

ING Insurance

Update on preparations for the IPO of ING Insurance

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BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



Key points

- ING has entered the end phase of the EC restructuring and streamlined its portfolio
- Next payment to the Dutch state scheduled for November 2013, while maintaining strong capital ratios
- Double leverage of EUR 4.4 bln at 2Q13 is covered by current market value of stakes in ING U.S. and SulAmerica
- Divestments Insurance/IM Asia have so far generated proceeds of EUR 4.7 bln and a transaction gain of EUR 0.8 bln
- Base case of an IPO for Insurance Europe will mark final key step in the restructuring
 - ING Insurance (ING V) will be the new IPO entity
 - Financial leverage in ING Insurance has been significantly reduced
 - Aim to be ready to go to the market in 2014
 - ING Insurance has an experienced Executive Team

ING has entered the end phase of the EC restructuring and has significantly streamlined its portfolio

Disposals completed and announced as part of the EC restructuring requirements

- Divest Insurance
 - Latin America Life & Pensions
 - Insurance ING U.S. IPO (29%)
 - Part of SulAmerica*
 - Largest part of Asia, including ING Life Korea**
- Sale ING Direct USA
- Relevant parts of WUB transferred to NN Bank

In addition, ING optimised its portfolio to bring more focus to the bank

- Additional divestments including:
 - Private Banking Asia and Switzerland
 - ING Real Estate Investment management
 - ING Car Lease
 - ING Direct Canada & UK
 - Local custody services business in CEE



Total proceeds transactions completed was EUR 23 bln and total proceeds transactions announced, pending completion, is EUR 1.5 bln***

* Excluding sale of part of SulAmerica announced but not yet completed, the remaining stake in SulAmerica is 21.5%

** Excluding the sales announced but not yet completed, the remaining parts in Asia include ING Life Japan and rest of IIM Asia

*** Transactions announced but not yet completed include part of SulAmerica, Mexico mortgage business, CMF, ING-BoB Life, IIM Korea and ING Life Korea

ING is more focused and more efficient

ING Group has less assets (in EUR bln)**



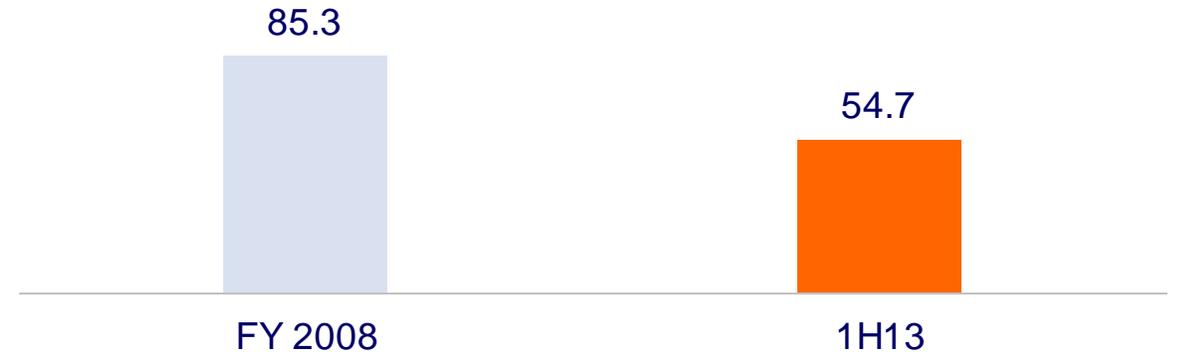
ING Group has less FTEs*



Leverage of the Bank*** is reduced



Cost/income ratio Bank*



* 2008 figures are based on historical published figures

** Insurance assets rose slightly as decrease in assets due to divestments were offset by growth in the US, Netherlands and Korea/Japan due to FX impact and increase revaluation reserve

*** Defined as: assets/shareholders' equity. The CRD IV leverage ratio was 3.9% at 30 June 2013



ING's equity and capital have strongly improved

ING Group Equity (in EUR bln)*



ING Group Market Capitalisation (EUR bln)*



ING Group Debt/Equity ratio (%)*



Core Tier 1 ratio (%)*

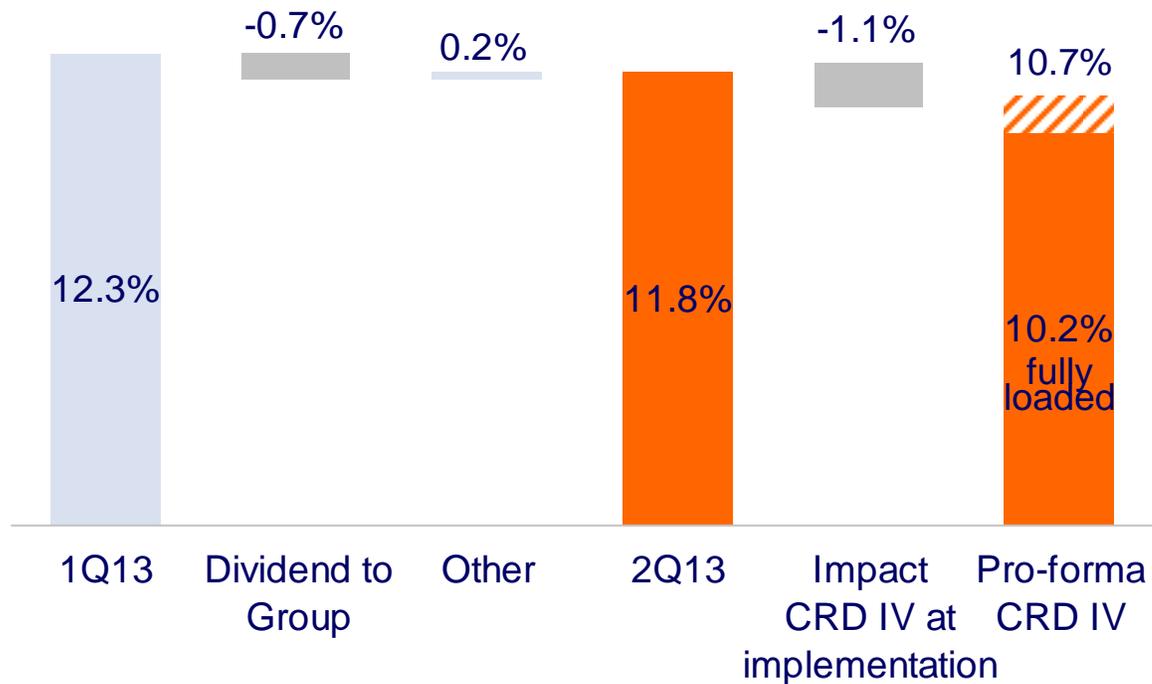


* 2008 figures are based on historical published figures



Next payment Dutch state scheduled for November 2013, while maintaining strong capital ratios

Strong capital position despite dividend upstream to Group in 2Q13



- ING Bank's core Tier 1 ratio was 11.8% at 2Q13
- The pro-forma CRD IV core Tier 1 ratio on introduction at 1 January 2014 is 10.7% and on a fully loaded CRD IV basis 10.2%, exceeding ING's ambition 2015 target of at least 10%

More than EUR 10 bln paid to the Dutch State (in EUR mln)

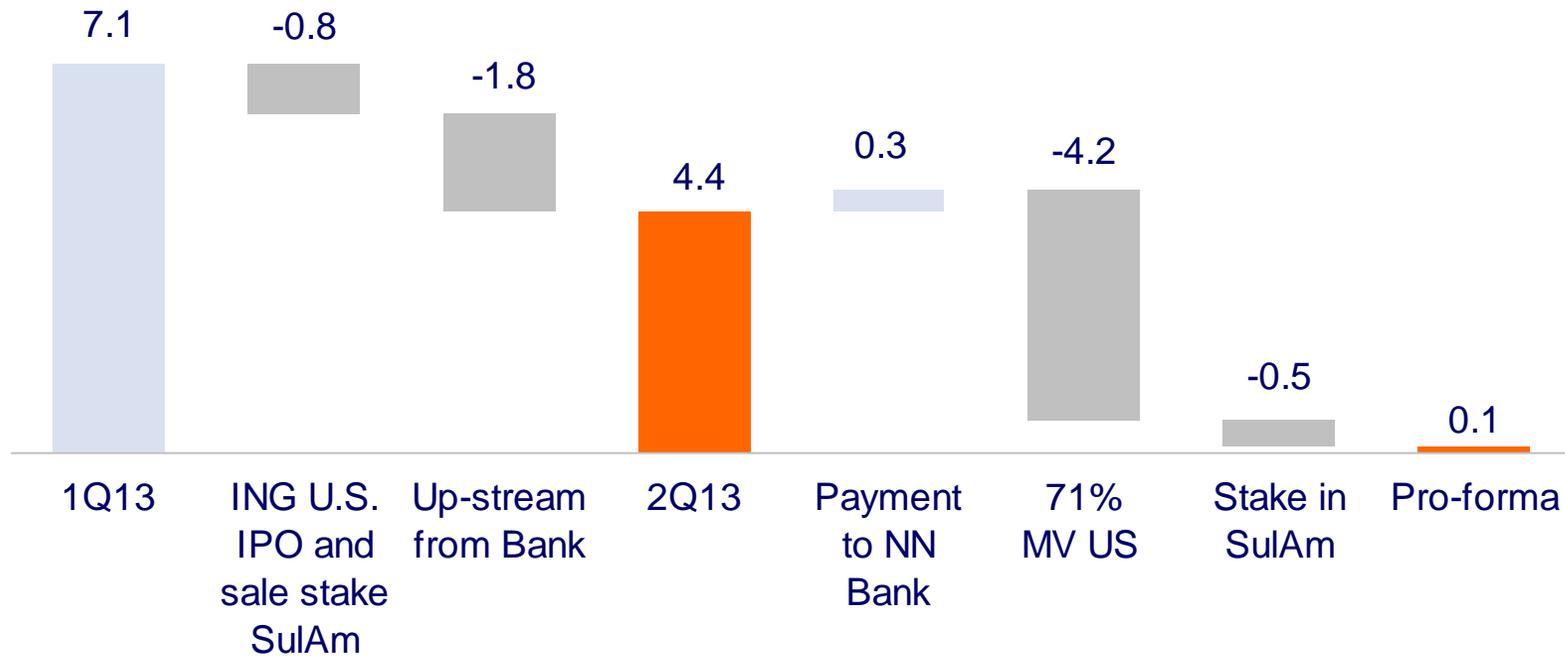


- Strong capital generation ING Bank allows for final payments to the Dutch State, while maintaining strong capital ratios
- Next tranche repayment of core Tier 1 securities to Dutch State is scheduled for November 2013

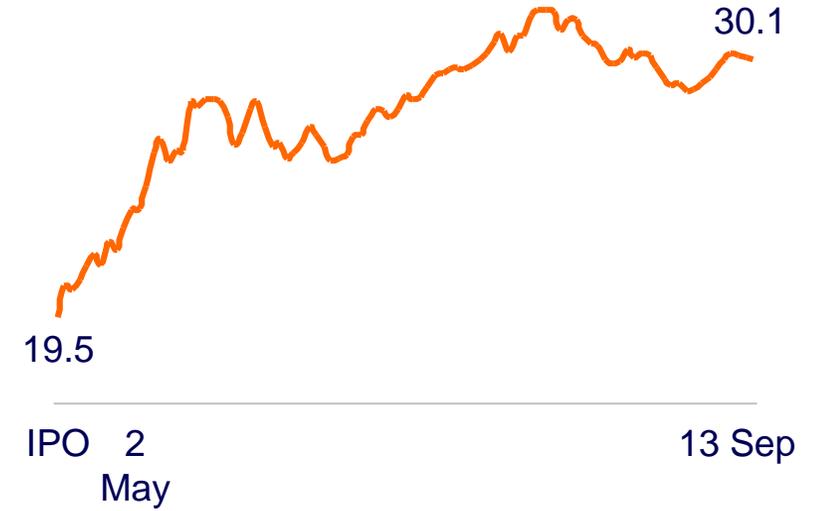


Group holding double leverage has been strongly reduced

Group core debt (double leverage) (EUR bln)



Share price Voya since IPO (USD)



- Double leverage in the Group was EUR 4.4 bln at 2Q13. On 1 July, the Group provided EUR 300 mln capital to NN Bank and EUR 30 mln transition costs to set up NN Bank
- Current market value of remaining 71% stake in ING U.S., as well as the sale of an additional part of ING's stake in SulAmerica and the market value of the remaining 21% stake would offset the remaining double leverage
- On 13 September, ING U.S. filed a registration with the SEC in connection with a possible sale of a second tranche of ING U.S.'s common stock by ING Group

Overview divestments Insurance/IM Asia

Multiple transactions announced (in EUR bln)

	IFRS Book Value	Cash consideration	Transaction result (estimate)
Completed			
HK/Thailand	0.95	1.64	0.95
Malaysia	0.62	1.34	0.75
ING Vysya Life and KB Life	0.21	0.19	-0.02
Announced			
CMF, ING-BoB Life and IIM Korea	0.15	0.26	0.08
ING Life Korea	2.45	1.24	-0.95
Total	4.38	4.67	0.81
Still remaining			
Japan	1.67		
IIM Asia	0.12		

ING Insurance (ING V) will be the IPO entity



- ING U.S. will be transferred out of ING Insurance to the Group holding company, clearing the way to use ING Insurance (ING Verzekeringen) as the IPO entity for Insurance Europe
- The transfer of ING U.S. will be done as a dividend upstream to the Group before the end of 2013
- The transfer will not have an impact on ING Group's capital ratios, and future proceeds from the sale of our remaining stakes in ING U.S. and SulAmerica will be used to redeem double leverage at ING Group
- The transfer will have no material impact on the leverage ratio for ING Insurance, as both the debt and equity of ING U.S. will be transferred to ING Group

ING Insurance debt significantly reduced

Pro-forma ING Insurance (ING V) excl. ING U.S.
30 June 2013 (in EUR bln)*

Europe	14.1	Equity	14.4
Asia	1.8	Net debt**	3.1
ING Re & Other	1.6		
	17.5		17.5

ING Insurance net debt
(in EUR bln)

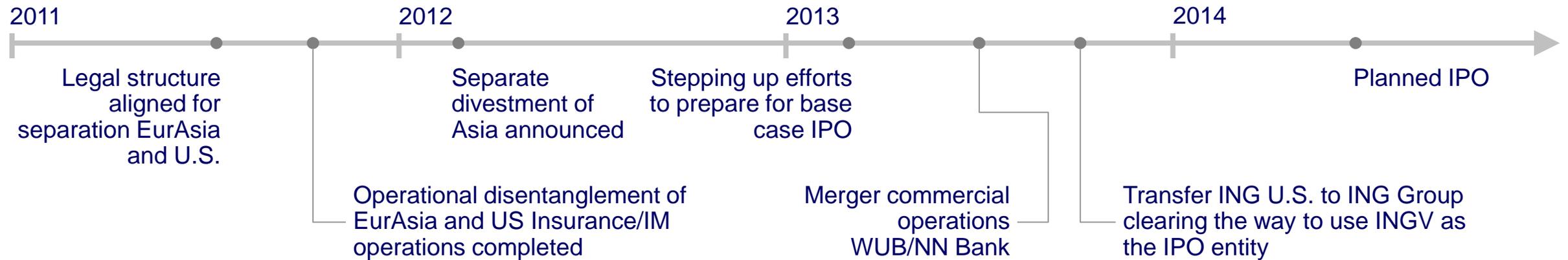


- Removing the US from ING Insurance (ING Verzekeringen NV) clears the way to use ING Insurance as the IPO entity
- Excluding the US, ING Insurance had EUR 4.7 bln of net debt at 30 June 2013, and that will be reduced to EUR 3.1 bln using the proceeds from the announced sales Insurance/IM Asia and the full redemption of intercompany debt from ING U.S.
- As we move towards an IPO, the final capital target yet to be finalised under regulatory, rating and economic constraints

* Including capital injection NN Bank, announced sales Insurance/IM Asia and redemption intercompany debt from ING U.S.

** Hybrids and Financial Debt, net of cash

IPO preparations on track to be ready to go to the market in 2014



Transaction structure and exact timing still to be determined

- Transaction is planned in 2Q-4Q 2014, depending on market conditions
- Transaction structure is still to be determined. IPO is base case but final form of the transaction could include a (partial) spin-off
- All forms require substantially the same preparations and key criteria to assess transaction structure include
 - Capital considerations for ING Group and ING Insurance (INGV)
 - Effect on shareholder value, particularly in light of market conditions
 - Complexity, risk and time frame of process

ING Insurance has a new and experienced Executive Team

Management Team

	Lard Friese Joined 2008	Chair	<ul style="list-style-type: none"> • More than 22 years of experience in the financial services industry, most recently with NN, ING Insurance EurAsia • Leadership positions at AEGON, VNU/ACNielsen, Ceska Pojistovna and Generali-PPF Holding
	Delfin Rueda Joined 2012	Chief Financial Officer	<ul style="list-style-type: none"> • More than 20 years of experience in the financial services industry, most recently with Atradius • Previously held leadership positions at UBS and J.P. Morgan
	Doug Caldwell Joined 1999	Chief Risk Officer	<ul style="list-style-type: none"> • More than 22 years of experience in the financial services industry, most recently with ING Insurance Asia Pacific • Leadership positions at ING Re, ING Group and ING Insurance US
	Dorothee van Vredenburg Joined 2009	Chief Change & Organisation	<ul style="list-style-type: none"> • More than 25 years of experience in the financial services industry, most recently with ING Group • Previously held leadership positions at Citigate Europe and RedZebra Group
	David Knibbe Joined 1997	CEO ING Insurance International	<ul style="list-style-type: none"> • More than 15 years of experience in the financial services industry, most recently with NN • Leadership positions at ING's life insurance JV with Piraeus Bank in Greece, ING Bank and ING Investment Management
	Stan Beckers Joined 2013	CEO of ING Investment International	<ul style="list-style-type: none"> • More than 30 years of experience in the financial services industry, most recently with BlackRock • Leadership positions at Barra, Kedge Capital, Alpha Management Group, Barclays Global Investors, several pension funds, and KAS Bank

Key Corporate Roles

	Bruce Hodges Joined 2012	Chief Technology Officer	<ul style="list-style-type: none"> • Former CEO Life Malaysia • Extensive international experience in financial services
	Dailah Nihot Joined 2000	Director Corporate Communications & Affairs	<ul style="list-style-type: none"> • Head Corporate Sustainability ING Group • Extensive experience in corporate communications, PR, media relations and CSR
	Duncan Russell Joined 2012	Head of Corporate Finance*	<ul style="list-style-type: none"> • Managing Director Group Acquisitions & Divestments for ING • Previously Head of European Insurance Research, Managing Director JP Morgan
	Janet Stuijt Joined 2008	General Counsel & Head of Legal and Compliance	<ul style="list-style-type: none"> • Member of the Global Legal Committee ABN AMRO & Regional Legal Counsel for ABN Amro Singapore

* Includes Capital Management



Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the 2Q2013 ING Group Interim Accounts.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of ING's restructuring plan to separate banking and insurance operations, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to purchase accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit-ratings, (18) ING's ability to achieve projected operational synergies and (19) the other risks and uncertainties detailed in the Risk Factors section contained in the most recent annual report of ING Groep N.V. Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and, ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.

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