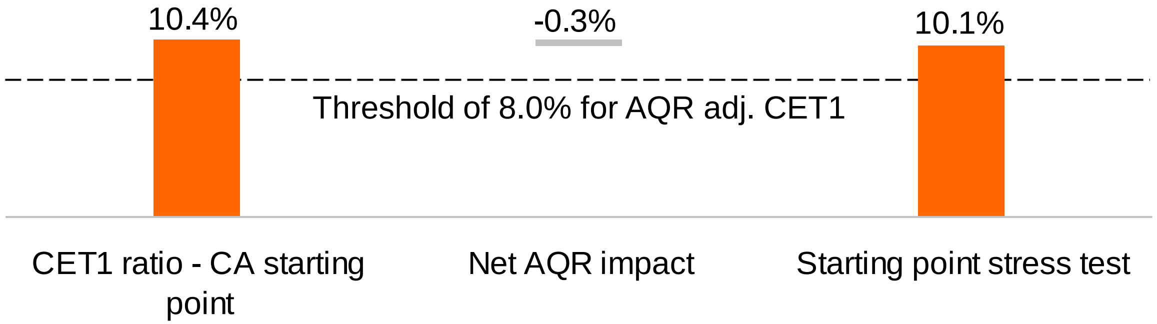
* Source: CBS data
** Source: NVM

ING has comfortably passed the Asset Quality Review and stress test

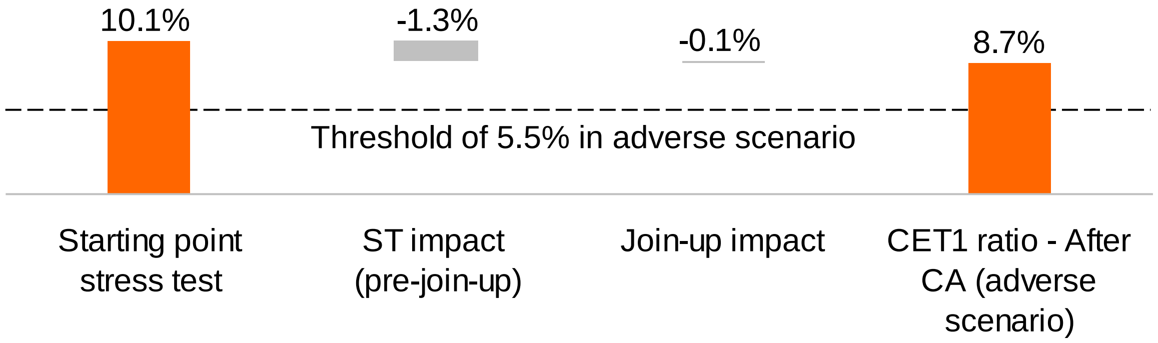
The starting point of the AQR was the 4Q13 CET1 ratio adjusted for the 1Q14 Basel III phased-in impact and Dutch pension impact



The AQR impact on CET1 phased-in was limited



In the adverse scenario of the stress test, CET1 capital only declined by 1.3%-point, comfortably above the threshold of 5.5%

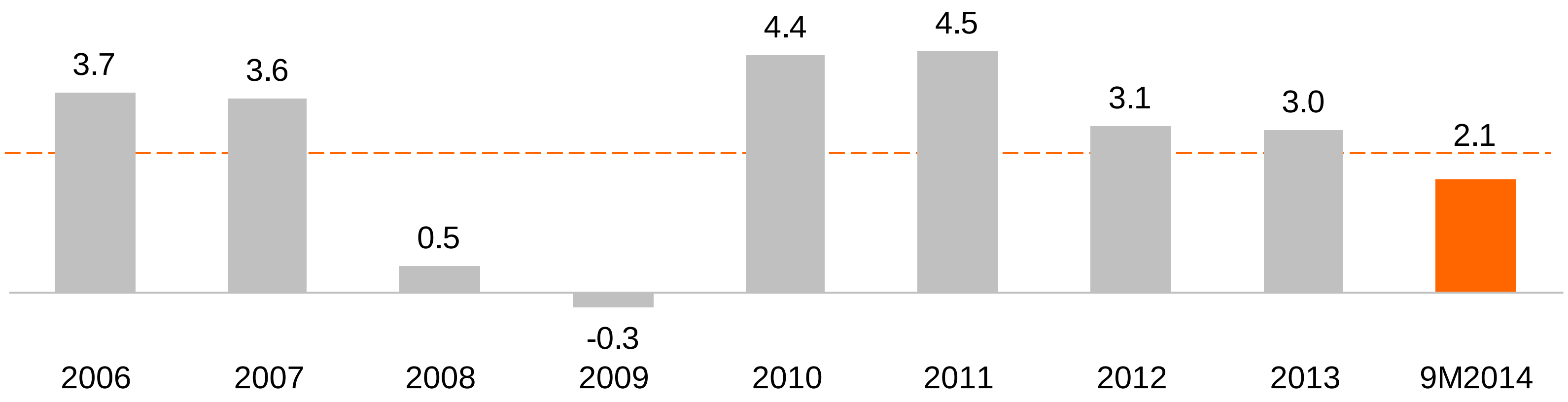


- The CET1 ratio impact of the AQR is -0.3%-point, mainly due to Loan Loss Provision (LLP) adjustments per 31 December 2013
- In the adverse scenario of the Stress Test, in which a significant deterioration of the economy is assumed, the CET1 ratio drops by only 1.3%-point, mainly due to higher credit RWA as a result of negative rating migration
- In addition, there is a -0.1%-point impact of extrapolation (join up) of the AQR results to the Stress Test results

ING Bank capital, liquidity and funding

We have generated a sizeable amount of capital

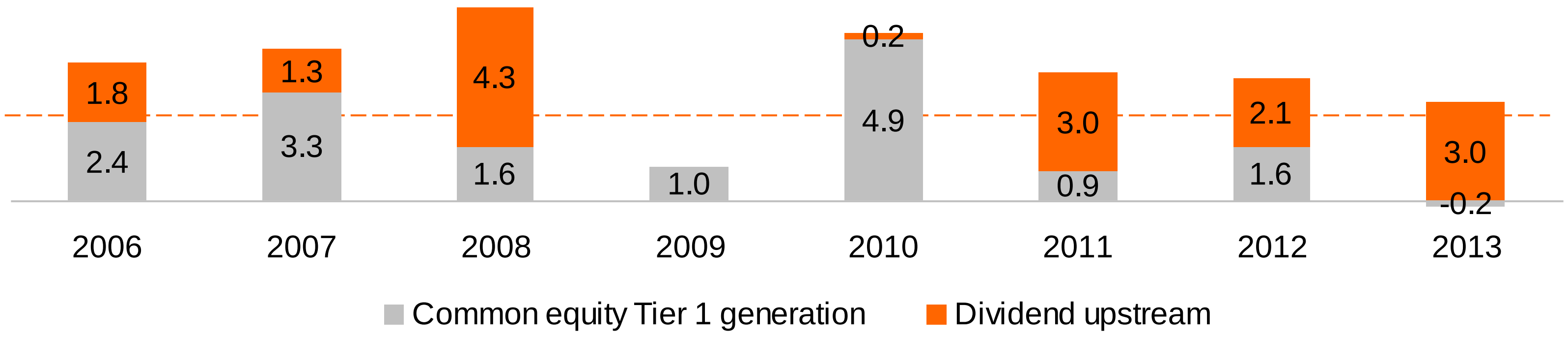
Net profit (in EUR bln)



A strong profitability track record

- ING Bank reported only one small loss in history
- Average annual profitability of EUR 2.8 billion since 2006, including during the years of financial crisis
- 9M2014 was affected by -/- EUR 1.0 billion negative special items (pension deal, SNS levy)
- A normalisation of credit losses will further improve the profitability

Common equity Tier 1 generation (in EUR bln)



Consistently generating capital

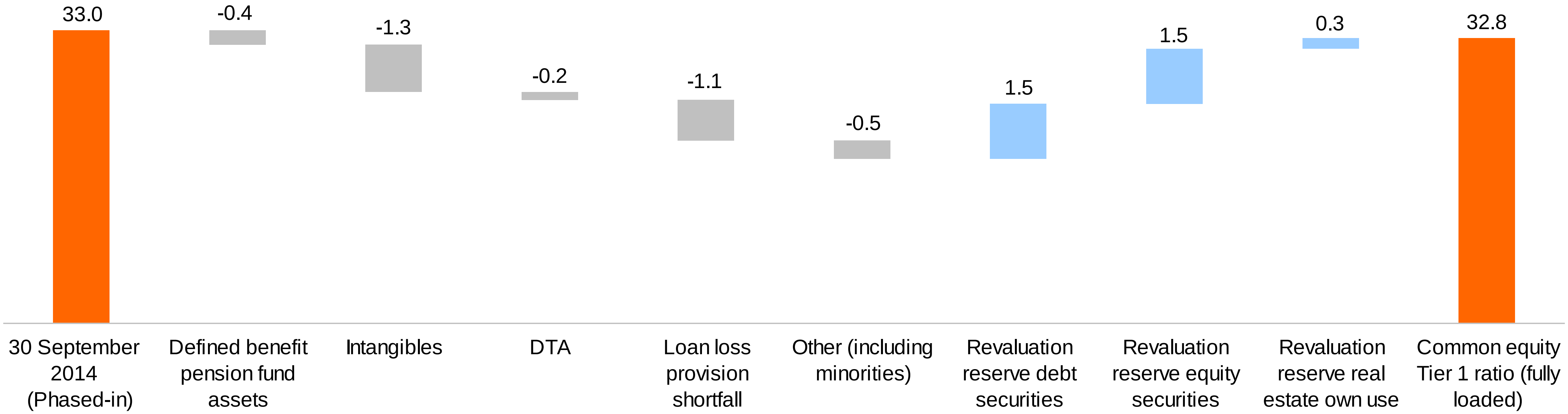
- Average annual capital generation EUR 3.9 billion in the period 2006-2013
- Allowing EUR 9.3 billion of dividend up streams since 2011 to support the Group restructuring

thinkforward

CRD IV Common equity Tier 1 ratio fully-loaded 11.1%

Impact CRD IV 3Q2014 (in EUR bln)

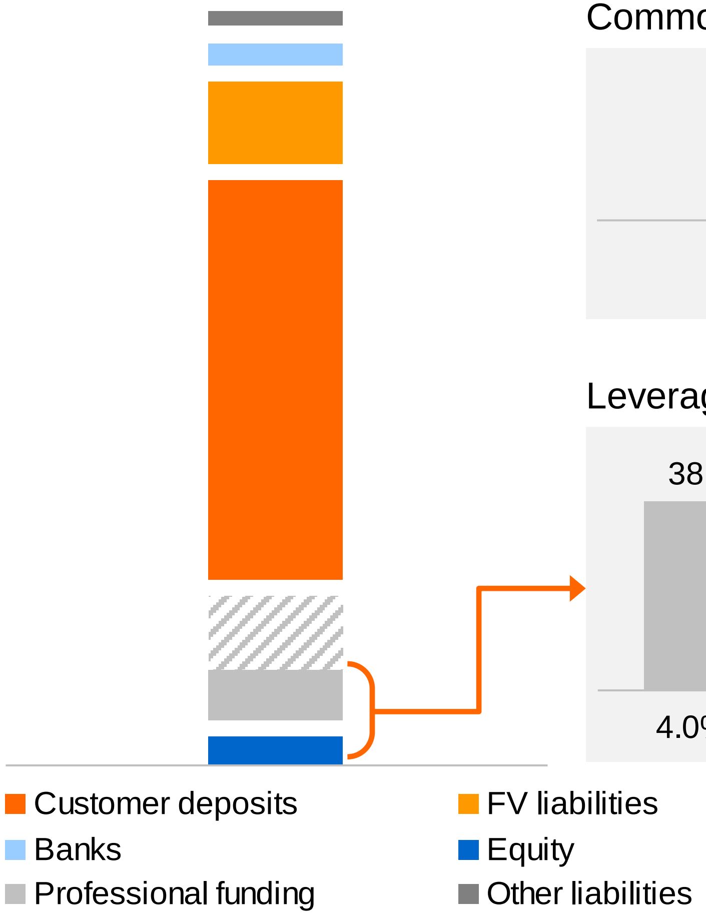
Common equity Tier 1 capital



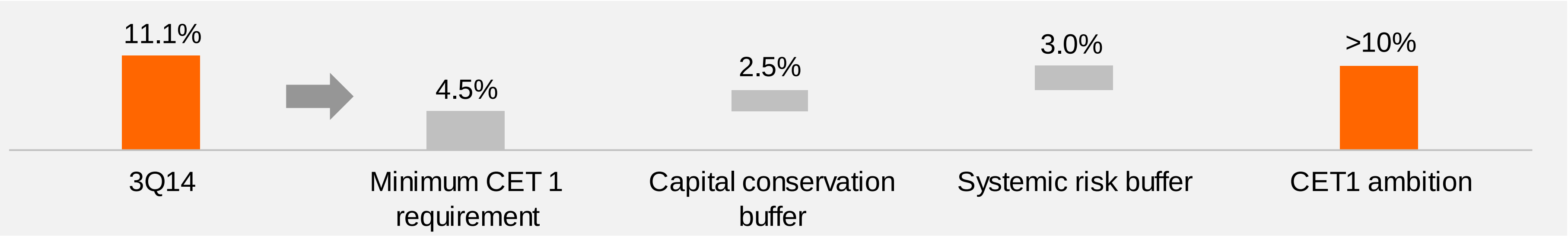
- Total risk-weighted assets amount to EUR 294.9 billion at September 2014

Capital structure is strong

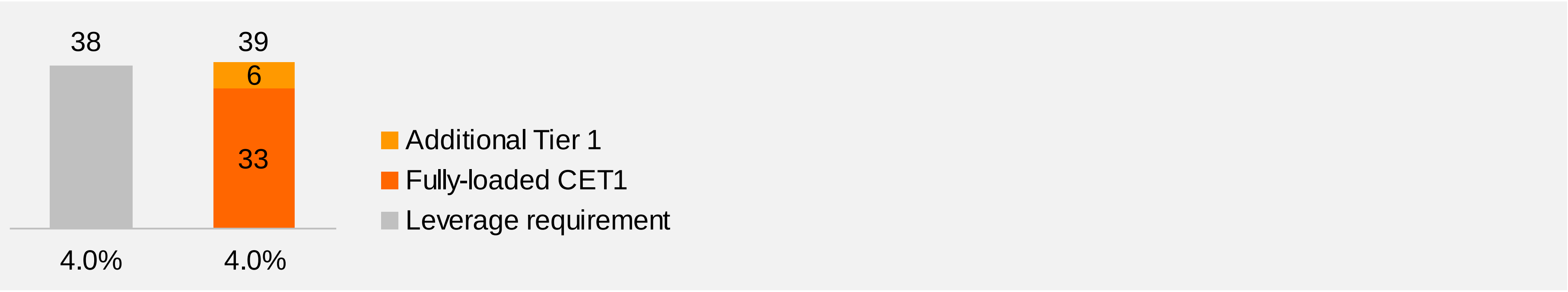
Total liabilities (30 September 2014)



Common equity Tier 1 ratio (fully-loaded) 30 September 2014



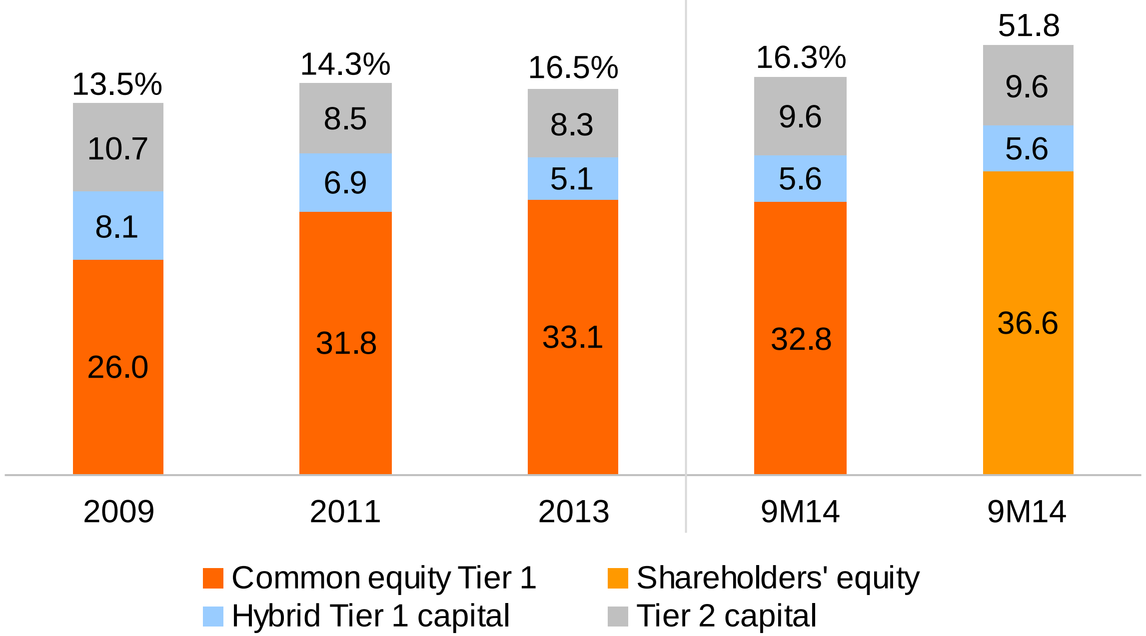
Leverage in line with ~4% target (EUR bln)*



* 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

A sizeable capital buffer

Total capital (in EUR billion)*



ING Bank total Risk Weighted Assets (in EUR billion)

- ING Banks total capital buffer amounted to EUR 52 billion, or 6.2% of total balance sheet, at September 2014
- The increase over the years up until 2013 was primarily driven by higher common equity Tier 1, which offset a reduction in Tier 2 capital
- After a reduction in 1Q14 due to the CRD IV implementation impact and pension deal; a comfortable capital buffer remains as per 9M14 in large part due to the earnings capacity of the bank
- The uptick in 9M14 RWA is due to the CRD IV implementation and lending volume growth

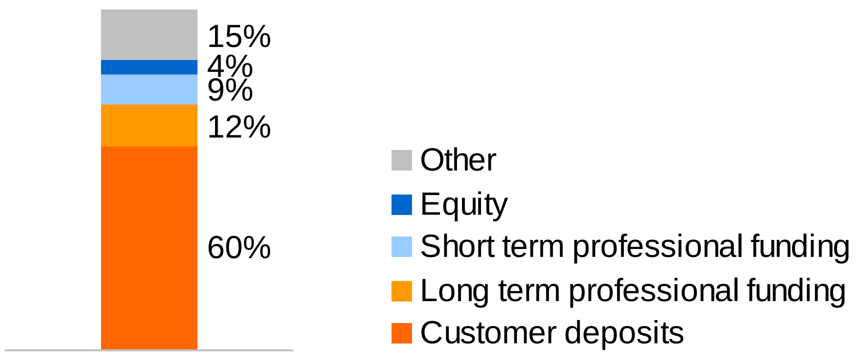
* 2009-2013 are Basel II figures. 9M14 are CRD IV fully-loaded figures

Deposits are the primary source of funding

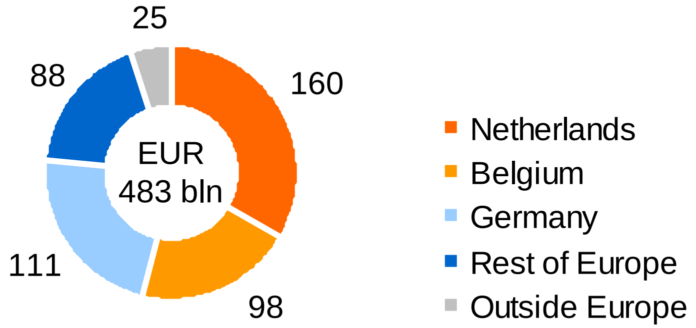
Continued growth in deposits

- 60% of the balance sheet is funded by customer deposits
- 83% of funds entrusted is retail based
- ING continued to grow its deposits base even in crisis years

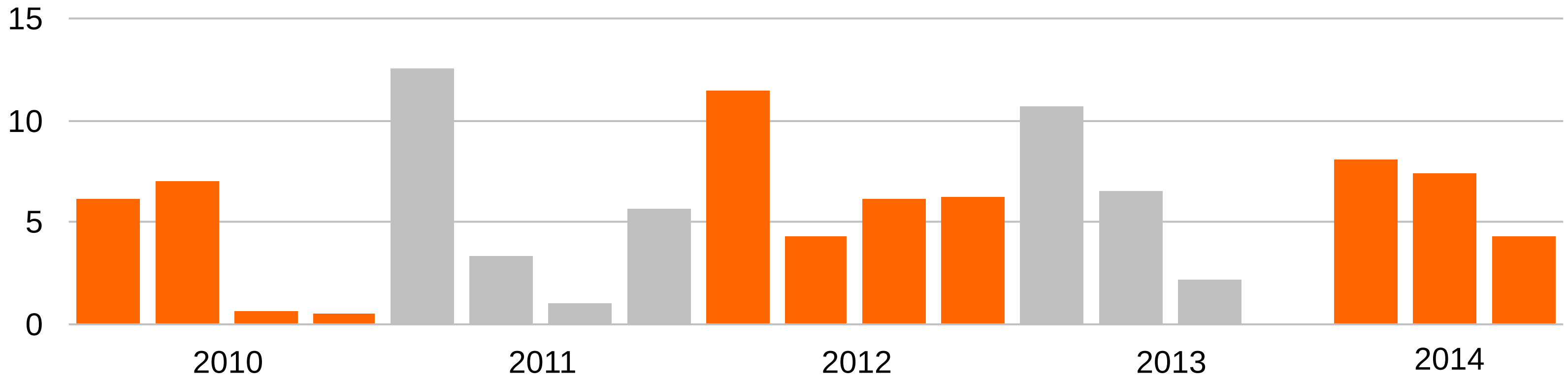
Total liabilities (30 September 2014, in %)



ING Bank total funds entrusted September 2014 (EUR bln)



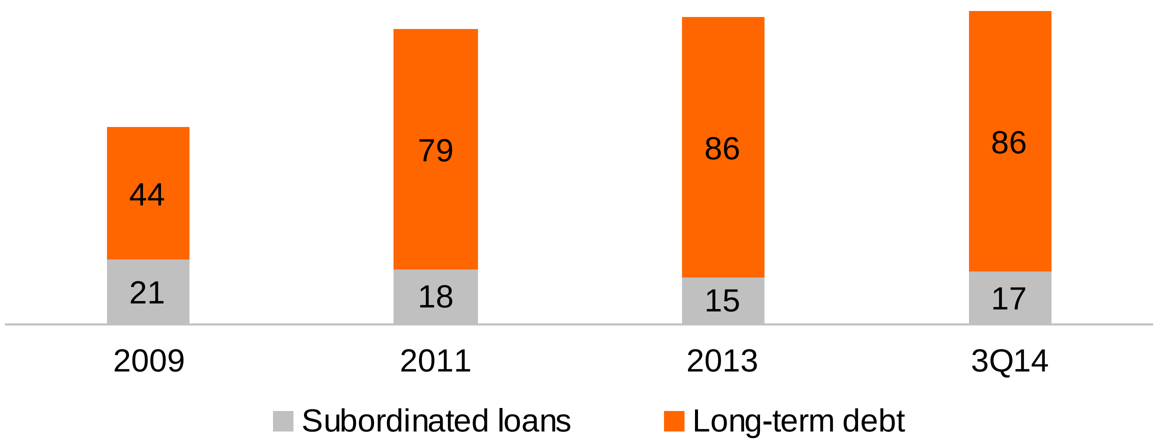
Retail Banking net inflow in funds entrusted (in EUR bln)



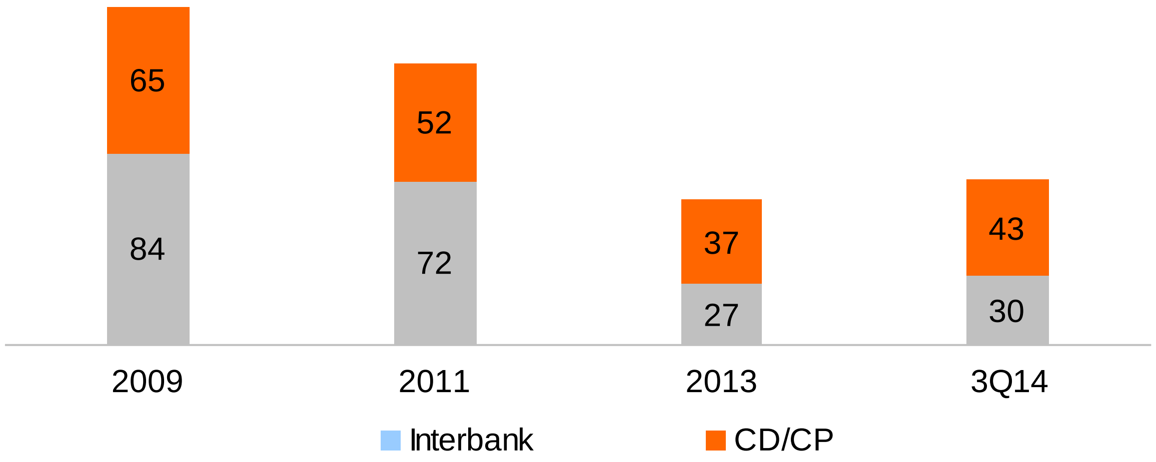
 thinkforward

Long-term debt issuance has increased over time

Long-term funding increased (in EUR bln)



Short-term professional funding reduced (in EUR bln)



ING Bank NV ratings

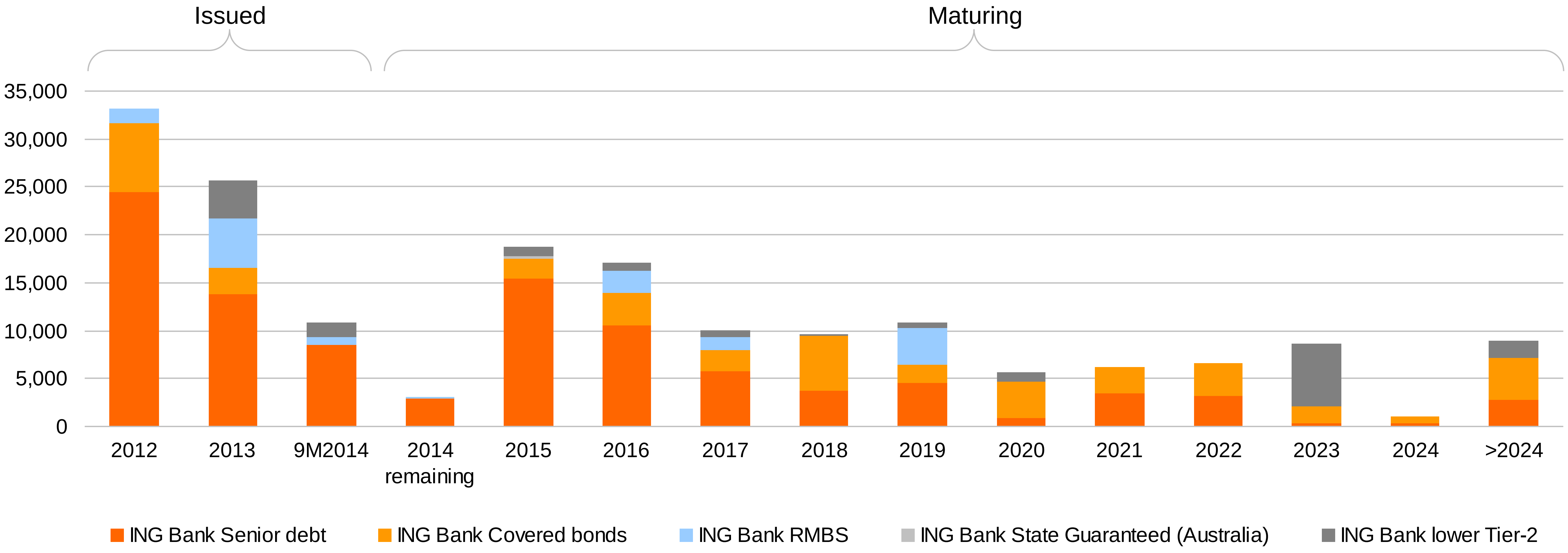
	Long term rating	Outlook	Short term rating
S&P	A	Negative	A-1
Moody's	A2	Negative	P-1
Fitch	A+	Negative	F1+

ING Bank N.V. covered bond programme

- ING Bank has a EUR 35 billion legislative AAA rated covered bond programme
- In 3Q14, a EUR 5 billion soft bullet programme was set-up, issuing under the same EUR 35 billion cap
- EUR 29 billion is outstanding
- Weighted average indexed LTV 81.88 % as per 3Q14

ING Bank has modest long-term funding needs

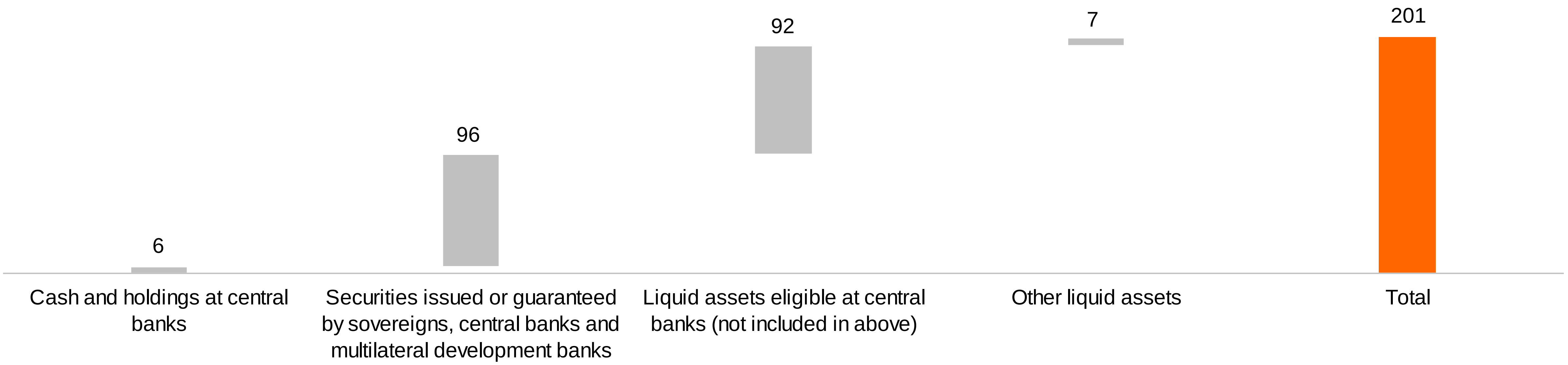
Maturity ladder outstanding long-term debt (in EUR million)



* Figures shown for issued senior bonds are included with a tenor ≥ 1 year

ING Bank has a sizeable liquidity buffer

ING Bank liquidity buffer 30 September 2014 (in EUR billion)



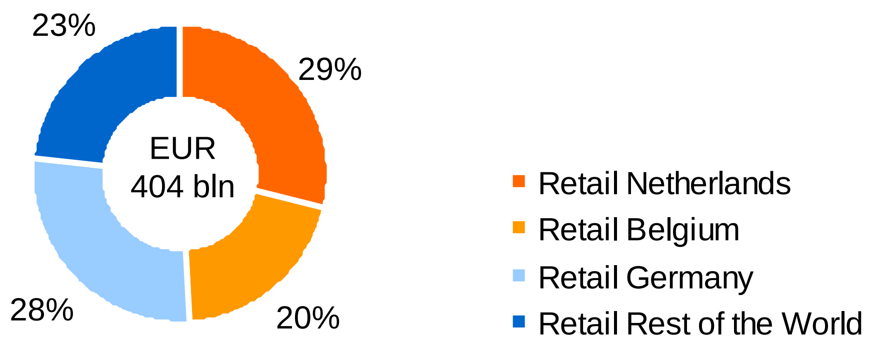
A sizeable liquidity buffer

- ING Bank has a sizeable liquidity buffer of EUR 201 billion
- This compares favourably to a balance sheet of EUR 832 billion
- LCR is > 100%, already meeting CRR/CRD IV requirements

Appendix

The record low ECB rate and low interest rate environment were followed by reductions in client savings rates

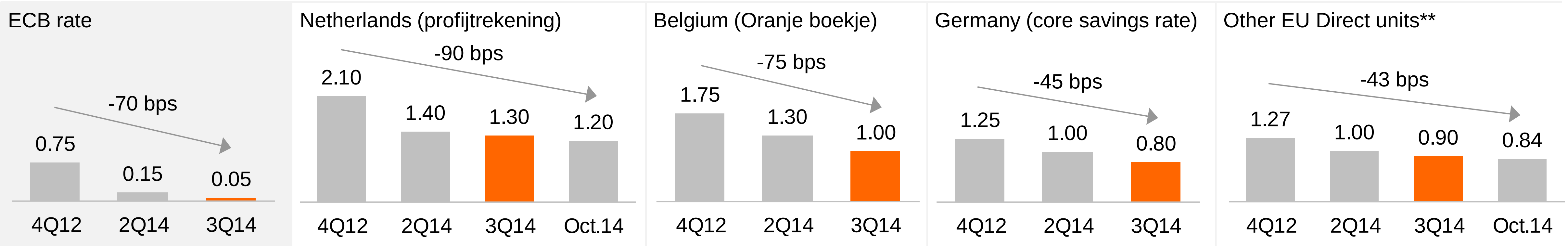
Funds Entrusted, breakdown by business segment (in %, 3Q14)



Further scope to protect NIM in low interest environment

- Net interest results in Retail Banking increased by 9.0% from 3Q13 and 4.5% from 2Q14 driven by higher margins on savings and lending in most countries
- Savings margins up from 2Q14, reflecting reduction in client savings rates more than offsetting - at least for this quarter - the lower re-investment yield in most countries
- ING further reduced the client savings rates in October in the Netherlands (-10 bps) and France (-20 bps)

Deposit rates have come down following a reduction in ECB rates*



* End of period
** Unweighted average core savings rates France, Italy and Spain

Exposure ING Bank to Russia and Ukraine has been further reduced

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

Exposure, 30 September 2014

	Russia	Ukraine
Total Lending Credit O/S	6,851	1,289
Other*	947	20
Total outstanding	**7,798**	**1,309**
Undrawn committed Facilities	1,141	89

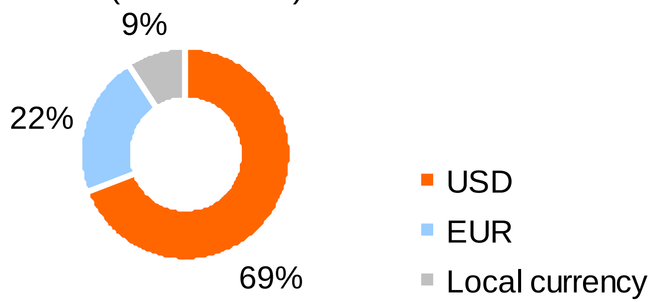
Note: data is based on country of residence

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

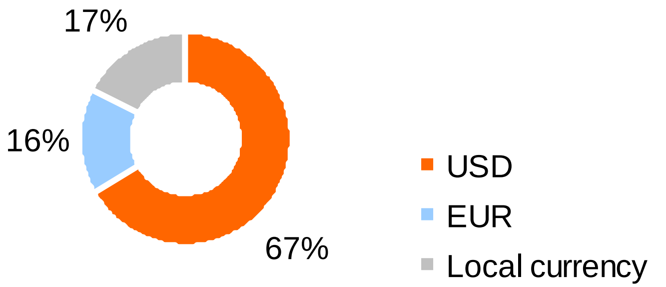
	Russia	Ukraine
NPL ratio	2%	21%
Coverage ratio**	18%	35%

Total Lending outstanding per currency

Russia (EUR 6.9 bln)



Ukraine (EUR 1.3 bln)



- Total Lending credit outstanding to Russia and Ukraine combined has been reduced by EUR 485 mln or 5.6% from 2Q14
- 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

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

Reported ING Group capital structure - ING Group 30 September 2014

ING Bank	37	Equity	47
NN Group (68%)	12	CT1 securities	1
Voya (32%)	2	Group Debt	2
Hybrids[B]	6	Hybrids	6
Hybrids[I]	1	Provision loss exchangeable*	1
	57		57

Pro-forma ING Group capital structure - ING Group 30 September 2014

ING Bank	37	Equity	47
NN Group (68%)	12	CT1 securities	$\boxed{-}$
Voya (32%)	2	Group Debt	$\boxed{3}$
Hybrids[B]	6	Hybrids	6
Hybrids[I]	1	Provision loss exchangeable*	1
	57		57

- Pro-forma capital structure reflects final payment to the Dutch State funded from ING Group resources

Illustrative calculation of impact deconsolidation NN Group

- We will divest our remaining 68.1% stake in NN Group over time, while maintaining an orderly market
- ~9% stake represented by Notes and EUR 0.9 bln provision for these yet-to-be-exchanged Notes, already taken following IPO
- Upon deconsolidation, the divestment result will reflect ING Group's remaining share (at transaction date) in the difference between the carrying value of NN Group and the market value
- Assuming full deconsolidation and share price NN Group of EUR 22.8 at 31 October 2014
  - Total impact on Group Equity of approximately EUR -6 bln, consisting of:
    - Difference between 68.1% MV of EUR 5.4 bln and 68.1% 3Q14 BV of EUR 12.5 bln
    - EUR -0.9 bln anchor provision taken in 3Q14
    - EUR -0.4 bln loss on classification as HfS taken in 3Q14
  - Total P/L impact of approximately EUR -1 bln. This reflects ING's approximately EUR 5 bln share in the positive revaluation reserves
  - This will cause the capital of the Group and the Bank to converge

* The IPO of NN Group had a negative impact on shareholders' equity of ING Group of EUR 4,264 mln (booked in 3Q14), 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.

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 3Q2014 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.

www.ing.com