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# First Quarter 2014 Results

ING posts 1Q14 underlying net profit of EUR 988 mln

Ralph Hamers  
CEO

Amsterdam – 7 May 2014  
[www.ing.com](http://www.ing.com)

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



# Key points

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- Group restructuring on track to become a pure bank
  - ING made the penultimate payment to the Dutch State in 1Q14
  - Stake in Voya Financial reduced to minority. Deconsolidation triggered a P&L loss of EUR 2.0 bln
  - EUR 1.275 bln of pre-IPO investments secured
  - ING Group will inject EUR 850 mln in NN Group prior to the IPO, finalising the capital structure of NN Group
- Group posted an underlying net profit of EUR 988 mln
- Bank posted another solid quarter, with a pre-tax result of EUR 1,176 mln, roughly flat from 1Q13 and up 30% from 4Q13, supported by an increase of the net interest margin, higher volumes, strict cost control and lower risk costs
- The operating result of the ongoing business of NN Group was EUR 274 mln, up from 1Q13 and 4Q13

# Group restructuring on track to become a pure Bank

## ING made the penultimate payment to the Dutch State in 1Q14

- ING paid EUR 1,225 mln to the Dutch State on 31 March 2014
- Final payment to the Dutch State due ultimately in May 2015

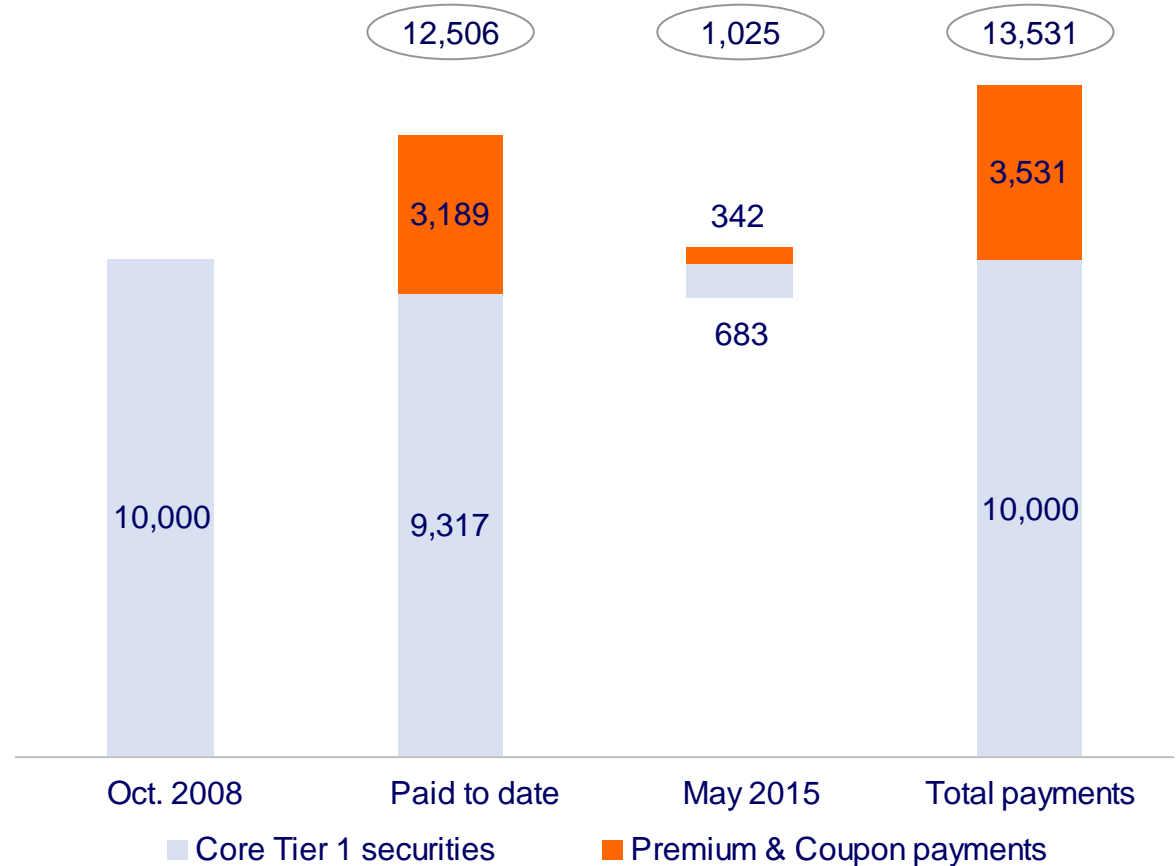
## ING further reduced its stake in Voya Financial and SulAmerica

- Stake in Voya Financial reduced to minority of 43%
  - Deconsolidation triggered a P&L loss of EUR 2.0 bln
- Remaining stake SulAmerica 10%

## NN Group on track in preparations for intended IPO in 2014

- Capital structure finalised ahead of IPO
- ING secures EUR 1.275 bln pre-IPO investments in NN Group
- EUR 1 bln debt issuance by NN Group, replacing ING Group debt

EUR 12.5 bln paid to the Dutch state. Final payment to the Dutch State due ultimately in May 2015 (in EUR mln)



# We have secured EUR 1.275 bln in pre-IPO investments in NN Group and finalised the capital structure ahead of the intended IPO

ING Group secures EUR 1.275 bln investment in NN Group ahead of IPO

- ING to issue EUR 1.125 bln of subordinated notes to 3 investors
- Notes are mandatorily exchangeable into NN Group shares in 3 tranches through 2016
- ING to also sell shares in NN Group to each investor at intended IPO totaling EUR 150 mln



ING Group will inject EUR 850 mln of capital into NN Group prior to the IPO

The capital injection of EUR 850 mln will be used to:

- Further reduce leverage by approx. EUR 200 mln
- Further increase the cash capital position by approx. EUR 200 mln
- Further improve the NN Life solvency by approx. EUR 450 mln

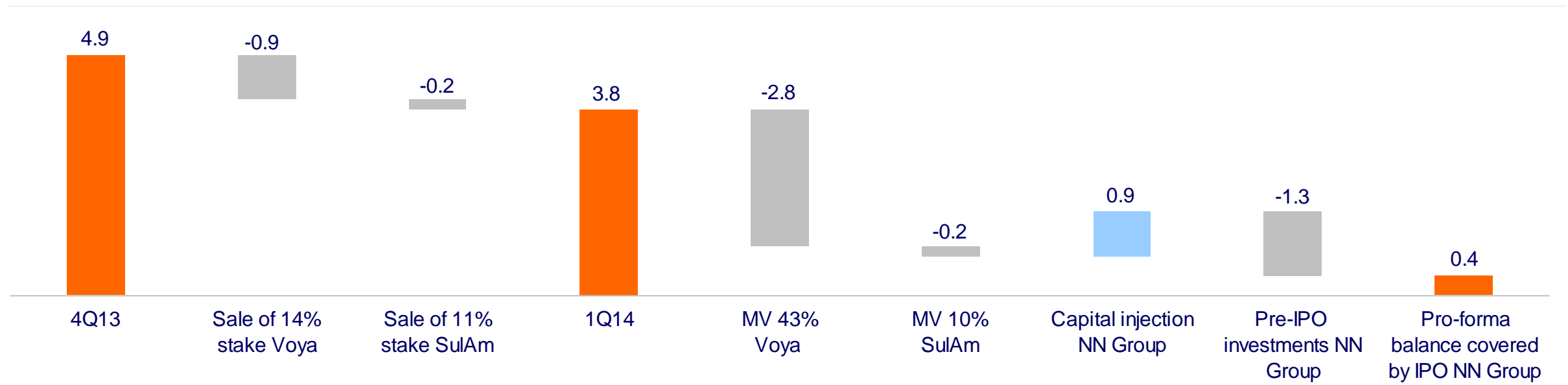


Following this capital injection:

- All NN Group operating entities will be well capitalised
- The 1Q14 pro-forma holding company cash capital position will be solid at approx. EUR 0.9 bln
- The 1Q14 pro-forma gross debt will be approx. EUR 3.7 bln
- DNB has confirmed that NN Group can proceed with its base case IPO plans, though final approval will only be given upon pricing

# Double leverage comfortably covered by proceeds from Insurance

Group core debt covered by (market) value Voya, SulAm, pre-IPO investments and IPO NN Group (in EUR bln)

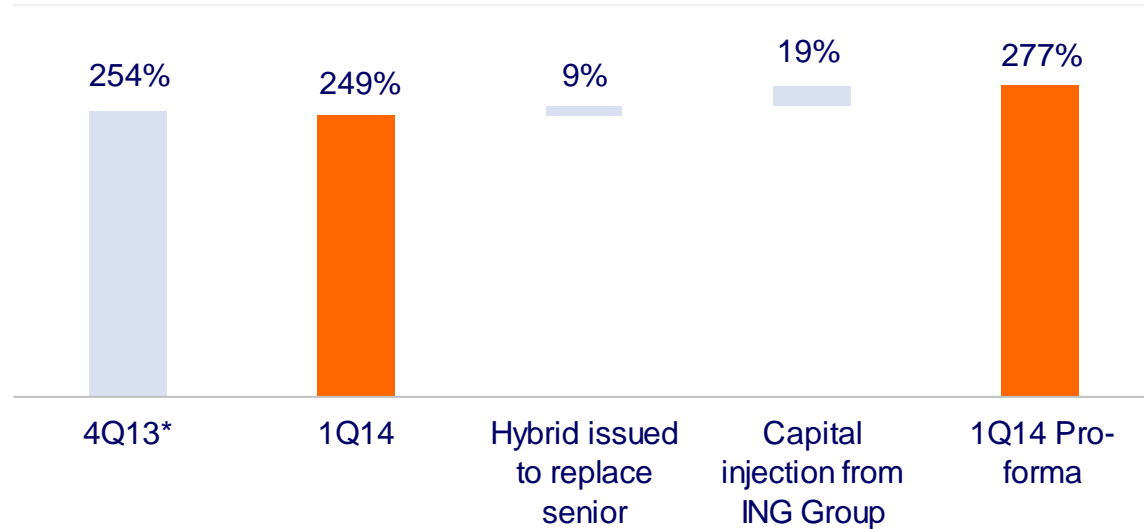


Group core debt of EUR 3.8 bln at 1Q14 covered by (market) value Voya, SulAm, pre-IPO investments and intended IPO NN Group

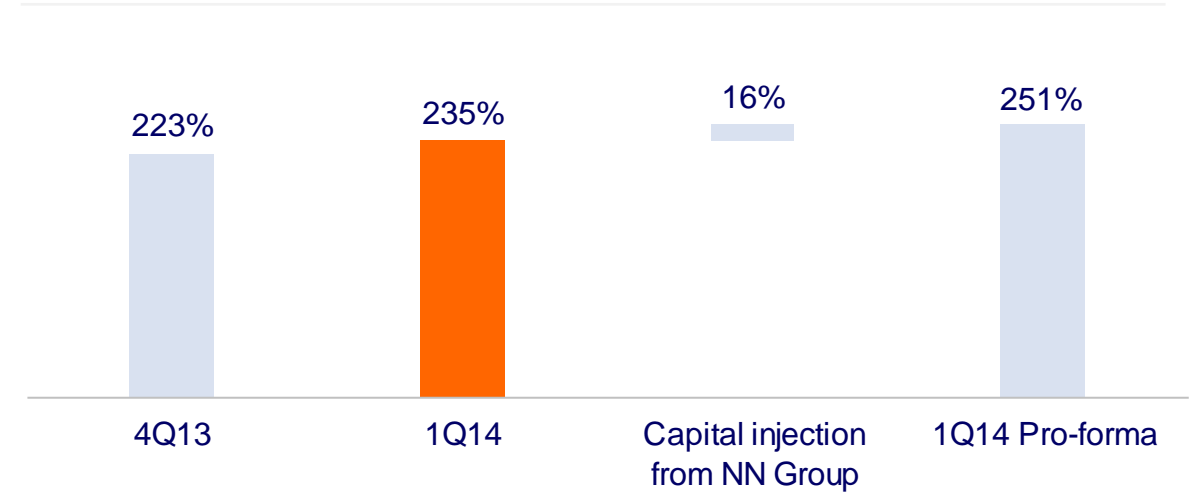
- Stake in Voya reduced to minority of 43% and remaining stake SulAmerica 10%
- Ahead of the base case IPO, ING will inject EUR 850 mln of capital into NN Group to finalise the capital structure of NN Group
- ING Group secures EUR 1.275 bln investment in NN Group ahead of IPO
- Remaining balance of ING Group core debt will be covered by intended IPO NN Group; IPO to comprise only secondary shares

# Capital position strengthened in advance of intended NN Group IPO

NN Group IGD Solvency I ratio (in %)



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



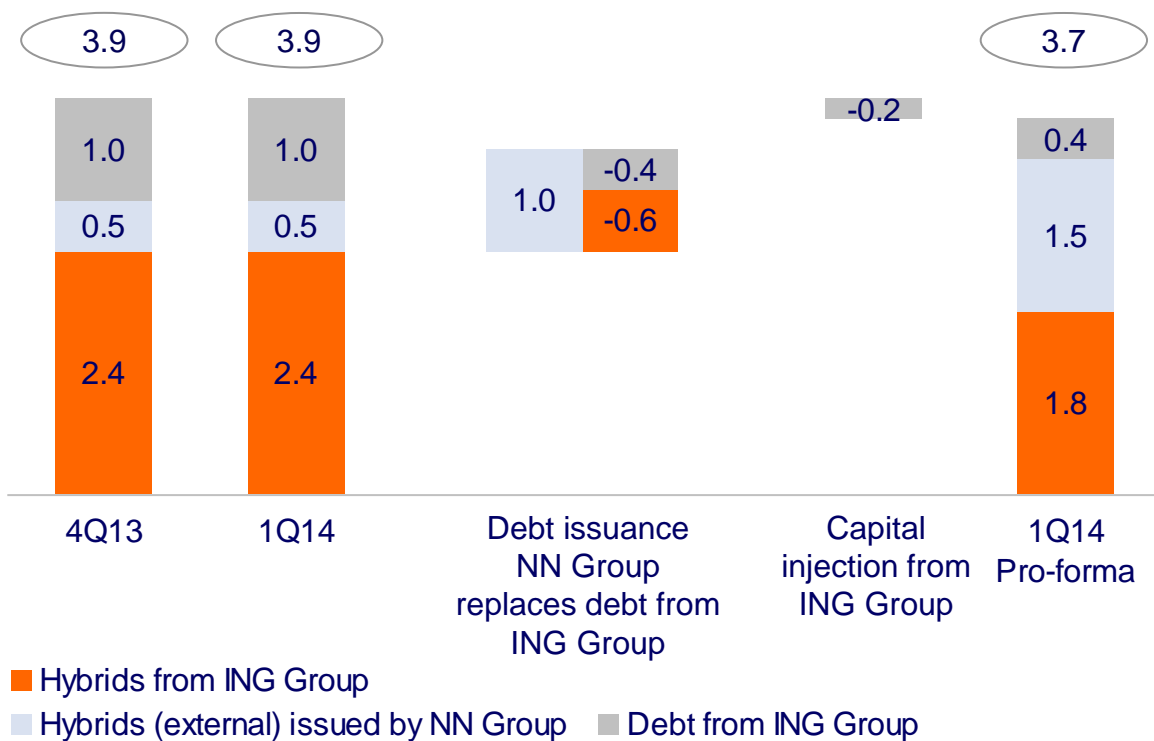
- The IGD ratio was 249% at the end of 1Q14. The 1Q14 pro-forma IGD ratio will be positively impacted by
  - Issue of external hybrid debt, which has been used to repay EUR 0.4 bln senior debt to ING Group
  - Capital injection of EUR 850 mln from ING Group prior to IPO, which will increase the IGD ratio further by 19%-points
- Solvency I ratio of NN Life improved from 223% to 235%, driven by a subordinated loan of EUR 600 mln issued by NN Life to NN Group in January, partly offset by the impact of the pension fund agreement. 1Q14 pro-forma solvency I ratio will be positively impacted by capital injection from NN Group

\* 4Q13 IGD ratio of 257% has been restated for the impact of the move towards FV for Japan Closed Block VA



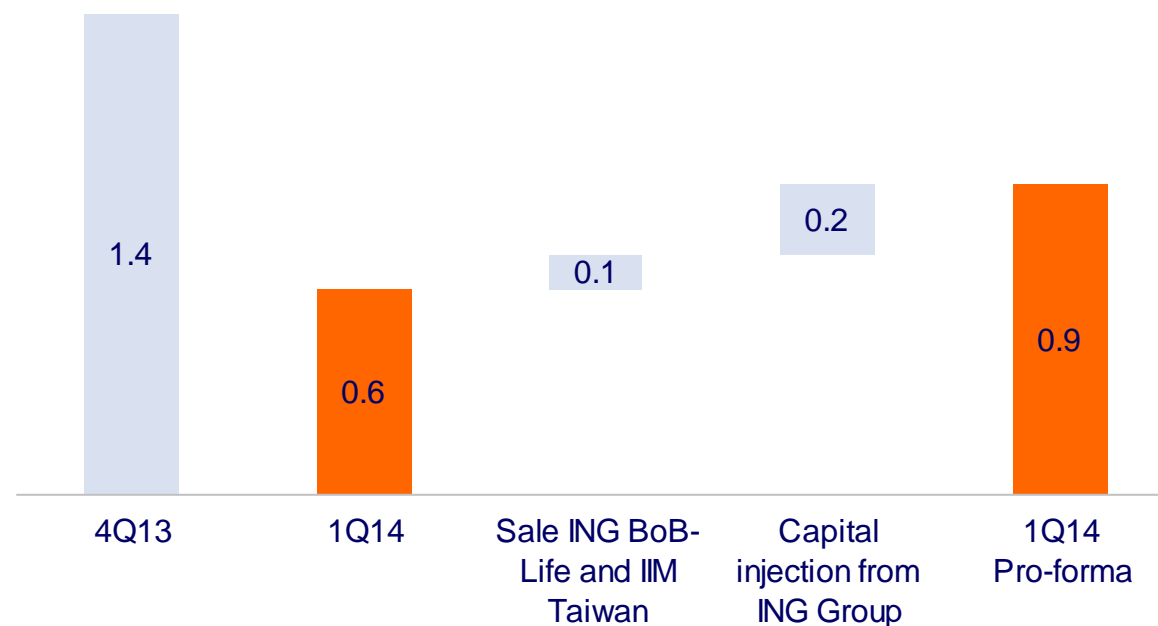
# Pro-forma gross debt at EUR 3.7 bln and cash capital at EUR 0.9 bln

NN Group gross debt (in EUR bln)



- In April 2014, NN Group issued a EUR 1 billion subordinated bond. The net proceeds were used to repay EUR 0.6 billion of subordinated debt and EUR 0.4 billion senior debt to ING Group

Holding company cash capital (in EUR bln)

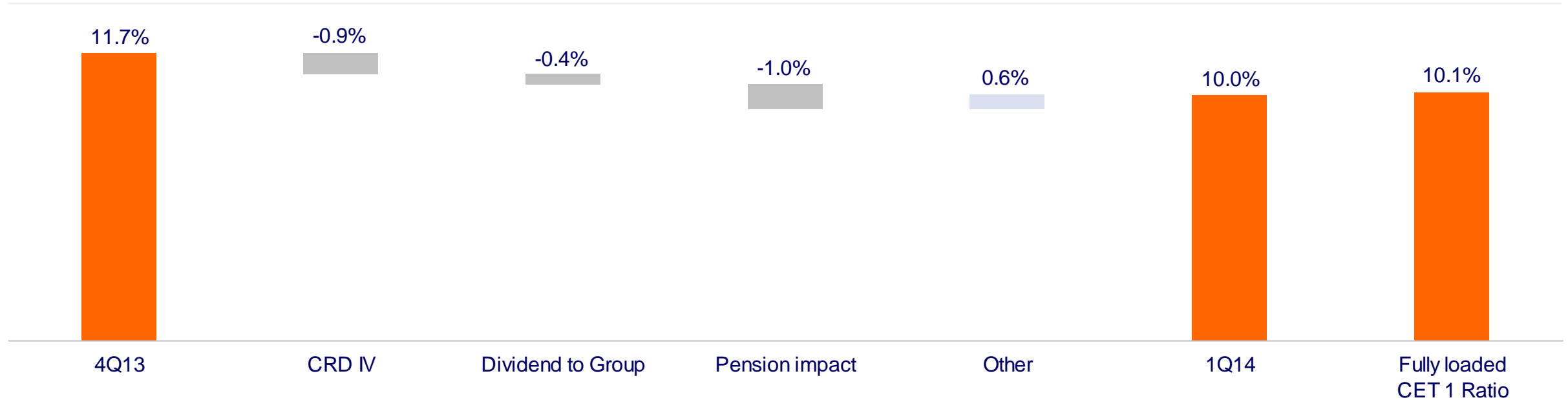


- Holding company cash capital decreased to EUR 0.6 bln in 1Q14, mainly due to subordinated loan provided by NN Group to NN Life
- Pro-forma holding company cash capital solid at EUR 0.9 bln



# Fully-loaded CET1 ratio ING Bank remained strong at 10.1% in 1Q14

ING Bank common equity Tier 1 ratio (in %)

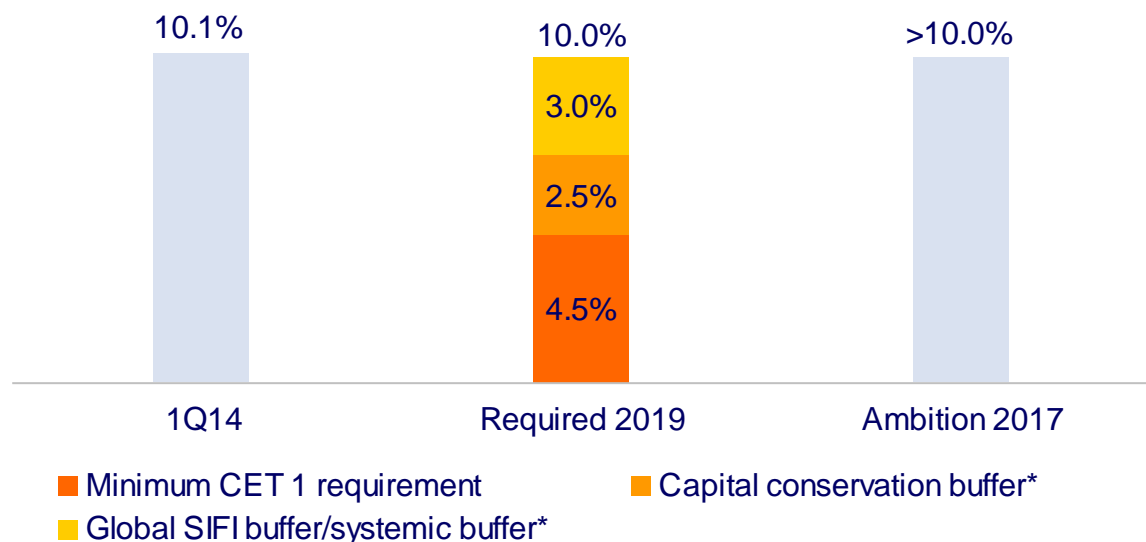


- ING Bank's CRD IV (phased-in) CET 1 ratio remains strong at 10.0%, despite the implementation of CRD IV, the dividend upstream to facilitate the payment to the Dutch State and the impact of the Dutch closed defined benefit pension plan agreement, partly offset by solid profitability and RWA reduction despite volume growth
- The pro-forma common equity Tier 1 ratio on a fully-loaded basis is 10.1%



# ING Bank already meets additional capital buffer requirement

Fully-loaded CET1 ratio at 10.1%, already above required level



Fully-loaded leverage ratio broadly in line with Ambition 2017 level\*\*



- The Dutch Central Bank (DNB) announced on 29 April that it intends to impose an additional capital buffer requirement. This systemic buffer will be 3% of RWA for ING Bank, resulting in a minimum CET1 ratio requirement of 10% by the end of 2019
- At 1Q14, ING Bank already met these requirements with a fully loaded CET1 ratio of 10.1%
- As communicated at the Investor Day on 31 March, ING Bank targets a CET1 ratio of more than 10%, including a comfortable buffer
- ING Bank's fully-loaded leverage ratio of 3.7% at 1Q14 broadly in line with the Ambition 2017 level. We are still awaiting final regulations

\* Phased-in from 2016-2019

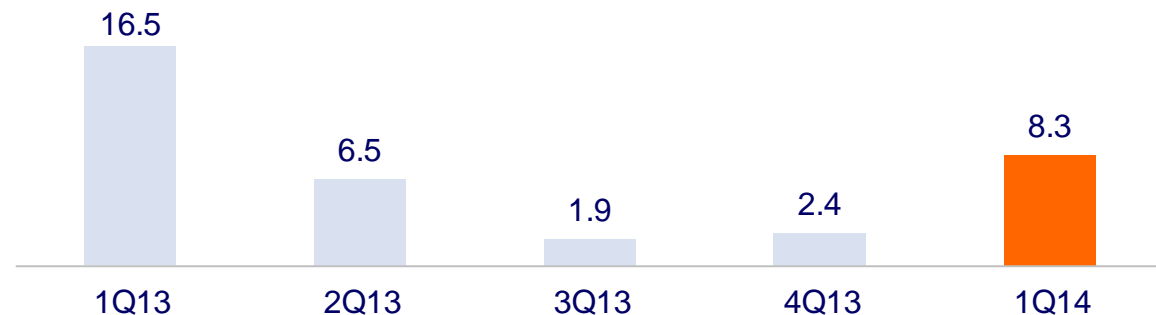
\*\*Leverage ratio defined as Tier 1 capital divided by IFRS-EU balance sheet total including off-balance sheet items



# ING Bank well positioned to further grow the business

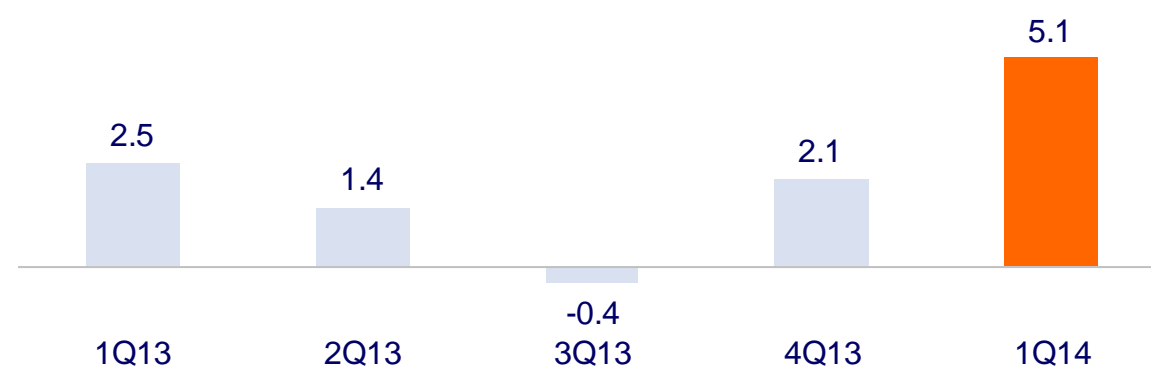
## Strong deposit gathering ability

Net inflow in funds entrusted (Client Balances, in EUR bln)



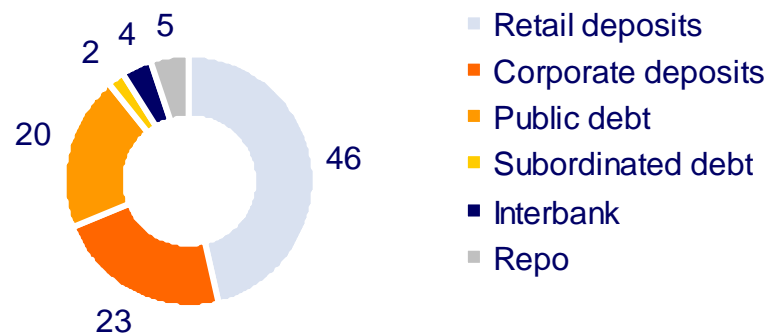
## Increase in net loan growth

Net loan growth (Client Balances, in EUR bln)



## Conservative funding mix

Per 31 March 2014 (%)



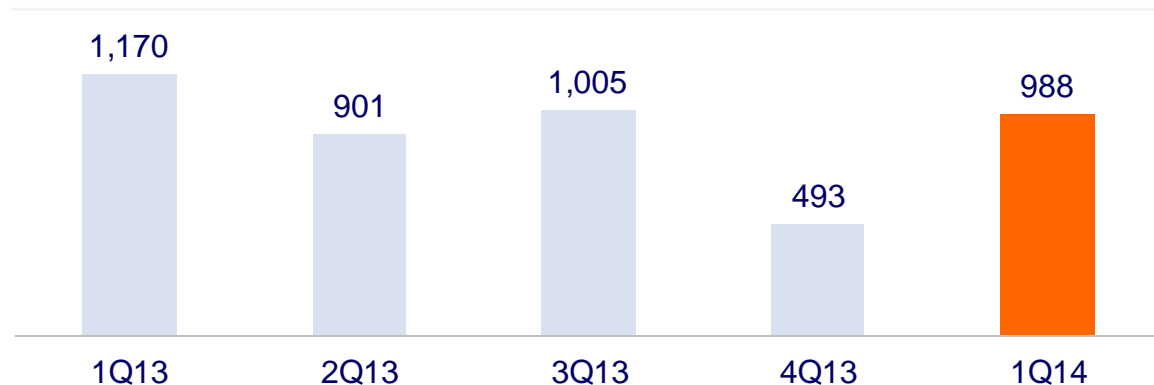
## Sound liquidity ratios

	2012	2013	1Q14
Loan-to-deposit ratio	1.13	1.04	1.02
Eligible collateral position	197	180	192
LCR	>100%	>100%	>100%

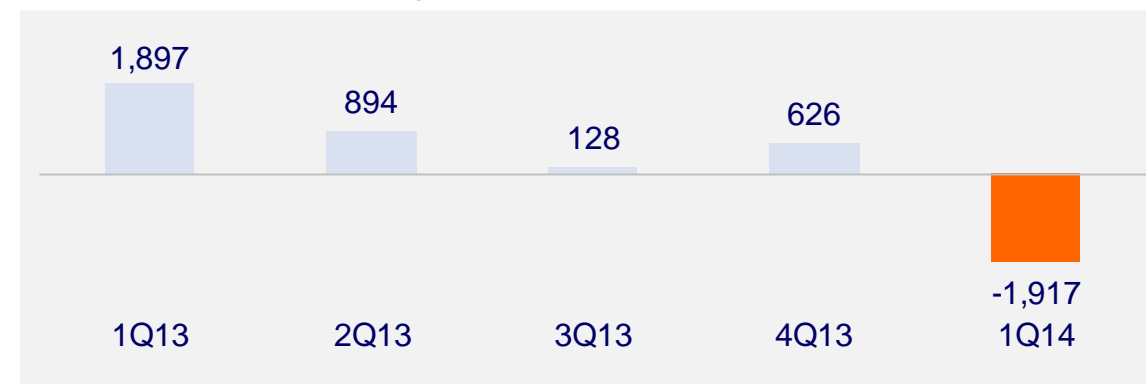
# First quarter 2014 results

# ING Group posts underlying net profit of EUR 988 mln in 1Q14

Underlying net result ING Group (in EUR mln)



Net result ING Group negatively impacted by deconsolidation Voya, impact Dutch pension agreement and SNS levy (in EUR mln)



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

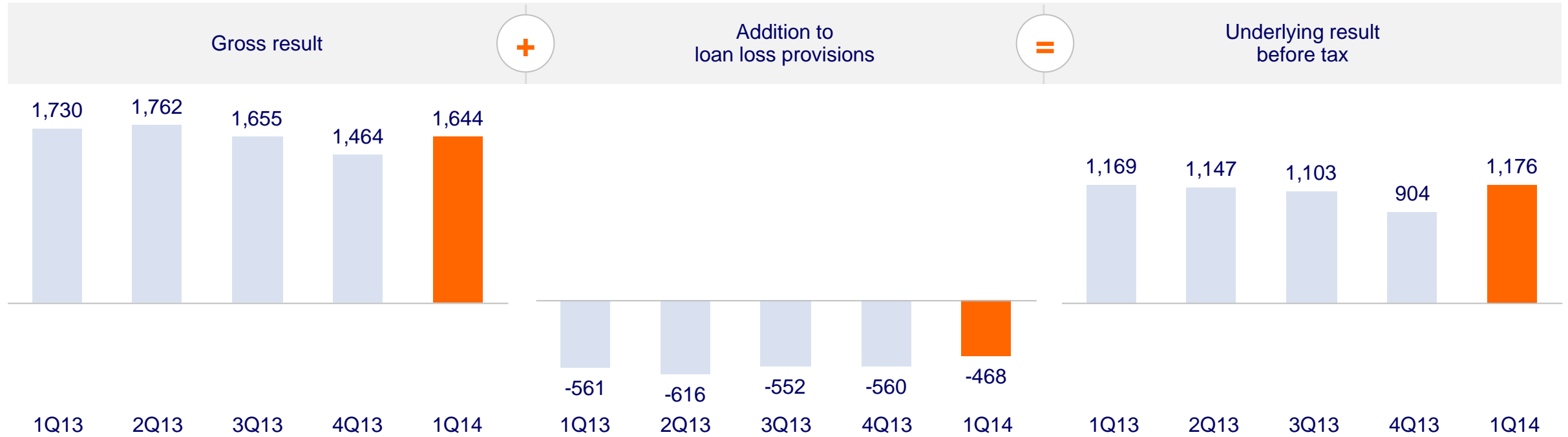
	1Q14	4Q13	1Q13
<b>Underlying net result Group</b>	<b>988</b>	<b>493</b>	<b>1,170</b>
Gains/losses on divestments (in 1Q14: deconsolidation Voya and Vysya)	-1,764	-38	939
Results from divested units	-	-	-38
Discontinued operations Voya Financial	53	179	-195
Discontinued operations Insurance/IIM Asia	5	33	66
Special items NN Group (in 1Q14: pension impact* and other)	-432	-21	-24
Special items Bank (in 1Q14: pension impact*, SNS levy and other)	-768	-19	-23
<b>Net result Group</b>	<b>-1,917</b>	<b>626</b>	<b>1,897</b>

\* Pension impact (EUR -407 mln for NN Group and EUR -653 mln for Bank) refers to impact of agreement to make ING's Dutch closed defined benefits pension fund financially independent



# ING Bank posted another solid quarter

Bank results (in EUR mln)

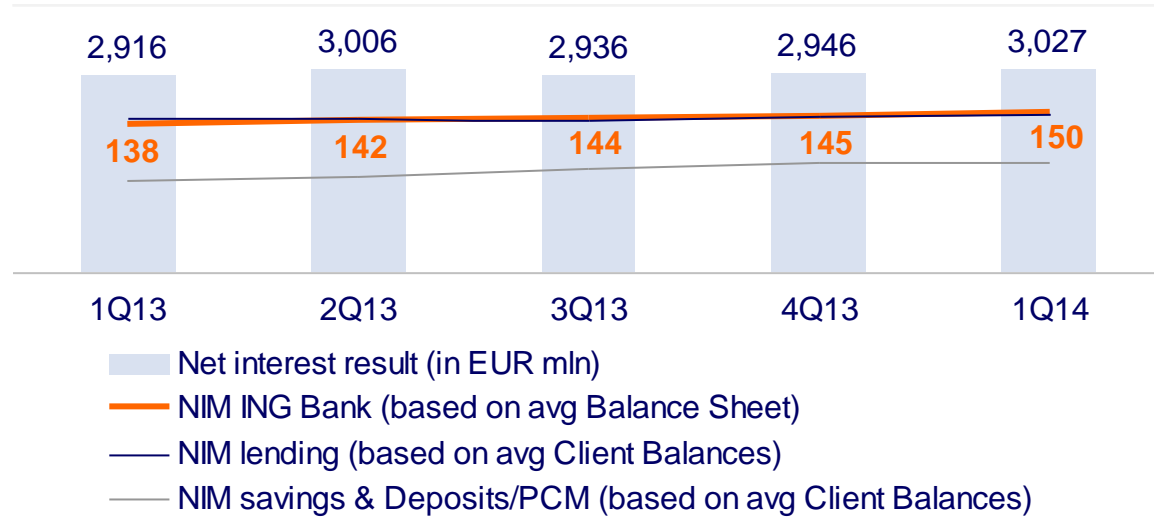


- Underlying result before tax was EUR 1,176 mln in 1Q14, roughly flat from 1Q13 and up from 4Q13
- Gross result was down from 1Q13 due to negative CVA/DVA impacts
- Excluding CVA/DVA impacts, gross result was up 1.7% as higher results in Retail Banking were offset by lower results in Commercial Banking, mainly due to Financial Markets
- Risk costs were down from both 1Q13 and 4Q13 as economic conditions improved in certain markets



# Net interest margin increased to 150 bps, driven by a higher interest result in Financial Markets which is volatile by nature

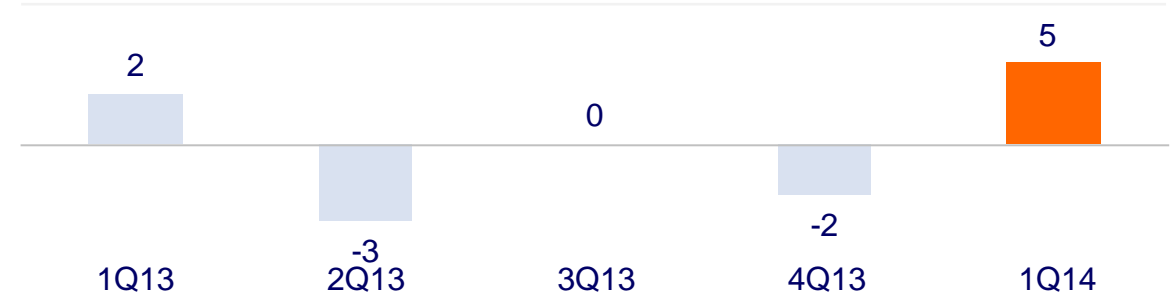
Underlying interest margin by quarter (in bps)



- Net interest result increased versus both 1Q13 and 4Q13; the latter driven by Financial Markets (offset by lower net trading income)
- Net interest margin up from 145 bps in 4Q13 to 150 bps in 1Q14, driven by Financial Markets and lower average balance sheet
- Savings margins about flat as the reductions in client savings rates were offset by the lower reinvestment yield as higher yielding assets are maturing
- Lending margins increased slightly from 4Q13

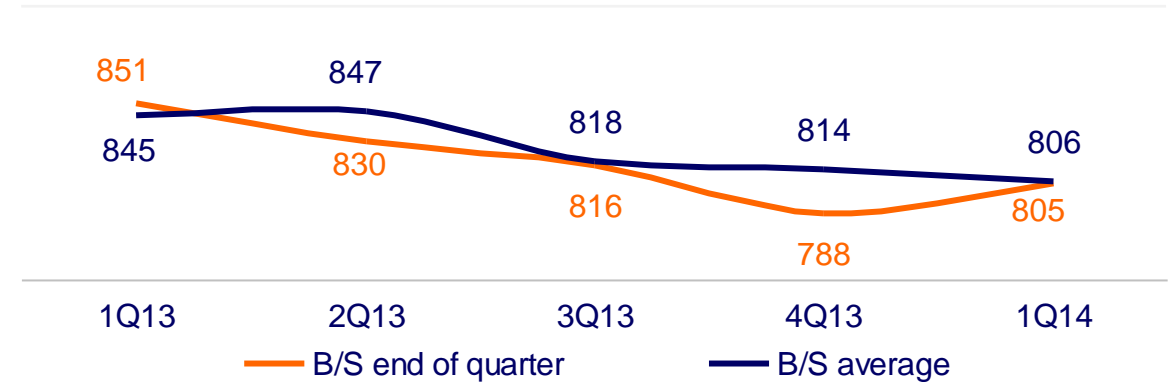
Financial Markets contribution to change in NIM can be volatile

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



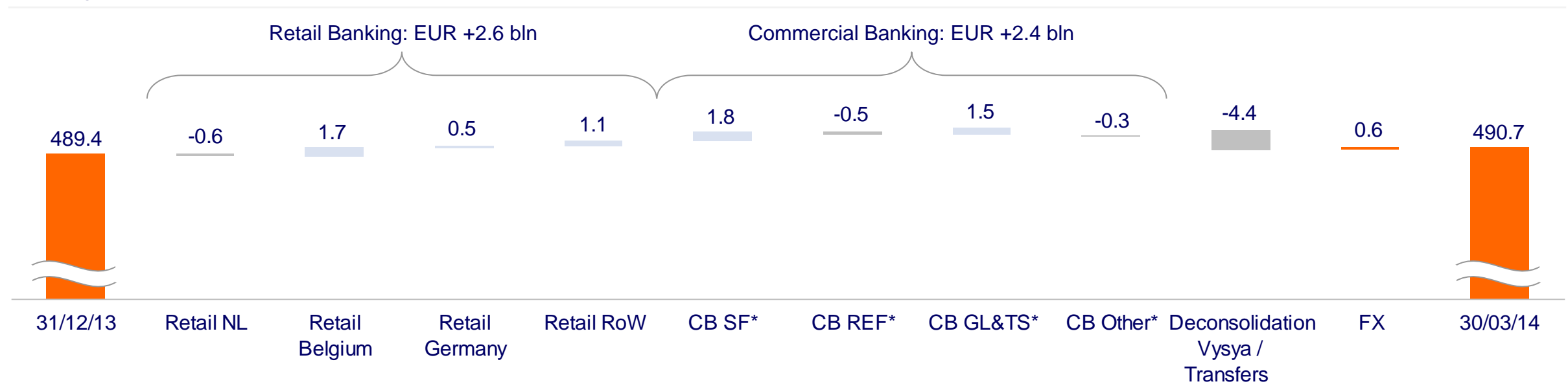
Average balance sheet slightly down in 1Q14

Bank Balance Sheet (in EUR bln)



# Net lending increased further in both Retail and Commercial Banking

Lending Assets ING Bank (Client Balances, in EUR bln)



Net lending, excluding the impact of FX and deconsolidation Vysya / asset transfers, increased by EUR 5.1 bln

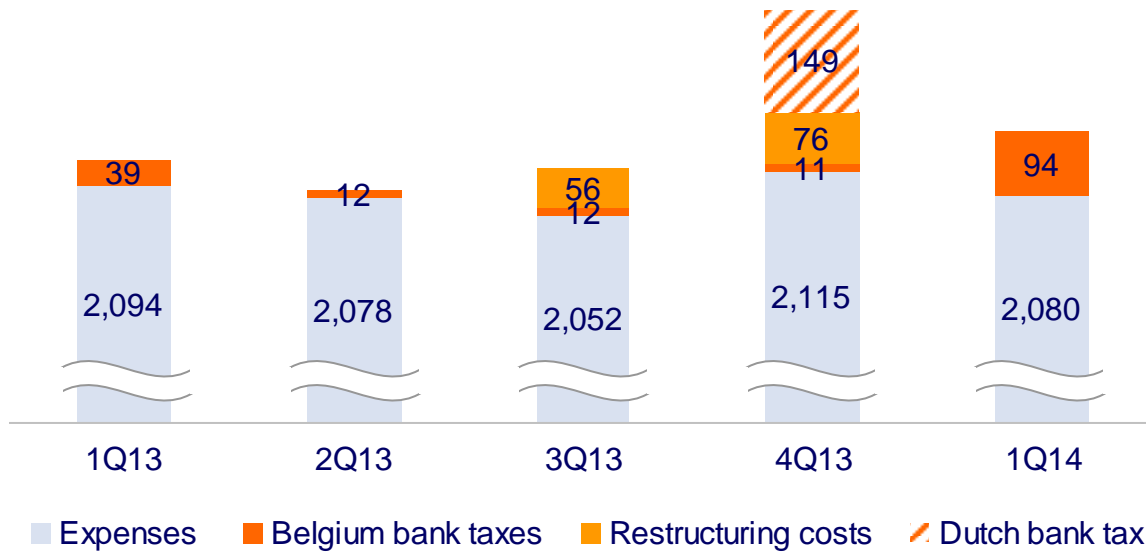
- Net lending in Retail Banking increased by EUR 2.6 bln as higher net lending in Retail Belgium, Retail Germany and Retail RoW more than offset lower net lending in the Netherlands
- Net lending in Commercial Banking increased by EUR 2.4 bln as higher net lending in Structured Finance and General Lending & Transaction Services offset lower net lending in Real Estate Finance and Lease run-off (included in CB Other)
- The impact of the deconsolidation of ING Vysya amounts to EUR -4.0 bln and the transfers to NN Bank were EUR -0.3 bln in 1Q14

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



# Operating expenses, adjusted for Dutch/Belgian bank taxes and restructuring costs, down from 1Q13 and 4Q13

Underlying operating expenses (in EUR mln)



Restructuring programmes on track (in EUR mln)

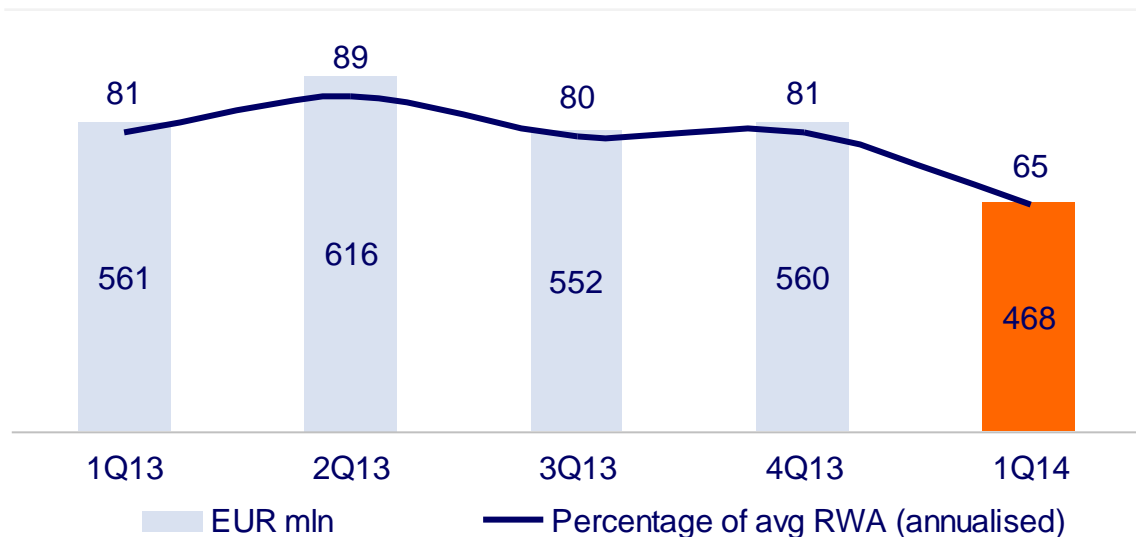
	Cost savings achieved	Cost savings by 2015	Cost savings by 2017
<b>Retail Banking NL</b>	293	460	480
<b>ING Bank Belgium</b>	51	160	160
<b>Commercial Banking</b>	147	260	315
<b>Total Bank</b>	491	880	955

- Underlying expenses reported were down from 4Q13, but up from 1Q13
- Underlying expenses in 1Q14 included the Belgian bank taxes of EUR 94 mln, which was in 2013 largely spread over the quarters
- Operating expenses adjusted for the Belgian bank taxes (2013 and 1Q14), restructuring costs (3Q13 and 4Q13) and the Dutch bank tax (4Q13) were down -0.7% versus 1Q13 and -1.7% versus 4Q13
- Restructuring on track to reach cost savings of EUR 880 mln by 2015 and EUR 955 mln by 2017

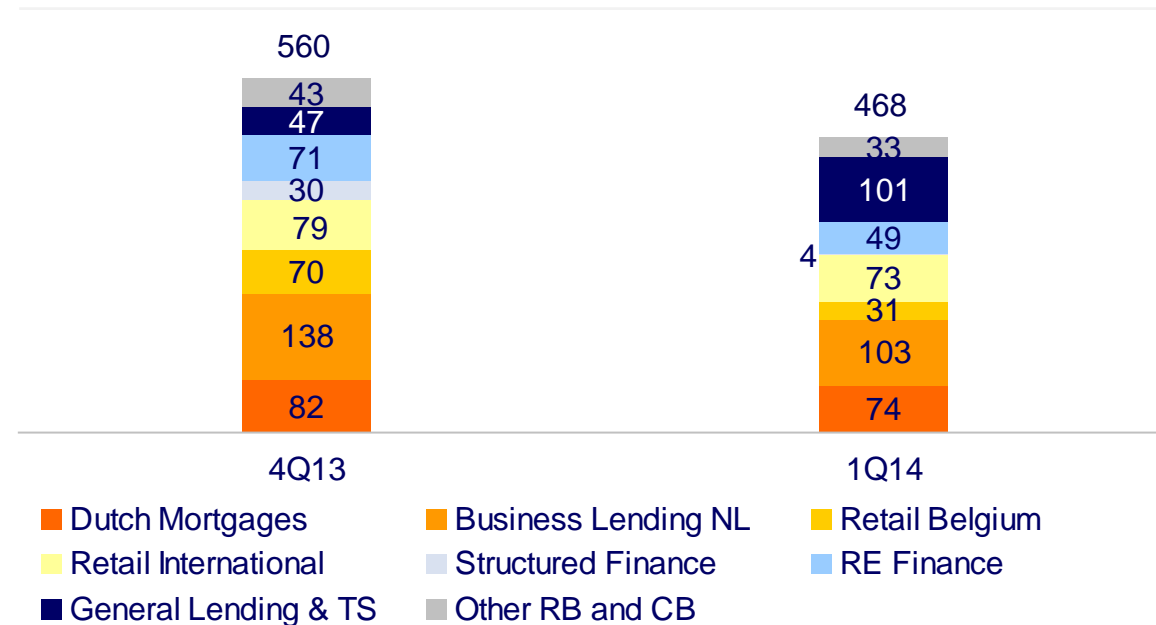


# Risk costs down versus 1Q13 and 4Q13

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



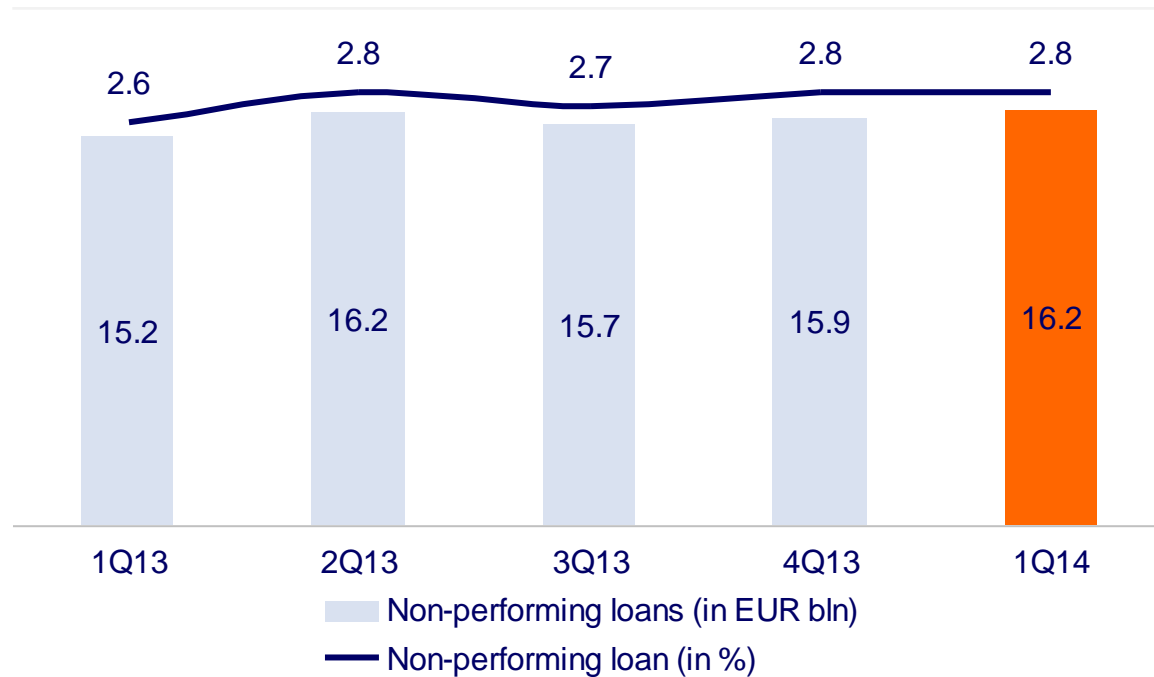
Underlying additions to loan loss provisions  
(in EUR mln)



- Risk costs decreased from both 1Q13 and 4Q13 to EUR 468 mln
- Risk costs were down in all product segments except for General Lending & TS
- Risk costs in General Lending were impacted by a few specific files

# NPL ratio remained stable at 2.8%

Non-performing loans (in EUR bln and %)



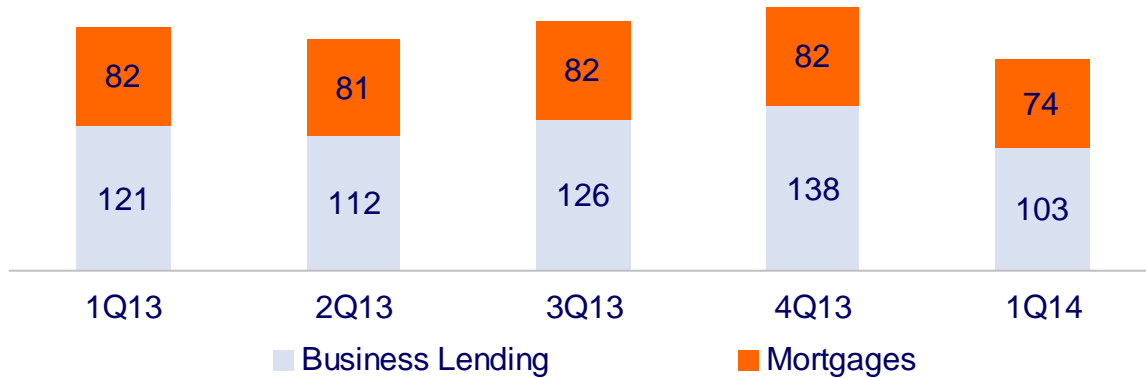
NPL ratio (in %)

	1Q14	4Q13
<b>Retail Banking</b>		
- Dutch Mortgages	2.0	1.9
- Business Lending NL	7.7	7.5
- Retail Belgium	3.2	3.2
- Retail International	1.5	1.5
<b>Commercial Banking</b>		
- Structured Finance	1.8	1.9
- RE Finance	10.9	10.7
- General Lending & TS	1.8	1.9
- Lease run-off	16.7	15.6
<b>Other Retail and Commercial Banking</b>		
- Other RB and CB	2.0	2.6
<b>Total / average</b>	<b>2.8</b>	<b>2.8</b>

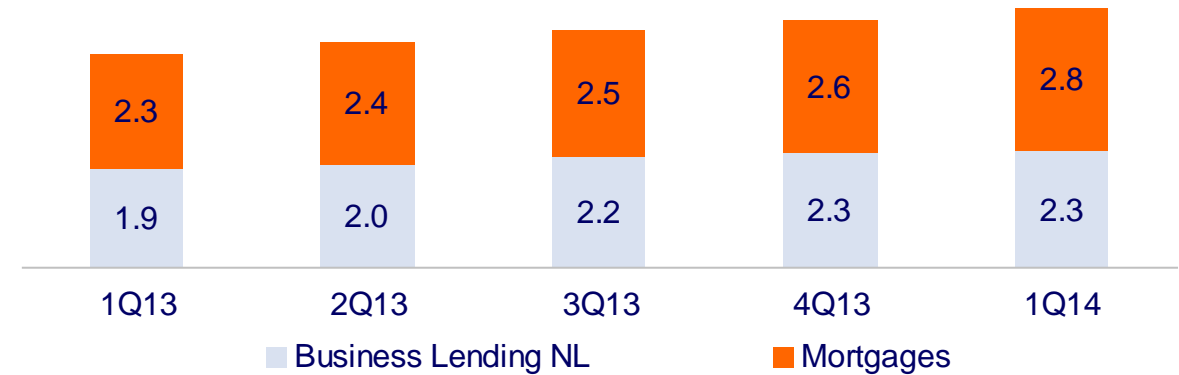
- The NPL ratio remained stable at 2.8% in 1Q14 as higher NPLs (in EUR) were offset by increased lending credit outstandings
- The amount of NPLs increased by EUR 0.3 bln, mainly due to higher NPLs in Retail Banking, particularly the Netherlands

# Risk costs Retail Banking Netherlands down, but expected to remain elevated

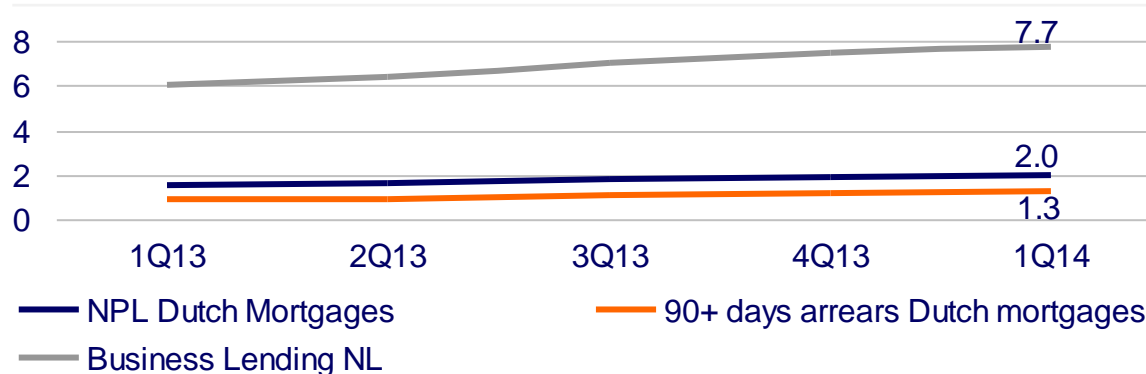
Risk costs Dutch mortgages and Business Lending NL (in EUR mln)



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



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

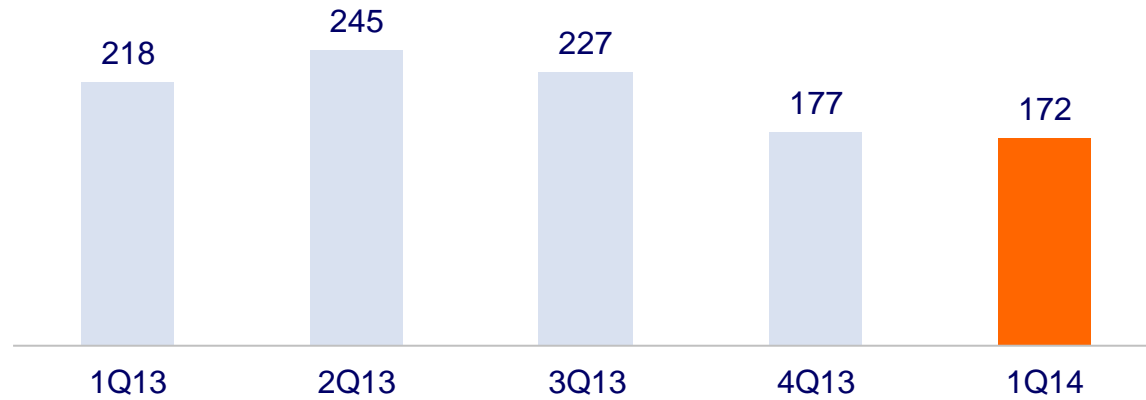


Risk costs Retail Banking NL expected to remain elevated

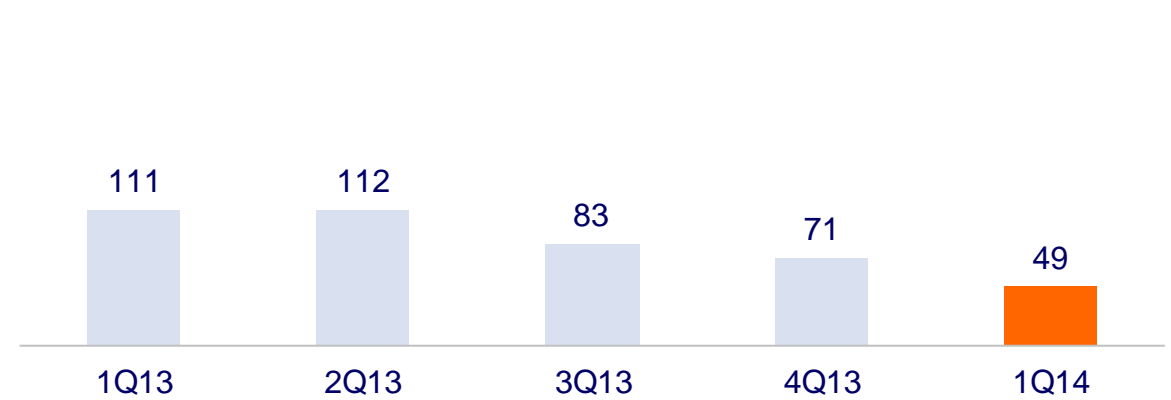
- Risk costs for Dutch mortgages declined slightly versus 4Q13, while the NPL ratio increased slightly to 2.0%
- Average LTV Dutch mortgages was 90% at 1Q14
- Average risk-weight Dutch mortgages stable at 19% at 1Q14
- Risk costs for Business Lending declined to EUR 103 mln

# Risk costs Commercial Banking continuing their downward trend, but can be lumpy quarter-on-quarter

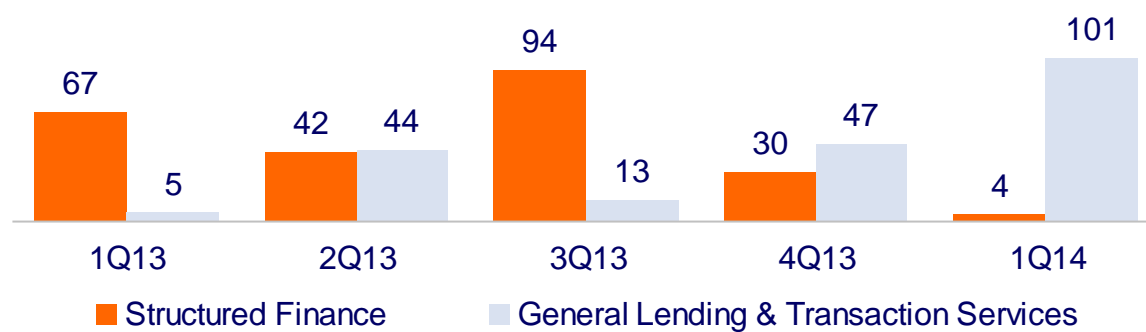
Risk costs Commercial Banking trending down... (in EUR mln)



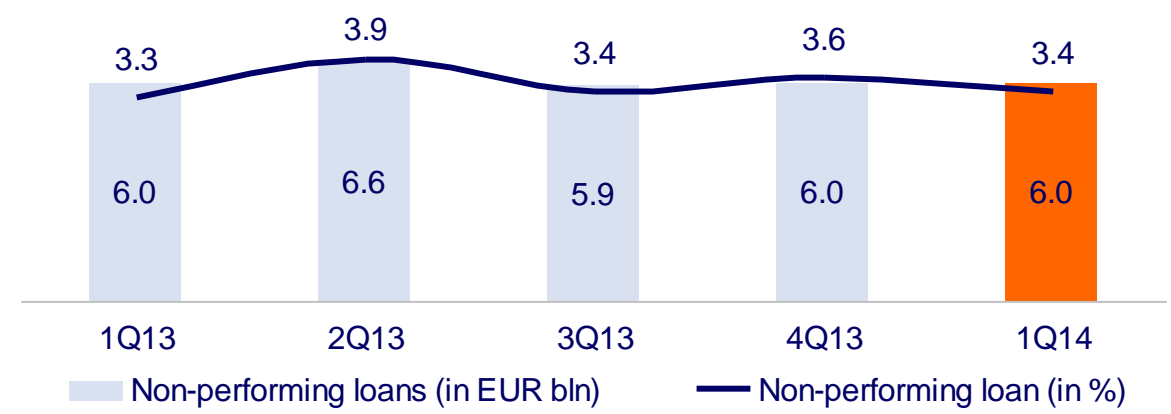
...driven by lower risk costs Real Estate Finance (in EUR mln)



Risk cost development can be lumpy due to provisioning or releases for a few large files in Structured Finance and/or General Lending (in EUR mln)

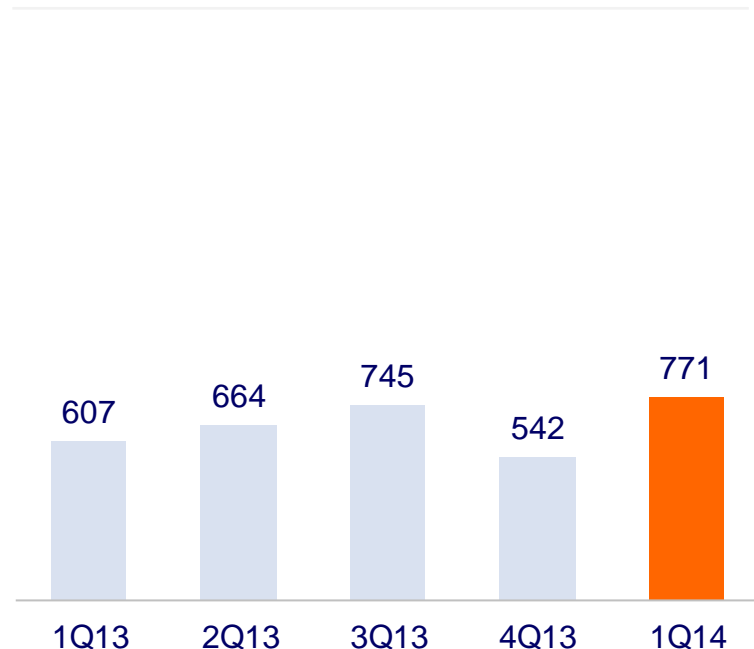


The quality of the overall portfolio remains solid

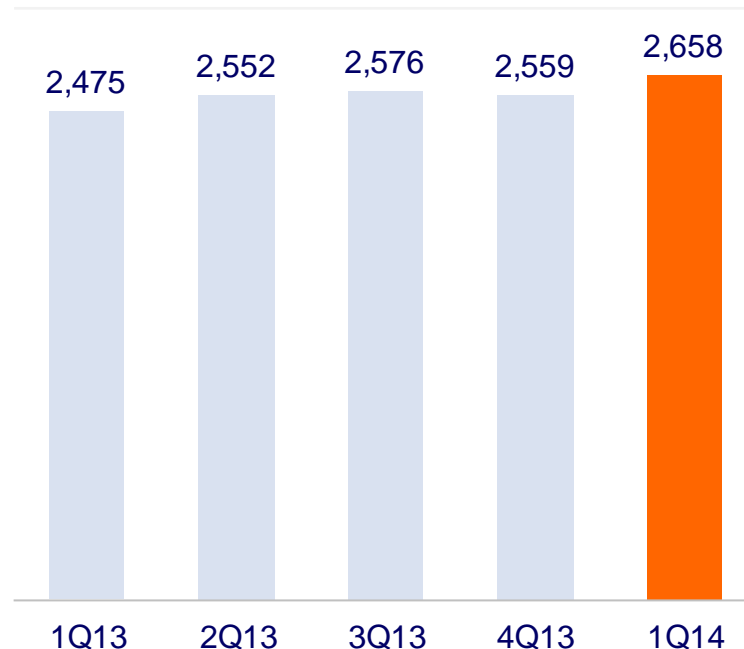


# Retail Banking posted strong results, up from both 1Q13 and 4Q13

Pre-tax result Retail Bank (in EUR mln)



Underlying income Retail Bank (in EUR mln)



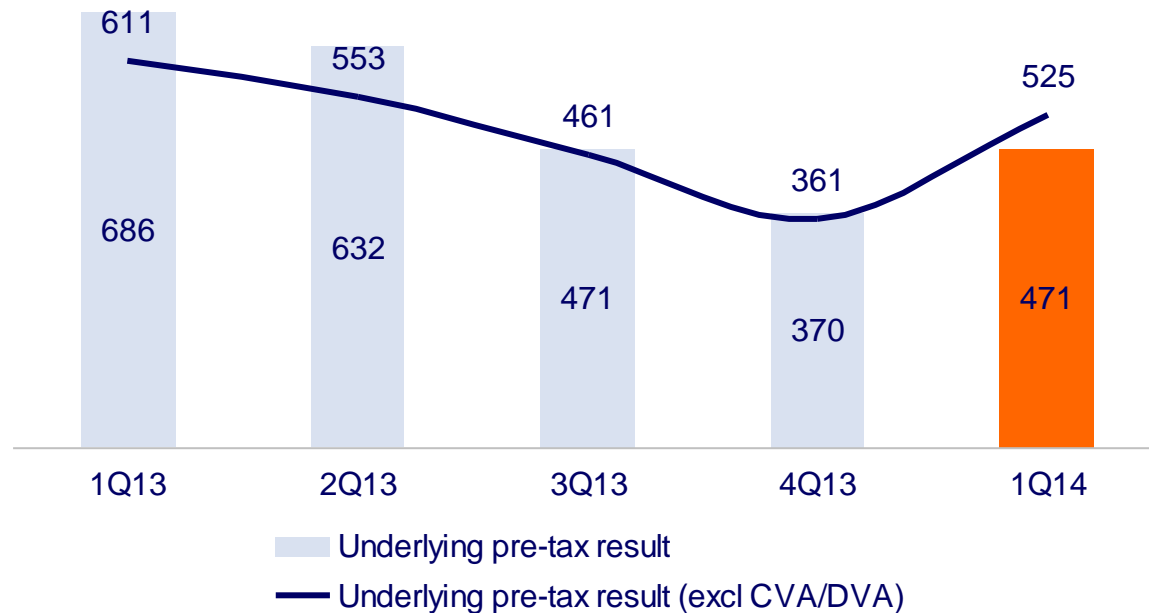
Update NPS score

Country	Ranking
Netherlands	1 <sup>st</sup>
Belgium	2 <sup>nd</sup>
Germany	1 <sup>st</sup>
Austria	2 <sup>nd</sup>
Spain	1 <sup>st</sup>
Italy	1 <sup>st</sup>
France	2 <sup>nd</sup>
Australia	1 <sup>st</sup>
Poland	1 <sup>st</sup>
Romania	2 <sup>nd</sup>
Turkey	2 <sup>nd</sup>

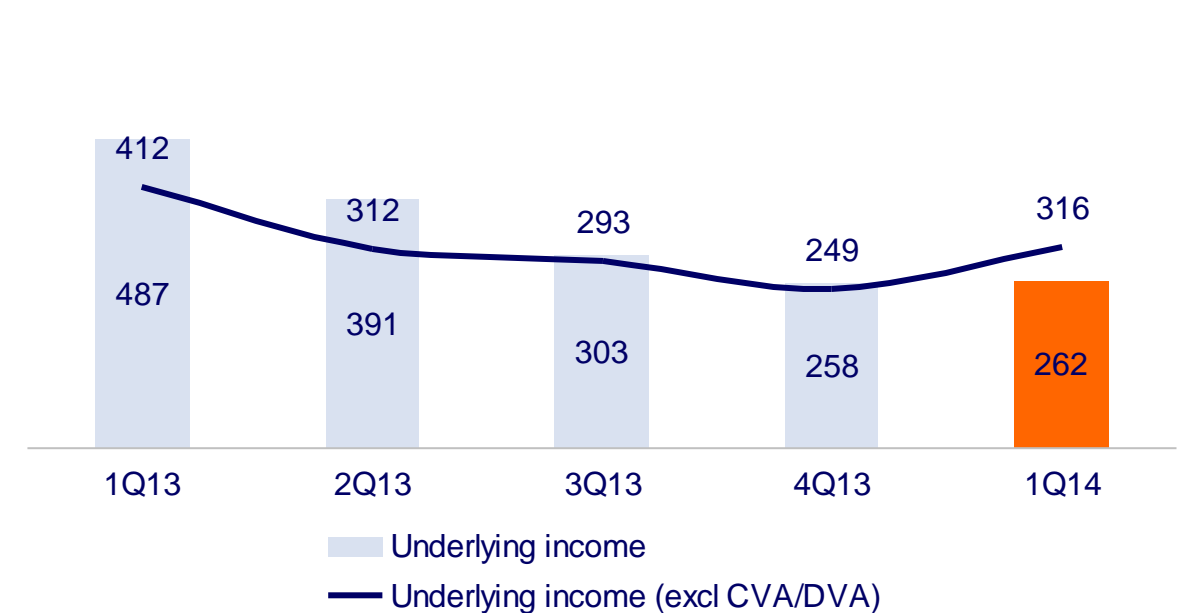
- The underlying pre-tax result from Retail Banking was strong at EUR 771 mln, up from 1Q13 and 4Q13 driven by higher income and lower risk costs
- Underlying income rose 7.4% y-o-y, driven by improved margins on savings and lending, mainly in the Benelux and Germany
- Most recent Net Promoter Scores (NPS) indicate that ING Bank is number one or number two in all the countries in which we operate

# Commercial Banking results down from 1Q13 due to lower Financial Markets results, partly driven by negative CVA/DVA

Pre-tax result Commercial Banking (in EUR mln)



Underlying income Financial Markets (in EUR mln)



- Underlying result before tax was EUR 471 mln in 1Q14, down from 1Q13 due to lower results in Financial Markets, partly due to negative CVA/DVA impacts, and lower results in General Lending & Transaction Services following higher risk costs
- Compared with 4Q13, the underlying result was up as the negative CVA/DVA effects were offset by higher results in Financial Markets and Bank Treasury

# NN Group

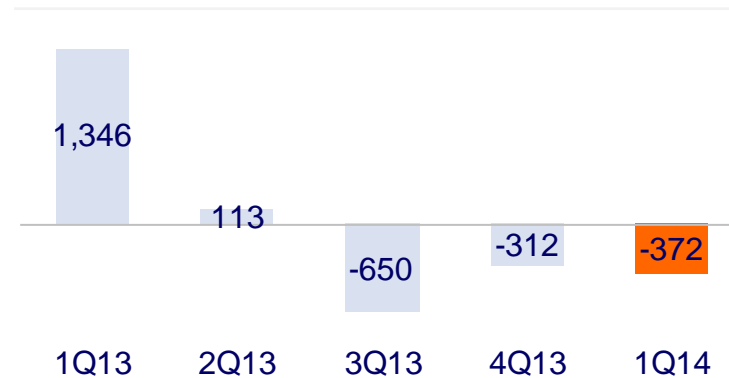
# NN Group results ongoing business up from 1Q13 and 4Q13

Operating result ongoing business  
(in EUR mln)



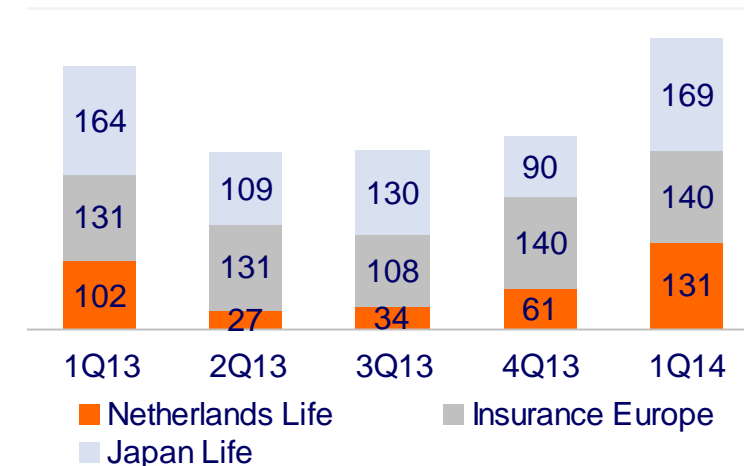
- The operating result for the ongoing business improved significantly to EUR 274 million, up 61.2% from 1Q13 and up 28.0% from 4Q13
- The y-o-y improvement was driven by higher Disability and Accident results in NL Non-life, a higher investment margin in NL Life and lower administrative expenses throughout the organisation

Result before tax  
(in EUR mln)



- The result before tax was EUR -372 million, reflecting the EUR -541 million impact of making ING's defined benefit pension plan in the Netherlands financially independent

Sales  
(APE, in EUR mln)

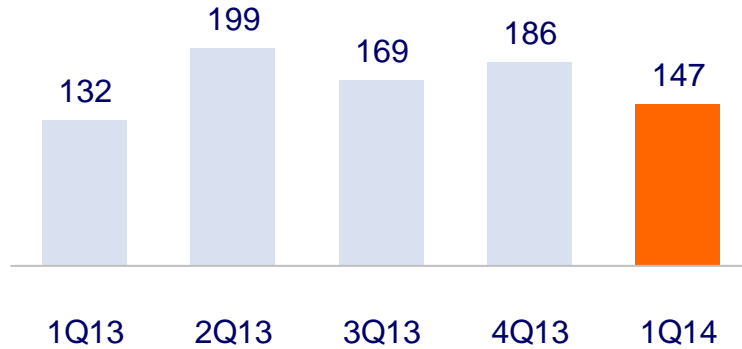


- New sales (APE) rose 20.6% vs 1Q13 at constant FX, driven by higher sales in Japan Life, Insurance Europe, as well as Netherlands Life
- Compared with 4Q13, new sales grew 53.0% at constant FX, fuelled by seasonally higher pension contract renewals in the Netherlands and seasonally higher sales in Japan Life

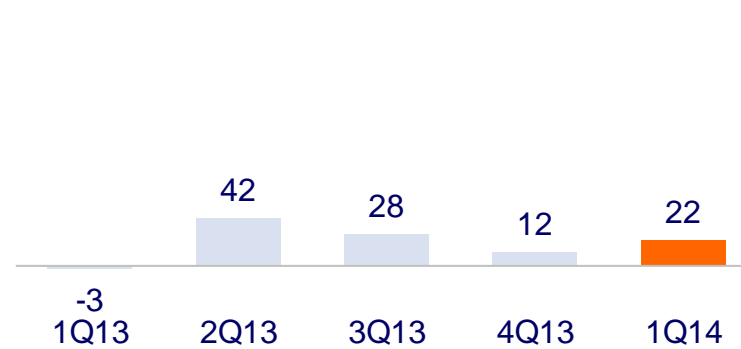


# Ongoing business showed y-o-y improvement in almost all segments

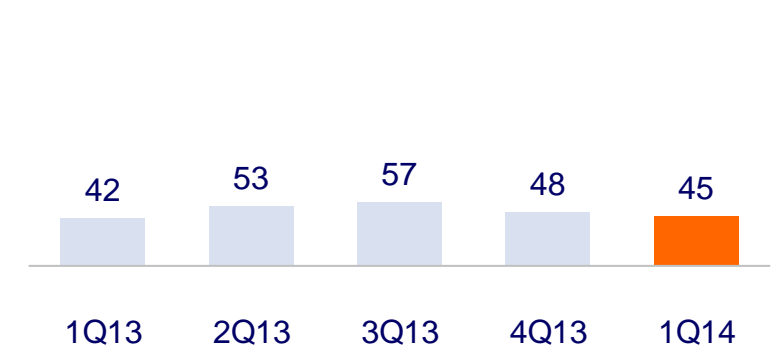
Netherlands Life - Operating result  
(in EUR mln)



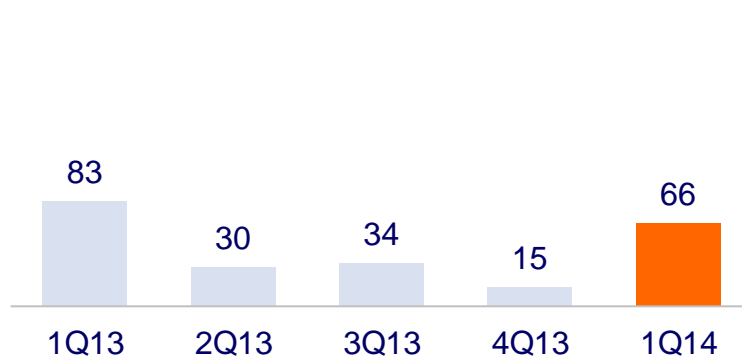
Netherlands Non-life - Operating result  
(in EUR mln)



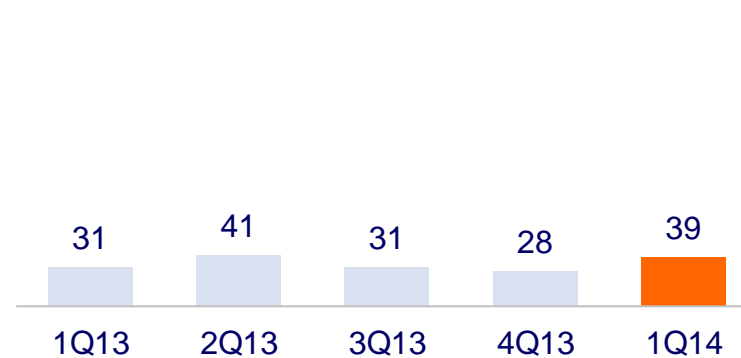
Insurance Europe - Operating result  
(in EUR mln)



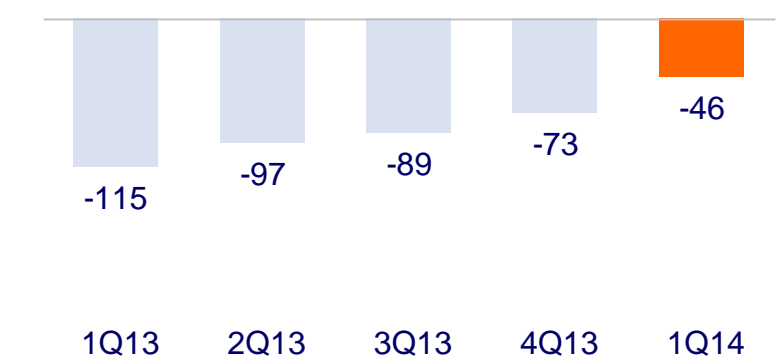
Japan Life - Operating result  
(in EUR mln)



Investment Management - Operating result  
(in EUR mln)

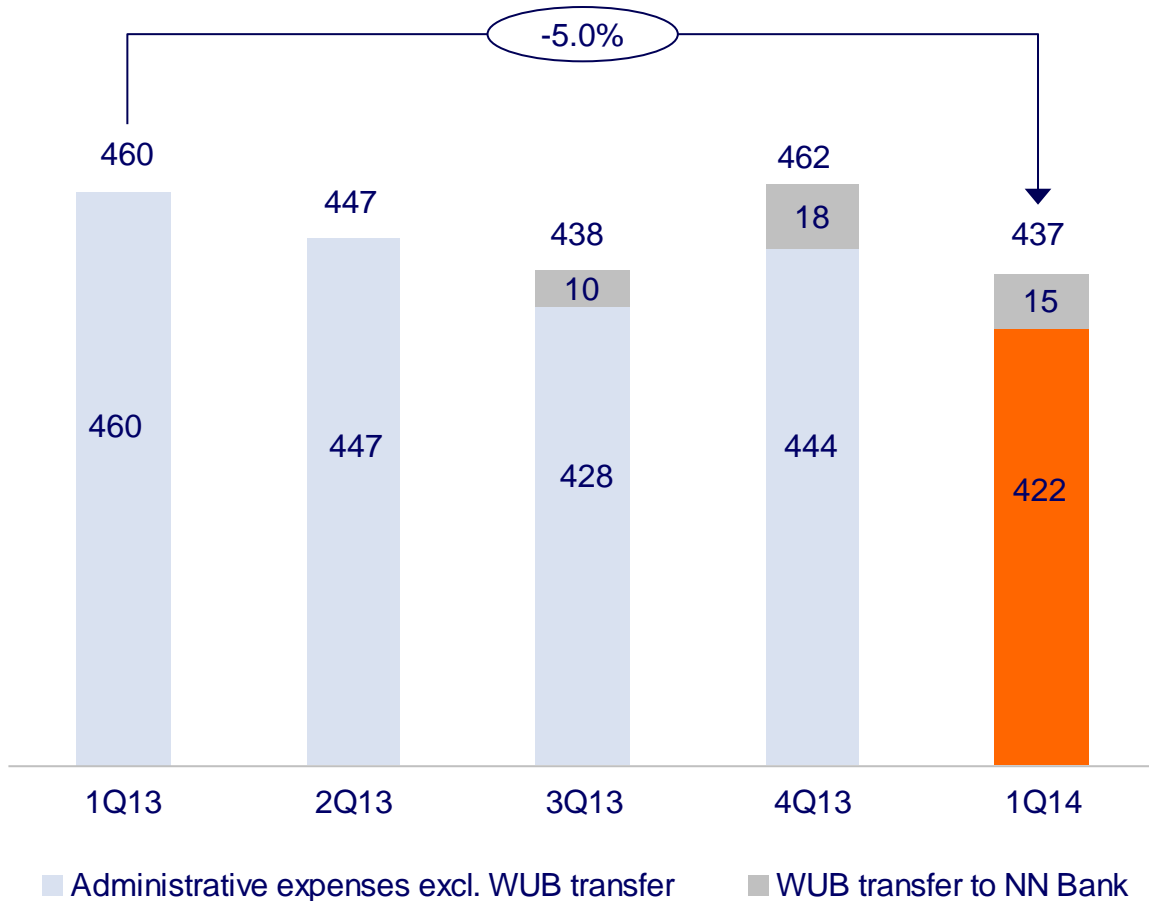


Other - Operating result  
(in EUR mln)



# Administrative expenses ongoing business down from 1Q13 and 4Q13

Administrative expenses ongoing business (in EUR mln)



- Administrative expenses for the ongoing businesses were EUR 437 mln in 1Q14, down 5.0% from a year ago, despite higher NN Bank expenses as a result of the partial transfer of WUB to NN Bank
- Excluding currency effects and the WUB transfers to NN Bank, administrative expenses fell 7.1% from 1Q13, demonstrating the impact of the transformation programme in the Netherlands and strong cost control across all business lines
- Administrative expenses declined 5.0% from 4Q13, at constant FX mainly due to lower IT, project and marketing expenses

Transformation programme as announced in November 2012 is yielding cost savings (in EUR mln)

	Achieved by end 1Q14	Expected by end 2014
<b>Cost savings*</b>	163 mln	200 mln
<b>FTE reduction</b>	976	1,350

\* Run rate annual savings

# Wrap up

# Wrap up

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- Group restructuring on track to become a pure bank
  - ING made the penultimate payment to the Dutch State in 1Q14
  - Stake in Voya Financial reduced to minority. Deconsolidation triggered a P&L loss of EUR 2.0 bln
  - EUR 1.275 bln of pre-IPO investments secured
  - ING Group will inject EUR 850 mln in NN Group prior to the IPO, finalising the capital structure of NN Group
- Group posted an underlying net profit of EUR 988 mln
- Bank posted another solid quarter, with a pre-tax result of EUR 1,176 mln, roughly flat from 1Q13 and up 30% from 4Q13, supported by an increase of the net interest margin, higher volumes, strict cost control and lower risk costs
- The operating result of the ongoing business of NN Group was EUR 274 mln, up from 1Q13 and 4Q13

# Appendix

# ING Group secures EUR 1.275 billion investment in NN Group ahead of IPO

ING Group secures EUR 1.275 bln investment in NN Group ahead of IPO

- The anchor investment in NN Group shares at the time of the intended IPO will total EUR 150 mln, There will be no lock-up on these NN Group shares which will be acquired at the IPO transaction price
- In May 2014, ING Group will issue to each of the 3 investors in this transaction mandatory exchangeable subordinated notes for a total amount of EUR 1.125 bln. These notes will accrue a 4% coupon, and will be mandatorily exchangeable into NN Group shares in three tranches (schedule shown in table)
- The transactions are subject to the base case IPO of NN Group taking place in 2014. If the IPO does not take place in 2014, the transactions with these three investors will be unwound, and the subordinated notes will be redeemed

	RRJ Capital (EUR mln)	Temasek (EUR mln)	SeaTown (EUR mln)	Features
<b>1<sup>st</sup> tranche (EUR 450 mln)</b>	265.0	150.0	35.0	<ul style="list-style-type: none"> <li>• Exchange at closing of IPO;</li> <li>• Exchange price at a discount of 1.5% to the IPO price;</li> <li>• Lock-up until the later of 6 months after settlement of IPO or 9 months from the date of issue of the notes</li> </ul>
<b>2<sup>nd</sup> tranche (EUR 337.5 mln)</b>	198.5	112.5	26.5	<ul style="list-style-type: none"> <li>• Exchange at any time in 2015 at the discretion of ING Group;</li> <li>• Exchange price is the lower of (i) a 3% discount to the NN Group closing share price or (ii) the 5 day Volume Weighted Average Price (VWAP);</li> <li>• Lock-up of 3 months</li> </ul>
<b>3<sup>rd</sup> tranche (EUR 337.5 mln)</b>	198.5	112.5	26.5	<ul style="list-style-type: none"> <li>• Exchange at any time in 2015 or 2016, after the exchange of the 2<sup>nd</sup> tranche and at the discretion of ING Group;</li> <li>• Exchange price is the lower of (i) a 3% discount to the NN Group closing share price or (ii) the 5 day VWAP;</li> <li>• No lock-up</li> </ul>
<b>Total (EUR 1,125 mln)</b>	662.0	375.0	88.0	

# Reported and pro-forma ING Group capital structure at 31 March 2014

## ING Group 31 March 2014

ING Bank	32	Equity	45
NN Group	15	CT1 securities	1
Voya	3	Core Debt	4
Hybrids <sup>B</sup>	5	Hybrids	7
Hybrids <sup>I</sup>	2		
	<b>57</b>		<b>57</b>

## Pro-forma - ING Group 31 March 2014

ING Bank	32	Equity	45
NN Group	<b>16</b>	CT1 securities	1
Voya	3	Core Debt	<b>5</b>
Hybrids <sup>B</sup>	<b>4</b>	Hybrids	<b>6</b>
Hybrids <sup>I</sup>	<b>2</b>		
	<b>57</b>		<b>57</b>

## NN Group consolidated 31 March 2014

Netherlands Life	10.2	Equity	14.7
Netherlands Non-Life	0.7	Hybrids Group	2.4
Insurance Europe	2.0	Hybrids Ins	0.5
Japan Life	1.4	Financial debt	1.0
Japan Closed Block VA	1.1		
IIM	0.4		
Other	1.6		
IC hybrid to NN Life	0.6		
Cash	0.6		
	<b>18.6</b>		<b>18.6</b>

## Pro-forma - NN Group consolidated 31 March 2014

Netherlands Life	<b>10.7</b>	Equity	<b>15.5</b>
Netherlands Non-Life	0.7	Hybrids (ING Group)	<b>1.8</b>
Insurance Europe	2.0	Hybrids (external)	<b>1.5</b>
Japan Life	1.4	Financial debt	<b>0.4</b>
Japan Closed Block VA	1.1		
IIM	0.4		
Other	<b>1.5</b>		
IC hybrid to NN Life	0.6		
Cash	<b>0.9</b>		
	<b>19.2</b>		<b>19.2</b>

- Pro-forma capital structure reflects EUR 850 mln capital injection in NN Group, EUR 0.1 bln proceeds from announced sales of ING BoB-Life and closing of the sale of IM Taiwan in April, EUR 1 bln NN Group hybrid issuance partly replacing Group hybrid and financial debt and redemption of EUR 1.5 bln 8% ING Group hybrid
- The EUR 1.275 bln pre-IPO investments are not included in the pro-forma numbers

# Pro-forma CRD IV common equity Tier 1 ratio fully-loaded 10.1%

Impact CRD IV 1Q2014 (pro-forma) (in EUR bln)

	Common equity Tier 1 capital	RWAs	Common equity Tier 1 ratio
31 Mar 2014 (Phased-in)	29.0	290.8	10.0%
Defined benefit pension fund assets	-0.3		
Intangibles	-0.5		
DTA	-0.2		
Other (including minorities)	-1.0		
Revaluation reserve debt securities	+1.0		
Revaluation reserve equity securities	+1.0		
Revaluation reserve real estate own use	+0.3		
Pro-forma common equity Tier 1 ratio (fully loaded)	29.4	290.8	10.1%



# Exposure ING Bank to Russia and Ukraine

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

Exposure, 31 March 2014

	Russia	Ukraine
Total Lending Credit O/S	7,550	1,494
Other*	1,020	15
<b>Total outstanding</b>	<b>8,570</b>	<b>1,510</b>
Undrawn committed Facilities	967	169

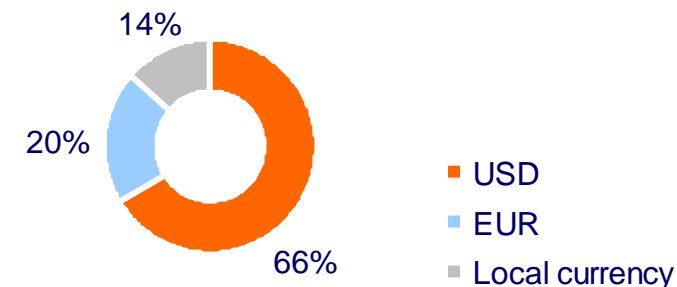
Note: data is based on country of residence

## NPL ratio and Coverage ratio Russia and Ukraine, 31 March 2014

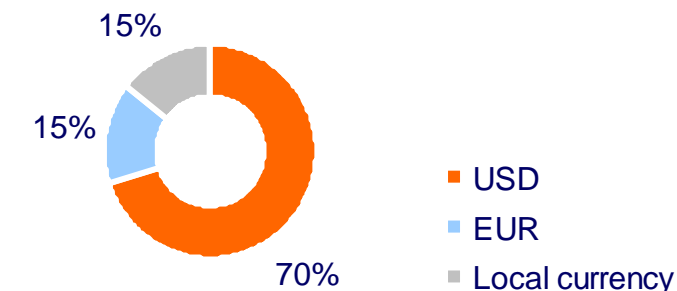
	Russia	Ukraine
NPL ratio	0.1%	10.6%
Coverage ratio**	>100%	65%

## Total Lending outstanding per currency

Russia (EUR 7.6 bln)



Ukraine (EUR 1.5 bln)



- The lending exposure to Russia covered by Export Credit Agencies (ECA) is approximately EUR 1 bln
- ING has a long history supporting clients in both Ukraine and Russia. We continue to critically look at our exposures and have intensified our monitoring and tightened acceptance criteria

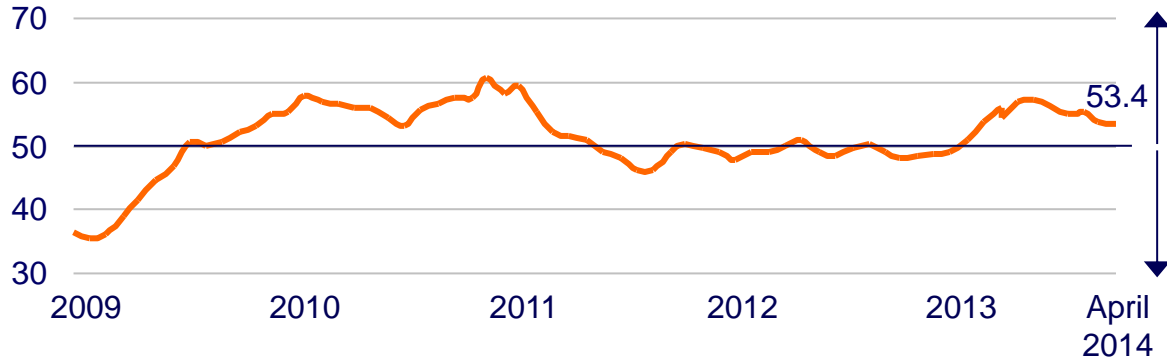
\* Other includes Investment, trading exposure and pre-settlement

\*\* Coverage ratio is defined as total provisions divided by total non performing loans

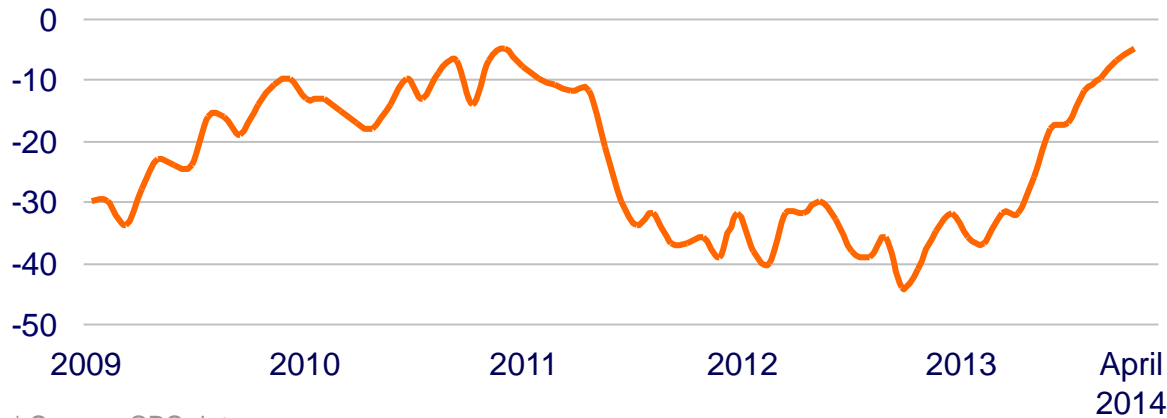
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# Dutch economy and housing market gradually improving

Dutch Purchasing Managers Index (PMI) was 53.4 in April 2014. Above 50 indicates positive growth



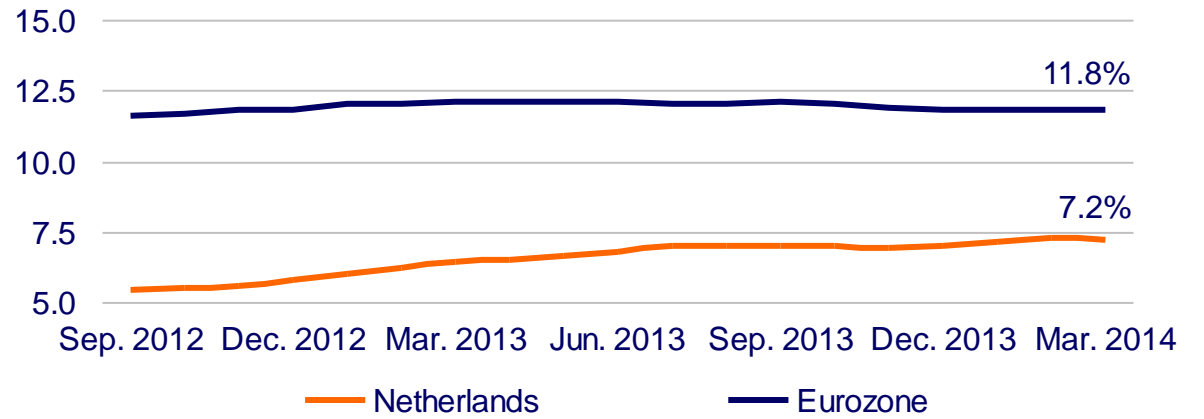
Dutch consumer confidence\*



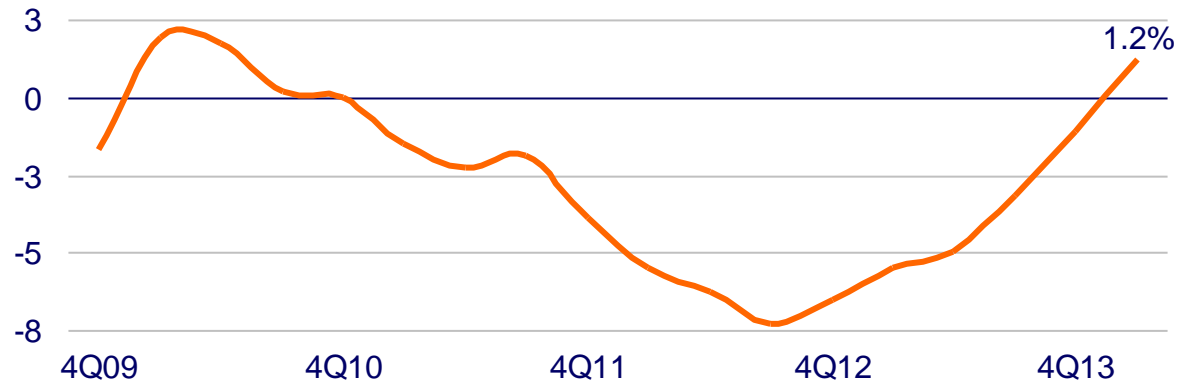
\* Source: CBS data

\*\* Source: NVM

Dutch unemployment rate (%)



Dutch house prices in 1Q14 up 1.2% y-o-y\*\*



# 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 1Q2014 ING Group Interim 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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