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Research Update:

ING Verzekeringen N.V. 'A-/A-2' Ratings Affirmed Following Revised Plans For Insurance Divestment; Outlook Negative

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Overview

- On Jan. 12, 2012, ING Groep N.V. (ING) announced revised plans for the divestment of its insurance and investment management businesses.
- We understand that ING will explore other options for its Asian insurance and investment management businesses, and separate stand-alone plans for its European insurance and investment management operations.
- We continue to view ING's insurance operations as "not strategically important" to the group under our group ratings methodology.
- As a result, we are affirming our 'A-/A-2' long- and short-term counterparty credit ratings on ING Verzekeringen N.V. and our 'A+' long-term counterparty credit and insurer financial strength ratings on its Dutch operating insurance subsidiaries.

Rating Action

On Jan. 18, 2012, Standard & Poor's Ratings Services affirmed its 'A-/A-2' long- and short-term counterparty credit ratings on ING Verzekeringen N.V. (INGV). At the same time, we affirmed the 'A+' long-term counterparty credit and insurer financial strength ratings on Netherlands-based Nationale-Nederlanden Levensverzekeringen Maatschappij N.V. and ING Re (Netherlands) N.V. The outlook remains negative.

Rationale

The rating affirmation follows ING Groep N.V.'s (ING's) announcement on Jan. 12, 2012, of its revised plans for the divestment of its insurance and investment management businesses. As part of the revised base case, ING will now explore other options for the divestment of its Asian insurance and investment management businesses, as well as separate stand-alone plans for its European insurance and investment management operations. We continue to view ING's insurance operations as "not strategically important" (NSI) to ING under our group ratings methodology. We reclassified ING's insurance operations as NSI on Oct. 26, 2009, when ING Groep originally announced its intention to dispose of its insurance business.

The ratings on INGV and certain operating insurance entities reflect strong local competitive positions across a number of markets, a highly diverse profile, and flexibility to manage capital adequacy and liquidity across the ING group. These positive factors are partially offset by continued pressure on capital adequacy because of investment risk exposures. Earnings also remain

constrained by both the difficult operating environment and initiatives to reduce asset risk.

Outlook

The negative outlook on INGV reflects our view of the significant risks associated with the divestment of ING's insurance operations. We may lower the ratings on INGV if:

- We see evidence that the performance of ING's insurance business is being impaired by the uncertainty surrounding its divestment; or
- Capital adequacy falls more than one category below the rating level, which could result from risks relating to ING's U.S. closed-block variable annuity business or investment exposures.

We may revise the outlook on INGV to stable if:

- ING successfully executes the planned IPO of its U.S. insurance business, reducing INGV's exposure to the higher risk profile of its U.S. insurance operations, without impairing the strength of its balance sheet;
- ING's insurance operations continue to demonstrate a high level of resilience in underlying performance as measured by growth in new sales, stability in client balances, and strong progress toward the 10% return on equity target based on growth in the operating result; and
- Capital adequacy is rebuilt to levels commensurate with the ratings, financial leverage is maintained below 35%, and fixed charge cover is sustainable above 5x.

Related Criteria And Research

- Principles of Credit Ratings, Feb. 16, 2011
- Group Methodology, April 22, 2009
- Holding Company Analysis, June 11, 2009
- Interactive Ratings Methodology, April 22, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Counterparty Credit Ratings And The Credit Framework, April 14, 2004
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010

Ratings List

Ratings Affirmed

ING Verzekeringen N.V.

Counterparty Credit Rating	A-/Negative/A-2
Senior Unsecured	A-
Commercial Paper	A-2
Subordinated	BBB

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ING Re (Netherlands) N.V.
Nationale-Nederlanden Levensverzekeringen Maatschappij N.V
Counterparty Credit Rating A+/Negative/--
Financial Strength Rating A+/Negative/--

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Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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