STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

ING Bank N.V.

Primary Credit Analyst:
Nicolas Hardy, Paris (33) 1-4420-7318; nicolas.hardy@standardandpoors.com

Secondary Contact:
Nigel Greenwood, London (44) 20-7176-7211; nigel.greenwood@standardandpoors.com

Table Of Contents

ING Bank N.V.

SACP	a

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

+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

+

Additional Factors	0

Issuer Credit Rating

A/Stable/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Strong market positions in core markets, with good product and geographic diversity. • Focused strategy and clear financial roadmap. • Sound earnings generation and strong capitalization.	• Reliance on wholesale funding for Dutch operations. • Moderate economic growth prospects in its main markets.

Outlook: Stable

The stable outlook on ING Bank and its non-operating holding company (NOHC) ING Groep reflects our view that the group's financial profile will continue to steadily strengthen, benefiting from a more supportive economic environment and a recovering Dutch property market. We expect the continuation of the group's medium-term strategy, including the execution of its publicly stated financial roadmap, will support internal capital generation and the maintenance of strong capital adequacy metrics, including a projected risk-adjusted capital (RAC) ratio before diversification remaining sustainably above 10% in the next 18 to 24 months. It also reflects our view that the group's risk appetite will remain contained and growth initiatives limited to known areas and territories.

We could lower our rating on ING Bank if the bank's projected RAC ratio trended downward below 10% because of a more aggressive growth of risk assets than we expect, which could result from a large acquisition, or faster expansion in emerging markets. We could also lower the ratings if asset quality metrics were to deteriorate significantly.

We see limited potential for a rating upgrade in the medium term. We could raise our rating on ING Bank if it built a sizable buffer of additional loss-absorbing capacity (ALAC) in the next three to four years, for instance because of the bank changing its policy regarding the targeted level of subordinated debt to be issued.

Rationale

The starting point for our ratings on ING Bank is our 'bbb+' anchor which 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 then adjust for the following bank-specific factors:

- Strong business position as defined in our criteria, primarily reflecting its strong franchise in The Netherlands, Germany, and Belgium, and good diversification of its revenues by product and geography.
- Strong capital and earnings, based on our expectation that our RAC ratio for the bank will remain sustainably above 10% in the coming 18-24 months.
- An adequate risk position owing largely to the sound diversification of its exposures and solid track record in retail and corporate lending.
- Average funding and adequate liquidity, underpinned by its large deposit base and sound liquidity buffer.

The resulting stand-alone credit profile (SACP) is 'a'. There is no uplift for support or additional rating factors. The long-term counterparty rating is 'A'.

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 rounded geographic distribution of its private sector customer lending at the end of June 2015:

- The Netherlands: 35%;
- Belgium and Germany: 25% combined;
- other Europe including Central and Eastern Europe (25%);
- Asia-Pacific, in particular Australia, (10%); and
- Americas (5%).

We base our assessment of economic risk on our view that the Dutch economy is wealthy, diversified, open, and competitive, as seen in its high income per capita, its net external asset position, recurrent and elevated current account surpluses, and a long track record of prudent and flexible macroeconomic policies. Following real GDP growth of 1% in 2014, we believe that The Netherlands' real GDP will accelerate by just under 2% annually during 2015-2018. This is based on the recovery in domestic demand, as private consumption will benefit from rising disposable income and solid labor market performance, and also stronger investment activity starting from this year. These economic growth drivers are only partly offset by risks emanating from the slowdown in emerging markets and the possible effects on The Netherlands' main trading partners in the eurozone. We note that after several years of adjustment, the housing market is gradually recovering on the back of higher disposable income and benign financial conditions. Still we observe that this gradual turnaround is uneven across the country and that vacancy rates in the commercial real estate sector remain high, in the 15%-20% range. We believe that economic risk is lower in Belgium and Germany, which balances the more risky exposure to other parts of Europe.

Our assessment of industry risk for Dutch banks incorporates strong domestic concentration and our view that the competitive environment is stable. We consider that the prospective profitability of domestic banking activities is adequate. The system's relatively heavy reliance on wholesale funding is partly attributable to households' propensity to save using life insurance and pension products, rather than bank deposits. Ongoing Dutch banking sector deleveraging continues to reduce the external debt of its financial sector. We consider that the Dutch systemwide funding profile benefits from factors including 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. €)	**2015***	**2014**	**2013**	**2012**	**2011**
Adjusted assets	859,136	826,947	786,038	834,290	959,422
Customer loans (gross)	548,324	522,329	513,663	546,703	581,286
Adjusted common equity	36,237	37,854	29,669	31,407	32,144
Operating revenues	8,962	15,577	15,430	15,944	16,289
Noninterest expenses	4,346	8,705	8,447	9,175	9,518
Core earnings	2,900	3,889	3,531	3,493	4,004

*Data as of June 30, 2015.

Business position:Strong franchise in The Netherlands, Germany, and Belgium, global presence in commercial banking, and focused strategy

ING Bank's good product and geographic diversity and position as one of the leading players in the wealthy Dutch and Belgian markets support our assessment of its business position as strong. Despite its recent extensive restructuring, ING Bank continues to display a solid and growing customer franchise. We believe that its good brand name recognition and advanced foray in digital banking capabilities are key factors explaining the resilience of its franchise.

With total assets of €858 billion on Sept.30, 2015, 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 highly efficient digital banking model in developed retail markets in five countries (Germany, France, Italy, Spain, and Australia).

Among the main measures implemented under the Restructuring Plan agreed with the European Commission in 2009, and amended in 2012, was the divestment of all of the group's insurance and investment management businesses and the sale of the U.S. ING Direct operations. We consider that the group is close to completing this plan (see table 1 below on key measures implemented). The bans imposed by the EC on price leadership and acquisitions have been lifted. We expect that it will continue to divest from its remaining 25.8% stake in the insurance company NN Group in an orderly manner and complete this step before end-2016. The group also exited its ING Direct operations in Canada and the U.K.

Going forward we do not exclude some limited nonorganic growth, but only in selected and already known regions and within the existing areas of expertise. We view positively the group's clear delineation of territories where it intends to grow, from markets where it enjoys a leading position to those in which it operates more as a challenger, or other selected emerging markets with growth potential. The "Think Forward" strategy launched in March 2014 includes the transformation of the group into a pure bank, building on the strengths of the ING Direct digital business model and focusing on primary banking relationships.

ING Direct represents a key part of the group's strategy, especially for retail deposit collection. Of note, ING Bank, through its ING-DiBa direct banking franchise, has grown to become one of the largest retail banks in Germany, with €118.7 billion in customer deposits, €65.2 billion in residential mortgages, and 22.8 billion in commercial banking loans and other customer lending at end-September 2015.

Commercial banking tends to account for about one-third of the bank's operating revenues. The division offers a full product range to corporate customers in the Benelux region (the economic union comprising Belgium, The Netherlands, and Luxembourg). It is one of the top two lenders to Dutch large corporates. Internationally, through its extensive network, its strategy is also to support large European, American, and Asian corporations and financial institutions that do business globally. ING is a leading global player in structured finance. Its outstanding credit portfolio of structured finance transactions amounted to €81 billion at the end of the third quarter of 2015, which represented 40% of its total commercial banking portfolio. Transaction services and financial market activities are two other pillars contributing to the diversification of commercial banking revenues. We note that financial market activities have been scaled down. They accounted for about 12% of the bank's total revenues as of the end of June 2015.

RESTRUCTURING PLAN: KEY MEASURES IMPLEMENTED

State Aid fully repaid. ING strengthened its capital position in October 2008 by issuing €10 billion of non-voting core Tier 1 securities to the Dutch State. These securities have been repaid in full, with the final repayment of a remaining €1.025 billion in November 2014.

Winding down the Illiquid Assets Back-Up Facility. In February 2014, the group completed the unwinding of the Illiquid Assets Back-Up Facility (IABF). 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.

Completion of the sale of U.S. insurer Voya Financial, Inc. Voya Financial, formerly ING U.S., was previously a wholly-owned subsidiary of ING Group. In 2013, ING started the divestment of Voya with an Initial Public Offering on the New York Stock Exchange. In March 2015, ING completed the divestment by selling the last of its shares in Voya.

Ownership of NN Group now down to 25.8%. In July 2014, ING launched the initial IPO in NN Group and reduced its stake to 68.1%. The stake was actively but gradually reduced to 54.8% (in February 2015), then 42.4% (in May 2015), and since September 2015 stands at 25.8%. The May 2015 transaction allowed for the IFRS-deconsolidation of NN Group. As of Q2 2015, the stake is accounted for as an associate held for sale.

Table 2

ING Bank N.V. Business Position					
		--Year-ended Dec. 31--			
(%)	**2015***	**2014**	**2013**	**2012**	**2011**
Total revenues from business line (Mil. €)	9,011	15,772	15,327	16,916	17,195
Commercial banking/total revenues from business line	N.A.	25.1	23.2	24.2	21.7

Table 2

ING Bank N.V. Business Position (cont.)					
Retail banking/total revenues from business line	N.A.	67.8	66.3	53.3	63.4
Investment banking/total revenues from business line	N.A.	6.14	9.4	5.2	7.5
Reported return on equity	11.8	10.3	9.1	6.3	10.9

*Data as of June 30, 2015. N.A.--Not available.

Capital and earnings: Supportive internal capital generation is part of the bank's financial roadmap

We view ING Bank's capital and earnings as strong. This is based primarily on our anticipation that the bank's RAC ratio before diversification adjustments will remain sustainably above 10% in the next 18-24 months, compared with 9.1% as of Dec. 31, 2014.

Importantly, we note management's clear statements to maintain the relatively conservative group risk appetite and strong capital position and we anticipate that this stance will prove enduring.

Some restructuring initiatives had positive effects on the group's capital adequacy position, including the €1.3 billion transfer of residential mortgages from WestlandUtrecht Bank to NN Bank, or the deconsolidation of ING Vysya Bank (retail EAD reduced by €1.6 billion). Furthermore, the group intends to complete its divestment in NN Group in an orderly manner, ultimately by the end of 2016. ING used the proceeds of the insurance divestments for the elimination of ING Group's double leverage. Thereafter, we understand that ING Group will consist of banking operations only. The group estimated that, adjusted for full divestment of NN Group shares, ING Group's pro forma fully loaded common equity Tier 1 (CET1) ratio would have been 12.8% on Sept. 30, 2015, which represents a capital surplus in excess of €4.8 billion over the bank's CET1 (excluding an interim €2.2 billion profit). Indeed, on Sept. 30, 2015, the bank estimated its Basel III fully loaded core Tier 1 ratio at 11.3%, compared with a minimum internal target of 10%. This ratio remained stable compared with that at year-end 2014 because of the group's decision to manage its capital surplus at the holding company level.

We assume that the group will maintain at least an equivalent buffer. We understand that this buffer is intended to absorb any forthcoming regulatory requirement, but also to deliver an attractive return to shareholders. Consequently, we only incorporated two thirds of this buffer in our RAC ratio calculation. Our projections also take into account ING Groep's issuance in April 2015 of US$2.25 billion of fixed-rate reset perpetual additional Tier 1 capital notes, which contributed to a 50 basis point (bp) increase of our pro forma RAC ratio at year-end 2014. Other key assumptions are:

- 3%-5% annual growth in lending and credit risk-weighted assets in 2015-2016;
- A 1%-3% increase in upfront costs as a result of information technology projects being implemented;
- A small additional improvement in the net interest margin over time;
- Further gradual decrease in loan impairment charges in 2015 and 2016;
- 10% annual phasing out of the "old style" Tier 1 hybrids that are subject to CRR/CRD IV grandfathering rules and currently included in total adjusted capital, with no replacement hybrids assumed at this stage; and
- A 40% payout ratio at the group level, effective from 2015.

The bank calculated its Basel III leverage ratio at 4.3% as of Sept. 30, 2015, in line with its internal target and well in excess of the proposed BIII regulatory minimum of 3%. It is also above the minimum level of 4% that the local regulator intends to require for the four domestic systemically important banks.

We view ING Bank's profitability as adequate compared with peers, with core earnings to adjusted assets at 0.55% as of June 30, 2015. The bank displays a superior cost efficiency ratio compared with peers, which low-cost digital retail distribution channels largely explain, in our view. The bank's ambition to further diversify its lending portfolio and reduce the proportion of mortgages should support net interest margin.

We regard the quality of ING Bank's capital as satisfactory as it mainly consists of core equity.

Table 3

ING Bank N.V. Capital And Earnings

		--Year-ended Dec. 31--			
(%)	**2015***	**2014**	**2013**	**2012**	**2011**
Tier 1 capital ratio	13.3	12.5	13.5	14.4	11.7
S&P RAC ratio before diversification	N.A.	9.1	8.9	8.8	7.9
S&P RAC ratio after diversification	N.A.	11.6	11.3	10.8	9.9
Adjusted common equity/total adjusted capital	85.2	85.8	85.7	82.7	82.8
Net interest income/operating revenues	71.2	80.9	77.5	76.8	83.4
Fee income/operating revenues	13.3	14.7	14.5	13.4	15.3
Market-sensitive income/operating revenues	10.9	3.2	7.8	8.2	(0.9)
Noninterest expenses/operating revenues	48.5	55.9	54.7	57.6	58.4
Preprovision operating income/average assets	1.1	0.9	0.9	0.8	0.7
Core earnings/average managed assets	0.7	0.5	0.4	0.4	0.4

*Data on June 30, 2015. RAC--Risk-adjusted capital. N.A.--Not available.

Table 4

ING Bank N.V. RACF [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	129,701	8,063	6	5,147	4
Institutions	117,079	31,963	27	32,975	28
Corporate	228,083	108,463	48	195,133	86
Retail	307,670	76,063	25	110,676	36
Of which mortgage	257,502	51,925	20	73,835	29
Securitization§	7,815	2,100	27	3,084	39
Other assets	15,600	15,600	100	17,550	113
Total credit risk	805,948	242,250	30	364,564	45
Market risk					
Equity in the banking book†	3,605	9,791	321	2,417	67
Trading book market risk	--	10,725	--	13,406	--
Total market risk	--	20,516	--	15,823	--
Insurance risk					
Total insurance risk	--	--	--	0	--
Operational risk					
Total operational risk	--	33,750	--	36,636	--

Table 4

ING Bank N.V. RACF [Risk-Adjusted Capital Framework] Data (cont.)				
(Mil. €)	**Basel II RWA**		**Standard & Poor's RWA**	**% of Standard & Poor's RWA**
Diversification adjustments				
RWA before diversification	296,516		417,022	100
Total Diversification/Concentration Adjustments	--		(89,495)	(21)
RWA after diversification	296,516		327,527	79
(Mil. €)	**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**Standard & Poor's RAC ratio (%)**
Capital ratio				
Capital ratio before adjustments	37,100	12.5	37,854	9.1
Capital ratio after adjustments‡	37,100	12.5	37,854	11.6

*Exposure at default. §Securitisation 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, 2014, Standard & Poor's.

Risk position:A diversified risk profile and a gradually recovering domestic economy

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, mostly in relatively low risk countries--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. There are some identified pockets of risk, though.

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. This is reflected in a diversification benefit of 21% at end-2014 under our RAC methodology. Despite its large exposure to residential mortgages (about 52% of end-June 2015 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. At the same date, The Netherlands accounted for 47% of mortgage balances, Germany 23%, Belgium 12%, Australia 11%, and the remainder split between much smaller portfolios, mainly in Spain and Italy. The average loan-to-value (LTV) on residential mortgages stood at 77% at end-2014, compared to 83% a year before. This was mainly due to a lower average LTV in The Netherlands on the back of property price increases and prepayments.

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-September 2015 (or about €26 billion), most of which was in The Netherlands, a sector that has been under material pressure in recent years on the back of falling property valuations. We observe some signs of recovery in this sector. We also note that land and development finance constitute a marginal part of the book.

ING Bank has a broadly sound track record in terms of cost of risk in its core retail and corporate banking portfolios. It peaked in 2013 at 43bps as a result of the weaker environment, then gradually reduced to pre-crisis levels and stood at 26bps during the first nine months of 2015. We expect a broadly comparable level of impairment charges in 2016. We note that at all times, the bank's loan losses remained below our computation of normalized cost of risk for the same portfolio under our RAC framework.

Nonperforming assets amounted to 2.6% at Sept. 30, 2015, compared to 3.4% a year before. Their coverage by loan impairment allowances was about 38%. The distribution of nonperforming exposures broadly follows the distribution of the loan book. The group communicates regularly on its credit exposure to the commercial real estate sector (€40.5 billion of outstanding exposures, NPLs ratio at 7.9%), Russia (€6.1 billion of outstanding exposures at the end of Q3 2015, NPLs ratio at 3%), China (about €8 billion of commercial lending exposure), Ukraine (€1.2 billion outstanding exposures, NPLs at 55%, of which 57% provisioned), or its €27 billion exposure to the oil and gas sector (mainly related to trade finance, asset finance, and corporate loans).

We consider the risks in ING Bank's securities exposures as modest. At end-June 2015, government bonds totaled €63.5 billion, with most exposure to The Netherlands and Germany, and covered bonds €15.7 billion. Asset-backed securities were about €6.6 billion. Almost 100% of the investment portfolio is investment grade, with about two thirds 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--			
(%)	**2015***	**2014**	**2013**	**2012**	**2011**
Growth in customer loans	9.9	1.7	(6.0)	(6.0)	(1.7)
Total diversification adjustment/ S&P RWA before diversification	N.A.	(21.5)	(21.6)	(19.3)	(20.5)
Total managed assets/adjusted common equity (x)	27.9	25.5	26.6	26.6	29.9
New loan loss provisions/average customer loans	0.3	0.3	0.4	0.4	0.3
Net charge-offs/average customer loans	0.3	0.3	0.3	0.3	0.2
Gross nonperforming assets/customer loans + other real estate owned	N.A.	4	3.4	2.9	2.6
Loan loss reserves/gross nonperforming assets	N.A.	28.7	34.8	34.1	33.2

*Data as of June 30, 2015. RWA--Risk-weighted assets. N.A.--Not available.

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 103% at end-September 2015, 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 recent years, 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 105% by year-end 2014.

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 1.5x from 0.8x between year-end 2010 and year-end 2014. 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 Sept. 30, 2015.

Table 6

ING Bank N.V. Funding And Liquidity					
		--Year-ended Dec. 31--			
(%)	2015*	2014	2013	2012	2011
Core deposits/funding base	69	68.9	68.6	66.8	62.4
Customer loans (net)/customer deposits	105.5	105.6	107	117.8	121.7
Long-term funding ratio	83.2	82.9	82.4	81.5	74.5
Stable funding ratio	106.7	105.5	102.9	95.7	82.6
Short-term wholesale funding/funding base	17.75	18.1	18.5	19.6	26.8
Broad liquid assets/short-term wholesale funding (x)	1.51	1.49	1.3	1.1	0.9
Net broad liquid assets/short-term customer deposits	13.5	13.2	9.2	4.2	(6.0)
Short-term wholesale funding/total wholesale funding	55.9	56.9	57.6	57.3	69.7

*Data as of June 2015.

Support:Government support is now uncertain

In our view, ING Bank has high systemic importance in The Netherlands due to its leading retail and commercial franchise.

Since December 2015, we have regarded the prospect of extraordinary government support for Dutch banks as uncertain in view of the country's well-advanced and effective resolution regime. As a result, systemic banks are not eligible for notching uplift for possible future Dutch government support. However, we view the Dutch resolution regime as effective under our additional loss-absorbing capacity (ALAC) criteria because, among other factors, we believe it contains a well-defined bail-in process under which authorities would permit non-viable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

We have not included notches in the long-term rating on ING Bank under our ALAC criteria because we believe ING Bank's ALAC ratio is unlikely to exceed our 5% threshold over a four-year projection period. We estimate that the ALAC ratio is likely to remain within the 2.0%-3.0% range over our projection period.

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 U.S. broker dealer 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 Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012 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
- Methodology For Mapping Short- And Long-Term Issuer Credit Ratings For Banks, May 4, 2010
- Commercial Paper I: Banks, March 23, 2004

Related Research

- Credit FAQ: Standard & Poor's ALAC Criteria, And Its Rating Review Of Dutch Banks, Dec. 8, 2015
- Netherlands-Based ING Bank 'A/A-1' Ratings Affirmed On Government Support And ALAC Review; Outlook Stable, Dec. 3, 2015
- Most European Bank Ratings Affirmed Following Government Support And ALAC Review, Dec. 2, 2015

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 29, 2015)	
ING Bank N.V.	
Counterparty Credit Rating	A/Stable/A-1
Certificate Of Deposit	
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	
08-Jun-2015	A/Stable/A-1
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)	AAA/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/Stable/A-1
ING Bank N.V. (Sydney Branch)	
Commercial Paper	
Local Currency	A-1
ING Belgium S.A./N.V.	
Issuer Credit Rating	A/Stable/A-1
ING Financial Markets, LLC	
Issuer Credit Rating	A/Stable/A-1
ING Groep N.V.	
Issuer Credit Rating	A-/Stable/A-2
Junior Subordinated	BB
Junior Subordinated	BB+
Preferred Stock	BB+
Senior Unsecured	A-
Short-Term Debt	A-1
Short-Term Debt	A-2
Subordinated	BBB
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	
Financial Strength Rating	
Local Currency	A+/Stable/--

Ratings Detail (As Of December 29, 2015) (cont.)	
Issuer Credit Rating	
Local Currency	A+/Stable/--
NN Group N.V.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	A-2
Junior Subordinated	BBB
Senior Unsecured	A-
Senior Unsecured	A-2
Senior Unsecured	BBB+
Subordinated	BBB
NN Life Insurance Co. Ltd.	
Financial Strength Rating	
Local Currency	A-/Stable/--
Issuer Credit Rating	
Local Currency	A-/Stable/--
NN Re (Netherlands) N.V.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--

*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. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Additional Contact:
Financial Institutions Ratings Europe; FIG_Europe@standardandpoors.com