



ING Bank

Credit update

Amsterdam – 12 February 2013
www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



Key points

- ING advanced further into end phase of restructuring
 - State support further reduced and IABF unwound
 - Further progress on divestment Insurance and Investment Management
 - ING Insurance on track in preparations for intended IPO in 2014
- Group posted an underlying net profit of EUR 405 mln
- Bank posted another solid quarter, with a pre-tax result of EUR 904 mln compared with EUR 283 mln in 4Q12, supported by an increase of the net interest margin to 145 bps
- The Bank's capitalisation remains strong and funding needs are moderate

ING Group

ING advanced further into end phase of restructuring

ING made further progress on divestment Insurance/IIM

- Divestment ING Insurance/IIM Asia resolved
 - Sale of China Merchant Funds, IIM Korea and ING Life Korea closed in 4Q13
 - The announced sales of ING-BoB Life and IIM Taiwan are expected to close in 1H14
- Second tranche ING U.S. sold in October, reducing ING's remaining stake to 57%
- Stakes SulAmerica sold: 7.3% in 4Q13 and 11.3% in 1Q14. Remaining stake 10%

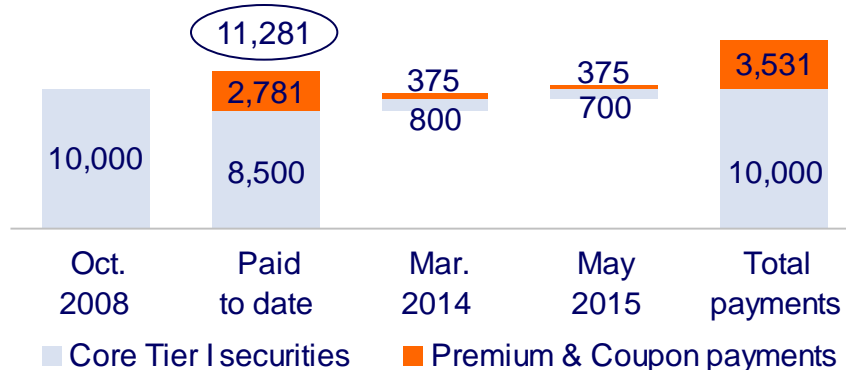
ING Insurance on track in preparations for intended IPO

- Implementation of new reporting segmentation that better aligns the businesses of ING Insurance with their governance and internal management
- Capital position strengthened in advance of intended ING Insurance IPO
- ING Insurance will be appropriately capitalised at the intended IPO

State support further reduced and IABF unwound

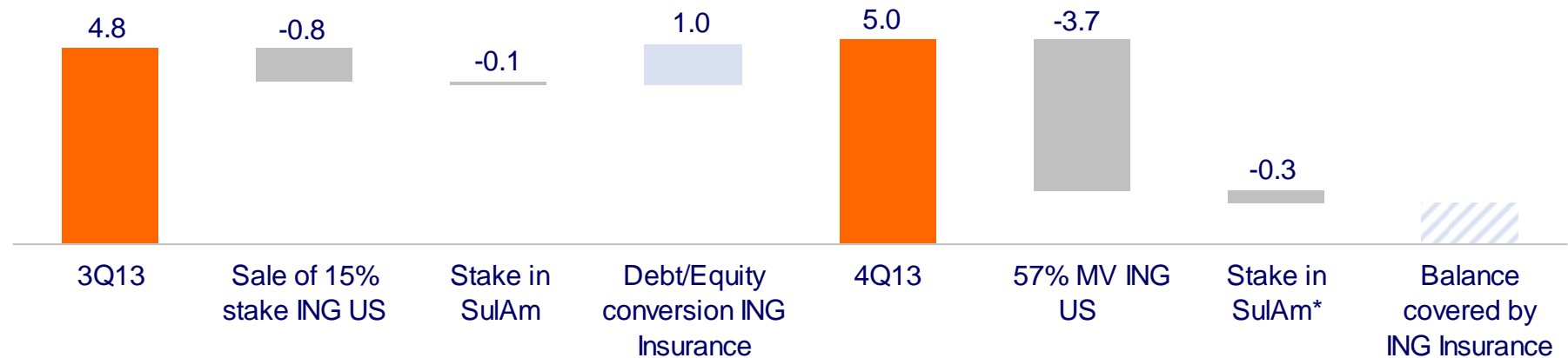
- ING paid EUR 1.125 bln core Tier 1 securities and premium to the Dutch State on 6 November 2013
- The next tranche is intended to be paid in March 2014; Final tranche will be paid ultimately in May 2015
- In 4Q13, the IABF facility was unwound, resulting in a EUR 99 mln pre-tax result and EUR 2 bln RWA relief

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



Double leverage covered by (market) value ING US, SulAmerica and ING Insurance

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



Double leverage increased to EUR 5.0 bln in 4Q13...

- Proceeds from sale Insurance stakes amounted to EUR 0.9 bln in 4Q13
- In addition, ING converted EUR 1 bln of debt from ING Insurance into Equity

...but well covered by ING Insurance divestments

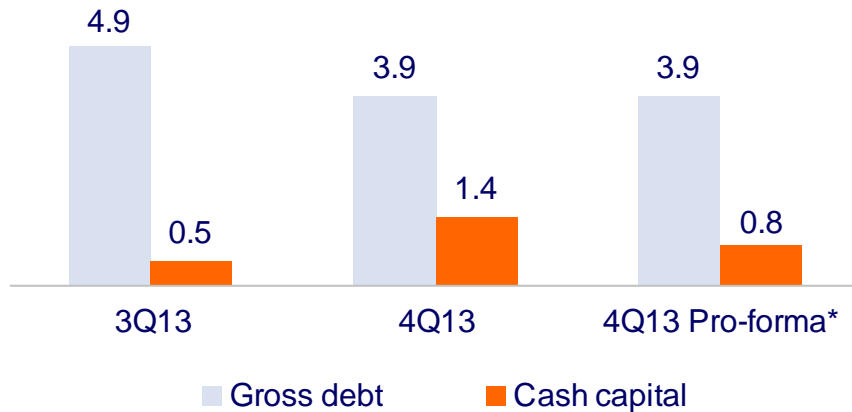
- Transaction structure and size of the intended base case IPO of ING Insurance still to be determined
- IPO expected in 2014 depending on market circumstances

* Stake in SulAm includes sale of 11.5% stake that was closed in 1Q14 (EUR 180 mln) and market value remaining stake of 10% in SulAm (EUR 145 mln)



ING Insurance will be appropriately capitalised at the intended IPO

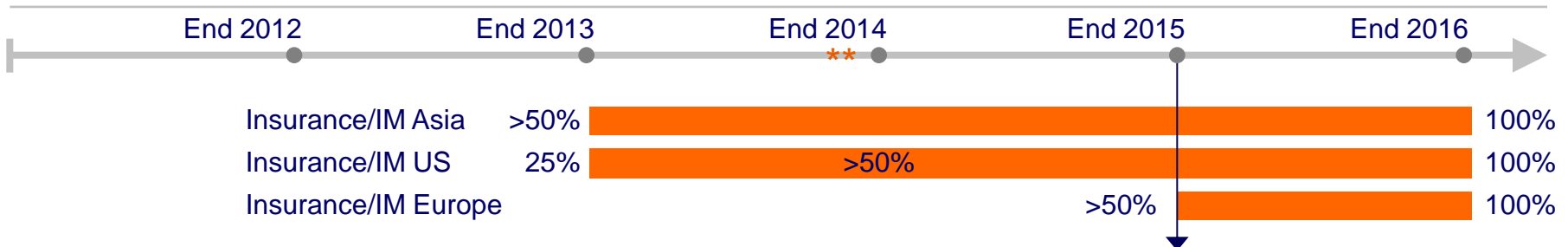
ING Insurance gross debt and cash capital (in EUR bln)



The capital position of ING Insurance is assessed on solvency, leverage and holding company buffer

- Currently all operating entities are adequately capitalized
- Holding company 4Q13 pro-forma cash capital position was EUR 0.8 bln
- Gross debt position still EUR 3.9 bln; fixed charge coverage not yet at the desired level
- Objective for leverage and fixed charge coverage ratios to be consistent with single A rating
- Final capital levels are subject to regulatory approval

EC deadlines for Insurance divestments



* Pro-forma cash capital of EUR 0.8 bln is after subordinated loan ING Insurance to NN Life, impact pension agreement and closing divestments

** Call ban expires in November 2014 or when the Dutch State has been fully repaid, whichever is earlier.

Divestments complete & behavioural restrictions lifted



ING Group posts underlying net profit of EUR 3,255 mln in FY 2013

Underlying net result ING Group (in EUR mln)



Net result ING Group (in EUR mln)



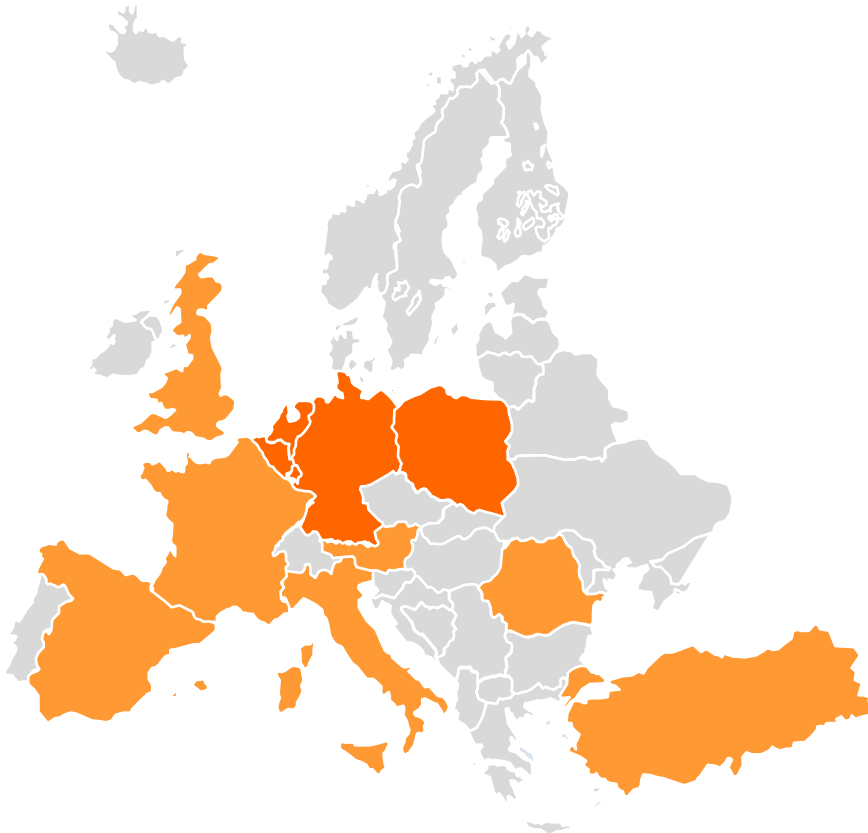
Divestments, discontinued operations and special items (in EUR mln)

| | 4Q13 | 3Q13 | 4Q12 |
|--|------------|------------|--------------|
| Underlying net result Group | 405 | 978 | 163 |
| Gains/losses on divestments | -38 | -950 | 1,612 |
| Results from divested units | - | 1 | -50 |
| Discontinued operations ING U.S. | 179 | 79 | 301 |
| Discontinued operations Insurance/IIM Asia | 33 | 56 | 78 |
| Special items | -40 | -63 | -624 |
| Net result Group | 539 | 101 | 1,482 |

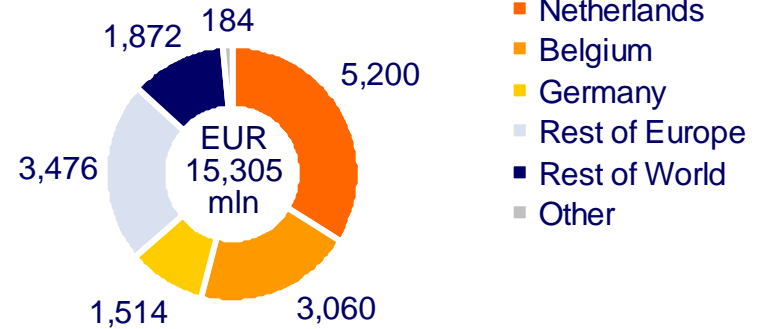
ING Bank

ING Bank has strong positions in resilient northern European home markets

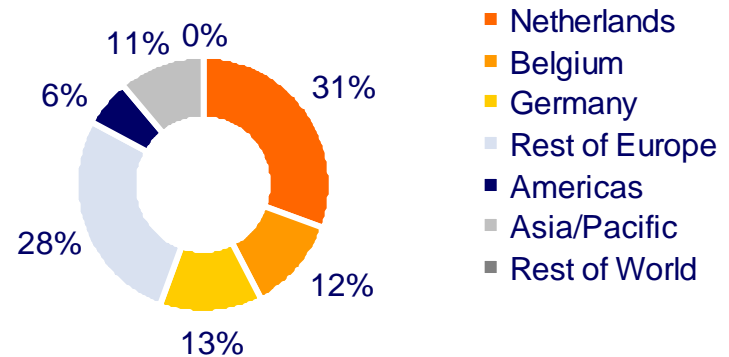
Strong positions in European home markets



ING Bank total underlying income 2013 (EUR mln)



Lending portfolio 2012 (%)



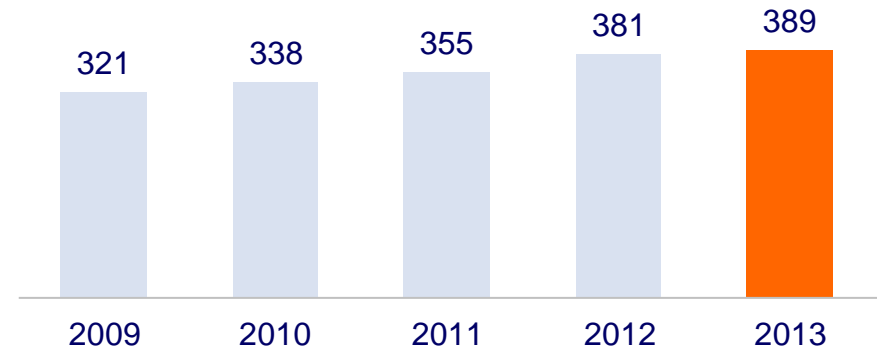
ING Bank has key strengths to support our success

Strong capital generation

Core Tier 1 ratio

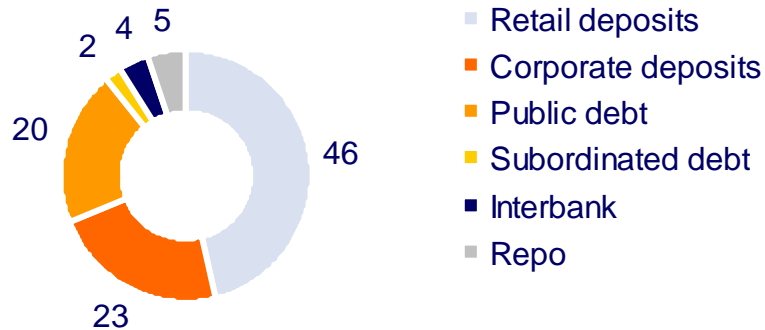


Strong retail deposit gathering ability* (in EUR bln)

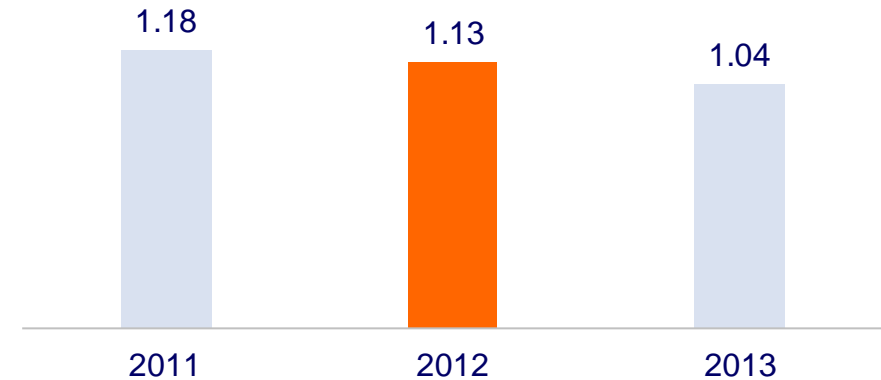


Conservative funding mix

Per 31 December 2013 (%)



Attractive Loan-to-Deposit Ratio*



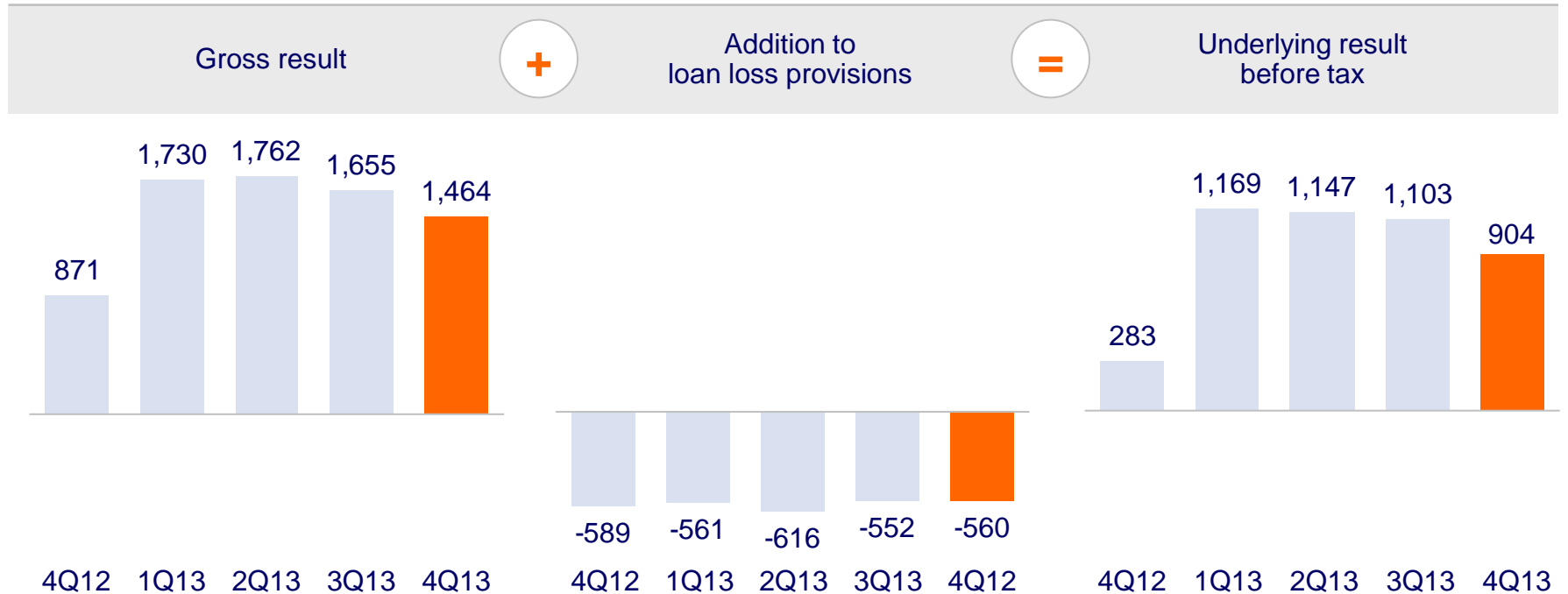
* Adjusted for divestments



ING Bank results

ING Bank posted another solid quarter

Bank results (in EUR mln)

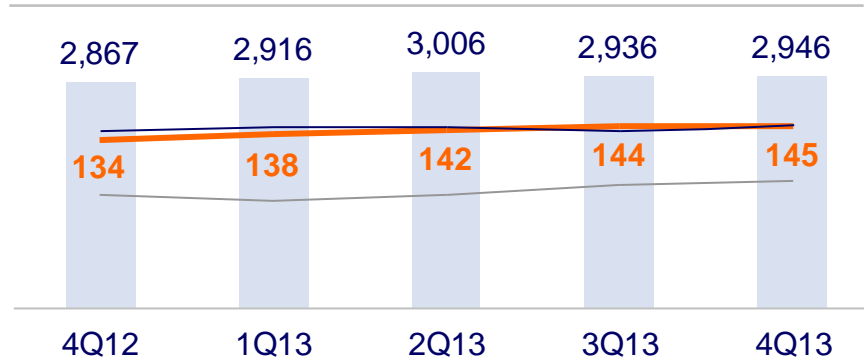


- ING Bank posted a solid fourth-quarter underlying result before tax of EUR 904 mln, reflecting an increase in the interest margin to 145 basis points, and despite seasonally lower activity in Financial markets.
- Results included a EUR 76 million restructuring charge in Retail NL to accelerate savings programmes, which was more than compensated by a EUR 99 million profit related to the unwinding of the IABF
- Risk costs remained elevated at EUR 560 mln, down from 4Q12, but slightly up from 3Q13



Net interest margin increased further to 145 bps

Underlying interest margin by quarter (in bps)

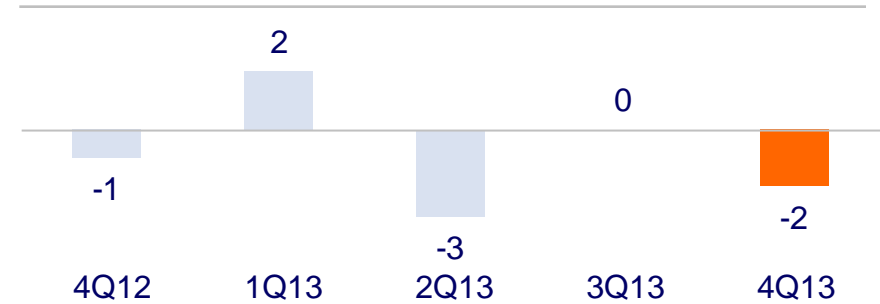


- Net interest result (in EUR mln)
- ING Bank (based on avg Balance Sheet)
- Lending (based on avg Client Balances)
- Savings & Deposits/PCM (based on avg Client Balances)

- Net interest result increased versus both 4Q12 and 3Q13 despite lower volumes and lower results from FM
- Net interest margin slightly up from 3Q13 to 145 bps
- Net interest margin of 145 bps includes around -5 bps of costs in Bank Treasury for replacing short-term funding with long-term funding for existing loans that will be isolated and transferred to the Corporate Line as of 1Q14
- The NIM is expected to remain at around these levels in the coming quarters

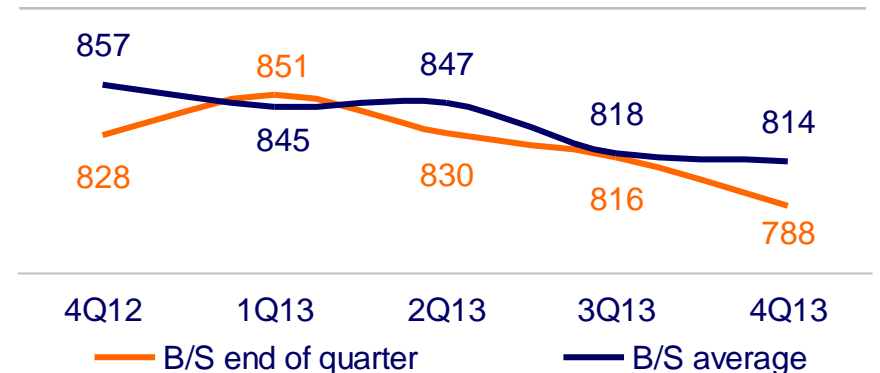
Financial Markets contribution to NIM can be volatile

Financial markets impact on NIM Q-on-Q (in bps)



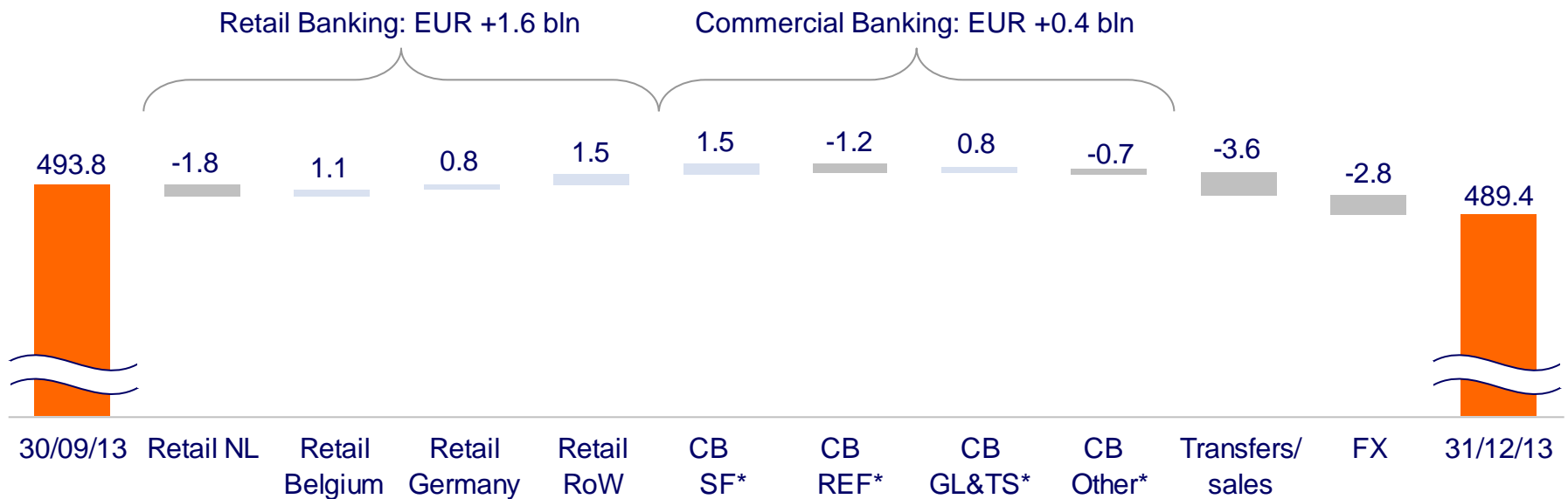
Average balance sheet remained relatively stable in 4Q13

Bank Balance Sheet (in EUR bln)



Net lending increased in both Retail and Commercial Banking

Lending Assets ING Bank (EUR bln)*



Net lending, excluding the impact of FX and asset transfers/sales, increased by EUR 2 bln

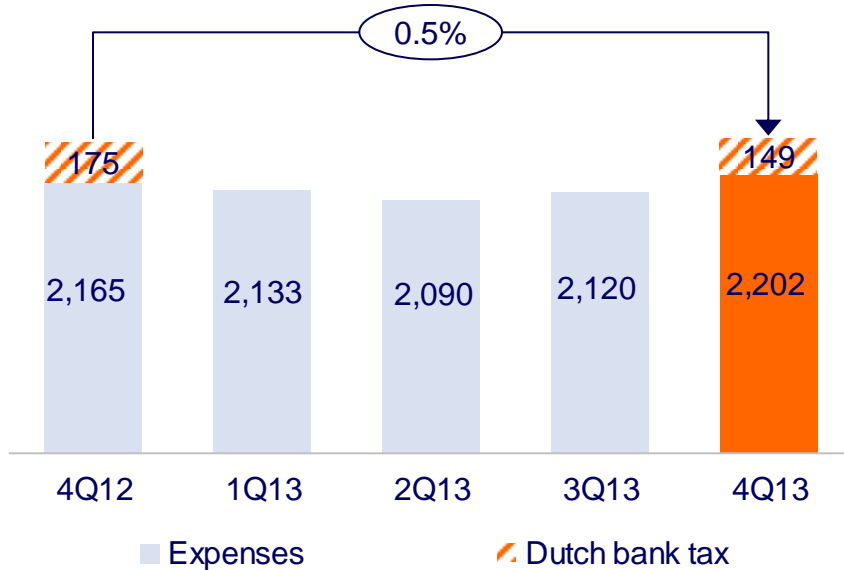
- Net lending in Retail Banking increased by EUR 1.6 bln as higher net lending in Retail Belgium, Retail Germany and Retail RoW offset lower net lending in the Netherlands
- Net lending in Commercial Banking increased by EUR 0.4 bln as higher net lending in Structured Finance and Trade Finance Services within General Lending & Transaction Services offset lower net lending in Real Estate Finance and Lease run-off.

* SF is Structured Finance; REF is Real Estate Finance; GL&TS is General lending & Transaction Services; Other includes lease run-off



Operating expenses remain flat

Underlying operating expenses (in EUR mln)



Expenses flat over the years (in EUR mln)



- Underlying expenses rose 0.5% from 4Q12 to EUR 2,351 mln, mainly due to EUR 38 mln higher pension and additional restructuring costs in Retail Netherlands, largely offset by cost savings, transfer of WUB staff to ING Insurance, lower annual charge for the Dutch Bank tax and favourable currency effects.
- Compared with 3Q13, expenses rose 10.9%, mainly due to the EUR 149 mln annual Dutch bank tax and EUR 20 mln of higher restructuring costs versus 3Q
- The full-year cost development has remained relatively stable, despite higher pension costs and restructuring charges
- The full-year 2013 cost income ratio improved to 56.8% from 60.3% in 2012

Restructuring programmes on track to reach cost savings of EUR 880 mln by 2015

Restructuring programmes (in EUR mln)

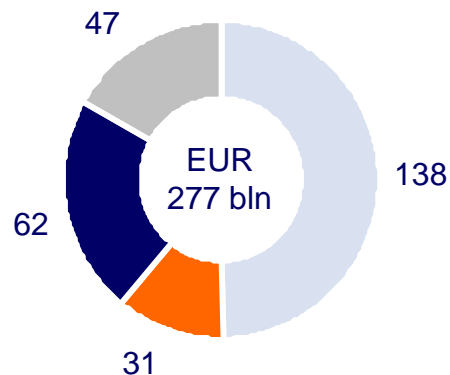
| | | Announced | Cost savings achieved | Remaining cost savings by 2015 | Total cost savings by 2015 | Total FTE reduction by 2015 |
|-------------|--------------------|-----------|-----------------------|--------------------------------|----------------------------|-----------------------------|
| Bank | Retail Banking NL | 3Q11/4Q12 | 279 | 151 | 430 | 4,100 |
| | Retail Banking NL | 4Q13 | | 30 | 30 | 300 |
| | ING Bank Belgium | 4Q12 | 41 | 119 | 160 | 1,115 |
| | Commercial Banking | 3Q12 | 138 | 122 | 260 | 1,000 |
| | Total Bank | | 458 | 422 | 880 | 6,515 |

- In 3Q11 and 2H12, cost-saving initiatives were announced for Retail NL, ING Belgium and Commercial Banking to improve future performance and reduce annual expenses by a combined EUR 840 mln by 2015
- In 4Q13, ING has taken additional restructuring costs of EUR 76 mln for Retail Banking Netherlands. This is an extension of existing cost-saving initiatives and is expected to lead to additional cost savings of EUR 30 mln by 2015
- At ING Belgium, total FTE reduction increased by 115 FTE resulting in an additional cost saving of EUR 10 mln by 2015.
- Cost savings realised so far are EUR 458 mln with a further EUR 422 mln still to come.
- Headcount reductions related to the restructuring programmes are estimated at 6,515, of which 4,068 have already left ING
- ING will continue to look for further cost savings

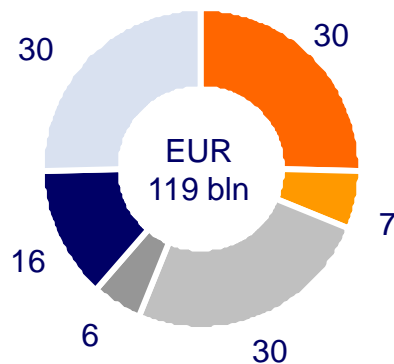
ING Bank asset quality

A well diversified loan book

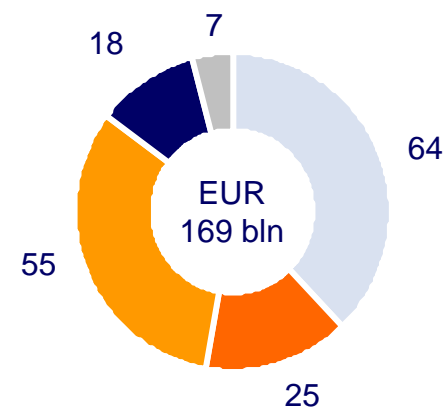
Residential mortgages* (in EUR bln)



Other retail lending* (in EUR bln)



Commercial Banking* (in EUR bln)



- Netherlands
- Belgium
- Germany
- Rest of World

- Business lending Netherlands
- Other lending Netherlands**
- Business lending Belgium
- Other lending Belgium**
- Other lending Germany
- Other lending Rest of World

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

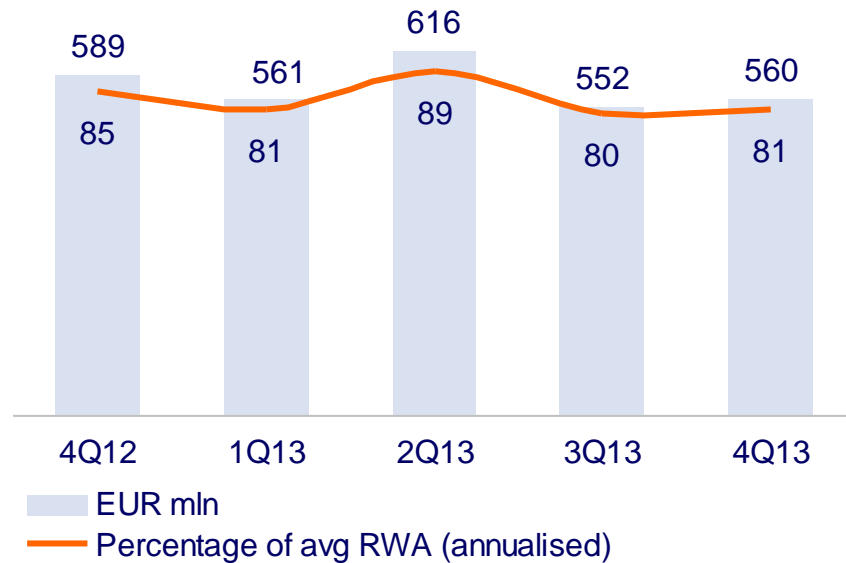
- ING Bank has a well diversified and collateralised loan book with a strong focus on own originated mortgages
- 70% of the portfolio is retail based

* 31 December 2013 lending and money market credit risk outstanding, including guarantees and letters of credit (off balance sheet positions)

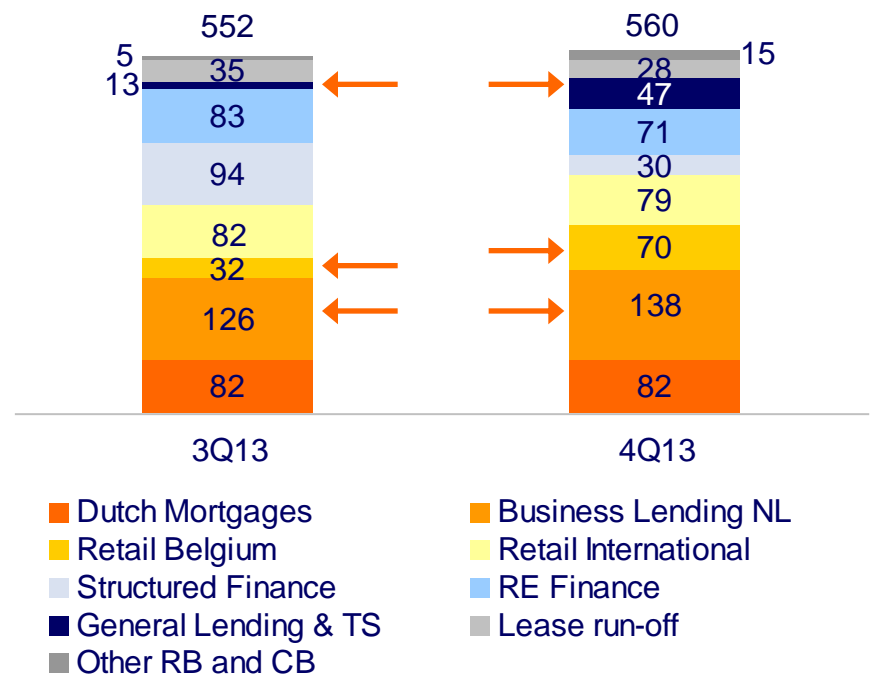
** Other lending excludes Business lending

Risk costs down versus 4Q12, slightly up from 3Q13

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



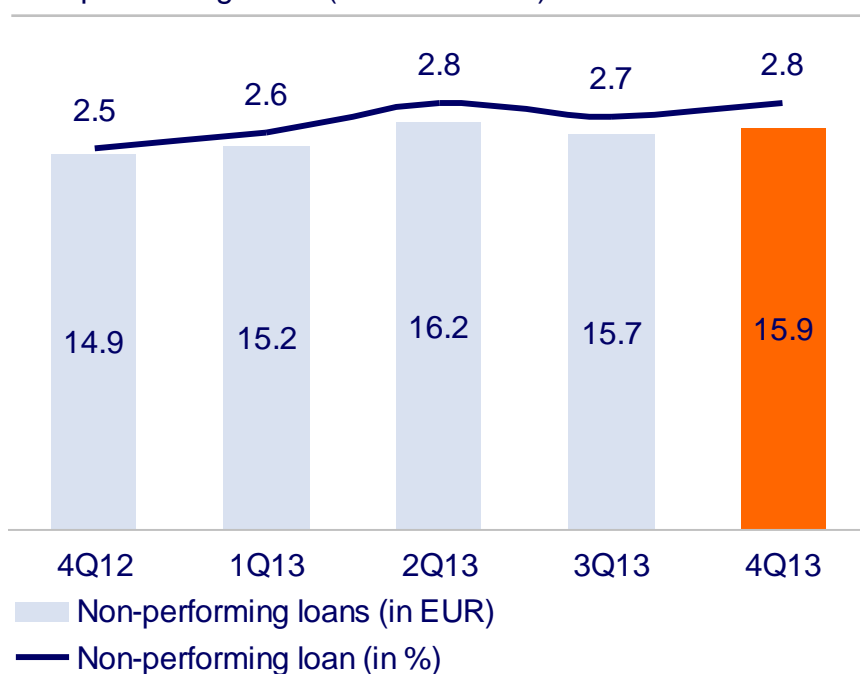
Underlying additions to loan loss provisions
(in EUR mln)



- Risk costs increased by EUR 8 mln to EUR 560 mln, driven by Retail Belgium, General Lending & TS and Business Lending NL offsetting lower additions in Structured Finance and Real Estate Finance
- Risk costs Real Estate Finance incorporate DNB's review on ING Bank's Commercial Real Estate portfolio

NPL ratio increased slightly to 2.8%

Non-performing loans (in EUR and %)



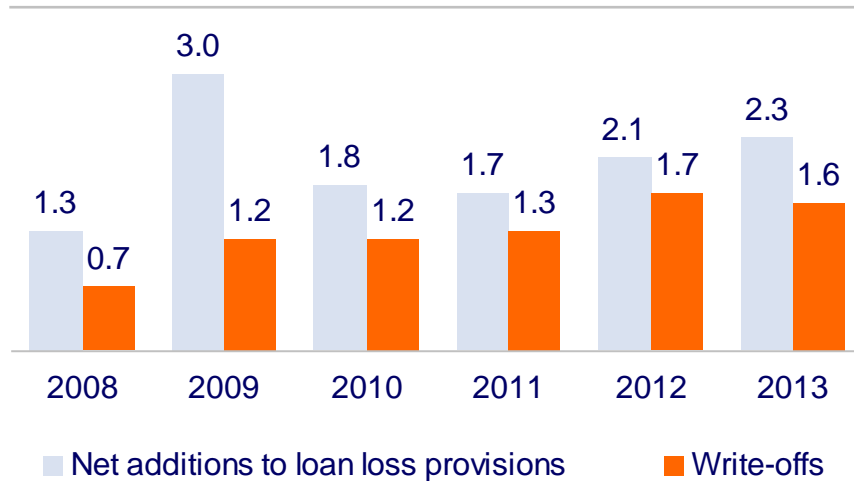
NPL ratio (in %)

| | 4Q13 | 3Q13 |
|--|------------|------------|
| Retail Banking | | |
| - Dutch Mortgages | 1.9 | 1.8 |
| - Business Lending NL | 7.5 | 7.0 |
| - Retail Belgium | 3.2 | 3.2 |
| - Retail International | 1.5 | 1.6 |
| Commercial Banking | | |
| - Structured Finance | 1.9 | 1.9 |
| - RE Finance | 10.7 | 9.9 |
| - General Lending & TS | 1.9 | 1.7 |
| - Lease run-off | 15.6 | 14.8 |
| Other Retail and Commercial Banking | | |
| - Other RB and CB | 2.6 | 1.9 |
| Total / average | 2.8 | 2.7 |

- The NPL ratio increased slightly to 2.8% in 4Q13, mainly due to a decrease in credit outstandings
- The amount of NPLs increased by EUR 0.2 bln, mainly due to higher NPLs in Business Lending NL, Dutch mortgages and General Lending offset by lower NPLs in Retail Banking International
- The NPL ratio for Business Lending NL, Real Estate Finance and Lease run-off remained relatively high in 4Q13
- The NPL ratio for Dutch mortgages rose slightly to 1.9%

Provisions continue to exceed write-offs

Net provisions have structurally outweighed write-offs
(in EUR bln)



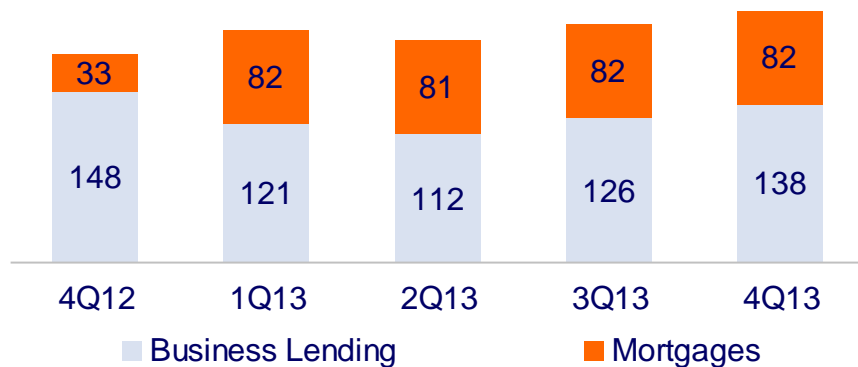
Coverage ratio has improved
(in EUR bln)

| | 4Q12 | 3Q13 | 4Q13 |
|-----------------------------|-------|-------|-------|
| Stock of provisions | 5.5 | 5.9 | 6.2 |
| Non-performing loans | 14.9 | 15.7 | 15.9 |
| Coverage ratio | 36.9% | 37.6% | 38.6% |

- Net additions to loan loss provisions and write-offs have increased in the past years, reflecting the recessionary environment
- Net additions to loan loss provisions have structurally exceeded write-offs resulting in a higher stock of provisions
- ING's coverage ratio, defined as stock of provisions divided by the NPLs, was 38.6% in 4Q13, up from 37.6% in 3Q13 and up from 36.9% in 4Q12.
- ING's loan book is well collateralised: approximately 80% of the portfolio consists of secured lending such as mortgages, Real Estate Finance, Leasing and Structured Finance

Risk costs Retail Banking Netherlands remain elevated

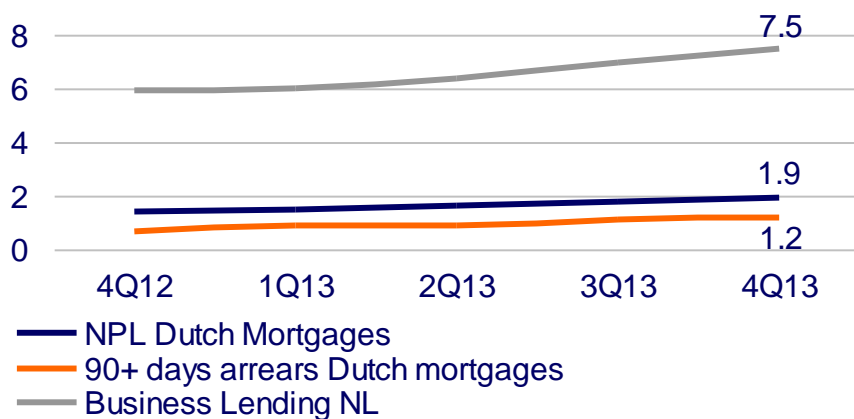
Risk costs Dutch mortgages and Business Lending NL (in EUR mln)



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



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



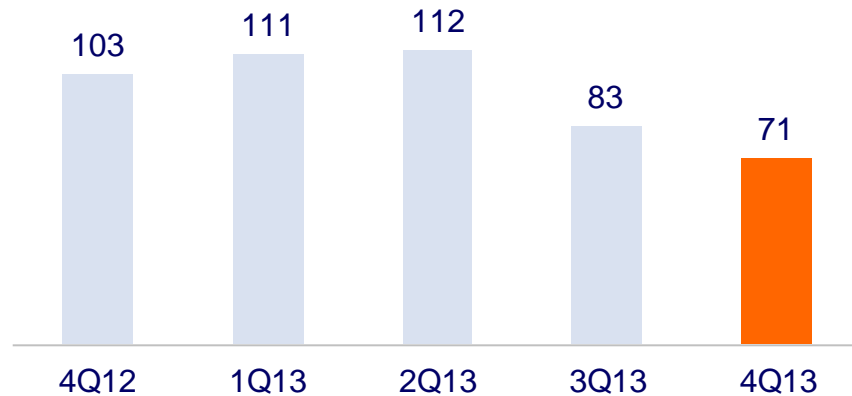
Risk costs Retail Banking NL expected to remain elevated

- Risk costs for Dutch mortgages remained stable vs 3Q13, while the NPL ratio increased slightly to 1.9%
- Average LTV Dutch mortgages was 91% at 4Q13
- Average risk weight Dutch mortgages rose to 19% at 4Q13
- Risk costs for Business Lending were EUR 138 mln, down from 4Q12 but up from 3Q13
- Given the continuing weak domestic economic environment in the Netherlands, risk costs in Retail Banking Netherlands are expected to remain elevated in the coming quarters

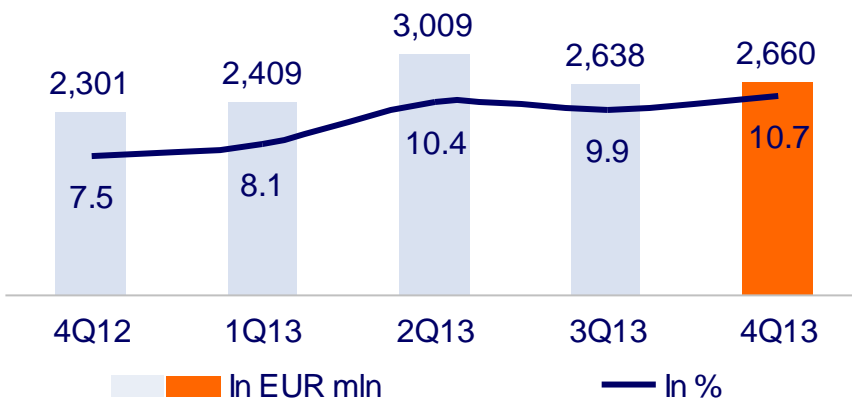


Risk costs Real Estate Finance further down

Risk costs (in EUR mln)

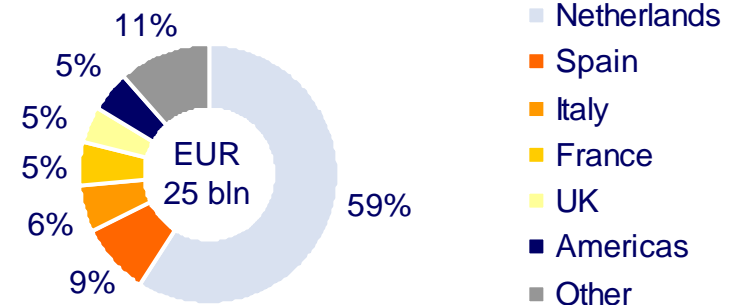


Non-performing loans



* Credit outstandings

Real Estate Finance portfolio by country of residence (31 Dec 2013)* (in EUR bln)

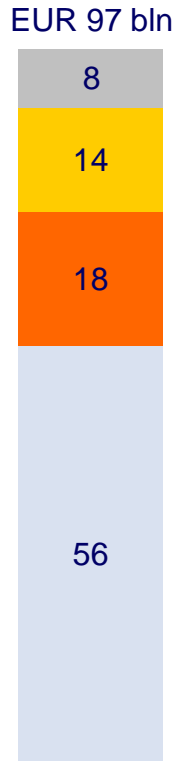


Risk costs further down, NPLs stabilising

- Risk costs for Real Estate Finance were EUR 71 mln, down from both 4Q12 and 3Q13.
- Risk costs were concentrated in Spain and the Netherlands
- Risk costs Real Estate Finance incorporate DNB's review on ING Bank's Commercial Real Estate portfolio
- Non-performing loans rose slightly by EUR 22 mln
- The NPL ratio increased to 10.7%, mainly due to a decline in credit outstanding

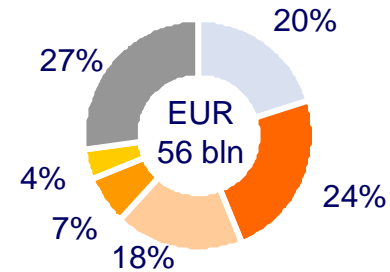
Investment book maintained for liquidity purposes

Investment portfolio per 31 December 2013



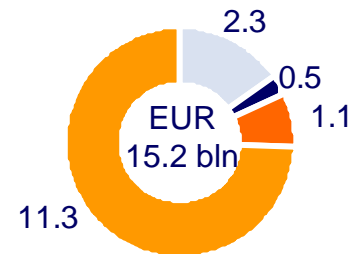
- Government bonds
- Covered bonds
- Financials/Corporates
- ABS

Government bonds per 31 December 2013



- Germany
- Netherlands
- Belgium
- France
- GIIPS
- Other

GIIPS debt securities per 31 December 2013



- Italy
- Ireland
- Portugal
- Spain

Investment portfolio transformed into a liquidity book

- The investment portfolio has been significantly de-risked in 2012 and is now more liquid and Basel III compliant
- The after-tax revaluation reserve debt securities was EUR 0.8 billion at year-end 2013
- Limited exposure to GIIPS debt securities



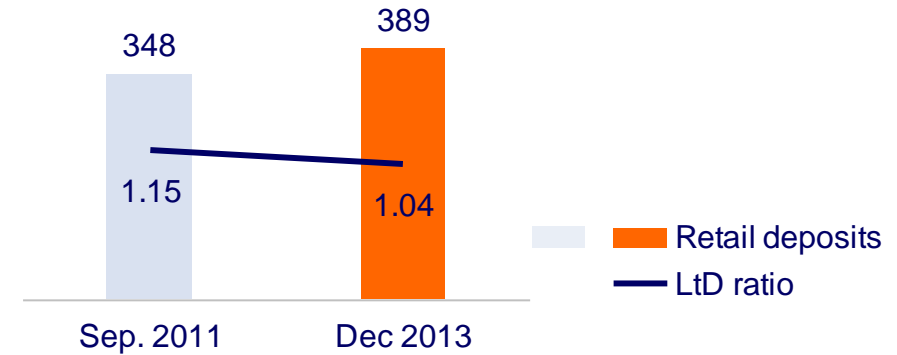
ING Bank capital, liquidity and funding

ING Bank is already meeting CRD IV requirements

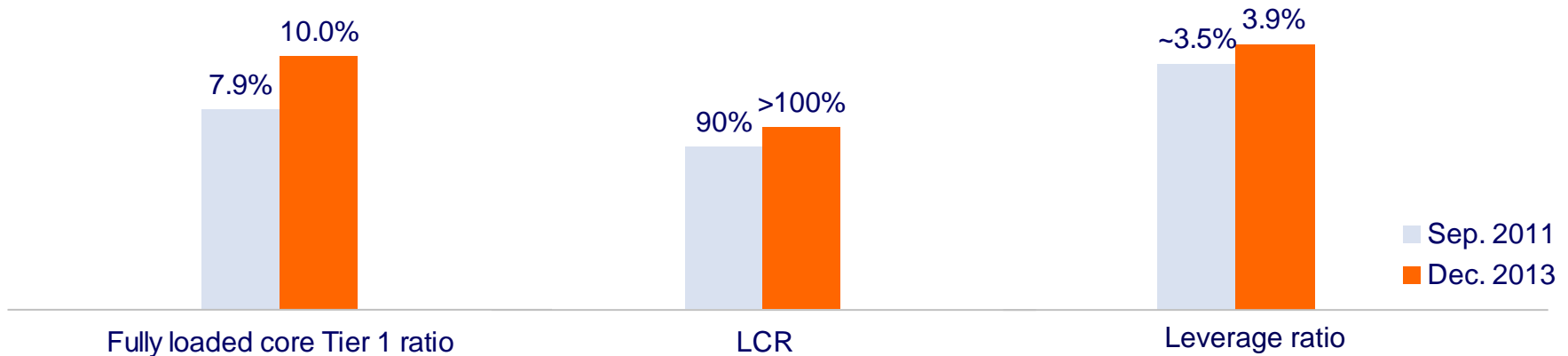
Priorities for 2012-2013 set at the IR Day in January 2012

- ✓ Accelerate transition to Basel III
- ✓ Limit balance sheet growth
- ✓ Execute balance sheet optimisation
- ✓ Further simplify the business portfolio
- ✓ Prudent approach to capital and funding

Strong retail deposit gathering ability and low Loan-to-Deposit ratio (in EUR bln)

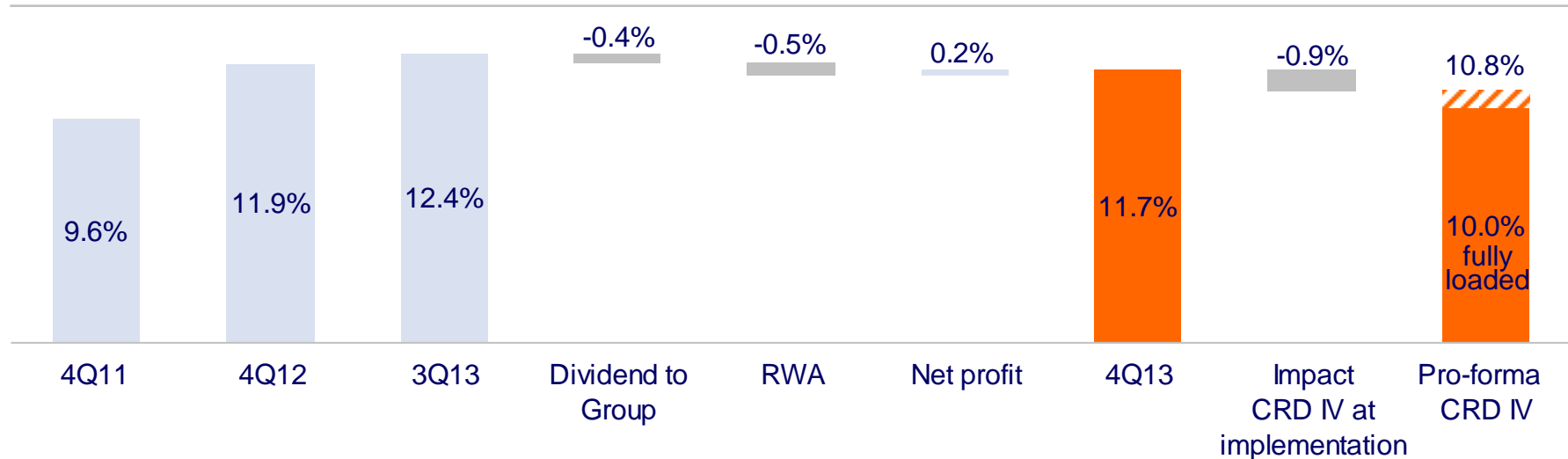


CRD IV ratios met



Capital position remains strong despite higher RWAs

ING Bank core Tier 1 ratio (in %)



- ING Bank's core Tier 1 ratio remains strong at 11.7%, despite dividend upstream to facilitate payment to the Dutch State and higher risk weighted assets, offsetting solid profitability.
- RWA increased to EUR 282.5 bln, 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.
- CRD IV started on 1 January 2014, including the first tranche of the phased-in impact. Pro-forma impact at implementation is -90 bps, resulting in a pro-forma CRD IV core Tier 1 ratio of 10.8%
- The pro-forma core Tier 1 ratio on a fully-loaded basis is 10.0%
- ING Bank's organic capital generation* has been strong, with an average increase of ~30 bps per quarter in the past 2 years

* Capital increase in bps excluding the impact of divestments and dividend upstream (to facilitate State repayment or reduction double leverage)

Pro-forma CRD IV core Tier 1 ratio fully-loaded 10.0%

Impact CRD IV 4Q2013 (pro-forma) (EUR bln)

| | Core Tier 1 capital | RWAs | CT1 ratio |
|--|------------------------|-------|--------------|
| 31 Dec 2013 | 33.1 | 282.5 | 11.7% |
| Impact Basel III RWAs | | +18.5 | |
| Deduct minorities | -0.1 | | |
| Defined benefit pension fund assets | -0.1 | | |
| Intangibles | -0.1 | | |
| DTA | -0.1 | | |
| Other | -0.1 | | |
| Basel III impact (phased-in impacts 2014) | 32.6 | 301.0 | 10.8% |
| Defined benefit pension fund assets | -3.1 | | |
| Intangibles | -0.4 | | |
| DTA | -0.2 | | |
| Other (including minorities) | -0.9 | | |
| Revaluation reserve debt securities | +0.8 | | |
| Revaluation reserve equity securities | +1.0 | | |
| Revaluation reserve real estate own use | +0.3 | | |
| Pro-forma core Tier 1 ratio (fully loaded) | 30.1 | 301.0 | 10.0% |

CRD IV core Tier 1 ratio

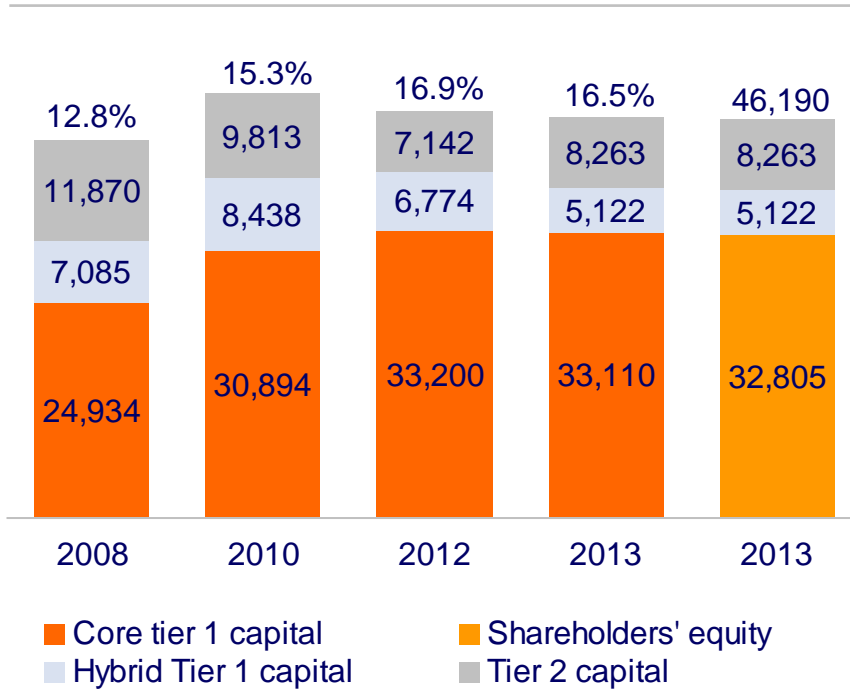
- CRD IV started on 1 January 2014, including the first tranche of the phased-in impact.
- Pro-forma impact at implementation is -90 bps, resulting in a pro-forma CRD IV core Tier 1 ratio of 10.8%
- The pro-forma core Tier 1 ratio on a fully-loaded basis is 10.0%

Pension agreement will have an impact of -20 bps on the fully loaded CT1 ratio

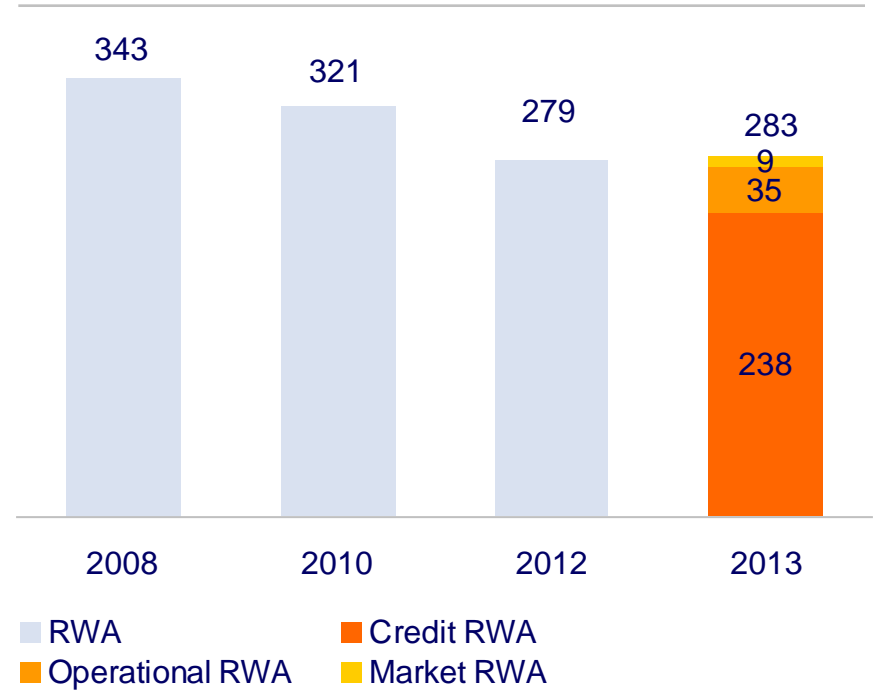
- The pro-forma expected negative impact of the pension agreement is ~100 bps in 1Q14 on the phased-in CT1 ratio
- The expected negative impact on the Bank's pro-forma fully loaded core Tier 1 ratio is ~20 bps in 1Q14 as the pension asset and the so called corridor were already to be fully deducted from capital under CRR/CRD IV

Strong capital base and a sizeable capital buffer

Total capital (in EUR million)



ING Bank total Risk Weighted Assets (in EUR billion)



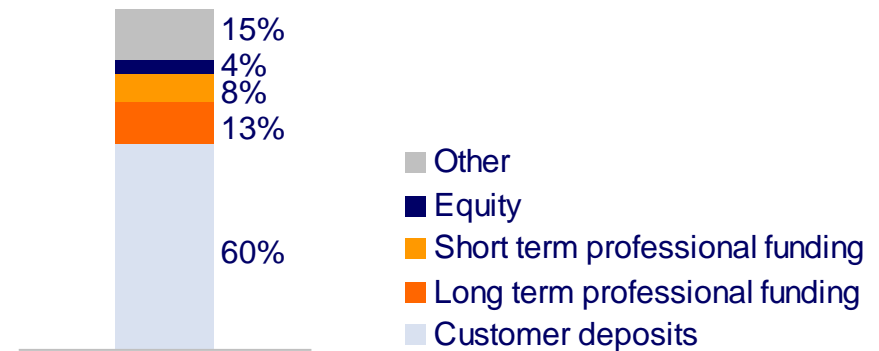
- ING Banks total capital buffer amounted to EUR 46 billion at December 2013
- The increase over the years was primarily driven by higher core tier 1 capital, which offset a reduction in tier 2 capital
- RWA have been managed down since 2008, also supported by divestments, resulting in a Basel II BIS ratio of 16.5%

Deposits are the primary source of funding

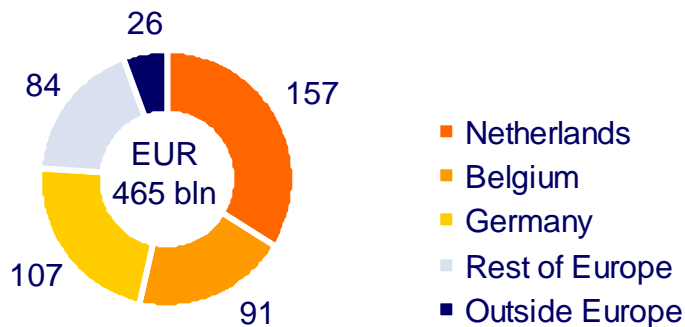
Continued growth in deposits

- 60% of the balance sheet is funded by customer deposits
- 84% of funds entrusted is retail based
- ING continued to grow its deposits base even in crisis years

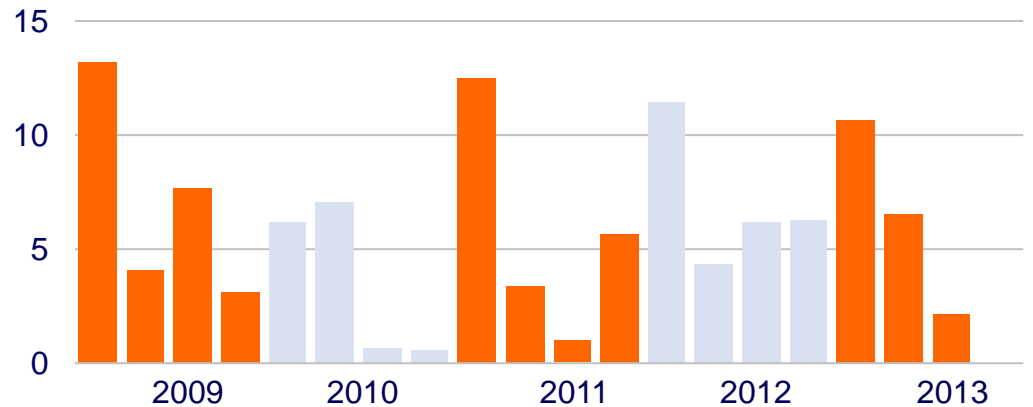
Total liabilities (31 December 2013, in %)



ING Bank total funds entrusted year-end 2013 (EUR bln)



Retail Banking net inflow in funds entrusted (in EUR bln)

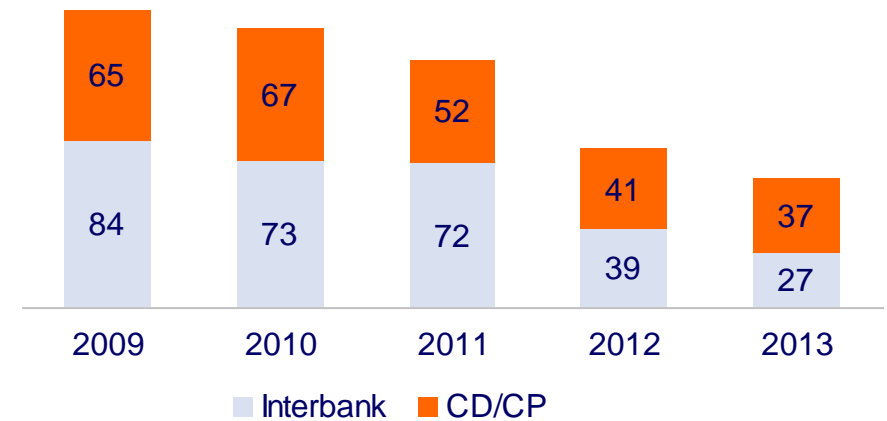


Long-term debt issuance has increased over time

Long-term funding increased
(in EUR bln)



Short-term professional funding reduced
(in EUR bln)



ING Bank NV ratings

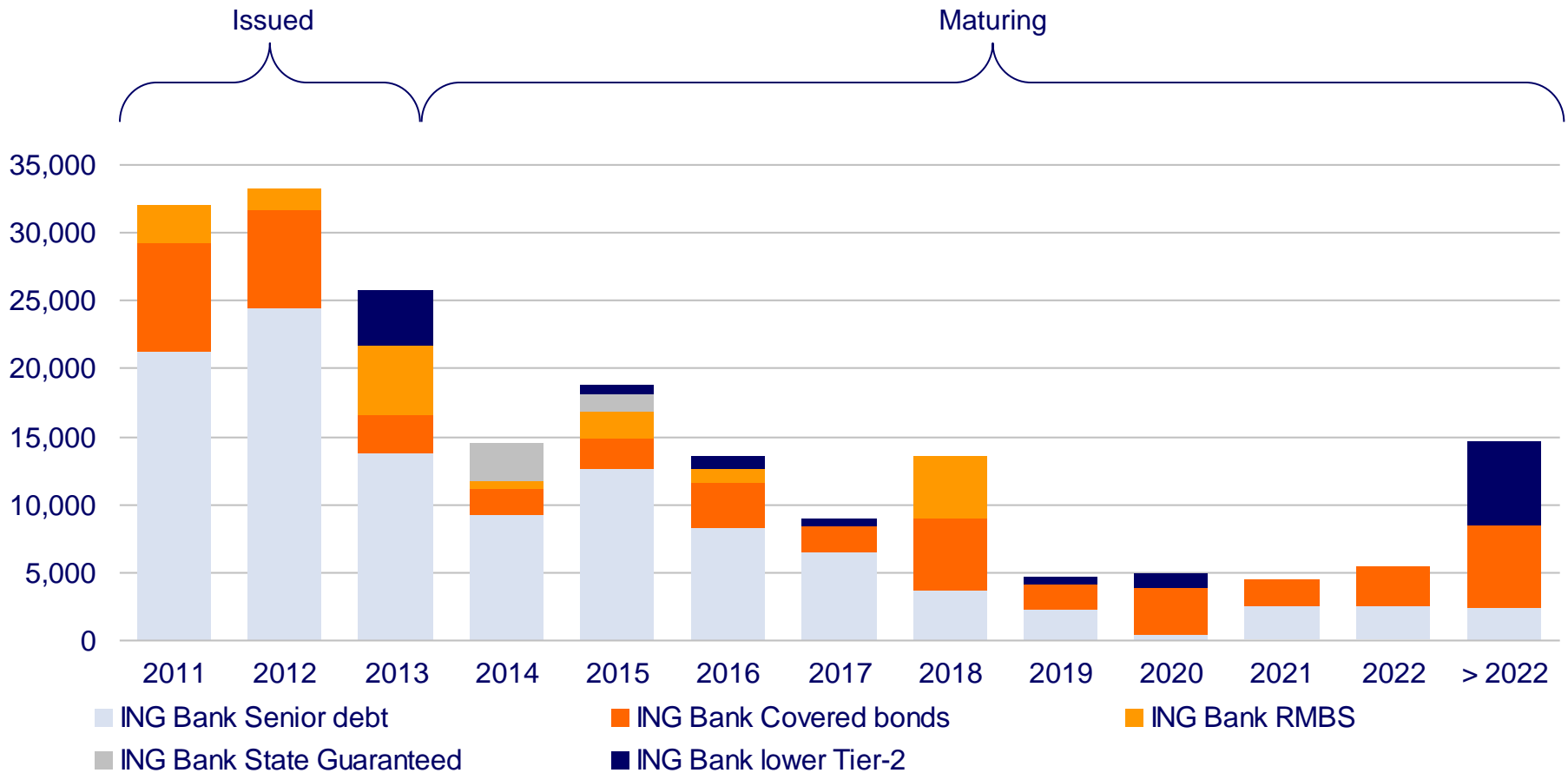
| | Long term rating | Outlook | Short term rating |
|---------|------------------|----------|-------------------|
| S&P | A | Stable | A-1 |
| Moody's | A2 | Negative | P-1 |
| Fitch | A+ | Negative | F1+ |

ING Bank covered bond programme

- ING Bank has a EUR 35 billion legislative AAA rated covered bond programme
- EUR 31 billion is outstanding

ING Bank has modest long-term funding needs

Maturity ladder outstanding long-term debt 31 December 2013 (EUR million)



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

Wrap up

Strong capital generation

Core Tier 1 ratio



Continued retail deposit gathering* (in EUR bln)



A healthy balance sheet

- Total capital buffer of EUR 46 billion
- Core tier 1 ratio of 10.0% (pro-forma CRD IV fully loaded)
- Balance sheet is substantially funded by retail deposits
- EUR 14.4 billion of long-term debt maturing in 2014

Sound liquidity ratios

| | 2011 | 2012 | 2013 |
|-----------------------|------|-------|-------|
| Loan to deposit ratio | 1.18 | 1.13 | 1.04 |
| Eligible asset buffer | 192 | 197 | 180 |
| LCR | ~90% | >100% | >100% |

* Adjusted for divestments

Appendix

Pro-forma ING Group capital structure at 31 December 2013

Pro-forma - ING Group 31 December 2013

| | | | |
|----------------------|----|------------------------|----|
| ING Bank | 32 | Equity | 44 |
| ING Insurance | 14 | Minority Interest U.S. | 4 |
| ING U.S. | 10 | CT1 securities | 2 |
| Hybrids ^B | 5 | Core Debt | 5 |
| Hybrids ^I | 2 | Hybrids | 7 |
| | 64 | | 64 |

ING Bank

| | | | |
|-----|-----|---------|------|
| RWA | 283 | Equity | 32.0 |
| | | Hybrids | 5 |

ING Insurance (ING V) consolidated

| | | | |
|------------------------|------|----------------|------|
| Netherlands Life | 9.9 | Equity | 13.5 |
| Netherlands Non-Life | 0.7 | Hybrids Group | 2.4 |
| Europe | 1.9 | Hybrids Ins | 0.5 |
| Japan Life | 1.3 | Financial debt | 1.0 |
| Japan Closed Block VA* | 1.0 | | |
| IIM | 0.4 | | |
| Other | 1.4 | | |
| Cash | 0.8 | | |
| | 17.4 | | 17.4 |

Insurance ING U.S.

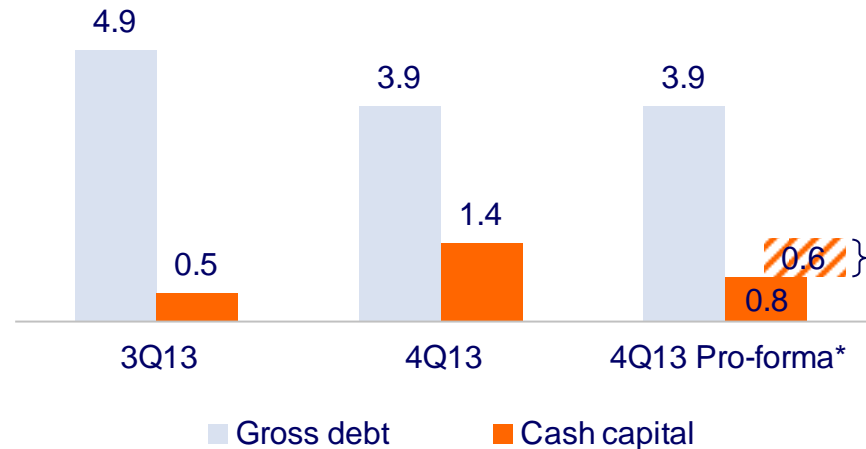
| | | |
|--|------------------------------|-----|
| | Equity | 5.5 |
| | Equity 3 rd party | 4.4 |

- Pro-forma capital structure reflects the EUR 0.2 bln after-tax impact of the move to FV accounting on the Japan VA DB reserves in 1Q14, EUR 0.6 bln subordinated loan provided by ING Insurance to NN Life in 1Q14, the impact of the pension agreement in 1Q14 and the EUR 0.1 bln proceeds from the announced sales of BoB Life and IM Taiwan

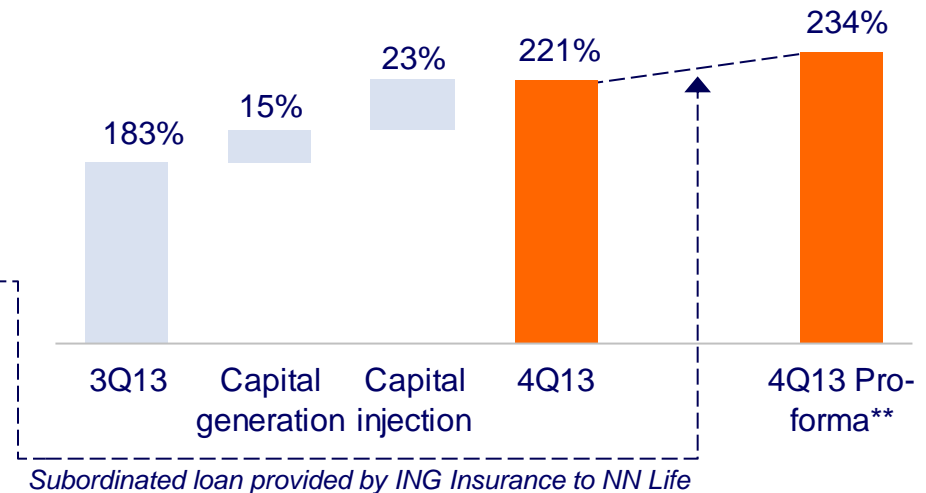
* Japan Closed Block VA includes ING Re Japan

Capital position strengthened in advance of intended ING Insurance IPO

ING Insurance gross debt and cash capital (in EUR bln)



Solvency I ratio NN Life, based on DNB Swap curve (in %)



- In 4Q13, ING Group converted EUR 1 bln of ING Insurance debt into equity resulting in a reduction of gross debt of ING Insurance to EUR 3.9 bln
- The cash capital position increased with the proceeds of the sales of ING Insurance and Investment Management Asia and dividend upstream, which has been partly used to strengthen the capital position of NN Life
 - ING Insurance injected EUR 0.6 bln of capital into NN Life increasing its regulatory solvency I ratio to 221% at 4Q13
 - In 1Q14, ING Insurance provided a subordinated loan of EUR 0.6 bln to NN Life
- The 4Q13 pro-forma regulatory solvency I ratio of NN Life is 234%

* Pro-forma cash capital of EUR 0.8 bln is after subordinated loan ING Insurance to NN Life, impact pension agreement and closing divestments

** Pro-forma solvency I ratio of 234% reflects impact of subordinated loan ING Insurance to NN Life and impact of pension agreement

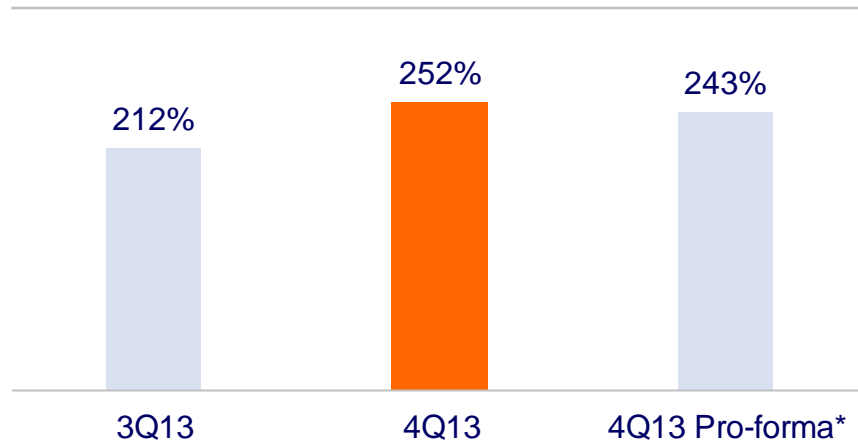


ING Insurance will be appropriately capitalised at the intended IPO

The capital position of ING Insurance is assessed on solvency, leverage and holding company buffer

- Currently all operating entities are adequately capitalized
- Holding company 4Q13 pro-forma cash capital position was EUR 0.8 bln
- Gross debt position EUR 3.9 bln; fixed cost coverage not yet at the desired level
- Objective for leverage and fixed cost coverage ratios to be consistent with single A rating
- Final capital levels are subject to regulatory approval

ING Insurance IGD ratio (in EUR bln)



Strong increase ING Insurance IGD ratio

- IGD ratio for ING Insurance rose to 252%, due to EUR 1 billion debt-to-equity conversion by ING Group, the improved solvency position of NN Life and the release of required capital for ING Life Korea, partly offset by the one-off charge in the Japan Closed Block VA

* Pro-forma IGD ratio reflects the move to FV accounting on Japan Closed Block VA, the pension agreement and closing of divestments

ING reached agreement to make Defined Benefit Pension Fund financially independent

Pension agreement will have strong benefits for ING*

- ING Group will be released from all financial obligations under the closed Dutch Defined Benefit pension plan including indexation and funding
- The cross guarantee between Bank and Insurance which kept both jointly and separately liable for future obligations will be terminated. Consequently, this is an important step for the IPO of ING Insurance in 2014
- The agreement makes the ING pension fund financially independent and removes accounting and equity volatility for ING Bank and ING Insurance
- New Collective Defined Contribution (CDC) pension scheme, which started at 1 January 2014, reduces volatility of pension costs in P&L



Decline pension asset in 4Q13 due to lower discount rate

- In 4Q13, the net pension asset decreased as result of the reduction of the discount rate



* Subject to final agreement and market developments prior to closing

Financial impact in 1Q14*

P/L impact (after tax) (in EUR bln)

| | ING Bank | ING Insurance |
|--------------------------|----------|---------------|
| Settlement payment | -0.3 | -0.1 |
| Pension asset write down | -0.5 | -0.3 |

Capital impact

| | |
|---------------------------------------|--------------|
| CRD IV core Tier 1 ratio | -1.0%-points |
| CRD IV core Tier 1 ratio fully loaded | -0.2%-points |
| IGD ratio | -3%-points |
| Solvency ratio NN Life | -10%-points |

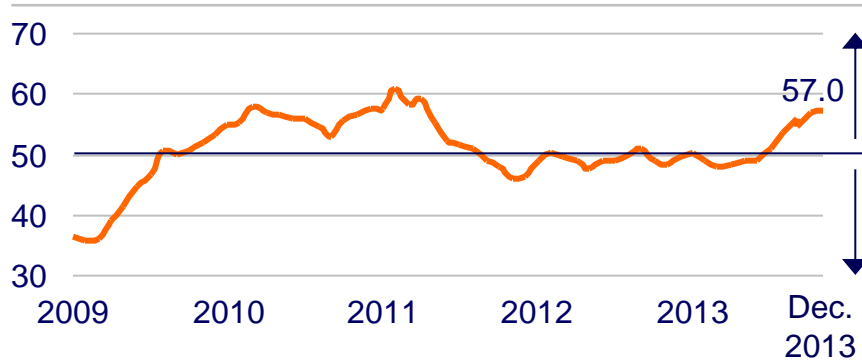
Financial impact in 4Q13

Equity impact (after tax) (in EUR bln)

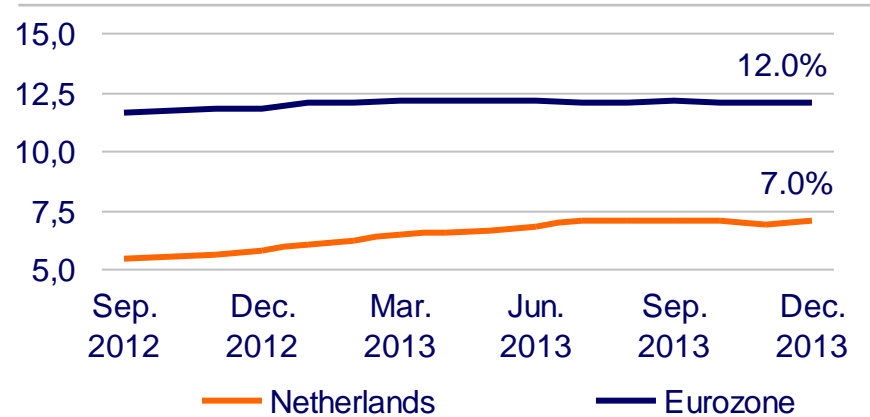
| | ING Bank | ING Insurance |
|----------------------|----------|---------------|
| Shareholders' Equity | -1.6 | -0.7 |

Early signs of stabilisation Dutch economy and housing market

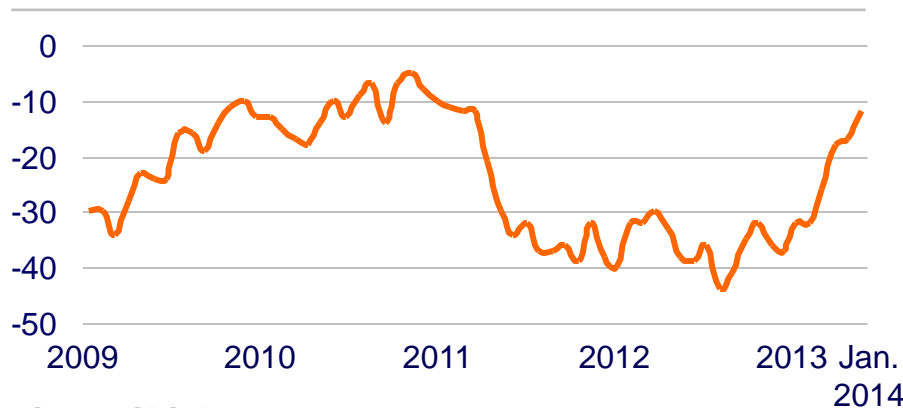
Dutch Purchasing Managers Index (PMI) rose to 55.8 in September. Above 50 indicates positive growth



Dutch unemployment rate (%) has remained stable at around 7% in the past 5 months

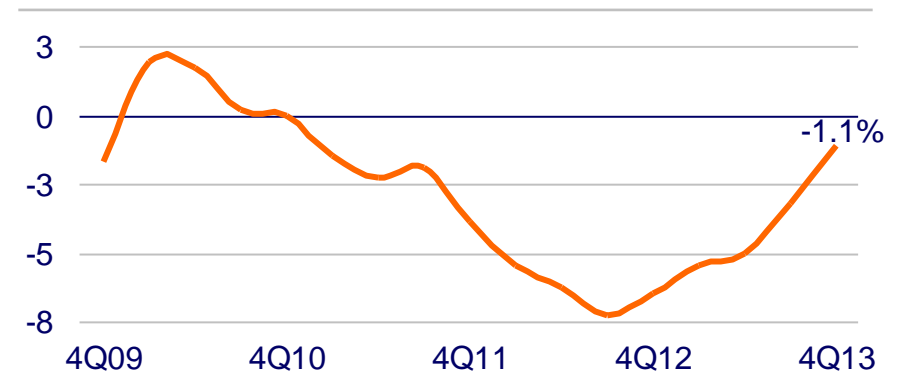


Dutch consumer confidence*



* Source: CBS data

Dutch house prices in 4Q13 down 1.1% y-o-y**



** Source: NVM



Disclaimer

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

In preparing the financial information in this document, the same accounting principles are applied as in the 3Q2013 ING Group Interim Accounts. 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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