Key points

• ING recorded 2016 underlying net profit of EUR 4,976 mln, up 17.9% from 2015

• Strong commercial momentum on the back of an increase in primary customers (> 700,000 during 2016), robust business growth, and continued decline in risk costs

• 4Q16 ING net result (EUR 750 mln) impacted by c. EUR 1.1 bln pre-tax restructuring charge and impairments taken as a special item

• ING Group fully-loaded CET1 ratio rose to 14.2%, well above prevailing fully-loaded regulatory requirements

• ING Bank underlying return on equity was 11.6% for 2016, up from 10.8% in 2015; ING Group underlying return on equity at 10.1% for the full year

• At the end of January 2017, the Single Resolution Board (SRB) has decided to support the designation of ING Group as the point of entry
## Ambition 2020 – ING Group Financial Targets

<table>
<thead>
<tr>
<th></th>
<th>Actual 2015</th>
<th>Actual 2016</th>
<th>Ambition 2020*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• CET1 ratio (%)</td>
<td>12.7%</td>
<td>14.2%</td>
<td>&gt; Prevailing fully-loaded requirements**</td>
</tr>
<tr>
<td>• Leverage ratio (%)</td>
<td>4.4%</td>
<td>4.8%</td>
<td>&gt; 4%</td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Underlying C/I ratio (%)</td>
<td>55.9%</td>
<td>54.2%</td>
<td>50-52%</td>
</tr>
<tr>
<td>• Underlying ROE (%)</td>
<td>8.6%</td>
<td>10.1%</td>
<td>Awaiting regulatory clarity</td>
</tr>
<tr>
<td>(IFRS-EU Equity)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dividend (per share)</td>
<td>EUR 0.65</td>
<td>EUR 0.66</td>
<td>Progressive dividend over time</td>
</tr>
</tbody>
</table>

* Ambition 2020 financial targets based on assumption of low-for-longer interest rate environment in the eurozone
** Currently estimated to be 11.75%, plus a comfortable management buffer (to include Pillar 2 Guidance)
Business profile and strategy
We have a well-diversified portfolio with strong profitability

**Retail Banking**
- We use technology to offer a differentiating experience to our customers
- Distribution increasingly through mobile devices which requires simple product offering

**Market Leaders**
- Netherlands, Belgium / Luxembourg

**Challengers**
- Germany / Austria, Czech Republic, Spain / Portugal, Italy, France and Australia

**Growth Markets**
- Poland, Turkey, Romania and Asian bank stakes

**Wholesale Banking International Network**

**Wholesale Banking**
- Our business model is the same throughout our global WB franchise of more than 40 countries
- We focus on top-end corporates, including domestic blue chips and multinationals, and Financial Institutions

### Underlying result before tax*

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Banking</th>
<th>Wholesale Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>EUR 7.2 bln</td>
<td>EUR 7.2 bln</td>
</tr>
</tbody>
</table>

* As per business line split; segment “Corporate Line” not shown on slide. The underlying result before tax for this segment was EUR -219 mln in 2016

### Underlying result before tax**

<table>
<thead>
<tr>
<th>Year</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Germany</th>
<th>Other Challengers</th>
<th>Growth Markets</th>
<th>WB Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>EUR 7.2 bln</td>
<td>EUR 19%</td>
<td>EUR 15%</td>
<td>EUR 10%</td>
<td>EUR 8%</td>
<td>EUR 17%</td>
</tr>
</tbody>
</table>

** As per geographical split; segment "Other" not shown on slide. For this segment (Corporate Line and Real Estate run-off portfolio), the underlying result before tax was EUR -197 mln in 2016 and RWA was EUR 2.5 bln at year-end

### RWA (end of period)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Germany</th>
<th>Other Challengers</th>
<th>Growth Markets</th>
<th>WB Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>EUR 309.6 bln</td>
<td>EUR 21%</td>
<td>EUR 14%</td>
<td>EUR 9%</td>
<td>EUR 12%</td>
<td>EUR 17%</td>
</tr>
</tbody>
</table>

* As per business line split; segment “Corporate Line” not shown on slide. The underlying result before tax for this segment was EUR -219 mln in 2016

** As per geographical split; segment "Other" not shown on slide. For this segment (Corporate Line and Real Estate run-off portfolio), the underlying result before tax was EUR -197 mln in 2016 and RWA was EUR 2.5 bln at year-end
Our focus on primary customer relationships drives value

ING currently serves ~36 mln retail customers (in mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>31.8</td>
<td>33.1</td>
<td>34.5</td>
<td>35.8</td>
</tr>
</tbody>
</table>

Targeting > 14 mln primary customers by 2020 (in mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Ambition 2017</th>
<th>Ambition 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7.9</td>
<td>8.4</td>
<td>9.0</td>
<td>9.7</td>
<td>&gt;10</td>
<td>&gt;14</td>
</tr>
</tbody>
</table>

ING Bank core lending

2016 net growth

+6.5%

EUR +34.8 bln

ING Bank customer deposits

2016 net growth

+5.6%

EUR +28.5 bln

Net Promoter Scores (NPS)

As per 4Q16

#1 in 7 of 13 retail countries
Think Forward strategy delivered strong results in 2016

Underlying net result ING Bank (in EUR mln)

- Underlying net profit rose to EUR 4,976 mln, up 17.9% from 2015, notwithstanding headwinds from lower reinvestment yields.
- ING Bank’s underlying return on equity in 2016 improved to 11.6%, despite higher ING Bank CET1 capital.
Transformation programmes improving customer experience and bringing further efficiency gains

Four major digital transformation programmes

"Orange Bridge"
- Integrated universal banking platform in Belgium and the Netherlands
- Dialogue with stakeholders ongoing

"Model Bank"
- Joint best-in-class digital platform and expansion of product capabilities
- Strategy and scope of first release agreed between countries
- Established project team in Spain

"Welcome"
- In Germany, delivery of new omnichannel digital capabilities
- Introduced Multibanking App
- First processes digitised

"WB TOM"
- Single global platform for Wholesale
- Further roll-out of InsideBusiness, increased use of Global Services & Operations

Estimated impact of digital transformation programmes (in EUR mln)

- EUR 1,141 mln pre-tax restructuring provisions booked as special items in line with previous guidance
- Estimated annual gross cost savings of EUR 900 mln by 2021
- Around 7,000 FTEs impacted

All projects described are proposed intentions of ING. No formal decisions will be taken until the information and consultation phases with the Work Councils have been properly finalised.

- Special items pre-tax of EUR -1,141 mln (EUR -787 mln after tax), consisting of a pre-tax restructuring provision of EUR 1,032 mln and impairments on legacy IT systems and real estate of EUR 109 mln pre-tax. The remaining EUR 0.1 bln of restructuring provisions will be booked later as a special item.

- Defined as incremental expenses from new announced programmes and includes project expenses, depreciation and amortisation of new IT assets, as well as impacts from impairments of legacy IT systems.
Update 4Q16 results
Strong fourth-quarter results reflecting resilient NII

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

- 4Q16 underlying pre-tax profit up 62.6% year-on-year and 4.1% versus 3Q16
- NII was broadly flat versus 3Q16 due to:
  - Continued volume growth in both mortgages and Wholesale Banking lending
  - Stable lending margins but pressure on both savings and current account margins
  - NIM is down 3 bps versus 3Q16 of which almost 2 bps is explained by lower FM interest income

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

- +6.1%

NIM trend reflects volatility in FM interest result (in bps)

- NIM trend reflects volatility in FM interest result (in bps)
Our core lending franchises grew by EUR 9.2 bln in 4Q16

- Our core lending franchises grew by EUR 9.2 bln in 4Q16:
  - Wholesale Banking increased by EUR 7.1 bln which is driven by Industry Lending (partly due to rising commodity prices in Trade & Commodity Finance) and Working Capital Solutions
  - Retail Banking increased by EUR 2.1 bln, mainly in the Other Challengers & Growth Markets

* C&GM is Challengers & Growth Markets; IL is Industry Lending; GL&TS is General Lending & Transaction Services; WB Other includes Financial Markets
** Lease run-off was EUR -0.2 bln, WUB run-off was EUR -0.5 bln and WUB transfer to NN was EUR -0.3 bln
*** FX impact was EUR +2.7 bln and Other EUR -2.3 bln
Underlying operating expenses remained stable

- Underlying expenses remained broadly flat year-on-year and sequentially
- 2016 regulatory costs totaled EUR 845 mln, down slightly from our previous estimate of EUR 900 mln. Lower regulatory costs were supported by a refund on DGS contributions in Germany

Underlying operating expenses (in EUR mln)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Expenses</th>
<th>Regulatory costs</th>
<th>Redundancy costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q15</td>
<td>2,139</td>
<td>2,140</td>
<td>2,157</td>
</tr>
<tr>
<td>1Q16</td>
<td>2,155</td>
<td>2,157</td>
<td>2,155</td>
</tr>
<tr>
<td>2Q16</td>
<td>2,155</td>
<td>2,155</td>
<td>2,155</td>
</tr>
<tr>
<td>3Q16</td>
<td>2,155</td>
<td>2,155</td>
<td>2,155</td>
</tr>
<tr>
<td>4Q16</td>
<td>2,159</td>
<td>2,159</td>
<td>2,159</td>
</tr>
</tbody>
</table>

Regulatory costs experience seasonality (in EUR mln)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>174</td>
<td>61</td>
<td>75</td>
<td>105</td>
</tr>
<tr>
<td>2016</td>
<td>496</td>
<td>65</td>
<td>143</td>
<td>279</td>
</tr>
</tbody>
</table>

Regulatory costs split by type (in EUR mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank taxes</th>
<th>DGS*</th>
<th>NRF/SRF*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>374</td>
<td>161</td>
<td>213</td>
</tr>
<tr>
<td>2014</td>
<td>408</td>
<td>159</td>
<td>249</td>
</tr>
<tr>
<td>2015</td>
<td>620</td>
<td>233</td>
<td>244</td>
</tr>
<tr>
<td>2016</td>
<td>845</td>
<td>845</td>
<td>352</td>
</tr>
</tbody>
</table>

* Deposit Guarantee Scheme (DGS) and National Resolution Fund / Single Resolution Fund (NRF/SRF)
Asset quality
Risk environment benign; NPLs trending down

- 4Q16 risk costs were EUR 138 mln, or 18 bps of average RWA, well below the 40-45 bps through-the-cycle average
- The decline versus 3Q16 was flattered by a release in German mortgages and WB releases in Ukraine and Spain
- NPL ratio down slightly to 2.1%, with improvements in both Retail Benelux and Retail Challengers & Growth Markets
Lending credit outstanding are well diversified

- ING Bank has a well-diversified and collateralised loan book with a strong focus on own-originated mortgages
- 64% of the portfolio is retail-based

* 31 December 2016 lending and money market credit risk outstanding, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)
Lending credit outstandings Wholesale Banking well diversified by geography and sector

**Loan portfolio is well diversified across geographies...**

Lending Credit O/S Wholesale Banking (4Q16)*

- **EUR 225 bln**
  - NL: 13%
  - Belux: 8%
  - Germany: 3%
  - Other Challengers: 19%
  - Growth Markets: 15%
  - UK: 7%
  - European network (EEA**): 3%
  - European network (non-EEA): 13%
  - North America: 8%
  - Rest of Americas: 7%
  - Asia: 7%
  - Africa: 1%

Lending Credit O/S Asia (4Q16)*

- **EUR 41 bln**
  - Japan: 17%
  - China***: 15%
  - Hong Kong: 7%
  - Singapore: 7%
  - South Korea: 7%
  - Taiwan: 7%
  - India: 7%
  - Rest of Asia: 25%

**...and sectors**

Lending Credit O/S Wholesale Banking (4Q16)*

- **EUR 225 bln**
  - Builders & Contractors: 10%
  - Central Banks: 5%
  - Commercial Banks: 4%
  - Non-Bank Financial Institutions: 4%
  - Food, Beverages & Personal Care: 5%
  - General Industries: 16%
  - Natural Resources Oil & Gas: 7%
  - Natural Resources Other****: 4%
  - Real Estate: 6%
  - Services: 7%
  - Telecom, Media & Technology: 5%
  - Transportation & Logistics: 5%
  - Utilities: 4%
  - Other: 9%

* Data is based on country of residence, Lending Credit O/S include guarantees and letters of credit
** Member countries of the European Economic Area (EEA)
*** Excluding our stake in Bank of Beijing (EUR 2.9 bln at 31 December 2016)
**** Mainly Metals & Mining
## Detailed NPL disclosure on selected lending portfolios

### Selected lending portfolios

<table>
<thead>
<tr>
<th></th>
<th>Lending credit O/S 4Q16</th>
<th>NPL ratio 4Q16</th>
<th>Lending credit O/S 3Q16</th>
<th>NPL ratio 3Q16</th>
<th>Lending credit O/S 4Q15</th>
<th>NPL ratio 4Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Banking</td>
<td>224,916</td>
<td>2.4%</td>
<td>215,779</td>
<td>2.4%</td>
<td>200,717</td>
<td>2.8%</td>
</tr>
<tr>
<td>Industry Lending</td>
<td>131,221</td>
<td>2.4%</td>
<td>121,257</td>
<td>2.4%</td>
<td>112,746</td>
<td>2.9%</td>
</tr>
<tr>
<td>Of which Structured Finance</td>
<td>102,084</td>
<td>2.3%</td>
<td>92,941</td>
<td>2.3%</td>
<td>85,799</td>
<td>2.2%</td>
</tr>
<tr>
<td>Of which Real Estate Finance</td>
<td>29,137</td>
<td>2.7%</td>
<td>28,316</td>
<td>2.9%</td>
<td>26,700</td>
<td>4.8%</td>
</tr>
<tr>
<td>Selected industries*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas related</td>
<td>36,277</td>
<td>2.1%</td>
<td>31,335</td>
<td>2.5%</td>
<td>29,086</td>
<td>1.8%</td>
</tr>
<tr>
<td>Metals &amp; Mining**</td>
<td>14,892</td>
<td>5.0%</td>
<td>13,885</td>
<td>5.6%</td>
<td>14,224</td>
<td>6.4%</td>
</tr>
<tr>
<td>Shipping &amp; Ports***</td>
<td>14,668</td>
<td>5.3%</td>
<td>13,498</td>
<td>4.9%</td>
<td>12,535</td>
<td>3.7%</td>
</tr>
<tr>
<td>Selected countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey****</td>
<td>18,262</td>
<td>3.1%</td>
<td>18,875</td>
<td>2.5%</td>
<td>19,328</td>
<td>1.8%</td>
</tr>
<tr>
<td>China*****</td>
<td>7,021</td>
<td>0%</td>
<td>6,148</td>
<td>0%</td>
<td>7,560</td>
<td>0%</td>
</tr>
<tr>
<td>Russia</td>
<td>5,100</td>
<td>3.2%</td>
<td>5,614</td>
<td>2.8%</td>
<td>5,752</td>
<td>2.9%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1,162</td>
<td>44.8%</td>
<td>1,138</td>
<td>56.0%</td>
<td>1,286</td>
<td>53.9%</td>
</tr>
</tbody>
</table>

* Includes WB Industry Lending, General Lending (CFIL) and Transaction Services
** Excluding Ukrainian and Russian Metals & Mining exposure, the NPL ratio would be just 1.6%
*** Shipping & Ports includes Coastal and Inland Water Freight which is booked within Retail Netherlands. Excluding this portfolio, NPL ratio is only 2.2%
**** Turkey includes Retail Banking activities (EUR 9.5 bln)
***** China exposure is excluding Bank of Beijing stake
Lending to the broader Oil & Gas industry is largely short-term

Lending Credit O/S ING Bank to Oil & Gas industry (in EUR bln)

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>Change 4Q-4Q</th>
<th>3Q16</th>
<th>Change 4Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Lending Credit O/S</td>
<td>36.3</td>
<td>29.1</td>
<td>7.2</td>
<td>31.3</td>
<td>4.9</td>
</tr>
</tbody>
</table>

NPL ratio and coverage ratio Oil & Gas

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>3Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>2.1%</td>
<td>1.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>33%</td>
<td>21%</td>
<td>31%</td>
</tr>
</tbody>
</table>

- Both risk costs and NPL ratio decreased from 3Q16
- Our sub-investment grade portfolio is mostly senior secured and debt service ranks ahead of other debt and equity
- The increase in Oil & Gas outstandings are mainly caused by USD appreciation and increased oil price, as well as higher volume and new business

Lending outstanding per currency

- USD: 15%
- EUR: 81%
- Other: 4%

Lending breakdown by maturity

- < 1 yr: 34%
- 1-2 yr: 59%
- > 2 yr: 7%

Lending outstanding by rating

- Investment Grade: 42%
- Sub-Investment Grade: 58%
**Lending to Metals & Mining industry is well diversified**

### Lending Credit O/S ING Bank to Metals & Mining (in EUR bln)

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>Change 4Q-4Q</th>
<th>3Q16</th>
<th>Change 4Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Lending Credit O/S*</td>
<td>14.9</td>
<td>14.2</td>
<td>0.7</td>
<td>13.9</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### NPL ratio and coverage ratio Metals & Mining

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>3Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>5.0%</td>
<td>6.4%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>43%</td>
<td>42%</td>
<td>44%</td>
</tr>
</tbody>
</table>

- Metals & Mining lending portfolio is well diversified in terms of underlying commodities, type of product, type of exposures, structures and duration
- Increased Lending Credit outstanding fully explained by USD appreciation
- Around 30% is short-term self-liquidating trade finance and not sensitive to price risk
- Around 71% of the NPLs are related to our exposure to the Ukraine (around 52%) and Russia (around 18%). Excluding the Ukrainian and Russian exposure, the NPL ratio is 1.5%

### Lending outstanding by segment

- General Lending
- Transaction Services
- Trade & Commodity Finance
- Structured Export Finance
- Structured Finance - Other

### Lending outstanding per currency

- USD 23%
- EUR 68%
- Other 9%

### Lending breakdown by maturity

- < 1 yr 52%
- 1-2 yr 16%
- > 2 yr 32%

* Approximately EUR 1.7 bln is Retail Banking
The quality of our Russian portfolio remains strong

**Exposure ING Bank to Russia (in EUR mln)**

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>Change 4Q-4Q</th>
<th>3Q16</th>
<th>Change 4Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Lending Credit O/S</td>
<td>5,100</td>
<td>5,752</td>
<td>-652</td>
<td>5,614</td>
<td>-514</td>
</tr>
<tr>
<td>Other*</td>
<td>219</td>
<td>361</td>
<td>-142</td>
<td>629</td>
<td>-410</td>
</tr>
<tr>
<td><strong>Total outstanding</strong></td>
<td><strong>5,319</strong></td>
<td><strong>6,113</strong></td>
<td><strong>-794</strong></td>
<td><strong>6,243</strong></td>
<td><strong>-924</strong></td>
</tr>
</tbody>
</table>

Undrawn committed facilities

1,221 | 841 | 380 | 534 | 687

*Note: data based on country of residence*

**NPL ratio and coverage ratio Russia**

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>3Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>3.2%</td>
<td>2.9%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>18%</td>
<td>18%</td>
<td>19%</td>
</tr>
</tbody>
</table>

- Total outstanding to Russia decreased by EUR 0.8 bln from 4Q15 and by EUR 0.9 bln from 3Q16, explained by a drop in short-term FI lending
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is approximately EUR 0.8 bln
- Focus on mitigated exposures: ECA-covered, pre-export facilities, offshore collateralised and shorter tenors
- The quality of the portfolio remains strong with the NPL ratio unchanged at 3%

* Other includes investments, trading exposure and pre-settlement
Ukraine portfolio weak but stabilising

**Exposure ING Bank to Ukraine (in EUR mln)**

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>Change 4Q-4Q</th>
<th>3Q16</th>
<th>Change 4Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Lending Credit O/S</td>
<td>1,162</td>
<td>1,286</td>
<td>-124</td>
<td>1,138</td>
<td>24</td>
</tr>
<tr>
<td>Other*</td>
<td>-1</td>
<td>-2</td>
<td>1</td>
<td>-3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total outstanding</strong></td>
<td>1,161</td>
<td>1,285</td>
<td>-124</td>
<td>1,135</td>
<td>26</td>
</tr>
<tr>
<td>Undrawn committed facilities</td>
<td>31</td>
<td>33</td>
<td>-2</td>
<td>66</td>
<td>-35</td>
</tr>
</tbody>
</table>

Note: data based on country of residence

**NPL ratio and coverage ratio Ukraine**

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>4Q15</th>
<th>3Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>45%</td>
<td>54%</td>
<td>56%</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>60%</td>
<td>60%</td>
<td>68%</td>
</tr>
</tbody>
</table>

- The NPL ratio improved from 56% in 3Q16 to 45% in 4Q16, having reached a bottom from a provisioning perspective
- Ukraine benefitted from releases of provisions for 4Q16

**Lending outstanding per currency**

<table>
<thead>
<tr>
<th>Currency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>24%</td>
</tr>
<tr>
<td>EUR</td>
<td>68%</td>
</tr>
<tr>
<td>Local currency</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Lending breakdown by industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources</td>
<td>27%</td>
</tr>
<tr>
<td>Food, Beverages &amp; Personal</td>
<td>32%</td>
</tr>
<tr>
<td>General Industries</td>
<td>16%</td>
</tr>
<tr>
<td>Utilities</td>
<td>23%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

* Other includes investments, trading exposure and pre-settlement
Group and Bank capital
ING Group CET1 ratio at 14.2%

ING Group fully-loaded CET1 ratio development

<table>
<thead>
<tr>
<th></th>
<th>3Q16 Group CET1</th>
<th>Interim profits added to CET1*</th>
<th>Equity stakes</th>
<th>FX</th>
<th>RWA &amp; Other</th>
<th>4Q16 Group CET1</th>
<th>2017 SREP**</th>
<th>2019 SREP**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13.5%</td>
<td>0.7%</td>
<td>0.1%</td>
<td>-0.2%</td>
<td>0.1%</td>
<td>14.2%</td>
<td>9.0%</td>
<td>11.75%</td>
</tr>
</tbody>
</table>

- ING Group's 4Q16 fully-loaded CET1 ratio rose to 14.2% mainly due to interim profits added to capital (excl. EUR 1,629 mln set aside for final dividend)
- ING's 2017 SREP (CET1) requirement has been reduced to 9.0% (including phased-in SRB) and is expected to be 11.75% fully-loaded by 2019, excluding Pillar 2 Guidance
- The full-year dividend proposal is EUR 0.66 per share which reflects regulatory uncertainty and growth opportunities

* Group interim profits at end-3Q16 (EUR 2,970 mln) and 4Q16 Group net profit (EUR 750 mln) after deduction of proposed final dividend payment (EUR 1,629 mln) have been included in Group CET1 capital
** Plus a comfortable management buffer (to include Pillar 2 Guidance)
ING Group’s 2016 SREP process completed

ING Group SREP and Ambition

2016 SREP (Supervisory Review and Evaluation Process)

- ING Group has been notified of the European Central Bank (ECB) decision on the 2016 SREP which will set the capital requirements for 2017
- A 9.0% phased-in CET1 ratio requirement applies for 2017, of which:
  - 4.50% Pillar 1 minimum (P1)
  - 1.75% Pillar 2 Requirement (P2R)
  - 1.25% Capital Conservation Buffer (CCB)
  - 1.50% Systemic Risk Buffer (SRB)
- Excluding Pillar 2 Guidance (P2G)
- A fully-loaded 11.75% CET1 requirement is expected for 2019 as the CCB and SRB are scheduled to phase-in over the coming years to 2.5% and 3.0%, and assuming no change in P2R
- ING Group’s CET1 Ambition is to remain above the prevailing fully-loaded requirements plus a comfortable management buffer (to include Pillar 2 Guidance)
### Additional Tier 1: comfortable buffers to triggers

<table>
<thead>
<tr>
<th>Buffer to MDA 4Q16</th>
<th>Buffer to Conversion Trigger 4Q16 (in EUR bln)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4Q16 phased-in</strong></td>
<td><strong>4Q16 phased-in</strong></td>
</tr>
<tr>
<td>CET1</td>
<td>available CET1</td>
</tr>
<tr>
<td><strong>14.1%</strong></td>
<td><strong>44.5</strong></td>
</tr>
<tr>
<td><strong>10.25%</strong></td>
<td>EUR 16.2 bln</td>
</tr>
<tr>
<td><strong>9.00%</strong></td>
<td><strong>7.1%</strong></td>
</tr>
<tr>
<td><strong>10.38%</strong></td>
<td><strong>22.0</strong></td>
</tr>
<tr>
<td><strong>11.75%</strong></td>
<td>EUR 22.5 bln</td>
</tr>
</tbody>
</table>

#### Buffer to MDA

- MDA restrictions will apply if ING Group breaches Combined Buffer Requirements (CBR)
- Under the new MDA framework, ING’s trigger level has declined from 10.25% in 2016 to 9.0% in 2017 and is expected to rise to 11.75% in 2019 under the assumption Pillar 2 requirements will remain the same. This includes the 1.75% Pillar 2 Requirement and excludes Pillar 2 Guidance
- As per year-end 2016, the buffer to the 2017 MDA restriction level is EUR 16.2 bln or 5.1% of RWAs
- This excludes EUR 1.6 bln of interim profits that we have set aside for the 2016 final dividend payment

#### Buffer to Conversion Trigger

- The ING Group phased-in capital buffer to conversion trigger (7% CET1) is high at EUR 22.5 bln

#### Available Distributable Items***

- AT1 discretionary distributions may only be paid out of distributable items
- As per year-end 2015, ING Group had EUR 36.2 bln of available distributable items (~80x the FY15 coupon payments on Tier 1 capital), largely stable compared to the EUR 36.0 bln at year-end 2014

*Subject to SREP process, assumes no change in P2R
** Difference between 14.1% ING Group phased-in CET1 ratio in 4Q16 and 7% CET1 equity conversion trigger
*** Available Distributable Items for year-end 2016 will be available in the consolidated annual accounts
HoldCo resolution strategy
ING well positioned for TLAC issuance plans

Strong current capital position:

- ING maintains strong CET1 ratio
- Steady state and TLAC needs are moderate
- Strong capital generation capacity
- ING amongst the highest rated HoldCo issuers
- Execution of current TLAC plans may provide rating upside
- Business model has limited exposure to volatile investment banking activities

...which provides flexibility for TLAC issuance plans:

- ING Group fully-loaded CET1 ratio at 14.2%
- ING Group currently has a TLAC shortfall of EUR 10-15 billion
- Generated 147 bps of ING Group fully-loaded CET1 capital in 2016
- HoldCo rated Baa1 / A- / A+
- “We could raise our rating on ING Bank if the bank built in the next two years a sizable buffer of securities, which could be bailed-in in resolution” – S&P*
- ING’s Wholesale Banking portfolio consists mainly of Industry Lending, General Lending and Transaction Services

* Most recent S&P credit opinion published 28/12/2016
New legislation focuses on loss absorbing capacity

Loss absorbing capacity

- Regulators have added total loss-absorbing capacity (TLAC) and (in the EU) minimum requirement for own funds and eligible liabilities (MREL) to the post-crisis regulatory reform aimed at ending too-big-to-fail
- Regulators are now looking to ensure that banks' liability structures provide sufficient TLAC and MREL to absorb losses and facilitate the recapitalisation of the bank in the event of resolution

TLAC

- **Scope:** G-SIBs
- **Implementation:**
  - 1/1/2019: the higher of 16% RWA or 6% of Basel 3 leverage exposures
  - 1/1/2022: the higher of 18% RWA or 6.75% of Basel 3 leverage exposures
- **Buffer requirements will come on top of the RWA requirement***:
  - ING Group: 2.5% Capital Conservation Buffer + 3% Systemic Risk Buffer
- **Home authorities of resolution entities could apply additional firm-specific requirements**
- **TLAC instruments should be subordinated to excluded liabilities**

MREL

- **Scope:** EU banks
- **Two components:**
  - Loss absorption amount
  - Recapitalisation amount
- **Implementation timeline pending**
- **MREL instruments are not currently required to be subordinated to operational liabilities**
- **MREL requirements could be subject to change, pending new regulations**

* Minimum RWA requirement currently more constraining than minimum leverage requirement
Loss absorption and recapitalisation overview

- There are a number of resolution tools granted to the relevant Resolution Authority under the BRRD, including (a) sale of a business, (b) bridge institution, (c) asset separation and (d) bail-in
- The resolution tools can only be applied when the relevant entity is put into resolution
- In resolution, the Resolution Authority could require a Business Reorganization Plan

* Certain exemptions may apply
### ING’s preferred approach to resolution

#### Current status

<table>
<thead>
<tr>
<th>ING Group</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>External senior unsecured</td>
<td></td>
</tr>
<tr>
<td>External Additional Tier 1</td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ING Bank</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>External senior unsecured</td>
<td></td>
</tr>
<tr>
<td>External Tier 2</td>
<td></td>
</tr>
<tr>
<td>Intra-group Additional Tier 1</td>
<td></td>
</tr>
<tr>
<td>Intra-group Common Equity Tier 1</td>
<td></td>
</tr>
</tbody>
</table>

#### Resolution entity

- ING has always benefitted from the optionality of having both a HoldCo and an OpCo in place.
- Both ING Group and ING Bank are issuing entities.
- Historically, ING Group has issued Additional Tier 1 instruments as well as senior unsecured notes.
- ING Bank has issued Tier 2 instruments as well as long and short-term senior funding.
- In November 2016, we concluded that ING Group should be our designated resolution entity.
- At the end of January 2017, the Single Resolution Board (SRB) has informed us that it supports the designation of ING Group as the point of entry.

#### Benefits

- Simplification of the resolution structure.
- Consistent with the approach taken by G-SIBs that have HoldCos.
- From an issuance perspective, HoldCo senior is a proven concept being an existing asset class with deep and well established markets.
HoldCo issuance strategy

- All external TLAC/MREL-eligible debt will be issued by ING Group (HoldCo) going forward.
- ING Group capital will be downstreamed to ING Bank like-for-like in both the transition and end-state structures.
- ING Group senior unsecured will be downstreamed as ING Bank (a) senior unsecured, initially, and (b) intra-group TLAC/MREL senior unsecured, once the regulations for internal TLAC/MREL have been finalised.
- Losses arise at ‘OpCo’ level, and consequently apply at ‘HoldCo’ level.

** The terms of securities already downstreamed as senior unsecured will be amended to become intra-group TLAC/MREL senior unsecured.

* ING has the option to replace the ING Bank EUR 1 bln Tier 2 notes issued in April 2016 with a first call date in April 2023 for ING Group Tier 2 notes up until April 2018.

---

**Simplified indicative transition and end-state issuance structures**

**Transition structure**

- ING Group creditor hierarchy:
  - Senior unsecured (to be issued over time)
  - Tier 2 (to be issued over time)
  - Additional Tier 1
  - Common Equity Tier 1

- ING Bank creditor hierarchy:
  - Intra-group senior unsecured
  - Intra-group Tier 2
  - Intra-group Additional Tier 1
  - Intra-group Common Equity Tier 1

- Downstreaming

**End-state structure**

- ING Group creditor hierarchy:
  - Senior unsecured
  - Tier 2
  - Additional Tier 1
  - Common Equity Tier 1

- ING Bank creditor hierarchy:
  - External senior unsecured
  - Intra-group TLAC/MREL senior unsecured
  - Intra-group Tier 2
  - Intra-group Additional Tier 1
  - Intra-group Common Equity Tier 1

- Downstreaming

---

* ING has the option to replace the ING Bank EUR 1 bln Tier 2 notes issued in April 2016 with a first call date in April 2023 for ING Group Tier 2 notes up until April 2018.

** The terms of securities already downstreamed as senior unsecured will be amended to become intra-group TLAC/MREL senior unsecured.
TLAC requirements are manageable...

• ING Group currently has a TLAC shortfall of EUR 10-15 billion; we intend to recycle maturing ING Bank senior unsecured debt over the next two years as ING Group senior unsecured debt.

• This will allow us to comfortably grow into the minimum TLAC requirement of 23.5% from 1 January 2022 at an early stage. MREL requirements have yet to be determined and could well be higher.

• Any potential shortfall related to MREL, new regulatory requirements or balance sheet growth will be met with additional Group issuance.

* Regarding fully-loaded ratios
** Including grandfathered securities
...supported by a recycling strategy of ING Bank instruments

ING Bank has EUR 43.1 billion of long-term senior unsecured debt maturing from 2017 until 2022 of which EUR 19.2 billion (6.1% of RWA) is maturing in 2017/2018.

In addition, EUR 1.75 billion of ING Group senior unsecured will mature in 2017.

Consequently, recycling these maturing notes will give us ample flexibility to comply with TLAC requirements.

* As per the publication date of this Credit Update 4Q16; ING Bank NV consolidated figures shown for issued senior bonds are included with a tenor ≥ 1 year.
Issuance entities under our proposed approach to resolution

**Issuance entities**

- **ING Group**
  - **ING Bank**
  - Various ING subsidiaries

**Instruments**

- Capital instruments
- Senior unsecured debt (TLAC / MREL eligible)

- Covered Bonds / secured funding
- Senior unsecured debt (TLAC / MREL ineligible)

- Covered Bonds / secured funding
- Senior unsecured debt (TLAC / MREL ineligible)
Bank liquidity and funding
ING Bank balance sheet: strong and conservative with customer deposits as the primary source of funding

Balance sheet ING Bank (in EUR bln)
Balance sheet size ING Bank 31 December 2016: EUR 844 bln

<table>
<thead>
<tr>
<th>Assets</th>
<th>Own Funds &amp; Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to customers</td>
<td>563</td>
</tr>
<tr>
<td>Cash balances with central banks and loans to banks</td>
<td>122</td>
</tr>
<tr>
<td>Other financial assets at fair value through P&amp;L</td>
<td>47</td>
</tr>
<tr>
<td>Investments</td>
<td>20</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>631</td>
</tr>
<tr>
<td>Financial liabilities at fair value through P&amp;L</td>
<td>117</td>
</tr>
<tr>
<td>Total equity deposits from banks</td>
<td>44</td>
</tr>
<tr>
<td>Total equity as a percentage of assets</td>
<td>86%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

High quality customer loan book
- See “Asset Quality” section of the presentation

Attractive funding profile
- 63% of the balance sheet is funded by customer deposits
- 86% of total funds entrusted is retail based
- Attractive loan-to-deposit ratio of 105% as per 31 December 2016

Customer deposits by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>12%</td>
</tr>
<tr>
<td>Wholesale Banking</td>
<td>86%</td>
</tr>
<tr>
<td>Corporate Line</td>
<td>2%</td>
</tr>
</tbody>
</table>

Large, high quality liquidity buffer
- See “Funding & Liquidity” sections of the presentation

Conservative trading profile
- Majority of our Financial Markets business is customer flow based where we largely hedge out positions, reflected in large but often off-setting assets and liabilities at FV positions
- Average VaR during 4Q16 was EUR 7 mln for ING Bank’s trading portfolio, down from EUR 9 mln in 3Q16
ING Bank maintains a strong long-term funding position supported by solid credit rating profile

**ING Bank credit ratings on 2 February 2017**

<table>
<thead>
<tr>
<th></th>
<th>Long-term rating</th>
<th>Outlook</th>
<th>Short-term rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A</td>
<td>Stable</td>
<td>A-1</td>
</tr>
<tr>
<td>Moody's</td>
<td>A1</td>
<td>Stable</td>
<td>P-1</td>
</tr>
<tr>
<td>Fitch</td>
<td>A+</td>
<td>Stable</td>
<td>F1</td>
</tr>
</tbody>
</table>

**Long-term funding (in EUR bln)**

- 2014: 93 bln (17 bln Subordinated loans, 93 bln Long-term debt*)
- 2015: 93 bln (16 bln Subordinated loans, 93 bln Long-term debt*)
- 3Q16: 84 bln (16 bln Subordinated loans, 84 bln Long-term debt*)
- 4Q16: 81 bln (16 bln Subordinated loans, 81 bln Long-term debt*)

**Short-term professional funding (in EUR bln)**

- 2014: 34 bln (30 bln Interbank, 4 bln CD/CP**)
- 2015: 30 bln (34 bln Interbank, 6 bln CD/CP**)
- 3Q16: 29 bln (37 bln Interbank, 8 bln CD/CP**)
- 4Q16: 26 bln (32 bln Interbank, 4 bln CD/CP**)

**Asset encumbrance remains low**

- At year-end 2016, the asset encumbrance ratio for ING Bank was 19%.
- ING manages its balance sheet prudently whereby a variety of funding sources is readily available.
- Given this diversified funding strategy, the level of asset encumbrance of ING’s balance sheet is relatively low compared to other European lenders.

* Long-term debt recognised under Debt securities in issue and (minor part) under Financial liabilities at fair value through P&L
** CD/CP refers to Bank Treasury amounts only
ING Bank has modest long-term funding needs

ING Bank NV consolidated figures shown for issued senior bonds are included with a tenor ≥ 1 year
Investment portfolio consists of high quality assets

**Debt securities by type**
- Government bonds: 51%
- SSA: 15%
- Covered bonds: 23%
- FI senior bonds: 2%
- Corporate bonds: 6%
- ABS: 3%

**Debt securities by LCR category**
- Level 1A: 76%
- Level 1B: 3%
- Level 2A: 4%
- Level 2B: 8%
- Non-HQLA: 9%

**Level 1A assets by country**
- Germany: 23%
- Netherlands: 15%
- Belgium: 8%
- France: 8%
- Poland: 8%
- Austria: 7%
- Supra-National: 7%
- United States: 6%
- Spain: 4%
- Finland: 3%
- Other: 11%

**Strong investment portfolio with mainly HQLA assets**
- ING Bank's investment portfolio decreased to EUR 96.1 billion in 4Q16. The decrease is mainly the result of maturities and sales, notably in government and ABS, which more than offset new LCR HQLA investments
- EUR 87.7 billion of bonds in the investment portfolio qualify as HQLA (91%) and 80.5 billion of bonds qualify as Level 1 HQLA under the EU’s Delegated Act
- The investment portfolio has an average tenor of 4.2 years
- Total liquidity buffer well exceeds short-term wholesale debt*

* Includes ING Bank NV long-term debt with remaining lifetime < 12 months and balance of CD/CP Issued
Appendix
Sustainability is embedded throughout our business

Sustainable Transitions Financed* (STF, in EUR bln)

<table>
<thead>
<tr>
<th>Year</th>
<th>STF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19.5</td>
</tr>
<tr>
<td>2015</td>
<td>23.8</td>
</tr>
<tr>
<td>2016</td>
<td>34.3</td>
</tr>
</tbody>
</table>

Driving sustainable progress

- Growth in STF was partly driven by new business and also reflects further sustainability assessments of our loan book, particularly in the Dutch Real Estate Finance portfolio

Sustainability news in 4Q16

- ING launched the Sustainable Finance Collective Asia
- Real Estate Finance will only offer new financing for office buildings in the Netherlands that meet the requirements for a ‘green’ energy label after 2017
- ING acted as mandated lead arranger on the financing of a solar farm in Japan for Nagi PV GK. The project will produce the equivalent in electricity of powering 4,500 homes

Recognition

**FTSE4Good**
- • ING remains a constituent of the FTSE4Good Index following the Dec-16 review

**Corporate Knights**
- • Ranked 5th in the 2017 Top 100 list of the world's most sustainable corporations

**The Banker**
- • ING named Global Bank of the Year at The Banker's Best Bank Awards 2016

* STF: measures lending to clients who are environmental and/or social outperformers or financing of transactions for sustainable projects (i.e. renewable energy, low-carbon transport, social welfare)
Robust rating profile with strong trend over the last quarters

Credit ratings on 2 February 2017

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stand-alone rating</td>
<td>bbb+</td>
<td>baa1</td>
<td>a+</td>
</tr>
<tr>
<td>Business position</td>
<td>1 notch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and earnings</td>
<td>1 notch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government support</td>
<td>-</td>
<td>1 notch</td>
<td>-</td>
</tr>
<tr>
<td>Junior debt support</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Moody’s LGF support</td>
<td>N/A</td>
<td>2 notches</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**ING Bank NV (OpCo)**

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank senior LT rating</td>
<td>A</td>
<td>A1</td>
<td>A+</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Bank senior ST rating</td>
<td>A-1</td>
<td>P-1</td>
<td>F1</td>
</tr>
<tr>
<td>Tier 2</td>
<td>BBB+*</td>
<td>Baa2</td>
<td>A</td>
</tr>
</tbody>
</table>

**ING Groep NV (HoldCo)**

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group senior LT rating</td>
<td>A-</td>
<td>Baa1</td>
<td>A+</td>
</tr>
<tr>
<td>AT1</td>
<td>BB</td>
<td>Ba1</td>
<td>BBB-</td>
</tr>
</tbody>
</table>

Latest ING Bank rating actions

- S&P: Jun-2015 outlook change from ‘A’ Negative to ‘A’ Stable on strengthening capital
- Moody’s: May-2015 rating uplift from ‘A2’ to ‘A1’ following the publication of Moody’s new bank rating methodology
- Fitch: Apr-2016 rating uplift from ‘A’ to ‘A+’ reflecting ING’s solid financial metrics and strong execution of strategy, supported by higher capital ratios, which resulted in an improvement of ING Bank’s viability rating

* Tier 2 rating for latest instrument with issuer substitution option via exchange is BBB
## Outstanding capital securities

### (Additional) Tier 1 securities issued by Group

<table>
<thead>
<tr>
<th>Currency</th>
<th>Issue date</th>
<th>First call date</th>
<th>Coupon</th>
<th>Issued</th>
<th>Outstanding**</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>Dec-00</td>
<td>Dec-10</td>
<td>3mL + 360</td>
<td>1,500</td>
<td>522</td>
</tr>
<tr>
<td>USD</td>
<td>Dec-02</td>
<td>Dec-07</td>
<td>7.200%</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>EUR</td>
<td>Jun-03</td>
<td>Jun-13</td>
<td>10yr DSL +50</td>
<td>750</td>
<td>432</td>
</tr>
<tr>
<td>USD</td>
<td>Oct-03</td>
<td>Jan-09</td>
<td>6.200%</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>EUR</td>
<td>Jun-04</td>
<td>Jun-14</td>
<td>10yr DSL +10</td>
<td>1,000</td>
<td>563</td>
</tr>
<tr>
<td>USD</td>
<td>Sep-05</td>
<td>Jan-11</td>
<td>6.125%</td>
<td>700</td>
<td>700</td>
</tr>
<tr>
<td>USD</td>
<td>Jun-07</td>
<td>Jun-12</td>
<td>6.375%</td>
<td>1,045</td>
<td>1,045</td>
</tr>
<tr>
<td>USD (compliant)</td>
<td>Apr-15</td>
<td>Apr-25</td>
<td>6.500%</td>
<td>1,250</td>
<td>1,250</td>
</tr>
<tr>
<td>USD (compliant)</td>
<td>Apr-15</td>
<td>Apr-20</td>
<td>6.000%</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>USD (compliant)</td>
<td>Nov-16</td>
<td>Apr-22</td>
<td>6.875%</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

** Amount outstanding in original currency

### Tier 2 securities issued by Bank

<table>
<thead>
<tr>
<th>Currency</th>
<th>Issue date</th>
<th>First call date</th>
<th>Maturity</th>
<th>Coupon</th>
<th>Outstanding**</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>Jul-07</td>
<td>Jul-22</td>
<td>Jul-27</td>
<td>10yr CMS +4</td>
<td>150</td>
</tr>
<tr>
<td>EUR</td>
<td>May-08</td>
<td>May-18</td>
<td>May-23</td>
<td>6.125%</td>
<td>1,000</td>
</tr>
<tr>
<td>GBP</td>
<td>May-08</td>
<td>May-18</td>
<td>May-23</td>
<td>6.875%</td>
<td>800</td>
</tr>
<tr>
<td>USD (compliant)</td>
<td>Sep-13</td>
<td>n/a</td>
<td>Sep-23</td>
<td>5.80%</td>
<td>2,000</td>
</tr>
<tr>
<td>EUR (compliant)</td>
<td>Nov-13</td>
<td>Nov-18</td>
<td>Nov-23</td>
<td>3.50%</td>
<td>1,057</td>
</tr>
<tr>
<td>USD (compliant)</td>
<td>Nov-13</td>
<td>Nov-18</td>
<td>Nov-23</td>
<td>4.13%</td>
<td>2,058</td>
</tr>
<tr>
<td>EUR (compliant)</td>
<td>Feb-14</td>
<td>Feb-21</td>
<td>Feb-26</td>
<td>3.63%</td>
<td>1,500</td>
</tr>
<tr>
<td>EUR (compliant)*</td>
<td>Apr-16</td>
<td>Apr-23</td>
<td>Nov-28</td>
<td>3.00%</td>
<td>1,000</td>
</tr>
</tbody>
</table>

* ING has the option to replace the ING Bank EUR 1 bln Tier 2 notes issued in April 2016 with a first call date in April 2023 for ING Group Tier 2 notes up until April 2018

** Amount outstanding in original currency
## Recent ING Bank Senior, Covered and RMBS benchmarks

### Senior Unsecured

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Issue date</th>
<th>Maturity</th>
<th>Tenor</th>
<th>Coupon</th>
<th>Currency</th>
<th>Issued</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>US449786BG67</td>
<td>Aug-16</td>
<td>Aug-19</td>
<td>3yr</td>
<td>3mL + 61</td>
<td>USD</td>
<td>250</td>
<td>3mL + 61</td>
</tr>
<tr>
<td>US449786BH41</td>
<td>Aug-16</td>
<td>Aug-19</td>
<td>3yr</td>
<td>1.65%</td>
<td>USD</td>
<td>450</td>
<td>T + 83</td>
</tr>
<tr>
<td>US449786BF84</td>
<td>Aug-16</td>
<td>Aug-21</td>
<td>5yr</td>
<td>3mL + 88</td>
<td>USD</td>
<td>250</td>
<td>3mL + 88</td>
</tr>
<tr>
<td>US449786BJ07</td>
<td>Aug-16</td>
<td>Aug-21</td>
<td>5yr</td>
<td>2.05%</td>
<td>USD</td>
<td>600</td>
<td>T + 93</td>
</tr>
<tr>
<td>US44987CAK45</td>
<td>Mar-16</td>
<td>Mar-19</td>
<td>3yr</td>
<td>3mL + 113</td>
<td>USD</td>
<td>500</td>
<td>3mL + 113</td>
</tr>
<tr>
<td>US44987CAN83</td>
<td>Mar-16</td>
<td>Mar-19</td>
<td>3yr</td>
<td>2.3%</td>
<td>USD</td>
<td>750</td>
<td>T + 115</td>
</tr>
<tr>
<td>US44987CAM01</td>
<td>Mar-16</td>
<td>Mar-21</td>
<td>5yr</td>
<td>2.75%</td>
<td>USD</td>
<td>600</td>
<td>T + 128</td>
</tr>
<tr>
<td>XS1368576572</td>
<td>Feb-16</td>
<td>Feb-21</td>
<td>5yr</td>
<td>0.75%</td>
<td>EUR</td>
<td>1,250</td>
<td>ms + 73</td>
</tr>
</tbody>
</table>

### Covered Bond*

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Issue date</th>
<th>Maturity</th>
<th>Tenor</th>
<th>Currency</th>
<th>Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>XS1433124457</td>
<td>Jun-16</td>
<td>Sep-24</td>
<td>8yr</td>
<td>EUR</td>
<td>1,500</td>
</tr>
<tr>
<td>XS1433124705</td>
<td>Jun-16</td>
<td>Sep-26</td>
<td>10yr</td>
<td>EUR</td>
<td>1,500</td>
</tr>
<tr>
<td>XS1373214243</td>
<td>Feb-16</td>
<td>Feb-23</td>
<td>7yr</td>
<td>EUR</td>
<td>425</td>
</tr>
<tr>
<td>XS1373212460</td>
<td>Feb-16</td>
<td>Feb-23</td>
<td>7yr</td>
<td>EUR</td>
<td>575</td>
</tr>
</tbody>
</table>

### Dutch RMBS (Orange Lion)

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Issue date</th>
<th>Maturity</th>
<th>Tenor</th>
<th>Coupon</th>
<th>Currency</th>
<th>Issued</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL0011275425</td>
<td>Jun-15</td>
<td>Jul-22</td>
<td>6yr</td>
<td>3mE + 29</td>
<td>EUR</td>
<td>750</td>
<td>3mE + 29</td>
</tr>
</tbody>
</table>

* Internally placed Soft Bullet Covered Bonds issued under ING Bank’s EUR 10 bln Soft Bullet Covered Bond programme
ING Bank’s covered bond programme...

- ING Bank NV EUR 30 bln Hard and Soft Bullet Covered Bonds programme
  - UCITS, CRR and ECBC Label compliant. Rated Aaa/AAA/AAA (Moody’s/S&P/Fitch)
  - Programme is used for external issuance purposes; separate EUR 10 bln Soft Bullet Covered Bonds programme for internal transactions only
  - Cover pool consists of 100% prime Dutch residential mortgage loans, all owner occupied and in EUR only. As per 31 December 2016, no arrears > 90 days in the cover pool
  - Strong Dutch legislation with min. legally required OC of 5% and LTV cut-off rate of 80%
- Latest investor reports are available on www.ing.com/IR

**Portfolio characteristics (as per 31 December 2016)**

- Net principal balance: EUR 31,965 mln
- Outstanding bonds: EUR 24,568 mln
- # of loans: 190,297
- Avg. principal balance (per borrower): EUR 167,973
- WA current interest rate: 3.34%
- WA maturity: 18.9 years
- WA remaining time to interest reset: 5.5 years
- WA seasoning: 10.8 years
- WA current indexed LTV: 73.9%
- Min. documented OC: 25.8%
- Nominal OC: 30.1%

**Repayment type**

- 7%
- 9%
- 2%
- 4%
- 68%

**Interest rate type**

- 16%
- 84%

**Current Indexed LTVs**

- 11%
- 16%
- 13%
- 13%
- 22%
- 2%
...benefiting from improving Dutch economy and housing market

**Dutch Purchasing Managers Index (PMI) was 57.3 in December 2016 which indicates positive growth**

**Unemployment rates (%) continue to decline**

**Dutch consumer confidence* turning positive yet again but recovery remains fragile**

**Dutch house prices and market turnover underlining healthy state of the housing market**

* Source: Central Bureau for Statistics

** Source: NVM (Dutch Association of Realtors)
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, except as described otherwise, the same accounting principles are applied as in the 2015 ING Group consolidated annual accounts. The Final statements for 2016 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.

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