

Credit Update

Amsterdam • 4 February 2016

thinkforward



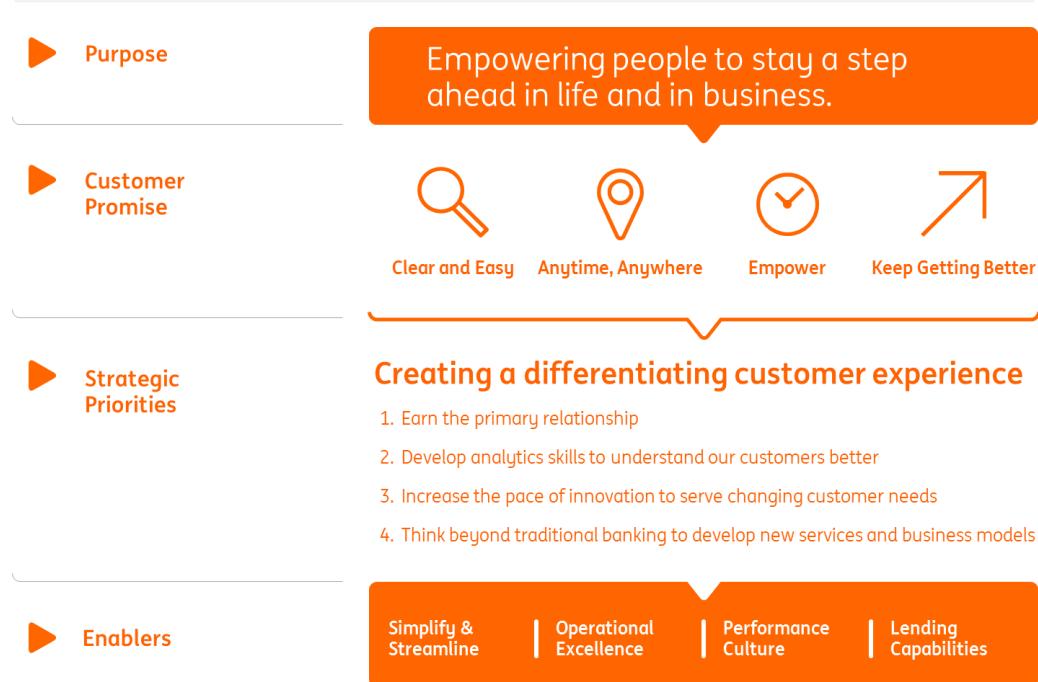
Key points

- Underlying net result ING Bank rose to EUR 4,219 mln in 2015, up 23.2% from 2014
 - Our retail customer base grew by 1.4 mln to 34.4 mln in 2015; our core lending franchises grew by EUR 21.7 bln or 4.2%
 - Underlying return on IFRS-EU equity of 10.8% in 2015, up from 9.9% in 2014, and in line with Ambition 2017 target range
- Asset quality: ING has a strong credit profile
 - ING Bank has a well diversified and collateralized loan book; oil price risk is manageable
 - Risk costs declined to EUR 1,347 mln in 2015, or 44 bps of average RWA and NPL ratio improved to 2.5%
- Strong capital position: ING well placed to absorb regulatory impacts and to deliver attractive capital return
 - Fully-loaded CET 1 ratio ING Group rose from 10.5% to 12.7%, above the regulatory fully-loaded requirement, currently 12.5%
 - Pro-forma Group CET1 on a fully-loaded basis for full divestment of remaining stake NN was 13.4%
- Bank liquidity & funding position remains strong
 - Large part of the balance sheet is funded with stable retail based customer deposits and ING has a sizeable liquidity buffer
 - Long-term funding has increased substantially overtime and ING Bank has modest long-term funding needs going forward

ING Bank results

ING continues to make progress on strategic initiatives

We launched our Think Forward strategy in March 2014



Empowering people

- Innovation helps empower people to make better financial decisions
- In Poland, **Moje ING**, a new banking platform (based on ING Spain's Genoma), gives customers an overview of their personal finances in an easy and intuitive way

New innovations in payments

- In Spain and the Netherlands we launched **Twyp**, a peer-to-peer payments app, which allows consumers to pay small amounts to contacts on their mobile devices (using their mobile phone number) in a few seconds

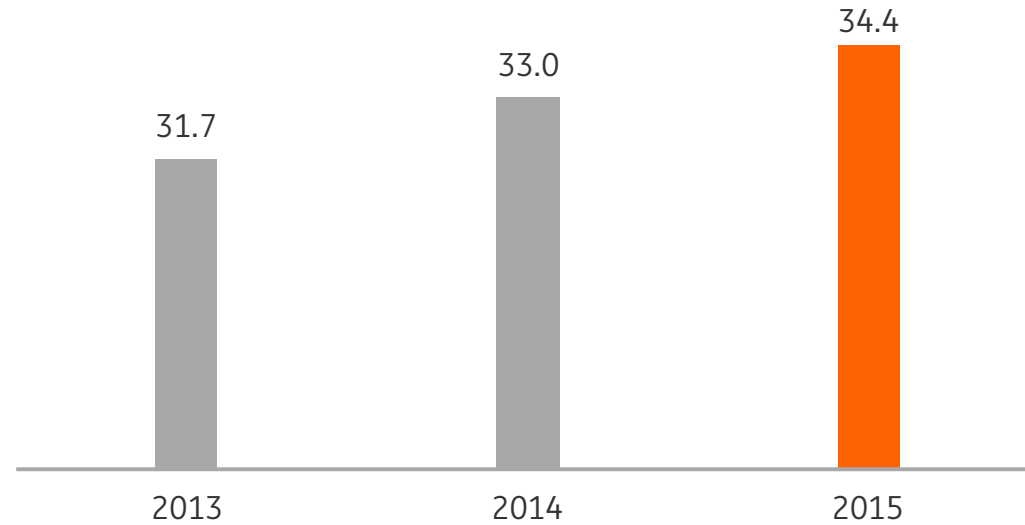
Strengthening lending capabilities

- We are also looking at fintech innovations to help strengthen our lending capabilities and better serve our consumer and SME clients
- Last quarter, we took a stake in an instant lender to small businesses called **Kabbage**, which we are now trialling in Spain. In January, we announced an investment in fintech **WeLab**, which provides consumer loans in China and Hong Kong in a fully automated process that takes just minutes, from application to approval

Our customer growth continued in 2015...

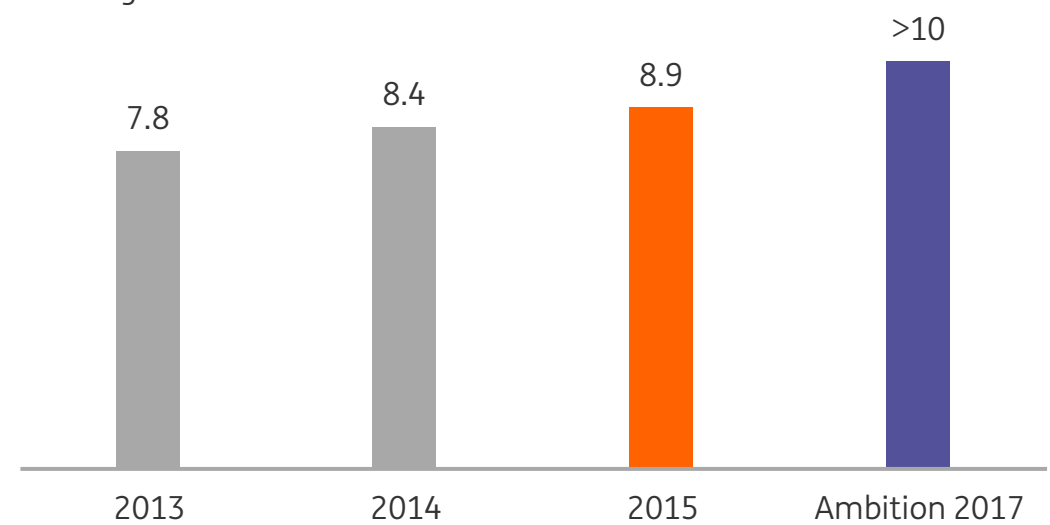
We added 1.4 mln new customers in 2015...

Individual customers



...and on track to reach 10 mln primary customers by 2017

Primary customers*



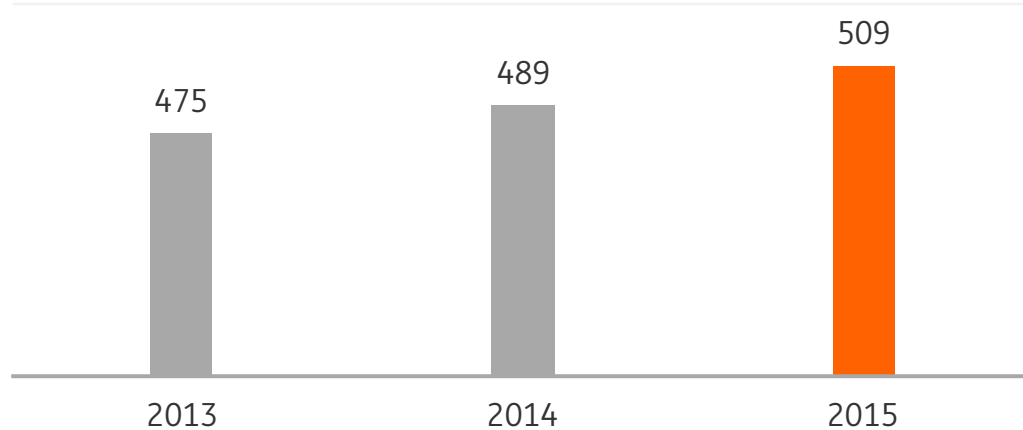
Our relentless focus on innovations to improve the customer experience continues to attract new customers

- The total number of new individual customers increased by 1.4 mln in 2015 to a total of 34.4 mln
- The number of primary relationships increased by 550,000 in 2015 to 8.9 mln, on track to reach our target of 10 mln by 2017
- The growth in total customers as well as primary customers is mainly driven by strong growth in the Challengers and Growth Markets

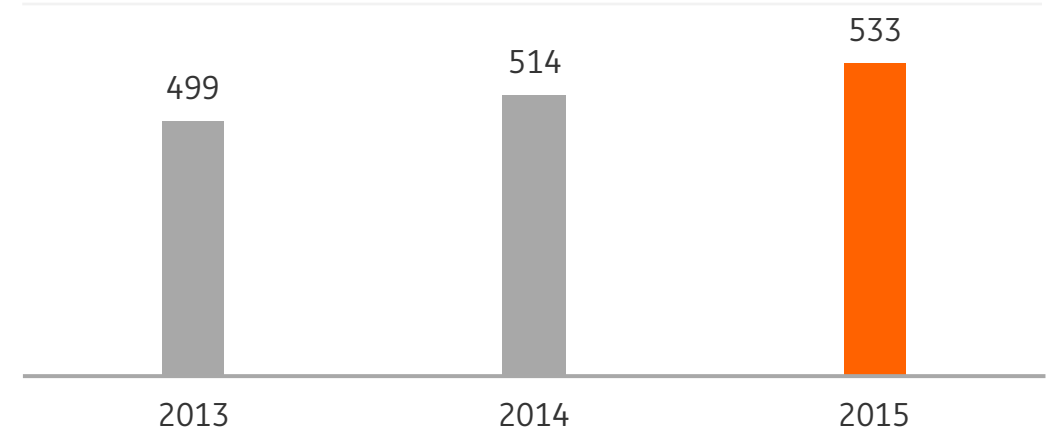
* Primary customers are customers who have recurrent income on the payment account and are active in at least one extra product category

...resulting in ongoing deposit and loan growth

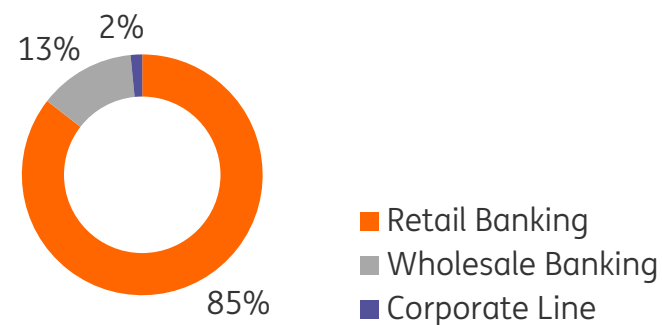
Customer deposits (in EUR bln)



Customer lending (in EUR bln)



Customer deposits, breakdown (in%)

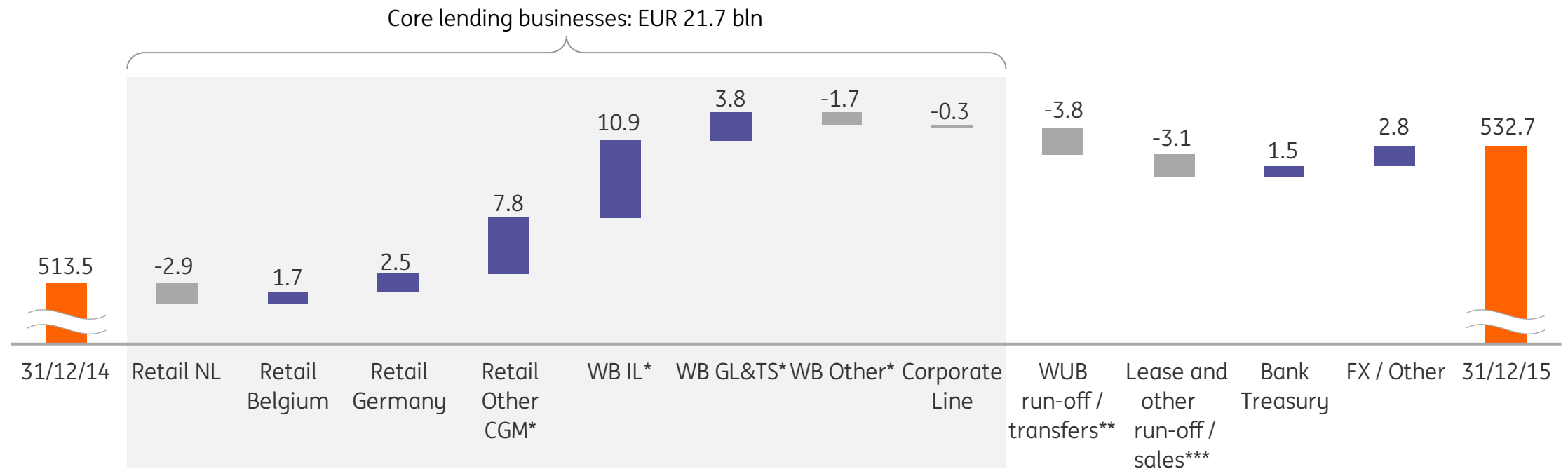


Attractive funding profile

- 61% of the balance sheet is funded by customer deposits
- 85% of customer deposits is retail-based
- Comfortable loan-to-deposit ratio of 1.04 as per 31 December 2015

Core lending franchises grew by EUR 21.7 bln or 4.2% in 2015

Customer lending 2015 (in EUR bln)



- Our core lending franchises grew by EUR 21.7 bln or 4.2% in 2015, in line with our guidance
 - Wholesale Banking increased by EUR 13.0 bln driven by Industry Lending and Transaction Services
 - Retail Banking outside of the Netherlands increased by EUR 11.9 bln, both in mortgage and non-mortgage lending

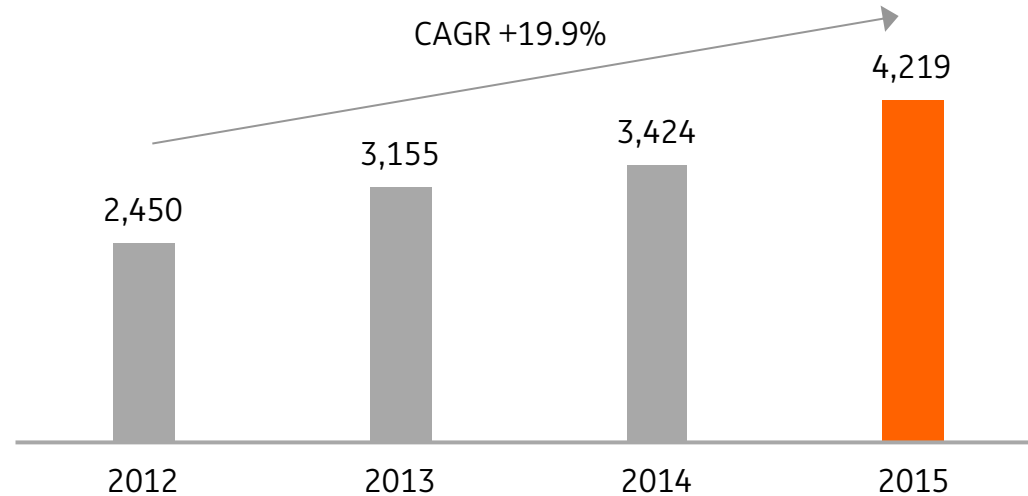
* C&GM is Challenger & Growth Markets; IL is Industry Lending; GL&TS is General Lending & Transaction Services; Other includes Financial Markets

** WUB run-off was EUR -2.2 bln and transfer to NN was EUR -1.6 bln;

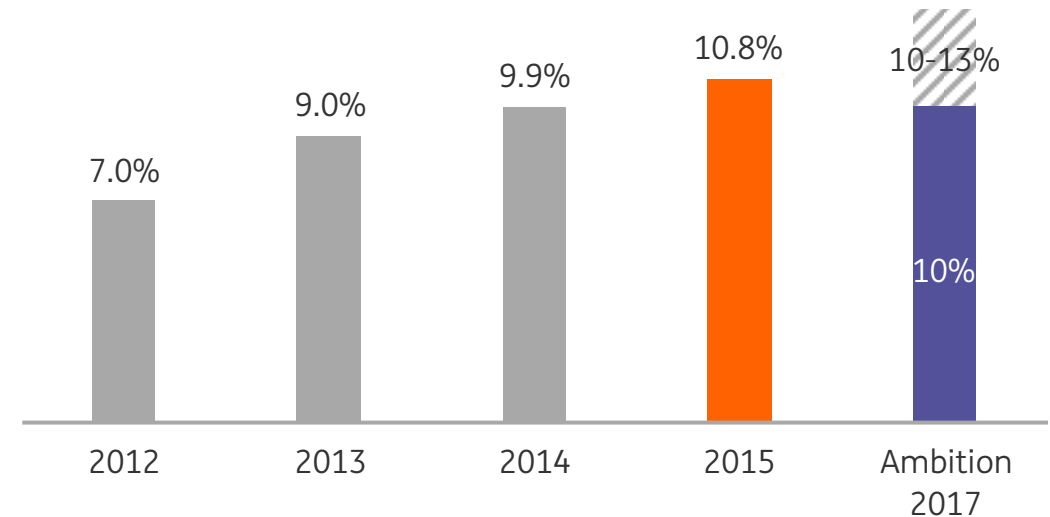
*** Lease run-off was EUR -1.4 bln in 2015; Other run-off/sales was EUR -1.7 bln and refers to Australian white label mortgage portfolio that was partly sold in 1H15

Our consistent customer focus drove our strong results in 2015...

Underlying net result increased 23.2% from 2014
(in EUR mln)



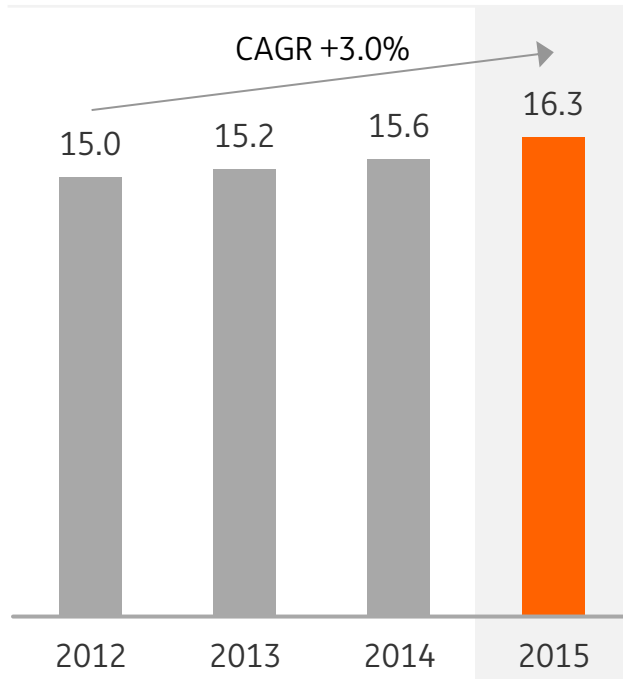
...resulting in underlying RoE of 10.8% in 2015



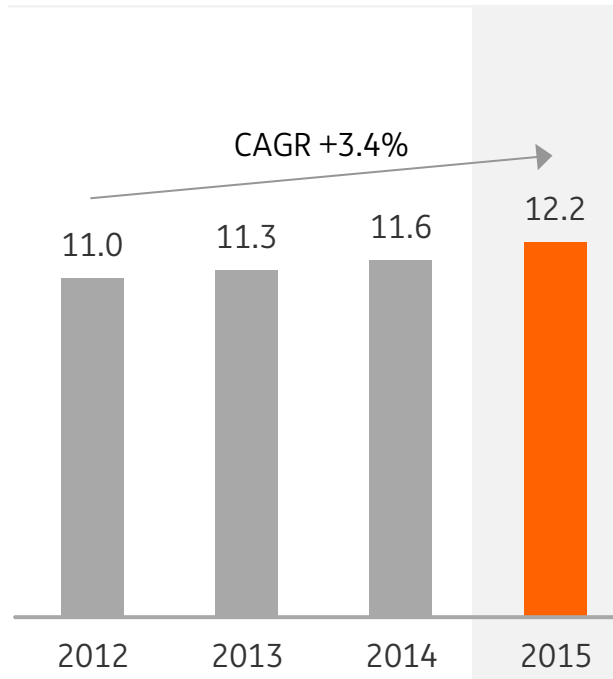
- Underlying net result increased to EUR 4,219 mln, up 23.2% from 2014
- Underlying net result, excluding CVA/DVA increased 11.9% to EUR 4,057 mln
 - Healthy income growth
 - Lower risk costs
- The underlying return on IFRS-EU equity was 10.8% in 2015, or 10.4% excluding CVA/DVA

...supported by healthy income growth and lower risk costs

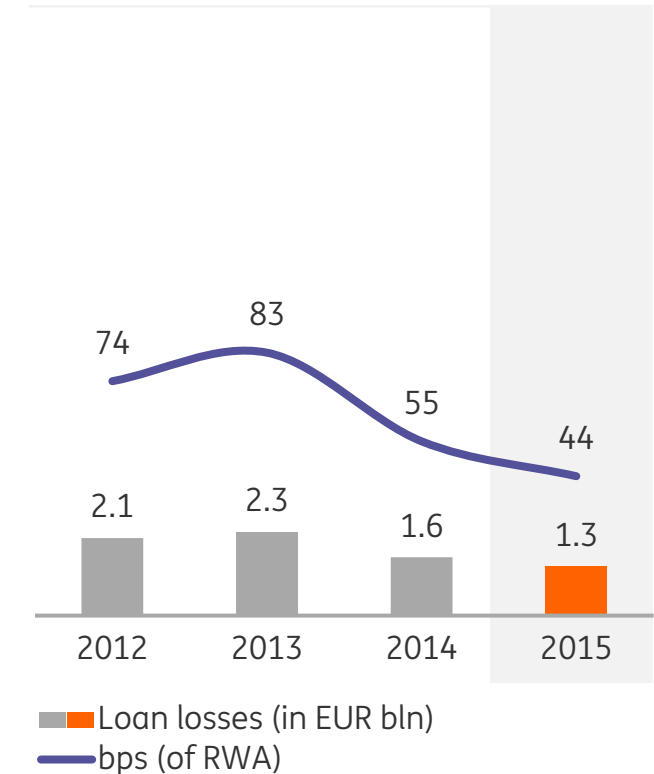
Underlying income excl. CVA/DVA
(in EUR bln)



Net interest result excl. FM
(in EUR bln)



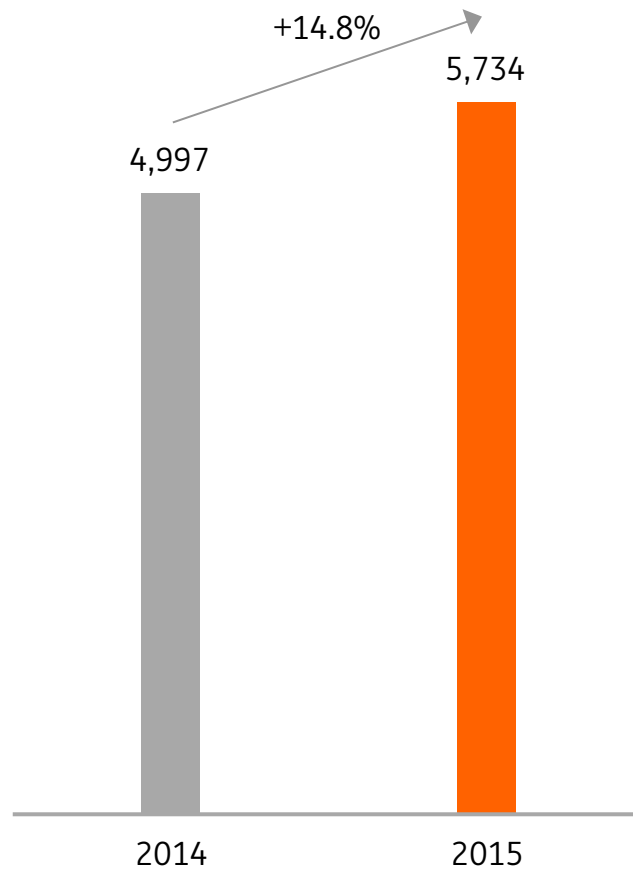
Risk costs
(in EUR bln and bps of RWA)



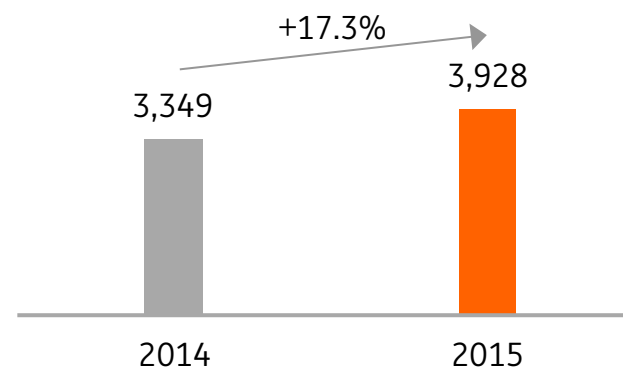
- Underlying income excluding CVA/DVA grew by 4.9% in 2015 versus 2014, driven by higher net interest income
- Risk costs declined to EUR 1.3 bln in 2015, or 44 bps of average RWA

Strong contribution from both Retail and Wholesale Banking

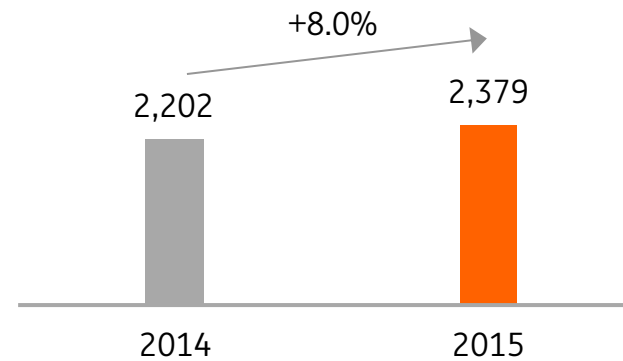
Pre-tax result ING Bank*
(in EUR mln)



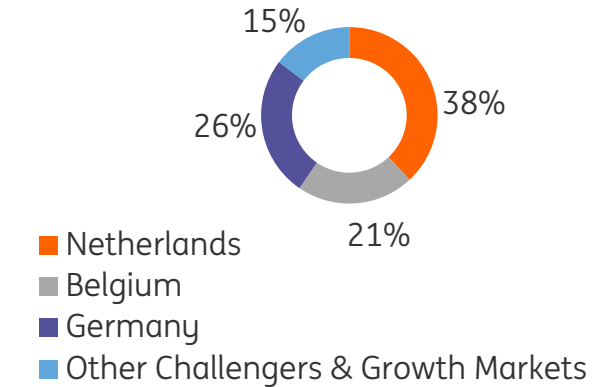
Pre-tax result Retail Banking
(in EUR mln)



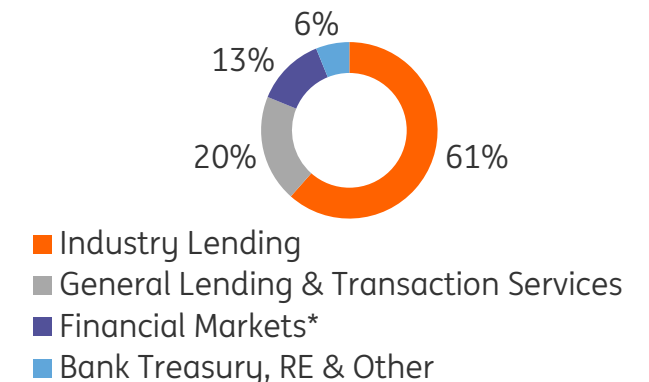
Pre-tax result Wholesale Banking*
(in EUR mln)



Breakdown pre-tax result
Retail Banking



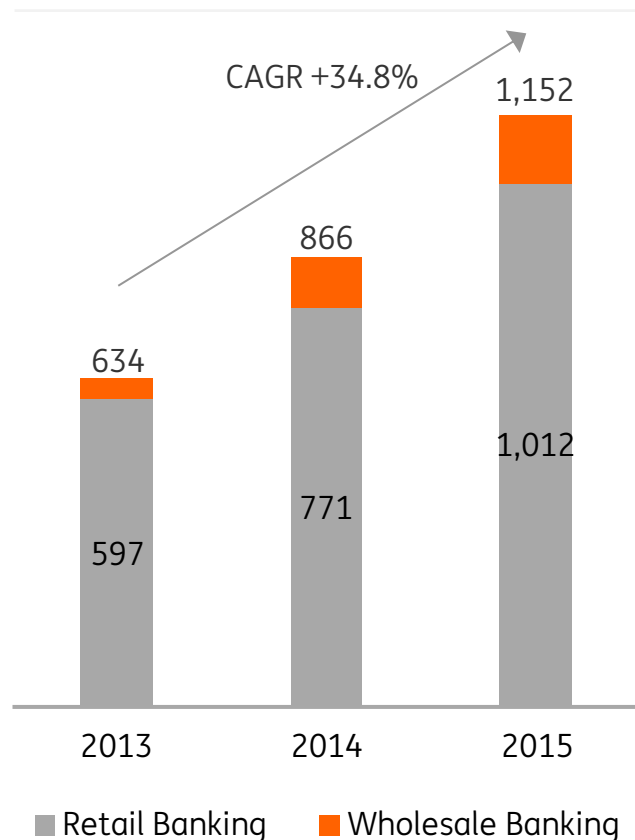
Breakdown pre-tax result
Wholesale Banking*



* Excluding CVA/DVA

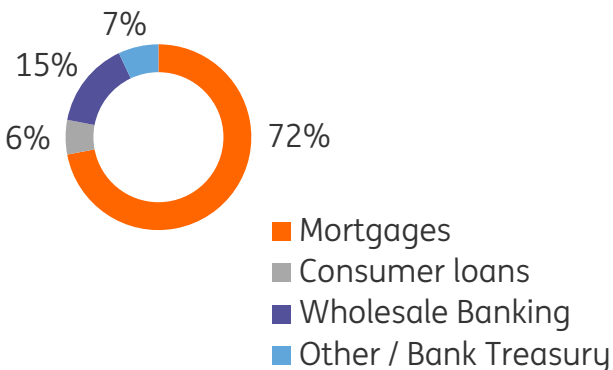
ING Germany's pre-tax profit increased to EUR 1,152 mln in 2015, reaching above EUR 1 bln for the first time

Pre-tax profit ING Germany above EUR 1 bln for the first time (in EUR mln)

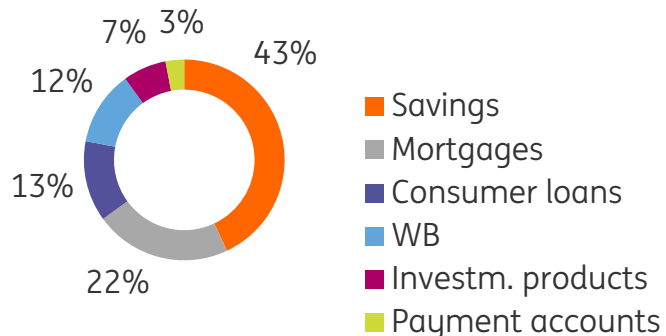


Diversifying our Balance Sheet...

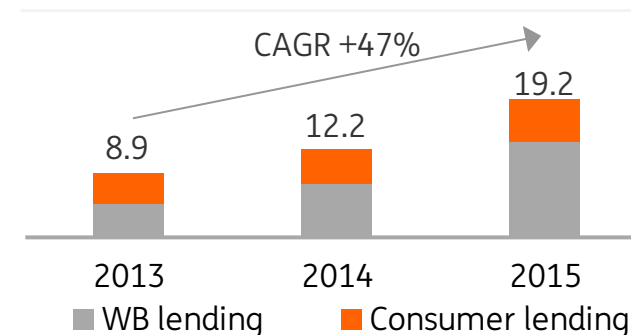
Customer lending (in %)



...resulting in a diversified income profile...

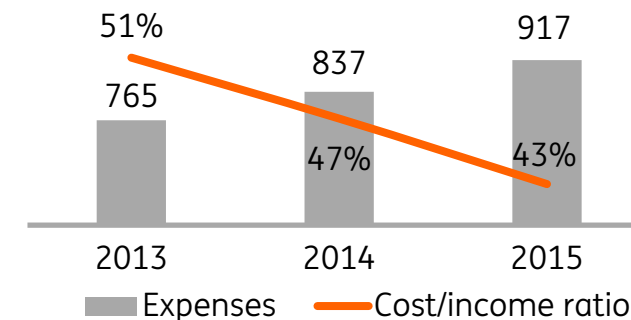


...by growing consumer lending and Wholesale Banking lending... (in EUR bln)



...with strong cost discipline, while selectively investing in the business

Cost/income ratio (%)



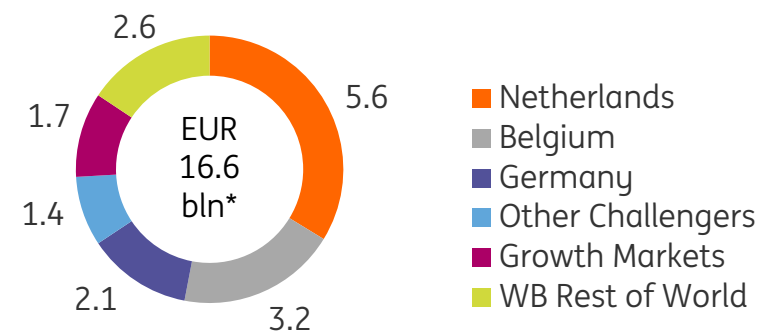
ING Bank asset quality

ING Bank has strong positions in resilient northern European home markets

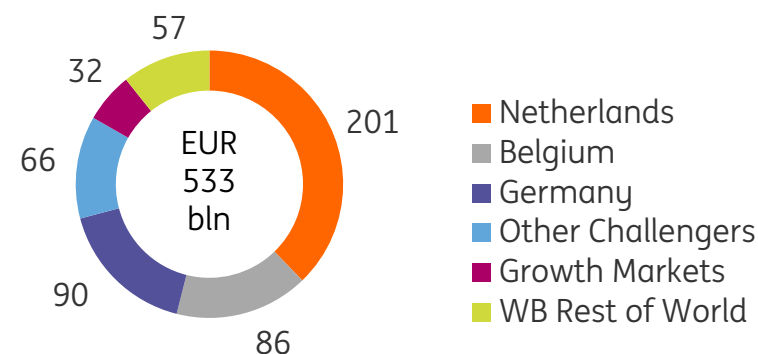
Strong positions in European home markets



ING Bank total underlying income FY15 (in EUR bln)



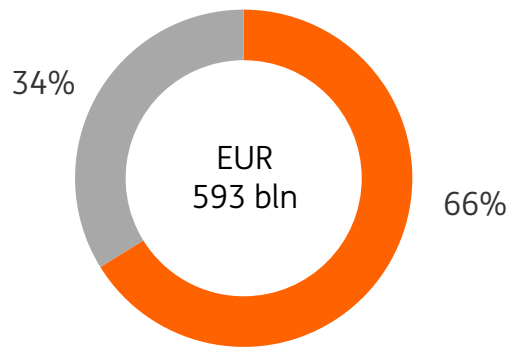
Lending portfolio FY15 (in EUR bln)



* Total EUR 16.6 billion reported underlying income includes EUR 0.2 billion negative income reported under Other, not visible in the chart. Region Other consists of Corporate Line and Real Estate run-off portfolio

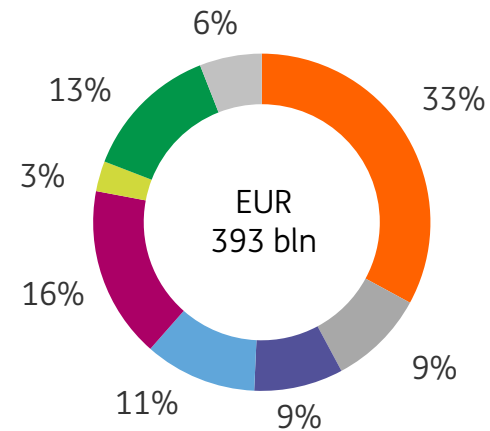
Lending credit outstandings ING Bank are well diversified

ING Bank* (in %)



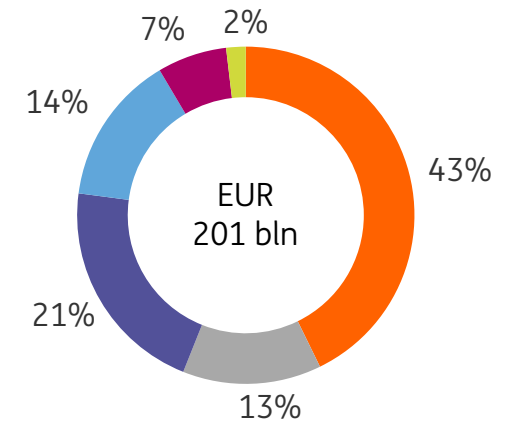
- Retail Banking
- Wholesale Banking

Retail Banking* (in %)



- Mortgages Netherlands
- Other lending Netherlands
- Mortgages Belgium
- Other lending Belgium
- Mortgages Germany
- Other lending Germany
- Mortgages Other C&GM
- Other lending Other C&GM

Wholesale Banking* (in %)



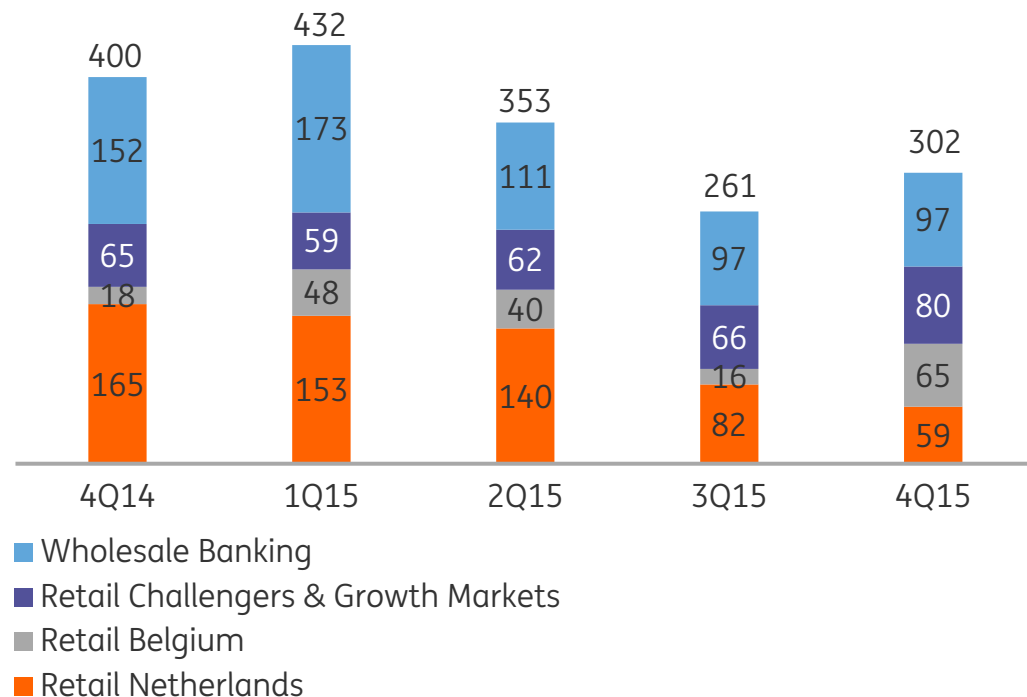
- Structured Finance
- Real Estate Finance
- General Lending
- Transaction Services
- FM, Bank Treasury, Real Estate & Other
- General Lease run-off

- ING Bank has a well diversified and well collateralized loan book with a strong focus on own-originated mortgages
- 66% of the portfolio is retail-based

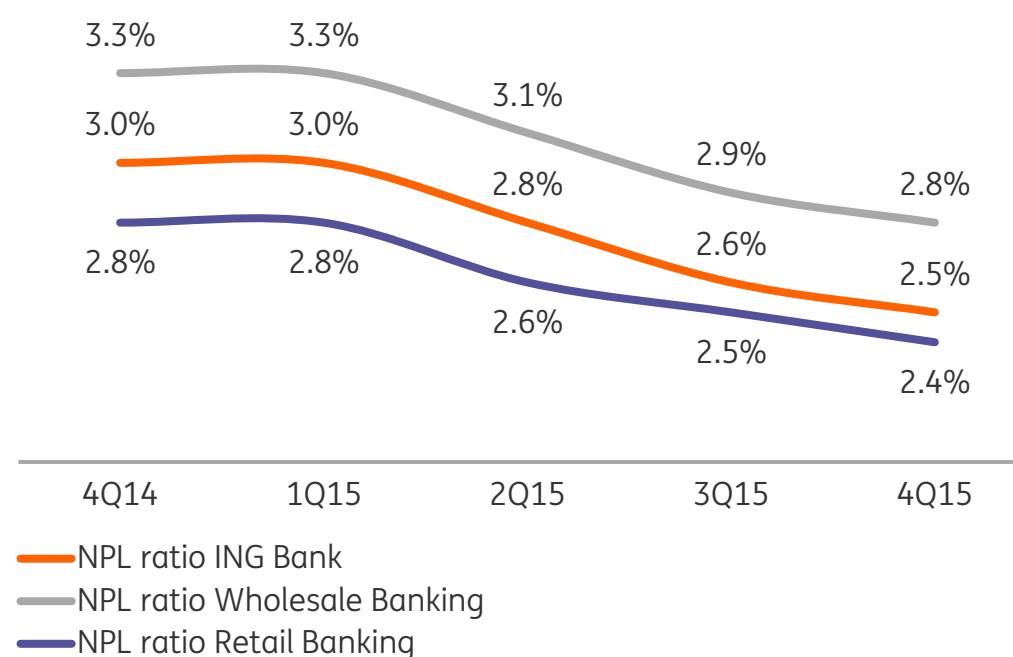
* 31 December 2015 lending and money market credit risk outstanding, including guarantees and letters of credit (off-balance sheet positions)

Risk costs amounted to EUR 302 mln or 38 bps of RWA and NPL ratio improved to 2.5%

Risk costs (in EUR mln)



NPL ratio

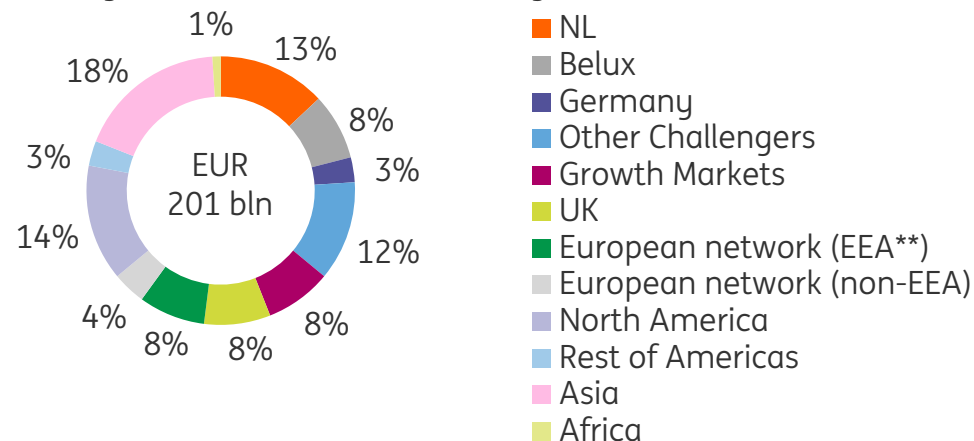


- Risk costs were EUR 302 mln, or 38 bps of RWA, down from 4Q14, but up from 3Q15 due to higher risk costs in Retail Banking
- NPL ratio down to 2.5%, with improvements in both Retail Banking and Wholesale Banking

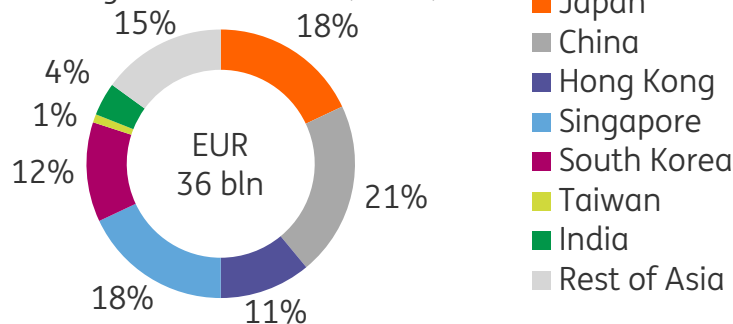
Lending credit outstandings Wholesale Banking well diversified by geography

Loan portfolio is well diversified across geographies...

Lending Credit O/S Wholesale Banking (4Q15)*



Lending Credit O/S Asia (4Q15)*



* Data is based on country of residence

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

*** Excluding our stake in Bank of Beijing (EUR 2.6 bln at 31 December 2015)

...with the majority in developed countries

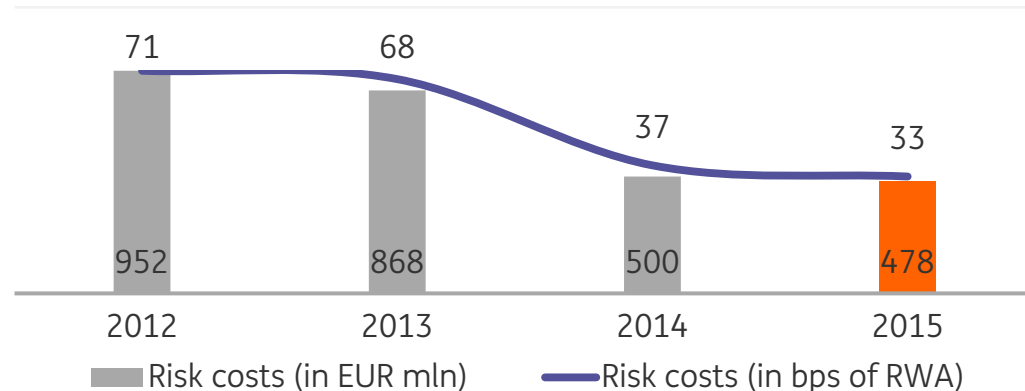
- Our business model is the same throughout our global WB franchise
- We focus on top-end corporates, including domestic blue chips and multinationals, and Financial Institutions
- We concentrate on sectors where we have proven expertise

The quality of our China portfolio is strong

- Wholesale Banking lending credit outstanding to China was around EUR 8 bln at end 4Q15***
- Our China lending exposure is relatively short-term, approximately 65% matures in less than 1 year
- The majority of our exposure is short-term trade & commodity finance and the rest is to major state-owned companies, top-end corporates and Financial Institutions
- 75% is USD, 13% is RMB and 12% other currencies

Risk costs Wholesale Banking declined to below longer-term average

Risk costs Wholesale Banking have come down from their peak in 2012... (in EUR mln and in bps)



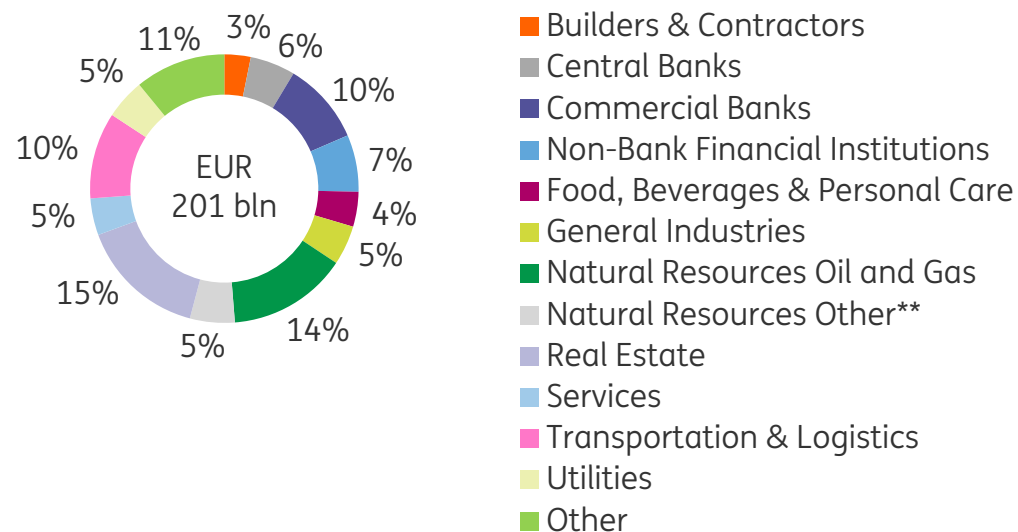
...supported by a decline in the NPL ratio (in %)

	4Q14	3Q15	4Q15
Wholesale Banking	3.3	2.9	2.8
Industry Lending	3.6	3.2	2.9
Of which Structured Finance	2.1	2.4	2.2
Oil & Gas related	1.1	1.8	1.8

* Lending credit O/S includes guarantees and letters of credit
 ** Mainly metals and mining

Wholesale Banking benefits from well diversified loan portfolio

Lending Credit O/S Wholesale Banking (4Q15)*



- Oil & gas was 14% and 5% of Wholesale Banking and total Bank lending credit O/S, respectively
- NPL ratio of Oil & Gas related exposure was stable from 3Q15 at 1.8%

Lending to the Oil & Gas Industry is well diversified and oil price risk is manageable

		Lending credit O/S		
		In EUR bln	In %	
Trade and Commodity 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	12.2	42%	} 85% of lending is not directly exposed to oil price risk
Export Finance	• ECA covered loans in oil & gas: typically 95-100% credit insured	1.7	6%	
Corporate Lending	• Corporate Loans in oil & gas sector: predominantly loans to investment grade integrated oil companies	5.7	20%	
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	4.9	17%	
Other Offshore Services Companies*	• Diversified portfolio of companies active in pipe laying, heavy lifting, subsea services, etc. Corporate guaranteed	0.7	2%	} Somewhat exposed to oil price risk
Offshore Drilling Companies	• Loans to finance drilling rigs, generally backed by 2-5 yr charter contracts and corporate guaranteed	1.0	3%	
Reserve Based Lending**	• Financing based on borrower's oil & gas assets. Loans secured by reserves of oil & gas. Includes smaller independent oil & gas producers	2.8	10%	} On EUR 3.8 bln of exposure, we may see higher loan losses if oil prices remain at current or lower levels
Total Oil & Gas related exposure		EUR 29 bln		

- Our reserve based lending and offshore drilling portfolios of EUR 3.8 bln in total could result in higher risk costs if oil prices were to stay at USD 30 per barrel or below and remain there for an extended period of time

* ING has very limited activity in oil field services sector in the US

** Individual RBL clients have different compositions in oil and gas but overall portfolio composition is approximately 60% oil and 40% gas

Lending to the broader oil & gas industry is largely short-term and with Investment Grade companies

Lending Credit O/S ING Bank to oil & gas industry (in EUR bln)

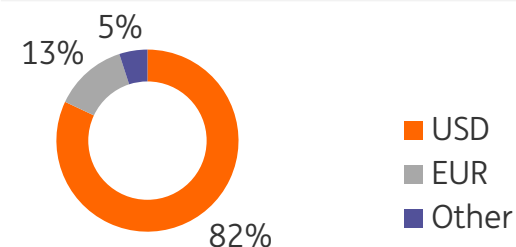
	4Q15	4Q14	Change 4Q-4Q	3Q15	Change 4Q-3Q
Total Lending Credit O/S	29.1	27.2	1.9	27.6	1.5

NPL ratio and Coverage ratio oil & gas

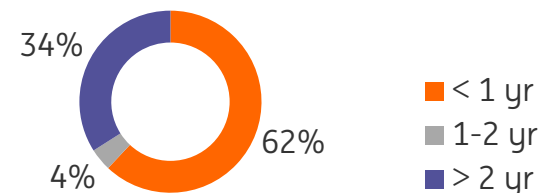
	4Q15	4Q14	3Q15
NPL ratio	1.8%	1.1%	1.8%
Coverage ratio	21%	15%	16%

- Risk costs and the NPL ratio remained low during 2015
- 85% of oil & gas exposure, of which the majority is short-term self liquidating trade finance, is not directly exposed to oil price risk
- Our reserve based lending portfolio and offshore drilling portfolio of EUR 3.8 bln in total may see higher risk costs if oil prices were to stay at USD 30 per barrel or below and remain there for an extended period of time

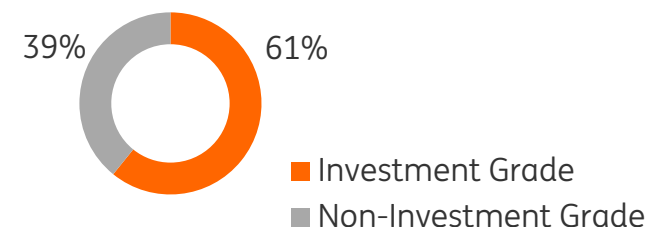
Lending outstanding per currency



Lending breakdown by maturity



Lending outstanding by rating



Lending to metals & mining industry is well diversified

Lending Credit O/S ING Bank to metals & mining (in EUR bln)

	4Q15	4Q14	Change 4Q-4Q	3Q15	Change 4Q-3Q
Total Lending Credit O/S*	14.2	12.7	1.5	13.3	0.9

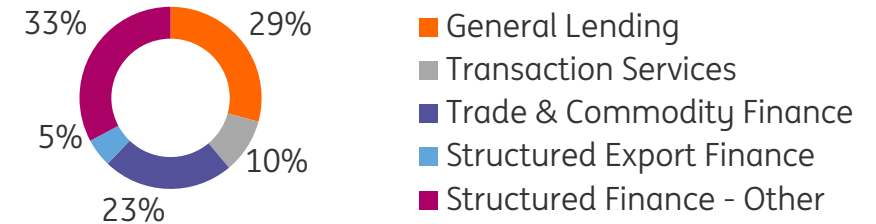
NPL ratio and Coverage ratio metals & mining

	4Q15	4Q14	3Q15
NPL ratio	6.4%	6.5%	6.4%
Coverage ratio	42%	46%	43%

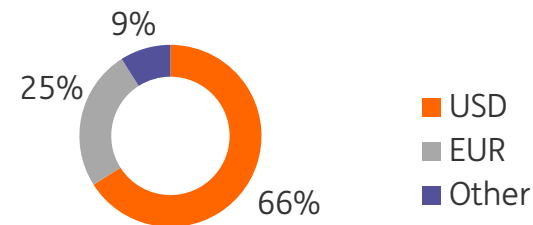
- Metals & mining lending portfolio is well diversified in terms of underlying commodities, type of product, type of exposures, structures and duration
- Around 25% is short-term self-liquidating trade finance and not sensitive to price risk
- Around 5% is export finance and covered by Export Credit Agencies (ECA)
- Focus is and has always been on high credit quality names, low cost producers and industry leaders
- Around 70% of the NPLs are related to our exposure to the Ukraine (around 50%, see slide 32) and Russia (around 20%, see slide 31)

* Approximately EUR 2 bln is Retail Banking

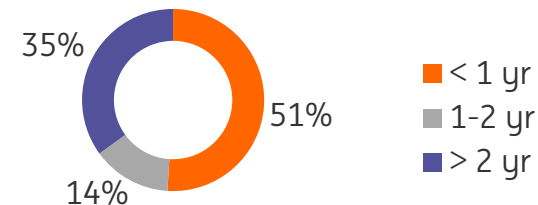
Lending outstanding by segment



Lending outstanding per currency



Lending breakdown by maturity



The quality of our Russian portfolio remains strong

Exposure ING Bank to Russia (in EUR mln)

	4Q15	4Q14	Change 4Q-4Q	3Q15	Change 4Q-3Q
Total Lending Credit O/S	5,752	6,189	-437	5,696	56
Other*	361	843	-482	487	-126
Total outstanding	6,113	7,032	-919	6,183	-70
Undrawn committed Facilities	841	1,050	-209	673	168

Note: data is based on country of residence

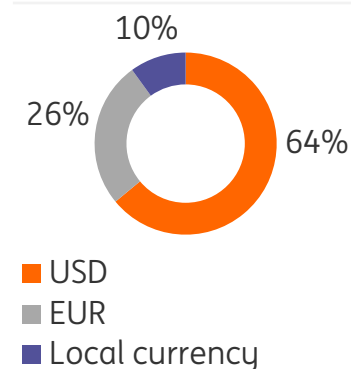
NPL ratio and Coverage ratio Russia

	4Q15	4Q14	3Q15
NPL ratio	3%	3%	3%
Coverage ratio	18%	16%	17%

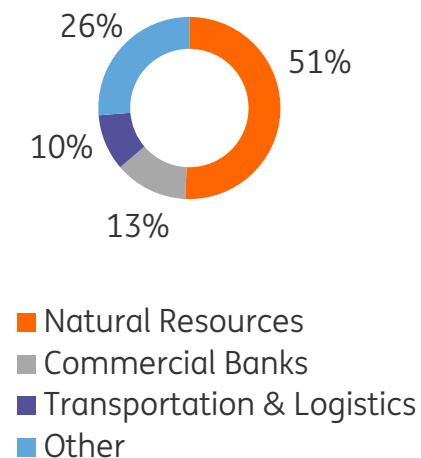
- Total outstanding to Russia has been reduced by EUR 919 mln from 4Q14 and EUR 70 mln from 3Q15
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is approximately EUR 1 bln
- Focus on mitigated exposures; ECA-covered, pre-export facilities, offshore collateralized and shorter 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)

	4Q15	4Q14	Change 4Q-4Q	3Q15	Change 4Q-3Q
Total Lending Credit O/S	1,286	1,214	72	1,168	118
Other*	-2	12	-12	0	-2
Total outstanding	1,285	1,226	59	1,168	117
Undrawn committed Facilities	33	44	-11	116	-83

Note: data is based on country of residence

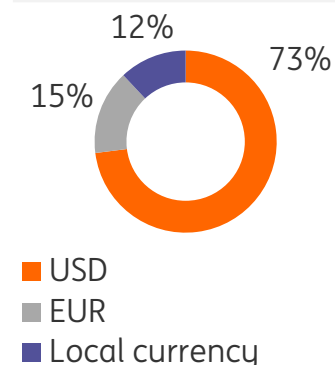
NPL ratio and Coverage ratio Ukraine

	4Q15	4Q14	3Q15
NPL ratio	54%	35%	55%
Coverage ratio	60%	50%	57%

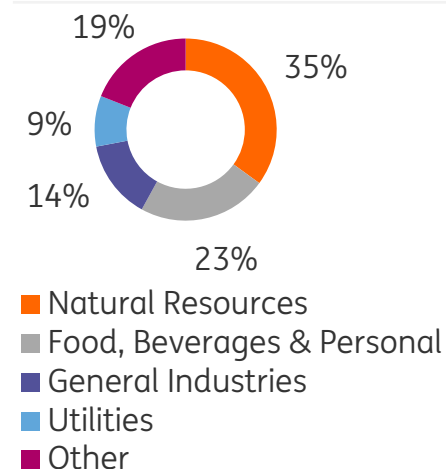
- The NPL ratio remained high at 54% in 4Q15, reflecting the economic recession in Ukraine
- The coverage ratio increased to 60% in 4Q15 from 57% in 3Q15

* Other includes Investments, trading exposure and pre-settlement

Lending outstanding per currency



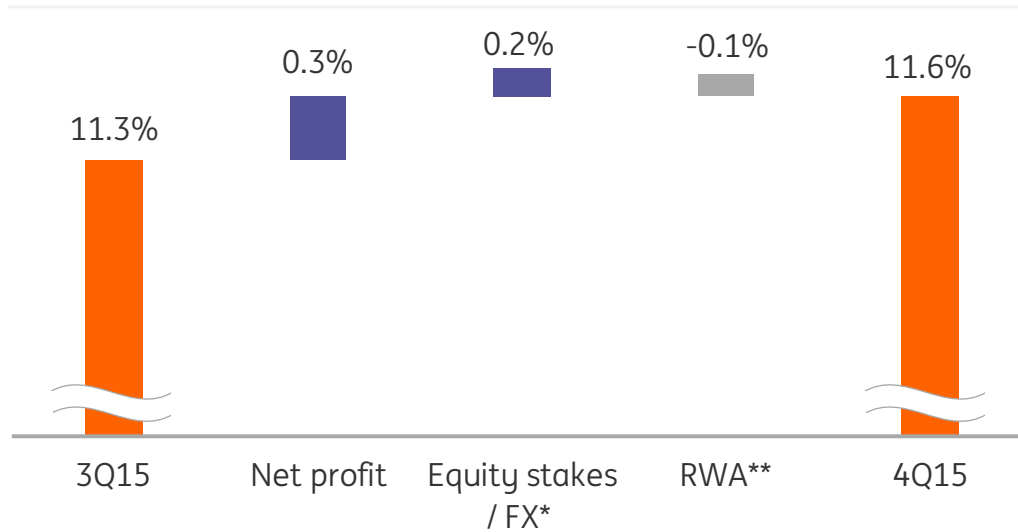
Lending breakdown by Industry



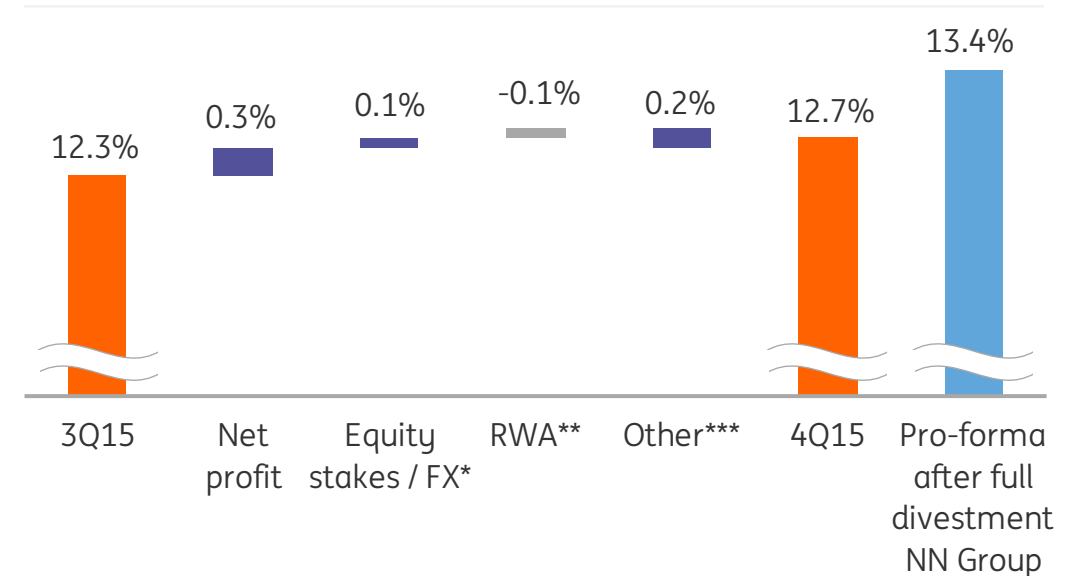
Capital, liquidity and funding

Capital position strengthens further

ING Bank fully-loaded CET 1 ratio increased to 11.6%



ING Group pro-forma fully-loaded CET1 ratio at 13.4% after 2015 final dividend payment



- Bank CET 1 capital increased to 11.6% due to a positive net profit impact of 26 bps in 4Q15 and an increase in the revaluation reserves of our equity stakes, partly offset by an increase in RWA
- Group CET 1 capital increased to 12.7%, largely mirroring developments of the Bank, and including a EUR 600 mln release from interim profits that had not been included in capital in the first nine months of 2015
- Pro-forma Group CET 1 capital ratio after full divestment of NN Group would be 13.4% in 4Q15

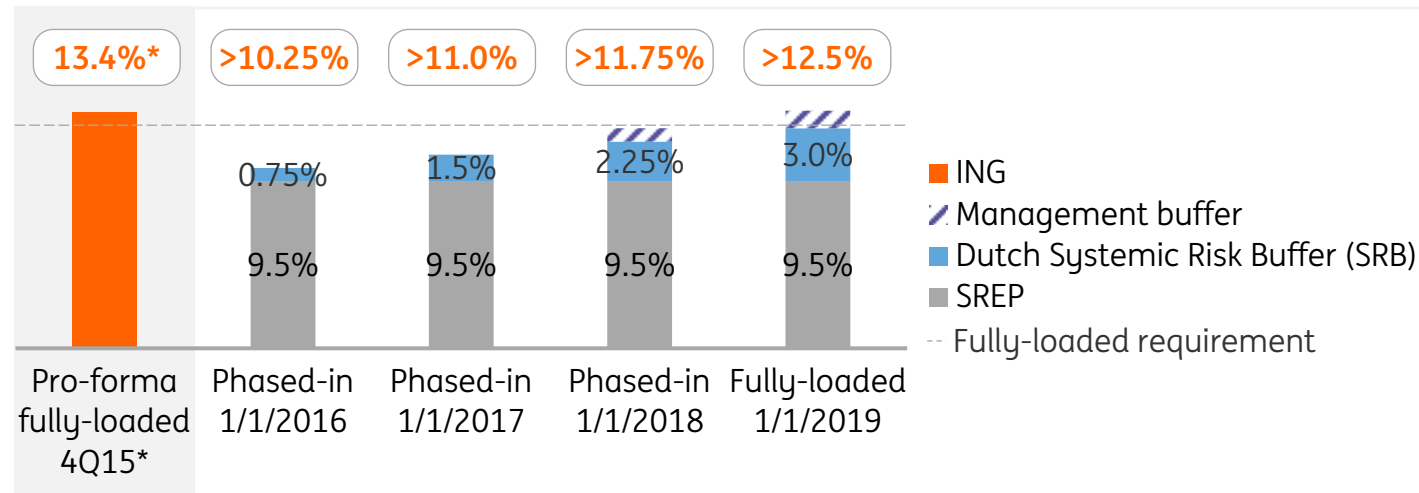
* Impact includes capital and related RWA movements

** Impact RWA is excl. RWA impact revaluation reserves/FX

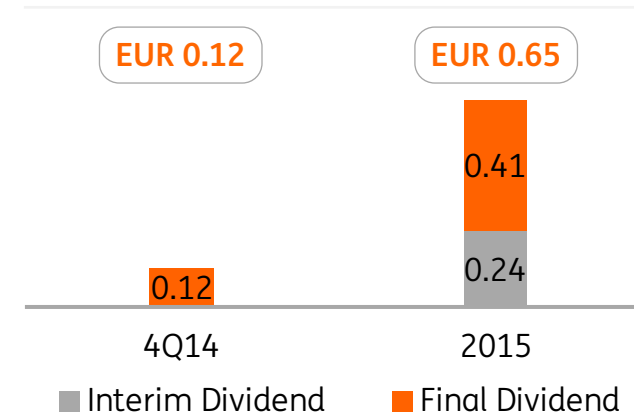
*** Other includes EUR 0.6 bln release from 'interim profits not included in CET 1 capital

Group CET 1 exceeds fully-loaded requirements; we propose to pay a full-year dividend of EUR 2,515 mln or EUR 0.65 per share

Group CET 1 ratio comfortably in excess of fully-loaded requirement



We propose to pay a full-year dividend of EUR 0.65 per share

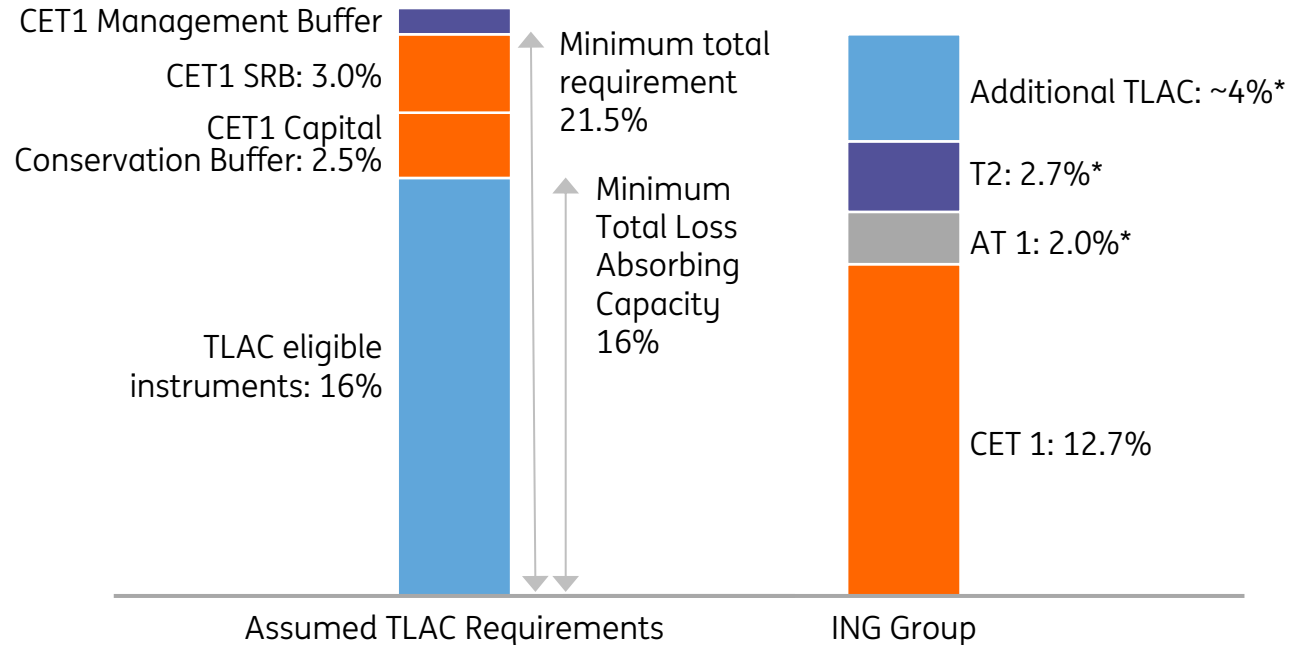


- The capital requirement (SREP), set by the ECB, that the Group has to meet on a consolidated basis is 9.5%
- The systemic risk buffer (SRB), set by the DNB, that the Group has to meet on a consolidated basis is currently 3% of RWA, phased-in over 4 years
- Consequently, ING will introduce a new target for Group CET 1
 - We are committed to maintaining a healthy Group CET1 ratio in excess of prevailing fully-loaded CET1 requirements, currently 12.5%, and growing into a comfortable management buffer over time
- We aim to pay a progressive dividend over time

* Pro-forma after full divestment of NN Group

ING has flexibility to comply with expected TLAC requirements

TLAC requirements 1 January 2019 (4Q15, fully loaded, in %)



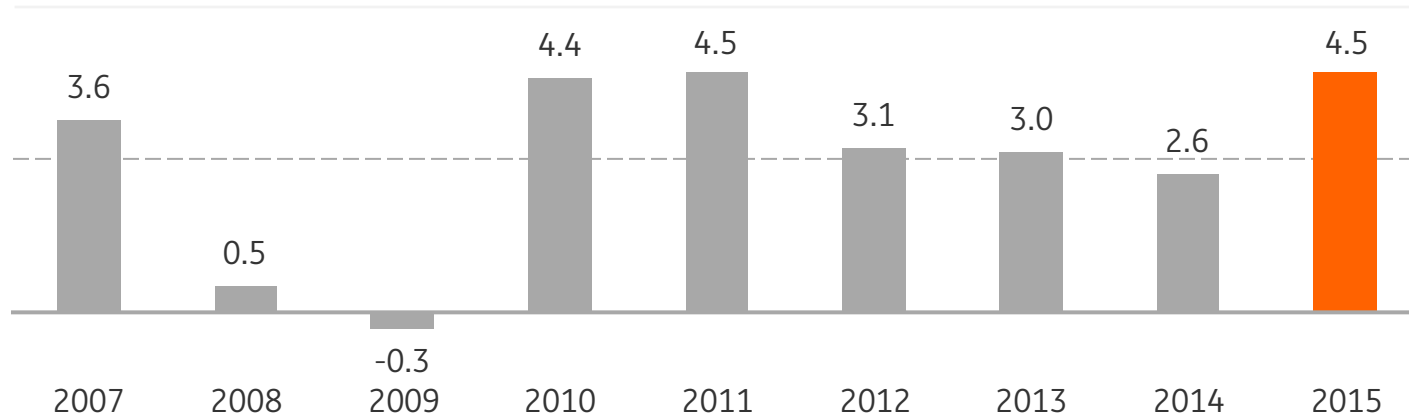
The Financial Stability Board's TLAC proposals

- The final TLAC proposal was published in November 2015
- Assuming TLAC requirements at 21.5% (including buffers), ING is well placed to meet requirements
- ING Bank has EUR 60 billion of long-term professional funding maturing until the end of 2019
- Given the amount of long-term debt maturing, ING has ample flexibility to comply with expected TLAC requirements
- Minimum TLAC RWA requirement is currently more constraining than minimum TLAC leverage requirement
- Since the Systemic Risk Buffer of 3% is applied to ING Group (and not to ING Bank), we took the prudent approach to calculate TLAC for ING Group
- ING has not made any decisions on the preferred resolution strategy pending regulatory discussions and developments

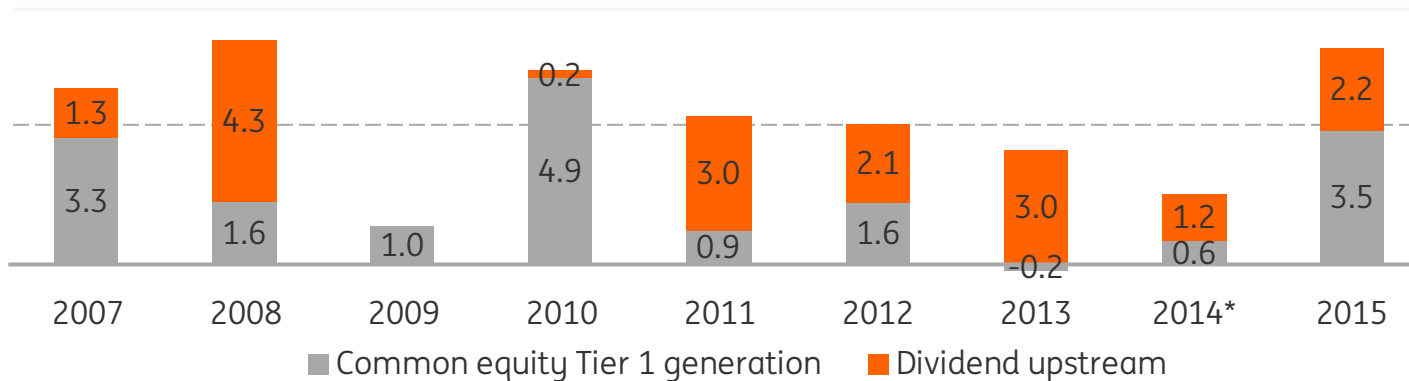
* Grandfathered loans will be replaced by CRD IV compliant hybrids in the coming years

ING Bank has generated a significant amount of capital

Net profit (in EUR bln)



Common equity Tier 1 generation (in EUR bln, phased-in)



* In 2014 change CET1 capital versus pro forma 2013 CRD IV

A strong profitability track record

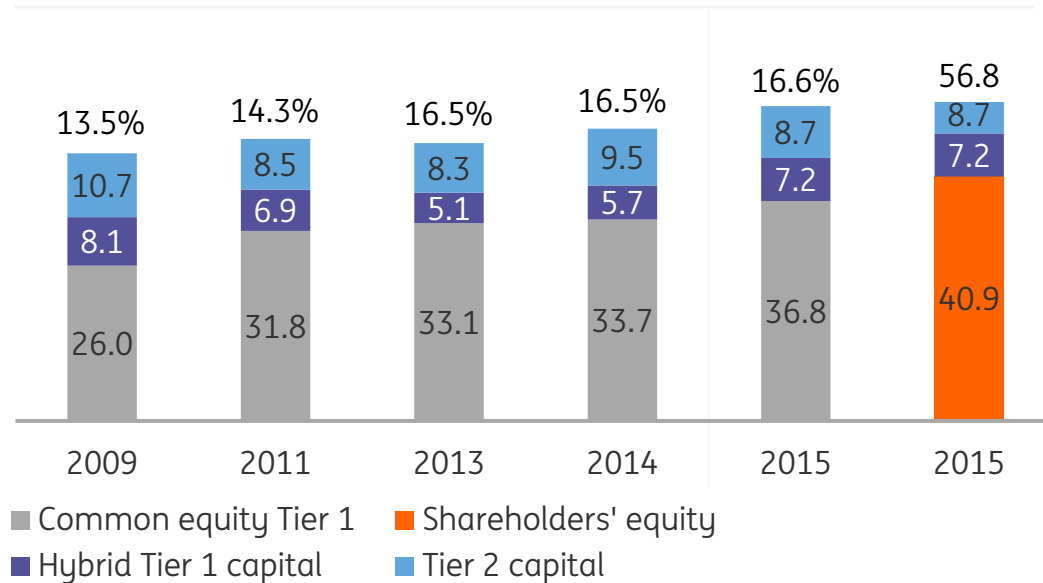
- ING Bank reported only one small loss in history
- Average annual profitability of EUR 2.9 billion since 2007, including during the years of financial crisis
- 2014 was affected by +/- EUR 0.8 billion negative special items (pension deal, SNS levy, partly offset by gain on deconsolidation Vysya)
- 2015 included EUR 0.3 billion of special items (gain from merger between ING Vysya Bank and Kotak Mahindra Bank)

Consistently generating capital

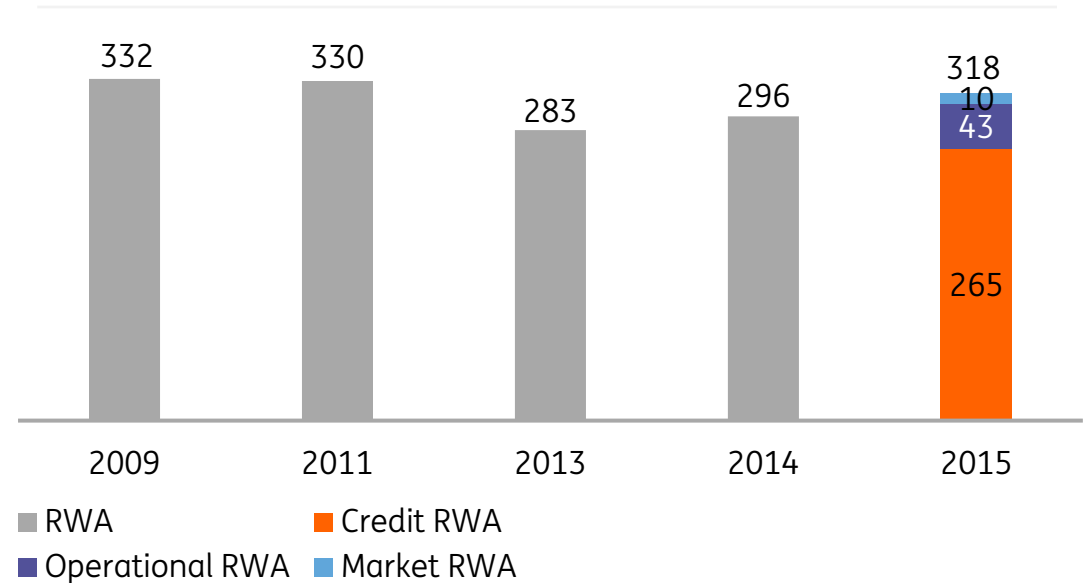
- Average annual capital generation EUR 3.8 billion in the period 2007-2015
- Allowing EUR 9.5 billion of dividend up streams in the 2011-2014 period to support the Group restructuring

ING Bank has a sizeable capital buffer

Total capital (EOP, in EUR bln)*



ING Bank total Risk Weighted Assets (EOP, in EUR bln)



- ING Bank's total capital amounted to EUR 56.8 bln, or 6.8% of total balance sheet, at 31 December 2015
- The total capital ratio at 16.6% as per 31 December 2015 is slightly increasing as compared to previous years
- RWA increased by EUR 22 billion in 2015 driven by volume growth, higher operational RWA and currency impacts

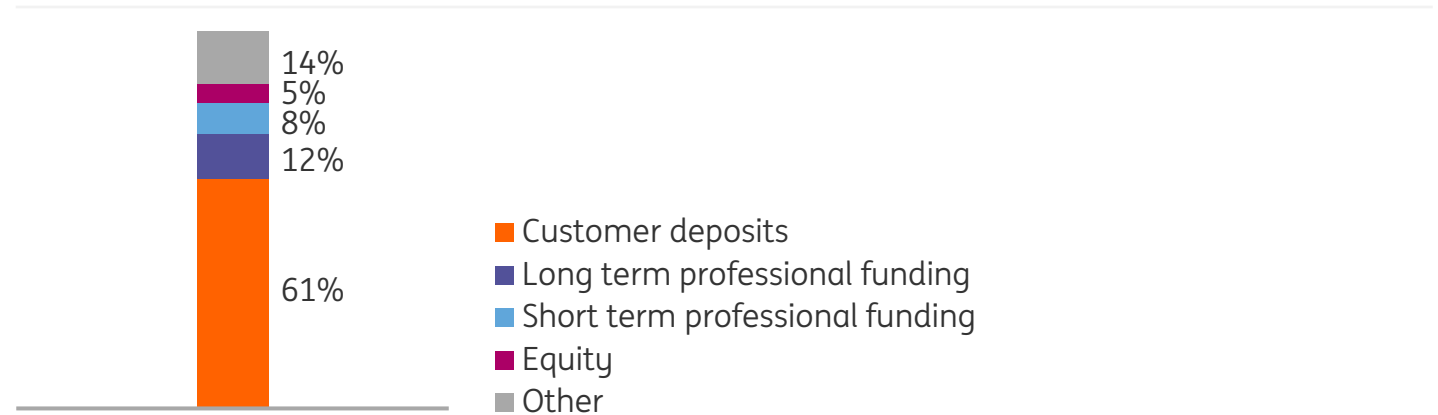
* 2009-2013 are Basel II figures. As from 2014 figures are CRD IV fully-loaded.

Deposits are the primary source of funding

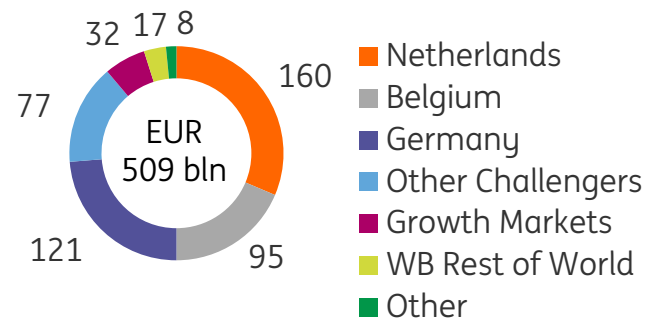
Attractive funding profile

- 61% of the balance sheet is funded by customer deposits
- 86% of funds entrusted is retail based
- Attractive Loan-to-Deposit ratio of 1.04 as per 31 December 2015

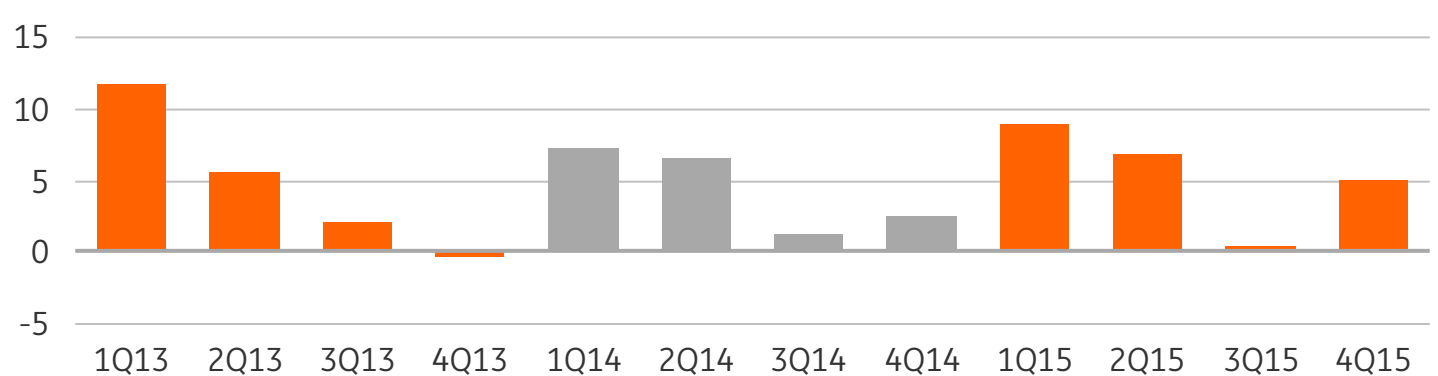
Total liabilities (31 December 2015, in %)



ING Bank total customer deposits 31 December 2015 (EUR bln)

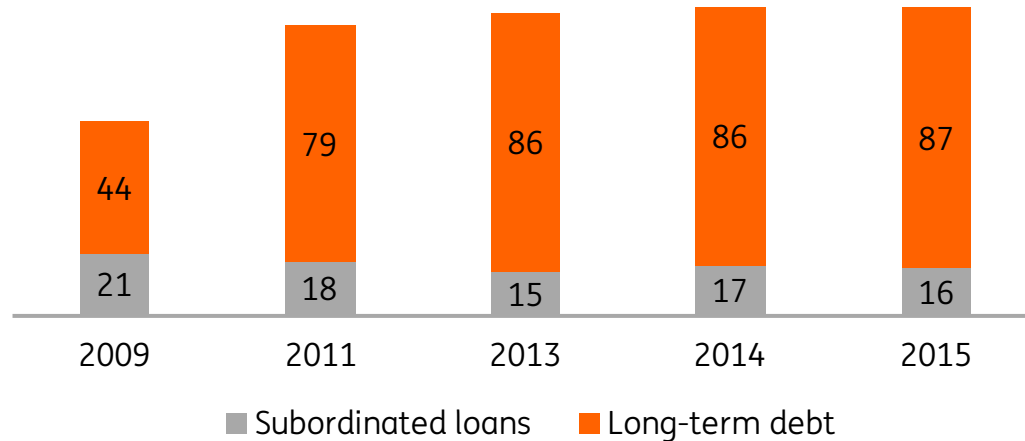


Retail Banking net production customer deposits (in EUR bln, excluding Bank Treasury)

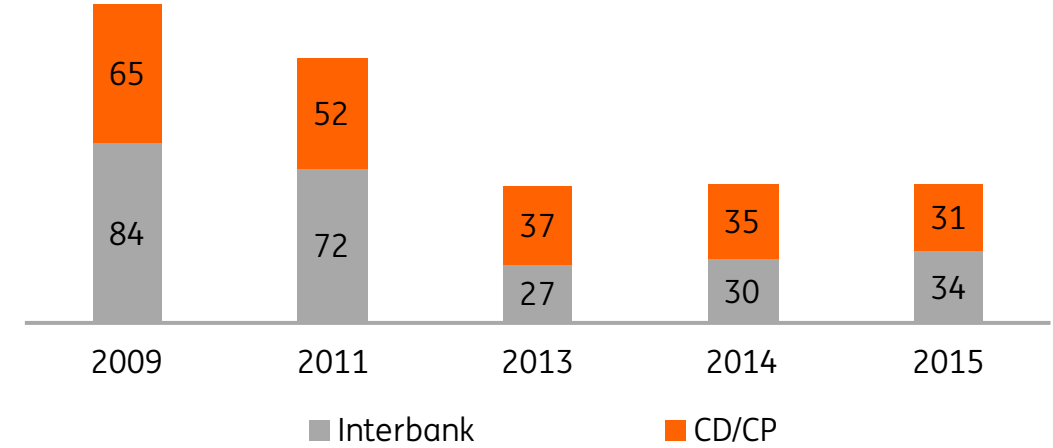


ING Bank long-term debt issuance has increased over time

Long-term funding increased (in EUR bln)



Short-term professional funding reduced (in EUR bln)



ING Bank NV ratings

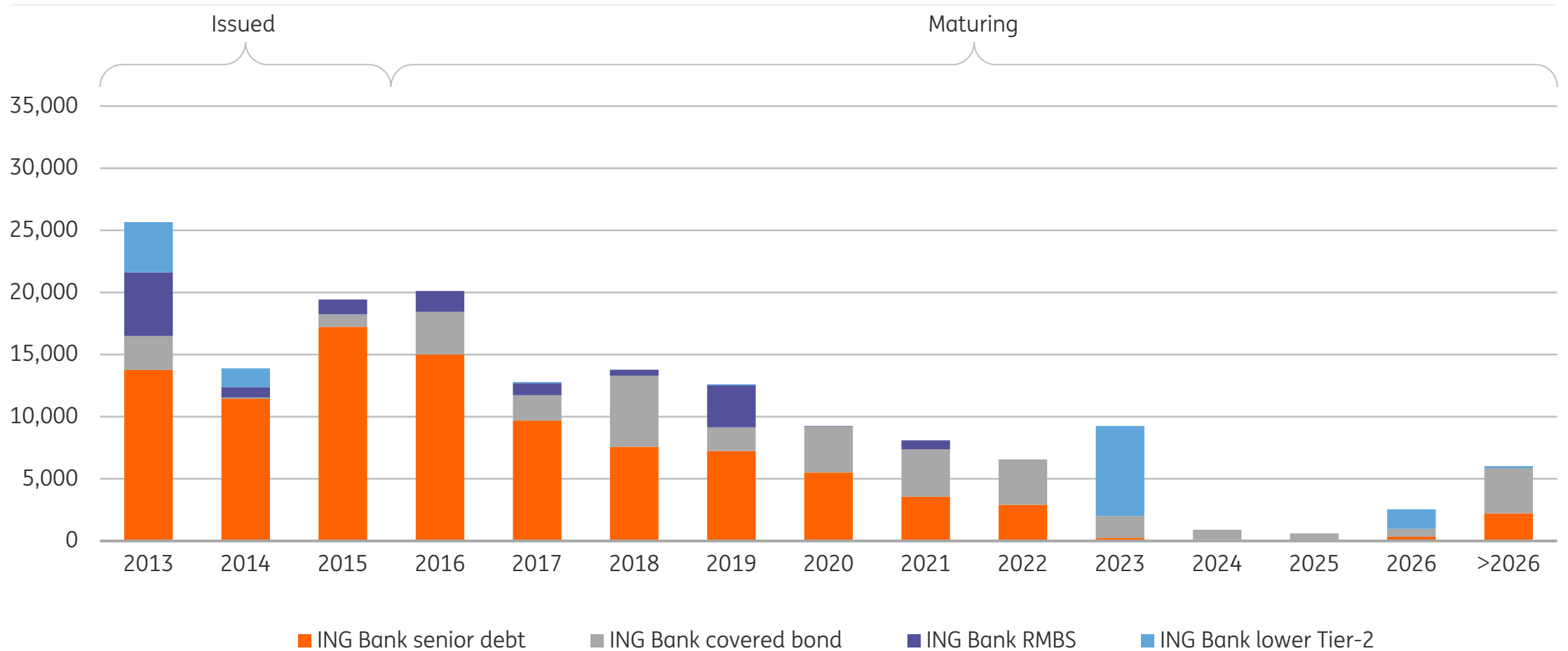
	Long term rating	Outlook	Short term rating
S&P	A	Stable	A-1
Moody's	A1	Stable	P-1
Fitch	A	Stable	F1

ING Bank N.V. covered bond programme

- ING Bank has a EUR 35 billion Covered Bond Programme and a EUR 5 billion Soft Bullet Covered Bond Programme, both AAA and legislative covered bonds
- The programmes have respectively EUR 27.3 billion and EUR 4.0 billion outstanding as per 4Q15
- The weighted average indexed LTVs as per 4Q15 are respectively 78.5% and 79.9%

ING Bank has modest long-term funding needs

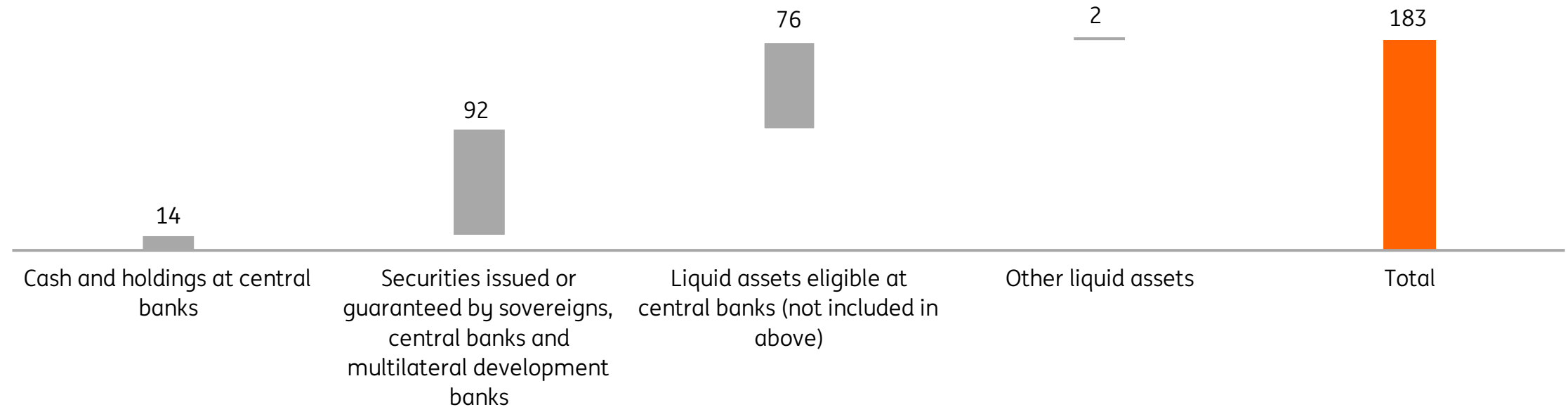
Maturity ladder outstanding long-term debt (in EUR million)



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

ING Bank has a sizeable liquidity buffer

ING Bank liquidity buffer 31 December 2015 (in EUR bln)



A sizeable liquidity buffer

- ING Bank has a sizeable liquidity buffer of EUR 183 billion
- This compares favourably to a balance sheet of EUR 839 billion
- LCR is > 100%, already meeting CRR/CRD IV requirements

Wrap up

On track to deliver on our Ambition 2017

ING Group

	2014	2015	Ambition 2017	Guidance
CET1 (CRD IV)	10.5%	12.7%	>12.5%	<ul style="list-style-type: none"> We will grow into a comfortable buffer over time above the prevailing fully-loaded requirements
Group dividend	EUR 0.12	EUR 0.65		<ul style="list-style-type: none"> We are committed to maintaining a healthy Group CET1 ratio in excess of prevailing fully-loaded CET1 requirements, currently 12.5%, and to returning capital to our shareholders. We aim to pay a progressive dividend over time

ING Bank

	2014	2015	Ambition 2017	Guidance
CET1 (CRD IV)	11.4%	11.6%	>10%	<ul style="list-style-type: none"> Bank capital levels will gradually migrate towards Group capital levels
Leverage*	4.2%	4.5%	~4%	
C/I**	58.7%	55.9%	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%	10.8%	10-13%	<ul style="list-style-type: none"> No change to RoE target pending further regulatory developments/clarity

* The leverage exposure of 4.5% at 31 December 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, and with notional cash pooling grossed up, is 4.1%

** The reported cost/income excl. CVA/DVA and redundancy costs in 2014 (EUR 399 mln) and 4Q15 (EUR 120 mln) was 55.1% in 2014 and 55.9% in 2015

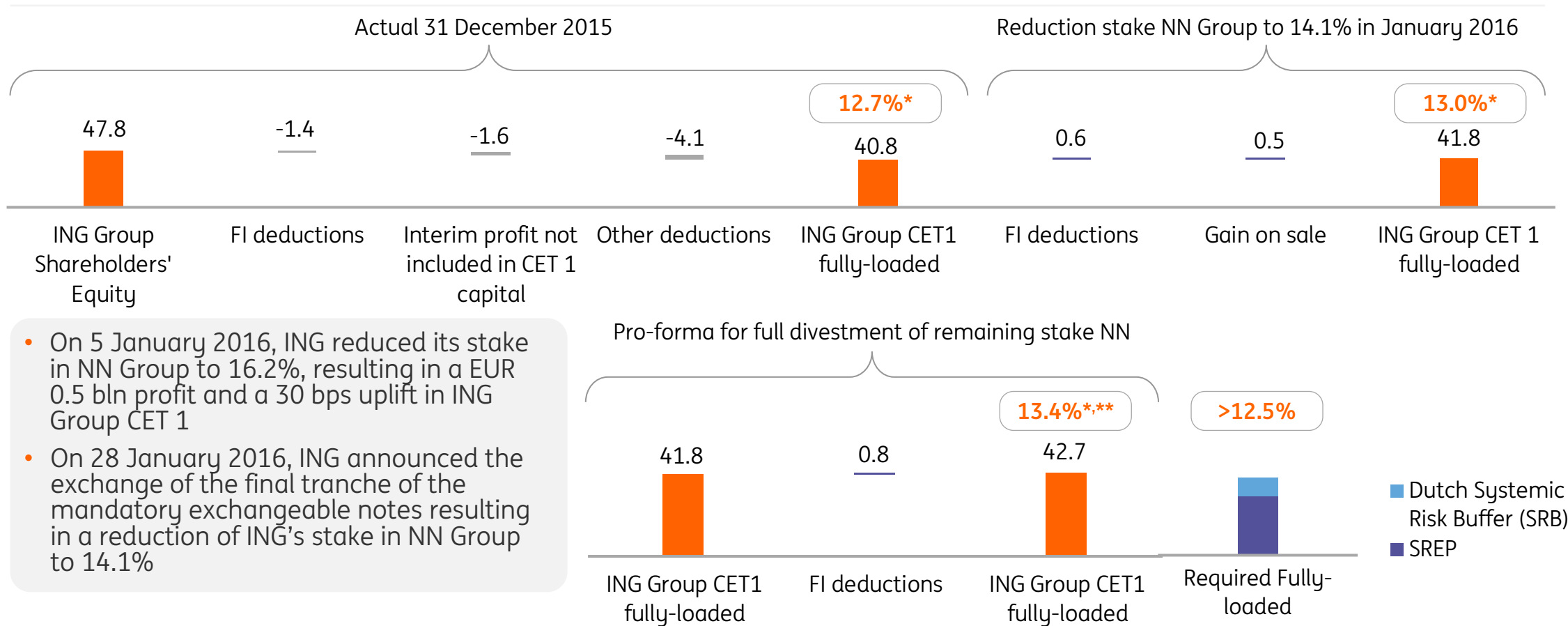
Key points

- Underlying net result ING Bank rose to EUR 4,219 mln in 2015, up 23.2% from 2014
 - Our retail customer base grew by 1.4 mln to 34.4 mln in 2015; our core lending franchises grew by EUR 21.7 bln or 4.2%
 - Underlying return on IFRS-EU equity of 10.8% in 2015, up from 9.9% in 2014, and in line with Ambition 2017 target range
- Asset quality: ING has a strong credit profile
 - ING Bank has a well diversified and collateralized loan book; oil price risk is manageable
 - Risk costs declined to EUR 1,347 mln in 2015, or 44 bps of average RWA and NPL ratio improved to 2.5%
- Strong capital position: ING well placed to absorb regulatory impacts and to deliver attractive capital return
 - Fully-loaded CET 1 ratio ING Group rose from 10.5% to 12.7%, above the regulatory fully-loaded requirement, currently 12.5%
 - Pro-forma Group CET1 on a fully-loaded basis for full divestment of remaining stake NN was 13.4%
- Bank liquidity & funding position remains strong
 - Large part of the balance sheet is funded with stable retail based customer deposits and ING has a sizeable liquidity buffer
 - Long-term funding has increased substantially overtime and ING Bank has modest long-term funding needs going forward

Appendix

Pro-forma Group CET1 already exceeds regulatory requirement on a fully-loaded basis

Fully-loaded common equity Tier 1 capital (in EUR bln and %)



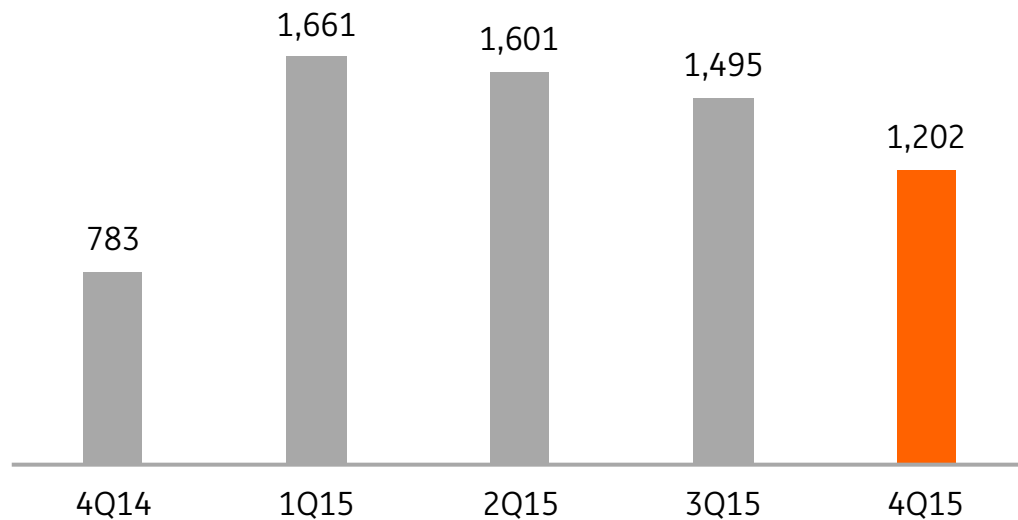
- On 5 January 2016, ING reduced its stake in NN Group to 16.2%, resulting in a EUR 0.5 bln profit and a 30 bps uplift in ING Group CET 1
- On 28 January 2016, ING announced the exchange of the final tranche of the mandatory exchangeable notes resulting in a reduction of ING's stake in NN Group to 14.1%

* ING Group fully-loaded CET1 ratio is based on RWAs of EUR 321.2 bln; Pro-forma for sale NN stake in January is based on RWAs of EUR 321.3 bln and for full divestments is based on RWAs of EUR 319.2 bln

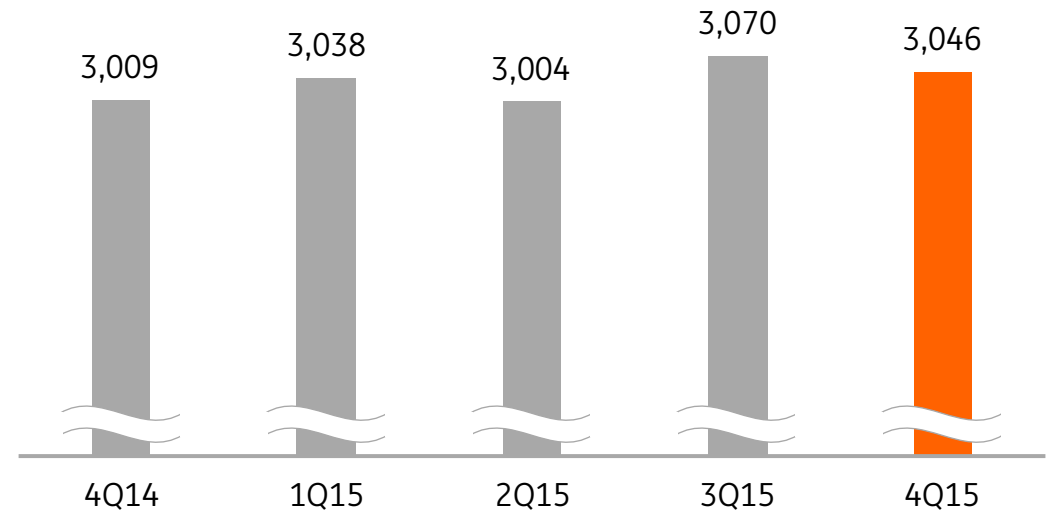
** Based on share price NN Group of EUR 30.34

Solid fourth-quarter results, with net interest income holding up well

Underlying pre-tax result ING Bank (in EUR mln)



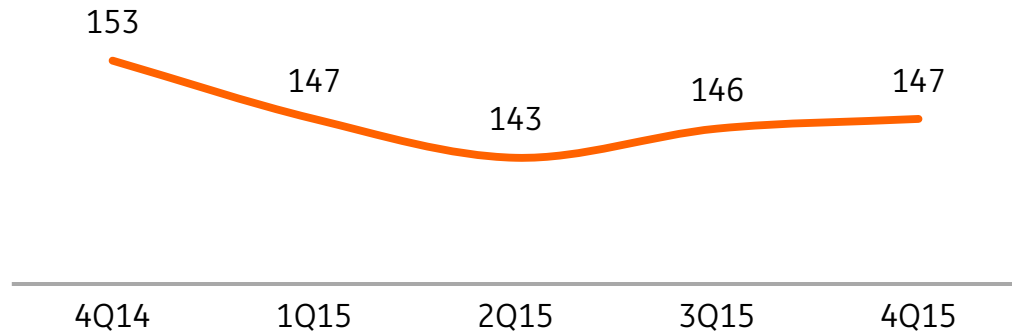
Net interest income excl. Financial Markets (in EUR mln)



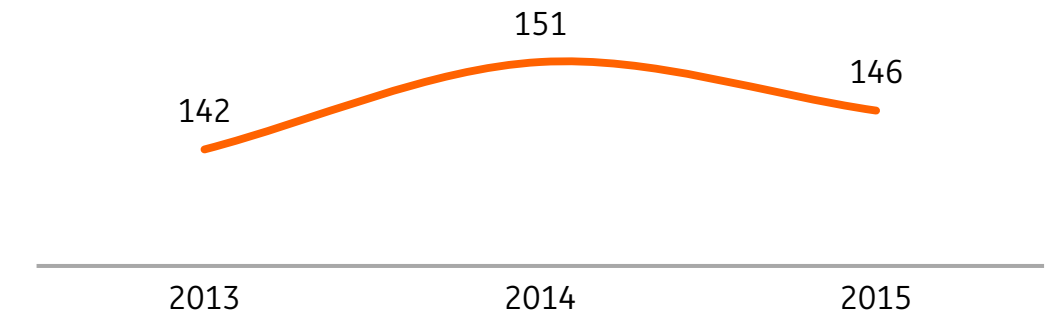
- ING Bank recorded a strong underlying result before tax of EUR 1,202 mln, despite significantly higher regulatory costs
 - Underlying income increased from 4Q14 and 3Q15, supported by steady interest results
 - Risk costs were EUR 302 mln, or 38 bps of average RWA

Net interest margin remains steady from 3Q15

Net interest margin up from 3Q15 (in bps)



Volatility in net interest margin largely reflects volatility of interest results in Financial Markets (in bps)

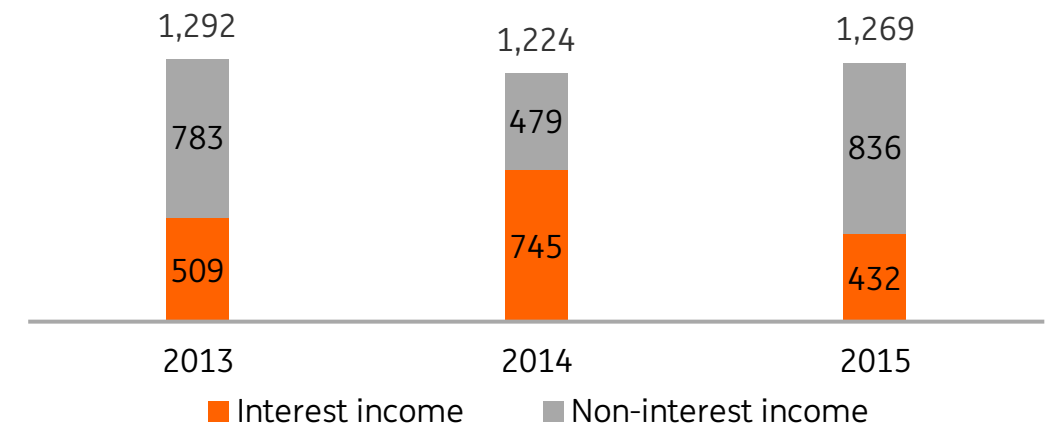


Net interest margin up from 3Q15, down from 4Q14

- Interest margin up from 3Q15 by 1 bps, due to higher net interest results in Financial Markets
- Interest margin down by 6 bps from 4Q14, largely due to lower interest results from Financial Markets
- Lower margins on current accounts, partly offset by higher margins on savings as a result of lower client savings rates to align with record low interest rates
- Lending margins down from 4Q14 and 3Q15, mainly due to lower margins on Belgian mortgages

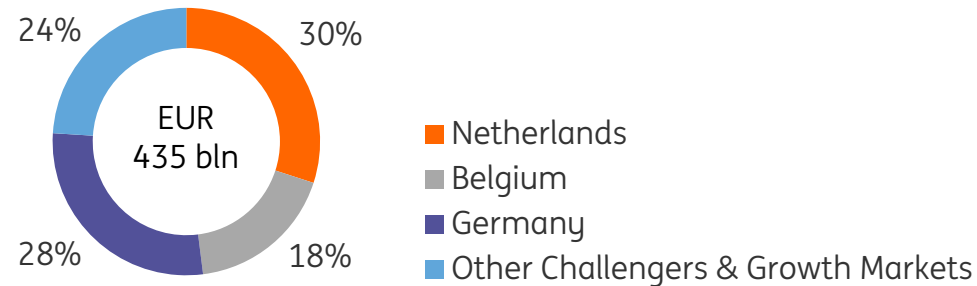
* Excl. CVA/DVA

Underlying income Financial Markets* (in EUR mln)



We further reduced client savings rates in December 2015 and January 2016 to align with record low interest rates

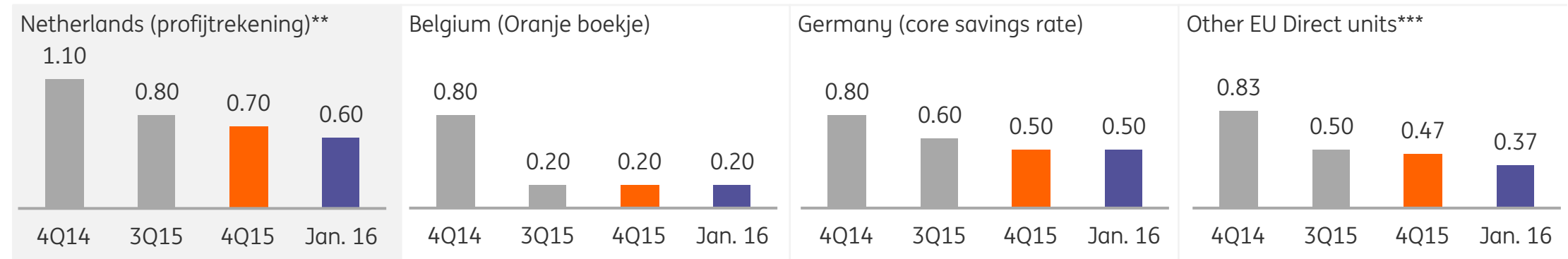
Retail customer deposits, breakdown by business segment* (in %, 4Q15)



We further reduced savings rates in 4Q15 and 1Q16

- In the December 2015, we reduced savings rates in the Netherlands, Germany and France
- ING further reduced client savings rates in January 2016 in the Netherlands and Spain
- We will continue to review our client rate propositions given the low interest rate environment

Client savings rates



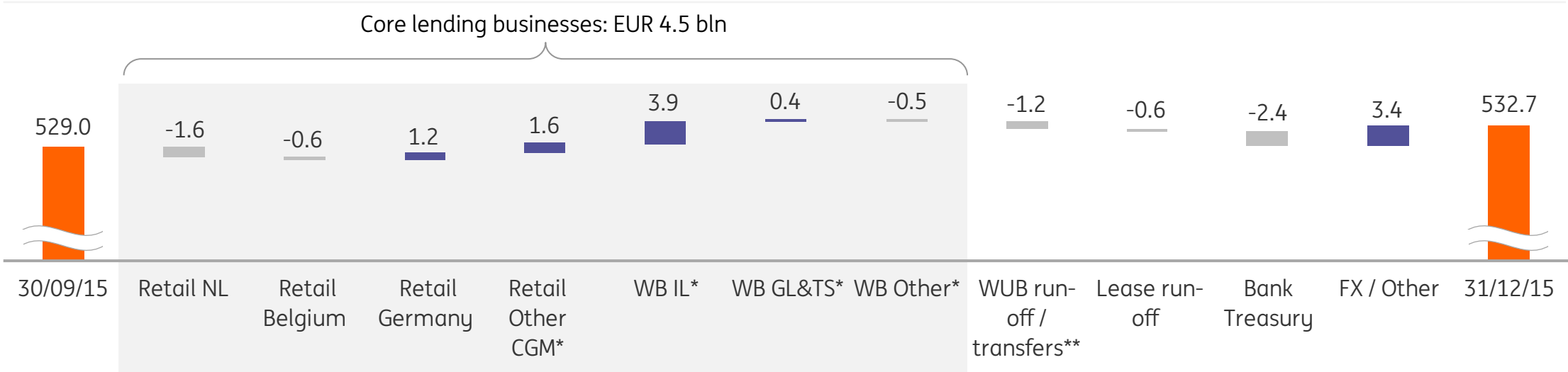
* Around 80% are savings/deposits and around 20% are current accounts

** Rate for savings up to EUR 25,000 is 60 bps, for savings between EUR 25,000-75,000 is 70 bps and for savings higher than EUR 75,000 is 90 bps

*** Unweighted average core savings rates in France, Italy and Spain

Our core lending franchises grew by EUR 4.5 bln in 4Q15, driven by Wholesale Banking

Customer lending 4Q15 (in EUR bln)

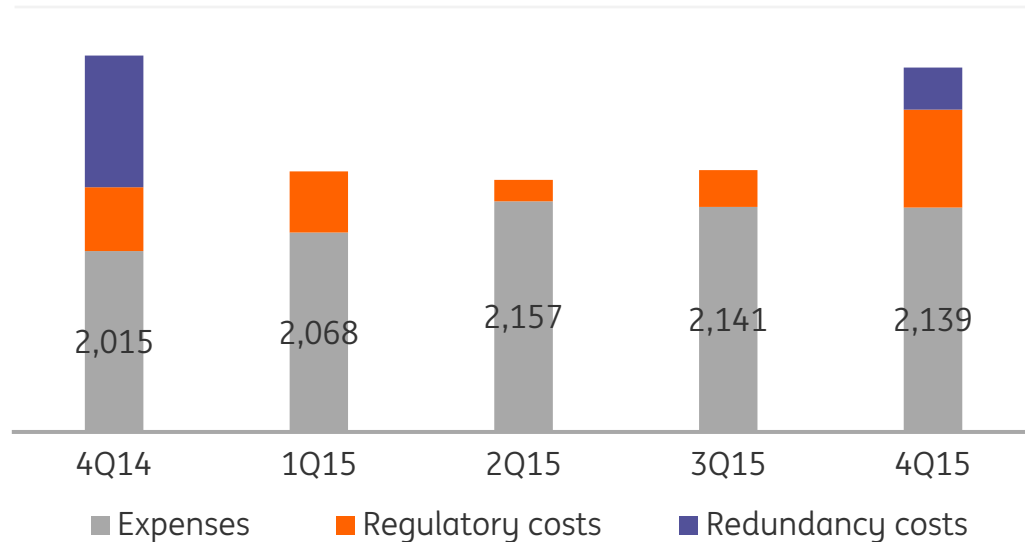


- Our core lending franchises grew by EUR 4.5 bln in 4Q15, driven by Wholesale Banking
 - Wholesale Banking increased by EUR 3.8 bln driven by Industry Lending, both in Structured Finance and Real Estate Finance
 - Retail Banking increased by EUR 0.7 bln, principally outside of the Benelux
- Our core lending franchises grew by EUR 21.7 bln in FY 2015, or 4.2%, in line with our guidance

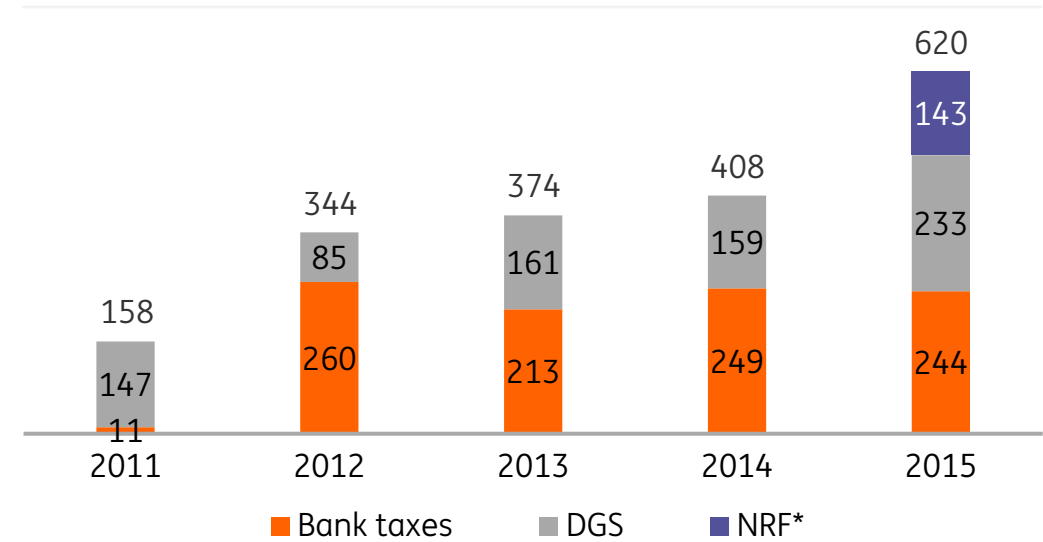
* C&GM is Challenger & Growth Markets; IL is Industry Lending; GL&TS is General Lending & Transaction Services; Other includes Financial Markets
 ** WUB run-off was EUR -0.7 bln and transfer to NN was EUR -0.5 bln

Operating expenses heavily impacted by regulatory costs

Underlying operating expenses (in EUR mln)



Regulatory costs (in EUR mln)



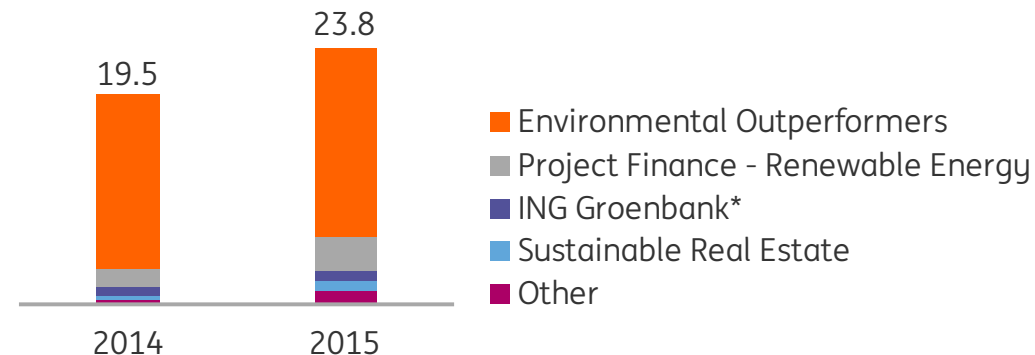
- We took a number of smaller redundancy provisions in Retail Benelux and Wholesale Banking this quarter, which in aggregate amounted to EUR 120 mln and which are expected to deliver annual savings of EUR 65 mln by 2017
- Adjusted for the redundancy costs and regulatory costs, expenses increased by 6.2% from 4Q14 and were in line with 3Q15
 - Increase from 4Q14 mainly due to the Corporate Line, where expenses were higher reflecting releases in 4Q14, as well as in Retail Challengers & Growth Markets and Wholesale Banking, reflecting investments to support business growth

* National Resolution Fund (NRF)

ING accelerates sustainable transitions through its strong lending capabilities and reduces own environmental footprint

Sustainable transitions financed (in EUR bln)

Lending credits outstanding

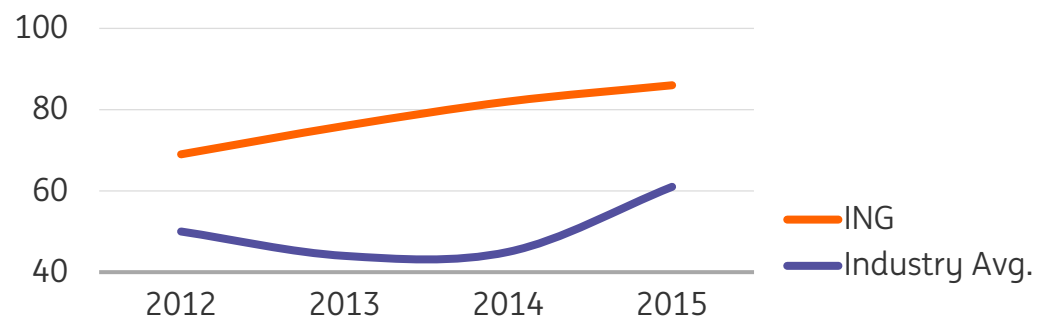


- The ING Sustainable Finance team promotes sustainable business opportunities in addition to our ongoing assessment and management of environmental and social risks (ESR)
- Sustainable transitions financed represents the volume of business that ING conducts with clients and projects that satisfy the following criteria: they provide sustainable solutions and outperform their sector on environmental performance
- At the end of 2015, total sustainable transitions financed were EUR 23.8 bln, up 22% from 2014

Reducing ING's own environmental footprint

- We published our ambitions to reduce our carbon dioxide footprint, water usage and waste by 20% and have committed to procuring 100% renewable electricity for all our buildings, both by 2020
- We ended the financing of new coal-fired power plants and thermal coal mines worldwide. Going forward, we will reduce our global credit exposure to thermal coal-related businesses
- Successfully issued our first-ever green bond in November, highly oversubscribed and raising approximately EUR 1.2 bln dual currency. Proceeds support sustainable projects in six sectors

DJSI rating ING, 2012-2015 (score out of 100)**



* 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.

** ING was rated in the DJSI in different industry categories between 2012-2015; 2012: Insurance; 2013-2014: Diversified Financials; 2015: Banks.