

# First quarter 2015 Results

ING Bank posts 1Q15 underlying net profit of EUR 1,187 million

Ralph Hamers, CEO ING Group

# Key points

- ING Bank's first quarter results were strong
  - Underlying net profit of EUR 1,187 mln, up 43.0% from 1Q14 and more than double that of 4Q14
  - 1Q15 results driven by robust loan growth and seasonally strong first quarter of Financial Markets
- ING Group 1Q15 net result EUR 1,769 mln
  - Strong results supported by EUR 276 mln contribution from NN Group and EUR 323 mln net result from sale of remaining Voya stake
  - Further progress on strategic repositioning; NN stake reduced to 54.6%, Voya divestment completed and double leverage eliminated
- Capital position strengthened significantly since 4Q14
  - Bank capital generation remained strong at 40 bps, offset by 33 bps upstream to Group
  - Group fully-loaded CET1 ratio increased by 110 bps to 11.6%
- We continue to make progress on executing our Think Forward strategy
  - Focus on differentiating customer experience is reflected in high NPS scores
  - We are gradually rolling out our digital Commercial Banking platform, called InsideBusiness

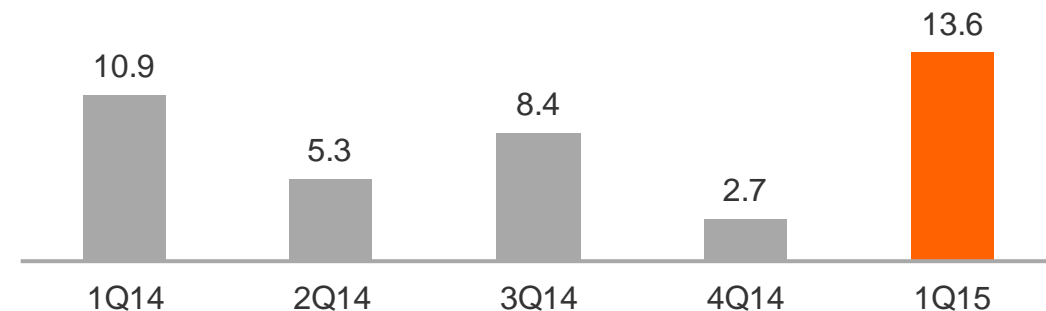
# ING continues to make progress on strategic initiatives

## We launched our Think Forward strategy in March 2014



## Strong deposit gathering ability and...

Net inflow in customer deposits excl. BT and FX  
(Customer deposits, in EUR bln)



\* Customer lending excl. FX, Treasury Products, Corporate Line, transfers/sales and run-off portfolios

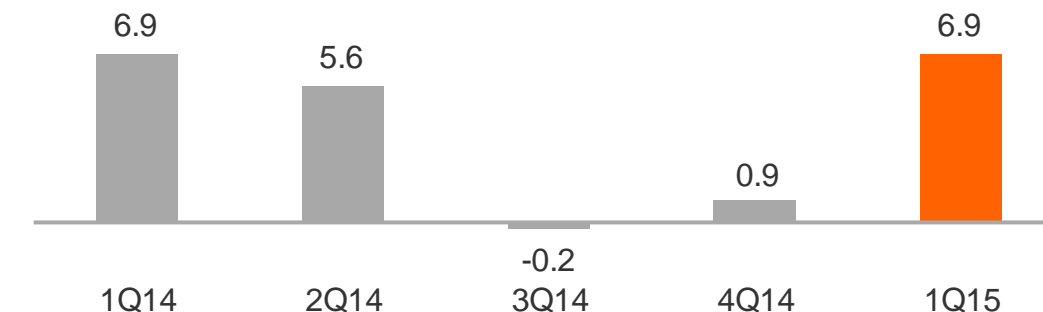
## Creating a differentiating customer experience

Net Promotor Score



## ...solid net lending growth

Net lending growth core lending franchises\*  
(Customer lending, in EUR bln)



# Continuing programme of innovation empowers our clients to stay a step ahead

We are currently rolling out our digital Commercial Banking client platform, called **InsideBusiness**, which supports transacting and reporting across products and geographies

- Transaction Services
  - Payments and reporting
  - Cash management
  - Trade finance
- Financial Markets
  - Pre-trade analytics & market research
  - FX & Money Market deal execution
  - Post-trade confirmation & reporting
- Lending Services
  - Lending portfolio management
- Client Self-Service
  - Service request
  - Account opening
  - Documentation and knowledge base
  - Digital signing of documents

## Multi Country

International reach, multiple languages and support

## Multi Product

Online client interactions in an integrated platform



## Multi Device

Platform accessible via Web and App

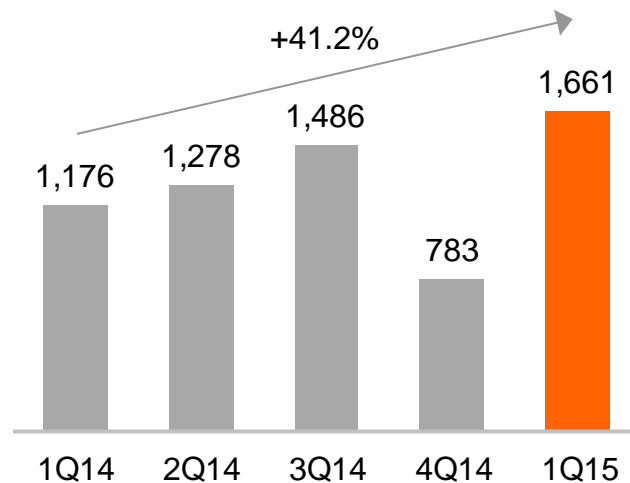
Anytime, anywhere

InsideBusiness  
is available  
**24/7**  
wherever you are.

# 1Q15 results

# Strong first quarter results

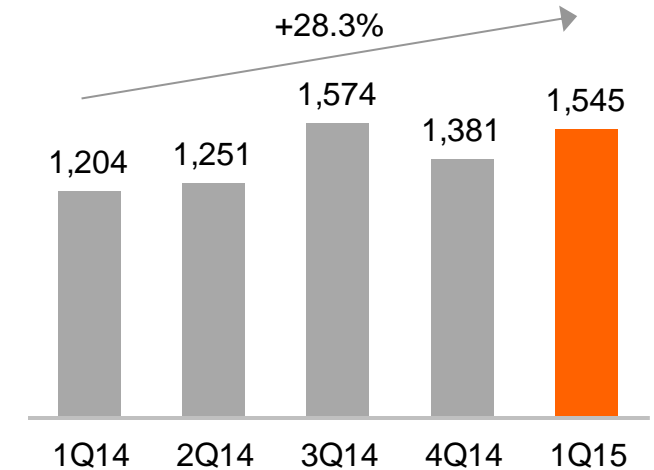
Underlying pre-tax result ING Bank  
(in EUR mln)



Volatile items  
(in EUR mln)

	1Q14	2Q14	3Q14	4Q14	1Q15
<b>CVA/DVA</b>	-66	-58	-69	-80	-1
<b>Capital gains*</b>	105	29	13	21	112
<b>Hedge ineffectiveness</b>	-1	47	-17	-26	103
<b>Redundancy provisions</b>	0	0	-24	-375	0
<b>Bank tax**</b>	-94	0	0	-138	-98
<b>Vysya</b>	28	9	9	0	0
<b>Total</b>	<b>-28</b>	<b>27</b>	<b>-88</b>	<b>-598</b>	<b>116</b>

Pre-tax result ING Bank, excl.  
volatile items (in EUR mln)

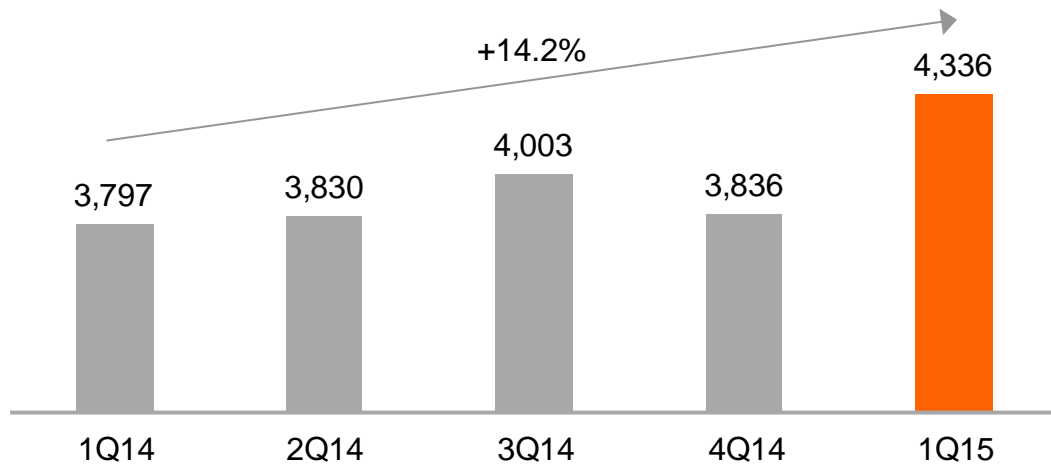


- Underlying results in recent quarters were impacted by volatile items such as CVA/DVA, capital gains, hedge ineffectiveness, redundancy provisions, bank tax and deconsolidation Vysya
- Pre-tax result excluding these volatile items up 28.3% from 1Q14
  - Income up 11.9%, driven by strong growth in both Retail Banking and Commercial Banking
  - Risk costs down from 1Q14, but up slightly from 4Q14
- FX impact on pre-tax result is relatively limited. Positive FX impact is approximately EUR 40 mln y-o-y and EUR 15 mln q-o-q

\*Realised gains on Bonds and Equities; \*\*Bank tax in the Netherlands and Belgium

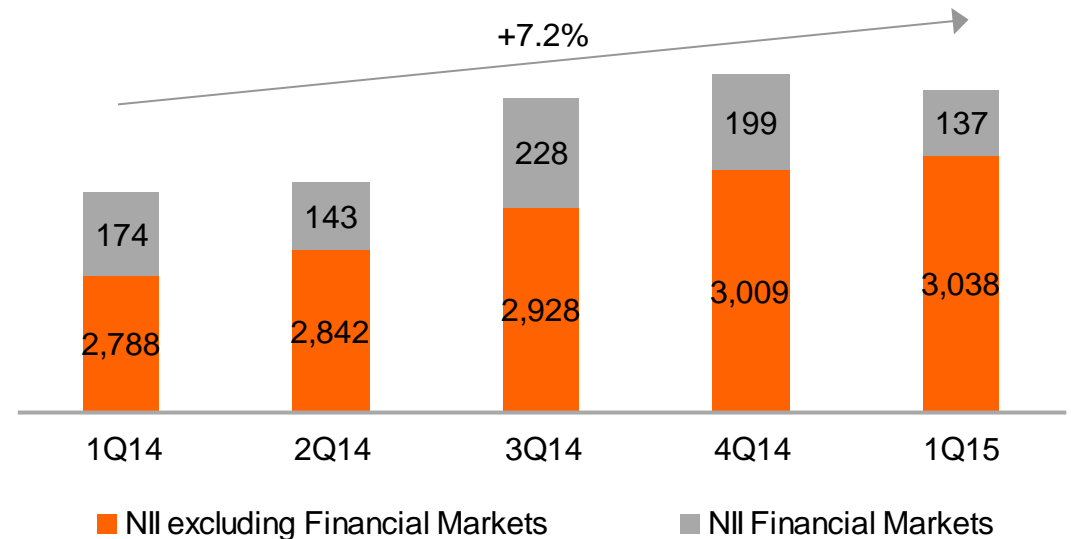
# Robust income growth, reflecting the positive momentum in our businesses

Underlying income excluding CVA/DVA and Vysya  
(in EUR mln)



- Income excluding CVA/DVA impacts and Vysya rose by 14.2% from 1Q14 and 13.0% from 4Q14
  - Solid lending growth and a strong Financial Markets performance
  - Positive hedge ineffectiveness and capital gains
  - Positive currency impacts

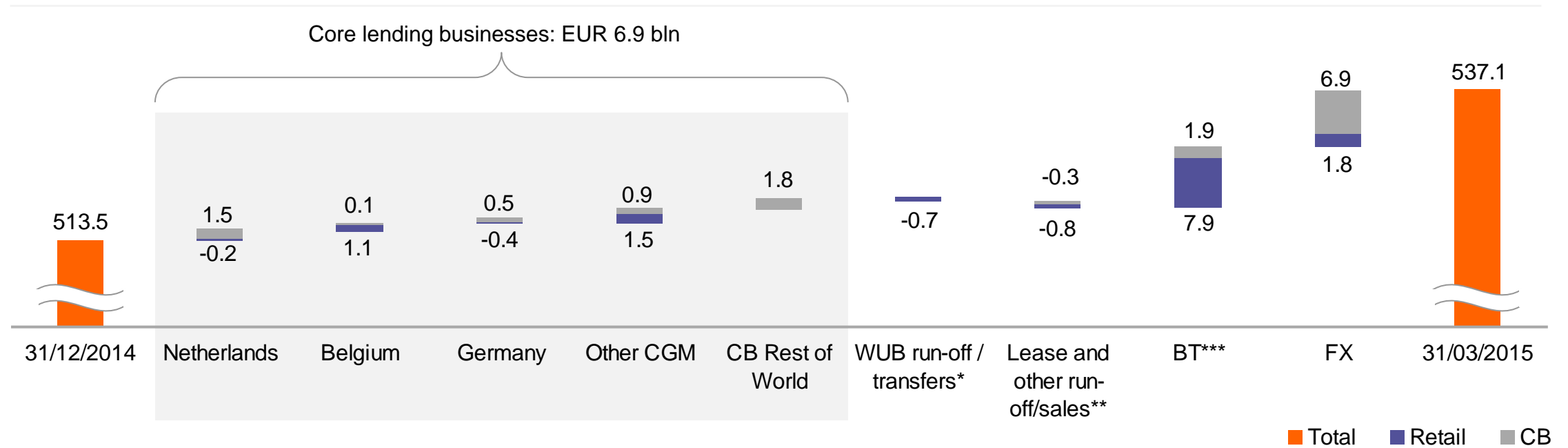
Net interest income excluding Vysya and FM continued its positive momentum (in EUR mln)



- Net interest income excluding Vysya up 7.2% from 1Q14 and down 1.0% from 4Q14 due to lower interest results in Financial Markets
- Net interest income excluding Vysya and Financial Markets increased 9.0% from 1Q14 and 1.0% from 4Q14, continuing its upward trend, driven by solid lending growth

# Our core lending franchises grew by EUR 6.9 bln in 1Q15

## Customer lending, 1Q15 (in EUR bln)



## Our core lending franchises grew by EUR 6.9 bln, or 5.3% annualised, in 1Q15

- Solid growth in the Netherlands, Belgium, Challengers & Growth Markets and CB Rest of the World
- Net production in Germany was slightly up as positive growth in consumer lending and Commercial Banking loans were offset by a reduction in mortgage loans due to high pre-payments

\* WUB run-off was EUR -0.5 bln and transfers to NN were EUR -0.2 bln in 1Q15

\*\* Lease run-off was EUR -0.3 bln in 1Q15; Other run-off /sales was EUR -0.8 bln and refers to Australian White Label mortgage portfolio that is in run-off and was partly sold in 1Q15

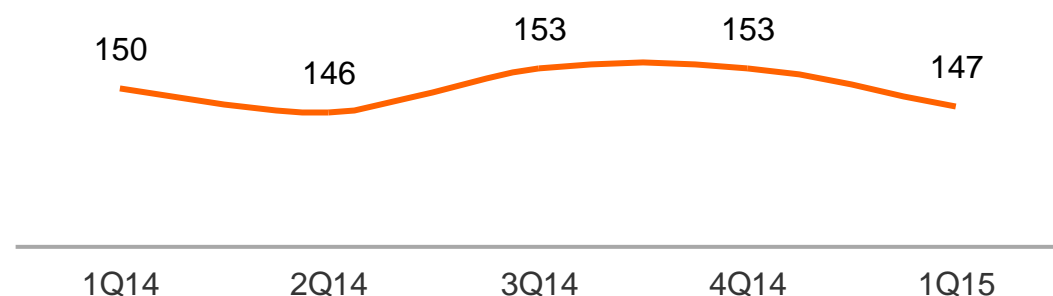
\*\*\* Net production in Bank Treasury (BT) reflects mainly cash collateral placements to non-banks and higher reverse repos



# Net interest margin down to 147 bps, driven by lower net interest results from FM and larger balance sheet

## Net interest margin (in bps)

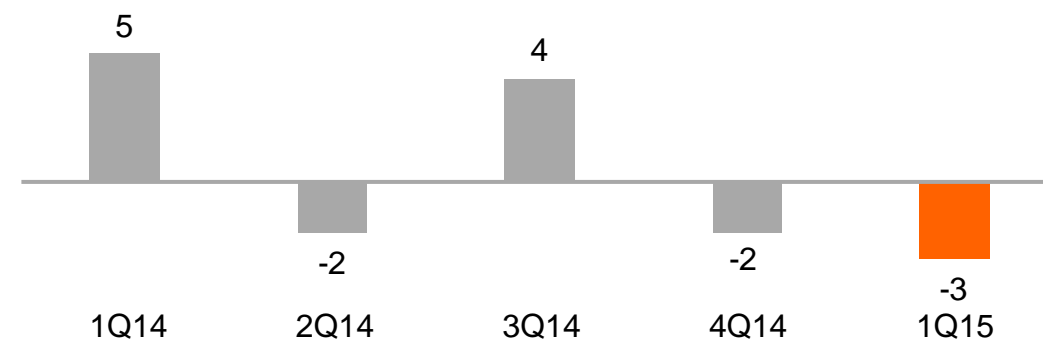
NIM ING Bank (based on avg Balance Sheet)



- Net interest margin ING Bank down 6 bps to 147 bps in 1Q15
  - 3 bps were attributable to lower net interest results at Financial Markets
  - 2 bps due to increase of average balance sheet. Increase B/S due to FX, Financial Markets and Bank Treasury
- Lending margins increased from 4Q14 due to higher margins in both Retail Banking and Commercial Banking
- Margin on customer deposits declined from 4Q14, due to lower reinvestment yields, partly offset by client savings rate reductions in several countries

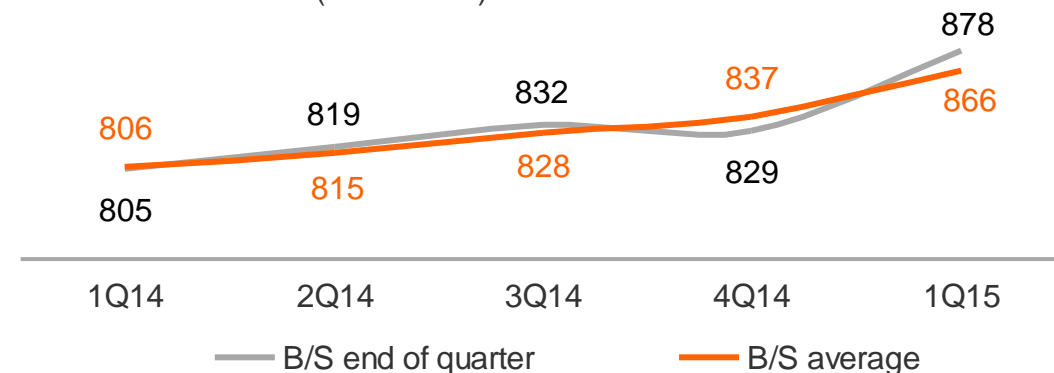
## Financial Markets contribution to change in NIM can be volatile

Financial Markets impact on NIM q-o-q (in bps)



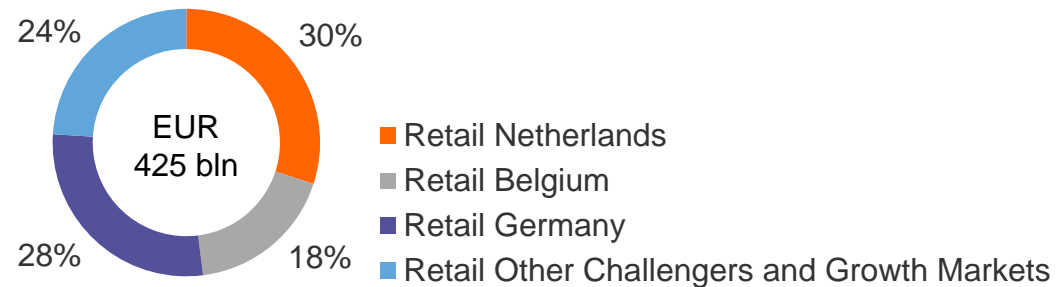
## Average Balance Sheet strongly up due to FX, FM and BT

Bank Balance Sheet (in EUR bln)



# We further reduced client savings rates in 1Q15 and 2Q15 to offset the impact of record low interest rates

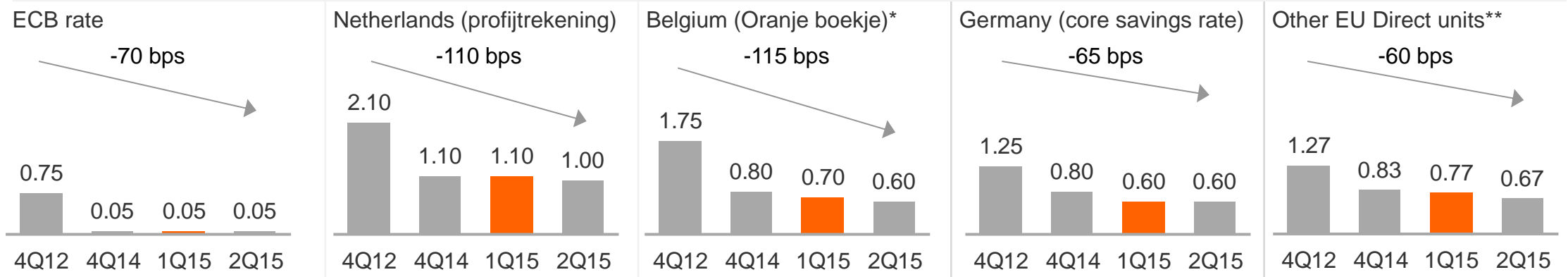
Retail customer deposits, breakdown by business segment (in %, 1Q15)



## Further scope to protect NIM in low interest environment

- In the first quarter, we reduced savings rates in Spain (1 Jan), Belgium (16 Feb) and Germany (20 March)
- ING further reduced client savings rates in 2Q15 in Belgium, the Netherlands, Italy and France
- We will continue to review our client rate proposition given low interest rate environment

## Deposit rates have come down following a reduction in ECB rates

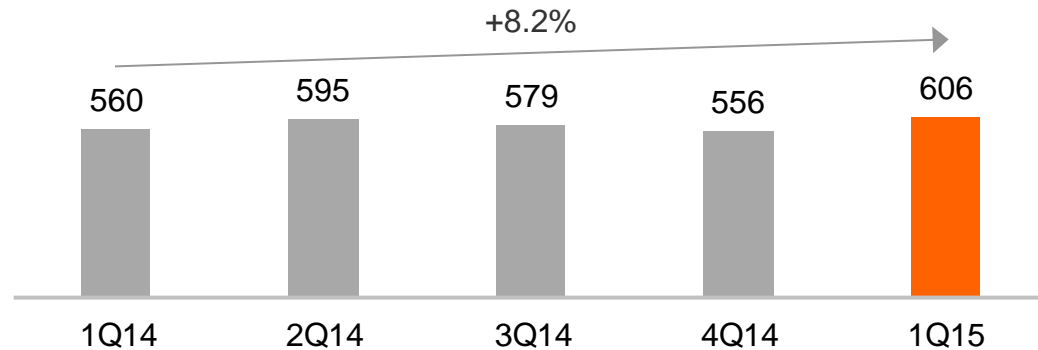


\* Please note that ING Belgium offers different savings products with rates varying between 0.20% and 0.70% (29/4), depending on terms & conditions. Oranje boekje includes a fidelity premium

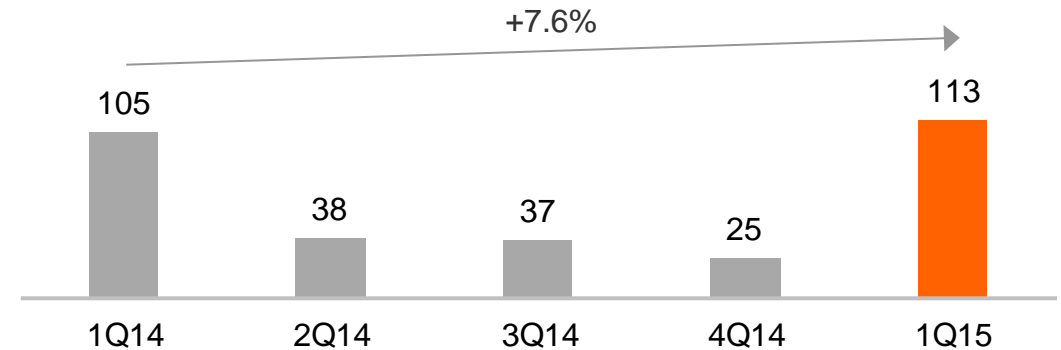
\*\* Unweighted average core savings rates France, Italy and Spain

# Non-interest income supported by higher commissions and strong results in Financial Markets and Bank Treasury

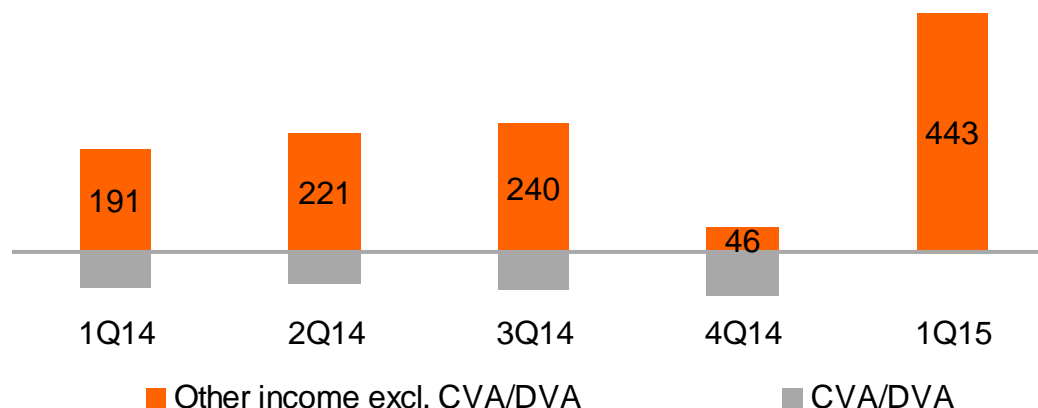
Commission income supported by higher Industry Lending fees (in EUR mln)



Increased investment income supported by capital gains (in EUR mln)



Other income... (in EUR mln)

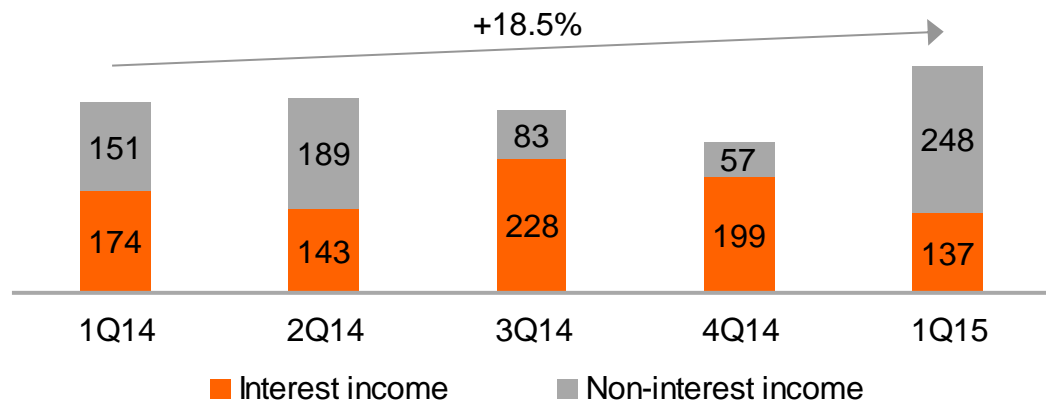


...supported by Bank Treasury and Financial Markets

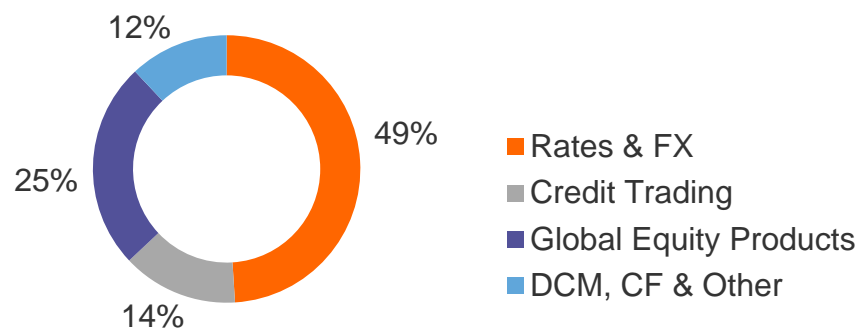
- Bank Treasury benefited from hedge ineffectiveness in the mortgage hedge accounting programmes
- Financial Markets posted a seasonal strong quarter
  - Strong increase Other income Financial Markets partly offset by lower net interest income Financial Markets
- CVA/DVA EUR -1 mln in 1Q15 vs EUR -66 mln in 1Q14

# Financial Markets posted a seasonally strong first quarter, up from 1Q14 which was a relatively weak first quarter

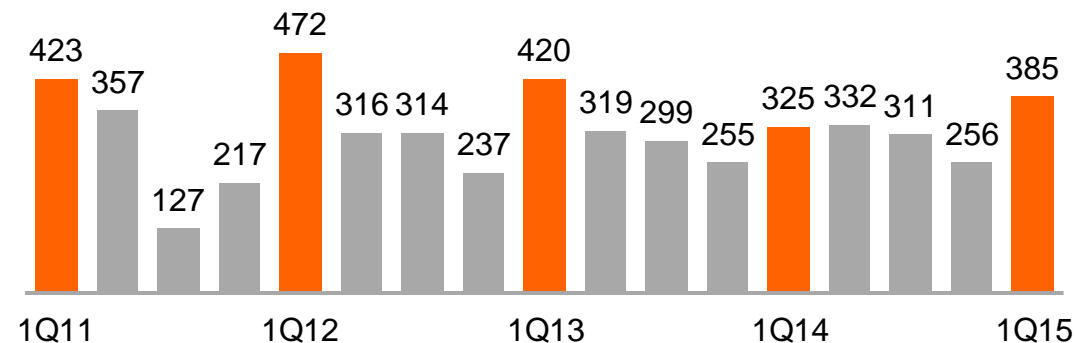
Income Financial Markets excl. CVA/DVA grew strongly in 1Q15 from 1Q14 and 4Q14 (in EUR mln)...



Increase income driven by flow business, reflected in Rates & FX and Credit Trading, which is largest part of income



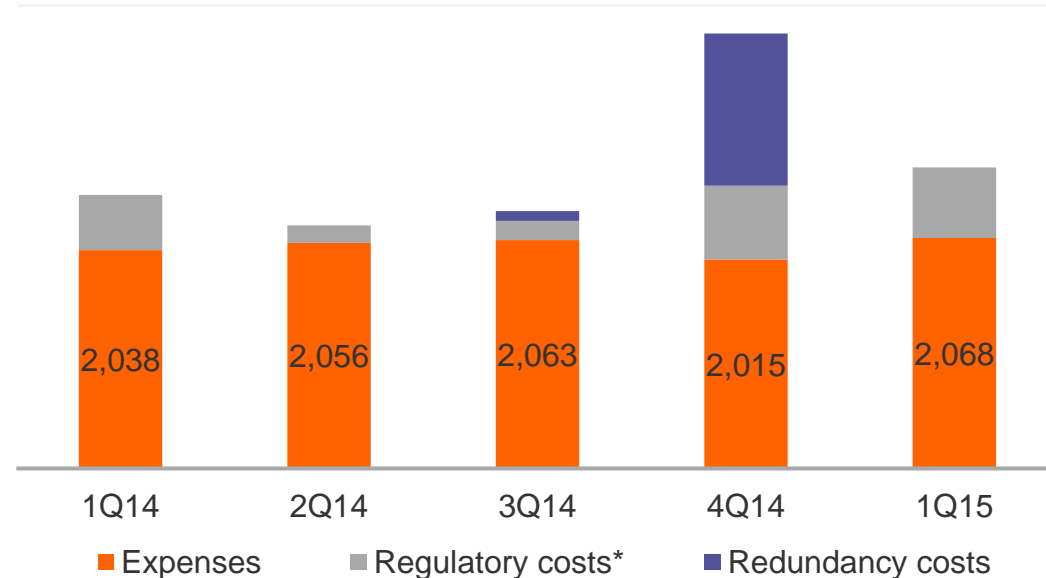
...driven by seasonality with 1Q14 being relatively weak due to low volatility (income excl. CVA/DVA in EUR mln)



- Income excluding CVA/DVA up 18.5% from 1Q14 and up 50.4% from 4Q14
  - Both client and trading income were up
  - Increase income from Rates & FX and Credit Trading businesses, both in the developed and emerging markets
  - Income supported by higher market volatility and positive FX impacts
  - Compared with 4Q14, strong increase driven by seasonality

# We continue to be disciplined on costs, but annual regulatory expenses will weigh heavily on the expense base in 2015

Underlying operating expenses (in EUR mln)



Cost savings (in EUR mln)

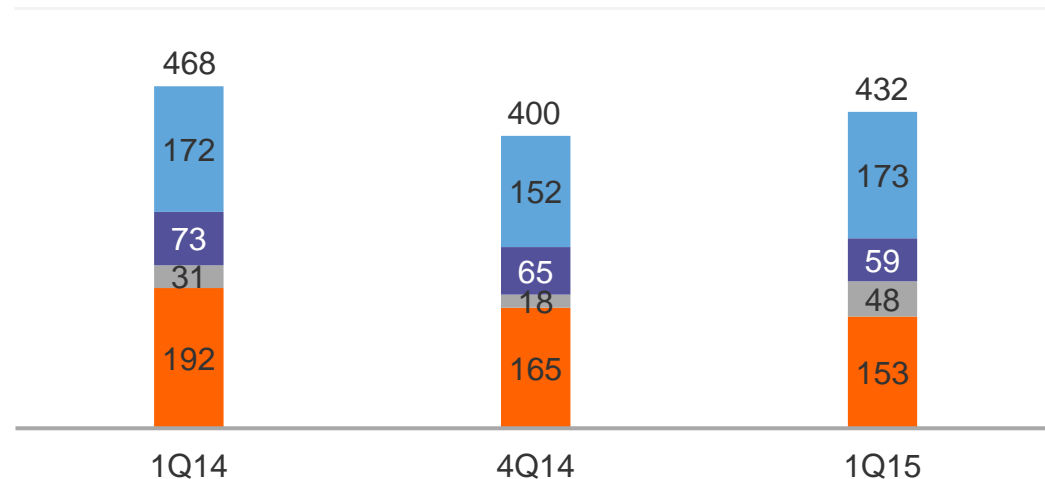
	Announced	Cost savings achieved	Cost savings by 2017	Cost savings by 2018
Retail Banking NL	2011-13	361	480	480
	2014		195	260
ING Bank Belgium	2012	119	160	160
	2014		25	40
Commercial Banking	2012	220	315	315
	2014		25	40
Total Bank		700	1,175	1,255

- Expenses in the first quarter were impacted by additional regulatory costs, while expenses in the fourth quarter were impacted by redundancy costs and the Dutch bank tax
- Adjusted for these impacts, Vysya and FX, expenses increased by 2.4% from 1Q14 and 2.2% from 4Q14, reflecting investments for future growth and IT investments in Retail NL, partly offset by the benefits from the ongoing savings initiative
- The first quarter included the German contribution to the resolution fund. The contribution from other countries as well as the Dutch DGS and other additional regulatory expenses are expected to be implemented later this year (around 200-250 mln)

\* Regulatory costs include amongst others the bank taxes in the Netherlands and Belgium, the DGS in Poland and German contribution to the new resolution fund

# Risk costs slightly up from 4Q14; NPL ratio stable

Risk costs (in EUR mln)



- Commercial Banking
- Retail Challengers & Growth Markets
- Retail Belgium
- Retail Netherlands

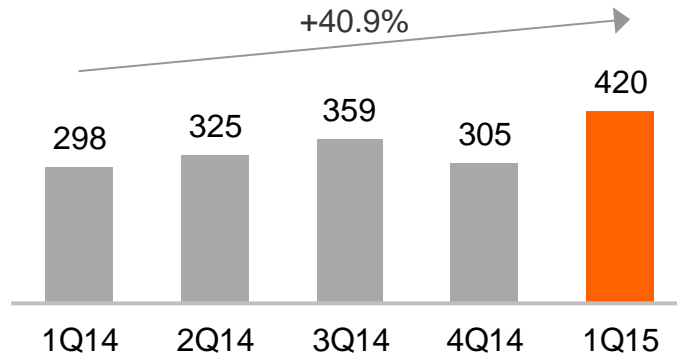
NPL ratio (in %)

	1Q15	4Q14
Retail Netherlands	3.9	3.9
Retail Belgium	3.1	3.2
Retail Challengers & Growth Markets	1.4	1.4
Commercial Banking	3.3	3.3
<b>Total</b>	<b>3.0</b>	<b>3.0</b>

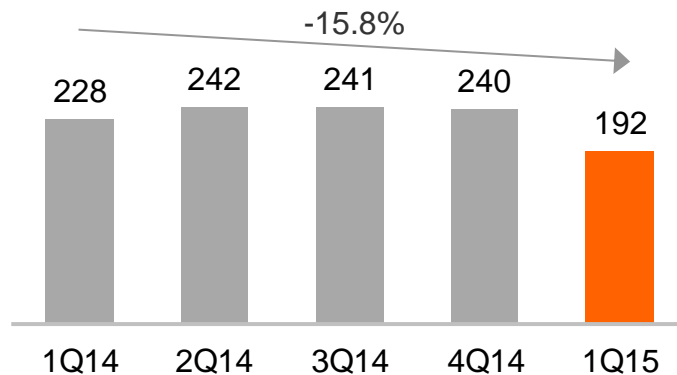
- Risk costs in Retail Banking increased by EUR 12 mln from 4Q14 to EUR 259 mln due to higher risk costs in Belgium
- Risk costs in Retail Netherlands decreased due to lower risk costs in Business Lending NL, mortgages and other
- Risk costs in Commercial Banking rose by EUR 21 mln from 4Q14 to EUR 173 mln due higher net additions in General Lending

# Retail Banking showed improved results in most segments

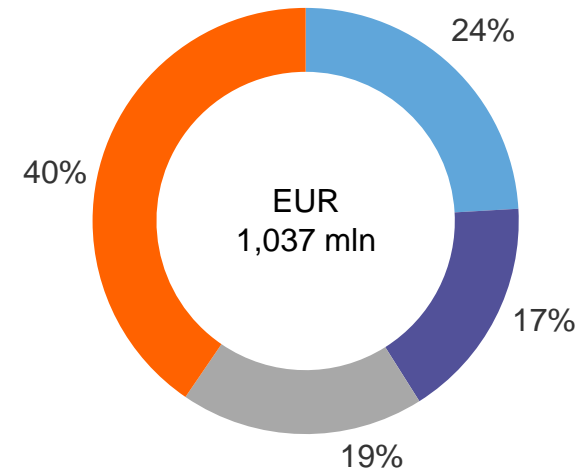
Pre-tax result Retail Netherlands excl. redundancy costs (in EUR mln)



Pre-tax result Retail Belgium (in EUR mln)

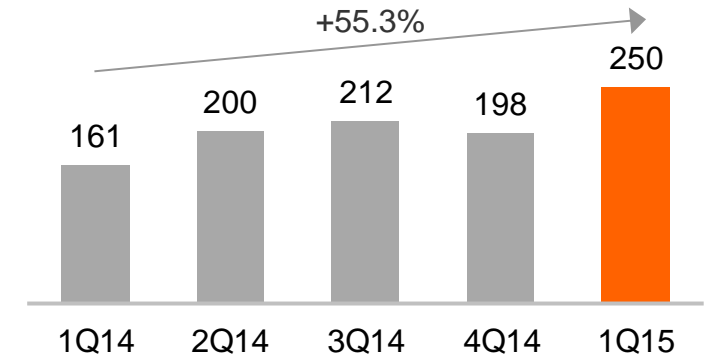


Pre-tax result by segment (in EUR mln)

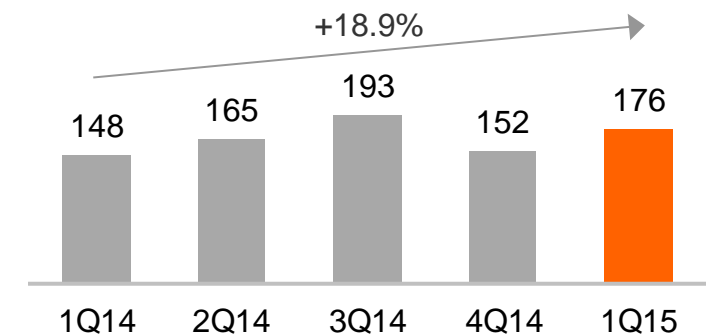


- Retail Netherlands
- Retail Belgium
- Retail Germany
- Retail Other Challengers & Growth Markets excl. Vysya

Pre-tax result Retail Germany (in EUR mln)



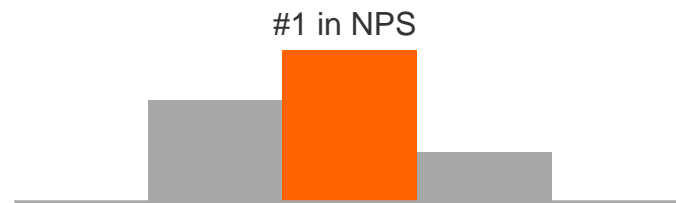
Pre-tax result Other Challengers & Growth Markets excl. Vysya (in EUR mln)



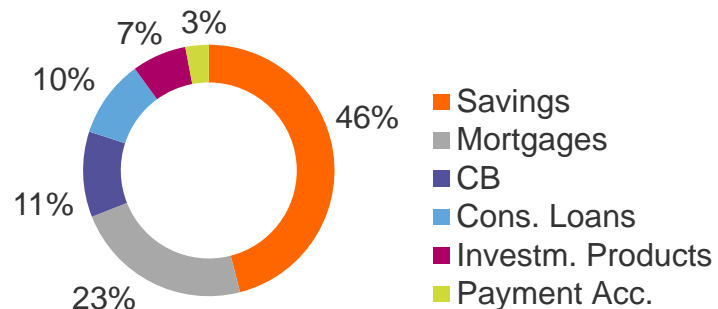
# ING Germany's strategy to broaden relationships and diversify its balance sheet is proving successful

## Client centricity – at the heart of our model...

9<sup>th</sup> year in a row most preferred consumer bank

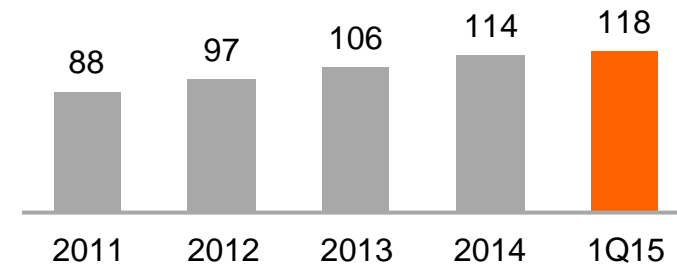


## Diversifying our income profile...



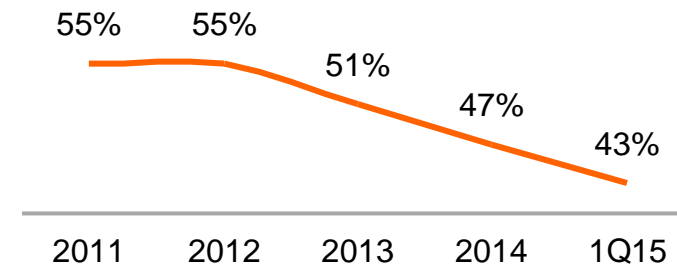
## ...resulting in continuing growth in savings

Customer deposits (in EUR bln)\*



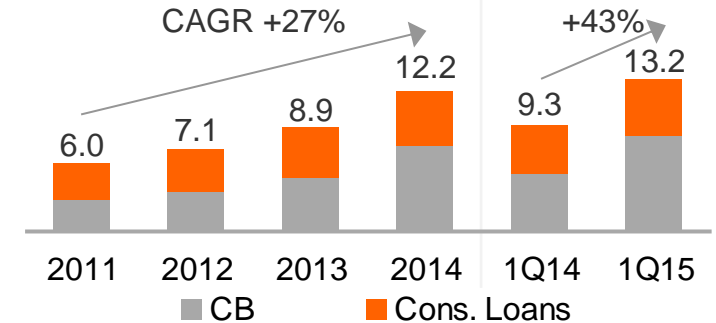
## ...with strong cost discipline, while selectively investing in the business...

Cost/income ratio (%)\*

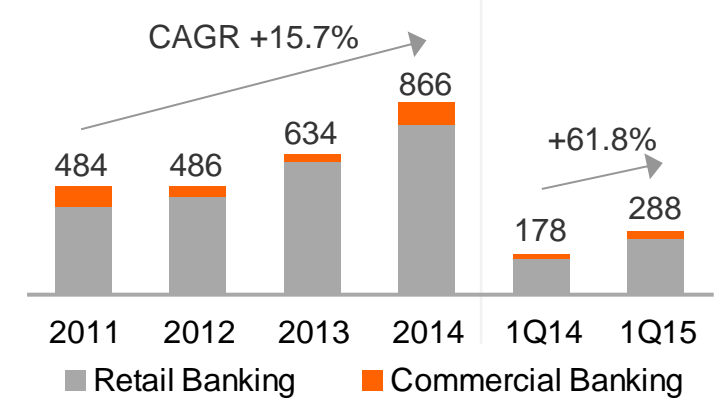


## Diversifying the loan book by growing consumer and CB lending

Customer lending (in EUR bln)\*



## ...resulting in strong pre-tax profit growth\*

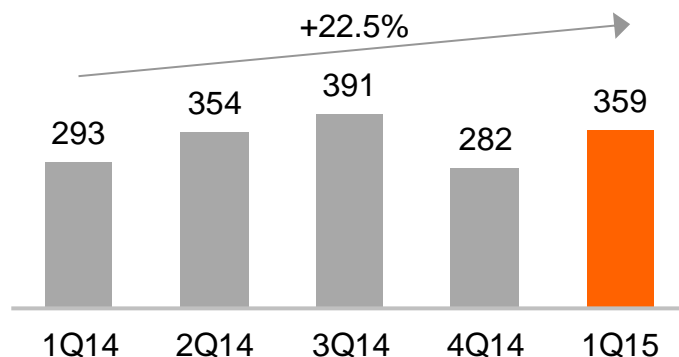


\* 2011 and 2012 have not been adjusted for the replacement of 'interest benefit on economic capital' by 'interest benefit on total capital' and for the bank-wide allocation of Bank Treasury

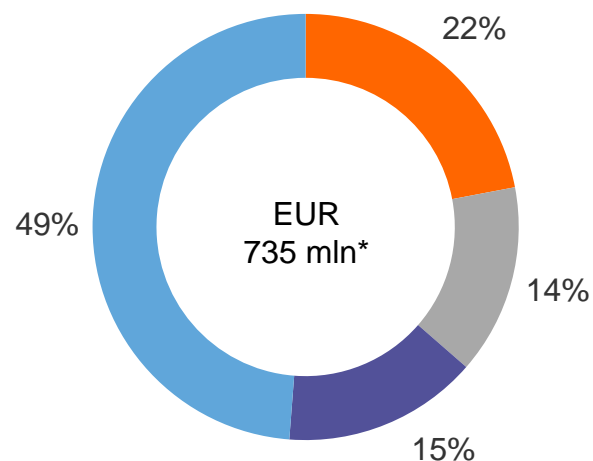


# Improved results Commercial Banking supported by good results in Financial Markets and Industry Lending

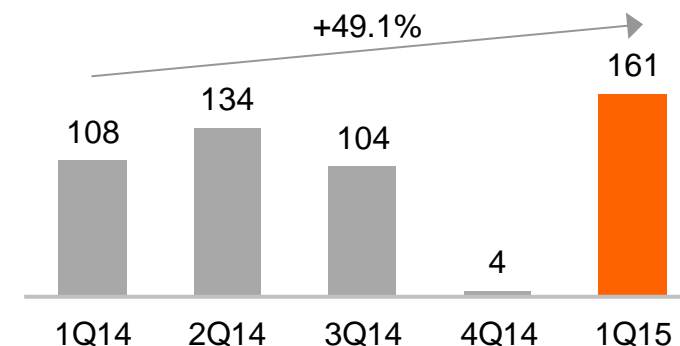
**Pre-tax result Industry Lending  
(in EUR mln)**



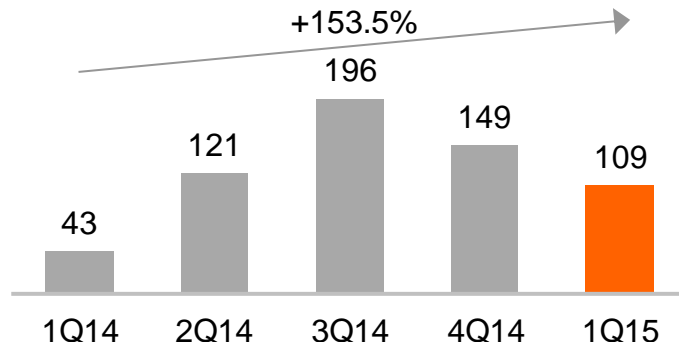
**Pre-tax result by segment excl.  
CVA/DVA (in EUR mln)**



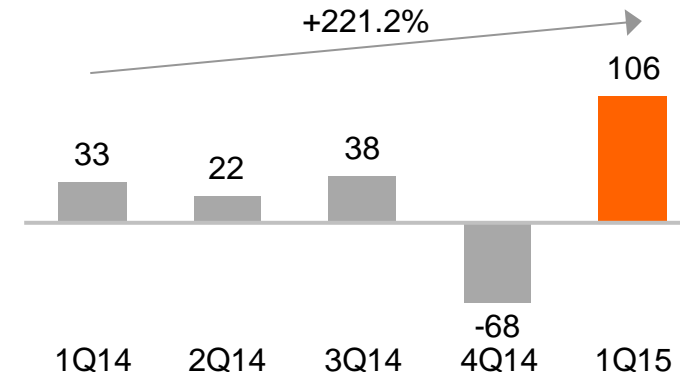
**Pre-tax result Financial Markets  
excl. CVA/DVA (in EUR mln)**



**Pre-tax result General Lending &  
Transaction Services (in EUR mln)**



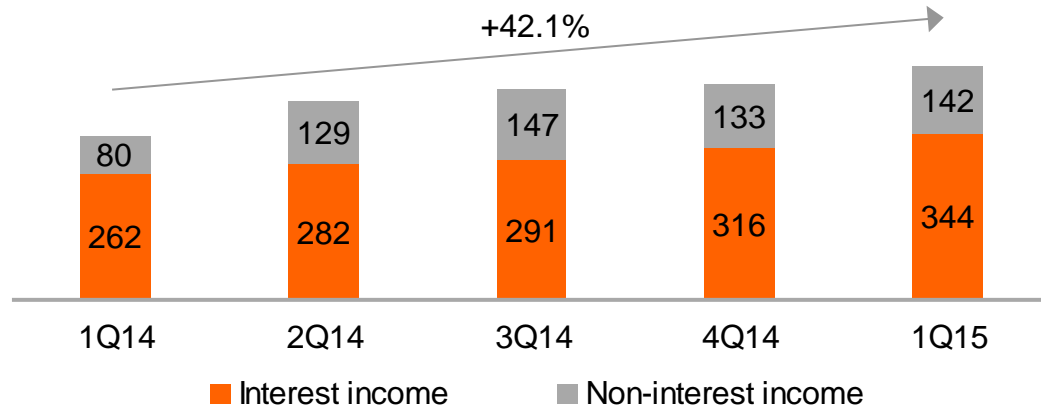
**Bank Treasury, Real Estate & other  
(in EUR mln)**



\* Pre-tax result Commercial Banking excluding CVA/DVA. Pre-tax result reported (including CVA/DVA) was EUR 739 mln

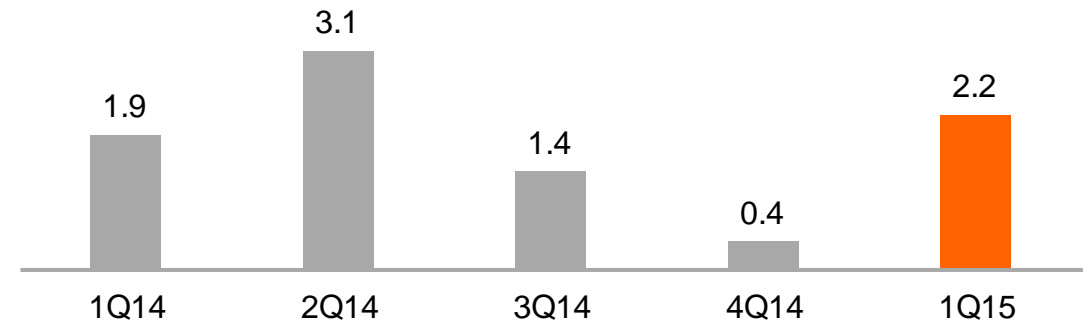
# Structured Finance continued its strong performance in 1Q15

## Structured Finance income rose sharply in 1Q15... (in EUR mln)

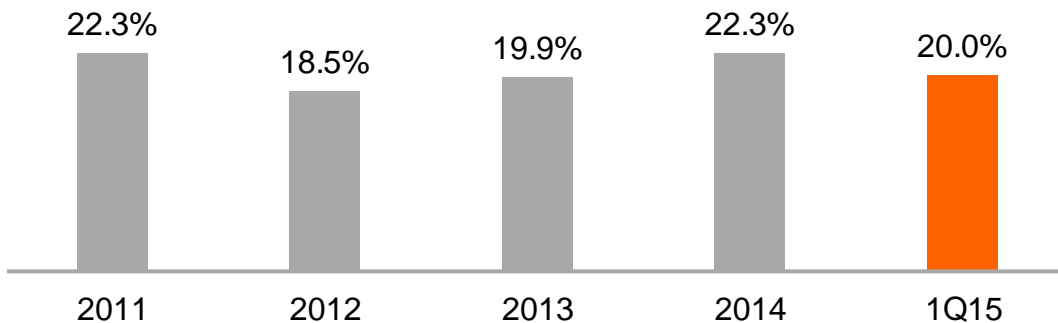


## ...supported by loan growth...

Net lending growth (excl. FX)



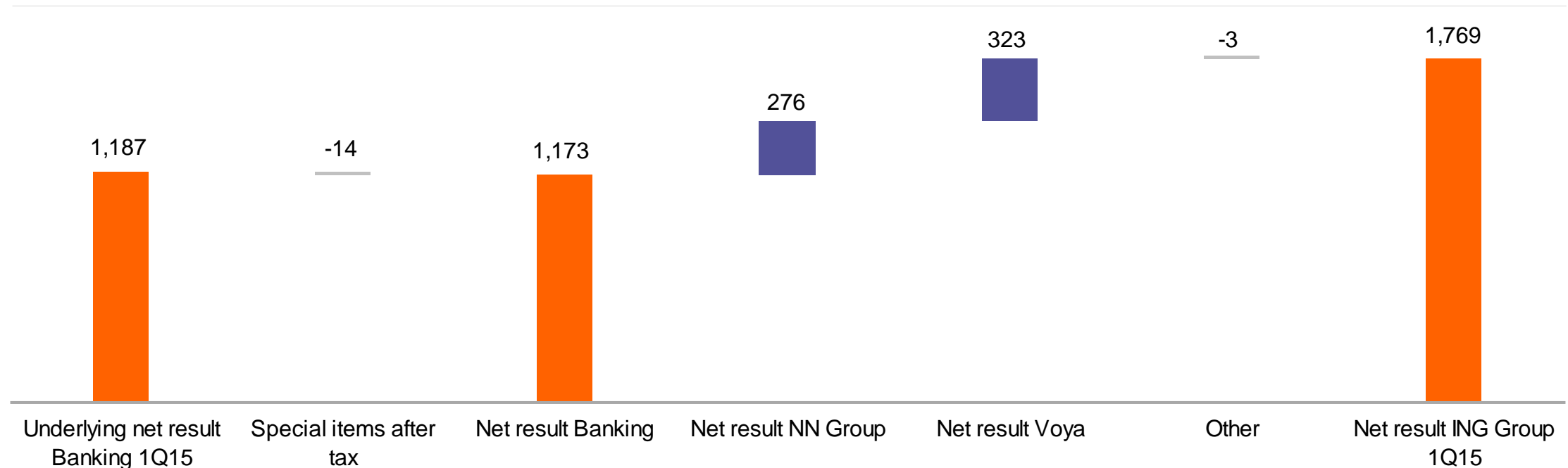
## ...resulting in a high RoE (in %)



- Underlying income grew by 42.1% from 1Q14 and 8.5% from 4Q14 due to ongoing loan growth, reflected in higher interest income and commission income
- Net lending growth, excl. FX, was EUR 2.2 bln in 1Q15
- Lending margins increased from 1Q14 and remained stable from 4Q14
- RoE remained relatively stable, at an attractive level of 20%

# Strong Bank profit supplemented by contribution from Insurance stakes

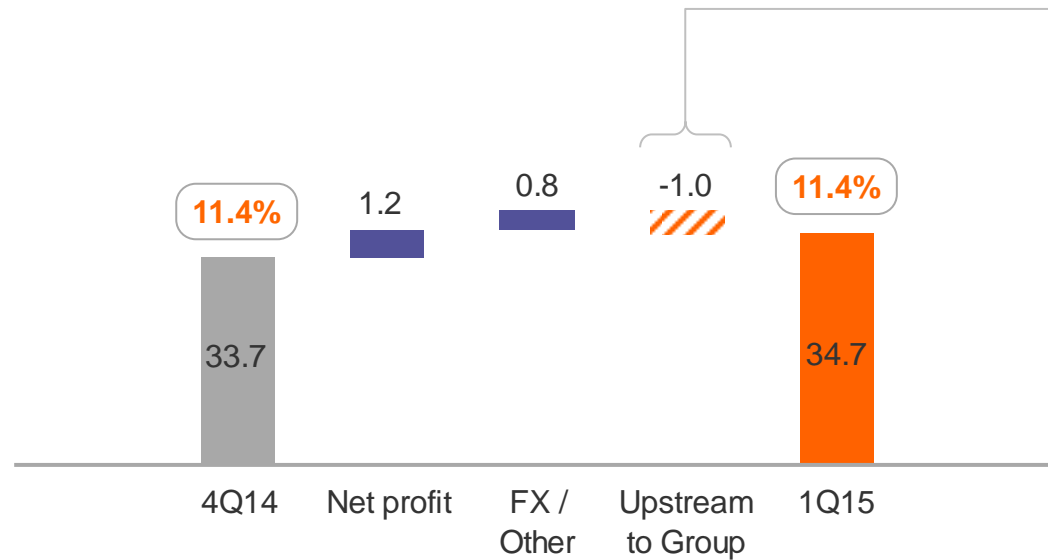
1Q15 net result ING Group includes net results NN Group and Voya (in EUR mln)



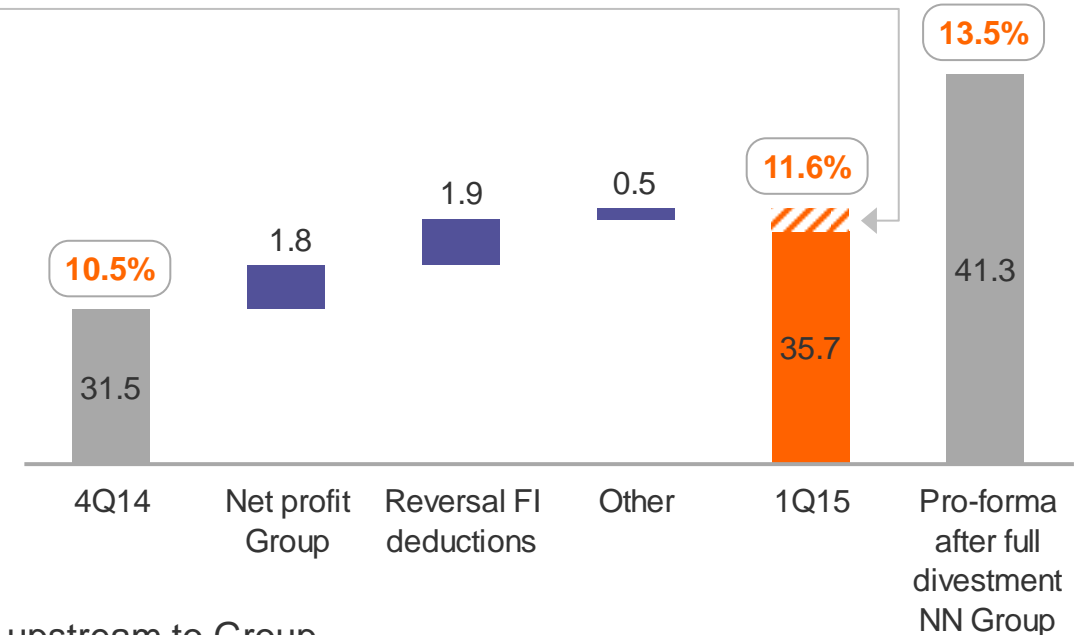
- ING Group first-quarter net profit EUR 1,769 mln, supported by contributions from NN Group and Voya
- Our intention is to pay a minimum of 40% of ING Group's annual net profits by way of dividend
- Furthermore, at the end of each financial year, the Board will recommend whether to return additional capital to shareholders dependent on financial, strategic and regulatory considerations

# Strong capital position at Bank and Group level

ING Bank fully-loaded CET1 ratio stable at 11.4% despite EUR 1 bln upstream to the Group (in EUR bln)



ING Group CET1 fully-loaded ratio increased to 11.6% in 1Q15 (in EUR bln)



- Bank capital generation remained strong at 40 bps, offset by 33 bps upstream to Group
- Group CET1 capital increased by EUR 4.2 bln, supported by the sale of Voya and shares in NN Group as well as capital generated by the Bank, partly offset by 1Q15 dividend deduction of EUR 0.7 bln. The Group CET 1 ratio increased to 11.6%
- Our base case scenario for the divestment of our remaining stake in NN Group is a sell down through a series of follow-on offerings over the next 12-18 months. This would result in a ING Group pro-forma CET1 ratio of 13.5%

# On track to deliver on our Ambition 2017

ING Bank	2014	1Q15	Ambition 2017	Guidance
<b>CET1 (CRD IV)</b>	11.4%	11.4%	>10%	<ul style="list-style-type: none"> <li>We will maintain a comfortable buffer above the minimum 10% to absorb regulatory changes and potential volatility</li> </ul>
<b>Leverage*</b>	4.1%	4.1%	~4%	<ul style="list-style-type: none"> <li>In April 2015, ING Group issued USD 2.25 bln of CRD-IV eligible AT1 securities, which will be on-lent to Bank***</li> </ul>
<b>C/I**</b>	55.1%	51.7%	50-53%	<ul style="list-style-type: none"> <li>Aim to reach 50-53% cost/income ratio in 2017. Over time, improve further towards the lower-end of the range</li> </ul>
<b>RoE (IFRS-EU equity)</b>	9.9%	12.2%	10-13%	
<b>Group dividend pay-out</b>	40% of 4Q Group net profit		≥40% of annual Group net profit	<ul style="list-style-type: none"> <li>Target dividend pay-out ≥40% of ING Group's annual net profit</li> <li>Interim and final dividend; final may be increased by additional capital return****</li> </ul>

\* The leverage exposure of 4.1% at 31 March 2015 is calculated using the published IFRS-EU balance sheet, in which notional cash pooling activities are netted, plus off-balance-sheet commitments. In January 2015, the EC formally adopted the Delegated Act for the leverage ratio. The pro-forma leverage ratio of ING Bank, taking into account the combined impact of grossing up the notional cash pool activities and the alignment with the Delegated Act, is 3.7%.

\*\* Excluding CVA/DVA and redundancy costs

\*\*\* Pro-forma impact of AT1 issuance on leverage ratio is +20 bps

\*\*\*\* Interim dividend is 40% of first half underlying net profit

# Wrap up

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  - 1Q15 results driven by robust loan growth and seasonally strong first quarter of Financial Markets
- ING Group 1Q15 net result EUR 1,769 mln
  - Strong results supported by EUR 276 mln contribution from NN Group and EUR 323 mln net result from sale of remaining Voya stake
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- We continue to make progress on executing our Think Forward strategy
  - Focus on differentiating customer experience is reflected in high NPS scores
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# Appendix



# Strong Balance Sheet increase in 1Q15 driven by FX, Customer Lending, including Bank Treasury, and Financial Markets

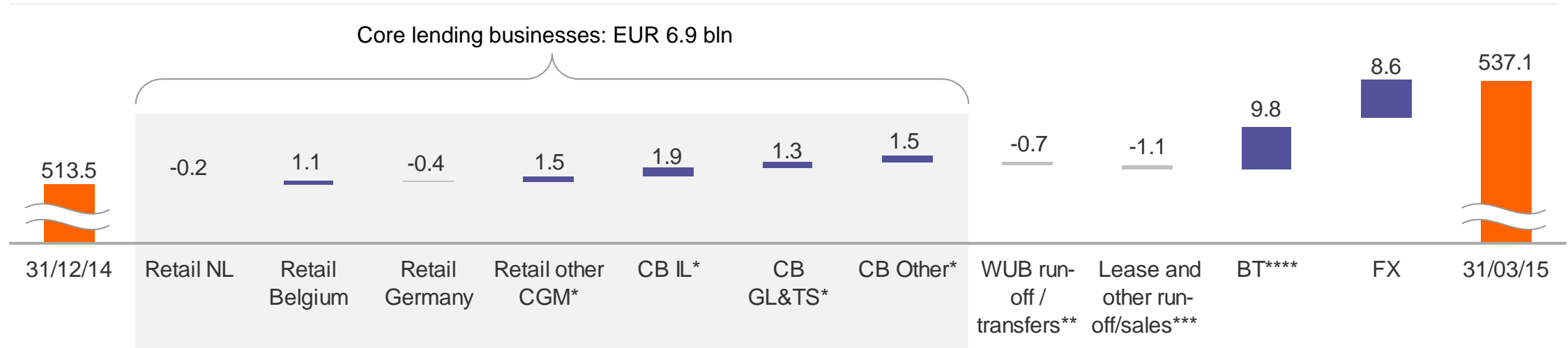
Balance Sheet ING Bank, 1Q15 (in EUR bln)



\* Net production in Bank Treasury (BT) reflects mainly cash collateral placements to non-banks and higher reverse repos

# Our core lending franchises grew by EUR 6.9 bln in 1Q15

## Customer lending, 1Q15 (in EUR bln)



## Our core lending franchises grew by EUR 6.9 bln, or 5.3% annualised, in 1Q15

- Retail Banking increased EUR 2.0 bln driven by Belgium and Challengers & Growth Markets
- Retail Germany slightly down as positive growth in Consumer lending was offset by a reduction in mortgages due to pre-payments
- Commercial Banking rose EUR 4.8 bln
  - Further increase in Industry Lending, in particular Structured Finance (EUR 2.2 bln)
  - Increase in Transaction Services mainly visible in Working Capital Solutions and International Cash Management

\* CGM is Challenger & Growth Markets. IL is Industry Lending; GL&TS is General Lending & Transaction Services; Other includes Financial Markets

\*\* WUB run-off was EUR -0.5 bln and transfer to NN was EUR -0.2 bln

\*\*\* Lease run-off was EUR -0.3 bln in 1Q15; Other run-off /sales was EUR -0.8 bln in 1Q15 and refers to Australian white label mortgage portfolio that is in run-off and was partly sold in 1Q15

\*\*\*\* Net production in Bank Treasury (BT) reflects mainly cash collateral placements to non-banks and higher reverse repos

# Reported ING Group capital structure at 31 March 2015

## Reported ING Group capital structure - 31 March 2015

ING Bank	39.5	Equity	53.5
NN Group (54.6%)*	12.9	Hybrids	7.2
Group cash/debt	2.4	Anchor provision**	1.2
Hybrids <sup>B</sup>	6.3		
Hybrids <sup>I</sup>	0.9		
	<b>62.0</b>		<b>62.0</b>

\* Shareholders' Equity of EUR 13,165 mln at 1Q15 minus FY 2014 net result from discontinued operations NN Group of EUR -247 mln on the classification of NN Group as held for sale per 30 September 2014

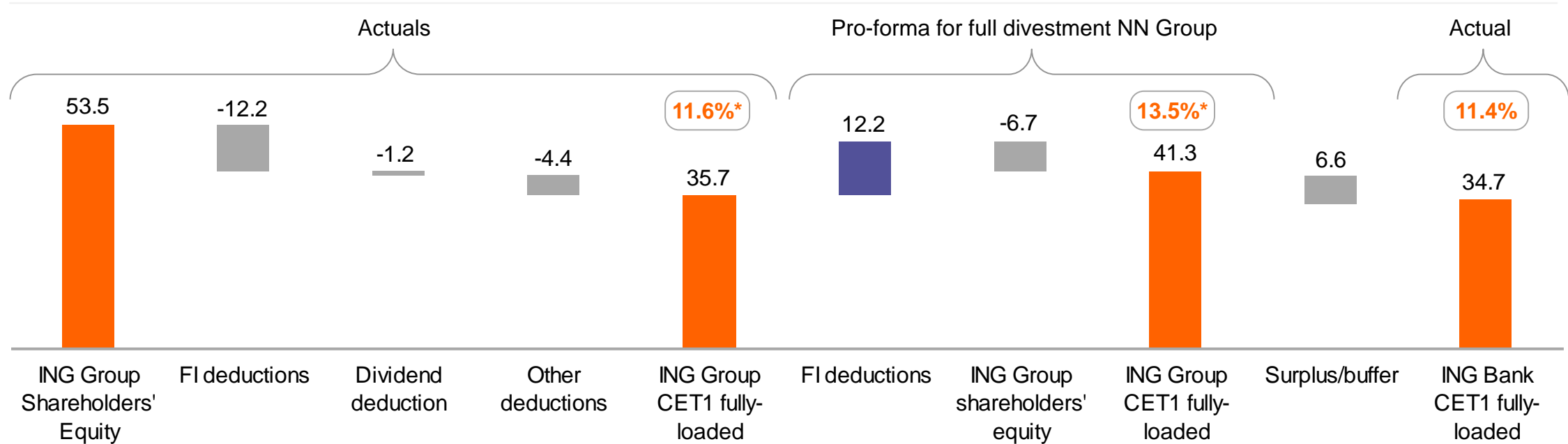
\*\* The IPO of NN Group had a negative impact on shareholders' equity of ING Group of EUR 4,264 mln (booked in 3Q14), of which EUR 1,012 mln for the 2nd and 3rd tranche of the mandatorily exchangeable notes in 2015/16. The difference between the market value and estimated IFRS carrying value of these notes has been deducted from pro-forma Group equity through a provision which is EUR 1,158 mln as of 31 March 2015

## Illustrative calculation of impact deconsolidation NN Group

- We will divest our remaining 54.6% stake in NN Group over time, while maintaining an orderly market
- Our base case scenario for the divestment of our remaining stake in NN Group is a sell down through a series of follow-on offerings over the next 12-18 months
- Upon deconsolidation, the divestment result will reflect ING Group's remaining share (at transaction date) in the difference between the carrying value of NN Group and the market value
- Assuming full deconsolidation from 54.6% and share price NN Group of EUR 26.38 on 31 March 2015
  - Total impact on Group Equity of approximately EUR -6.7 bln, consisting of:
    - Difference between 54.6% MV being EUR 4.9 bln and 54.6% 1Q15 BV being EUR 12.9 bln
    - EUR -1.2 bln anchor provision
  - Total P/L impact of approximately EUR 0.1 bln. This reflects ING's EUR 6.8 bln share in the positive revaluation reserves

# Group CET1 in excess of Bank

## Fully-loaded common equity Tier 1 capital (EUR bln and %)



- The carrying value of NN Group (FI deductions) are deducted from Group Shareholders' equity
- The quarterly net profit was partially offset by a deduction from capital for regular future dividend payments based on ING's intention to pay a minimum of 40% of ING's annual net profit
- Other deductions are almost similar to those applied in the Bank
- The full impact from divestment of Insurance stakes will set ING Group CET1 significantly ahead of ING Bank CET1

\* ING Group fully-loaded CET1 ratio in 1Q15 is based on RWAs of EUR 307.7 bln; Pro-forma Group fully-loaded is based on RWAs of EUR 305.8 bln

# ING Bank CRD IV common equity Tier 1 ratio fully-loaded 11.4%

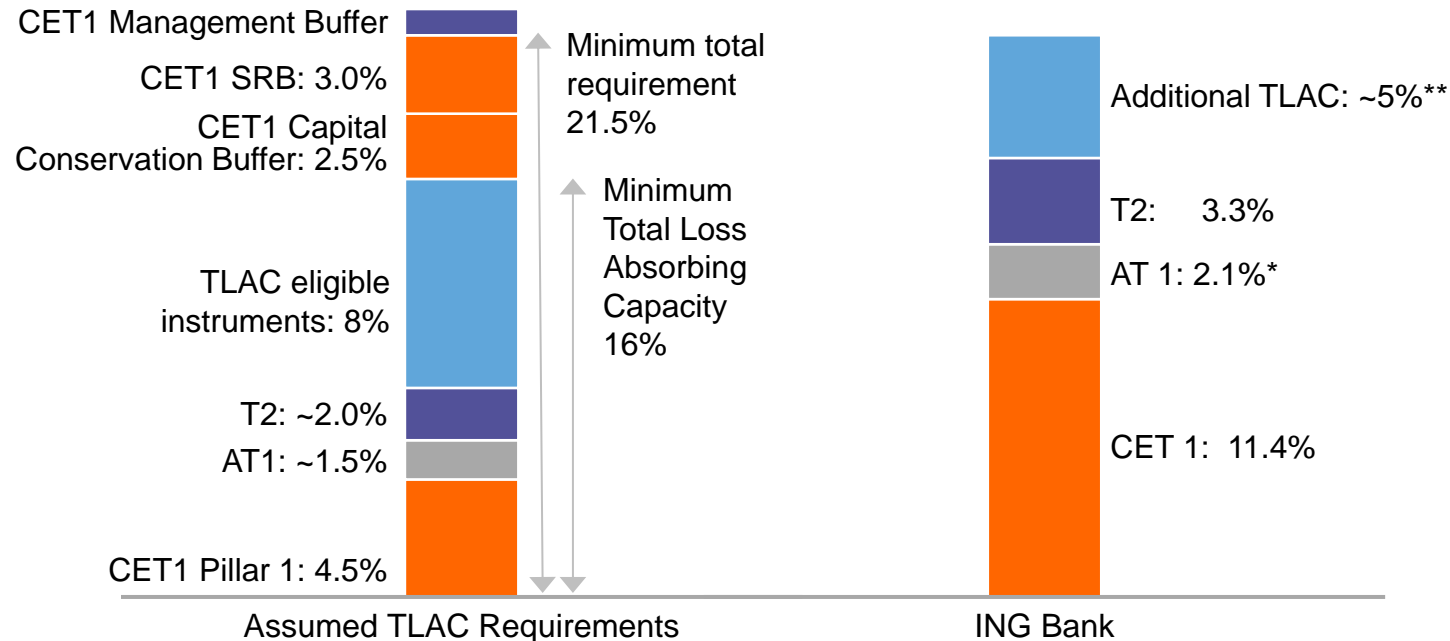
## Impact CRD IV 1Q2015 (in EUR bln)

	Common equity Tier 1 capital	RWAs	Common equity Tier 1 ratio
31 March 2015 (Phased-in)	34.9	303.6	11.5%
Defined benefit pension fund assets	-0.4		
Intangibles	-1.0		
DTA	-0.2		
Loan loss provision shortfall	-0.8		
Other	-0.5		
Revaluation reserve debt securities	+1.1		
Revaluation reserve equity securities	+1.4		
Revaluation reserve real estate own use	+0.2		
Pro-forma common equity Tier 1 ratio (fully loaded)	34.7	303.6	11.4%

- ING Bank's common equity Tier 1 ratio (CET1 ratio) on a fully-loaded basis remained stable at 11.4%
  - CET 1 capital increased by EUR 1.0 bln reflecting retained earnings, FX impacts, higher revaluation reserves, mainly caused by the increased market value of Bank of Beijing, and lower interest rates, offset by a EUR 1 bln upstream to the Group
  - RWA increase was mainly driven by the appreciation of the USD compared to the EUR, which is hedged for capital purposes
- ING Bank's CET1 ratio (phased-in) rose to 11.5% in 1Q15 from 11.2% at the end of 2014. On top of the fully-loaded development, CET1 capital increased by EUR 0.7 billion due to the phase-in impact

# ING has flexibility to comply with expected TLAC requirements\*

## Possible TLAC requirements (1Q15, fully loaded, in %)



## The Financial Stability Board's TLAC proposals

- TLAC proposals not yet final. Finalisation expected in November 2015
- Assuming TLAC requirements at 21.5% (including buffers), ING is well placed to meet requirements

## TLAC versus funding needs

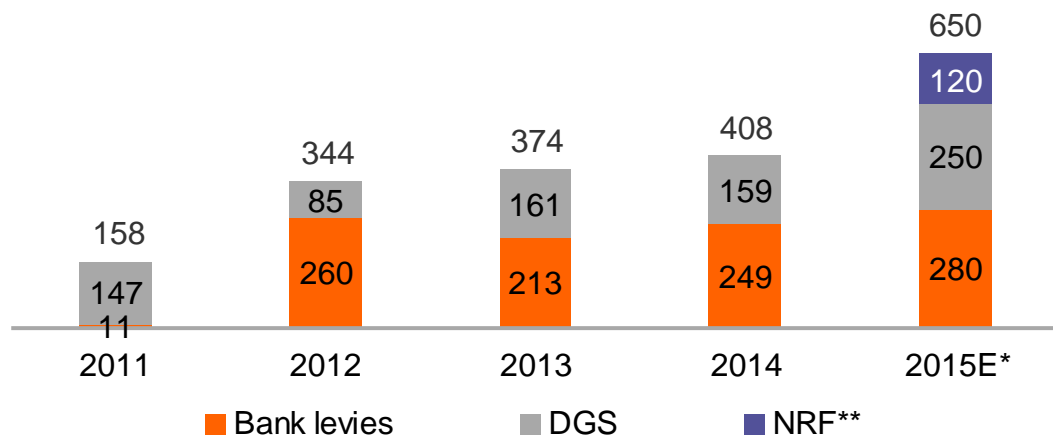
- ING Bank has EUR 68 billion of long-term professional funding maturing until the end of 2019
- Given the amount of long-term debt maturing, ING has ample flexibility to comply with expected TLAC requirements including the allowance of 2.5% for senior debt

\* Grandfathered loans will be replaced by CRD IV compliant hybrids in the coming years. TLAC proposals are still subject to change

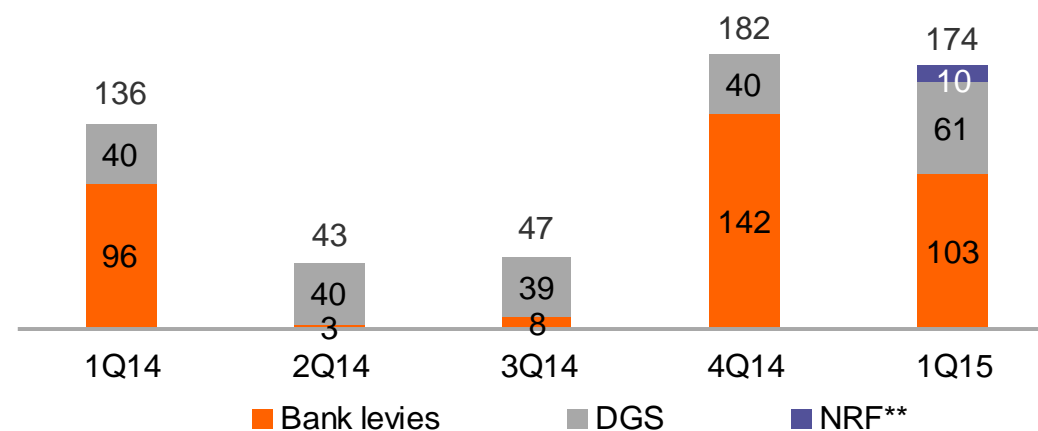
\*\* Senior debt as a percentage of RWAs of 2.5% may be allowable for bail-in purposes

# Regulatory costs continue to increase and will weigh heavily on the expense base

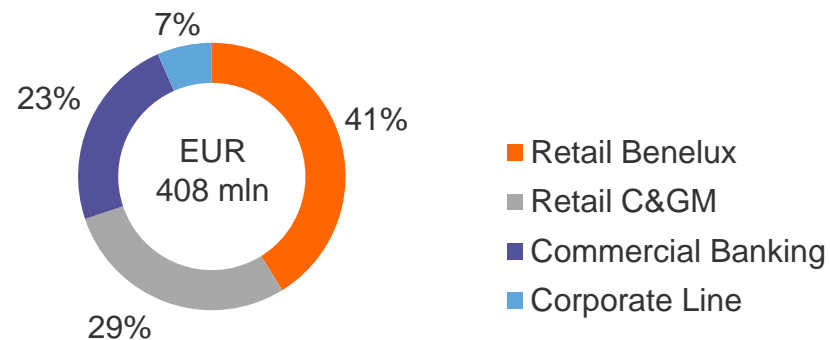
Regulatory costs (in EUR mln)



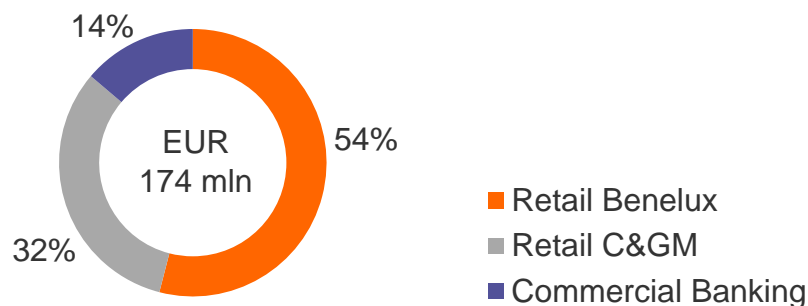
Regulatory costs (in EUR mln)



Regulatory costs by segment (2014)



Regulatory costs by segment (1Q15)



\* 2015 is an estimate and subject to change

\*\* National Resolution Fund (NRF)

# The quality of our Russian portfolio remains strong

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

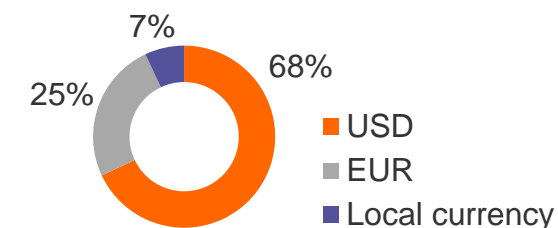
	1Q15	4Q14	Change 1Q-4Q	Change 1Q-4Q at constant FX
Total Lending Credit O/S	5,927	6,189	-262	-767
Other*	932	843	89	-56
<b>Total outstanding</b>	<b>6,859</b>	<b>7,032</b>	<b>-173</b>	<b>-823</b>
Undrawn committed Facilities	1,221	1,050	171	59

Note: data is based on country of residence

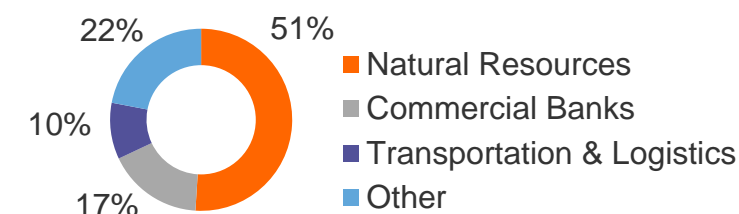
## NPL ratio and Coverage ratio Russia

	1Q15	4Q14
NPL ratio	3%	3%
Coverage ratio	16%	16%

## Lending outstanding per currency



## Lending breakdown by Industry



- Total outstanding to Russia has been reduced by EUR 173 mln from 4Q14, EUR 823 mln at constant FX
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is stable at EUR 1.1 bln, despite reduction of overall lending portfolio
- Focus on mitigated exposures; ECA-covered, pre-export facilities, offshore collateralized and shorter tenors
- The quality of the portfolio remains strong with the NPL ratio stable at 3%

\* Other includes Investments, trading exposure and pre-settlement



# Coverage ratio Ukraine increased further to 62%

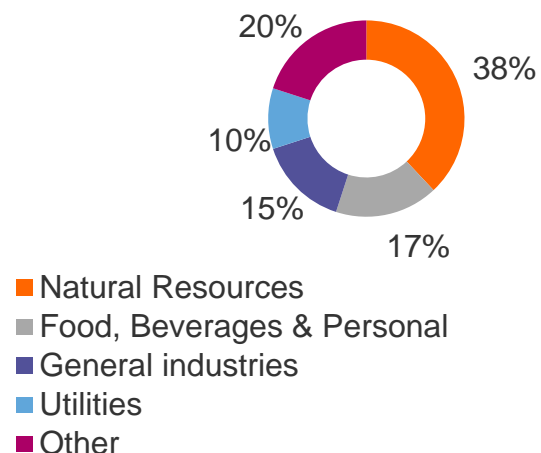
## Exposure ING Bank to the Ukraine (in EUR mln)

	1Q15	4Q14	Change 1Q-4Q	Change 1Q-4Q at constant FX
Total Lending Credit O/S	1,217	1,214	3	-48
Other*	9	12	-3	-2
<b>Total outstanding</b>	<b>1,226</b>	<b>1,226</b>	<b>0</b>	<b>-50</b>
Undrawn committed Facilities	41	44	-3	-7

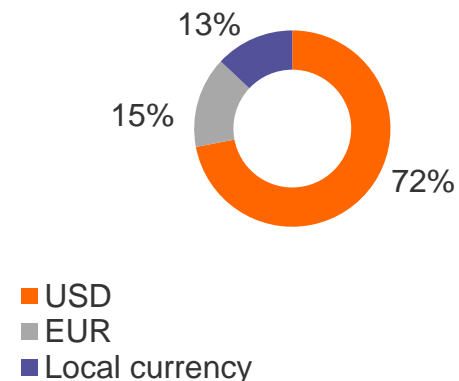
Note: data is based on country of residence

- Total outstanding to the Ukraine has remained stable at EUR 1,226 mln
- The NPL ratio increased to 38% in 1Q15, reflecting the economic recession in the Ukraine
- The coverage ratio increased to 62% in 1Q15

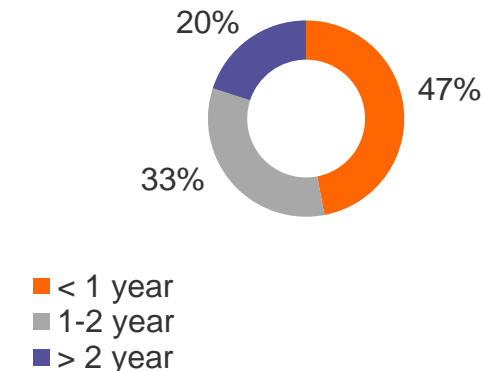
## Lending breakdown by Industry



## Lending outstanding per currency



## Lending maturity



\* Other includes Investment, trading exposure and pre-settlement

# Exposure ING Bank to Oil & Gas Industry - oil price risk is limited

		Lending O/S	
<b>Trade Finance</b>	<ul style="list-style-type: none"> <li>Trade-related exposure; short-term self-liquidating trade finance, generally for major trading companies, either pre-sold or price hedged, not exposing the Bank to oil price risk</li> </ul>	48%	87% of lending is not directly exposed to oil price risk
<b>Export Finance</b>	<ul style="list-style-type: none"> <li>ECA covered loans in oil &amp; gas: typically 95-100% credit insured</li> </ul>	5%	
<b>Corporate Lending</b>	<ul style="list-style-type: none"> <li>Corporate Loans in oil &amp; gas sector: predominantly loans to investment grade integrated oil companies</li> </ul>	19%	
<b>Midstream</b>	<ul style="list-style-type: none"> <li>E.g. pipelines, tank farms, LNG terminals, etc.: these assets typically generate revenues from long-term tariff based contracts, not affected by oil price movements</li> </ul>	15%	
<b>Offshore Drilling Companies</b>	<ul style="list-style-type: none"> <li>Loans to finance drilling rigs, generally backed by 3-7 yr charter contracts and corporate guaranteed</li> </ul>	3%	Somewhat exposed to oil price risk
<b>Other Offshore Services Companies</b>	<ul style="list-style-type: none"> <li>Diversified portfolio of companies active in pipe laying, heavy lifting, subsea services, wind park installation, etc. Corporate guaranteed</li> </ul>	2%	
<b>Reserve Based Lending</b>	<ul style="list-style-type: none"> <li>Financing based on borrower's oil &amp; gas assets. Loans secured by reserves of oil &amp; gas. Includes smaller independent oil &amp; gas producers</li> </ul>	8%	Exposed to oil price risk but other risk mitigants provide protection
<b>Total Oil &amp; Gas related exposure</b>		EUR 30 bln	

- Total oil & gas exposure increased by EUR 3 bln from 4Q14 to EUR 30 bln, mainly due to currency impacts
- ING has stress tested the Reserve Based Lending portfolio. Based on the current oil price environment, we see limited risk of increased loan losses

# Important legal information

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 2014 ING Group Annual Accounts. 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.

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