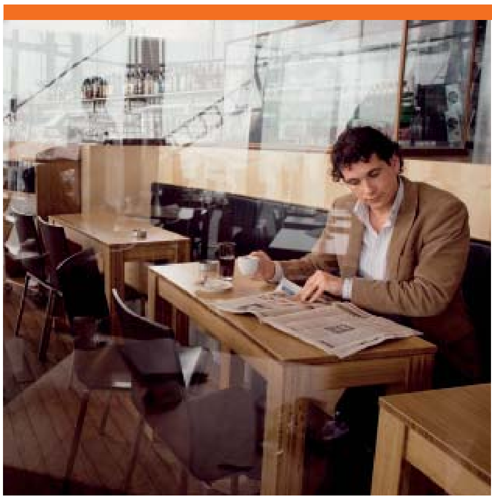
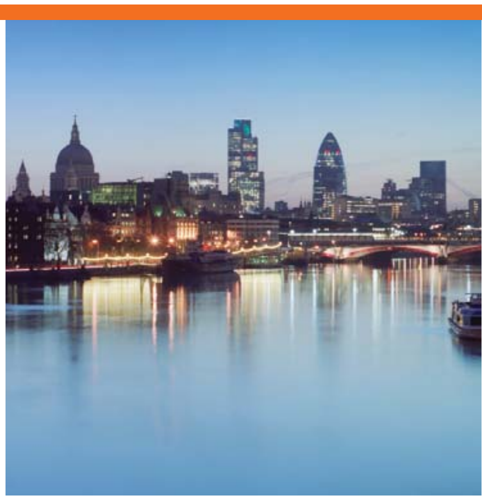
ING GROUP QUARTERLY REPORT





Fourth quarter 2013

SHARE INFORMATION

Financial calendar
- Publication results 1Q2014: Wednesday, 7 May 2014
- 2014 AGM (Amsterdam, The Netherlands): Monday, 12 May 2014
- Publication results 2Q2014: Wednesday, 6 August 2014
- Publication results 3Q2014: Wednesday, 5 November 2014

(All dates are provisional.)

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ING Group Investor Relations and Media app
Available for download in the Apple App Store and for Android on Google Play.

Listing information
ING ordinary shares are registered shares with a par value of EUR 0.24 per share. The (depositary receipts for) ordinary shares of ING Group are listed on the exchanges of Amsterdam, Brussels and New York (NYSE).

Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam	INGA NA, ING.AS	NL0000303600, 7154182 NL
New York Stock Exchange	ING US, ING.N	US456837103, 2452643 US

American Depositary Receipts (ADRs)
For questions regarding your ADRs, please contact the JP Morgan Depositary Receipts Team:
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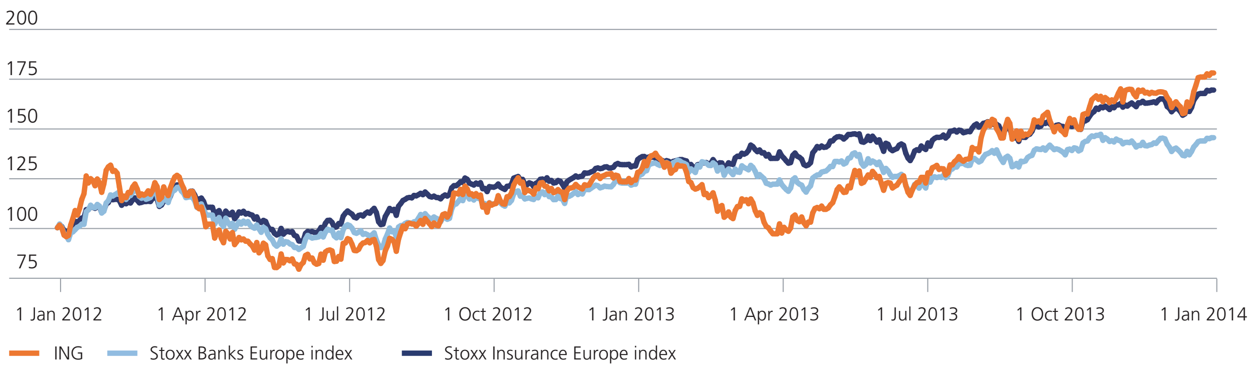
Global Invest Direct: (800) 428-4237
Email: jpmorgan.adr@wellsfargo.com
Internet: www.adr.com

Comparative performance of share price
1 JANUARY 2012 TO 1 JANUARY 2014



OUR QUARTERLY PUBLICATIONS

This ING Group Quarterly Report contains our quarterly financial reporting and analysis, including comment on the progress of our businesses, sustainability developments and key strategic initiatives.

The following other quarterly financial publications are available at www.ing.com/investorrelations in the Results and Interim Accounts section.

Press release
The press release on ING's quarterly results contains the chairman's statement, financial highlights and key developments concerning the balance sheet and capital management.

Analyst presentation
The analyst presentation of ING's quarterly results contains a detailed review of the drivers of results and addresses key issues raised by analysts and investors.

ING Group Statistical Supplement
The Group Statistical Supplement contains quarterly financial data and should be read in conjunction with the ING Group Quarterly Report. The supplement is available in both PDF and Excel format.

ING Group Historical Trend Data
The Historical Trend Data document includes historical trend data and details of restatements. It is available in PDF and Excel format.

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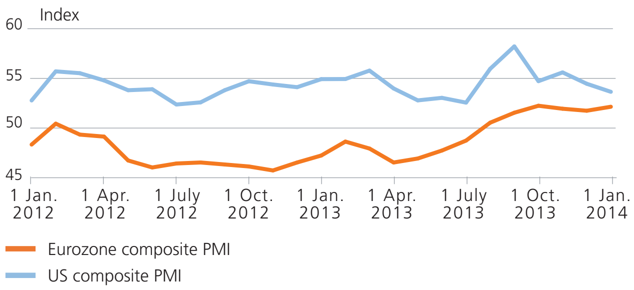
ECONOMIC ENVIRONMENT

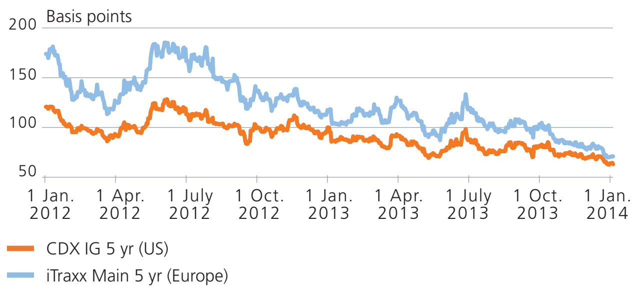
ECONOMIC ACTIVITY

- The further increase in the eurozone purchasing managers' index suggests that the economic recovery gathered some momentum in the fourth quarter of 2013. In the US, the composite PMI eased somewhat, albeit remaining in clear expansion territory.
- The PMIs are regarded as timely indicators of underlying trends in economic activity.



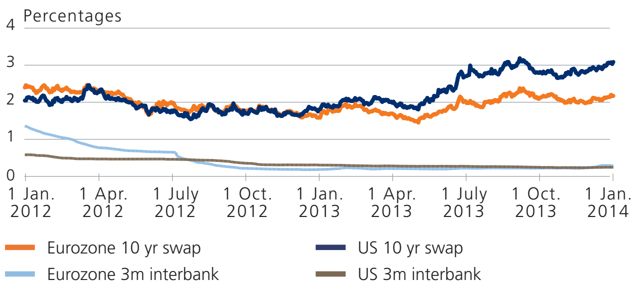
CREDIT MARKETS

- Credit market sentiment in the US and the eurozone improved further during the fourth quarter, with the iTraxx index of investment-grade borrowers' credit-default swaps and the US CDX index reaching levels last seen in early 2008.



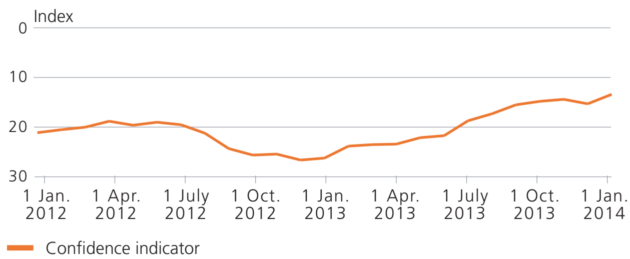
YIELD CURVE

- In the eurozone and the US, the slope of the yield curve steepened somewhat in 4Q2013, as longer-term rates rose on expectations of tapering by the US Federal Reserve.



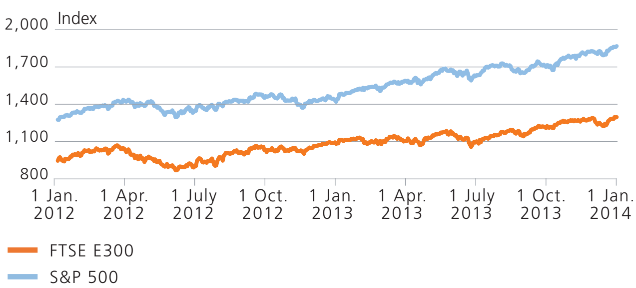
CONSUMER CONFIDENCE

- Eurozone consumer confidence continued to recover in the fourth quarter of 2013, as concerns about unemployment eased.



STOCK MARKETS

- Equity indices in the eurozone and US increased further in the fourth quarter. In the eurozone, the FTSE E300 reached its highest level in more than five years, while in the US, the S&P 500 hit a fresh record high.



CURRENCY MARKETS

- With the US Fed only gradually scaling back its asset purchases and the eurozone recovery broadening out and gaining some traction, the EUR/USD strengthened somewhat in 4Q2013.

Source: ING Economics Department

CHAIRMAN'S STATEMENT

ING Group had a successful year in 2013, delivering an improved financial result while making significant progress on our transformation. We reported a full-year underlying net profit of EUR 3,255 million, up 22.2% from 2012. The improvement was driven by a solid performance at ING Bank, which recorded a 21.6% increase in underlying pre-tax results, as well as an improved operating result for the ongoing business at ING Insurance which rose 6.4% from 2012.

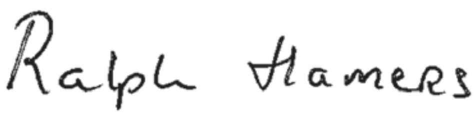
We have also kept up the momentum on our transformation program in the fourth quarter, during which we resolved the divestment of our Asian Insurance and Investment Management businesses, reduced our stake in ING U.S. to 57%, and lowered our holding in SulAmérica. We have strengthened the capital position of ING Insurance ahead of its intended IPO in 2014. We also reduced our State support by paying another tranche of core Tier 1 securities in November, and by unwinding the IABF in December 2013. We are now within the final phase of our restructuring and have started 2014 as a simpler, stronger and more sustainable company.

While working diligently to strengthen our businesses for their independent futures, we have consistently placed our highest priority on customer-centricity and have gained more customers along the way. ING-DiBa, for example, welcomed its 8 millionth customer in 2013 and is the third largest retail bank in Germany by number of customers. In Spain, ING opened its millionth payment account, eight years after the first account was opened there. Our customers' use of internet and mobile banking are expanding rapidly and we now have around 3 million mobile banking customers in 14 countries. We're proud that customers choose to do business with us.

In the fourth quarter of 2013, ING Bank posted a solid underlying result before tax of EUR 904 million, reflecting a strengthening of the interest margin to 1.45% and despite seasonally lower activity in Financial Markets. The result on the unwinding of the IABF supported income in the fourth quarter and helped offset an increase in expenses, which was caused by the annual Dutch bank tax and additional restructuring charges in Retail Netherlands stemming from the extension of existing cost-saving programmes. Risk costs remained elevated and edged up slightly from the third quarter, but were down year-on-year. ING Bank continued to demonstrate progress towards Ambition 2015. The cost/income ratio for the full year improved to 56.8% and the full-year underlying return on IFRS-EU equity rose to 9.0%, within reach of our 2015 target. The year-end capital position was strong with a core Tier 1 ratio of 11.7% and a pro-forma fully-loaded CRD IV core Tier 1 ratio of 10.0%.

ING Insurance moved forward in defining its independent future. Its new 'NN' brand was launched in October and the segmentation of ING Insurance was aligned to better reflect its businesses. The fourth-quarter operating result for the ongoing business of ING Insurance was EUR 215 million, primarily reflecting improved performance in Netherlands Life. We have taken measures in the fourth quarter of 2013, as well as in early 2014, to fortify the capital position of ING Insurance. As a result, the IGD and NN Life solvency ratios increased sharply and local entities are currently adequately capitalised. Preparations for the base case IPO are on track and we intend to go to market this year, assuming conditions are favourable.

For 2014, I am confident that we are well positioned to achieve our strategic objectives and that we will continue to make progress in completing the restructuring, while keeping our customers at the heart of everything we do.



Ralph Hamers
CEO of ING Group

KEY FIGURES

Group

	4Q2013	4Q2012[1]	Change	3Q2013	Change	FY2013	FY2012[1]	Change
Profit and loss data (in EUR million)								
Underlying result before tax	467	275	69.8%	1,346	-65.3%	4,400	3,756	17.1%
Taxation / minority interest	61	111	-45.0%	368	-83.4%	1,145	1,094	4.7%
Underlying net result	**405**	**163**	**148.5%**	**978**	**-58.6%**	**3,255**	**2,664**	**22.2%**
Net gains/losses on divestments	-38	1,612		-950		-64	1,696	
Net result from divested units		-50		1		-37	-84	
Net result from discontinued operations Insurance/IM Asia	33	78		56		220	338	
Net result from discontinued operations Insurance ING U.S.[2]	179	301		79		39	495	
Special items after tax	-40	-624		-63		-182	-949	
Net result	**539**	**1,482**	**-63.6%**	**101**	**433.7%**	**3,232**	**4,161**	**-22.3%**
Net result per share (in EUR)[3]	0.14	0.39	-64.1%	0.03	366.7%	0.85	1.10	-22.7%
Capital ratios (end of period)								
Shareholders' equity (in EUR billion)				50	-7.3%	46	52	-11.3%
ING Group debt/equity ratio				7.8%		8.5%	11.3%	
Other data (end of period)								
Underlying return on equity based on IFRS-EU equity[4]	3.4%	1.3%		7.9%		6.4%	5.5%	
Employees (FTEs, end of period, adjusted for divestments)				76,671	-0.8%	76,050	77,835	-2.3%

Banking

	4Q2013	4Q2012[1]	Change	3Q2013	Change	FY2013	FY2012[1]	Change
Profit and loss data (in EUR million)								
Interest result	2,946	2,867	2.8%	2,936	0.3%	11,804	11,664	1.2%
Total underlying income	3,815	3,211	18.8%	3,774	1.1%	15,305	14,313	6.9%
Operating expenses	2,351	2,340	0.5%	2,120	10.9%	8,694	8,638	0.6%
Addition to loan loss provision	560	589	-4.9%	552	1.4%	2,288	2,121	7.9%
Underlying result before tax	**904**	**283**	**219.4%**	**1,103**	**-18.0%**	**4,323**	**3,554**	**21.6%**
Key figures								
Bank core Tier 1 ratio	11.7%	11.9%		12.4%		11.7%	11.9%	
Underlying interest margin	1.45%	1.34%		1.44%		1.42%	1.32%	
Underlying cost/income ratio	61.6%	72.9%		56.2%		56.8%	60.3%	
Underlying risk costs in bp of average RWA	81	85		80		83	74	
RWA (end of period, in EUR billion, adjusted for divestments)	283	276	2.5%	271	4.2%	283	276	2.5%
Underlying return on equity based on IFRS-EU equity[4]	8.1%	1.4%		9.4%		9.0%	7.0%	
Underlying return on equity based on 10% core Tier 1[5]	10.2%	2.1%		12.2%		11.7%	8.8%	

ING Insurance

	4Q2013	4Q2012[1]	Change	3Q2013	Change	FY2013	FY2012[1]	Change
Profit and loss data (in EUR million)								
Operating result Netherlands Life	186	151	23.2%	169	10.1%	686	604	13.6%
Operating result Netherlands Non-life	12	42	-71.4%	28	-57.1%	79	103	-23.3%
Operating result Insurance Europe	48	69	-30.4%	57	-15.8%	199	219	-9.1%
Operating result Japan Life	15	28	-46.4%	34	-55.9%	162	196	-17.3%
Operating result Investment Management	28	23	21.7%	31	-9.7%	130	109	19.3%
Operating result Other	-72	-122		-88		-371	-398	
Operating result ongoing business	**215**	**190**	**13.2%**	**231**	**-6.9%**	**886**	**833**	**6.4%**
Non-operating items ongoing business	-117	-185		-56		-229	-779	
Japan Closed Block VA	-540	-31		70	-871.4%	-669	105	-737.1%
Underlying result before tax	**-441**	**-25**		**245**	**-280.0%**	**-12**	**159**	**-107.5%**
Special items before tax	-29	-355		-56		-126	-451	
Result on divestments and discontinued operations	42	829		-874		221	770	
Result before tax	**-428**	**448**	**-195.5%**	**-685**		**83**	**478**	**-82.6%**
Key figures								
New sales life insurance (APE)	292	288	1.4%	272	7.4%	1,227	1,353	-9.3%
Total administrative expenses ongoing business	462	465	-0.6%	438	5.5%	1,807	1,806	0.1%
Cost/income ratio (adm. exp./operating income) ongoing business)	38.3%	38.3%		36.7%		37.2%	36.1%	
Combined ratio (Netherlands Non-life, year-to-date)[6]	101.5%	101.5%		100.8%		101.5%	101.5%	
IM Assets under Management (end of period, in EUR billion)	174	185	-5.9%	176	-1.1%	174	185	-5.9%
NN Life Solvency I ratio	221%	191%		183%		221%	191%	
ING Insurance IGD Solvency I ratio	252%	236%		212%		252%	236%	

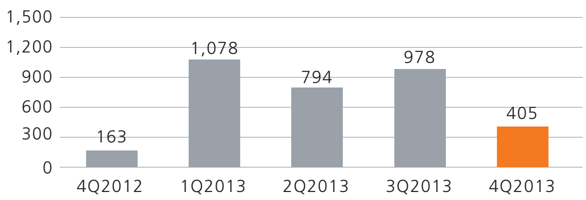
The footnotes relating to 1-6 can be found on page 7.
Note: Underlying figures and Operating results are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding impact from divestments, discontinued operations and special items and, for Operating results only, gains/losses and impairments, revaluations and market & other impacts.

CONSOLIDATED RESULTS

ING Group's 2013 underlying net result showed a strong improvement compared with the previous year, rising 22.2% to EUR 3,255 million. The improvement was driven by a solid performance at ING Bank, which recorded a 21.6% increase in underlying pre-tax results, driven by a strengthening of the interest margin and strong cost control. The absence of de-risking losses in 2013 and a positive swing in CVA/DVA impacts also supported results. At ING Insurance, the operating result for the ongoing business rose 6.4% from 2012, driven by higher investment income in Netherlands life, lower expenses reflecting the impact of the transformation programme and lower funding costs.

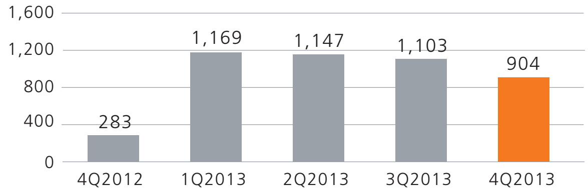
For the fourth quarter of 2013, ING Group posted an underlying net result of EUR 405 million, primarily attributable to ING Bank.

UNDERLYING NET RESULT - GROUP (in EUR million)



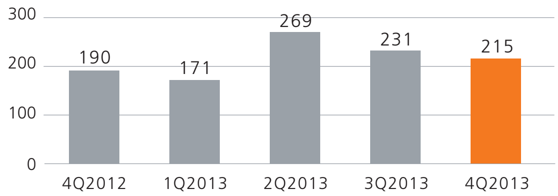
ING Bank posted a solid fourth-quarter underlying result before tax of EUR 904 million, reflecting an increase in the interest margin to 1.45% and despite seasonally lower activity in Financial Markets. The result on the unwinding of the Illiquid Assets Back-up Facility (IABF) following the agreement with the Dutch State, which closed in December 2013, also supported the fourth quarter. Risk costs remained elevated and increased slightly versus the previous quarter, but they declined 4.9% from a year ago. Expenses rose 10.9% sequentially, as the fourth quarter included the annual Dutch bank tax and additional restructuring charges in the Netherlands. However, expenses were flat year-on-year and declined excluding restructuring charges, reflecting the impact of ongoing cost-containment programmes. The cost/income ratio for the full-year 2013 improved to 56.8% from 60.3% in 2012. ING Bank's full-year underlying return on IFRS-EU equity rose to 9.0% from 7.0% in 2012.

UNDERLYING RESULT BEFORE TAX - BANK (in EUR million)



ING Bank attracted a EUR 2.4 billion net inflow of funds entrusted during the fourth quarter. Commercial Banking generated EUR 2.6 billion of net inflows, driven by seasonally higher deposits from asset managers and corporate treasuries. Retail Banking reported a marginal net outflow in funds entrusted of EUR 0.2 billion. The net production of residential mortgages was EUR 0.7 billion and was fully generated outside of the Netherlands. Growth in other lending totalled EUR 1.3 billion and was mainly in Trade Finance Services and Structured Finance.

OPERATING RESULT ONGOING BUSINESS - INSURANCE (in EUR mln)



The fourth-quarter operating result for the ongoing business of ING Insurance improved to EUR 215 million, up 13.2% from the fourth quarter of 2012, or 20.0% higher excluding currency effects. The improvement was mainly driven by a higher operating result in Netherlands Life as well as lower funding costs and corporate expenses, which were partly offset by lower Property and Casualty (P&C) results in Netherlands Non-life and a lower result for Insurance Europe. The fourth-quarter result before tax was EUR -428 million, primarily reflecting one-off charges to restore reserve adequacy of the Japan Closed Block VA to the 50% confidence level (due to the change in segmentation) and a change in the market interest rate assumption to further align the accounting and the hedging for the separate account pension business in Netherlands Life.

Total new sales (APE) at ING Insurance were EUR 292 million, up 11.9% year-on-year and 10.6% higher than in the third quarter, on a constant currency basis. Compared with the fourth quarter of 2012, APE at Japan Life grew 30.0% (at constant currencies), driven by increased demand for financial planning products. Sales in Netherlands Life jumped 56.4%, mainly driven by the accelerated conversion of group pension contracts towards a

1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS which took effect on 1 January 2013
2) The results of Insurance ING U.S. have been transferred to 'net result from discontinued operations' as of 30 September 2013.
3) Result per share differs from IFRS earnings per share in respect of attributions to the core Tier 1 securities.
4) Annualised underlying net result divided by average IFRS-EU equity.
5) Underlying after tax return divided by average equity on 10% core Tier 1 ratio (annualised).
6) Excluding Mandema and Zicht broker business.

new defined benefit pension product. On a sequential basis, the growth in total sales at ING Insurance was primarily attributable to higher sales in Netherlands Life and Insurance Europe, partially offset by seasonally lower sales in Japan Life.

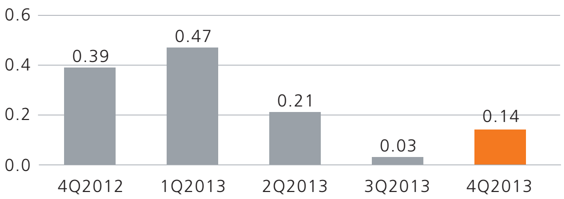
ING Group's fourth-quarter net profit was EUR 539 million compared with EUR 1,482 million in the fourth quarter of 2012 and EUR 101 million in the third quarter of 2013. Gains and losses on the divestments of various insurance and investment management businesses in Asia and Latin America netted to EUR -38 million.

ING Group's quarterly net profit also included the net results from Insurance and Investment Management Asia and Insurance ING U.S., which are both recorded under net result from discontinued operations.

The net result on discontinued operations Insurance and Investment Management Asia decreased to EUR 33 million from EUR 78 million one year ago. The fourth-quarter 2013 result mainly reflects the net result from ING Life Korea, which was divested in December 2013, as well as the net results of ING BoB Life, the remaining businesses of Investment Management Asia, and the impact of closing the regional offices.

The fourth-quarter 2013 net result from discontinued operations of Insurance ING U.S. was EUR 179 million compared with EUR 301 million one year ago and EUR 79 million in the third quarter of 2013. The EUR 122 million decrease year-on-year was primarily caused by the reduction of ING Group's stake in ING U.S. to 57%. Due to strong equity markets, the US Closed Block VA hedge results decreased by EUR 200 million, as the hedge programme is focused on protecting regulatory and rating agency capital rather than mitigating IFRS earnings volatility. This decrease was partially offset by a reduction in tax valuation allowances due to increased potential to offset losses against profits. On a sequential basis, the result from discontinued operations of Insurance ING U.S. increased by EUR 100 million, despite the decline in ING Group's stake. The main driver of the increase in results was the aforementioned reduction in tax allowances. In the fourth quarter of 2013, the VA hedge programme's result was EUR 100 million higher than in the preceding quarter; however, this was offset by a lower level of market and other impacts for the ongoing business.

NET RESULT PER SHARE (in EUR)



ING Group's net profit per share was EUR 0.14 for the fourth quarter of 2013 and EUR 0.85 for the full year 2013. The Group's underlying net return on IFRS-EU equity was 6.4% for the full year 2013.

Changes 1Q2014

Accounting for GMDB in Japan Closed Block VA

ING Insurance has moved towards fair value accounting on the reserves for Guaranteed Minimum Death Benefits (GMDB) of the Japan Closed Block VA as of 1 January 2014. This improves the alignment of the book value of the GMDB reserves with their market value, better reflects the economic value of these guarantees and improves the alignment of the accounting for the guarantees with the accounting for the related hedges. Furthermore, such a move makes the accounting for the GMDB consistent with the accounting on the reserves for Guaranteed Minimum Accumulation and Withdrawal benefits.

As at the end of the fourth quarter of 2013, the difference between the current book value and the estimated fair value of the GMDB reserves was EUR 219 million before tax. This compares favourably to an estimated difference of EUR 0.4 billion (before tax) as at the end of the third quarter of 2013, caused primarily by market appreciation during the fourth quarter. Implementation of fair value accounting for GMDB represents a change in accounting policy under IFRS with a transitional impact of EUR 165 million after tax being reflected only in shareholders' equity as of 1 January 2014. Results for comparative periods will be restated accordingly.

Following the full write-off of the DAC and reserve strengthening to restore reserve adequacy to the 50th percentile as of 1 October 2013, the reserve adequacy for the Japan Closed Block VA further improved to be adequate at the 90th percentile as of 31 December 2013. This improvement was mainly driven by market movements. Furthermore, due to the move towards fair value accounting on the reserves for the GMDB portfolio as of 1 January 2014, the reserve adequacy of the Japan Closed Block VA is expected to remain adequate at the 90th percentile.

Defined Benefits Pension Fund in The Netherlands

In January 2014, ING reached an agreement in principle with the trade unions, the ING Pension Fund, the Central Works Council and the Association of Retired ING Employees (VSI) to transfer all future funding and indexation obligations under ING's current closed defined benefit plan in the Netherlands to the Dutch ING Pension Fund. The agreement will make the ING Pension Fund financially independent from ING. The key elements of the agreement in principle are:

- Responsibility for future indexation and funding thereof will be transferred to the Dutch ING Pension Fund;
- ING's obligation to restore the coverage ratio of the Dutch ING Pension Fund will cease;
- The cross guarantees between ING Bank and ING Insurance to jointly and severally fund the obligations of the Dutch ING Pension Fund will be terminated;
- ING will pay EUR 549 million (before tax) to the Dutch ING Pension Fund for the removal of these obligations; and
- ING will reduce the employees' own contribution to the pension premium under the new defined contribution plan by approximately EUR 80 million over a 6 year period.

As part of the agreement, ING Bank and ING Insurance will be released from all financial obligations arising out of the Dutch defined benefit plan. Accordingly, this plan will no longer be accounted for as a defined benefit plan and, consequently, it will be removed from ING's balance sheet. The removal of the net pension asset from ING's balance sheet (as at 31 December 2013 approximately EUR 0.8 billion after tax) and the payment to the Dutch ING Pension Fund of EUR 549 million (EUR 412 million after tax) are estimated to result in a charge of approximately EUR 1.2 billion after tax to be recognised in 2014. Of this impact, EUR 0.8 billion will be attributed to ING Bank and EUR 0.4 billion to ING Insurance. The valuation of the net pension asset and consequently the final impact on the profit and loss account are subject to change depending on market developments until finalisation of the agreement.

The agreement is subject to the condition that going forward ING will be fully released from all future financial obligations arising out of the Dutch defined benefit plan as well as regulatory and other approvals. ING expects to be able to announce a final agreement in early March 2014.

Simplification Legal Structure NN Group

As previously announced, ING Verzekeringen N.V. is the legal entity for the intended base case IPO of ING Insurance. In this context, ING Verzekeringen N.V. will be merged into ING Insurance Topholding N.V. per 1 March 2014. Subsequently, the merged entity will be renamed NN Group N.V.. As of the merger, the board of NN Group N.V. will consist of Ralph Hamers (CEO), Lard Friese (Vice-Chairman), Delfin Rueda (CFO), Doug Caldwell (CRO), Patrick Flynn, Wilfred Nagel, and Dorothee van Vredenburch.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	31 Dec. 13	30 Sep. 13 pro forma[1]	31 Dec. 12[2]		31 Dec. 13	30 Sep. 13 pro forma[1]	31 Dec. 12[2]
Assets				**Equity**			
Cash and balances with central banks	13,316	23,210	17,657	Shareholders' equity	45,941	49,554	51,777
Amounts due from banks	43,012	44,270	39,053	Minority interests	5,402	3,946	1,081
Financial assets at fair value through P&L	165,174	174,674	232,371	Non-voting equity securities	1,500	2,250	2,250
Investments	140,995	140,879	200,129	**Total equity**	**52,843**	**55,750**	**55,108**
Loans and advances to customers	531,664	539,870	563,404	**Liabilities**			
Reinsurance contracts	252	277	5,290	Subordinated loans	6,889	8,463	8,786
Investments in associates	1,749	1,981	2,203	Debt securities in issue	127,727	137,134	143,436
Real estate investments	1,142	1,173	1,288	Other borrowed funds	13,706	13,709	16,723
Property and equipment	2,446	2,472	2,674	Insurance and investment contracts	111,551	115,087	229,950
Intangible assets	1,841	1,882	2,639	Amounts due to banks	27,257	32,038	38,704
Deferred acquisition costs	1,353	2,832	4,549	Customer deposits	474,320	478,040	455,003
Other assets	21,570	23,297	26,462	Financial liabilities at fair value through P&L	98,502	105,211	115,803
				Other liabilities	21,688	22,408	32,779
Total assets excl. assets held for sale	**924,510**	**956,815**	**1,097,719**	**Total liabilities excl. liabilities held for sale**	**881,640**	**912,091**	**1,041,184**
Assets held for sale	156,114	174,358	68,472	Liabilities held for sale	146,142	163,334	69,899
				Total liabilities	**1,027,781**	**1,075,424**	**1,111,083**
Total assets	**1,080,624**	**1,131,175**	**1,166,191**	**Total equity and liabilities**	**1,080,624**	**1,131,175**	**1,166,191**

1) Adjusted for the transfer of ING Life Japan from Held for sale to reflect the decision to divest ING Life Japan as part of the intended base case IPO of ING Insurance
2) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS, which took effect on 1 January 2013.

ING Group's balance sheet declined by EUR 51 billion to EUR 1,081 billion, reflecting EUR 7 billion of negative currency effects, a reduction of short-term professional funding, more efficient management of the Financial Markets positions and the closing of the sale of ING Life Korea. ING Group shareholders' equity decreased by EUR 3.6 billion, mainly due to the negative impact of pensions, the equity impact on the sale of 15% VOYA shares and the premium paid on the repayment of core Tier 1 securities to the Dutch State.

Cash and balances with central banks
Cash and balances with central banks decreased by EUR 10 billion to EUR 13 billion at the end of December as cash was used to reduce short-term professional funding.

Amounts due from/and to banks
Amounts due from banks was relatively stable, down EUR 1 billion to EUR 43 billion, while short-term funding from banks was reduced, decreasing the amounts due to banks by EUR 5 billion to EUR 27 billion.

Financial assets/liabilities at fair value through P&L
Financial assets at fair value through P&L declined by EUR 7 billion, at comparable currency rates, to EUR 165 billion. This was due to seasonally lower activities and more efficient management of Financial Markets positions. Financial liabilities at fair value through P&L decreased by EUR 6 billion to EUR 99 billion, mirroring the development on the asset side. Financial assets and liabilities at fair value contain primarily derivatives, securities and repos, which are mostly used to facilitate the servicing of ING's clients (banks and non-banks).

Loans
Loans and advances to customers declined by EUR 5 billion at comparable currency rates to EUR 532 billion. The decline was mainly due to EUR 4 billion lower securities at amortised costs and IABF. The latter largely reflected the partial repayment of the Illiquid Assets Back-up Facility as the Dutch State sold a first tranche of the Alt-A portfolio in December, following the agreement on the unwinding of the IABF. The remaining tranches of the Alt-A securities were sold by the Dutch State in the beginning of 2014.

Deferred acquisition costs
Deferred acquisition costs decreased by EUR 1.4 billion, at comparable currency rates, to EUR 1.4 billion. The charge of EUR 0.6 billion in the fourth quarter to restore the reserve adequacy of the Japan Closed Block VA to the 50% confidence level is mainly reflected as a reduction of deferred acquisition costs of EUR 1.4 billion, partially offset by a decrease of the Life insurance provision related to unearned revenues of EUR 0.8 billion.

Assets/Liabilities held for sale
Assets/Liabilities held for sale, which reflect the balance sheet items of Insurance and Investment Management Asia (excluding ING Life Japan) and Insurance ING U.S., decreased following the closing of the sale of ING Life Korea in December 2013.

Debt securities in issue
Debt securities decreased by EUR 9 billion to EUR 128 billion, reflecting a reduction in short-term professional funding as CD/CP balances declined by EUR 7 billion. Maturing bonds and the buy-back of EUR 1 billion of government-guaranteed debt in Australia, partly offset by new issuances, reduced long-term debt outstanding by EUR 2 billion.

ING Group: Change in shareholders' equity

	ING Group		ING Bank N.V.		ING Insurance		Insurance ING U.S.[1]		Holding/Eliminations	
in EUR million	4Q2013	3Q2013	4Q2013	3Q2013	4Q2013	3Q2013	4Q2013	3Q2013	4Q2013	3Q2013
Shareholders' equity beginning of period	**49,554**	**49,881**	**35,073**	**34,424**	**14,973**	**15,488**	**6,889**	**6,956**	**-7,381**	**-6,987**
Net result for the period	539	101	589	838	-244	-773	156	78	38	-42
Unrealised revaluations of equity securities	-108	68	-136	-35	29	103	-1			
Unrealised revaluations of debt securities	-1,014	-270	55	-10	-807	-159	-265	-99	3	-2
Deferred interest crediting to life policyholders	370	223			234	146	136	77		
Realised gains/losses equity securities released to P&L	32	21	28	4	3	18		-1	1	
Realised gains/losses debt securities transferred to P&L	-56	-13	6	3	-61	-17		1	-1	
Change in cashflow hedge reserve	-103	-142	31	71	-147	-208	8	-7	5	2
Other revaluations	70	-153	105	64	-50	38	1	17	14	-272
Defined benefit remeasurement	-2,158	109	-1,556	52	-654		52	57		
Exchange rate differences	-486	-485	-289	-341	-157	377	-103	-222	63	-299
Changes in treasury shares	-7	-6							-7	-6
Employee stock options and share plans	31	22	13	14	1	3	16	15	1	-10
Repurchase premium non-voting equity securities	-375								-375	
Dividend			-1,125		-107				1,232	
Impact sale of Insurance U.S.	-578						-1,365		787	
Other	230	198	11	-11	1,278	-43	8	17	-1,067	234
Total changes	**-3,613**	**-327**	**-2,268**	**649**	**-682**	**-515**	**-1,357**	**-67**	**694**	**-395**
Shareholders' equity end of period	**45,941**	**49,554**	**32,805**	**35,073**	**14,291**	**14,973**	**5,532**	**6,889**	**-6,687**	**-7,381**

1) These figures represent ING's shareholding percentage in Insurance ING U.S. (31 December 2013: 56.7%; 30 September 2013: 71.25%)

ING Group: Shareholders' equity

	ING Group		ING Bank N.V.		ING Insurance		Insurance ING U.S.[1]		Holding/Eliminations	
in EUR million	31 Dec. 13	30 Sep. 13	31 Dec. 13	30 Sep. 13	31 Dec. 13	30 Sep. 13	31 Dec. 13	30 Sep. 13	31 Dec. 13	30 Sep. 13
Share premium/capital	16,959	16,956	17,067	17,067	11,606	10,712	17,639	17,639	-29,352	-28,462
Revaluation reserve equity securities	2,067	2,143	1,038	1,145	1,018	986	9	10	2	2
Revaluation reserve debt securities	4,227	5,297	833	771	2,805	3,674	618	883	-29	-31
Revaluation reserve crediting to life policyholders	-2,914	-3,284			-2,578	-2,812	-336	-472		
Revaluation reserve cashflow hedge	1,878	1,981	-776	-807	2,726	2,873	-5	-13	-67	-72
Other revaluation reserves	892	615	319	323	-21	307	5	4	588	-19
Defined benefit remeasurement reserve	-3,766	-1,608	-2,671	-1,115	-1,043	-389	-52	-104		
Currency translation reserve	-2,530	-1,837	-989	-809	-252	-378			-1,289	-650
Treasury shares	-32	-25							-32	-25
Retained earnings and other reserves	29,160	29,316	17,984	18,498	30		-12,346	-11,058	23,492	21,876
Total	**45,941**	**49,554**	**32,805**	**35,073**	**14,291**	**14,973**	**5,532**	**6,889**	**-6,687**	**-7,381**

1) These figures represent ING's shareholding percentage in Insurance ING U.S. (31 December 2013: 56.7%; 30 September 2013: 71.25%)

Insurance and investment contracts

Insurance and Investment contracts decreased by EUR 1 billion at comparable currency rates to EUR 112 billion, mainly reflecting the decrease of the Life insurance provisions of the Japan Closed Block VA.

Customer deposits

Customer deposits declined at comparable exchange rates by EUR 2 billion to EUR 474 billion due to lower corporate deposits including a decline of overnight deposits of EUR 3 billion (the latter is not part of the definition of funds entrusted client balances). Savings and credit balances on customer accounts were on balance flat at comparable currency rates.

Total equity

Shareholders' equity decreased by EUR 3.6 billion to EUR 45.9 billion. The decrease includes a EUR 2.2 billion reduction in the Net Pension Asset, mainly reflecting changes in the discount rate. In 4Q, ING further refined its methodology for the pension discount rate, specifically the extrapolation from the observable AA-rated corporate bond rates to the full duration of the pension liability. The refined methodology and the resulting discount rate are more in line with observed market practices. The impact of the refinement on equity is approximately EUR -2.3 billion.

Equity was further negatively impacted by the sale of 15% VOYA shares, by the premium paid on the non-voting equity securities, by debt revaluations mainly due to higher interest rates, and by exchange rate differences primarily reflecting the strengthening of the euro against the Japanese yen and the US dollar. These were partly offset by the EUR 0.5 billion quarterly net profit. Shareholders' equity per share decreased from EUR 12.92 at the end of September 2013 to EUR 11.97 on 31 December 2013.

Annual development balance sheet total

Year-on-year, Total assets excluding assets held for sale decreased by EUR 173 billion due to EUR 123 billion transfers of Insurance ING U.S. to and Japan from Held-for-sale and negative currency effects of EUR 31 billion. The remaining decline of EUR 19 billion was mainly due to Loans and advances, caused by lower securities at amortised cost and IABF, the sale of Dutch and Australian mortgages, the sale of US Real Estate Finance loans, lower Financial assets at fair value through P&L, and lower Cash and balances with central banks (as cash was used to reduce short-term professional funding).

CAPITAL MANAGEMENT

ING Group and the standalone Bank and Insurance entities remained well capitalised in the fourth quarter. The core debt at ING Group increased to EUR 5.0 billion as the benefit from the proceeds of selling shares in ING US and SulAmérica were offset by a EUR 1 billion conversion of Insurance debt taken up from ING Group into equity. This strengthened ING Insurance's capital position ahead of the intended IPO, increasing the IGD ratio from 212% to 252% at year-end 2013. ING Bank's core Tier 1 ratio remained strong, but decreased to 11.7% at the end of the fourth quarter, mainly reflecting the payment of EUR 1.125 billion to the Dutch State in November.

Capital base: ING Group			
In EUR million unless stated otherwise		31 Dec. 13	30 Sep. 13
(a)	Shareholders' equity	45,941	49,554
(b)	Core Tier 1 securities	1,500	2,250
(c)	Group hybrid capital	7,493	9,073
(d)	Group leverage (core debt)	4,977	4,830
	Total capitalisation (Bank + Insurance)	**59,911**	**65,706**
(f)	Required regulatory adjustments	-1,680	-4,131
	Group leverage (core debt)	-4,977	-4,830
(e)	**Adjusted equity (= a + b + c + f)**	**53,255**	**56,746**
	Debt/equity ratio (d/(d+e))	8.5%	7.8%
	Total required capital	35,056	36,398
	FiCo ratio	178%	175%

ING Group

The amount of core debt at ING Group increased to EUR 5.0 billion at year-end 2013. Total proceeds of EUR 0.8 billion related to the partial sell-down of our stakes in ING U.S. and SulAmerica were used to reduce core debt. This was offset by a conversion of EUR 1 billion of Insurance debt taken up from ING Group into equity, in preparation of the intended IPO. ING Group's debt/equity ratio increased from 7.8% at the end of the third quarter to 8.5% at year-end. The increase mainly reflects a decline in adjusted equity from EUR 56.7 billion to EUR 53.3 billion. Adjusted equity came down due to a reduction in the net pension asset, the payment of another tranche to the Dutch State and lower Group hybrid capital outstanding following the call of a USD 2.0 billion hybrid Tier 1 instrument.

The Financial Conglomerate Directive (FiCo) ratio for the Group increased from 175% at the end of September 2013 to 178% at the end of December as the amount of total required capital decreased.

ING Bank

ING Bank's core Tier 1 ratio was 11.7% at the end of December 2013, down from 12.4% in September. This was mainly due to the dividend payment to ING Group of EUR 1.125 billion on 6 November to facilitate the payment to the Dutch State, which was only partially offset by fourth-quarter retained earnings. In addition, risk-weighted assets (RWA) increased by EUR 11.3 billion during the quarter, largely resulting from lower cure and recovery rates reflecting the economic environment, especially related to Dutch mortgages, SME clients in the Benelux and sovereign entities.

ING Bank continued to optimise its capital structure ahead of upcoming regulation. ING Bank called a USD 2.0 billion Tier 1 hybrid and exchanged EUR 2.6 billion of existing Tier 2 securities for new CRD IV-compliant Tier 2 securities.

ING Bank is already meeting most of the Basel III requirements, with a fully-loaded core Tier 1 ratio of 10.0%. The impact is calculated on the basis of immediate implementation without future management actions.

ING Insurance

The Insurance Groups Directive (IGD) ratio for ING Insurance increased strongly to 252% from 212% at the end of the third quarter. This improvement was mainly driven by a EUR 1 billion debt-to-equity conversion by ING Group in preparation for the intended IPO. Additionally, the improved solvency position of NN Life, as well as the release of required capital related to the sale of ING Life Korea, contributed to the increase. This was partly offset by the one-off charge to restore reserve adequacy of the Japan Closed Block VA to the 50% confidence level.

The solvency I ratio of NN Life improved in the fourth quarter from 183% to 221%, mainly due to a capital injection of EUR 600 million by ING Insurance and favourable market developments. Subsequently, in February 2014, NN Life issued a subordinated loan of EUR 600 million to ING Insurance to further strengthen its capitalisation. Including this subordinated loan and the impact of the previously announced pension fund agreement, the resulting pro-forma solvency I ratio was approximately 234%.

ING has taken measures in the fourth quarter of 2013, as well as in early 2014, to fortify the capital position of ING Insurance. As a result, the IGD and NN Life solvency ratios increased sharply and local entities are currently adequately capitalised. Preparations for the base case IPO are on track and we intend to go to market this year, assuming conditions are favourable.

Insurance ING U.S.

ING U.S. targets capitalisation of its regulated operating companies based on local statutory rules at a level of 425% of Risk Based Capital (RBC). The estimated combined RBC ratio rose to 504% at the end of the fourth quarter. This change was primarily a result of lower required capital on asset positions and statutory pre-tax income earned during the quarter.

Ratings

In December 2013, Standard and Poor's lowered the ratings for ING Groep NV and ING Bank from A to A- and from A+ to A respectively. These downgrades follow the reduced rating of the Dutch State from AAA to AA+ in December 2013. The outlook for ING Group and ING Bank was changed from negative to stable. The rating of ING Group's insurance operating subsidiaries is limited by the rating of ING Bank and consequently the rating of ING Verzekeringen was changed from A- to BBB+, while the outlook changed from negative to stable. Moody's changed its outlook for ING Verzekeringen to negative in November.

Main credit ratings of ING at 11 February 2014

	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A-	Stable	A3	Negative	A	Negative
ING Bank N.V.	A	Stable	A2	Negative	A+	Negative
ING Verzekeringen N.V.	BBB+	Stable	Baa2	Negative	A-	Negative

Number of shares

The total number of shares outstanding in the market was 3,837 million at the end of December 2013, versus 3,836 million at the end of September 2013. The total number of shares equals the 3,837 million outstanding in the market plus treasury shares, which increased from 3.6 million at the end of September 2013 to 4.0 million at the end of December 2013.

Dividend policy

ING's policy is to pay dividends in relation to the long-term underlying development of cash earnings. Dividends will only be paid when the Executive Board considers such a dividend appropriate. Given the financial environment, increasing regulatory requirements and ING's priority to repay the remaining outstanding core Tier 1 securities, the Executive Board will not propose to pay a dividend over 2013 at the Annual General Meeting in May 2014.

BUSINESS & SUSTAINABILITY HIGHLIGHTS

ING Bank wants to be the preferred bank of its customers by offering affordable, easy-to-understand products, good accessibility and excellent service. The strategy of ING Insurance is to be customer-driven and deliver first-class products and services through various distribution channels. In their daily work, ING employees aim to achieve long-term business success for ING and its clients while at the same time encouraging and contributing to the sustainable development of the economy.

Commendations and awards

Customer-centricity begins with listening. ING regularly solicits feedback from its customers. During the fourth quarter, ING Bank and Nationale-Nederlanden (NN) in the Netherlands became respectively the first bank and insurance company to receive a commendation from the organisation 'Gouden Oor' (Golden Ear) for meeting high quality standards in the way ING handles customer feedback. Gouden Oor is an independent association in the Netherlands that measures companies' implementation of the sharpened ISO 9000 criteria for customer centricity and continuous quality improvement.

ING was named 'Bank of the Year 2013' in Western Europe, the Netherlands and Belgium by The Banker, a global financial magazine. The Banker praised ING for its continued investments to optimise its online and mobile banking. This has enabled ING to deliver better customer service and be more competitive in an increasingly digitalized and regulated environment. ING Life Poland was named 'Most Friendly Insurance Company 2013' by Poland's leading financial magazine Gazeta Bankowa. It was the third time that ING Life Poland has won this award.

Adapting to customers' changing needs

ING continuously seeks to improve its offerings to meet changing customer demands. In this context, Dutch insurance subsidiary NN was the first Dutch financial-services company to introduce the "mortgage commitment." This is an innovative new service that offers first-time home buyers an upfront mortgage commitment from NN based on how much they can borrow. In the Netherlands, an offer on a house is typically contingent upon the potential buyers being able to arrange the funding. Having a mortgage commitment in advance provides clarity on funding and gives first-time home buyers confidence as they negotiate the potential purchase of a house.

Financing a more sustainable business model

Many of ING's business clients around the world want to develop a more forward-looking agenda whereby sustainability is more embedded into their business model. ING assists clients in this by leveraging its global network, knowledge and sector expertise. For example, in October 2013 ING Structured Export Finance Germany closed a covered export facility to finance a 87.5MW Irish wind farm. The project is part of a plan by BGE, Ireland's (state-owned) integrated gas utility company, to expand its renewable energy generation portfolio. This long-term investment in renewable energy supports the Irish government's target of producing 40% of the country's electricity through renewables by 2020.

Responsible Investment at Insurance/IM

ING Investment Management (IM), part of ING Insurance, is committed to investing responsibly and delivering customer-oriented solutions. In the fourth quarter, ING IM launched a new website that describes in more detail how ING IM integrates environmental, social and governance (ESG) criteria into its overall investment process (www.ingimresponsibleinvesting.com). ING IM also organised a series of "Demystifying Responsible Investing" seminars for institutional investors. Both initiatives underscore how ING IM is stepping up efforts to demonstrate the value of ING's responsible investment practices.

In December 2013, the Dutch Association of Investors for Sustainable Development (VBDO) included NN in its annual "Benchmark Responsible Investment by Insurance Companies". NN was ranked 6th out of the 29 companies included in the benchmark study. This achievement was based on the efforts of ING IM, NN's primary asset manager, to embed ESG factors into its investment process, including exerting influence on companies through voting.

ING Chances for Children

Since the introduction in 2005 of ING Chances for Children, a programme aimed at expanding children's access to education, the number of ING employees who volunteer their time, expertise and money to support the program has steadily increased. During the 2013 "Global Challenge", ING's flagship internal fundraising and volunteer event for ING Chances for Children, more than 12,000 ING employees in 25 countries volunteered approximately 8,700 hours of their time and raised more than EUR 780,000, up from EUR 500,000 the year before.

ING employees have also taken the initiative to involve customers in ING Chances for Children. In October 2013, ING Bank Netherlands introduced the ING Savings Account for UNICEF, which helps raise funds for UNICEF for pre-school education in Madagascar. While customers use the account to save money for their personal savings goals, ING donates 0.10% per annum over the total average savings balance on all of these accounts to UNICEF. The donation is made by ING to UNICEF and is not at the expense of the customer. Customers can also make additional donations to UNICEF through their account. Each quarter, customers receive an update on how UNICEF has spent the money and what the program has achieved.

In Spain, ING Direct´s annual Christmas campaign for UNICEF raised EUR 281,000 in donations during the 2013 holiday season. The animated movie 'Luna' was featured on the internet and supported by mobile devices. When flipping their mobile devices, viewers were able to see two different sides to a story: one showing a child going to school, the other showing the child going to work in a dark, industrial landscape. The opportunity to donate and provide disadvantaged children with education is presented at the end of the movie. Besides raising money, the campaign received widespread attention with more than 207,000 customers visiting the site and 187,000 views for the movie (http://www.unahistoriaquedalavuelta.com).

Banking

CONSOLIDATED RESULTS

Banking: Consolidated profit and loss account

In EUR million	4Q2013	4Q2012[1]	Change	3Q2013	Change	FY2013	FY2012[1]	Change
Profit & loss								
Interest result	2,946	2,867	2.8%	2,936	0.3%	11,804	11,664	1.2%
Commission income	562	510	10.2%	546	2.9%	2,244	2,173	3.3%
Investment income	64	18	255.6%	78	-17.9%	319	585	-45.5%
Other income	242	-185		213	13.6%	938	-108	
Total underlying income	**3,815**	**3,211**	**18.8%**	**3,774**	**1.1%**	**15,305**	**14,313**	**6.9%**
Staff expenses	1,194	1,209	-1.2%	1,194	0.0%	4,863	4,858	0.1%
Other expenses	1,125	1,095	2.7%	888	26.7%	3,695	3,569	3.5%
Intangibles amortisation and impairments	32	35	-8.6%	39	-17.9%	136	211	-35.5%
Operating expenses	**2,351**	**2,340**	**0.5%**	**2,120**	**10.9%**	**8,694**	**8,638**	**0.6%**
Gross result	**1,464**	**871**	**68.1%**	**1,655**	**-11.5%**	**6,611**	**5,675**	**16.5%**
Addition to loan loss provision	560	589	-4.9%	552	1.4%	2,288	2,121	7.9%
Underlying result before tax	**904**	**283**	**219.4%**	**1,103**	**-18.0%**	**4,323**	**3,554**	**21.6%**
Taxation	199	137	45.3%	265	-24.9%	1,078	1,013	6.4%
Minority interests	19	20	-5.0%	18	5.6%	90	91	-1.1%
Underlying net result	**686**	**126**	**444.4%**	**820**	**-16.3%**	**3,155**	**2,450**	**28.8%**
Net gains/losses on divestments	0	891		0		-6	1,365	
Net result from divested units	0	-55		0		-37	-86	
Special items after tax	-19	-348		-19		-82	-595	
Net result from Banking	**666**	**615**	**8.3%**	**801**	**-16.9%**	**3,031**	**3,134**	**-3.3%**
Client balances (in EUR billion)[2]								
Residential Mortgages	272.7	286.0	-4.7%	277.0	-1.6%	272.7	286.0	-4.7%
Other Lending	216.7	220.2	-1.6%	216.8	0.0%	216.7	220.2	-1.6%
Funds Entrusted	465.0	448.5	3.7%	464.4	0.1%	465.0	448.5	3.7%
AUM/Mutual Funds	60.0	56.5	6.2%	57.3	4.7%	60.0	56.5	6.2%
Profitability and efficiency[2]								
Interest margin	1.45%	1.34%		1.44%		1.42%	1.32%	
Cost/income ratio	61.6%	72.9%		56.2%		56.8%	60.3%	
Return on equity based on IFRS-EU equity	8.1%	1.4%		9.4%		9.0%	7.0%	
Return on equity based on 10.0% core Tier 1[3]	10.2%	2.1%		12.2%		11.7%	8.8%	
Employees (FTEs, end of period)	63,805	65,173	-2.1%	64,152	-0.5%	63,805	65,173	-2.1%
Risk[2]								
Non-performing loans/total loans	2.8%	2.5%		2.7%		2.8%	2.5%	
Stock of provisions/provisioned loans	38.6%	36.9%		37.6%		38.6%	36.9%	
Risk costs in bp of average RWA	81	85		80		83	74	
Risk-weighted assets (end of period)	282,503	275,636	2.5%	271,211	4.2%	282,503	275,636	2.5%

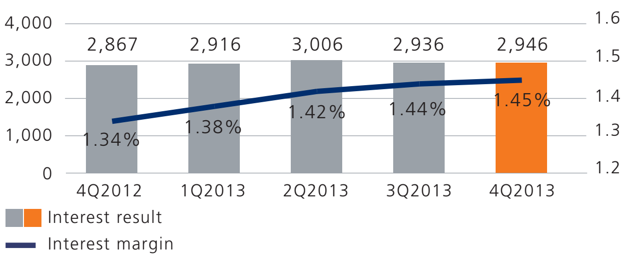
1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS, which took effect on 1 January 2013
2) Key figures based on underlying figures except loans figures
3) Underlying after-tax return divided by average equity based on 10.0% core Tier 1 ratio (annualised)

ING Bank posted solid fourth-quarter results, reflecting a further strengthening of the interest margin to 1.45%, and despite seasonally lower activity in Financial Markets. Income was up strongly from last year, supported by negligible CVA/DVA impacts, the absence of de-risking losses in the current quarter, and the result on the unwinding of the IABF in December 2013. The underlying result before tax was EUR 904 million, up from EUR 283 million a year ago, but down from EUR 1,103 million in the third quarter due to the annual Dutch bank tax and additional restructuring charges in the Netherlands which increased expenses by 10.9%. However, expenses were flat year-on-year and down excluding the restructuring charges, reflecting ongoing cost-saving initiatives. Risk costs remained elevated and increased slightly versus the previous quarter, but declined 4.9% from a year ago.

ING Bank continued to demonstrate progress towards its Ambition 2015 targets. The full-year underlying return on IFRS-EU equity rose to 9.0% from 7.0% in 2012, while the cost/income ratio improved to 56.8% from 60.3%.

In the fourth quarter of 2013, ING Bank's balance sheet decreased by EUR 28 billion. The decline mainly reflects a reduction in short-term professional funding and seasonally lower activity in Financial Markets, as well as the additional transfer and sale of

INTEREST RESULT (in EUR million) AND INTEREST MARGIN (in %)



EUR 3.4 billion of mortgages from WestlandUtrecht Bank (WUB) to ING Insurance, and the sale of another EUR 0.1 billion of US Real Estate Finance loans. Excluding these asset transfers and sales, and adjusting for currency impacts, net lending grew by EUR 2.1 billion and the Bank attracted EUR 2.4 billion of net funds entrusted during the quarter.

Total underlying income

Total underlying income rose 18.8% year-on-year to EUR 3,815 million. The increase was supported by a EUR 99 million result realised on the unwinding of the Illiquid Assets Back-up Facility (IABF) following the agreement with the Dutch State, whereas the fourth quarter of 2012 included EUR 113 million of losses from selective de-risking and EUR 181 million of negative credit valuation and debt valuation adjustments (CVA/DVA) recorded in Commercial Banking and the Corporate Line. In the current quarter, CVA/DVA adjustments were EUR -17 million, while the de-risking of the investment portfolio was completed at the end of 2012. Excluding CVA/DVA, de-risking losses and the result on the IABF, underlying income rose 6.5%, notably in Retail Banking, reflecting a higher interest result. Compared with the third quarter of 2013, underlying income was 1.1% higher as the result on the IABF more than compensated for seasonally lower income at Financial Markets and a decline in Bank Treasury.

The underlying interest result grew 2.8% to EUR 2,946 million from a year ago, due to higher volumes and margins on funds entrusted, and despite lower interest results from Financial Markets. The interest result on lending was down slightly as repricing of the loan book largely compensated for the impact of lower volumes. On a sequential basis, the underlying interest result increased 0.3%, despite the additional transfer and sale of WUB mortgages to ING Insurance and seasonally lower interest results in Financial Markets. The interest result on funds entrusted rose due to an improvement of the interest margin, which was supported by reductions of client savings rates during the second half of the year. The interest result on lending activities also increased; this was entirely driven by higher margins, primarily in Retail Banking, even though average volumes were down. The fourth-quarter underlying interest margin of ING Bank improved by one basis point to 1.45% from 1.44% in the third quarter.

ING Bank attracted a EUR 2.4 billion net inflow of funds entrusted (adjusted for currency impacts) during the fourth quarter. Commercial Banking generated EUR 2.6 billion of net inflows, driven by seasonally higher deposits from asset managers and corporate treasuries. Retail Banking reported a marginal net outflow in funds entrusted of EUR 0.2 billion, as continued growth outside the Benelux was offset by declines in the Netherlands and Belgium. Total net lending (also adjusted for the additional transfer and sale of WUB mortgages and US REF loans) increased by EUR 2.1 billion, reflecting muted demand and pricing discipline. Net production of residential mortgages was EUR 0.7 billion and was fully generated outside of the Netherlands. Other lending rose by EUR 1.3 billion, mainly in Trade Finance Services and Structured Finance, which more than offset declines in Retail Netherlands, Real Estate Finance and the Lease run-off business.

Commission income jumped 10.2% from a year ago to EUR 562 million, mainly due to higher fee income in Industry Lending, Financial Markets and at Retail Germany. On a sequential basis, commission income rose 2.9%.

Investment income rose to EUR 64 million from EUR 18 million a year ago, as the fourth quarter of 2012 included EUR 11 million of de-risking losses (the remainder recorded in other income). Excluding these losses, investment income rose by EUR 34 million due to higher net realised gains on bonds and equities and higher income from real estate investments. Compared with the third quarter of 2013, which included a EUR 52 million dividend from the Bank of Beijing, investment income declined 17.9%.

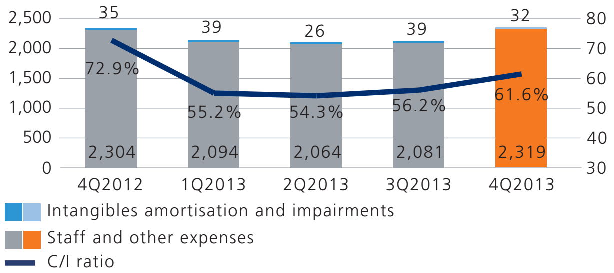
Other income rose to EUR 242 million from a loss of EUR 185 million in the fourth quarter of 2012, which included EUR 101 million of losses from the selective de-risking programme completed at the end of 2012 and EUR 181 million of negative CVA/DVA impacts. In the fourth quarter of 2013, the impact from CVA/DVA was EUR -17 million. Furthermore, the fourth quarter included a EUR 99 million one-off result on the unwinding of the IABF following the agreement with the Dutch State, which was completed in December 2013. Excluding these items, other income rose by EUR 63 million year-on-year, driven by higher net trading income in the Financial Markets business. Other income rose by EUR 29 million compared with the third quarter of 2013, which included EUR 8 million of negative CVA/DVA impacts.

Operating expenses

Cost-saving initiatives at the Bank are on track, which are helping to offset the impact of inflation, higher pension costs and additional restructuring costs recorded in the fourth quarter. Underlying operating expenses rose just 0.5% year-on-year to EUR 2,351 million, mainly due to EUR 38 million of higher pension costs and EUR 76 million of additional restructuring costs in Retail Netherlands in the fourth quarter. These additional restructuring costs relate to an extension of previously announced cost-saving programmes. They will lead to a further headcount reduction of 300 FTEs and EUR 30 million of additional cost savings by 2015. The impact of the aforementioned items was largely offset by ongoing cost-saving initiatives, the partial transfer of WUB staff to ING Insurance as of 1 July 2013, a EUR 26 million lower annual charge for the Dutch bank tax and favourable currency impacts. On a sequential basis, expenses rose 10.9%. This was mainly due to the EUR 149 million for the annual Dutch bank tax, which was paid in the fourth quarter, and the EUR 76 million of additional restructuring costs in Retail Netherlands (versus EUR 56 million of total additional restructuring costs taken at ING Bank in the third quarter). The underlying cost/income ratio was 61.6% for the fourth quarter of 2013, down from 72.9% a year ago. The full-year 2013 cost/income ratio improved to 56.8% from 60.3% in 2012.

The current cost-saving initiatives, including the additional measures taken in the fourth quarter in Retail Netherlands as well as 115 higher FTE reductions in Belgium, are expected to reduce expenses at the Bank by EUR 880 million by 2015. Of this amount, EUR 458 million has already been achieved. Headcount reductions related to these initiatives are estimated at 6,515 FTEs until the end of 2015. To date, 4,068 FTEs have already left ING.

OPERATING EXPENSES (in EUR million) AND COST/INCOME RATIO (in %)



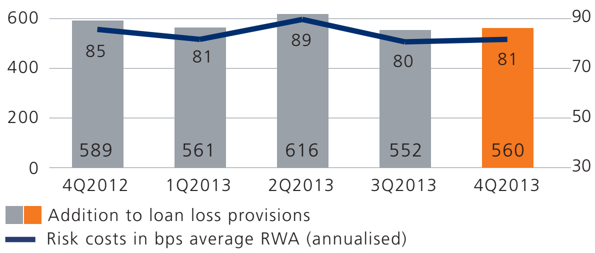
The total number of internal staff declined in the fourth quarter by 347 FTEs to 63,805 at the end of December. The decline was mainly in the Benelux following the implementation of the cost-saving initiatives.

Loan loss provisions

Risk costs declined 4.9% from the fourth quarter of 2012, but remained elevated, reflecting the weak economic environment. ING Bank added EUR 560 million to the provision for loan losses, down from EUR 589 million a year ago, but up slightly from EUR 552 million in the previous quarter. The slight increase compared with the third quarter mainly reflects higher additions in Retail Benelux, particularly in the business lending segment of Retail Belgium mainly due to lower cure and recovery rates on defaulted assets. Risk costs for Dutch mortgages were stable at EUR 82 million, with non-performing loans (NPLs) increasing to 1.9% from 1.8% at the end of the third quarter. Risk costs in Commercial Banking declined as economic improvement in most markets reduced the number of material incidents in the fourth quarter. Retail International risk costs were stable. Total NPLs at ING Bank were 2.8% of credit outstandings, up from 2.7% at the end of the third quarter of 2013.

Total underlying risk costs were 81 basis points of average risk-weighted assets, compared with 80 basis points in the previous quarter and 85 basis points in the fourth quarter of 2012. For the coming quarters, ING expects risk costs to remain elevated at around these levels amid the weak economic climate.

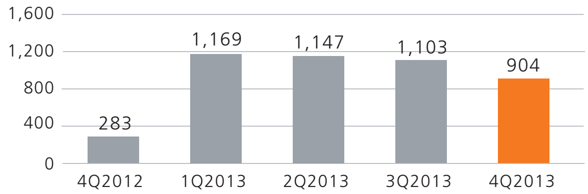
ADDITIONS TO LOAN LOSS PROVISIONS (in EUR million)



Underlying result before tax

The fourth-quarter 2013 underlying result before tax was EUR 904 million, up strongly from EUR 283 million one year ago. On a sequential basis, the underlying result before tax dropped 18.0% due to the higher cost base stemming from the annual Dutch bank tax that was paid in the fourth quarter and additional restructuring charges in Retail Netherlands.

UNDERLYING RESULT BEFORE TAX - BANK (in EUR million)



Net result

The underlying net result rose to EUR 686 million from EUR 126 million in the fourth quarter of 2012, but declined from EUR 820 million in the third quarter of 2013. The effective underlying tax rate was 22.0% compared with 48.3% in the fourth quarter of 2012 and 24.0% in the third quarter of 2013.

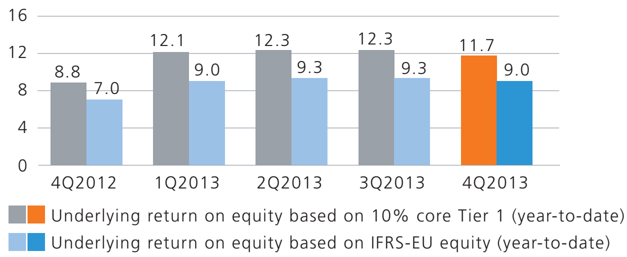
ING Bank's fourth-quarter net result was EUR 666 million, including EUR -19 million of special items after tax. These items reflect after-tax charges for the previously announced restructuring programmes in Retail Netherlands.

Key metrics

Underlying risk-weighted assets (RWA) rose 4.2% to EUR 282.5 billion (including EUR 1 billion of negative currency impacts) compared with EUR 271.2 billion at the end of the third quarter. At comparable currency rates, RWA increased by EUR 13 billion, largely resulting from lower cure and recovery rates reflecting the economic environment, especially related to Dutch mortgages, SME clients in the Benelux and sovereign entities. Risk migration resulted in EUR 4 billion of higher RWA, which mainly impacted Commercial Banking and Retail Netherlands. This was offset by a EUR 2 billion RWA release following the unwinding of the IABF, as well as lower operational RWA.

ING Bank's core Tier 1 ratio remained strong at 11.7%, but it declined from 12.4% at the end of September 2013 following a dividend upstream to the Group for the payment to the Dutch State in November, and the increase in RWA.

RETURN ON EQUITY (in %)



The full-year underlying return on IFRS-EU equity rose to 9.0% from 7.0% in 2012. This was caused by higher results, primarily due to higher income, combined with a modest decrease in the average equity base. The Ambition 2015 target for return on IFRS-EU equity is 10-13%. The underlying return on equity based on a 10% core Tier 1 ratio was 11.7% compared with 8.8% in 2012.

RETAIL BANKING

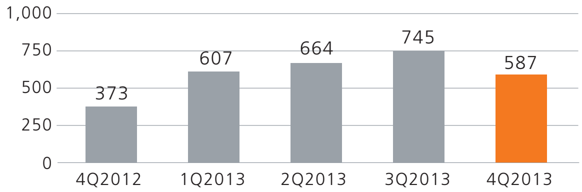
Retail Banking: Consolidated profit and loss account

	Total Retail Banking		Retail Banking Benelux				Retail International			
			Netherlands		Belgium		Germany		Rest of World	
In EUR million	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]
Profit & loss										
Interest result	2,205	1,996	930	828	479	437	357	285	439	447
Commission income	319	298	116	117	80	76	32	20	91	84
Investment income	11	3	0	0	1	-3	0	0	10	5
Other income	24	-44	-3	4	27	24	-11	-19	11	-53
Total underlying income	**2,559**	**2,253**	**1,043**	**950**	**587**	**534**	**378**	**286**	**551**	**483**
Staff and other expenses	1,587	1,560	631	584	386	372	179	174	391	431
Intangibles amortisation and impairments	2	6	0	1	-1	5	0	0	2	0
Operating expenses	**1,589**	**1,567**	**631**	**584**	**386**	**377**	**179**	**174**	**393**	**431**
Gross result	**971**	**687**	**412**	**365**	**202**	**157**	**199**	**112**	**158**	**52**
Addition to loan loss provision	384	314	234	193	70	42	25	26	54	53
Underlying result before tax	**587**	**373**	**178**	**172**	**131**	**116**	**174**	**86**	**104**	**-1**
Client balances (in EUR billion)[2]										
Residential Mortgages	272.7	286.0	132.7	143.6	30.9	30.6	62.1	59.9	46.9	51.9
Other Lending	94.3	94.5	36.3	38.5	34.0	33.2	4.4	3.9	19.6	18.9
Funds Entrusted	389.4	380.5	112.1	115.8	78.3	74.6	105.9	96.7	93.0	93.5
AUM/Mutual Funds	59.9	56.3	17.7	16.0	26.9	27.3	6.8	6.1	8.5	6.9
Profitability and efficiency[2]										
Cost/income ratio	62.1%	69.5%	60.5%	61.5%	65.7%	70.5%	47.3%	60.9%	71.3%	89.2%
Return on equity based on 10.0% core Tier 1[3]	11.5%	6.8%	8.7%	10.5%	16.8%	16.9%	20.5%	9.1%	7.9%	-2.0%
Risk[2]										
Risk costs in bp of average RWA	105	88	155	153	129	82	43	46	52	43
Risk-weighted assets (end of period)	152,134	143,313	64,354	50,865	23,338	20,119	23,756	22,605	40,685	49,724

1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS which took effect on 1 January 2013
2) Key figures based on underlying figures
3) Underlying after-tax return divided by average equity based on 10.0% core Tier 1 ratio (annualised)

The underlying result before tax from Retail Banking rose to EUR 587 million from EUR 373 million in the fourth quarter of 2012, driven by improved interest margins on savings and lending in most countries, and despite the transfer and sale of WUB activities in the second half of 2013. Results were also supported by the absence of de-risking losses, which were prominent in the fourth quarter of 2012. Expenses rose 1.4% as additional restructuring costs to accelerate efficiency programmes and higher pension costs were largely offset by the benefits from existing cost-saving initiatives. Risk costs increased on both comparable quarters, particularly in the Benelux. Compared with the third quarter of 2013, the result before tax fell 21.2% due to higher risk costs and the additional restructuring charges.

UNDERLYING RESULT BEFORE TAX - RETAIL BANKING (in EUR million)



Underlying income rose 13.6% year-on-year to EUR 2,559 million. The increase was mainly driven by higher interest results following improved margins on savings and lending, as well as the absence of losses from de-risking, which dampened income in the fourth quarter of 2012 by EUR 76 million. Compared with the third quarter of 2013, which included a EUR 52 million dividend from the Bank of Beijing, income declined by EUR 17 million. The interest result increased 3.7% versus the previous quarter, mainly due to improved margins on both lending and savings, the latter following reductions in client savings rates over the previous two quarters. This more than offset the impact of additional transfers and sales of WUB mortgages to ING Insurance in the fourth quarter. The net growth of funds entrusted (excluding currency impacts) was EUR -0.2 billion, as continued growth outside of the Benelux was offset by lower funds entrusted balances in the Netherlands (mainly reflecting changes in regulation) and in Belgium due to seasonality. Net lending (excluding currency impacts and the additional transfers and sales of WUB mortgages) grew by EUR 1.6 billion, of which EUR 0.7 billion was in residential mortgages and EUR 0.9 billion in other lending.

Commission income rose 7.0% from a year ago and 0.3% sequentially, mainly due to higher fee income in Germany. Investment and other income totalled EUR 35 million, a strong improvement from the fourth quarter of 2012, which included EUR 76 million of losses from the planned de-risking programme.

Compared with the previous quarter, which included the EUR 52 million annual dividend from the Bank of Beijing, investment and other income fell by EUR 96 million.

Operating expenses increased 1.4% compared with the fourth quarter of 2012 to EUR 1,589 million. The increase was mainly caused by higher pension costs and an additional restructuring charge recorded in the Netherlands in this quarter. These impacts were largely offset by the benefits from the ongoing cost-saving programmes in the Benelux, the partial transfer of WUB activities to ING Insurance as of mid-2013, and lower expenses in Retail Rest of World, the latter mainly due to favourable currency impacts. Compared with the third quarter of 2013, expenses rose 5.4%, mainly due to the additional restructuring charge in the Netherlands and higher year-end expenses in Belgium.

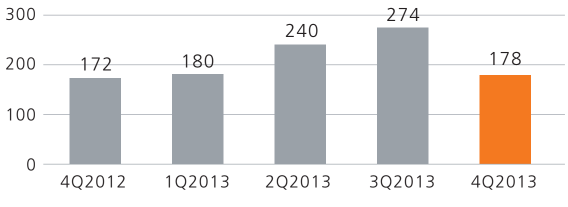
Risk costs increased to EUR 384 million, up from EUR 314 million in the fourth quarter of 2012 and EUR 324 million in the previous quarter. The increase compared with both periods is mainly attributable to higher risk costs in the Benelux reflecting the current economic environment, while risk costs in Retail International remained stable. Risk costs for Dutch mortgages increased strongly compared with a year ago, but remained stable at EUR 82 million compared with the third quarter of 2013.

Risk-weighted assets increased by EUR 11.5 billion in the fourth quarter to EUR 152.1 billion, almost fully caused by adjusted parameters to reflect the ongoing weakness of the Dutch economy and its impact on the mortgage and business lending portfolio, and despite early signs of an improvement in the Dutch housing market. Risk-weighted assets in Belgium increased due to continued lending growth and lower cure and recovery rates on defaulted assets. The impact from higher lending volumes in Retail International was largely offset by negative currency impacts.

The underlying return on equity based on a 10% core Tier 1 ratio rose to 11.5% from 6.8% in the fourth quarter of 2012, reflecting higher results which more than compensated the 6.2% increase in RWA from one year ago.

RETAIL NETHERLANDS

UNDERLYING RESULT BEFORE TAX - NETHERLANDS (in EUR million)



The fourth-quarter result of Retail Netherlands declined, despite higher income, due to an additional restructuring charge as part of the existing efficiency programmes and a further increase in risk costs. The underlying result before tax fell to EUR 178 million from EUR 274 million in the third quarter, but was up from EUR 172 million in the fourth quarter of 2012. Margins on lending and savings increased further while volumes declined, also reflecting additional transfers and sales of WUB assets to ING Insurance.

Total underlying income rose 9.9% from a year ago to EUR 1,043 million, reflecting higher margins on lending and savings. Compared with the previous quarter, income benefited from higher margins on savings following a reduction in client rates in the third quarter of 10 to 20 basis points on the main products, and higher margins on lending. These improvements were offset by the impact of lower volumes, including the transfer and sale of EUR 3.4 billion mortgages from WUB to ING Insurance and continued weak demand for mortgage and business lending. The net production of mortgages was EUR -0.7 billion, while other lending, mainly business lending, decreased by EUR 1.1 billion. Funds entrusted declined by EUR 1.8 billion; this was mainly caused by new legislation requiring local governments to place surplus cash at the National Treasury and an acceleration of redemptions on mortgages at year-end.

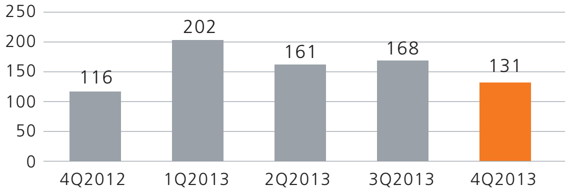
Operating expenses increased on both comparable quarters, including EUR 76 million of additional restructuring charges taken in the fourth quarter (on top of the EUR 21 million taken in the third quarter of 2013) to reflect a further reduction of 300 FTEs, which were part of an extension of the two efficiency programmes currently running. These additional charges are estimated to result in EUR 30 million of additional cost savings by 2015. All cost-saving programmes running in Retail Netherlands are now expected to result in EUR 460 million of cost savings by year-end 2015, of which EUR 279 million have already been realised. Excluding the restructuring charge, expenses fell 5.0% from a year ago, despite higher pension costs, reflecting the benefits of the ongoing efficiency programmes and the transfer of WUB staff to NN Bank as of mid-2013.

Risk costs rose to EUR 234 million in the fourth quarter versus EUR 193 million a year ago and EUR 210 million in the third quarter of 2013. The net additions to loan loss provisions for business lending climbed to EUR 138 million from EUR 126 million in the previous quarter, reflecting the continued weakness of the Dutch economy. Risk costs for mortgages remained stable at EUR 82 million compared with the third quarter, while the NPL ratio ticked up slightly to 1.9% from 1.8% in the third quarter. Loan loss provisions for business lending and the mortgage portfolio are expected to remain elevated at around this level for the coming quarters given the continued weakness in the broader Dutch economy, although there are early signs of a bottoming-out in the housing market.

Risk-weighted assets increased by EUR 8.0 billion to EUR 64.4 billion, due to refinements in the mortgage and business lending portfolio to reflect the continued weakness of the Dutch economy.

RETAIL BELGIUM

UNDERLYING RESULT BEFORE TAX - BELGIUM (in EUR million)



The underlying result before tax of Retail Belgium was EUR 131 million, up from EUR 116 million in the fourth quarter of 2012. The increase reflects higher client balances and improved margins. The result declined from the previous quarter due to higher risk costs, which were mainly caused by lower recoveries on defaulted loans to reflect the economic reality.

Total underlying income rose 9.9% year-on-year to EUR 587 million, supported by higher margins and volumes on business lending, savings and current accounts. Income was higher than the previous quarter, reflecting improved margins on savings accounts after client savings rates were lowered in October and December of 2013. The lending portfolio increased by EUR 1.1 billion, of which EUR 0.3 billion was in residential mortgages. Funds entrusted declined by EUR 2.2 billion, mainly due to seasonally lower balances of institutional clients at year-end.

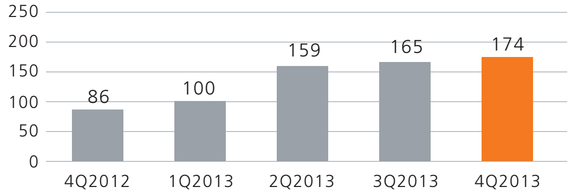
Operating expenses increased 2.4% compared with a year ago to EUR 386 million, primarily due to several one-off items. Excluding these items, expenses were almost flat as the impact from inflation was offset by the benefits from efficiency programmes. Compared with the third quarter, expenses rose by EUR 13 million. This was in addition to one-off items caused by increased marketing and costs for year-end events. The strategic projects announced by ING Belgium are on track. Cost savings of EUR 41 million have already been realised out of the targeted EUR 150 million of savings by 2015.

Risk costs were EUR 70 million, up from EUR 42 million in the fourth quarter of 2012 and EUR 32 million in the previous quarter. The increase against both comparable quarters mainly reflects higher additions for business lending, caused by lower expected recovery rates in the current economic environment. The net addition for mortgages remained low at EUR 5 million.

Risk-weighted assets rose by EUR 3.0 billion to EUR 23.3 billion, reflecting volume growth and the deteriorated economic environment that impacted both SME and institutional clients in the lending portfolio.

RETAIL GERMANY

UNDERLYING RESULT BEFORE TAX - GERMANY (in EUR million)



Retail Germany had another strong quarter, with an underlying result before tax of EUR 174 million, up from EUR 86 million in the fourth quarter of 2012 and EUR 165 million in the third quarter of 2013. The increase versus both comparable quarters primarily reflects continued volume growth in most products and higher margins on savings.

Underlying income was EUR 378 million, up from EUR 286 million in the fourth quarter of 2012. This 32.2% increase reflects higher interest results stemming from higher lending and savings balances and increased margins on savings supported by a lowering of the core savings rate in the beginning of 2013. Commission and other income rose by EUR 20 million, reflecting more security brokerage transactions and less negative hedge ineffectiveness. Compared with the previous quarter, income rose 4.7%, mainly due to higher interest results and commission income. Funds entrusted grew by EUR 2.4 billion in the fourth quarter. Lending growth was EUR 0.8 billion, almost entirely in mortgages.

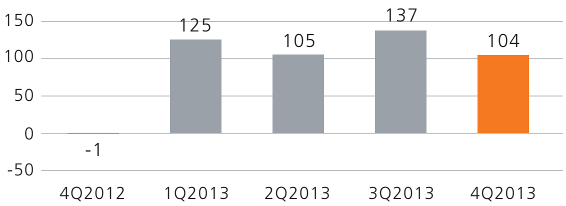
Operating expenses were EUR 179 million, up 2.9% from the fourth quarter of 2012 due to higher personnel expenses reflecting an increase in headcount to support business growth. Expenses declined 1.1% from the third quarter of 2013, mainly due to lower marketing expenses. The cost/income ratio improved to 47.3% in the fourth quarter of 2013.

Risk costs were EUR 25 million, almost stable compared with the fourth quarter of 2012, but EUR 10 million higher than in the third quarter of 2013, which benefited from lower defaults in the mortgage portfolio.

Risk-weighted assets increased by EUR 1.4 billion in the fourth quarter to EUR 23.8 billion, mainly due to higher operational RWA and volume growth.

RETAIL REST OF WORLD

UNDERLYING RESULT BEFORE TAX - REST OF WORLD (in EUR million)



The underlying result before tax of Retail Banking Rest of World increased strongly to EUR 104 million from a loss of EUR 1 million in the fourth quarter of 2012, when results were impacted by losses related to selective de-risking of the investment portfolio. The underlying result before tax declined from EUR 137 million in the third quarter, which included a EUR 52 million dividend from the Bank of Beijing, which more than offset the benefit from lower risk costs.

Total underlying income increased to EUR 551 million from EUR 483 million a year ago, which included EUR 76 million of de-risking losses. Excluding de-risking losses, income decreased 1.4% as improved commercial results in Italy, Spain and Poland and higher results from ING's stake in TMB were offset by negative currency effects and lower income in Turkey and India. Compared with the third quarter of 2013, income decreased by EUR 50 million, essentially reflecting the EUR 52 million dividend from the Bank of Beijing, which was booked in that quarter. Funds entrusted, excluding currency effects, increased by EUR 1.3 billion in the fourth quarter, mainly driven by Spain, Turkey and Poland. Lending assets, excluding currency effects, grew by EUR 1.5 billion. The growth was concentrated in Turkey, Poland and Australia.

Operating expenses declined 8.8% from a year ago to EUR 393 million, primarily due to favourable currency impacts and lower expenses in Spain, Italy, Australia and France. Compared with the previous quarter, expenses were 1.0% lower.

Risk costs were almost stable year-on-year at EUR 54 million, but down from EUR 67 million in the previous quarter. The sequential decline mainly reflects a EUR 15 million lower addition to the provision in the UK legacy portfolio. Lower additions in Turkey and ING Vysya Bank were offset by slight increases in most other countries.

Risk-weighted assets declined by EUR 0.9 billion in the fourth quarter of 2013 to EUR 40.7 billion as lending growth in Turkey was more than offset by negative currency impacts and lower operational RWA.

COMMERCIAL BANKING

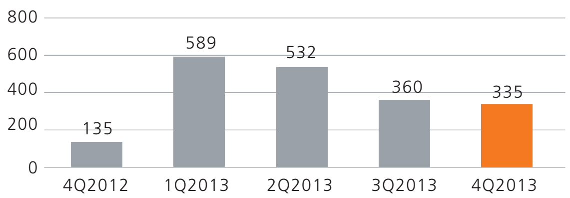
Commercial Banking: Consolidated profit and loss account

	Total Commercial Banking		Industry Lending		General Lending & Transaction Services		Financial Markets		Bank Treasury, Real Estate & Other	
In EUR million	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]	4Q2013	4Q2012[1]
Profit & loss										
Interest result	638	789	372	393	236	266	75	144	-45	-14
Commission income	245	205	127	104	93	94	26	8	-1	-1
Investment income	54	10	25	5	0	0	3	0	25	5
Other income excl. CVA/DVA	146	127	-15	-13	4	6	145	74	12	61
Underlying income excl. CVA/DVA	1,082	1,131	509	488	332	365	250	226	-9	52
Other income - DVA on structured notes	-14	-50					-14	-50		
Other income - CVA/DVA on derivatives	23	-81					23	-81		
Total underlying income	**1,090**	**999**	**509**	**488**	**332**	**365**	**258**	**94**	**-9**	**52**
Staff and other expenses	554	567	123	112	189	178	198	206	44	72
Intangibles amortisation and impairments	24	22	0	4	0	0	0	1	25	17
Operating expenses	**578**	**589**	**123**	**116**	**189**	**178**	**198**	**206**	**68**	**89**
Gross result	**512**	**410**	**386**	**373**	**144**	**187**	**60**	**-112**	**-78**	**-37**
Addition to loan loss provision	177	275	102	219	47	20	0	1	27	35
Underlying result before tax	**335**	**135**	**284**	**154**	**97**	**166**	**60**	**-113**	**-105**	**-72**
Client balances (in EUR billion)[2]										
Residential Mortgages										
Other Lending	122.5	125.7	72.3	74.4	39.7	38.8	2.2	2.0	8.4	10.5
Funds Entrusted	75.6	68.0	0.7	1.8	36.2	34.4	3.9	3.9	34.8	27.9
AUM/Mutual Funds	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Profitability and efficiency[2]										
Cost/income ratio	53.0%	58.9%	24.1%	23.7%	56.8%	48.9%	76.8%	218.4%	n.a.	172.3%
Return on equity based on 10.0% core Tier 1[3]	8.2%	2.8%	17.8%	13.3%	8.7%	13.8%	7.8%	-9.1%	-23.8%	-39.7%
Risk[2]										
Risk costs in bp of average RWA	56	87	80	202	55	20	0	1	71	108
Risk-weighted assets (end of period)	127,165	123,725	50,356	43,701	34,374	38,735	26,114	29,597	16,321	11,693

1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS which took effect on 1 January 2013
2) Key figures based on underlying figures
3) Underlying after-tax return divided by average equity based on 10.0% core Tier 1 ratio (annualised)

Commercial Banking delivered a good performance in the last quarter of 2013. Compared with a year ago, underlying result before tax more than doubled to EUR 335 million, mainly due to a robust performance of Industry Lending and Financial Markets, supported by lower risk costs and positive credit and debt valuation adjustments (CVA/DVA). Compared with the third quarter, the underlying result before tax was down 6.9%, reflecting seasonality in Financial Markets and lower results in Bank Treasury and General Lending & Transaction Services, partly offset by higher results in Industry Lending.

UNDERLYING RESULT BEFORE TAX - COMMERCIAL BANKING (in EUR million)



Total underlying income rose 9.1% from the fourth quarter of 2012, supported by positive credit and debt valuation (CVA/DVA) effects. CVA/DVA adjustments swung to a positive EUR 9 million compared with negative impacts of EUR 131 million a year ago, but they remained in line with EUR 10 million of CVA/DVA adjustments in the previous quarter. Excluding those impacts, income decreased 4.3% from a year ago due to lower income in General Lending & Transaction Services and Bank Treasury, Real Estate & Other. Income from Industry Lending increased 4.3%, driven by a strong performance of Structured Finance where revenues grew 7.6%, reflecting higher new production. Compared with the previous quarter, total underlying income declined 6.2% reflecting seasonality in Financial Markets and lower income in Bank Treasury, partly offset by a strong performance of Structured Finance.

The interest result was 19.1% lower than in the fourth quarter of last year, reflecting lower interest results from the core lending businesses and from Financial Markets and Bank Treasury, Real Estate & Other. The decline of the interest result in the core lending businesses was mainly due to lower volumes in General Lending and Real Estate Finance. The interest result in Bank Treasury, Real Estate & Other decreased due to higher funding costs and lower volumes in General Lease entities that are in run-off. The total interest result declined 6.3% on the previous quarter, mainly due to lower interest results in Financial Markets.

Commission income rose 19.5% from a year ago, driven by Industry Lending and Financial Markets. Commission income in Industry Lending was 22.1% higher than the fourth quarter of 2012, reflecting higher fees in Structured Finance, mainly as a result of higher deal flow in the Energy, Transport and Infrastructure sector and in Acquisition Finance. Commission income in Financial Markets rose due to higher commissions in Debt Capital Markets and Rates & Structured Credit Products. Compared with the previous quarter, commission income rose 6.5% due to higher commissions in Structured Finance and Financial Markets.

Investment income was EUR 54 million, up from the EUR 10 million in the last quarter of 2012 and EUR 23 million in the previous quarter. The increase on both comparable quarters is explained by gains on the sale of various investments in Industry Lending as well as gains on the sale of assets within Real Estate.

Total other income amounted to EUR 154 million, up from a loss of EUR 4 million in the year-ago quarter. The increase was mainly driven by the positive swing in CVA/DVA effects. The credit and debt valuations equalled EUR -131 million in the fourth quarter of 2012, EUR 10 million in the third quarter of 2013 and EUR 9 million in this quarter. The fourth quarter of 2012 was further negatively affected by a EUR 25 million loss on the sale of a real estate development project in Germany.

Operating expenses decreased 1.9% from a year ago, supported by cost savings from the previously announced restructuring initiatives, partly offset by higher pension costs in the Netherlands. The fourth quarter furthermore included EUR 19 million of one-off charges, including a provision for the decommissioning of IT systems, which were offset by EUR 22 million of pension-related releases in the UK. Compared with the third quarter, which included EUR 17 million of additional restructuring provisions related to the previously announced restructuring plans, expenses were up 0.5% due to higher impairments on real estate development projects, higher expenses in Bank Treasury and higher performance-related costs. The cost/income ratio improved to 53.0% from 58.9% in the fourth quarter of 2012, but deteriorated from 49.5% in the previous quarter.

The cost-saving initiatives announced by Commercial Banking in November 2012 are on track and expected to result in EUR 260 million of structural cost savings by year-end 2015. Of that amount, EUR 138 million of savings have already been realised.

Risk costs were down from both the fourth quarter of 2012 as well as the previous quarter. Risk costs decreased by EUR 98 million from a year ago and by EUR 50 million from the previous quarter to EUR 177 million. The decrease was mainly visible in Industry Lending, driven by Structured Finance and Real Estate Finance.

Despite negative currency impacts, risk-weighted assets (RWA) increased by EUR 1.8 billion in the fourth quarter to EUR 127.2 billion, due to risk migration and higher RWA at Bank Treasury related to the investment portfolio.

The underlying return on equity based on a 10% core Tier 1 ratio, increased to 8.2% from 2.8% in the fourth quarter of 2012.

INDUSTRY LENDING

Industry lending posted a strong fourth quarter. The underlying result before tax was EUR 284 million, up 84.4% from a year ago and 39.9% from the third quarter, reflecting lower risk costs in both Structured Finance and Real Estate Finance. Income was up 4.3% year-on-year due to higher income in Structured Finance, driven by higher commissions and capital gains from the sale of various investments by Corporate Investments. Within Real Estate Finance income decreased 13.7%, reflecting the downsizing of the portfolio in line with ING Bank's strategy to refocus on core markets and core clients. The Real Estate Finance portfolio was managed down from EUR 31 billion a year ago to EUR 25 billion at the end of 2013. Compared with the previous quarter, income increased due to higher interest results and commissions in Structured Finance.

Expenses were up 6.0% on the same quarter of 2012 and 10.8% higher than in the previous quarter due to FTE growth in Structured Finance in line with the business strategy, and higher performance-related costs. The cost/income ratio stayed at a low level of 24.1%. Net additions to loan loss provisions were EUR 102 million, down from EUR 219 million a year ago and EUR 181 million in the third quarter. Risk costs fell on both comparable quarters in both Structured Finance and Real Estate Finance.

GENERAL LENDING AND TRANSACTION SERVICES

The underlying result before tax from General Lending and Transaction Services was EUR 97 million, down 41.6% from a year ago and down 31.2% versus the third quarter. Income decreased 9.0% year-on-year due to General Lending, where volumes were 12% lower than last year. Within Transaction Services, lower income in Payments and Cash Management due to continued margin pressure was offset by higher income in Trade Finance Services as a result of volume growth during the year. Compared with the previous quarter, income was down 2.4%, mainly due to lower income in General Lending and Security Services stemming from the sale of the majority of the custody businesses in Central Europe earlier in 2013. Expenses were up 6.2% on the previous year, mainly due to increased pension costs in the Netherlands and investments in IT to enhance product capabilities. Compared with the previous quarter, costs rose slightly by 1.6%. Risk costs were EUR 47 million, an increase from EUR 13 million in the previous quarter and EUR 20 million in fourth quarter of 2012.

FINANCIAL MARKETS

Financial Markets posted an underlying result before tax of EUR 60 million, up from a loss of EUR 113 million in the same quarter of 2012 but down from EUR 103 million in the third quarter of 2013. Whereas the variance on the same quarter of 2012 was mainly driven by credit and debt valuation adjustments, the variance on the previous quarter was mainly due to seasonally low results in the fourth quarter. Results in the current quarter included EUR 9 million of credit and debt valuation adjustments (CVA/DVA) versus EUR -131 million a year ago and EUR 10 million in the previous quarter. Excluding CVA/DVA impacts, the result before tax was EUR 51 million, up from EUR 18 million a year ago, but down from EUR 93 million in the third quarter due to seasonality.

Income excluding CVA/DVA increased by EUR 24 million year-on-year due to higher income in the rates business in Developed Markets and higher income from Debt Capital Markets. Sequentially, Financial Markets income, excluding CVA/DVA impacts, declined 15.0%, reflecting the traditionally slow last quarter of the year. Operating expenses decreased 3.9% from a year ago due to cost savings from the restructuring programme announced last year. Expenses decreased slightly by 0.5% versus the previous quarter.

BANK TREASURY, REAL ESTATE AND OTHER

Bank Treasury, Real Estate and Other booked an underlying result before tax of EUR -105 million, down from EUR -72 million in the fourth quarter of 2012 and from EUR -86 million in the previous quarter. Income was EUR -9 million, down from EUR 52 million in the fourth quarter of 2012, due to portfolio reductions within the General Lease activities and lower income in Bank Treasury following the lengthening of the Bank's funding profile and lower capital gains from the sale of bonds. Compared with the previous quarter, income declined by EUR 34 million, mainly in Bank Treasury. Expenses fell 23.6% from a year ago due to the further wind-down of the General Leasing run-off business and lower performance-related costs, partly offset by ongoing investments for the implementation of an integrated Bank Treasury organisation. Expenses were 12.8% lower than in the previous quarter.

CORPORATE LINE BANKING

Corporate Line Banking: Underlying result before tax		
In EUR million	4Q2013	4Q2012[1)]
Income on capital surplus	121	134
Solvency costs	-72	-55
Financing charges	-51	-57
Amortisation intangible assets	-6	-7
FX-results, fair value hedging and other	173	-28
Total Capital Management excl. DVA	165	-13
DVA	-26	-50
Total Capital Management	139	-63
Other	-158	-163
Underlying result before tax	**-19**	**-226**

1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS which took effect on 1 January 2013.

The underlying result before tax of Corporate Line Banking was a loss of EUR 19 million versus a loss of EUR 226 million in the fourth quarter of 2012. The underlying result before tax in the third quarter of 2013 was EUR -2 million.

Capital Management-related results improved to EUR 139 million from a loss of EUR 63 million in the same quarter of 2012. The improvement is mainly due to a EUR 99 million result on the unwinding of the IABF following the agreement with the Dutch State in December 2013 and lower interest expenses on long-term debt.

‘Income on capital surplus’ declined by EUR 13 million to EUR 121 million. The decline is mainly caused by lower yields on reinvested tranches in 2013.

‘Solvency costs’ increased to EUR 72 million from EUR 55 million in the fourth quarter of 2012. The increase mainly reflects the cancellation of swaps on hybrid securities in the third quarter of 2013. The hybrid securities were repurchased in December 2013, reducing future interest expenses.

‘Financing charges’ decreased to EUR 51 million from EUR 57 million in the same quarter of 2012, mainly due to lower interest expenses following a reduction in core debt.

‘FX-results, fair value hedging and other’ improved to a profit of EUR 173 million compared to a EUR 28 million loss in the fourth quarter of 2012. The fourth quarter of 2013 included a EUR 99 million one-off result from the unwinding of the IABF and EUR 18 million of gains on the repurchase of Tier 2 securities. The improvement was also driven by lower interest expenses on long-term debt following the repurchase of Dutch government-guaranteed ING Bank notes in the second and third quarter of 2013. Moreover, the fourth quarter of 2012 included a EUR 16 million loss from the Spanish CDS position.

‘DVA’ on own-issued debt was EUR -26 million compared with EUR -50 million in the fourth quarter of 2012 due to a tightening of ING’s credit spread.

‘Other’ was EUR -158 million compared with EUR -163 million in the fourth quarter of 2012 and included the annual Dutch bank tax of EUR 149 million in 2013 versus EUR 175 million in 2012.

CONSOLIDATED BALANCE SHEET

ING Bank N.V.: Consolidated balance sheet

in EUR million	31 Dec. 13	30 Sep.13	31 Dec. 12[1] pro forma[2]		31 Dec. 13	30 Sep.13	31 Dec. 12[1] pro forma[2]
Assets				**Equity**			
Cash and balances with central banks	11,920	20,951	15,447	Shareholders' equity	32,805	35,073	34,964
Amounts due from banks	43,012	44,270	39,046	Minority interests	955	921	843
Financial assets at fair value through P&L	121,576	130,066	126,163	**Total equity**	**33,760**	**35,994**	**35,806**
- trading assets	113,537	121,337	114,320	**Liabilities**			
- non-trading derivatives	5,731	6,206	9,075	Subordinated loans	14,776	16,617	16,407
- other	2,308	2,523	2,768	Debt securities in issue	122,299	131,697	134,689
Investments	79,981	76,419	80,808	Amounts due to banks	27,257	32,038	38,704
- debt securities available-for-sale	75,238	70,815	71,629	Customer deposits and other funds on deposit	474,783	478,692	457,456
- debt securities held-to-maturity	3,098	3,748	6,545	- savings accounts	284,069	285,108	274,859
- equity securities available-for-sale	1,645	1,856	2,634	- credit balances on customer accounts	130,066	130,858	121,643
Loans and advances to customers	508,338	520,673	538,194	- corporate deposits	59,767	61,276	59,693
- securities at amortised cost and IABF	15,692	20,021	21,846	- other	881	1,451	1,260
- customer lending	492,645	500,652	516,348	Financial liabilities at fair value through P&L	97,021	103,695	112,971
Investments in associates	707	839	841	- trading liabilities	73,491	79,730	83,652
Real estate investments	108	112	207	- non-trading derivatives	9,676	11,099	15,919
Property and equipment	2,282	2,291	2,336	- other	13,855	12,866	13,399
Intangible assets	1,606	1,642	1,778	Other liabilities	17,747	17,075	21,222
Other assets	18,114	18,546	19,427				
Total assets excl. assets held for sale	**787,644**	**815,808**	**824,247**	**Total liabilities excl. liabilities held for sale**	**753,883**	**779,815**	**781,449**
Assets held for sale	-	-	10,185	Liabilities held for sale	-	-	17,178
				Total liabilities	**753,883**	**779,815**	**798,626**
Total assets	**787,644**	**815,808**	**834,432**	**Total equity and liabilities**	**787,644**	**815,808**	**834,432**

1) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS, which took effect on 1 January 2013.
2) The figures have been adjusted pro forma to reflect the transfer of part of WUB assets and liabilities to assets/liabilities held for sale.

ING Bank's balance sheet declined by EUR 28 billion over the fourth quarter to EUR 788 billion, including EUR 5 billion of negative currency impacts, that mainly reflect a reduction of short-term professional funding and more efficient management of the Financial Markets positions. Loans and advances declined by EUR 12 billion. This was, next to negative currency impacts, mainly caused by the partial repayment of the IABF and the additional transfer and sale of WUB mortgages to ING Insurance. The loan-to-deposit ratio decreased to 1.04 from 1.05 in September. Shareholders' equity declined by EUR 2 billion as a dividend upstream to ING Group to repay the Dutch State and higher actuarial losses related to defined benefit pension assets outweighed retained earnings for the quarter.

Cash and balances with central banks

Cash and balances with central banks decreased by EUR 9 billion to EUR 12 billion as cash was used to reduce short-term professional funding.

Amounts due from and to banks

Amounts due from banks were relatively stable, down EUR 1 billion to EUR 43 billion, while short-term funding from banks was reduced, decreasing the amounts due to banks by EUR 5 billion to EUR 27 billion.

Financial assets/liabilities at fair value

Financial assets at fair value through P&L decreased by EUR 8 billion to EUR 122 billion due to seasonally lower activities and more efficient management of Financial Markets positions. Financial liabilities at fair value through P&L decreased by EUR 7 billion to EUR 97 billion, mirroring the development on the asset side. Financial assets and liabilities at fair value contain primarily derivatives, securities and repos, which are mostly used to facilitate the servicing of ING's clients (banks and non-banks).

Loans and advances to customers

Loans and advances to customers declined by EUR 9 billion at comparable currency rates to EUR 508 billion. The decline was primarily the result of EUR 3 billion of additional transfer and sale of WUB mortgages to ING Insurance and EUR 4 billion lower securities at amortised cost and IABF. The latter largely reflected the partial repayment of the Illiquid Assets Back-up Facility as the Dutch State sold a first tranche of the Alt-A portfolio in December, following the agreement on the unwinding of the IABF. The remaining tranches of the Alt-A securities were sold by the Dutch State in the beginning of 2014. Growth was reported in areas like Structured Finance and Trade Finance Services, offset by lower business lending at Retail Netherlands, a further reduction of the Real Estate Finance portfolio, and the run-off of the non-core Lease portfolios.

Debt securities in issue

Debt securities in issue decreased by EUR 9 billion, reflecting a reduction in short-term professional funding as CD/CP balances came down by EUR 7 billion. Maturing bonds and the buy-back of EUR 1 billion of government-guaranteed debt in Australia, partly offset by new issuances, reduced long-term debt outstanding by EUR 2 billion.

Customer deposits and other funds on deposits

Customer deposits declined by EUR 2 billion at comparable currency rates to EUR 475 billion due to lower corporate deposits including a decline of overnight deposits of EUR 3 billion (the latter is not part of the definition of funds entrusted client balances). Savings and credit balances on customer accounts were on balance flat at comparable currency rates.

Shareholders' equity and subordinated loans

Shareholders' equity of ING Bank decreased by EUR 2.3 billion to EUR 32.8 billion in the quarter. The decrease includes a EUR 1.6 billion reduction in the Net Pension Asset, mainly reflecting changes in the discount rate. ING Bank also paid a EUR 1.1 billion dividend to ING Group to facilitate the repayment to the Dutch State in November 2013. The decline in shareholders' equity was only partly offset by retained earnings. Despite the lower balance sheet, the asset leverage ratio increased to 24.0 from 23.3 at the end of September due to the lower shareholders' equity. Subordinated loans fell by EUR 2 billion, mainly resulting from calling a USD 2 billion Tier 1 hybrid to optimise the total capital structure and to reduce the cost of capital.

Annual development consolidated balance sheet

Compared with year-end 2012, ING Bank's balance sheet reduced by EUR 47 billion, including EUR 16 billion of negative currency impacts and EUR 10 billion of lower assets held for sale following the sale of ING Direct UK's mortgage portfolio in March 2013 and the initial transfer of EUR 3 billion of WUB mortgages to ING Insurance.

Excluding currency impacts, loans and advances to customers were EUR 19 billion lower. This decline was due to EUR 6 billion of lower securities at amortised cost and IABF, EUR 5 billion of additional transfers and sales of WUB mortgages to ING Insurance, the sale of EUR 4 billion of Dutch and Australian mortgages and US Real Estate Finance loans, and a EUR 3 billion lower fair value hedge for mortgages. Customer deposits were EUR 24 billion higher at comparable currency rates, mainly due to continued net inflows of retail savings and higher credit balances on customer accounts. The loan-to-deposit ratio decreased to 1.04 from 1.13 at year-end 2012, meeting ING Bank's 2015 Ambition.

ING Bank significantly reduced long and short-term professional funding in 2013 as a result of continued inflows in the customer deposit base and a subdued demand for credit. CD/CPs and amounts due to banks declined by EUR 4 billion and EUR 11 billion, respectively, while amounts due from banks rose by EUR 4 billion, making ING Bank a net lender on the interbank market. Long-term debt declined by EUR 8 billion, mainly due to EUR 6 billion of buy-backs of government-guaranteed debt. Subordinated loans declined as ING Bank called a USD 2 billion hybrid, while the issuance of new CRD IV-eligible lower Tier 2 debt was offset by maturities.

Shareholders' equity was EUR 2.2 billion lower than year-end 2012, despite EUR 3.0 billion of retained profits. The decline was mainly caused by EUR 3.0 billion of dividend payments to ING Group to repay the Dutch State and reduce core debt, as well as a EUR 0.8 billion reduction in the Net Pension Asset, mainly reflecting changes in the discount rate. On top of that, the currency translation reserve declined by EUR 0.7 billion, and the debt and equity securities revaluation reserve decreased by EUR 0.4 billion and EUR 0.3 billion respectively due to changes in interest rates and share prices.

RISK & CAPITAL MANAGEMENT

ING Bank: Lending credit outstandings

	Credit outstandings[1]		Non-performing loans		NPL%	
in EUR million	31Dec. 2013	30 Sep. 2013	31Dec. 2013	30 Sep. 2013	31Dec. 2013	30 Sep. 2013
Residential mortgages Netherlands	137,521	141,618	2,595	2,508	1.9%	1.8%
Other lending Netherlands	37,113	38,292	2,899	2,754	7.8%	7.2%
of which business lending Netherlands	30,254	30,870	2,281	2,173	7.5%	7.0%
Residential mortgages Belgium	30,508	30,177	682	683	2.2%	2.3%
Other lending Belgium	36,416	35,749	1,462	1,459	4.0%	4.1%
of which business lending Belgium	29,945	29,406	1,255	1,264	4.2%	4.3%
Retail Banking Benelux	**241,558**	**245,836**	**7,638**	**7,404**	**3.2%**	**3.0%**
Residential mortgages Germany	61,880	61,116	595	588	1.0%	1.0%
Other lending Germany	15,684	13,020	138	134	0.9%	1.0%
Residential mortgages Rest of World	47,389	48,414	280	276	0.6%	0.6%
Other lending Rest of World	30,164	29,426	1,258	1,400	4.2%	4.8%
Retail Banking International	**155,117**	**151,976**	**2,271**	**2,398**	**1.5%**	**1.6%**
Industry lending	89,240	89,356	3,873	3,847	4.3%	4.3%
of which: Structured Finance	63,913	62,499	1,189	1,200	1.9%	1.9%
of which: Real Estate Finance	24,822	26,610	2,660	2,638	10.7%	9.9%
General Lending & Transaction Services	55,455	55,142	1,028	912	1.9%	1.7%
FM, Bank Treasury, Real Estate & Other	24,151	31,389	1,115	1,166	4.6%	3.7%
of which General Lease run-off	7,147	7,755	1,112	1,147	15.6%	14.8%
Commercial Banking	**168,846**	**175,887**	**6,016**	**5,925**	**3.6%**	**3.4%**
Total lending credit outstandings	**565,521**	**573,699**	**15,925**	**15,727**	**2.8%**	**2.7%**

1) Lending and money market credit outstandings, including guarantees and letters of credit (off balance positions)

ING Bank's lending credit outstandings continued to hold up well given the economic environment. The NPL ratio edged up to 2.8%, while the coverage ratio improved to 38.6%. ING Bank's capital position remains robust with a core Tier 1 ratio of 11.7% and a pro-forma fully loaded CRD IV core Tier 1 ratio of 10.0%. ING Bank's funding profile remains strong: the loan-to-deposit ratio was 1.04 at the end of the fourth quarter.

Credit risk management

In the fourth quarter of 2013, non-performing loans (NPLs) as a percentage of lending credit outstandings edged up to 2.8%, up from 2.7% in the third quarter. The increase was mainly due to by a slightly higher amount of non-performing loans in Retail Benelux and lower lending credit outstandings.

At Retail Netherlands, the NPL ratio for residential mortgages rose to 1.9%, compared with 1.8% in the third quarter. The increase was mainly due to the transfer and sale of performing mortgages from WestlandUtrecht Bank to ING Insurance. NPLs in business lending continued to be impacted by the weak economic environment and increased for the Netherlands. Although we see some early signs of economic improvement in the Netherlands, they are primarily export-led while the domestic economy remains relatively weak. Therefore, we expect the NPLs at Retail Banking Netherlands to remain elevated.

The NPL ratio for Real Estate Finance increased to 10.7% from 9.9% in the third quarter, mainly due to a decrease of the portfolio to EUR 24.8 billion from 26.6 billion in the previous quarter. The amount of non-performing loans rose marginally by EUR 22 million. The decrease of the REF portfolio can be explained by the sale of performing credit outstandings in the US, and redemptions of performing loans in the Netherlands, Germany and France.

ING Bank: Stock of provisions[1]

in EUR million	Retail Banking Benelux	Retail Banking International	Commercial Banking	Total ING Bank 4Q 2013	Total ING Bank 3Q 2013
Stock of provisions at start of period	**2,115**	**1,431**	**2,363**	**5,909**	**5,886**
Changes in composition of the Bank					-4
Amounts written off	-178	-66	-81	-325	-530
Recoveries of amounts written off	20	14	6	40	40
Increases in loan loss provisioning	392	120	264	776	807
Releases from loan loss provisioning	-87	-41	-87	-215	-256
Net additions to loan loss provisions	305	79	177	560	552
Exchange or other movements	2	-29	-4	-31	-34
Stock of provisions at end of period	**2,264**	**1,429**	**2,461**	**6,154**	**5,909**
Coverage ratio 4Q 2013	**29.6%**	**62.9%**	**41.0%**	**38.6%**	
Coverage ratio 3Q 2013	28.6%	59.7%	39.9%	37.6%	

1) At the end of December 2013, the stock of provisions included provisions for amounts due from banks: EUR 19 million (September 2013: EUR 19 million)

In the last quarter of 2013, ING Bank's stock of provisions increased to EUR 6.2 billion as net additions to loan loss provisions exceeded write-offs. The coverage ratio increased to 38.6% from 37.6% in the third quarter. The coverage ratios in Retail Banking Benelux and Commercial Banking rose mainly due to higher provisions, while the coverage ratio in Retail Banking International rose primarily due to a decline of the NPLs. The Bank's loan portfolio consists predominantly of asset-based and/ or well-secured loans including Structured Finance, Real Estate Finance and mortgage loans in Retail Banking.

Greece, Italy, Ireland, Portugal, Spain and Cyprus

In the fourth quarter, the total exposure to the GIIPSC countries declined by EUR 1.2 billion, mainly due to a decrease in debt securities of EUR 0.9 billion and in lending of EUR 0.7 billion.

The main reduction in the GIIPSC exposures was in Spain, mainly due to EUR 1.0 billion of maturing covered bonds. The NPL ratio on the own-originated loan book in Spain increased to 9.7% from 7.7% in the third quarter. Spanish mortgages remained stable with a NPL ratio of 0.9%. The difference between Spanish assets and liabilities was EUR 5.2 billion at the end of the year. An additional EUR 2.3 billion of covered bonds will mature in the course of 2014, indicating that the difference will further decline.

Securities portfolio

The overall ING Bank exposure to debt securities edged up during the fourth quarter to EUR 96.8 billion. The composition of the portfolio further improved with government bonds (Level 1 LCR assets) increasing by EUR 3.1 billion, despite the partial repayment of the IABF. This was largely offset by reduced exposure in covered bonds due to maturing Cedulas, lower financial institution bonds in Australia, and lower ABS. The revaluation reserve for debt securities remained stable at EUR 0.8 billion after tax.

ING Bank: Debt securities[1)]

in EUR billion	31 Dec. 2013	30 Sep. 2013
Government bonds	56.3	53.2
Covered bonds	18.4	19.8
Financial institutions	12.1	13.0
Corporate bonds	2.4	2.4
ABS	7.7	8.0
US RMBS	0.4	0.5
Non-US RMBS	4.7	4.9
CMBS	0.1	0.1
CDO/CLO	0.0	0.0
Other ABS	2.4	2.4
Subtotal debt securities	**96.8**	**96.3**

1) Figures exclude positions at fair value through the P&L but include securities classified as Loans & Receivables.

BANK - BREAKDOWN OF GOVERNMENT BONDS 4Q2013

ING Bank: Greece, Italy, Ireland, Portugal, Spain and Cyprus - Total exposures - 4Q2013

In EUR million	Greece	Italy	Ireland	Portugal	Spain	Cyprus	Total
Residential mortgages and other consumer lending	2	7,831	6	4	9,904	2	17,750
Corporate lending	397	7,636	562	1,083	5,085	395	15,158
Financial institutions lending	1	323	395	39	399	6	1,164
Government lending	0	160	0	0	35	0	195
Total Lending	**401**	**15,950**	**963**	**1,126**	**15,423**	**403**	**34,267**
RMBS	0	538	63	400	2,155	0	3,156
CMBS	0	0	8	0	0	0	8
Other ABS	0	15	8	4	22	0	49
Corporate bonds	0	32	0	57	3	0	92
Covered bonds	0	174	363	154	8,858	0	9,550
Financial institutions bonds (unsecured)	0	203	15	8	0	0	226
Government bonds	0	1,341	0	486	339	10	2,177
CDS exposures in banking book[1)]	0	0	0	0	-47	0	-47
Total Debt Securities	**0**	**2,303**	**456**	**1,111**	**11,330**	**10**	**15,210**
Real Estate[2)]	**0**	**102**	**0**	**0**	**219**	**0**	**321**
Trading excluding CDS exposures	2	595	34	0	374	1	1,007
Sold CDS protection	1	4	2	4	0	0	11
Bought CDS protection	-3	-15	-1	-1	-29	0	-48
Trading including CDS exposures	**1**	**583**	**36**	**4**	**346**	**1**	**970**
Undrawn committed facilities	**47**	**1,201**	**625**	**187**	**2,236**	**39**	**4,335**
Pre-settlement exposures[3)]	**28**	**478**	**370**	**42**	**661**	**31**	**1,610**
Total Risk exposures 31 December 2013	**477**	**20,618**	**2,450**	**2,470**	**30,214**	**484**	**56,713**
Total Risk exposures 30 September 2013	**472**	**20,867**	**2,331**	**2,465**	**31,338**	**447**	**57,920**
Total change in fourth quarter 2013	**6**	**-250**	**120**	**4**	**-1,124**	**37**	**-1,207**

1) In the fourth quarter of 2013 ING Bank held CDS protection on the Spanish government.
2) Real Estate includes Real Estate Development, Real Estate Investments and Property in Own Use; it does not include (indirect) exposure through Real Estate Finance, which is reflected in Total Lending and Total Debt Securities.
3) Pre-settlement exposure is exposure typically existing of dealing room products such as options, swaps, and securities financing transactions. This exposure is based on the replacement value (Marked-To-Market) of each product plus potential future volatility concept.

Funding and liquidity

The macro-economic environment in which ING Bank managed to issue its funding was characterised by the tapering discussion in the U.S., some downgrades of European sovereigns, but also some tentative signs of economic recovery and an increased presence of the southern European countries on the debt capital markets. Amid this environment, ING Bank continued to issue long-term funding, with EUR 7.2 billion raised in the fourth quarter through the issuance of senior debt and covered bonds, and exchange offer of lower Tier 2. As a result, the full-year 2013 debt issuance totalled EUR 25.7 billion compared with EUR 33.1 billion issued in 2012. The issuance volume was lower due to a combination of an asset growth slowdown and increasing funds entrusted.

ING Bank's loan-to-deposit ratio, excluding securities that are recorded at amortised cost and excluding the remaining IABF government receivable, decreased to 1.04 from 1.05 in the third quarter, mainly due to a decline in customer lending outstandings. This development was supported by the sale and transfer of WUB mortgages to ING Insurance, and lower business lending in the Netherlands. Selective growth in Structured and Trade Finance was offset by Real Estate Finance loans and a further run-off of the non-core Lease portfolio.

At the end of 2013, ING Bank's total eligible collateral position decreased to EUR 180 billion at market values compared with EUR 198 billion at the end of September 2013. The decline primarily reflects lower cash and balances held with central banks.

Market risk

In the last quarter of 2013, the average Value-at-Risk (VaR) decreased to EUR 8 million from EUR 10 million in the prior quarter, mainly due to position changes in the interest rate portfolio. The overnight VaR for ING Bank's trading portfolio ranged from EUR 5 million to EUR 11 million.

ING Commercial Bank: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign Exchange	1	3	2	2
Equities	4	6	5	4
Interest rate	3	8	5	8
Credit spread	2	3	3	3
Diversification			-7	-7
Total VaR[1)]	**5**	**11**	**8**	**9**

1) The total VaR for the columns Minimum and Maximum cannot be calculated by taking the sum of the individual components since the observations for both the individual markets as well as for total VaR may occur on different dates.

Non-financial risk

The Cybercrime Resilience Programme continues to make progress in defining concrete measures for responding to different threats, such as DDoS (Distributed Denial of Service), e-banking fraud and APT (Advanced Persistent Threat). The defined measures and workstreams raise ING's defences against these threats at both the head office and in the local entities.

The losses in the Netherlands due to skimming decreased significantly during the fourth quarter, continuing the trend set earlier this year after the introduction of 'geo-blocking' whereby bank cards are blocked for use outside of Europe unless the client requests otherwise.

Risk-weighted assets (RWA)

In the last quarter of 2013, ING Bank's total RWA increased to EUR 282.5 billion, due mainly to higher credit RWAs.

Credit RWA increased by EUR 12.0 billion to EUR 238.4 billion, including EUR 1.4 billion of negative currency effects. At comparable currency rates, credit RWA increased by EUR 13.4 billion, largely resulting from lower cure and recovery rates reflecting the economic environment, especially related to Dutch mortgages, SME clients in the Benelux and sovereign entities. The average risk-weight for the Dutch mortgage portfolio increased to 19% compared with 15% at the end of the third quarter, reflecting current market conditions. Risk migration resulted in EUR 4.1 billion of higher RWA, which mainly impacted Commercial Banking and Retail Netherlands. This effect was offset by a RWA release following the unwinding of the IABF and lower pensions assets. Operational RWA decreased by EUR 1.6 billion in the last quarter of 2013 to EUR 35.3 billion, while market RWA increased by EUR 0.9 billion to EUR 8.8 billion.

ING Bank: RWA composition

in EUR billion	31 Dec. 13	30 Sep. 13
Credit RWA	238.4	226.4
Operational RWA	35.3	36.9
Market RWA	8.8	7.9
Total RWA	**282.5**	**271.2**

Capital ratios

Capital ratios: ING Bank

In EUR million	31 Dec. 13	30 Sep. 13
Shareholders' equity	32,805	35,073
Required regulatory adjustments	305	-1,378
Core Tier 1	33,110	33,695
Hybrid Tier 1	5,122	6,666
Total Tier 1 capital	**38,232**	**40,361**
Other capital	8,263	7,465
BIS Capital	**46,495**	**47,826**
Risk-weighted assets	282,503	271,221
Required capital Basel II[1)]	22,600	21,697
Required capital based on Basel I floor[2)]	26,913	27,379
Basel II core Tier 1 ratio	**11.7%**	**12.4%**
Basel II Tier 1 ratio	**13.5%**	**14.9%**
Basel II BIS ratio[2)]	**16.5%**	**17.6%**

1) required capital is the highest of the two
2) pre-floor

ING Bank's core Tier 1 ratio was 11.7% at the end of December 2013, down from 12.4% in September. This was mainly due to the dividend payment to ING Group of EUR 1.125 billion on 6 November to facilitate the payment to the Dutch State, which was only partially offset by fourth-quarter retained earnings. In addition, risk-weighted assets (RWA) increased by EUR 11.3 billion during the quarter, largely resulting from lower cure and recovery rates, reflecting the economic environment, especially related to Dutch mortgages, SME clients in the Benelux and sovereign entities. A release in RWA following the unwinding of the IABF and lower pension assets provided a small offset to these effects. The pro-forma fully-loaded CRD IV core Tier 1 ratio was 10.0%. The Tier 1 capital position decreased due to the calling of USD 2.0 billion hybrid Tier 1 capital on 15 December 2013, which was replaced by USD 2.0 billion of CRD-IV eligible Tier 2 issuance in September 2013. On 6 November 2013, ING Bank announced the launch of seven separate exchange offers, which offered bondholders an opportunity to exchange subordinated debt into CRD-IV eligible Tier 2 securities. Through these offers, ING Bank issued EUR 2.6 billion of new CRD-IV eligible Tier 2 securities.

On 9 January 2014, ING Group announced that it intends to transfer all future funding and indexation obligations under ING's current closed Defined Benefit Pension Plan in the Netherlands to the ING Pension Fund. The pro-forma expected negative impact of this agreement on ING Bank's core Tier 1 ratio is approximately 100 basis points in the first quarter of 2014. This impact reflects ING Bank's share in the payment to the ING Pension Fund and the write-off of the net pension asset (including the so-called corridor). However, the expected negative impact on the Bank's pro-forma fully loaded core Tier 1 ratio is approximately 20 basis points in the first quarter of 2014, as the pension asset and the so-called corridor are already fully deducted from capital under CRR/CRD IV.

Asset Quality Review

In 2013 DNB performed an Asset Quality Review for Commercial Real Estate primarily focusing on relevant Income Producing Real Estate portfolios (IPRE) at ING Bank globally including Private Banking. This project had two phases with the first phase dedicated to processes and methodologies and the second phase concentrating on the appropriate level of both Capital and Provisioning. The second phase assessment was executed by DNB with assistance of BlackRock included data delivery of IPRE exposure of in total EUR 40 billion, of which the following regions were selected for detailed analysis: Netherlands, Spain and Italy. This selection totals EUR 24 billion of which the majority is managed by ING Real Estate Finance (approximately 77%). Provisions and Pillar I capital levels for ING for the portfolios in scope are in line with the results of the Asset Quality Review CRE.

In 2014, the European Central Bank will also conduct an Asset Quality Review. It is unclear at this moment if this Commercial Real Estate portfolio or certain subsets will be included in the ECB review.

ING Insurance

CONSOLIDATED RESULTS

Consolidated profit and loss account ING Insurance

In EUR million	4Q2013	4Q2012	Change	3Q2013	Change	FY2013	FY2012	Change
Operating result								
Netherlands Life	186	151	23.2%	169	10.1%	686	604	13.6%
Netherlands Non-life	12	42	-71.4%	28	-57.1%	79	103	-23.3%
Insurance Europe	48	69	-30.4%	57	-15.8%	199	219	-9.1%
Japan Life	15	28	-46.4%	34	-55.9%	162	196	-17.3%
Investment Management	28	23	21.7%	31	-9.7%	130	109	19.3%
Other[1]	-72	-122	n.a.	-88	n.a.	-371	-398	n.a.
Operating result ongoing business	**215**	**190**	**13.2%**	**231**	**-6.9%**	**886**	**833**	**6.4%**
Non-operating items ongoing business	-117	-185	n.a.	-56	n.a.	-229	-779	n.a.
of which gains/losses and impairments	29	23	26.1%	16	81.3%	97	70	38.6%
of which revaluations	15	-38	n.a.	-1	n.a.	3	-319	n.a.
of which market & other impacts	-161	-170	n.a.	-71	n.a.	-329	-531	n.a.
Japan Closed Block VA	-540	-31	n.a.	70	-871.4%	-669	105	-737.1%
Special items before tax	-29	-355	n.a.	-56	n.a.	-126	-451	n.a.
Result on divestments and discontinued operations	42	829	-94.9%	-874	n.a.	221	770	-71.3%
Result before tax	**-428**	**448**	**-195.5%**	**-685**	**n.a.**	**83**	**478**	**-82.6%**
Taxation	-155	-91	n.a.	92	-268.5%	19	-9	n.a.
Minority interests	8	2	300.0%	3	166.7%	16	19	-15.8%
Net result	**-280**	**538**	**-152.0%**	**-780**	**n.a.**	**48**	**468**	**-89.7%**

1) The segment 'Other' mainly includes Holding result, Reinsurance business (excluding Japan Closed Block VA) and NN Bank.

Key Figures ING Insurance

In EUR million	4Q2013	4Q2012	Change	3Q2013	Change	FY2013	FY2012	Change
Ongoing business								
Gross premium income	1,917	2,069	-7.3%	1,959	-2.1%	9,525	10,713	-11.1%
New sales life insurance (APE)[1]	292	288	1.4%	272	7.4%	1,227	1,353	-9.3%
Total administrative expenses	462	465	-0.6%	438	5.5%	1,807	1,806	0.1%
of which staff expenses	285	282	1.1%	293	-2.7%	1,181	1,135	4.1%
Cost/income ratio (Administrative expenses/Operating income)	38.3%	38.3%		36.7%		37.2%	36.1%	
Combined ratio (Netherlands Non-life, year-to-date)[2]	101.5%	101.5%		100.8%		101.5%	101.5%	
Investment Management Assets under Management (end of period, in EUR billion)	174	185	-5.9%	176	-1.1%	174	185	-5.9%
Life general account invested assets (end of period, in EUR billion)	75	75	0.0%	75	0.0%	75	75	0.0%
Investment margin/Life general account invested assets (bps)[3]	86	89	-3.4%	88	-2.3%			
Client balances (end of period, in EUR billion)	209	193	8.3%	206	1.5%	209	193	8.3%
NN Life Solvency I ratio	221%	191%		183%		221%	191%	
Japan Closed Block VA								
Client balances (end of period)	15	17	-11.8%	16	-6.3%	15	17	-11.8%
Total ING Insurance								
Total administrative expenses	465	469	-0.9%	441	5.4%	1,825	1,819	0.3%
Cost/income ratio (Administrative expenses/Operating income)	37.5%	37.5%		35.9%		36.6%	35.4%	
Client balances (end of period, in EUR billion)	224	209	7.2%	222	0.9%	224	209	7.2%
IGD Solvency I ratio	252%	236%		212%		252%	236%	
Employees (FTEs, end of period)	12,245	12,662	-3.3%	12,519	-2.2%	12,245	12,662	-3.3%

1) Sum of annual premiums and 1/10th of single premiums sold in the period
2) Excluding Mandema and Zicht broker businesses
3) Four-quarter rolling average

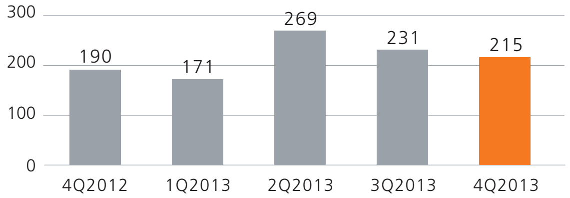
Reconciliation from Operating result ongoing business to Underlying result before tax

In EUR million	4Q2013	4Q2012	Change	3Q2013	Change	FY2013	FY2012	Change
Operating result ongoing business	**215**	**190**	**13.2%**	**231**	**-6.9%**	**886**	**833**	**6.4%**
Non-operating items ongoing business	-117	-185	n.a.	-56	n.a.	-229	-779	n.a.
Japan Closed Block VA	-540	-31	n.a.	70	-871.4%	-669	105	-737.1%
Underlying result before tax	**-441**	**-25**	**n.a.**	**245**	**-280.0%**	**-12**	**159**	**-107.5%**

ING INSURANCE

The operating result for the ongoing business of ING Insurance improved to EUR 215 million, up 13.2% from the fourth quarter of 2012, or 20.0% excluding currency effects. This improvement was mainly driven by higher investment income and lower expenses in Netherlands Life as well as lower funding costs and corporate expenses in 'Other'. These were partly offset by lower Property & Casualty (P&C) results in Netherlands Non-life and a lower result for Insurance Europe. The result before tax was EUR -428 million, and reflects one-off charges to restore reserve adequacy of the Japan Closed Block VA to the 50% confidence level and a change in the market interest rate assumption to further align the accounting and the hedging for the separate account pension business in Netherlands Life. New Sales (APE) rose 11.9% on a constant currency basis compared with last year.

OPERATING RESULT ONGOING BUSINESS - INSURANCE (in EUR mln)



The operating result ongoing business rose to EUR 215 million from EUR 190 million in the fourth quarter of 2012, mainly driven by higher investment income in Netherlands Life and an improved result in the segment 'Other' due to lower funding costs and lower corporate expenses. This improvement was partially offset by lower results in Insurance Europe, Japan Life and a lower P&C result in Netherlands Non-life. Compared with the previous quarter, the operating result ongoing business decreased 6.9% as the higher results in Netherlands Life and 'Other' did not fully offset lower results in the other segments.

The operating result for Netherlands Life rose 23.2% from a year ago to EUR 186 million, mainly due to a higher investment income and lower administrative expenses. Compared with the third quarter of 2013, the operating result rose 10.1%, reflecting a one-off benefit in the technical margin.

Netherlands Non-life's operating result declined to EUR 12 million from EUR 42 million a year ago and from EUR 28 million in the previous quarter. Lower results in P&C were mainly due to higher claims after strong storms, incidental large claims in Fire and a higher claims experience in Motor. These impacts were partly offset by a higher result in Disability and Accident (D&A), mainly in the Group disability portfolio.

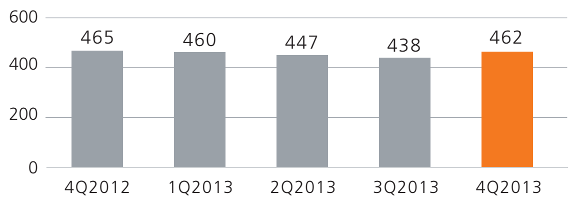
The operating result for Insurance Europe declined to EUR 48 million, down 30.4% compared with the fourth quarter of 2012, which benefited from releases of expense provisions and a technical reserve. Lower morbidity results and a lower investment income were partly mitigated by an investment performance bonus in Poland. On a sequential basis, the operating result decreased 15.8%, mainly due to a lower morbidity result.

Japan Life's operating result declined to EUR 15 million from EUR 28 million in the same quarter of 2012, mainly due to the 20% depreciation of the yen. On a constant currency basis, the operating result decreased by EUR 6 million, reflecting a lower technical margin, which was unusually high last year. This decrease was partly offset by higher fees and premium-based revenues, driven by strong sales and favourable persistency of the in-force business. Compared with the previous quarter, the operating result decreased by EUR 17 million, excluding currency effects, due to lower fees and premium-based revenues, partly compensated by lower DAC amortisation and trail commissions, both in line with the seasonally lower sales.

The operating result for Investment Management increased to EUR 28 million, up 21.7% year-on-year, mainly due to a performance fee in the current quarter and lower administrative expenses. Compared with the third quarter of 2013, the operating result declined 9.7%, caused by higher IT project expenses which were only partly offset by higher fee income.

The segment 'Other', which comprises ING Reinsurance, NN Bank and results of the Holding company, including interest on senior and subordinated debt and corporate expenses, realised a fourth-quarter operating result of EUR -72 million, compared with EUR -122 million one year ago and EUR -88 million in the previous quarter. The year-on-year improvement in results largely reflects lower funding costs, lower corporate expenses and a higher result from ING Reinsurance. The result of NN Bank remained unchanged compared with the same quarter of 2012. On a sequential basis, results improved mainly due to lower funding costs and a higher result at ING Reinsurance.

ADMINISTRATIVE EXPENSES ONGOING BUSINESS (in EUR million)



Total fourth-quarter administrative expenses for the ongoing businesses were EUR 462 million, down 0.6% from a year ago, despite higher pension costs and higher NN Bank expenses. The latter was the result of the partial transfer of WUB to NN Bank on 1 July 2013 which added 369 FTEs and EUR 18 million of expenses in the fourth quarter. Excluding currency effects, the impact of the partial transfer of WUB to NN Bank and the higher pension costs, administrative expenses for the ongoing businesses fell 6.8%, demonstrating the impact of the transformation

programme in the Netherlands and strong cost control across all business lines. Pension costs in 2013 were higher as the assumed returns on the net pension assets over 2013 were lower than over 2012. Assumed returns are based on the discount rate, which is set at the start of the year. Administrative expenses for the ongoing business rose 6.0% from the third quarter of 2013, excluding currency effects, as the third quarter benefited from the impact of a release in the holidays provision and lower VAT expenses. The current quarter also reflects higher project expenses at Netherlands Life and Investment Management, as well as higher marketing expenses at NN Bank and restructuring provisions in Insurance Europe.
As announced in November 2012, the transformation programme in Nationale-Nederlanden is expected to result in a pre-tax structural reduction in the cost base of EUR 200 million per annum by the end of 2014. In 2013, EUR 138 million of the targeted EUR 200 million savings were realised. The estimated headcount reduction associated with this programme is 1,350 FTEs over the period 2013-2014. By the end of 2013, a reduction of 818 FTE was realised.

The fourth-quarter 2013 result before tax of ING Insurance was EUR -428 million as the operating result of the ongoing business was more than offset by the previously announced EUR 575 million charge in Japan Closed Block VA to restore reserve adequacy to the 50% confidence level, and a one-off charge of EUR 177 million related to the refinement of the market interest rate assumption for the separate account pension business in Netherlands Life.

Gains/losses and impairments were EUR 29 million compared with EUR 23 million in the fourth quarter of 2012 and EUR 16 million in the previous quarter. The current quarter reflects a EUR 48 million gain on the sale of Dutch and German government bonds in Insurance Europe, in line with the re-risking strategy, partly offset by a loss on the sale of debt securities in Netherlands Life.

Revaluations were EUR 15 million compared with EUR -38 million in the fourth quarter of 2012 and EUR -1 million in the previous quarter. The current quarter includes EUR 46 million of positive revaluations on private equity, partly offset by EUR 22 million of negative revaluations on real estate, both in Netherlands Life, whereas the fourth-quarter result in 2012 included EUR 46 million of negative revaluations on real estate in Netherlands Life.

Market and other impacts amounted to EUR -161 million versus EUR -170 million a year ago and EUR -71 million in the third quarter. The result in the current quarter was fully attributable to the separate account pension business in Netherlands Life and largely reflects the EUR 177 million negative impact from the refinement of the market interest rate assumption to further align the accounting and the hedging for the separate account pension business in Netherlands Life.

The result before tax of Japan Closed Block VA was EUR -540 million compared with EUR -31 million a year ago and EUR 70 million in the previous quarter. The result for the current quarter reflects the EUR 575 million combined negative impact of a full write-off of the DAC as well as reserve strengthening to restore reserve adequacy to the 50% confidence level, partially offset by higher hedge results.

Special items before tax amounted to EUR -29 million and largely related to the accelerated transformation programme in the Netherlands. As announced in November 2012, additional IT expenses totalling EUR 75 million after tax will be incurred over 2013 and 2014 to improve processes and systems, of which EUR 44 million has been incurred in 2013.

The result on divestments and discontinued operations was EUR 42 million compared with EUR 829 million last year, reflecting a EUR 46 million result from the Asian discontinued operations and a EUR 3 million loss on divestments. The current quarter included gains on the sales of China Merchant Fund and Investment Management Korea, offset by a goodwill impairment on Investment Management Taiwan and losses on the sale of the Mexico mortgage business and ING Life Korea (in addition to the EUR 950 million estimated loss already recognised in the previous quarter). The result from discontinued operations Insurance/IM Asia decreased to EUR 46 million from EUR 102 million one year ago, mainly due to the sale of the businesses in Malaysia, Hong Kong, Thailand, India, KB Life, ING Life Korea and the closing of regional offices.

Total new sales (APE) at ING Insurance were EUR 292 million, up 11.9% from a year ago on a constant currency basis. Sales grew 30.0% in Japan Life, driven by an increased demand for financial planning products. In Insurance Europe sales declined 7.9% year-on-year, as the fourth quarter of 2012 included high sales in Luxembourg as well as exceptionally strong pension sales in the Czech Republic. APE rose 56.4% in Netherlands Life, mainly driven by the accelerated conversion of group pension contracts, offsetting declining retail life sales. Compared with the previous quarter, new sales grew 10.6% on a constant currency basis. This primarily reflects higher sales in both Netherlands Life and Insurance Europe, partially offset by seasonally lower sales in Japan Life.

Changes 1Q2014

Accounting for GMDB in Japan Closed Block VA

ING Insurance has moved towards fair value accounting on the reserves for the Guaranteed Minimum Death Benefits (GMDB) of the Japan Closed Block VA as of 1 January 2014. This improves the alignment of the book value of the GMDB reserves with their market value, better reflects the economic value of these guarantees and improves the alignment of the accounting for the guarantees with the accounting for the related hedges. Furthermore, such a move makes the accounting for the GMDB consistent with the accounting on the reserves for Guaranteed Minimum Accumulation and Withdrawal benefits.
As at the end of the fourth quarter of 2013, the difference between the current book value and the estimated fair value of the GMDB reserves was EUR 219 million before tax. This compares favourably to an estimated difference of EUR 0.4 billion (before tax) as at the end of the third quarter of 2013, caused primarily by market appreciation during the fourth quarter. Implementation of fair value accounting for GMDB represents a change in accounting

policy under IFRS with a transitional impact of EUR 165 million after tax being reflected only in shareholders' equity as of 1 January 2014. Results for comparative periods will be restated accordingly.

Following the full write-off of the DAC and reserve strengthening to restore reserve adequacy to the 50th percentile as of 1 October 2013, the reserve adequacy for the Japan Closed Block VA further improved to be adequate at the 90th percentile as of 31 December 2013. This improvement was mainly driven by market movements. Furthermore, due to the move towards fair value accounting on the reserves for the GMDB portfolio as of 1 January 2014, the reserve adequacy of the Japan Closed Block VA is expected to remain adequate at the 90th percentile.

Simplification Legal Structure NN Group

As previously announced, ING Verzekeringen N.V. is the legal entity for the intended base case IPO of ING Insurance. In this context, ING Verzekeringen N.V. will be merged into ING Insurance Topholding N.V. per 1 March 2014. Subsequently, the merged entity will be renamed NN Group N.V.. As of the merger, the board of NN Group N.V. will consist of Ralph Hamers (CEO), Lard Friese (Vice-Chairman), Delfin Rueda (CFO), Doug Caldwell (CRO), Patrick Flynn, Wilfred Nagel, and Dorothee van Vredenburch.

NETHERLANDS LIFE

Netherlands Life

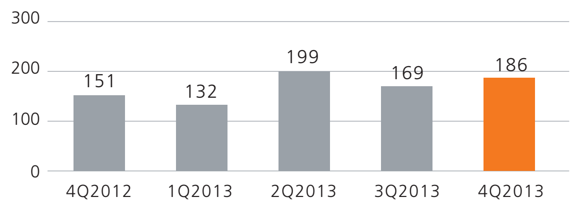
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Investment margin	140	144	128
Fees and premium-based revenues	94	117	111
Technical margin	84	32	56
Operating income non-modelled business	0	0	0
Operating income	**316**	**294**	**295**
Administrative expenses	114	121	110
DAC amortisation and trail commissions	16	22	16
Expenses	**131**	**143**	**126**
Operating result	**186**	**151**	**169**
Non-operating items	-158	-164	-102
of which gains/losses and impairments	-18	30	-37
of which revaluations	21	-24	6
of which market & other impacts	-161	-169	-71
Special items before tax	14	-158	-16
Result on divestments and discontinued operations	6	0	0
Result before tax	**48**	**-171**	**51**
Taxation	8	-56	14
Minority interests	4	1	1
Net result	**35**	**-117**	**37**
New business figures			
Single premiums	178	159	120
Annual premiums	44	24	22
New sales life insurance (APE)[1)]	61	39	34
Key figures			
Gross premium income	573	631	527
Total administrative expenses	114	121	110
Cost/income ratio (Administrative expenses/ Operating income)	36.1%	41.2%	37.3%
Life general account invested assets (end of period, in EUR billion)	55	52	53
Investment margin/Life general account invested assets (bps)[2)]	100	105	102
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	17.7	19.9	17.5
Client balances (end of period, in EUR billion)	60	60	60
Net operating ROE (unlevered)	6.8%	6.4%	6.9%
NN Life Solvency I ratio	221%	191%	183%
Employees (FTEs, end of period)	2,571	2,739	2,602

1) Sum of annual premiums and 1/10th of single premiums sold in the period
2) Four-quarter rolling average

Reconciliation from Operating result to Underlying result before tax

In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**186**	**151**	**169**
Non-operating items	-158	-164	-102
Underlying result before tax	**28**	**-13**	**67**

OPERATING RESULT - NETHERLANDS LIFE (in EUR million)



The operating result of Netherlands Life increased to EUR 186 million from EUR 151 million in the fourth quarter of 2012, mainly driven by higher investment income and lower expenses. On a sequential basis, the operating result increased 10.1%, reflecting a higher one-off benefit in the technical margin. Excluding the impact of one-off items, operating result grew 35.8% year-on-year and declined 1.2% sequentially.

The investment margin decreased to EUR 140 million from EUR 144 million a year ago, as the fourth quarter of 2012 benefited from a EUR 51 million release of a provision for profit sharing to policyholders. Investment income improved by EUR 27 million year-on-year as the increased allocation to higher-return asset classes is starting to be reflected in results whereas the interest credited to policyholders, excluding the aforementioned release last year, was EUR 19 million lower. Compared with the previous quarter, the investment margin increased 9.4%, largely driven by higher charges for interest rate guarantees on separate account pension contracts. The investment spread, calculated as a four-quarter rolling average, was 100 basis points compared with 105 basis points a year ago, largely due to the aforementioned one-off profit-sharing provision release in the fourth quarter of 2012.

Fees and premium-based revenues decreased to EUR 94 million from EUR 117 million a year ago and EUR 111 million in the previous quarter, mainly due to a EUR -22 million non-recurring adjustment following an alignment of reserving rates with the premium increases. Lower cost charges on a decreasing Individual life closed book also reduced fee income.

The technical margin increased to EUR 84 million from EUR 32 million a year ago and EUR 56 million in the third quarter of 2013, as the current quarter included EUR 41 million non-recurring benefits primarily related to a provision release, whereas the last quarter of 2012 included a EUR 23 million addition to unit-linked guarantee provisions. Excluding these non-recurring items, the technical margin decreased 21.8% year-on-year mainly due to lower mortality results, and was down 23.2% sequentially as the previous quarter included higher morbidity results.

Administrative expenses were EUR 114 million, down 5.8% year-on-year, reflecting the impact of the transformation programme as well as lower Solvency II expenses, partly offset by higher pension costs. On a sequential basis, administrative expenses rose 3.6% due to higher project expenses. The ratio of life administrative expenses to operating income improved to 36.1% from 41.2% in the fourth quarter of 2012, benefiting from both lower expenses and higher operating income.

The result before tax increased to EUR 48 million from EUR -171 million in the fourth quarter of 2012, which was impacted by EUR 149 million of special items related to the transformation programme.

Gains/losses and impairments were EUR -18 million, reflecting impairments and capital losses on debt securities as well as impairments on real estate, partly compensated by capital gains on public and private equity investments.

Revaluations were EUR 20 million, driven by positive revaluations on private equity, partly offset by negative revaluations on real estate.

Market and other impacts were EUR -161 million compared with EUR -169 million a year ago and EUR -71 million in the third quarter of 2013. The current quarter mainly reflects a EUR -177 million impact from the previously announced refinement of the market interest rate assumption for the separate account pension business. This refinement will improve the alignment of the accounting, the hedging results and the liability changes due to movements in market interest rates.

APE increased to EUR 61 million from EUR 39 million in the fourth quarter 2012, mainly driven by the accelerated conversion of group pension contracts to a new defined benefit pension product, which offset declining sales in the retail life business.

NETHERLANDS NON-LIFE

Netherlands Non-life

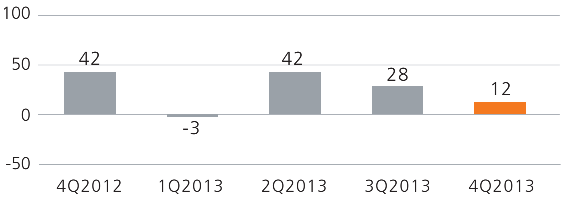
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Earned premiums, net of reinsurance	384	402	385
Investment income, net of investment expenses	29	33	26
Other income	17	21	11
Operating income	**430**	**457**	**422**
Claims incurred, net of reinsurance	279	275	255
Acquisition costs	57	58	60
Administrative expenses	82	81	80
Acquisition costs and administrative expenses	139	139	139
Expenditure	**418**	**414**	**395**
Operating result	**12**	**42**	**28**
Non-operating items	7	1	-2
of which gains/losses and impairments	2	5	-2
of which revaluations	5	-4	0
of which market & other impacts	0	0	0
Special items before tax	6	-82	-5
Result on divestments and discontinued operations	0	0	0
Result before tax	**25**	**-39**	**21**
Taxation	5	-11	5
Minority interests	0	0	0
Net result	**20**	**-28**	**16**
Key figures			
Gross premium income	240	256	285
Combined ratio[1]	101.5%	101.5%	100.8%
Claims ratio[1]	69.7%	72.5%	68.7%
Expense ratio[1]	31.8%	29.0%	32.1%
Net operating ROE (unlevered)	5.4%	33.8%	14.9%
Employees (FTEs, end of period)	1,999	2,110	2,029

1) Year-to-date, excluding Mandema and Zicht broker businesses

Reconciliation from Operating result to Underlying result before tax

In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**12**	**42**	**28**
Non-operating items	7	1	-2
Underlying result before tax	**19**	**43**	**26**

OPERATING RESULT - NETHERLANDS NON-LIFE (in EUR million)



The operating result for Netherlands Non-life was EUR 12 million versus EUR 42 million in the fourth quarter of 2012 and EUR 28 million in the previous quarter. The fourth-quarter result mainly reflects higher claims in Property & Casualty (P&C) following heavy storms amounting to EUR 13 million, as well as large claims in Fire amounting to EUR 10 million and a higher claims experience in Motor. The year-on-year decline was only partially mitigated by improved performance in the Group disability portfolio following management actions to restore profitability in Disability & Accident (D&A). Results declined sequentially as the previous quarter benefited from non-recurring provision releases reflecting improved reserve calculations in P&C and higher claims experience in the fourth quarter.

The fourth-quarter combined ratio calculated on a year-to-date basis was 101.5%, in line with the fourth quarter of 2012, as an improvement in D&A was offset by a deterioration in P&C.

Administrative expenses were relatively stable at EUR 82 million compared with the same quarter of 2012 as the impact of the transformation programme at Nationale-Nederlanden was offset by higher pension costs. On a sequential basis, administrative expenses increased 2.5%, reflecting higher project and marketing expenses.

The result before tax improved significantly to EUR 25 million from EUR -39 million in the fourth quarter of 2012, which was impacted by EUR 82 million of special items related to the transformation programme.

Non-operating items were EUR 7 million, reflecting positive revaluations on the private equity and real estate portfolios.

Gross premium income declined to EUR 240 million, down 6.3% from a year ago due to lower premium volumes in D&A following management actions to improve profitability, as well as the challenging economic environment in the Netherlands. Premium income declined in P&C due to the effects of stricter underwriting, rationalisation of the portfolio and higher lapses. On a sequential basis, gross premium income declined 15.8%, largely due to seasonality in D&A, with premium income skewed towards the first and third quarters.

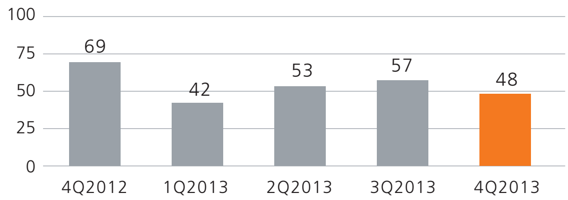
INSURANCE EUROPE

Insurance Europe			
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Investment margin	25	37	27
Fees and premium-based revenues	133	127	126
Technical margin	49	50	49
Operating income non-modelled business	5	6	5
Operating income Life Insurance	**211**	**220**	**206**
Administrative expenses	77	74	74
DAC amortisation and trail commissions	89	80	77
Expenses Life Insurance	**166**	**154**	**150**
Operating result Life Insurance	**46**	**66**	**56**
Non-life operating result	2	3	1
Operating result	**48**	**69**	**57**
Non-operating items	47	-17	4
of which gains/losses and impairments	48	-11	5
of which revaluations	-1	-5	-1
of which market & other impacts	0	-1	0
Special items before tax	-3	-13	-2
Result on divestments and discontinued operations	0	0	0
Result before tax	**91**	**39**	**60**
Taxation	34	15	21
Minority interests	3	2	2
Net result	**54**	**22**	**37**
New business figures			
Single premiums	303	463	240
Annual premiums	110	112	84
New sales life insurance (APE)[1]	140	159	108
Key figures			
Gross premium income	646	681	564
Total administrative expenses	80	76	77
Cost/income ratio (Administrative expenses/ Operating income)	34.8%	32.1%	34.5%
Life general account invested assets (end of period, in EUR billion)	12	15	13
Investment margin/Life general account invested assets (bps)[2]	80	84	86
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	7.2	7.1	7.1
Client balances (end of period, in EUR billion)	41	40	41
Net operating ROE (unlevered)	7.2%	10.4%	8.7%
Employees (FTEs, end of period)	4,016	4,074	4,043

1) Sum of annual premiums and 1/10th of single premiums sold in the period
2) Four-quarter rolling average

Reconciliation from Operating result to Underlying result before tax			
In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**48**	**69**	**57**
Non-operating items	47	-17	4
Underlying result before tax	**94**	**52**	**62**

OPERATING RESULT - INSURANCE EUROPE (in EUR million)



The operating result before tax of Insurance Europe fell to EUR 48 million from EUR 69 million in the fourth quarter of 2012, which benefited from releases of expense provisions and of a technical reserve. Lower morbidity results and a lower investment income were partly mitigated by an investment performance bonus in Poland. On a sequential basis, the operating result decreased 15.8%, mainly due to a lower morbidity result.

The investment margin was EUR 25 million, down from EUR 37 million in the fourth quarter of 2012 and EUR 27 million in the previous quarter. The year-on-year decline was mainly due to changes in the timing of investment income in Belgium related to real estate investments and in the Czech Republic related to regulatory changes impacting the third-pillar pension funds assets, which were taken off the balance sheet as of January 2013. Lower general account assets following lower guaranteed interest rates also contributed to the decline.

Fees and premium-based revenues were EUR 133 million, up from EUR 127 million in the same quarter of 2012 and EUR 126 million in the third quarter of 2013. The increase mainly reflects an investment performance bonus received in Poland.

The technical margin of EUR 49 million was stable on both comparable quarters. The technical margin for the fourth quarter of 2012 included a EUR 10 million crisis tax in Belgium; however, this tax has been recorded in DAC amortisation and trail commissions in the fourth quarter of 2013. Excluding the impact of this reclassification, the technical margin decreased from the fourth quarter of 2012, largely due to a lower morbidity result.

Administrative expenses increased to EUR 77 million from EUR 74 million in both comparable quarters. While expenses in the fourth quarter 2012 benefited from releases of provisions, the current quarter included restructuring provisions in Spain and Hungary. Excluding these non-recurring items the administrative expenses dropped by 2.9% year-on-year driven by tight cost control across the region.

DAC amortisation and trail commissions were EUR 89 million versus EUR 80 million in the fourth quarter of 2012 and EUR 77 million in the previous quarter. The increase mainly reflects the aforementioned reclassification of the crisis tax in Belgium from the technical margin.

The result before tax was EUR 91 million and reflects a EUR 48 million gain on the sale of Dutch and German government bonds in Belgium, whereas the result in the fourth quarter of 2012 was impacted by losses on sales of bonds and negative revaluations on real estate in Belgium.

New sales (APE) were EUR 140 million versus EUR 159 million in the fourth quarter of 2012, which included high sales in the Czech Republic in anticipation of a regulatory change in the third-pillar pension fund effective from 2013 and high sales in Luxembourg. Excluding these items, sales grew 11%, mainly driven by higher Life sales in Poland. Compared with the third quarter, sales jumped 30.8%, mainly attributable to seasonally high sales in the fourth quarter.

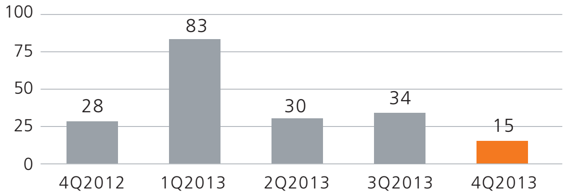
JAPAN LIFE

Japan Life			
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Investment margin	1	4	0
Fees and premium-based revenues	81	90	107
Technical margin	-3	9	1
Operating income non-modelled business	0	0	0
Operating income	**79**	**103**	**108**
Administrative expenses	28	34	27
DAC amortisation and trail commissions	36	41	47
Expenses	**64**	**75**	**74**
Operating result	**15**	**28**	**34**
Non-operating items	-2	8	23
of which gains/losses and impairments	-1	0	25
of which revaluations	-1	8	-2
of which market & other impacts	0	0	0
Special items before tax	0	0	0
Result on divestments and discontinued operations	0	0	0
Result before tax	**13**	**35**	**56**
Taxation	7	10	21
Minority interests	0	0	0
Net result	**6**	**25**	**36**
New business figures			
Single premiums	23	30	31
Annual premiums	88	87	127
New sales life insurance (APE)[1]	90	90	130
Key figures			
Gross premium income	444	495	574
Total administrative expenses	28	34	27
Cost/income ratio (Administrative expenses/ Operating income)	35.4%	33.0%	25.0%
Life general account invested assets (end of period, in EUR billion)	8	9	9
Investment margin/Life general account invested assets (bps)[2]	8	11	11
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	0.1	0.0	0.0
Client balances (end of period, in EUR billion)	7	8	8
Net operating ROE (unlevered)	2.4%	5.7%	7.9%
Employees (FTEs, end of period)	637	665	657

1) Sum of annual premiums and 1/10th of single premiums sold in the period
2) Four-quarter rolling average

Reconciliation from Operating result to Underlying result before tax			
In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**15**	**28**	**34**
Non-operating items	-2	8	23
Underlying result before tax	**13**	**35**	**56**

OPERATING RESULT - JAPAN LIFE (in EUR million)



Japan Life reflects the results of predominantly the Corporate-Owned Life Insurance (COLI) products sold by ING Life Japan. In general, the COLI business is subject to seasonality due to the fiscal year in Japan, which ends on 31 March, and the fiscal half-year, which ends 30 September. Accordingly, Japan Life experiences higher sales and higher fees and premium-based revenues as well as higher DAC amortisation in the first and third quarters of the year, while surrenders tend to peak within two months after premiums are due, which is reflected in the technical margin.

Japan Life posted an operating result of EUR 15 million in the fourth quarter of 2013 compared with EUR 28 million in the fourth quarter of 2012, down 28.6% excluding currency effects. The 15.7% growth in fees and premium-based revenues, excluding currency effects, was more than offset by a lower technical margin and higher DAC amortisation. On a sequential basis, the operating result decreased 53.1%, excluding currency effects, due to seasonally lower fees and premium-based revenues, partly mitigated by lower DAC amortisation.

The investment margin was largely stable from the third quarter, but decreased to EUR 1 million from EUR 4 million in the fourth quarter of 2012.

Fees and premium-based revenues decreased to EUR 81 million compared with EUR 90 million in the fourth quarter of 2012, but they rose 15.7%, excluding currency effects, due to higher premium income that was driven by continuously strong sales and favourable persistency of the in-force business. On a sequential basis, fees and premium-based revenues decreased 19.8%, excluding currency effects, due to seasonally strong sales in the third quarter.

The technical margin decreased to EUR -3 million compared with EUR 9 million in the fourth quarter of 2012, which included strong mortality and morbidity results.

Administrative expenses decreased to EUR 28 million from EUR 34 million in the fourth quarter of 2012. They were up 3.7% excluding currency effects. The current quarter reflects a lower level of capitalised expenses, partially mitigated by lower operating expenses reflecting disciplined expense control. Compared with the third quarter of 2013, administrative expenses increased by EUR 1 million.

DAC amortisation and trail commissions decreased to EUR 36 million compared with EUR 41 million in the fourth quarter of 2012. They increased 12.5% excluding currency effects. Higher premium income in the fourth quarter of 2013 drove the increase in DAC amortisation. On a sequential basis, DAC amortisation and trail commissions decreased 20%, excluding currency effects, as a result of seasonally higher premium income in the third quarter of 2013.

The result before tax decreased to EUR 13 million from EUR 35 million in the fourth quarter of 2012 (down 46.2% excluding currency effects), mainly due to a lower operating result and lower revaluations. On a sequential basis, the result before tax decreased by EUR 43 million, or 73.6% excluding currency effects, mainly due to the seasonally lower operating result and EUR 25 million of capital gains realised in the third quarter of 2013.

Gains, losses and impairments declined to EUR -1 million versus EUR 0 million in the fourth quarter of 2012 and EUR 25 million in the third quarter of 2013, which included realised capital gains as part of the aforementioned asset rebalancing.

Revaluations decreased to EUR -1 million compared with EUR 8 million in the fourth quarter of 2012, which included an extraordinary gain and EUR -2 million in the third quarter of 2013.

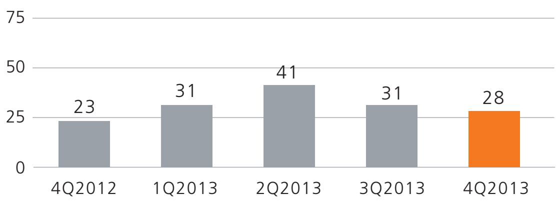
New sales (APE) were EUR 90 million in the fourth quarter of 2013, up 30% year-on-year excluding currency effects. This strong sales growth was driven by the increased need for financial planning by small and medium-sized enterprises as a result of the economic recovery in Japan. On a sequential basis, APE decreased 26.0%, excluding currency effects, due to seasonality.

INVESTMENT MANAGEMENT

Investment Management			
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Investment margin	0	-1	0
Fees	111	109	107
Operating income	**111**	**108**	**108**
Administrative expenses	**83**	**85**	**76**
Operating result	**28**	**23**	**31**
Non-operating items	0	0	0
of which gains/losses and impairments	0	0	0
of which revaluations	0	0	0
of which market & other impacts	0	0	0
Special items before tax	0	-3	0
Result on divestments and discontinued operations	27	-27	1
Result before tax	**55**	**-7**	**32**
Taxation	9	7	9
Minority interests	0	-1	0
Net result	**46**	**-13**	**22**
Key Figures			
Total administrative expenses	83	85	76
Cost/income ratio (Administrative expenses/ Operating income)	74.8%	78.7%	70.4%
Net inflow Assets under Management (in EUR billion)	-3	3	0
Assets under Management (end of period, in EUR billion)	174	185	176
Fees/average Assets under Management (bps)	25	24	24
Client balances (end of period, in EUR billion)	94	83	93
Net operating ROE (unlevered)	22.2%	17.3%	26.4%
Employees (FTEs, end of period)	1,134	1,204	1,144

Reconciliation from Operating result to Underlying result before tax			
In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**28**	**23**	**31**
Non-operating items	0	0	0
Underlying result before tax	**28**	**23**	**31**

OPERATING RESULT - INVESTMENT MANAGEMENT (in EUR million)



Total assets under management (AuM) for Investment Management were EUR 174.1 billion at the end of the fourth quarter, down 5.9% from the final quarter of 2012 and 1.1% from the previous quarter, largely due to outflows in the Proprietary segment following reinvestment by NN Life of Dutch and German bonds into mortgages.

Despite the lower AuM, the operating result increased to EUR 28 million, up 21.7% from the fourth quarter of 2012, mainly reflecting higher operating income on a performance fee received in the current quarter and lower administrative expenses.

Compared with the previous quarter, the operating result decreased 9.7%, mainly caused by higher IT project expenses.

Fees and premium-based revenues were EUR 111 million, up 1.8% from the fourth quarter of 2012 and 3.7% from the previous quarter, mainly driven by the aforementioned performance fee.

Administrative expenses were largely stable at EUR 83 million year-on-year, but increased 9.2% from the third quarter of 2013, largely due to higher IT project expenses.

The fourth-quarter result before tax was EUR 55 million and reflects a EUR 27 million result on divestments and discontinued operations. This includes gains on the divestments of China Merchants Fund and Investment Management Korea, partially offset by a goodwill impairment related to the announced sale of Investment Management Taiwan.

OTHER

Other			
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Interest on hybrids and debt	-33	-52	-46
Amortisation of intangible assets	-2	-1	-2
Investment income & fees	1	-2	3
Holding expenses	-46	-64	-44
Holding result	**-80**	**-118**	**-89**
Operating result Reinsurance business	5	-14	0
Operating result NN Bank	-1	-2	3
Other results	3	12	-1
Operating result	**-72**	**-122**	**-88**
Non-operating items	-11	-13	20
of which gains/losses and impairments	-2	0	25
of which revaluations	-9	-12	-5
of which market & other impacts	0	0	0
Special items before tax	-45	-99	-33
Result on divestments and discontinued operations	7	7	1
Result before tax	**-122**	**-227**	**-100**
Taxation	-43	-77	-15
Minority interests	0	0	0
Net result	**-79**	**-150**	**-85**
Key figures			
Total administrative expenses	74	68	67
NN Bank core Tier 1 ratio	16.4%	25.9%	21.4%
Employees (FTEs, end of period)	1,777	1,755	1,929

Reconciliation from Operating result to Underlying result before tax			
In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**-72**	**-122**	**-88**
Non-operating items	-11	-13	20
Underlying result before tax	**-84**	**-135**	**-67**

The operating result of 'Other' improved to EUR -72 million from EUR -122 million a year earlier and EUR -88 million in the third quarter of 2013. The year-on-year improvement mainly reflects a better holding result on lower funding costs and expense reductions, as well as a higher operating result at ING Reinsurance. On a sequential basis, the operating result improved by EUR 16 million, mainly reflecting lower funding costs following a EUR 2 billion senior debt re-financing into ING Group senior debt in September 2013.

The holding result improved to EUR -80 million compared with EUR -118 million in the fourth quarter of 2012. Interest costs on hybrids and senior debt were EUR 19 million lower, reflecting the aforementioned EUR 2 billion debt re-financing against lower interest rates. In December 2013, EUR 1 billion of ING Group senior debt was converted into equity. Corporate expenses decreased by EUR 18 million compared with the year-ago quarter, reflecting the transformation programme in the Netherlands and lower Solvency II project expenses.

The result of ING Reinsurance increased to EUR 5 million from EUR -14 million as the fourth quarter of 2012 included a loss on a specific reinsurance contract.

The operating result of NN Bank improved to EUR -1 million from EUR -2 million a year ago and decreased from EUR 3 million in the third quarter of 2013. The partial transfer of assets and liabilities from WUB to NN Bank in the second half of 2013 led to a relatively higher increase in operating income than expenses. The result in the fourth quarter of 2013 was impacted mainly due to higher marketing expenses.

The result before tax was EUR -122 million, an improvement of EUR 105 million from the year-ago quarter mainly driven by the better operating result. Besides special items of more than EUR 40 million for the transformation programmes in both this year's fourth quarter and the final quarter of 2012, the special items in the fourth quarter of 2012 included EUR 56 million of goodwill write-offs in the Netherlands.

Total administrative expenses for the 'Other' segment increased to EUR 74 million from EUR 68 million in the fourth quarter of 2012. The partial transfer of WUB to NN Bank on 1 July 2013 added 369 FTEs and EUR 18 million of expenses in the fourth quarter. Excluding the partial transfer of WUB, the administrative expenses decreased 17.6 % year-on-year mainly driven by lower corporate expenses.

JAPAN CLOSED BLOCK VA

Japan Closed Block VA

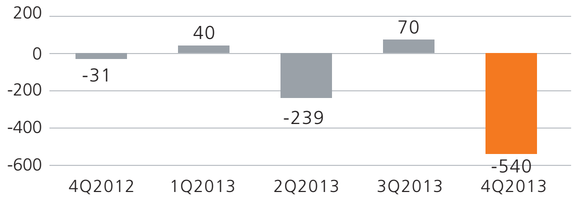
In EUR million	4Q2013	4Q2012	3Q2013
Margin analysis			
Investment margin	0	0	0
Fees and premium-based revenues	33	36	34
Technical margin	0	0	0
Operating income non-modelled business	0	0	0
Operating income	**33**	**36**	**34**
Administrative expenses	3	4	3
DAC amortisation and trail commissions	3	13	11
Expenses	**6**	**18**	**14**
Operating result	**27**	**18**	**20**
Non-operating items	-567	-50	51
of which gains/losses and impairments	0	0	1
of which revaluations	0	0	0
of which market & other impacts	-567	-50	50
Special items before tax	0	0	0
Result on divestments and discontinued operations	0	0	0
Result before tax	**-540**	**-31**	**70**
Taxation	-187	-6	19
Minority interests	0	0	0
Net result	**-353**	**-25**	**51**
Key figures			
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	15	0	0
Client balances (end of period, in EUR billion)	15	17	16
Employees (FTEs, end of period)	111	117	115

Reconciliation from Operating result to Underlying result before tax

In EUR million	4Q2013	4Q2012	3Q2013
Operating result	**27**	**18**	**20**
Non-operating items	-567	-50	51
Underlying result before tax	**-540**	**-31**	**70**

As previously announced, the Japan Closed Block Variable Annuity (VA) business is reported as a separate business line from the fourth quarter of 2013 onwards and results for this business are included in the result before tax of ING Insurance.

RESULT BEFORE TAX - JAPAN CLOSED BLOCK VA (in EUR million)



The result before tax of EUR -540 million reflects the previously announced charge of EUR 575 million taken in order to bring the reserve adequacy of the business line to the 50% level as of 1 October 2013. This charge has been reflected by way of a write-down of EUR 1,405 million deferred acquisition costs (DAC) of the Japan Closed Block VA business, partially offset by a EUR 867 million release of the related unearned revenue liability in technical provisions and an additional reserve increase of EUR 37 million.

The operating result increased to EUR 27 million from EUR 18 million in the fourth quarter of 2012 and from EUR 20 million in the third quarter, as both comparable quarters included DAC amortisation, which has been fully written off as of 1 October 2013.

Fees and premium-based revenues declined to EUR 33 million from EUR 36 million in the fourth quarter of 2012 and from EUR 34 million in the third quarter of 2013. The decrease was entirely due to currency effects. Excluding currency effects, fees and premium-based revenues increased 17.9% year-on-year and 3.1% sequentially, as market appreciation led to higher asset-based fee income.

Administrative expenses were EUR 3 million compared to EUR 4 million in the fourth quarter of 2012 and EUR 3 million in the third quarter.

DAC amortisation and trail commissions fell to EUR 3 million from EUR 13 million a year ago and from EUR 11 million in the third quarter of 2013. As all DAC has been written off as of 1 October 2013, this line now reflects only trail commissions.

Market and other impacts were EUR -567 million compared with EUR -50 million in the fourth quarter of 2012 and EUR 50 million in the third quarter of 2013. The fourth-quarter result primarily reflects the aforementioned charge to bring the reserve adequacy of the business line to the 50% confidence level as of 1 October 2013. An accounting asymmetry on the Guaranteed Minimum Death Benefit (GMDB) led to a loss of EUR 55 million during the quarter; however, this loss was fully offset by economic profits generated by the hedging programme. Market and other impacts also include a EUR 8 million gain from the update of policyholder behaviour assumptions following the annual review, which was concluded in the fourth quarter of 2013.

The result before tax for the Japan Closed Block VA for the full year 2013 was EUR -669 million, primarily reflecting the above mentioned EUR 575 million charge taken in order to bring the reserve adequacy of the business line to the 50% confidence level as of 1 October 2013 due to the change in segment reporting. The loss also included a EUR -273 million accounting difference between the change in IFRS liabilities and the fair value of the GMDB liabilities on which the hedging program is based. As of 1 January 2014, ING Insurance has moved towards fair value accounting on the reserves for the GMDB which will remove this accounting asymmetry. These two items offset the full year operating result before tax of EUR 80 million. The hedge programme was successful in offsetting market related movements in the liabilities. Specifically, the result included a positive market related result net of hedging of EUR 44 million as the hedge assets offset a EUR 2.4 billion movement in the reserves (as measured on a fair value basis).

CONSOLIDATED BALANCE SHEET

ING Insurance: Consolidated balance sheet

in EUR million	31 Dec. 13	30 Sep. 13 pro forma[1]	31 Dec. 12
Assets			
Cash and balances with central banks	7,155	6,858	5,389
Financial assets at fair value through P&L	43,933	44,859	106,458
- trading assets	736	570	586
- non-trading derivatives	3,126	3,342	5,108
- investments for risk of policyholders	39,589	40,165	98,765
- other	482	782	2,000
Investments	61,014	64,460	119,305
- debt securities available-for-sale	55,394	59,101	114,232
- equity securities available-for-sale	5,620	5,359	5,073
Loans and advances to customers	25,319	22,076	25,823
Reinsurance contracts	252	277	5,291
Investments in associates	1,028	1,120	1,352
Real estate investments	764	791	805
Property and equipment	164	181	338
Intangible assets	392	398	1,018
Deferred acquisition costs	1,353	2,832	4,549
Other assets	4,190	4,980	7,039
Total assets excl. assets held for sale	**145,564**	**148,833**	**277,366**
Assets held for sale	630	18,640	61,691
Total assets	**146,194**	**167,473**	**339,057**

	31 Dec. 13	30 Sep. 13 pro forma[1]	31 Dec. 12
Equity			
Shareholders' equity	14,291	14,973	26,424
Minority interests	68	65	217
Total equity	**14,358**	**15,038**	**26,642**
Liabilities			
Subordinated loans	2,892	2,894	2,947
Debt securities in issue			1,910
Other borrowed funds	4,817	5,225	7,442
Insurance and investment contracts	111,551	115,087	229,950
- life insurance provisions	67,481	70,292	122,990
- non-life insurance provisions	3,584	3,726	3,530
- provision for risk of policyholders	39,675	40,259	98,869
- other	810	811	4,561
Customer deposits	5,769	4,962	
Financial liabilities at fair value through P&L	1,843	1,782	3,258
- non-trading derivatives	1,843	1,782	3,258
Other liabilities	4,497	5,111	11,254
Total liabilities excl. liabilities held for sale	**131,369**	**135,061**	**256,761**
Liabilities held for sale	466	17,374	55,655
Total liabilities	**131,835**	**152,435**	**312,416**
Total equity and liabilities	**146,194**	**167,473**	**339,057**

1) Adjusted for the transfer of ING Life Japan from Held for sale to reflect the decision to divest ING Life Japan as part of the intended base case IPO of ING Insurance.

Total assets of ING Insurance decreased by EUR 21.3 billion over the fourth quarter of 2013 to EUR 146.2 billion, primarily due to the closing of the sale of ING Life Korea. Shareholders' equity declined by EUR 0.7 billion to EUR 14.3 billion due to the re-measurement of the net pension asset and lower revaluation reserves, which were partially mitigated by a EUR 1 billion debt-to-equity conversion.

Assets

Debt securities available for sale decreased by EUR 2.9 billion to EUR 55.4 billion on a constant currency basis, mainly due to reinvestment by NN Life of Dutch and German government bonds into mortgages. Lower market values as the result of higher interest rates also contributed to the decline.

Loans and advances to customers increased by EUR 3.2 billion, mainly reflecting a transfer of EUR 3.4 billion in mortgages from ING Bank to ING Insurance, of which EUR 2.7 billion was transferred to NN Life and EUR 0.7 billion to NN Bank.

Deferred acquisition costs (DAC) decreased by EUR 1.4 billion on a constant currency basis to EUR 1.4 billion. The EUR 0.6 billion charge in the fourth quarter to restore the reserve adequacy of the Japan Closed Block VA to the 50% confidence level at 1 October 2013 is mainly reflected in the balance sheet as a reduction of DAC of EUR 1.4 billion, as it is partially offset by the release of the related unearned revenue liability of EUR 867 million.

Liabilities

Insurance and Investment contracts decreased by EUR 1.2 billion at comparable currency rates to EUR 111.6 billion, mainly reflecting the aforementioned release of the unearned revenue liability for the Japan Closed Block VA.
Customer deposits increased by EUR 0.9 billion, reflecting an increase of consumer savings at NN Bank during the quarter.

Assets/Liabilities held for sale

Net assets and liabilities held for sale, which reflect the balance sheet items of Insurance & Investment Management Asia, decreased by EUR 18.0 billion during the quarter following the closing of the sale of ING Life Korea in December 2013.

Shareholders' equity

Shareholders' equity declined by EUR 0.7 billion to EUR 14.3 billion. The decrease includes a EUR 0.7 billion reduction in the net pension asset, mainly reflecting changes in the discount rate, EUR 0.8 billion decline in the revaluation reserves and EUR 0.2 billion negative net result. An EUR 1.0 billion debt-to-equity conversion was implemented to strengthen the equity position of ING Insurance.

Annual development

ING Insurance's balance sheet decreased year-on-year due to the transfer of ING U.S. to ING Group. Excluding currency effects, the divestments of the Insurance/Investment Management Asia businesses and the transfer of ING U.S. to ING Group, the balance sheet increased year-on-year by EUR 5.7 billion to EUR 146.2 billion. This was mainly driven by the transfer of EUR 3.8 billion of mortgages from WUB to NN Bank. Shareholders' equity decreased by EUR 12.1 billion to EUR 14.3 billion, mainly related to the IPO of ING U.S. and the transfer of the remaining stake in ING U.S. to ING Group on 30 September 2013 through a dividend in kind.

RISK & CAPITAL MANAGEMENT

Solvency ratios at year-end improved over the fourth quarter following a EUR 1 billion debt-to-equity conversion, an improved Solvency position of NN Life and the sale of ING Life Korea. ING Insurance continued to improve its risk profile in preparation for its stand-alone future. It focused on reducing market risk sensitivities due to accounting methodology and optimising its balance sheet through yield enhancements from increased mortgage volumes.

Pre-tax earnings sensitivities for market and credit risks (full year impact)

In EUR million	4Q2013	3Q2013
Interest Rates +30%*	16	-111
Interest Rates -30%*	-14	108
Equity -25%	-362	-167
Equity +25%	273	181
Implied Volatility (+30%)	-159	-122
Real Estate -10%	-485	-464
Credit Default	-96	-85
Foreign Exchange -10%	-57	-51

* based on a parallel shock of 30% of the 10-year interest rate

Market risk

The inclusion of Japan Life, and in particular the Japan Closed Block VA business, increased the 3Q2013 market risk sensitivities compared to those reported last quarter. The reported market risk sensitivities for the fourth quarter reflect the refinement of the calculations for the separate account pension business in the Netherlands as well as the move towards fair value accounting on the reserves for the Guaranteed Minimum Death Benefits (GMDB) of the Japan Closed Block VA as of 1 January 2014. These changes significantly reduced the sensitivity of result before tax to interest rates as both the interest rate hedges and the technical provisions for these books move the same way with interest rates.

As of the fourth quarter, the earnings sensitivities to equity risk primarily relate to direct equity holdings in the Netherlands and Belgium, as well as to the hedging of the separate account pension business in the Netherlands and fee income from the investment management business, for which earnings sensitivities have been included as of the fourth quarter. The earnings sensitivities to equity movements changed significantly from the third quarter to the fourth quarter primarily due to the move towards fair value accounting on the reserves for the GMDB portfolio of Japan Closed Block VA as of 1 January 2014. This will improve the alignment of the accounting for the guarantees with the accounting for the related hedges of the Japan Closed Block VA and will reduce the offset going forward from this block to equity risks in other businesses.

The real estate sensitivity reflects investments in real estate funds and direct real estate assets. Market movements in real estate are taken through the P&L; therefore, real estate sensitivities are similar from an economic, regulatory capital and IFRS earnings perspective.

Credit risk

Credit spread risk - which reflects the impact of spreads further widening due to default expectation, illiquidity and any other risk premium reflected in the price of a fixed income instrument – is one of the largest risks from a regulatory capital perspective in the Netherlands. From an economic perspective, fixed income instruments are generally held to maturity so the main exposure to credit spread risk is therefore to the default element priced into the spreads at any point in time. Accordingly, our actual economic exposure to spread risk is lower than that implied by the current Dutch regulatory capital framework, which is sensitive to short-term market movements versus the liability discounting curve.

The total exposure to Greece, Italy, Ireland, Portugal and Spain (GIIPS) decreased by EUR 298 million during the fourth quarter, mainly due to a reduction in the Asset Backed Securities portfolio (EUR 138 million) and a reduction in Irish RMBS (86 million).

In order to improve investment income, overall exposure to mortgages increased over the quarter with transfers from

ING Insurance: Greece, Italy, Ireland, Portugal and Spain - Total exposures - 31 December 2013

in EUR million	Greece	Italy	Ireland	Portugal	Spain	Total
Residential mortgages and other consumer lending	9	0	0	0	18	27
Corporate lending	0	75	25	0	0	100
Financial Institutions lending	11	0	0	0	170	181
Total Lending	**20**	**75**	**25**	**0**	**188**	**308**
RMBS	27	236	0	182	263	708
Other ABS	0	12	0	0	2	14
Corporate bonds	0	287	254	15	164	720
Covered bonds	0	9	5	0	355	369
Financial institutions bonds (unsecured)	0	58	0	25.75	76	160
Government bonds	39	1,303	53	4.74	1,013	2,413
Total Debt Securities	**66**	**1,905**	**312**	**227**	**1,873**	**4,383**
Real Estate	**22**	**346**	**0**	**206**	**262**	**836**
Total Exposures 31 December 2013	**108**	**2,326**	**337**	**433**	**2,323**	**5,527**
Total Exposures 30 September 2013	**101**	**2,246**	**531**	**358**	**2,589**	**5,825**
Total change over prior quarter	**7**	**80**	**-194**	**75**	**-266**	**-298**

Footnote: ING Insurance/IM has no credit risks linked to Cyprus.

ING Bank as well as an increase in NN Bank's own mortgage production. The Dutch mortgage exposure as at 31 December 2013 was EUR 14.1 billion. The non-performing loans ratio for the Dutch mortgage loan portfolio was 1.4%.

Insurance risks

Pre-tax earnings sensitivities for Insurance risks (full-year impact)

In EUR million	4Q2013	3Q2013
Mortality	-26	-26
Morbidity	-100	-101
P&C	-92	-85
Total	**-218**	**-212**

The IFRS earnings sensitivities to insurance risks primarily relate to fluctuations in actual mortality, morbidity and P&C experience. The sensitivities are measured to an adverse change of insurance risk factors at the 90% confidence level over a one-year period. There were no material changes in these sensitivities after including Japan Life and Japan Closed Block VA.

ING Insurance is exposed to longevity risks arising from the large defined benefit pension book in the Netherlands. This sensitivity is magnified due to current low interest rates. ING Insurance currently uses the 2012 Dutch Central Bureau of Statistics (CBS) mortality tables as a basis for IFRS reserve adequacy testing, regulatory solvency for Dutch entities, and pricing. Future improvements to mortality only impact IFRS earnings over time.

ING Insurance as a group has increased the retention level for windstorm calamities, increasing earnings at risk from P&C risk by EUR 7 million.

Business, non-financial and other risks

Since 2006, unit-linked products have received public and political attention in The Netherlands. Costs of unit-linked-products sold in the past are perceived too high and insurers are being accused of insufficient transparency in their historic product offering. In 2012 NN has executed cost compensation schemes agreed with two consumer protection organizations and has implemented measures to comply with "Best in Class" criteria as formulated by the Dutch Minister of Finance. Whilst in the past the attention has primarily focused on compensation for cost loadings, Dutch insurers now experience an increase in claims initiatives on behalf of multiple policyholders based on multiple legal grounds. A large number of policies (approximately one million) have been issued, sold or advised on by ING's Dutch insurance subsidiaries in the past. There is continuous political, regulatory and public attention for the unit-linked issue in general. Elements of unit-linked policies are challenged or may be challenged on multiple legal grounds in current and future legal proceedings and there is a risk that one or more of those legal challenges will succeed. The financial consequences of any of these factors or a combination thereof can be substantial for the Dutch insurance business of ING and may affect ING, both financially and reputationally. However, these consequences cannot be reliably estimated or quantified at this point.

IT, data quality and other operational risks are addressed by performing regular risk assessments and by maintaining a constant focus on how to improve areas with significant operational risks.

Regulatory update

Regulatory and political risks are addressed by closely monitoring regulatory developments and remaining actively involved in industry bodies. The most recent trialogue agreement on the Solvency II framework has resulted in a solution for the treatment of long-term guarantees as well as the implementation date being fixed at 1 January 2016. ING Insurance has maintained momentum within its Solvency II programme and will continue to align to the Solvency II framework as and when this is finalised over the coming period.

In 2014 the supervisory framework within the Netherlands (Solvency 1.5) will include measures leading to a risk-based measurement of solvency. While these proposed regulations do not change the regulatory solvency requirement for NN Life, they will formalise the requirements for dividend payments.

The Polish Pension Reform Act will be effective as of 1 February 2014. It will, amongst others, require Pillar II pension funds, including the ING Polish Pension Fund, to transfer 51.5% of its assets to the government owned Social Insurance Institution (ZUS). Furthermore, pay-out of future pensions will be done by ZUS while 10 years prior to retirement assets of retirees stored in Pillar II pension funds will gradually be transferred to ZUS. ING's Polish pension fund business currently accounts for around 3 million clients and EUR 17 billion in assets under management. The overall impact is expected to be a reduction of operating result before tax of approximately EUR 25 million per year.

Capital ratios

Capital Ratios ING Insurance

in EUR million	31 Dec. 13	30 Sep. 13
Shareholders' equity	14,291	14,973
Subordinated debt issued to ING Group	2,394	2,394
Subordinated debt issued by ING Insurance	-	-
Required regulatory adjustments	-5,610	-6,525
Total capital base (a)	**11,074**	**10,841**
EU required capital (b)	4,393	5,123
IGD Solvency I ratio (a/b)	**252%**	**212%**
NN Life Solvency I ratio	**221%**	**183%**

The Insurance Groups Directive (IGD) ratio for ING Insurance increased strongly to 252% from 212% at the end of the third quarter. This improvement was mainly driven by a EUR 1 billion debt-to-equity conversion by ING Group in preparation for the intended IPO. Additionally, the improved solvency position of NN Life, as well as the release of required capital related to the sale of ING Life Korea, contributed to the increase. This was partly offset by the one-off charge to restore reserve adequacy of the Japan Closed Block VA to the 50% confidence level.

The solvency I ratio of NN Life improved in the fourth quarter from 183% to 221%, mainly due to a capital injection of EUR 600 million by ING Insurance and favourable market developments.

In February 2014, NN Life issued a subordinated loan of EUR 600 million to ING Insurance to further strengthen its capitalisation. Including this subordinated loan and the impact of the previously announced pension fund agreement, the resulting pro-forma solvency I ratio was approximately 234%.

During 2013, the IGD ratio of ING Insurance increased from 236% at the end of 2012 to 252% at the end of 2013. This improvement reflects a decrease of shareholders' equity and a release of required capital following the various Asian divestments that closed during 2013, the IPO of ING U.S. and the transfer of the remaining stake in ING U.S. to ING Group. In addition, the improvement was supported by favourable market developments, net operating results and the EUR 1 billion debt-to-equity conversion by ING Group. This was only partially offset by the impact of the downgrade of France by Fitch on the NN Life solvency ratio, the exclusion of a EUR 0.5 billion hybrid loan that no longer qualifies as capital and the one-off charge to restore reserve adequacy for the Japan Closed Block VA business.

The pro-forma full year 2013 net operating return on equity (ROE) for the ongoing business of ING Insurance was approximately 7%. The average shareholders' equity attributable to the ongoing business over 2013 was EUR 9.6 billion after adjusting for the various divestments and changes in shareholders' equity as well as financial leverage to reflect a capital structure more comparable to that at the end of 2013. Average shareholders' equity excludes the revaluation reserves for debt securities, crediting to life policyholders and cash flow hedging. For the calculation of the pro-forma net operating ROE, the net operating result for the ongoing business for 2013 was also adjusted to reflect an allocation of funding costs between ongoing and discontinued businesses, most of which have now been sold.

CONSOLIDATED PROFIT AND LOSS ACCOUNT ING GROUP

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		ING Insurance		Insurance ING U.S.		Insurance Other	
in EUR million	4Q2013	4Q2012[2]	4Q2013	4Q2012[2]	4Q2013	4Q2012[2]	4Q2013	4Q2012[2]	4Q2013	4Q2012[2]
Gross premium income	1,922	2,066			1,917	2,068			5	-2
Interest result Banking operations	2,914	2,841	2,946	2,867						
Commission income	737	646	562	510	161	146			14	-10
Total investment & other income	672	-362	307	-166	346	-208			17	21
Total underlying income	**6,245**	**5,192**	**3,815**	**3,211**	**2,424**	**2,006**			**36**	**9**
Underwriting expenditure	2,257	1,383			2,252	1,385			5	-2
Staff expenses	1,479	1,491	1,194	1,209	285	282				
Other expenses	1,342	1,296	1,125	1,095	194	205			23	-4
Intangibles amortisation and impairments	32	35	32	35						
Operating expenses	2,853	2,824	2,351	2,340	479	488			23	-4
Interest expenses Insurance operations	106	121			132	157			4	-2
Addition to loan loss provision	560	589	560	589						
Other	3	3			3	3				
Total underlying expenditure	**5,779**	**4,918**	**2,911**	**2,928**	**2,866**	**2,031**			**32**	**-7**
Underlying result before tax	**467**	**275**	**904**	**283**	**-441**	**-25**			**4**	**17**
Taxation	38	90	199	137	-160	-45			-1	-2
Minority interests	23	21	19	20	7	3			-3	-2
Underlying net result	**405**	**163**	**686**	**126**	**-289**	**17**			**8**	**20**
Net gains/losses on divestments	-38	1,612		891	-3	721			-35	
Net result from divested units		-50		-55		5				
Net result discontinued operations Insurance/IM Asia	33	78			33	78				
Net result discontinued operations Insurance ING U.S.	179	301					179	301		
Special items after tax	-40	-624	-19	-348	-21	-284				8
Net result	**539**	**1,482**	**666**	**615**	**-280**	**538**	**179**	**301**	**-27**	**28**

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		ING Insurance		Insurance ING U.S.		Insurance Other	
in EUR million	FY2013	FY2012[2]	FY2013	FY2012[2]	FY2013	FY2012[2]	FY2013	FY2012[2]	FY2013	FY2012[2]
Gross premium income	9,530	10,706			9,530	10,714				-8
Interest result Banking operations	11,703	11,578	11,804	11,664						
Commission income	2,870	2,723	2,244	2,173	626	593				-43
Total investment & other income	2,242	2,110	1,257	477	902	1,634			112	61
Total underlying income	**26,344**	**27,116**	**15,305**	**14,313**	**11,057**	**12,941**			**112**	**10**
Underwriting expenditure	8,585	10,251			8,585	10,259				-8
Staff expenses	6,044	5,992	4,863	4,858	1,181	1,134				
Other expenses	4,421	4,304	3,695	3,569	703	756			23	-21
Intangibles amortisation and impairments	136	210	136	211						
Operating expenses	10,601	10,508	8,694	8,638	1,884	1,891			23	-21
Interest expenses Insurance operations	462	471			592	621				-4
Addition to loan loss provision	2,288	2,121	2,288	2,121						
Other	9	12			8	12			1	
Total underlying expenditure	**21,945**	**23,360**	**10,982**	**10,759**	**11,069**	**12,781**			**24**	**-32**
Underlying result before tax	**4,400**	**3,756**	**4,323**	**3,554**	**-12**	**159**			**89**	**43**
Taxation	1,049	990	1,078	1,013	-24	-17			-5	-7
Minority interests	96	104	90	91	15	21			-9	-9
Underlying net result	**3,255**	**2,664**	**3,155**	**2,450**	**-3**	**156**			**103**	**58**
Net gains/losses on divestments	-64	1,696	-6	1,365	-69	331			11	
Net result from divested units	-37	-84	-37	-86		2				
Net result discontinued operations Insurance/IM Asia	220	338			220	338				
Net result discontinued operations Insurance ING U.S.	39	495					39	495		
Special items after tax	-182	-949	-82	-595	-99	-361				8
Net result	**3,232**	**4,161**	**3,031**	**3,134**	**48**	**468**	**39**	**495**	**114**	**67**

1) Including intercompany eliminations.
2) The comparative figures of this period have been restated to reflect the new pension accounting requirements under IFRS which took effect on 1 January 2013.

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. The Financial statements for 2013 are in progress and may be subject to adjustments from subsequent events.

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 buy, any securities.

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