STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

ING Bank N.V.

Primary Credit Analyst:
Constance Hauville, Paris (33) 1-4420-6749; constance.hauville@standardandpoors.com

Secondary Contact:
Alexandre Birry, London (44) 20-7176-7108; alexandre.birry@standardandpoors.com

Table Of Contents

Major Rating Factors

Outlook

Rationale

Related Criteria And Research

ING Bank N.V.

SACP	a-	+	Support	+1	+	Additional Factors	0

Anchor	bbb+	
Business Position	Strong	+1
Capital and Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

GRE Support	0
Group Support	0
Sovereign Support	+1

Issuer Credit Rating
A/Negative/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Strong market positions in the Benelux and Germany, with a focused strategy outside these core markets. • Good product and geographic diversity. • Sound and improving earnings generation.	• Reliance on wholesale funding for Dutch operations. • Sluggish economic growth prospects in its main markets.

Outlook: Negative

The negative outlook on The Netherlands-based ING Bank N.V. indicates that Standard & Poor's Ratings Services may lower its ratings on the bank by year-end 2015 if it believes there is a greater likelihood that senior unsecured liabilities may incur losses if the bank fails. Specifically, we may lower the long-term counterparty credit rating by one notch if we consider that extraordinary government support is less predictable under the new EU legislative framework (the EU Bank Recovery and Resolution Directive).

In addition to potential changes in government support, we will review other relevant rating factors if we take any rating actions on ING Bank. These include potential changes in our stand-alone credit profile (SACP) assessment and any steps the bank might take to mitigate bail-in risks to senior unsecured creditors, such as building a large buffer of subordinated instruments. We could lower our SACP on ING Bank if, contrary to our central expectation, the economic outlook for its main markets deteriorates again in the next two years, leading to weakening asset quality.

We could revise the outlook to stable if we consider that potential extraordinary government support for ING Bank's senior unsecured creditors is unchanged in practice, despite the introduction of bail-in powers and international efforts to increase banks' resolvability; or if we believe that other rating factors, such as a stronger SACP or a large buffer of subordinated instruments, fully offset increased bail-in risks. In particular, we could revise the outlook to stable if we see a strong likelihood of our risk-adjusted capital (RAC) ratio for the bank improving to more than 10%.

Rationale

The starting point for our ratings on ING Bank is our 'bbb+' anchor that we use for the bank. It is in line with our anchor for Dutch commercial banks operating only in the Netherlands, while also taking into consideration the mix of countries in which ING Bank operates.

We consider the bank's business position as "strong," as defined in our criteria, reflecting primarily its strong franchise in the Benelux (the economic union comprising Belgium, the Netherlands, and Luxembourg) and good diversification of its revenues by product and geography. We view capital and earnings as "adequate," based on our expectation that our RAC ratio for the bank will gradually improve to a 9.1%-9.6% range in the coming 18-24 months. Our assessment of ING Bank's risk position is "adequate" owing largely to the sound diversification of its exposures and solid track record in retail and corporate lending. Our view of the bank's funding as "average" and its liquidity as "adequate" is underpinned by its large deposit base and sound liquidity buffer. The ratings also factor in the bank's "high" systemic importance in The Netherlands.

Anchor: 'bbb+', reflecting the bank's Dutch homebase and geographic mix of operations

The 'bbb+' anchor draws on our Banking Industry Country Risk Assessment (BICRA) methodology. It reflects our assessment of industry risk of '3' in The Netherlands and our view of the weighted-average economic risk in the countries in which ING Bank operates, based on the geographic distribution of its private sector customer lending--The Netherlands (35%), Belgium and Germany (25% combined), other Europe including Central and Eastern Europe (25%), Asia-Pacific (10%), and Americas (5%).

We base our assessment of economic risk at '3' for The Netherlands on our view that the Dutch economy is only slowly coming out of a prolonged correction phase. While residential house prices have stabilized and started to increase moderately since mid-2013, commercial real estate prices continue to decrease, a trend we expect to reverse only gradually during 2015. The improving conditions for the private sector will in our view remain to some extent constrained by still elevated gross household leverage and the subpar growth outlook in the eurozone (European Economic and Monetary Union). However, in our view, Dutch banks benefit from a diversified and competitive domestic economy, flexible fiscal policy, and adaptable labor market. Our overall assessment of economic risk incorporates the track record of strong current account surpluses, although we expect the recovery to remain sluggish in 2015.

Our assessment of industry risks at '3' for Dutch banks incorporates strong domestic concentration and our view of a stable competitive environment. Two of the three dominant players have undergone material restructurings, some imposed by the European Commission, as a result of state aid that they had received. We believe these restructurings have largely been completed. We consider that the prospective profitability of domestic banking activities has improved materially compared with before the financial crisis, as a result of improved margins and sectorwide efforts to reduce costs. The system's relatively large reliance on wholesale funding is partly attributable to households' propensity to save in life insurance and pension products rather than in bank deposits. We consider that Dutch systemwide funding profile benefits, among other things, from the depth of the domestic capital market, and the Dutch authorities' good track record in providing liquidity support.

Table 1

ING Bank N.V. Key Figures					
	--Year-ended Dec. 31--				
(Mil. €)	**2014***	**2013**	**2012**	**2011**	**2010**
Adjusted assets	817,092	786,038	834,290	959,422	930,808
Customer loans (gross)	519,706	513,663	546,703	581,286	591,014
Adjusted common equity	29,311	29,669	31,407	32,144	29,507
Operating revenues	7,798	15,430	15,944	16,289	17,588
Noninterest expenses	4,494	8,447	9,175	9,518	9,554
Core earnings	1,761	3,531	3,493	4,004	4,923

*Data as of June 30, 2014.

Business position: Strong Benelux franchise and focused strategy

ING Bank's good product and geographic diversity and position as one of the leading players in the Benelux region support our assessment of its business position as "strong." Despite the its recent extensive restructuring, ING Bank's franchise remains resilient.

With total assets of €832 billion on Sept. 30, 2014, ING Bank is the largest Netherlands-based bank, and the second largest by domestic assets. It is also the third-largest bank in Belgium. Despite the global reach of some of its operations, we consider its strongest positions to be in retail and commercial banking in the Benelux region. The second pillar of ING Bank's retail operations is ING Direct, which has become a strong contributor to retail banking operations' revenues. ING Direct offers a low-cost banking model in developed retail markets in five countries

(Germany, France, Italy, Spain, and Australia). Over the past two years, the group exited three countries: the U.S., Canada, and the U.K. The sale of its U.S. operations was part of the restructuring requested by the European Commission. We expect ING Direct to remain a key part of the group's strategy. Of note, ING Bank, through its ING-DiBa direct banking franchise, has grown to become one of the largest retail banks in Germany, with €111 billion in customer deposits, €64 billion in residential mortgages, €5 billion in consumer loans, and €6 billion in corporate loans at end-Sept 2014.

Commercial banking accounted for about 33% of the bank's operating revenue in 2013. The division offers a full product range to Benelux corporate customers. It is one of the top two lenders to Dutch large corporates. Internationally, through its extensive network, its role is to support: 1) large European corporations and financial institutions doing business globally; and 2) Asian, Australian, and U.S. corporations and financial institutions doing business in Europe. Financial markets activities have been scaled down, and accounted on average for less than 10% of the bank's total revenues over the 2010-2014 year-to-date period.

In our view, the group has delivered strongly on its "Back-to-Basics" strategy implemented in early 2009. ING Bank has been concentrating on deleveraging and reducing both its risk appetite and cost base. We consider that this has resulted in a more focused strategy outside its core Benelux market and on increasing integration between divisions.

We consider that the group is close to completing its restructuring initiated in 2009. In November 2012, the group announced amendments to the 2009 Restructuring Plan agreed with the European Commission. The amendments include an extended time horizon for the completion of planned divestments and an agreed timeline for repayment to the Dutch State of the remaining core Tier 1 securities. Further significant progress with its restructuring in 2013 and 2014 included the successful Initial Public Offering of Dutch insurance company NN Group N.V. on the Euronext Amsterdam stock exchange in July 2014. Under the restructuring agreement, ING Groep has agreed to divest more than 50% of NN Group by year-end 2015 and complete the divestment of 100% of NN Group by year-end 2016. The group also completed the unwinding of the Illiquid Assets Back-Up Facility (IABF) early 2014. The facility was set up in 2009 to transfer 80% of the risk on the group's Alt-A mortgage securities portfolio to the Dutch state.

Table 2

ING Bank N.V. Business Position

		--Year-ended Dec. 31--			
(%)	**2014***	**2013**	**2012**	**2011**	**2010**
Total revenues from business line (mil. €)	7,923	15,327	16,916	17,195	17,901
Commercial banking/total revenues from business line	25.3	23.2	24.2	21.7	23.0
Retail banking/total revenues from business line	66.3	66.3	53.3	63.4	63.9
Other revenues/total revenues from business line	1.6	1.1	17.3	7.4	3.7
Investment banking/total revenues from business line	6.8	9.4	5.2	7.5	9.5
Return on equity	7.0	8.8	8.8	11.6	13.9
Reported return on equity	11.1	9.0	6.3	10.9	13.1

*Data as of June 30, 2014.

Capital and earnings: Sound potential for internal capital generation, with the last tranche of government capital repaid in November 2014

We view ING Bank's capital and earnings as "adequate." This is based primarily on our anticipation that the bank's RAC ratio before diversification adjustments will gradually improve to a 9.1%-9.6% range in the next 18-24 months, compared with 8.9% as of December 31, 2013. At end-Sept 2014, the bank estimated its Basel III fully loaded core Tier 1 ratio at 11.1% compared with a minimum internal target of 10%. We amended our forecast published Nov. 4, 2014, increasing our projection for the core Tier 1 ratio by 30 basis points (bps), following the group's announcement that the payment of the €1.025 billion last tranche to the Dutch State in November 2014 was directly funded by parent ING Groep and that €1.2 billion in Capital Requirements Directive IV compliant tier 1 instruments was transferred from ING Groep to ING Bank. At this stage, we do not factor in the value of ING Groep's remaining stakes in insurance companies NN Group N.V. and Voya Financial Inc. (reported at €5.4 billion at end-Sept 2014, net of holding company debt, pro forma the final payment to the Dutch State) into our RAC calculation for ING Bank. However, we recognize that this excess value enhances the group's overall financial flexibility. Furthermore, we do not include potential additional tier 1 issuance in our forecasts and assume there will be a 10% annual phasing out of the other "old style" Tier 1 hybrids currently included in ING Bank's total adjusted capital.

With the new collective defined contribution scheme, which started in January 2014, volatility of pension costs on the profit and loss statement and equity was significantly reduced. The bank calculated its Basel III leverage ratio at that time at about 4.0%, in line with its internal target and well in excess of the proposed regulatory minimum of 3%.

We view ING Bank's profitability as adequate compared with peers, with core earnings to adjusted assets at 0.44% as of June 30, 2014, compared with 0.29% for Dutch peers and 0.36% for other large European banks. Cost efficiency is in line with peers, with a cost-to-income ratio at 57.6% at end-June 2014. The tough economic conditions in The Netherlands continued to dampen ING Bank's earnings in 2013. Higher loan impairment charges remained a drag on overall profitability.

Our forecast of a RAC ratio improving gradually to a range of 9.1%-9.6% in the next 18-24 months is based on the following assumptions:

- 3%-4% annual growth in lending and credit risk-weighted assets, mainly outside the Netherlands;
- A 1%-3% increase in upfront costs as a result of the IT projects being implemented;
- A small additional improvement in the net interest margin;
- Improvement in loan impairment charges for 2014, at about 35bps-40bps compared with 43bps in 2013, with further gradual decrease in 2015;
- A €303 million one-time levy for the rescue of SNS by the Dutch state imposed on all Dutch banks in 2014;
- A €1.2 billion increase in total adjusted capital following ING Groep's transfer of CRD IV compliant hybrids to ING Bank in third-quarter 2014;
- No impact after the repayment of the last tranche of government capital securities because ING Groep funding it directly; and
- 10% annual phasing out of the other "old style" Tier 1 hybrids currently included in total adjusted capital, with no replacement hybrids assumed at this stage.

We regard the quality of ING Bank's capital as satisfactory. Hybrid instruments represented 14% of total adjusted capital at end-2013. We expect the continued divestments of the insurance operations to eliminate double leverage at holding company level. The €6.9 billion net combined market value of NN Group and Voya Financial now significantly exceeds remaining double leverage of €1.5 billion at end-Sept. 2014, pro forma the payment of last tranche of government capital securities in November 2014.

Table 3

ING Bank N.V. Capital And Earnings					
		--Year-ended Dec. 31--			
(%)	**2014***	**2013**	**2012**	**2011**	**2010**
Tier 1 capital ratio	N/A	13.5	14.4	11.7	12.3
S&P RAC ratio before diversification	N/A	8.9	8.8	7.9	8.6
S&P RAC ratio after diversification	N/A	11.3	10.8	9.9	11.1
Adjusted common equity/total adjusted capital	87.9	85.7	82.7	82.8	77.8
Net interest income/operating revenues	78.8	77.5	76.8	83.4	77.3
Fee income/operating revenues	14.8	14.5	13.4	15.3	15.0
Market-sensitive income/operating revenues	5.5	7.8	8.2	(0.9)	4.2
Noninterest expenses/operating revenues	57.6	54.7	57.6	58.4	54.3
Preprovision operating income/average assets	0.8	0.9	0.8	0.7	0.9
Core earnings/average managed assets	0.4	0.4	0.4	0.4	0.5

*Data on June 30, 2014. RAC--Risk-adjusted capital. N/A--Not available.

Table 4

ING Bank N.V. Risk-Adjusted Capital Framework Data					
(Mil. €)	**Exposure***	**Basel II RWA**	**Average Basel II RW (%)**	**Standard & Poor's RWA**	**Average Standard & Poor's RW (%)**
Credit risk					
Government and central banks	92,164	9,295	10	3,693	4
Institutions	101,311	20,197	20	27,701	27
Corporate	216,408	111,375	51	181,598	84
Retail	330,598	78,558	24	112,607	34
Of which mortgage	284,668	53,838	19	78,739	28
Securitization§	9,857	2,738	28	5,311	54
Other assets	15,413	15,413	100	17,339	113
Total credit risk	765,751	237,575	31	348,249	45
Market risk					
Equity in the banking book†	2,102	862	52	3,789	180
Trading book market risk	--	8,800	--	10,452	--
Total market risk	--	9,662	--	14,242	--
Insurance risk					
Total insurance risk	--	--	--	0	--
Operational risk					
Total operational risk	--	35,288	--	26,559	--

Table 4

ING Bank N.V. Risk-Adjusted Capital Framework Data (cont.)

(Mil. €)	Basel II RWA		Standard & Poor's RWA	% of Standard & Poor's RWA
Diversification adjustments				
RWA before diversification	282,524		389,049	100
Total adjustments to RWA	--		(83,884)	(22)
RWA after diversification	282,524		305,165	78
(Mil. €)	**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**Standard & Poor's RAC ratio (%)**
Capital ratio				
Capital ratio before adjustments	38,232	13.5	34,610	8.9
Capital ratio after adjustments‡	38,232	13.5	34,610	11.3

*Exposure at default. §Securitization exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Exposure and Standard & Poor's risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2013, Standard & Poor's.

Risk position: Diversified risk profile mitigates the impact of a still-difficult domestic environment

We regard ING Bank's risk position as "adequate." This reflects the material de-risking and deleveraging of the bank's balance sheet over the past five years, the good level of diversification in its exposures--with a risk appetite that we consider as broadly comparable across markets--and the generally sound asset quality track record of its retail and corporate portfolios. At the same time, these strengths are balanced against weaker domestic asset quality since 2012, owing to the weaker economy, and sluggish growth prospects in the eurozone.

We consider that ING Bank's risk position benefits from the diversification of its exposures. Among the Dutch banks, it is the only institution for which the Dutch market does not account for the majority of its lending. Despite its large exposure to residential mortgages (about 49% of end-Sept 2014 gross customer lending), we consider that the bank's risk exposures are well diversified by sector. ING Bank's residential mortgage portfolio is well diversified by geography. The Netherlands accounted for 48% of mortgage balances on Sept. 30, 2014, Germany 23%, Belgium 11%, Australia 9%, and the remainder split between much smaller portfolios in Spain and Italy mostly (together about 6% of the bank's mortgages).

Corporate lending, which represents about a quarter of the book, is well diversified by sector. Commercial real estate represented approximately 4% of total customer lending at end-Sept 2014 (or about €23 billion), 59% of which is in The Netherlands, a sector which has been under material pressure in the past three years on the back of falling property valuations. Land and development finance constitute a marginal part of the book (at less than 2% of the commercial real estate exposure). The Dutch national bank concluded its asset quality review on commercial real estate exposures in fourth-quarter 2013, with no impact on ING Bank's portfolio.

ING Bank has a broadly sound track record in terms of cost of risk in its core retail and corporate banking portfolios despite deterioration since 2012. Loan impairment charges improved to 30bps in the first nine months of 2014, after material increases in 2012 and 2013 at respectively 38bps and 43bps as a result of the weaker environment. We expect a broadly comparable level of impairment charges in the next 12 months at approximately 34bps before further reduction in 2016, compared with 27bps on average in 2015-2016 based on the baseline scenario and 46bps in the adverse scenario under the European Central Bank's stress tests asset quality review of Europe's largest banks, including the European Banking Authority's EU-wide stress test. Despite the deterioration, the bank's loan losses remain below our computation of normalized cost of risk for the same portfolio under our RAC framework. Nonperforming assets amounted to 3.4% at on June 30, 2014, and their coverage by loan impairment allowances was at about 38%. We consider the provisioning policy as generally adequate, as illustrated by the 30-bps impact on the common equity tier 1 ratio based on the results of the ECB's asset quality review.

We consider the risks in ING Bank's securities exposures as modest. At end-Sept 2014, government bonds totaled €67 billion, with most exposure to The Netherlands and Germany, and covered bonds €19 billion. Asset-backed securities were about €7 billion, down by about half in three years. Almost 100% of the investment portfolio is investment grade, with 66% of government bonds exposure to The Netherlands, Germany, and Belgium. Other market risks are relatively modest, in our view, reflecting the moderate scale of ING Bank's financial markets activities.

Table 5

ING Bank N.V. Risk Position					
		--Year-ended Dec. 31--			
(%)	**2014***	**2013**	**2012**	**2011**	**2010**
Growth in customer loans	2.4	(6.0)	(6.0)	(1.7)	6.5
Total diversification adjustment/ S&PRWA before diversification	N.M.	(21.6)	(19.3)	(20.5)	(22.6)
Total managed assets/adjusted common equity (x)	27.9	26.6	26.6	29.9	31.6
New loan loss provisions/average customer loans	0.3	0.4	0.4	0.3	0.3
Net charge-offs/average customer loans	N.M.	0.3	0.3	0.2	0.2
Gross nonperforming assets/customer loans + other real estate owned	3.4	3.4	2.9	2.6	N.M.
Loan loss reserves/gross nonperforming assets	38.5	38.7	34.1	33.2	N.M.

*Data as of June 30, 2014. RWA--Risk-weighted assets. N.M.--Not meaningful.

Funding and liquidity: Funding supported by large retail deposit base despite some wholesale funding reliance by domestic operations

We consider ING Bank's funding as "average" and its liquidity as "adequate." The bank benefits from less reliance on wholesale funding compared with a number of peers. It reported an improving loan-to-deposit ratio of about 102% at end-Sept 2014, which compares favorably with the average of the Dutch banking system and ratios of large domestic peers. However, this is partly attributable to its deposit-rich banking franchise, ING Direct. We note that this deposit base showed resilience through the turbulent conditions in the banking sector in fourth-quarter 2008, the first major test of its kind for the bank's retail business.

In line with its Dutch peers, ING Bank's domestic operations rely, to some extent, on wholesale funding. We consider the bank's wholesale funding base as relatively diverse and observe that the maturity profile has been lengthened. This has translated into an improvement in our stable funding ratio from about 88% at year-end 2010 to about 103% by year-end 2013.

We consider that ING Bank has a sound liquidity buffer, supported by a large share of government bonds and substantial deposits placed with central banks. This improved buffer, and the reduced reliance on short-term wholesale funding, supported the improvement in our broad liquid assets to short-term wholesale funding ratio to 1.3x from 0.8x between year-end 2010 and year-end 2013. Structural liquidity has also been enhanced through internal securitizations, the majority of which are eligible for repurchase agreements with the European Central Bank in a liquidity stress scenario. The bank estimates its liquidity coverage ratio at more than 100% at on Sept. 30, 2014.

Table 6

ING Bank N.V. Funding And Liquidity					
		--Year-ended Dec. 31--			
(%)	**2014***	**2013**	**2012**	**2011**	**2010**
Core deposits/funding base	70.3	68.6	66.8	62.4	63.6
Customer loans (net)/customer deposits	105.1	107.0	117.8	121.7	114.0
Long-term funding ratio	85.0	82.4	81.5	74.5	73.2
Stable funding ratio	N.A.	102.9	95.7	82.6	89.6
Short-term wholesale funding/funding base	15.8	18.5	19.6	26.8	28.2
Broad liquid assets/short-term wholesale funding (x)	1.6	1.3	1.1	0.9	0.8
Net broad liquid assets/short-term customer deposits	13.8	9.2	4.2	(6.0)	(7.3)
Short-term wholesale funding/total wholesale funding	52.2	57.6	57.3	69.7	75.1

*Data as of June 2014. N.A.--Not available.

Support: One notch of government support

Our long-term rating on ING Bank is one notch higher than our SACP, reflecting the bank's "high" systemic importance in The Netherlands and our assessment of the Dutch government as "supportive" to its banking sector under our criteria.

We could remove this notch shortly before the January 2016 introduction of the EU Bank Recovery and Resolution Directive's bail-in powers for senior unsecured liabilities. These rules would indicate to us that EU governments would be much less able to support senior unsecured bank creditors, even though it may take several more years to eliminate concerns about financial stability and the resolvability of systemically important banks.

Specifically, if we perceive that support for senior unsecured creditors is less predictable under the new legislative framework, we would likely remove the government support notch from our ratings on ING Bank. This would most likely arise from a reclassification of the Netherlands' support for private-sector commercial banks to "uncertain" under our criteria. Any decision to reclassify government support would be subject to our review of the final resolution legislation and technical standards, and other relevant information. We would then also remove the one notch negative adjustment in the rating.

If, on the other hand, our view was that extraordinary government support may still be forthcoming to ING Bank's senior unsecured creditors, we could include one notch of uplift for support in the ratings. This would be the case if the authorities publicly confirmed their supportive stance toward senior unsecured creditors, or if we believed that precautionary capital injections would still be likely under the new legislation to minimize the wider economic impact of the resolution of a systemically important bank. In this case, we may consider that the Netherlands remained "supportive" and that ING Bank had "high" or "moderate" systemic importance.

We could revise our view of ING Bank's systemic importance to "moderate" from "high" if we considered that its resolution under the new framework would have a material, but manageable, adverse impact on the country's financial system and economy.

"Core" and "highly strategic" subsidiaries

We consider that ING Belgium S.A./N.V. comfortably meets our criteria to be classified as a "core" subsidiary of ING Bank N.V. It is a key component of the ING group, contributing to the strong business position of its parent in the Benelux countries. The ratings on ING Financial Markets also reflect our view of its " core" status within the group as the hub for ING Bank's U.S. financial markets business, which we think is critical in the group's overall strategy. We classify ING Bank (Australia) Ltd. as a "highly strategic" subsidiary. Among other things, this reflects its ownership by ING Bank N.V., the close alignment between the subsidiary's activities and the rest of the group, and sound track record to date, although we do not consider that its operations represent a significant proportion of the consolidated group.

ING Groep N.V.

We rate ING Groep one notch lower than ING Bank as a result of its status as a nonoperating holding company.

Additional rating factors

There are no additional rating factors.

Related Criteria And Research

Related Criteria

- Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Sept. 18, 2014
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Group Rating Methodology, Nov. 19, 2013
- Bank Capital Methodology And Assumptions, Dec. 6, 2010

Related Research

- Banking Industry Country Risk Assessment: The Netherlands, Nov. 4, 2014
- Dutch ING Bank 'A/A-1' Ratings Affirmed On Stabilizing Economic Risks In The Netherlands; Outlook Remains Negative, Nov. 4, 2014
- Various Rating Actions Taken On Dutch Banks On Stabilizing Economic Risks, Nov. 4, 2014
- Dutch ING Bank And Groep Outlook Revised To Negative On Potential Government Support Reduction; Ratings Affirmed, April 30, 2014

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	**3**	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	**bbb+**	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of December 16, 2014)

ING Bank N.V.	
Counterparty Credit Rating	A/Negative/A-1
Certificate Of Deposit	
Foreign Currency	A/A-1
Local Currency	A-1
Commercial Paper	A-1
Senior Secured	AAA
Senior Secured	AAA/Stable
Senior Unsecured	A
Senior Unsecured	A-
Short-Term Debt	A-1
Subordinated	A-
Subordinated	BBB
Counterparty Credit Ratings History	
29-Apr-2014	A/Negative/A-1
02-Dec-2013	A/Stable/A-1
16-Nov-2012	A+/Negative/A-1
Sovereign Rating	
Netherlands (State of The) (Unsolicited Ratings)	AA+/Stable/A-1+
Related Entities	
ING Bank (Australia) Ltd.	
Issuer Credit Rating	A-/Stable/A-2
ING Bank N.V. (Dublin Branch)	
Issuer Credit Rating	A/Negative/A-1
ING Bank N.V. (Sydney Branch)	
Commercial Paper	
Local Currency	A-1

Ratings Detail (As Of December 16, 2014) (cont.)	
ING Belgium S.A./N.V.	
Issuer Credit Rating	A/Negative/A-1
ING Financial Markets, LLC	
Issuer Credit Rating	A/Negative/A-1
ING Groep N.V.	
Issuer Credit Rating	A-/Negative/A-2
Junior Subordinated	BB
Preferred Stock	BB
Senior Unsecured	A-
Short-Term Debt	A-1
Short-Term Debt	A-2
Subordinated	BBB-

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Additional Contacts:
Nigel Greenwood, London (44) 20-7176-7211; nigel.greenwood@standardandpoors.com
Financial Institutions Ratings Europe; FIG_Europe@standardandpoors.com