



Third Quarter 2013 Results

ING makes strong progress on restructuring and posts underlying profit of EUR 891million

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CEO

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www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



Key points

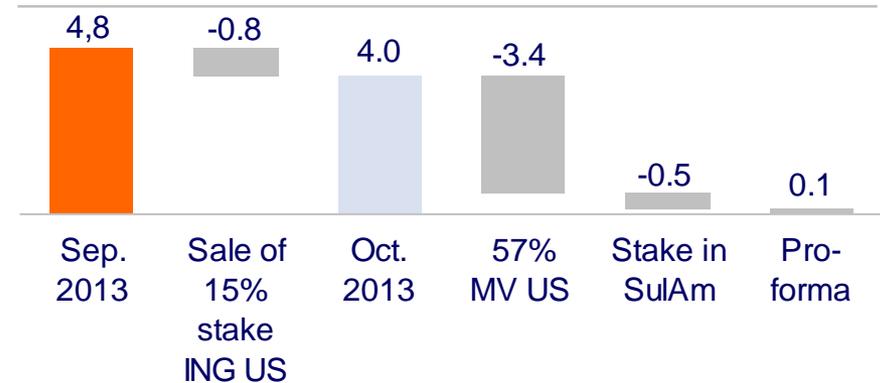
- ING advanced further into end phase of restructuring
 - ING Group's stake in ING U.S. has been further reduced to 57%
 - Divestment Insurance/IIM Asia almost completed
 - ING Life Japan will be included in the IPO of ING Insurance
 - IABF to be unwound; State support further reduced
- Group posted an underlying net profit of EUR 891 mln driven by good performance at both ING Bank and Insurance EurAsia
- Bank posted another solid quarter, with a pre-tax result of EUR 1,103 mln, supported by an improvement of the net interest margin to 144 bps and a decrease in risk costs
- The pre-tax result of Insurance EurAsia improved significantly vs 3Q12, supported by a higher investment margin, lower expenses from the transformation programme and improved Non-Life results

ING advanced further into end phase of restructuring

ING Group's stake in ING U.S. further reduced to 57%

- Second tranche ING U.S. sold in October, reducing ING's stake to 57%
- ING U.S. transferred out of ING Insurance to Group
- ING U.S. is reported under discontinued operations as of 3Q13

Group double leverage largely covered by market value ING U.S. and SulAmerica (in EUR bln)



ING Insurance, incl. ING Life Japan, preparing for IPO

- ING Life Korea sold for EUR 1.3 bln in August, effectively completing the Asian Insurance divestments
- ING Life Japan will be included in ING Insurance IPO
- Revised timelines agreed with the EC means that Group restructuring will be completed by end of 2016
- Aim to have ING Insurance ready for base case IPO in 2014

IABF to be unwound; State support further reduced

- ING reached an agreement with the Dutch State on the unwinding of the IABF Facility
- Another tranche of EUR 1.125 bln core Tier 1 securities and premium paid to the Dutch State on 6 November 2013 bringing the total amount paid to EUR 11.3 bln

IABF to be unwound; State support further reduced

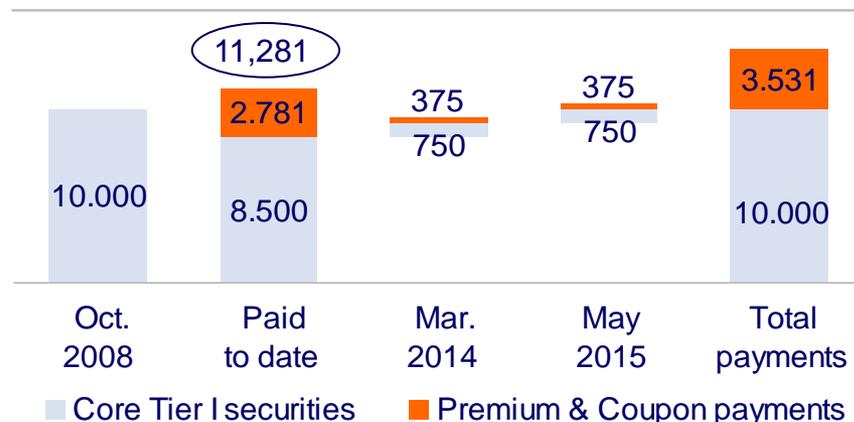
Agreement with Dutch State on unwinding of IABF

- ING has reached an agreement with the Dutch State on the unwinding of the Illiquid Assets Back-up Facility (IABF)
- The agreement triggers the release of the remaining IABF provision, which will largely be paid to the Dutch State
- Unwinding of IABF facility will free up EUR 2 bln of RWAs related to the counter-guarantee
- Total core Tier 1 impact of unwinding the IABF is ~10 bps

State support further reduced

- ING paid EUR 1.125 bln core Tier 1 securities and premium to the Dutch State on 6 November 2013
- The payment will bring the total amount paid to the Dutch State to EUR 11.3 billion, including EUR 8.5 billion in principal and EUR 2.8 billion in interest and premiums
- The next tranche is scheduled to be paid in March 2014 and the final tranche will be paid ultimately in May 2015

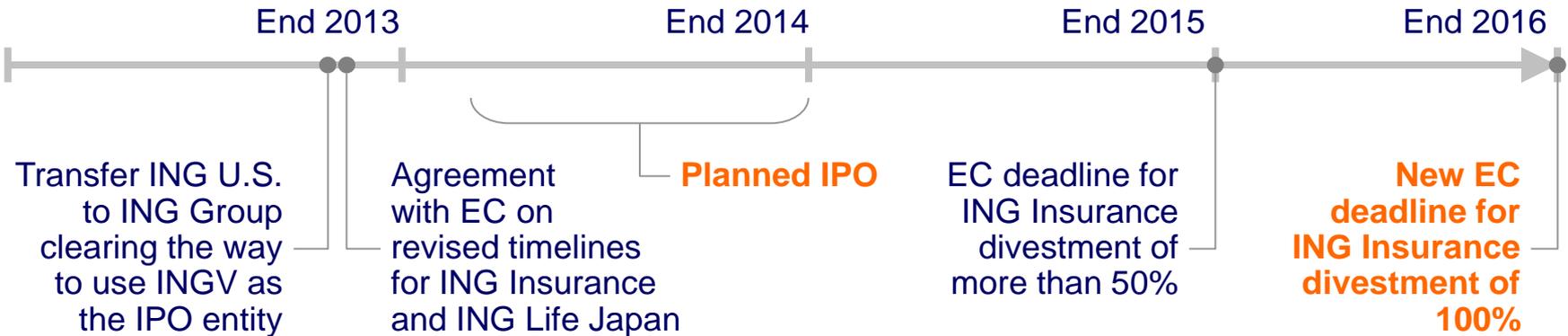
More than EUR 11 bln paid to the Dutch State (in EUR mln)



Government guaranteed bonds reduced

- In June, ING Bank announced a tender offer for the public State guaranteed bonds (under the Dutch scheme) resulting in a YTD reduction of the Dutch State guaranteed funding by EUR 3.6 bln to EUR 2.5 bln at the end of 3Q13
- The remaining bonds will mature in March 2014

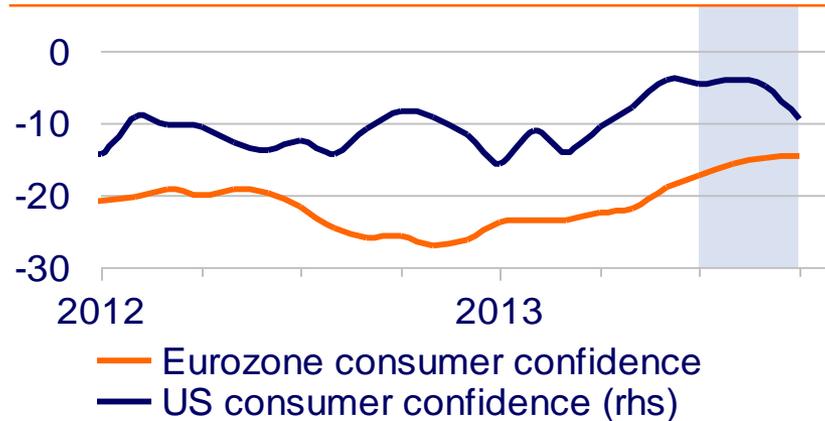
ING Life Japan to be included in IPO ING Insurance



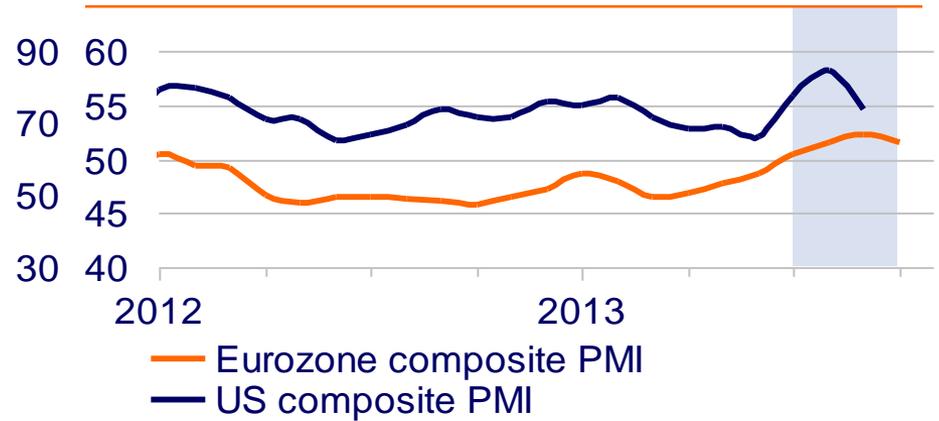
- Following the sale of ING Life Korea, the divestment of ING Insurance/IM Asia is effectively completed
- ING reached an agreement with the EC on revised timelines for European and Japanese Insurance divestments
- Scope of ING Insurance IPO will be expanded by including ING Life Japan
- ING Life Japan, which includes Japan Life (COLI) and Japan Closed Block VA, to be divested in line with timelines for European Insurance/IM units
- Revised timelines agreed with the EC mean that Group restructuring will be completed by end of 2016
- ING Insurance continues to prepare for a base-case IPO to be ready to go to the market in 2014

Economic environment remained challenging

Consumer confidence



Economic activity



Credit markets (in bps)



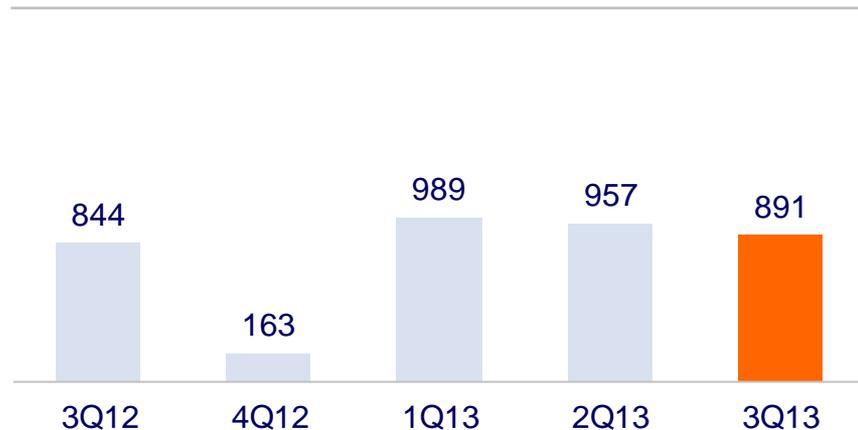
Stock markets



Third quarter 2013 results

ING Group posts underlying net profit of EUR 891 mln

Underlying net result ING Group (in EUR mln)



Net result ING Group impacted by sale of ING Life Korea (in EUR mln)



Divestments, discontinued operations and special items (after tax, in EUR mln)

	3Q13	2Q13	3Q12
Underlying net result Group	891	957	844
Gains/losses on divestments*	-950	-16	-200
Results from divested units	1	0	-54
Discontinued operations ING U.S.	79	-23	-46
Discontinued operations Insurance/IIM Asia	143	-98	198
Special items	-63	-32	-83
Net result Group	101	788	659

* The loss on divestments in 3Q13 refers to the expected loss on the sale of ING Life Korea

ING Bank posted another solid quarter

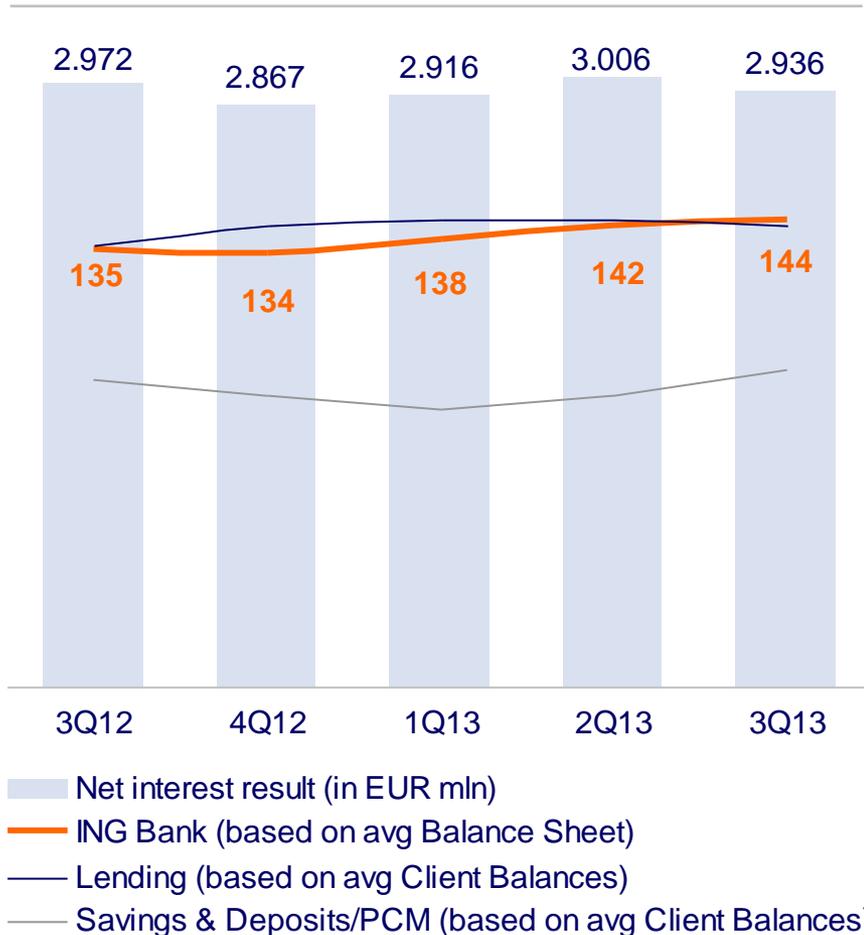
Bank results (in EUR mln)



- Gross result of EUR 1,655 mln was stable versus 3Q12 but down from 2Q13 due to lower results in Bank Treasury and Financial Markets, partly caused by a decline in CVA/DVA impacts.
- Gross Result Retail Banking improved versus both 3Q12 and 2Q13
- Risk costs remained elevated at EUR 552 mln, but declined by EUR 64 mln from the previous quarter

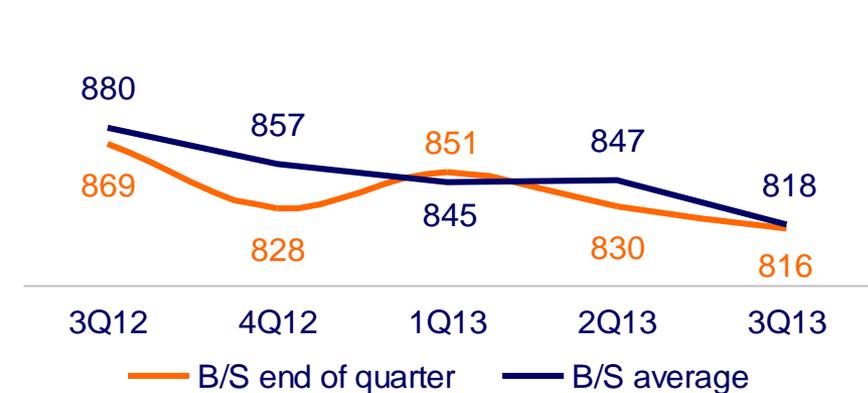
Net interest margin rose to 144 bps

Underlying interest margin by quarter (in bps)



Average Balance Sheet declined in 3Q13

Bank Balance Sheet (in EUR bln)

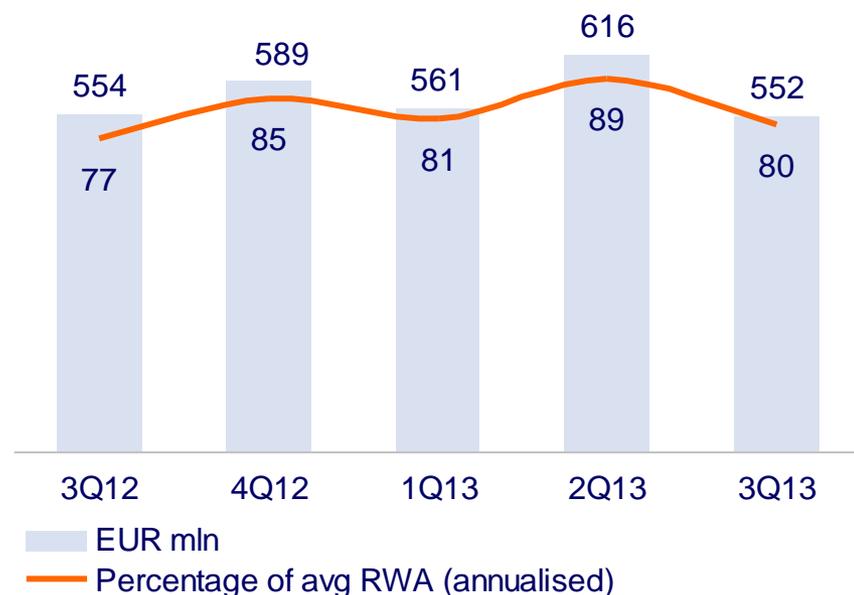


- Net interest result relatively stable despite lower lending volumes
- Net interest margin improved to 144 bps in 3Q13, following a lower average balance sheet
- Savings margins increased versus 2Q13
- Lending margins were slightly down from 2Q13 due to low demand for credit and increased competition
- The NIM is expected to remain at around these levels in the coming quarters

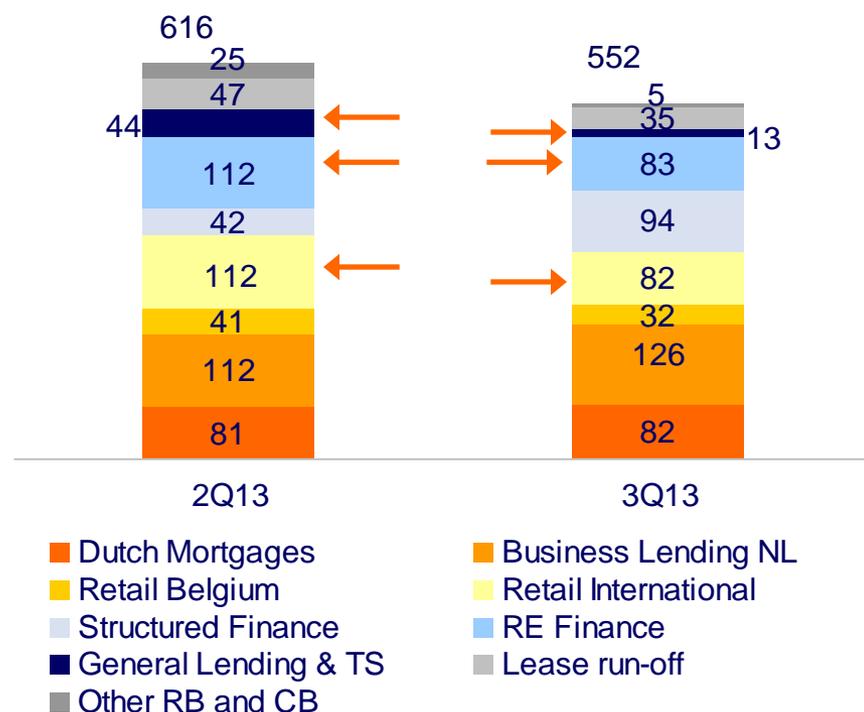


Risk costs decreased from both 3Q12 and 2Q13

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



Underlying additions to loan loss provisions
(in EUR mln)

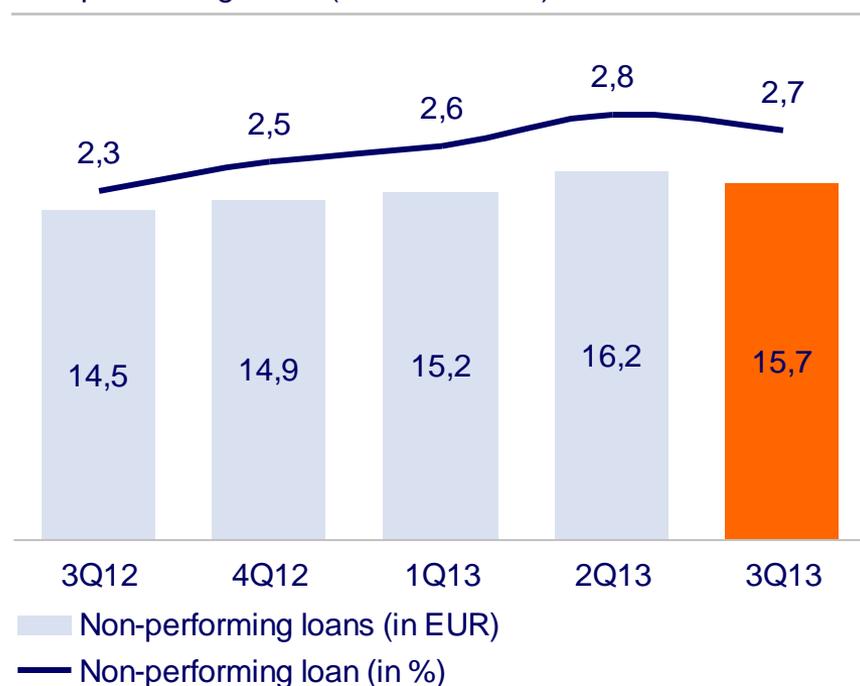


- Risk costs decreased by EUR 64 mln to EUR 552 mln, driven by General Lending, Retail International and Real Estate Finance offsetting higher additions in Structured Finance
- Decrease risk costs Real Estate Finance supported by releases related to the sale of loans
- While risk costs for Dutch mortgages remained flat versus 2Q13, risk costs for Business Lending NL were up



NPL ratio decreased slightly to 2.7%

Non-performing loans (in EUR and %)



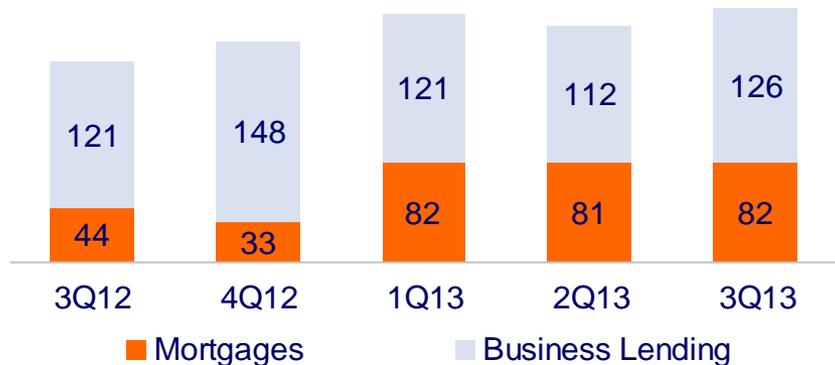
NPL ratio (in %)

	3Q13	2Q13
Retail Banking		
- Dutch Mortgages	1.8	1.6
- Business Lending NL	7.0	6.4
- Retail Belgium	3.2	3.2
- Retail International	1.6	1.6
Commercial Banking		
- Structured Finance	1.9	2.2
- RE Finance	9.9	10.4
- General Lending & TS	1.7	1.9
- Lease run-off	14.8	13.7
Other Retail and Commercial Banking		
- Other RB and CB	1.9	3.1
Total / average	2.7	2.8

- The NPL ratio decreased from 2.8% in 2Q13 to 2.7% in 3Q13 due to a decrease in non-performing loans
- The amount of NPLs decreased by EUR 0.5 bln due to lower NPLs in Real Estate Finance and Structured Finance
- The NPL ratio for Business Lending NL, Real Estate Finance and Lease run-off remained relatively high in 3Q13
- The NPL ratio for Dutch mortgages rose to 1.8%, mainly due to a decrease in mortgages outstanding

Risk costs Retail Banking Netherlands remain elevated

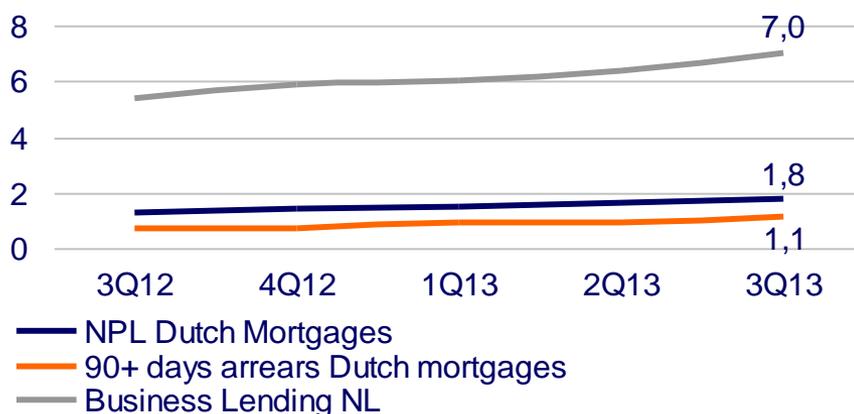
Risk costs Dutch mortgages and Business Lending NL (in EUR mln)



Non-performing loans Dutch mortgages and Business Lending NL (in EUR bln)



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



Risk costs Retail Banking NL expected to remain elevated

- Risk costs for mortgages remained stable vs 2Q13, while the NPL ratio increased to 1.8%
- Average LTV increased to 92%, from 91% in 2Q13
- Risk costs for Business Lending rose to EUR 126 mln
- The increase in the Business Lending NPL ratio was primarily due to the sectors Transportation, Business Services and Retail non-food
- Given the continuing weak economic environment in the Netherlands, risk costs in Retail Banking Netherlands are expected to remain at around this level in the coming quarters

Insurance EurAsia

Insurance EurAsia results up from 3Q12, down from 2Q13 due to seasonality

Operating result
(in EUR mln)



Underlying pre-tax result
(in EUR mln)



Sales
(APE, in EUR mln)



- Operating result improved significantly from 3Q12 supported by higher investment margin, tight cost control and improved Non-Life results
- Decrease vs 2Q13 due to seasonally high dividend income in the second quarter

- The underlying result improved strongly vs 3Q12 due to improved operating result and lower impact of market related items
- Refinement to the interest rate assumption for the separate account pension business in the Netherlands if implemented would result in a one-off P&L charge of EUR 160 mln pre-tax in 4Q13

- Sales (at constant FX) declined 4.7% vs 3Q12 as sales growth in CRE was offset by decline in Benelux
- Sales (at constant FX) fell 7.2% vs 2Q13, primarily driven by seasonally lower sales in CRE partly offset by increase in Benelux

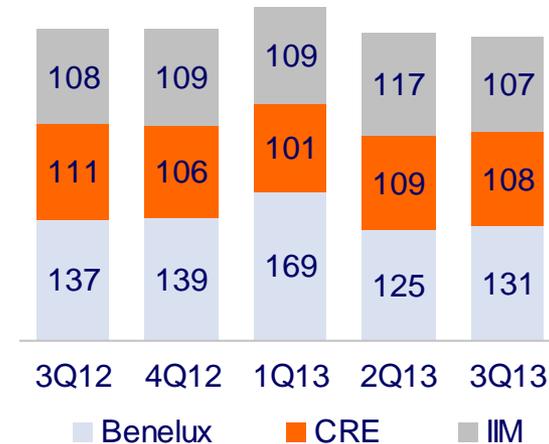
EurAsia income up from 3Q12, down from 2Q due to seasonality

Investment margin
(in EUR mln)



- The investment margin was EUR 175 mln, up 34.6% from 3Q12 benefiting from the partial transfer from WUB to NN Bank. Excluding this transfer, investment margin rose 19.2%
- Decrease of 9.8% vs 2Q13 due to seasonally high dividend income in 2Q

Fees and premium based revenues
(in EUR mln)



- Fees and premium-based revenues declined 2.8% from 3Q12 to EUR 346 mln, mainly due to lower premium income in Dutch retail life business
- Decrease versus 2Q13, primarily due to seasonally high securities lending fees in IIM in 2Q

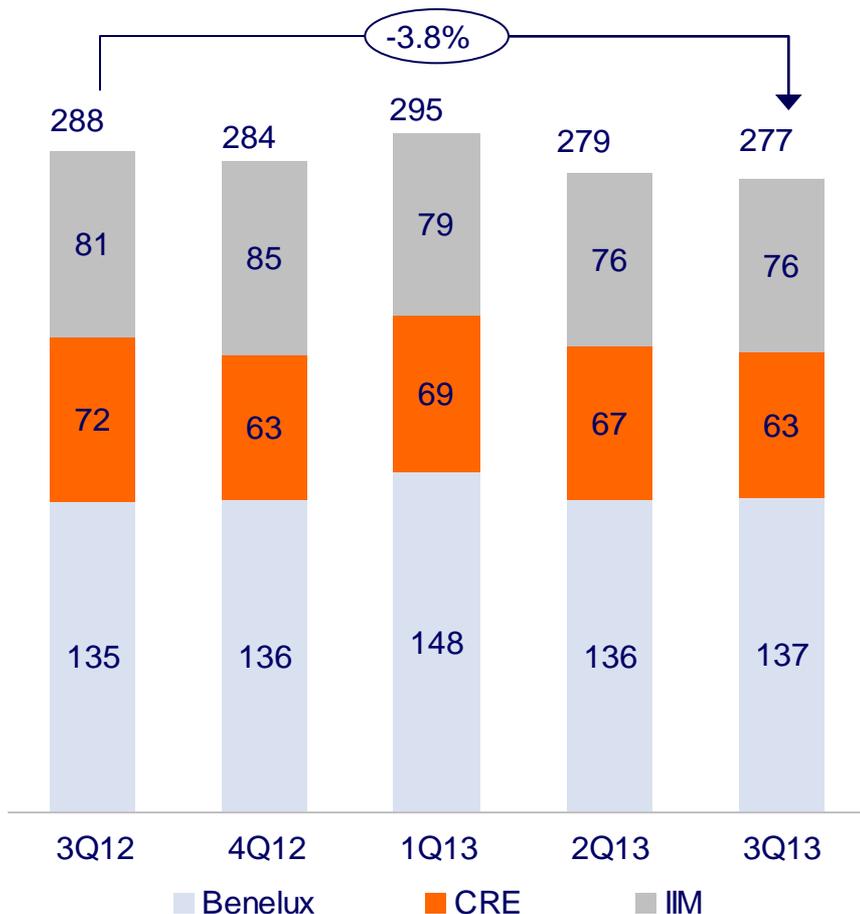
Technical margin
(in EUR mln)



- The technical margin was EUR 105 mln, up 18.0% from 3Q12 due to a better morbidity result
- Technical margin flat vs 2Q13

Administrative expenses down from 3Q12 and 2Q13

Life & IM administrative expenses (in EUR mln)



- Life Insurance & Investment Management administrative expenses 3.8% lower versus 3Q12, mainly reflecting the benefits from the transformation programme in the Benelux and strong cost control throughout Europe
- These impacts more than offset the expenses related to the partial transfer from WUB to NN Bank, as well as higher pension costs in the Netherlands compared to 2Q13
- Excluding the partial transfer from WUB to NN Bank and currency effects, administrative expenses were 6.3% lower vs 3Q12
- Administrative expenses, excluding the partial transfer from WUB to NN Bank and currency effects, were down 4.0% versus 2Q13, reflecting cost control and savings initiatives

Transformation programme is already yielding cost savings (in EUR mln)

	Achieved to date	By end 2014
Cost savings*	106 mln	200 mln
FTE reduction	696 FTE	1,350 FTE

* Run rate annual savings coming through in administrative expenses (total)



Wrap up

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Disclaimer

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 3Q2013 ING Group Interim Accounts.

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 buy, any securities.

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