

Credit Update 1Q16

Amsterdam • 10 May 2016

thinkforward



Key points

- ING has a well-diversified business portfolio and a conservative risk profile
- Think Forward strategy continues to improve the customer experience and drive commercial growth
- Net interest result increases on volume growth and higher margins; commission income stable
- Quality of the loan book evident as risk costs and NPLs fall
- ING Group's first-quarter net result was EUR 1,257 mln, supported by gain on divestment of stake in NN
- ING Group fully loaded CET1 ratio up to 12.9%, or 13.2% pro-forma after full divestment of NN
 - Already exceeds 2019 fully-loaded CET 1 requirement (SREP 9.5% + 3% D-SIB phasing in until 2019);
 - EUR 1.3 bln of 1Q16 interim profits not included in capital
- Strong and conservative balance sheet with customer deposits as the primary source of funding

On track to deliver on our Ambition 2017

ING Group

	2014	2015	1Q16	Guidance
CET1 (CRD IV)	10.5%	12.7%	12.9%	<ul style="list-style-type: none"> We will grow into a comfortable buffer over time above the prevailing fully-loaded requirements
Leverage ratio*	3.4%	4.4%	4.3%	
Group dividend	EUR 0.12	EUR 0.65		<ul style="list-style-type: none"> We are committed to maintaining a healthy Group CET1 ratio in excess of prevailing fully-loaded CET1 requirements, currently 12.5%, and to returning capital to our shareholders We aim to pay a progressive dividend over time

ING Bank

	2014	2015	1Q16	Ambition 2017	Guidance
CET1 (CRD IV)	11.4%	11.6%	11.8%	>10%	<ul style="list-style-type: none"> Bank capital levels will gradually migrate towards Group capital levels
Leverage ratio*	3.6%	4.1%	4.0%	~4%	
C/I**	58.7%	55.9%	64.5%	50-53%	<ul style="list-style-type: none"> If the expected 2016 regulatory costs were equally distributed over the 4 quarters of 2016, then the 1Q16 cost/income ratio would have been 58.2%
RoE** (IFRS-EU equity)	9.9%	10.8%	8.2%	10-13%	<ul style="list-style-type: none"> If the regulatory costs were equally distributed over the 4 quarters of 2016, then the 1Q16 RoE would have been 10.0%

* The leverage exposure of 4.3% for ING Group and 4.0% for ING Bank at 31 March 2016 is based on the Delegated Act. The leverage ratio based on the published IFRS-EU balance sheet is 4.4% for ING Bank at 31 March 2016

** The reported cost/income and RoE in the first quarter 2016 is significantly impacted by regulatory costs that are to a large extent booked in the first quarter

Business profile and strategy

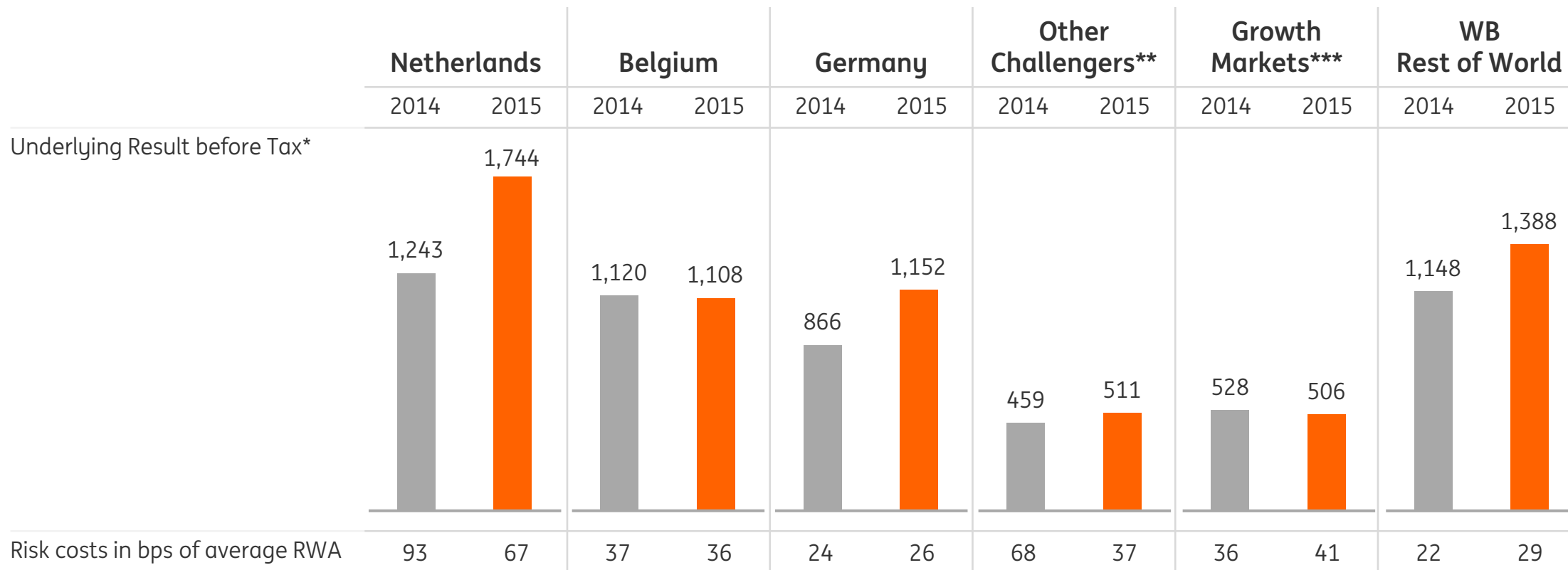
ING is uniquely positioned and will continue to build on its strengths

Effective business model	<ul style="list-style-type: none"> ▪ Strong deposit gatherer across Europe ▪ Leading 'digital first' bank in Europe ▪ Client-focused Commercial Bank supported by leading Industry Lending franchise
Track record of delivery	<ul style="list-style-type: none"> ▪ Disciplined cost management ▪ Solid balance sheet ▪ Consistent capital generator
Significant upside potential	<ul style="list-style-type: none"> ▪ Mix of mature and growth businesses ▪ Increasingly strong positions in "Challenger" countries ▪ Well placed to benefit from the European Banking Union



* Our retail presence in Czech Republic (400,000 retail customers) was allocated/booked under Wholesale Banking and is booked under Retail Challengers as of 1 January 2016

ING has a well-diversified business portfolio and a conservative risk profile



* As per Geographical split Banking; segment "Other" not shown on slide. The Underlying result before tax for this segment was EUR -641 mln in 2014, EUR -451 mln in 2015

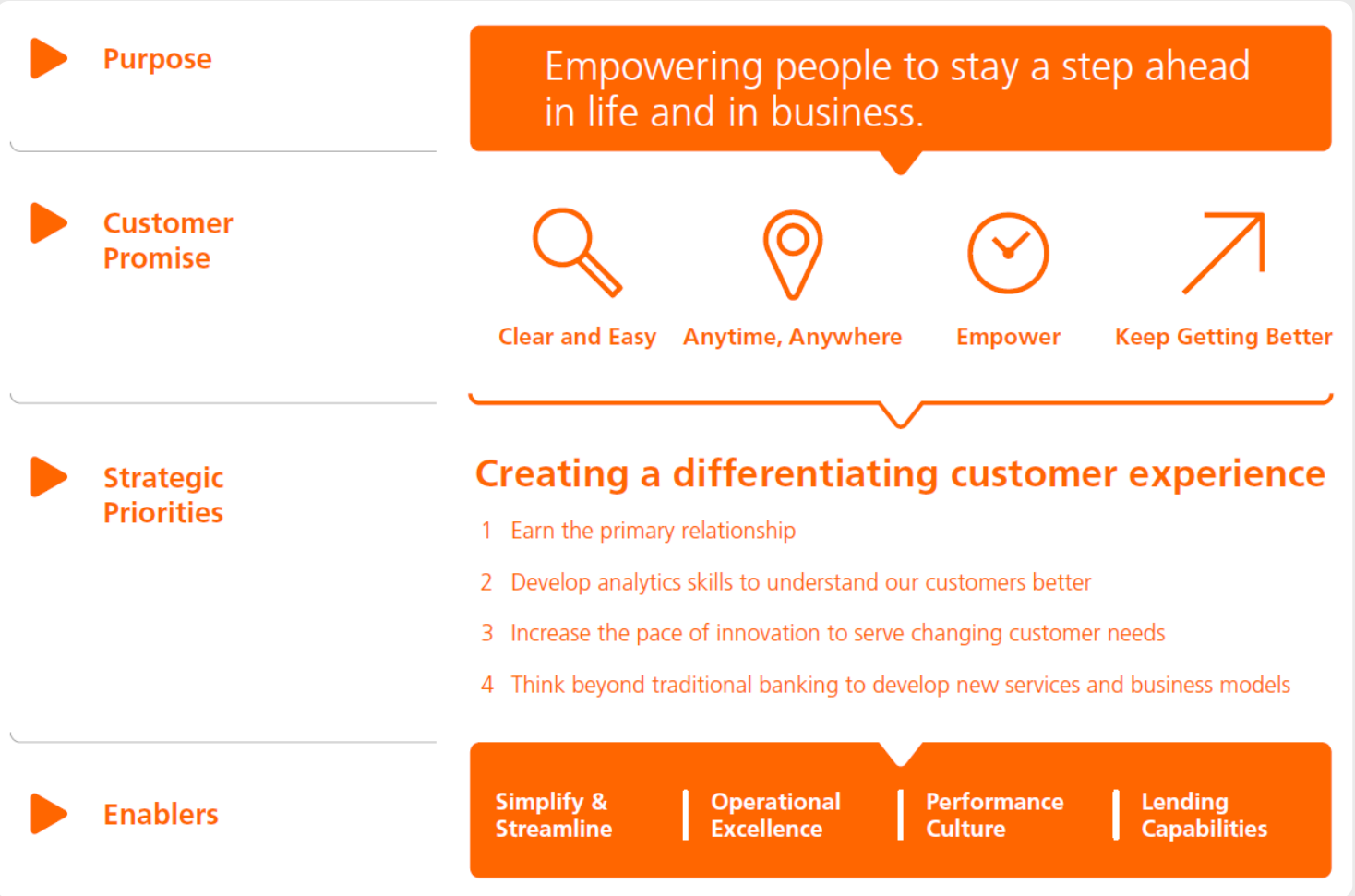
** Including Australia, Czech Republic, France, Italy, Spain, UK Legacy run-off portfolio

*** Including Poland, Romania, Turkey, Asian stakes

Think Forward strategy continues to improve customer experience and drive commercial growth

Progress made on Think Forward strategy. Some examples:

- Moving to 'omnichannel' in the Netherlands
- Introduction of agile way of working allowing us to react faster and more effectively to changing client needs
- Introduction of new innovations empowering our clients to stay a step ahead
- Cooperation with fintechs to support our strategy and innovation priorities
- Our customer focus is reflected in high NPS scores
- Strong increase in lending is resulting in more diversified balance sheets



Our customer focus is reflected in strong NPS scores and ongoing commercial growth

Net Promoter Score (NPS)



#1 in 7 of 13 countries

Individual Customers (Retail)



34.7 mln
+0.3 mln in 1Q16

ING Bank core lending businesses 1Q16

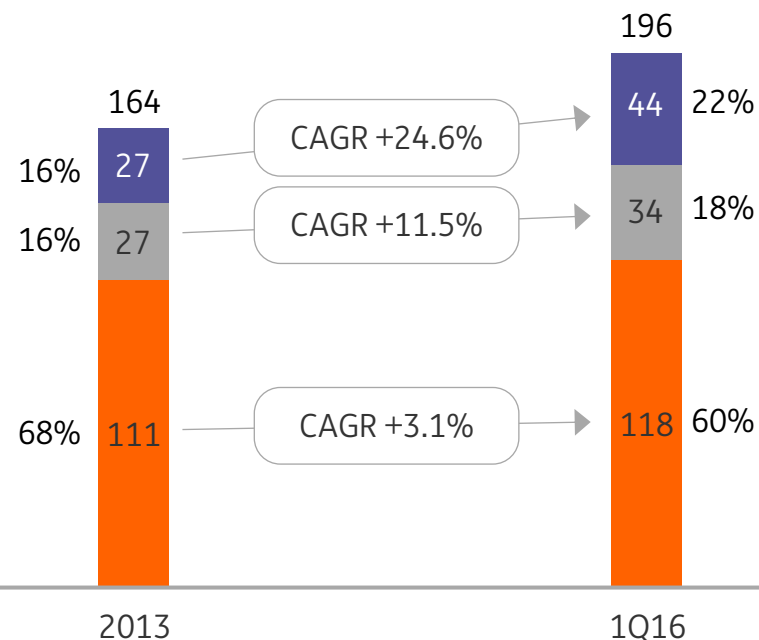
Net growth



+7.1 bln
+5.3% annualised

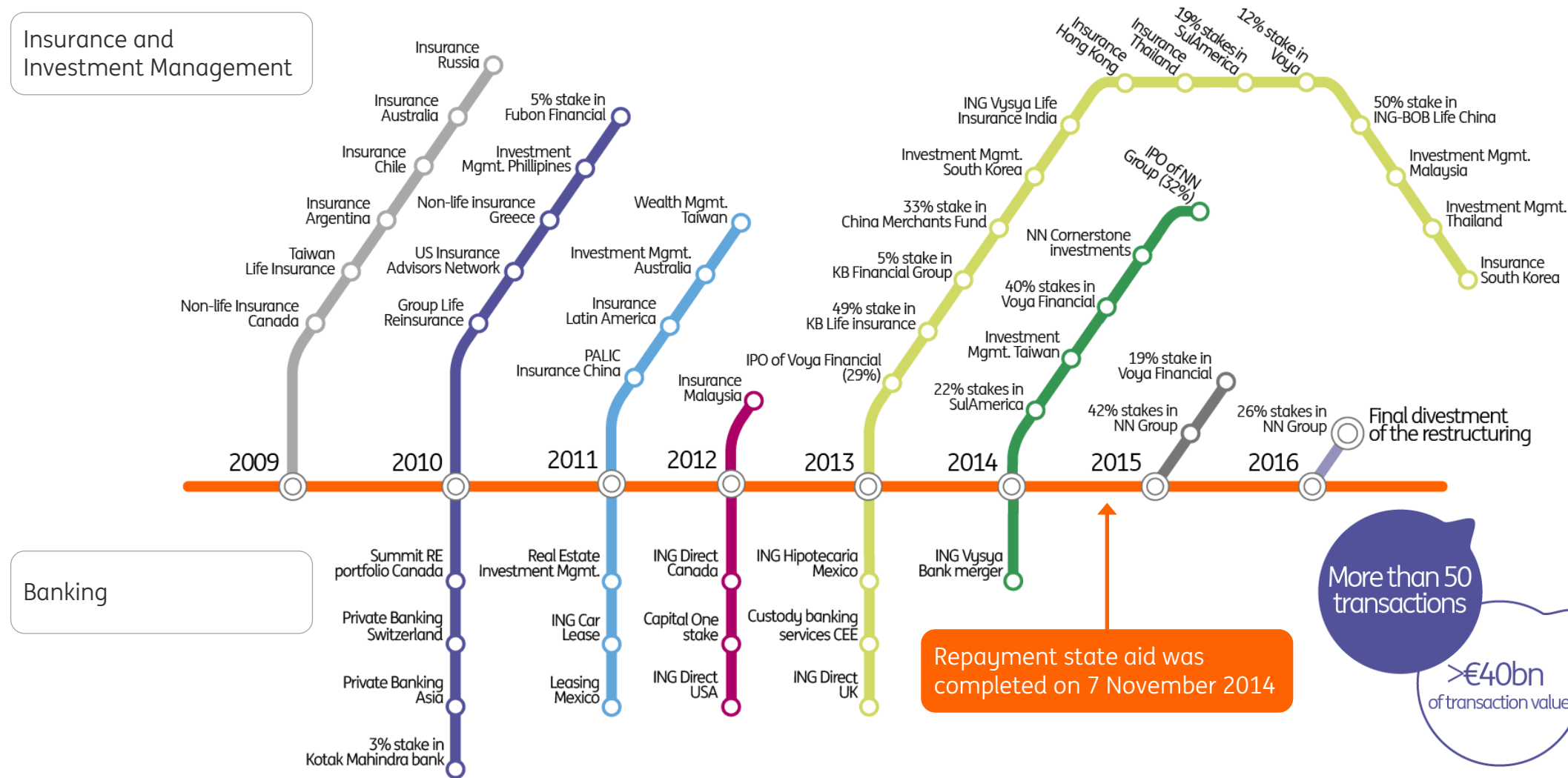
Lending increasingly diversified with the proportion of mortgages declining from 68% to 60%

Challengers & Growth Markets (in EUR bln)



- Wholesale Banking
- Retail Banking non-mortgages
- Mortgages

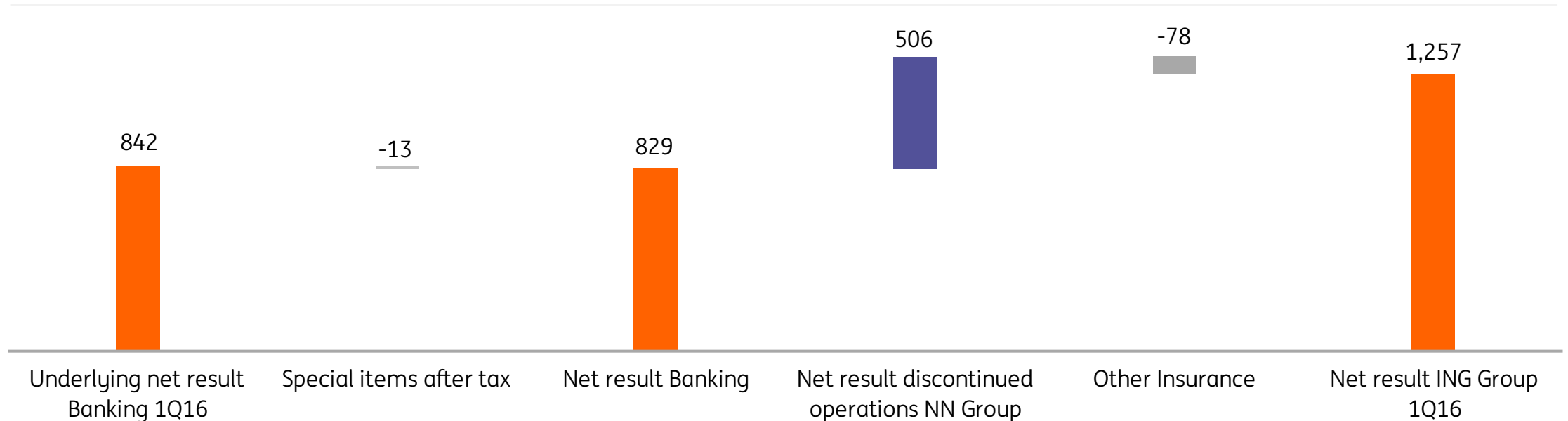
Final divestment of NN Group stake completes the restructuring required by the EC and the repositioning of ING Bank



Update 1Q16 results

Group result supported by gain on divestment of stake in NN

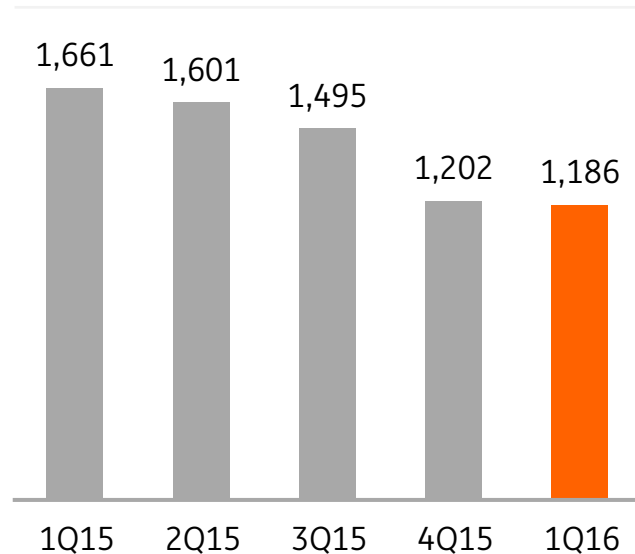
1Q16 net result ING Group includes net results of divestment of the stake in NN Group in 1Q16 (in EUR mln)



- ING Group's first-quarter net result was EUR 1,257 mln
- In the first quarter of 2016, ING Group recorded a net result of EUR 428 million on the legacy insurance activities. Of this amount, EUR 506 million was related to the sale of ordinary shares in NN Group in January 2016, and EUR -78 million due to a lower valuation of warrants on NN Group and Voya shares compared with year-end 2015
- In 2Q16, a net loss of EUR 66 mln will be booked on the sale of our remaining 14.1% NN shares in April

Bank posts solid first-quarter results despite significant increase in regulatory costs

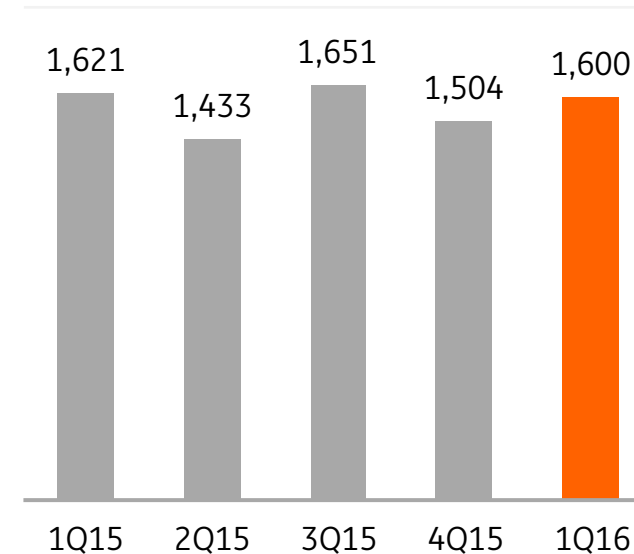
Underlying pre-tax result ING Bank (in EUR mln)



Volatile items and regulatory costs (in EUR mln)

	1Q15	2Q15	3Q15	4Q15	1Q16
CVA/DVA	-1	208	40	-22	35
Capital gains/losses	112	17	-64	-5	62
Hedge ineffectiveness	103	4	-27	4	-15
Total	214	229	-51	-23	82
Regulatory costs*	-174	-61	-105	-279	-496

Pre-tax result excl. volatile items and regulatory costs (in EUR mln)

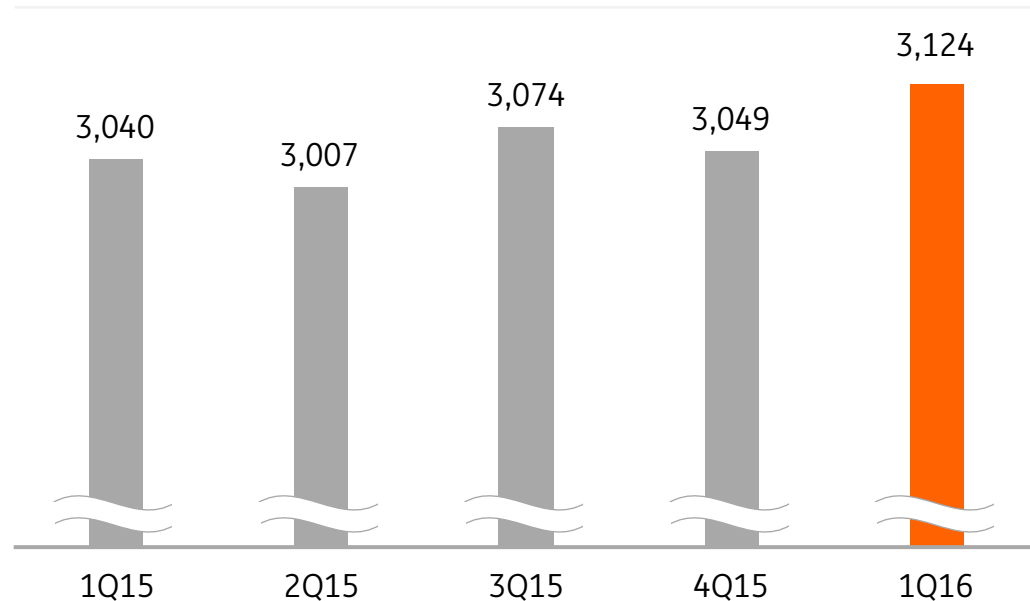


- In recent quarters, pre-tax results were impacted by the volatile items shown in the table and regulatory costs
- Excluding these volatile items, the 1Q16 pre-tax result was down slightly from 1Q15 and up from 4Q15
 - Income excluding these volatile items was down slightly from 1Q15 due to lower results in Financial Markets
 - Risk costs declined to EUR 265 mln, or 33 bps of average RWA

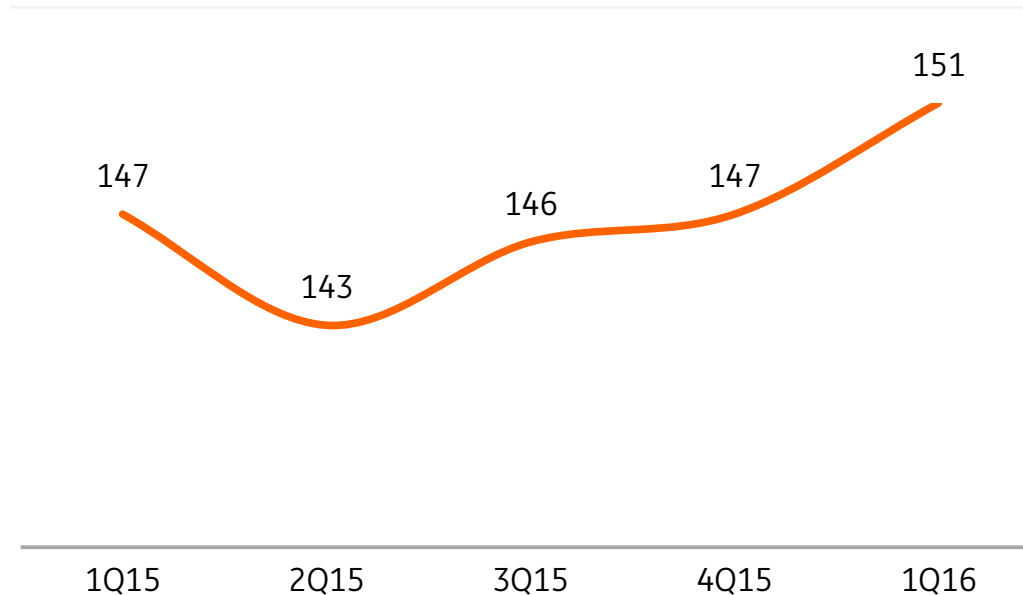
* Bank taxes, deposit guarantee schemes (DGS) and (European) Single Resolution Fund (SRF)

Net interest income was up from 1Q15 and 4Q15, reflecting the positive momentum in the business

Net interest income excl. Financial Markets
(in EUR mln)



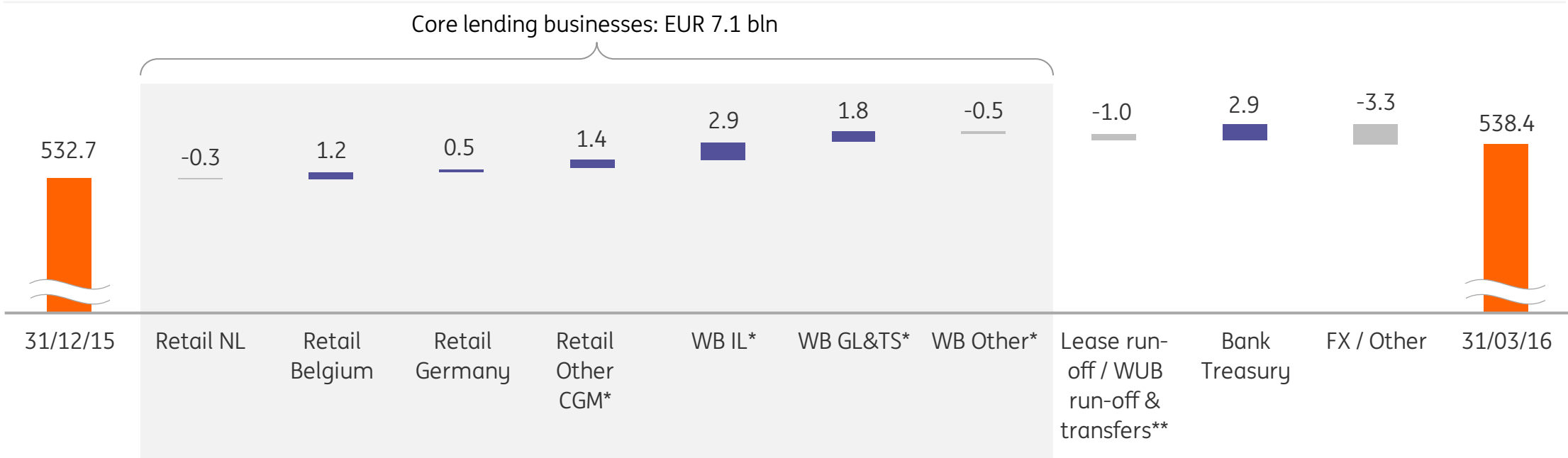
Net interest margin up from 1Q15 and 4Q15
(in bps)



- Net interest income excluding Financial Markets increased 2.8% from 1Q15 and 2.5% from 4Q15
 - Strong volume growth and slightly higher margins, reflecting reductions in our client savings rates
 - Higher interest results in our Bank Treasury activities and Corporate Line, partly driven by one-off items

Our core lending franchises grew by EUR 7.1 bln in 1Q16

Customer lending ING Bank 1Q16 (in EUR bln)



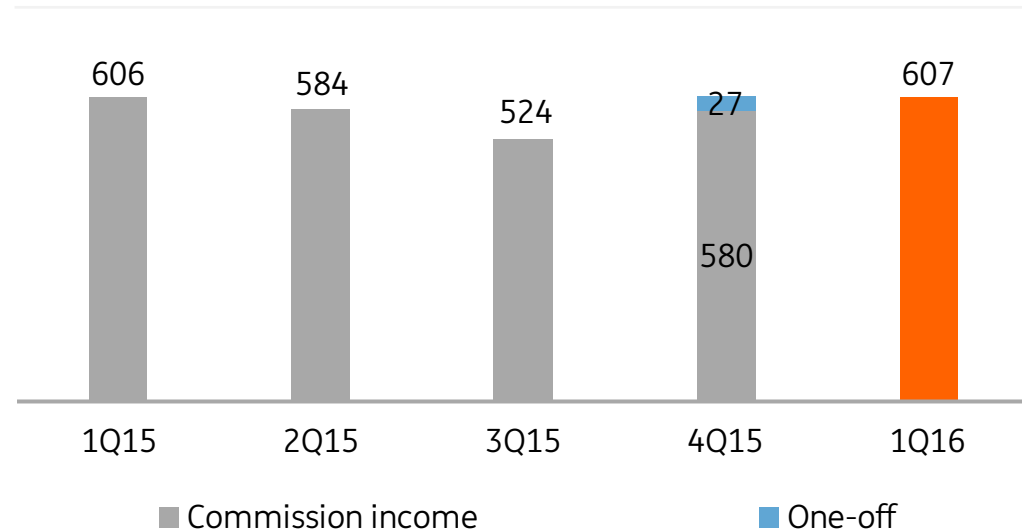
- Our core lending franchises grew by EUR 7.1 bln in 1Q16
 - Wholesale Banking increased by EUR 4.2 bln driven by Industry Lending and General Lending
 - Retail Banking increased by EUR 2.9 bln, principally outside of the Netherlands

* C&GM is Challenger & Growth Markets; IL is Industry Lending; GL&TS is General Lending & Transaction Services; Other includes Financial Markets
 ** Lease run-off was EUR -0.2 bln, WUB run-off was EUR -0.5 bln and WUB transfer to NN was EUR -0.3 bln

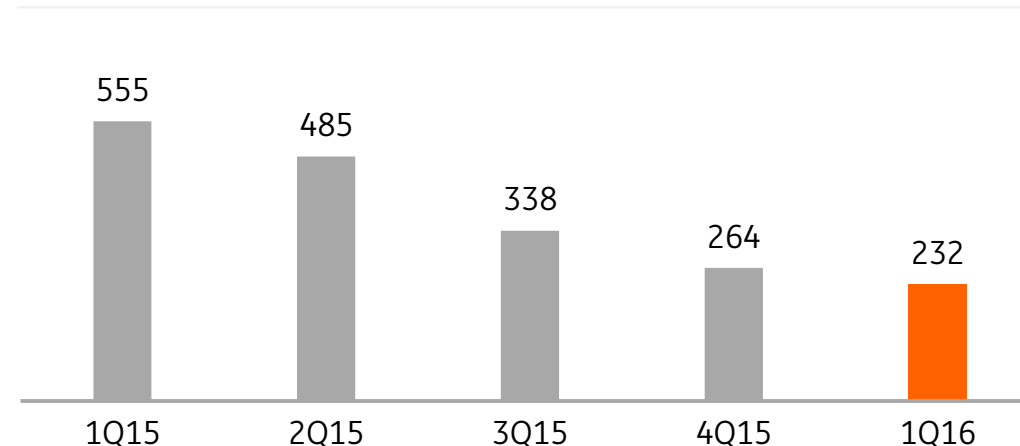


Commission income has remained stable; other income impacted by volatile items and lower income from Financial Markets

Commission income has remained relatively stable (in EUR mln)



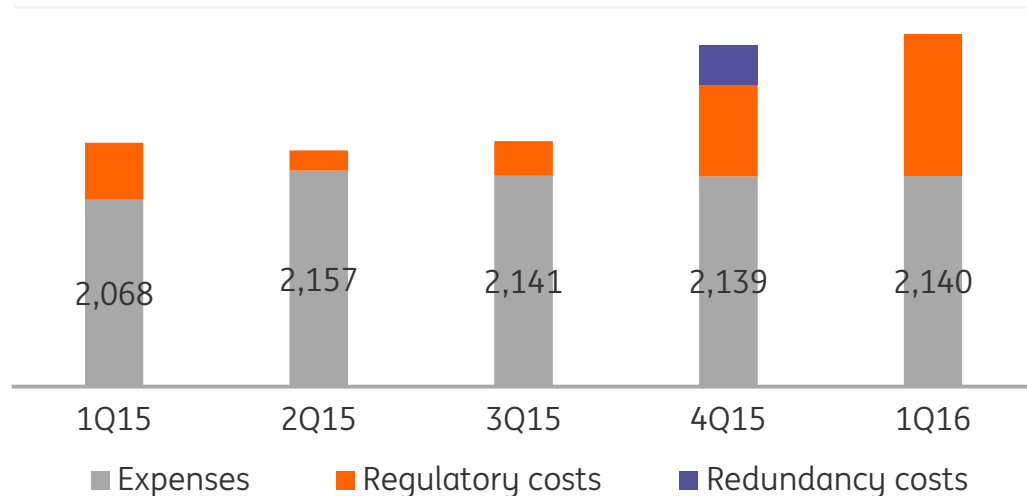
Investment and other income impacted by volatile items and lower income from Financial Markets (in EUR mln)



- Commission income has remained relatively stable. Compared with 4Q15, which included a positive one-time impact on consumer loan origination in Germany, commission income was stable as the decline in Germany was offset by increase in Retail Benelux, particularly in Belgium due to higher fee income on investment products
- Investment and other income was impacted by volatile items and lower income from Financial Markets

Regulatory costs expected to increase to around EUR 960 mln in 2016, of which EUR 496 mln was booked in the first quarter

Underlying operating expenses (in EUR mln)

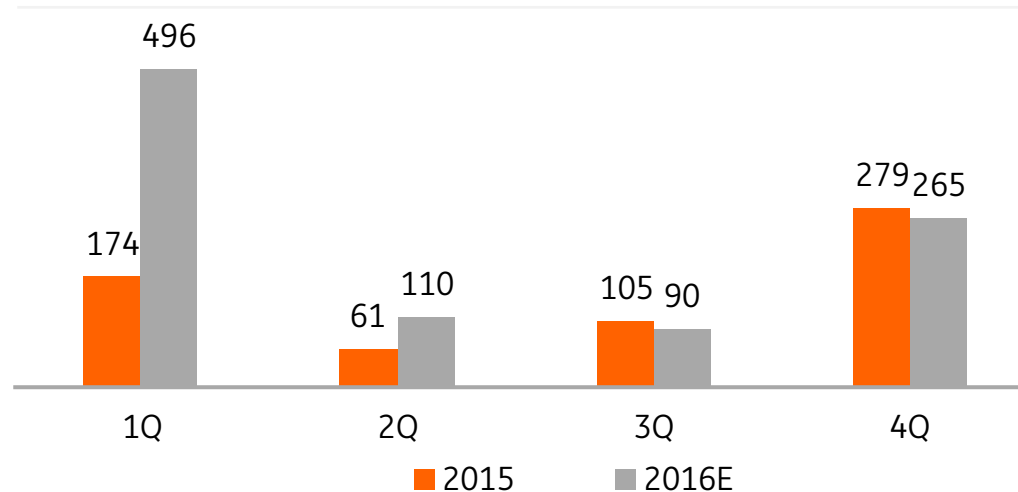


- Regulatory costs were EUR 496 mln in 1Q16 vs EUR 174 mln in 1Q15 and EUR 279 mln in 4Q15
- Excluding the regulatory costs and redundancy costs in 4Q15, expenses remained relatively flat on previous quarters
- Increase from 1Q15 mainly due to a release of a legal provision in the Corporate Line in 1Q15
- Regulatory costs now estimated at EUR 960 mln for 2016

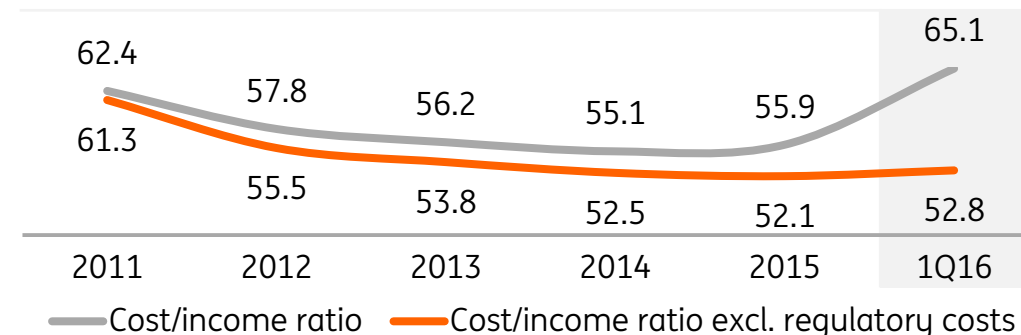
* 2016 are estimates and subject to change

** Excluding CVA/DVA and redundancy provisions in 2014 and 4Q15

Increase regulatory costs in 2016 skewed to the first quarter* (in EUR mln)



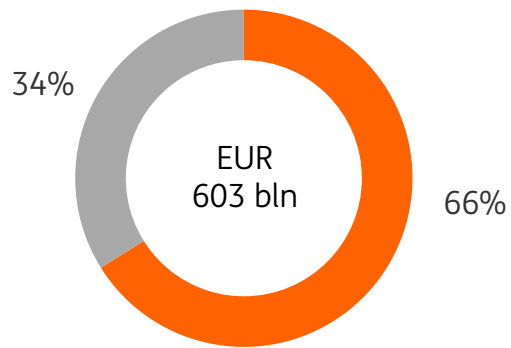
Cost/income ratio impacted by regulatory costs (in %) **



Asset quality

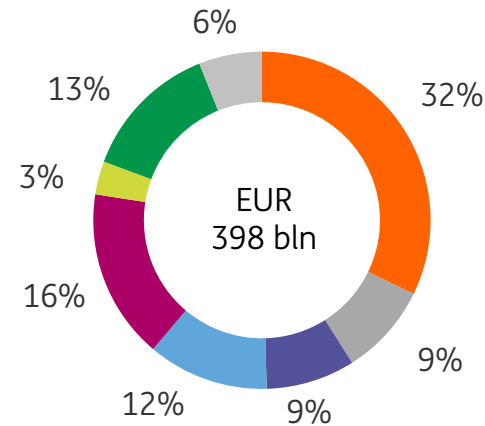
Lending credit outstandings ING Bank are well diversified

ING Bank*



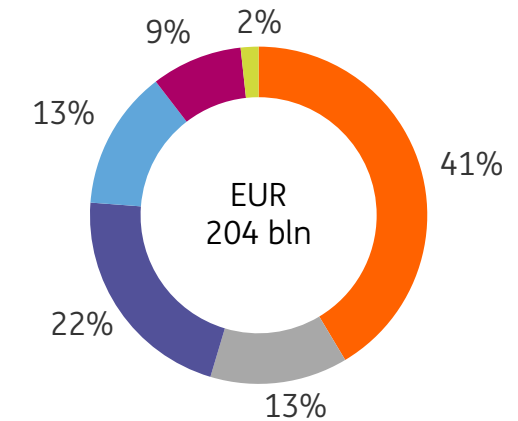
- Retail Banking
- Wholesale Banking

Retail Banking*



- Mortgages Netherlands
- Other lending Netherlands
- Mortgages Belgium
- Other lending Belgium
- Mortgages Germany
- Other lending Germany
- Mortgages Other C&GM
- Other lending Other C&GM

Wholesale Banking*



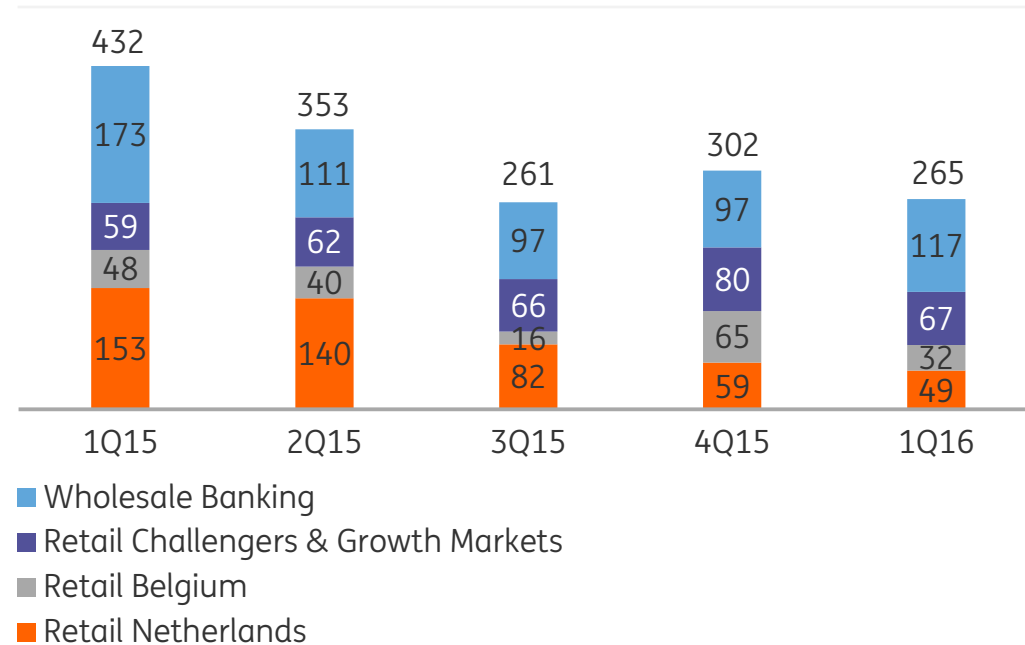
- Structured Finance
- Real Estate Finance
- General Lending
- Transaction Services
- FM, Bank Treasury & Other
- General Lease run-off

- ING Bank has a well diversified and collateralized loan book with a strong focus on own-originated mortgages
- 66% of the portfolio is retail-based

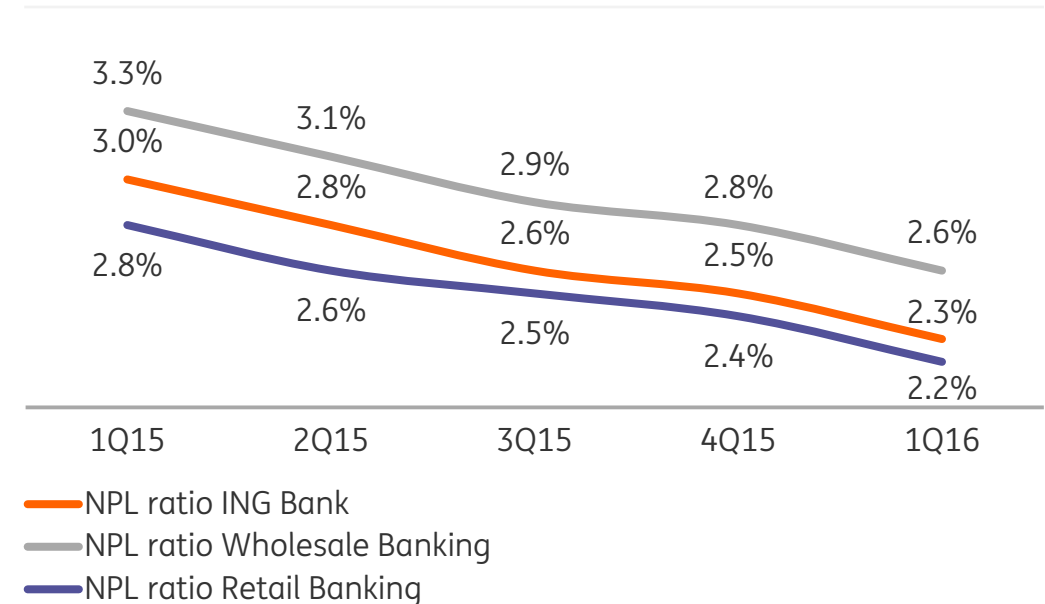
* 31 March 2016 lending and money market credit risk outstanding, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

The quality of our loan book continues to improve

Risk costs (in EUR mln)



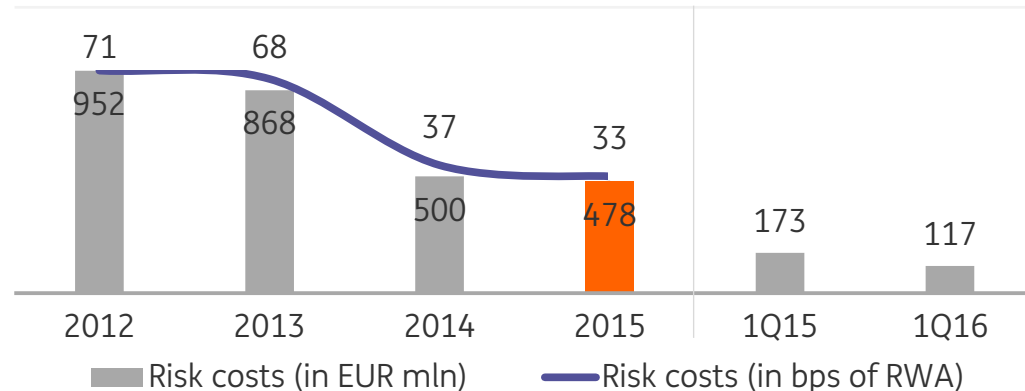
NPL ratio



- Risk costs were EUR 265 mln, or 33 bps of RWA, down from 1Q15 and 4Q15
- NPL ratio down to 2.3%, with improvements in both Retail Banking and Wholesale Banking
- NPL ratio of oil & gas related exposure increased slightly to 2.1%, from 1.8% in 4Q15

Risk costs Wholesale Banking declined to below longer-term average

Risk costs Wholesale Banking have come down from their peak in 2012... (in EUR mln and in bps)



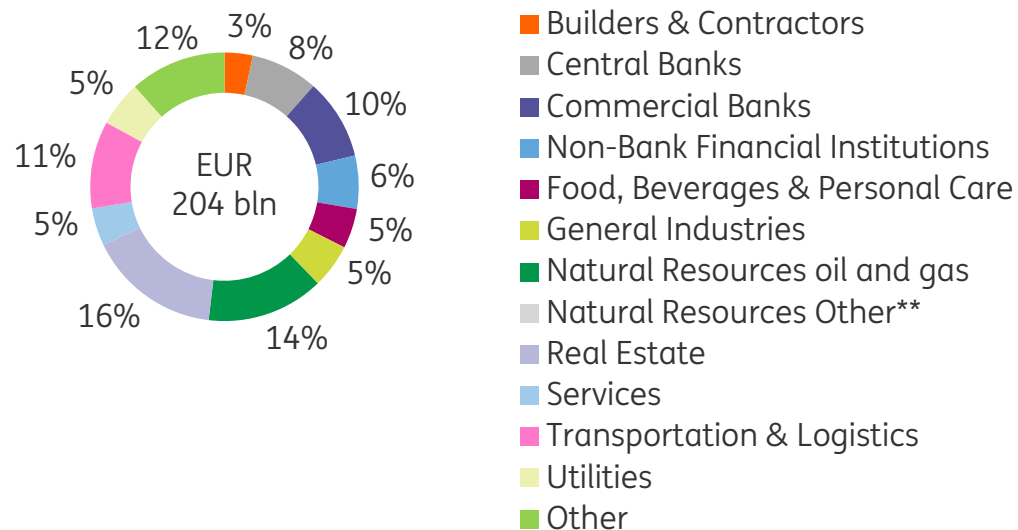
...supported by a decline in the NPL ratio (in %)

	1Q15	4Q15	1Q16
Wholesale Banking	3.3	2.8	2.6
Industry Lending	3.5	2.9	2.6
Of which Structured Finance	1.9	2.2	2.3
Oil & Gas related	0.9	1.8	2.1

* Lending credit O/S include guarantees and letters of credit
 ** Mainly metals and mining

Wholesale Banking benefits from well diversified loan portfolio

Lending Credit O/S Wholesale Banking (1Q16)*

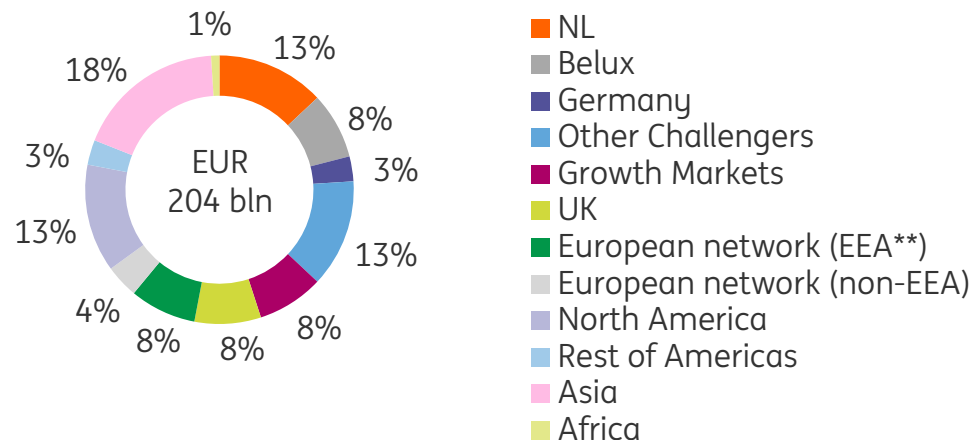


- Oil & gas was 14% and 5% of Wholesale Banking and total Bank lending credit O/S, respectively
- NPL ratio of oil & gas related exposure increased slightly to 2.1%

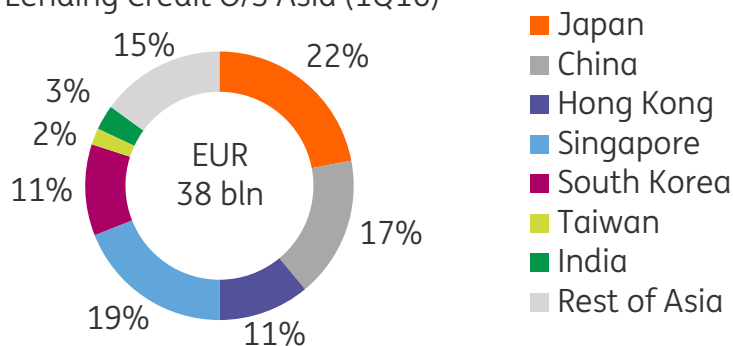
Lending credit outstandings Wholesale Banking well diversified by geography

Loan portfolio is well diversified across geographies...

Lending Credit O/S Wholesale Banking (1Q16)*



Lending Credit O/S Asia (1Q16)*



* Data is based on country of residence

** Member countries of the European Economic Area (EEA)

*** Excluding our stake in Bank of Beijing (EUR 2.4 bln at 31 March 2016)

...with the majority in developed countries

- Our business model is the same throughout our global WB franchise
- We focus on top-end corporates, including domestic blue chips and multinationals, and Financial Institutions
- We concentrate on sectors where we have proven expertise

The quality of our China portfolio is strong

- Wholesale Banking lending credit outstanding to China was around EUR 7 bln at end 1Q16***
- Our China lending exposure is relatively short-term, approximately 61% matures in less than 1 year
- The majority of our exposure is short-term trade & commodity finance and the rest is to major state-owned companies, top-end corporates and Financial Institutions
- 68% is USD, 9% is EUR, 17% is RMB and 6% other currencies

The quality of our Russian portfolio remains strong

Exposure ING Bank to Russia (in EUR mln)

	1Q16	1Q15	Change 1Q-1Q	4Q15	Change 1Q-4Q
Total Lending Credit O/S	5,528	5,927	-399	5,752	-224
Other*	438	932	-494	361	77
Total outstanding	5,966	6,859	-893	6,113	-147
Undrawn committed Facilities	606	1,221	-615	841	-235

Note: data based on country of residence

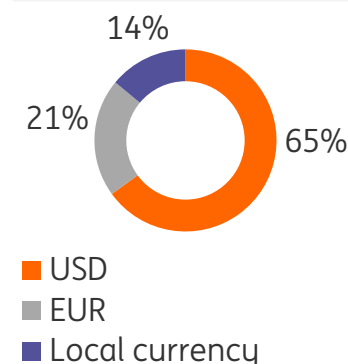
NPL ratio and Coverage ratio Russia

	1Q16	1Q15	4Q15
NPL ratio	3%	3%	3%
Coverage ratio	17%	16%	18%

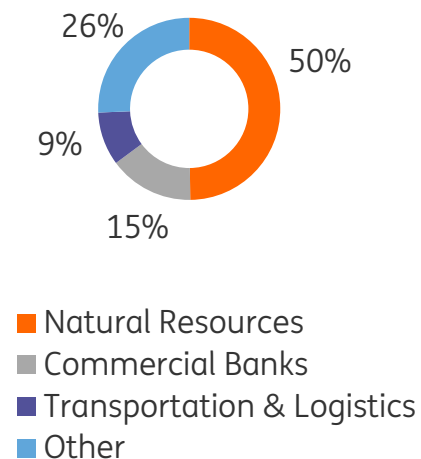
- Total outstanding to Russia declined by EUR 893 mln from 1Q15 and EUR 147 mln from 4Q15
- The lending exposure to Russia covered by Export Credit Agencies (ECA) is approximately EUR 0.9 bln
- Focus on mitigated exposures; ECA-covered, pre-export facilities, offshore collateralized and shorter tenors
- The quality of the portfolio remains strong with the NPL ratio stable at 3%

* Other includes Investments, trading exposure and pre-settlement

Lending outstanding per currency



Lending breakdown by Industry



The quality of our Ukraine portfolio continues to be under pressure, but manageable

Exposure ING Bank to Ukraine (in EUR mln)

	1Q16	1Q15	Change 1Q-1Q	4Q15	Change 1Q-4Q
Total Lending Credit O/S	1,236	1,217	19	1,286	-50
Other*	-2	9	-11	-2	0
Total outstanding	1,234	1,226	8	1,285	-51
Undrawn committed Facilities	36	41	-5	33	3

Note: data based on country of residence

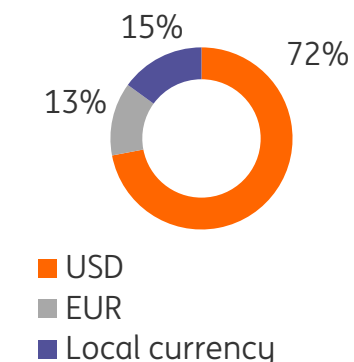
NPL ratio and Coverage ratio Ukraine

	1Q16	1Q15	4Q15
NPL ratio	55%	38%	54%
Coverage ratio	66%	62%	60%

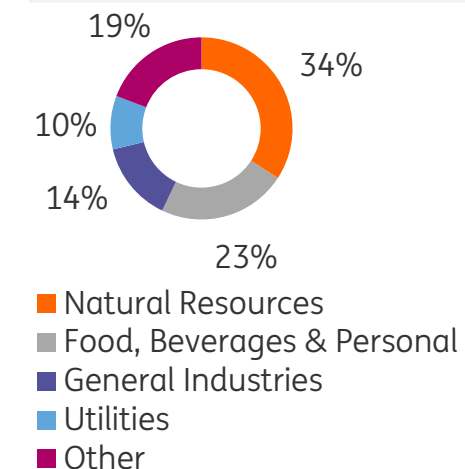
- The NPL ratio remained high at 55% in 1Q16, reflecting the economic recession in Ukraine
- The coverage ratio increased to 66% in 1Q16 from 60% in 4Q15

* Other includes Investments, trading exposure and pre-settlement

Lending outstanding per currency



Lending breakdown by Industry



Lending to the broader oil & gas industry is largely short-term

Lending Credit O/S ING Bank to oil & gas industry (in EUR bln)

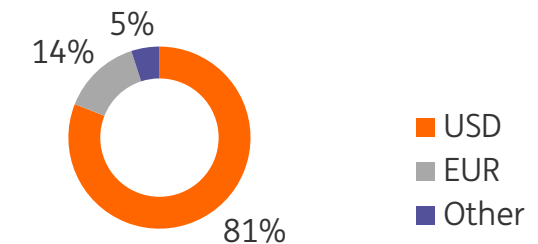
	1Q16	1Q15	Change 1Q-1Q	4Q15	Change 1Q-4Q
Total Lending Credit O/S	28.1	30.1	-2.0	29.1	-1.0

NPL ratio and Coverage ratio oil & gas

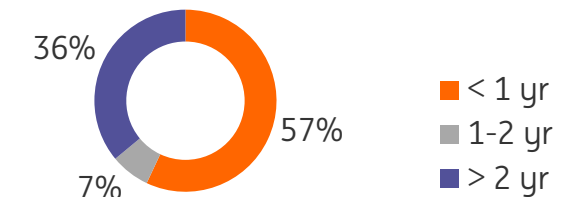
	1Q16	1Q15	4Q15
NPL ratio	2.1%	0.9%	1.8%
Coverage ratio	22%	29%	21%

- Risk costs and the NPL ratio increased somewhat in 1Q16
- Our non-investment grade portfolio is mostly senior secured and debt service ranks ahead of other debt and equity

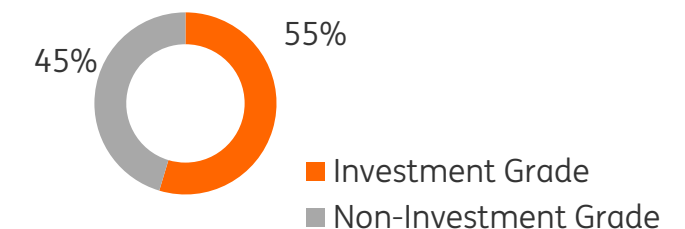
Lending outstanding per currency



Lending breakdown by maturity



Lending outstanding by rating



Lending to the oil & gas industry is well diversified and oil price risk is manageable

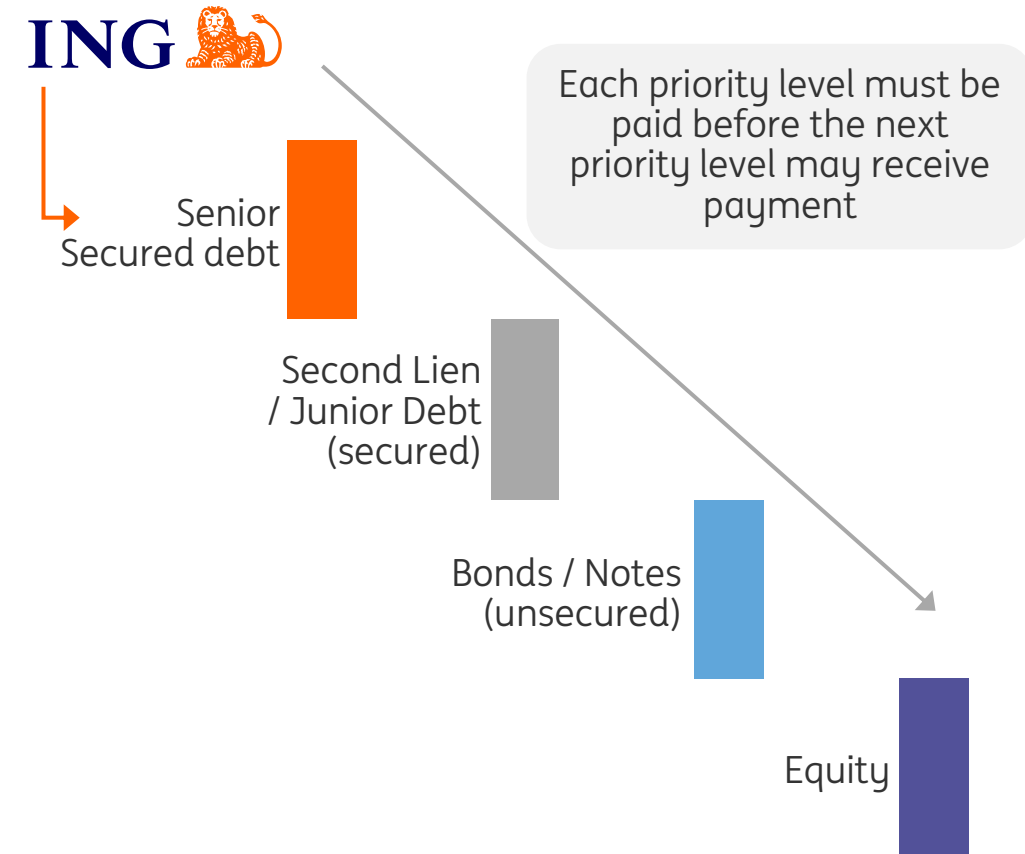
		Lending credit O/S		
		In EUR bln	In %	
Trade and Commodity Finance	• Trade-related exposure; short-term self-liquidating trade finance, generally for major trading companies, either pre-sold or price hedged, not exposing the Bank to oil price risk	11.4	41%	} 85% of lending is not directly exposed to oil price risk
Export Finance	• ECA covered loans in oil & gas: typically 95-100% credit insured	1.6	6%	
Corporate Lending	• Corporate Loans in oil & gas sector: predominantly loans to investment grade integrated oil companies	5.7	20%	
Midstream	• 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	4.9	18%	} Somewhat exposed to oil price risk
Other Offshore Services Companies	• Diversified portfolio of companies active in pipe laying, heavy lifting, subsea services, etc. Corporate guaranteed	0.6	2%	
Offshore Drilling Companies	• Loans to finance drilling rigs, generally backed by 2-5 yr charter contracts and corporate guaranteed	1.0	4%	} On EUR 3.8 bln of exposure, we may see higher loan losses due to the oil price decline in the past year
Reserve Based Lending*	• Financing based on borrower's oil & gas assets. Loans secured by reserves of oil & gas. Includes smaller independent oil & gas producers	2.8	10%	
Total Oil & Gas related exposure		EUR 28.1 bln		

- ING has very limited activity in oil field services sector in the US
- Our Reserve Based Lending portfolio is almost entirely senior secured and debt service ranks ahead of other debt and equity

* Individual RBL clients have different combinations of oil and gas but overall portfolio composition is approximately 60% oil and 40% gas

Our Reserve Based Lending portfolio is senior secured debt

Priority Ranking Capital Structure & Debt Service



Capital structure supports senior lenders

- Our Reserve Based Lending portfolio is almost entirely senior secured and debt service ranks ahead of other debt and equity
- Senior secured debt ranks before junior debt, high yield bonds and equity that would take the first hit

Lending to metals & mining industry is well diversified

Lending Credit O/S ING Bank to metals & mining (in EUR bln)

	1Q16	1Q15	Change 1Q-1Q	4Q15	Change 1Q-4Q
Total Lending Credit O/S*	14.1	13.5		14.2	-0.1

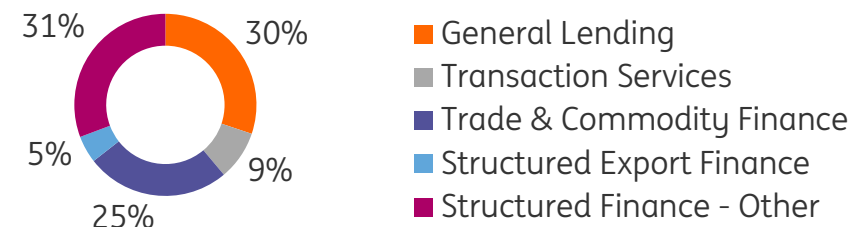
NPL ratio and Coverage ratio metals & mining

	1Q16	1Q15	4Q15
NPL ratio	6.0%	6.2%	6.4%
Coverage ratio	46%	34.2	42%

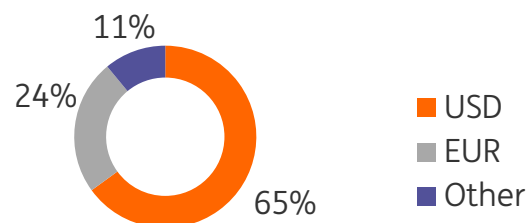
- Metals & mining lending portfolio is well diversified in terms of underlying commodities, type of product, type of exposures, structures and duration
- Around 25% is short-term self-liquidating trade finance and not sensitive to price risk
- Around 5% is export finance and covered by Export Credit Agencies
- Focus is and has always been on high credit quality names, low cost producers and industry leaders
- Around 70% of the NPLs are related to our exposure to the Ukraine (around 50%, see slide 32) and Russia (around 20%, see slide 31)
- Excluding the Ukrainian and Russian exposure, the NPL ratio is 1.7%

* Approximately EUR 2 bln is Retail Banking

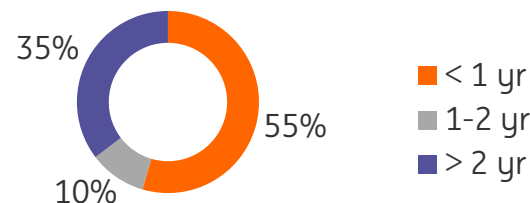
Lending outstanding by segment



Lending outstanding per currency



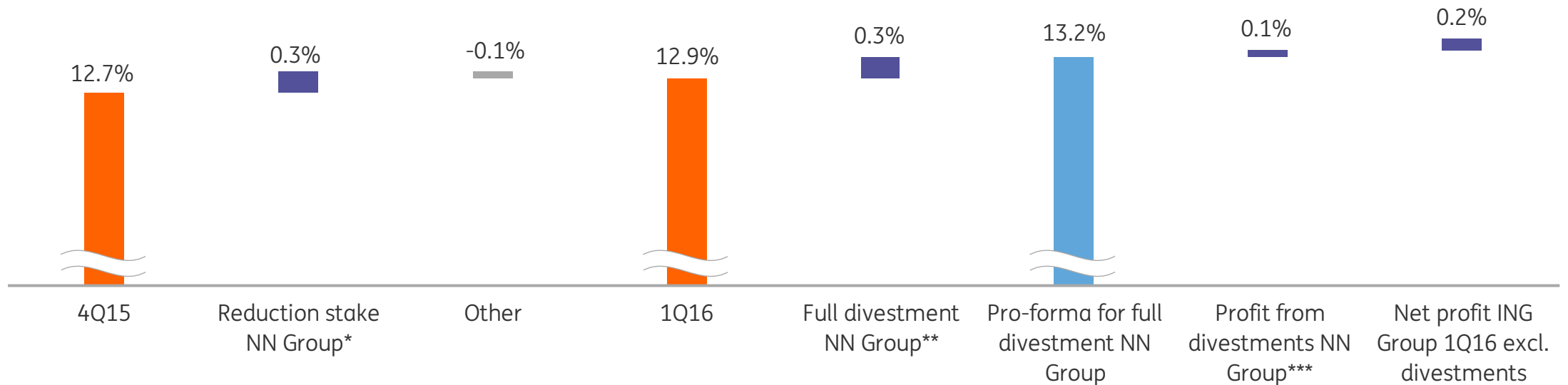
Lending breakdown by maturity



Group and Bank capital

Group capital position strengthens further

ING Group pro-forma fully-loaded CET1 ratio at 13.2%; interim profit is not included in capital (in %)



- Group fully-loaded CET 1 capital rose to 12.9%, primarily reflecting the positive impact from the reduction of our stake in NN Group
- Similar to last year, ING has decided not to include the 1Q16 profit in Group CET 1 capital
- Pro-forma Group fully-loaded CET 1 capital ratio after full divestment of NN Group on 14 April would be 13.2%
- Profit not included in capital includes gain of EUR 0.4 bln on the sales of NN Group (14 bps)** and 1Q16 Group net profit (excluding gain on sales NN Group) of EUR 0.8 bln (24 bps)

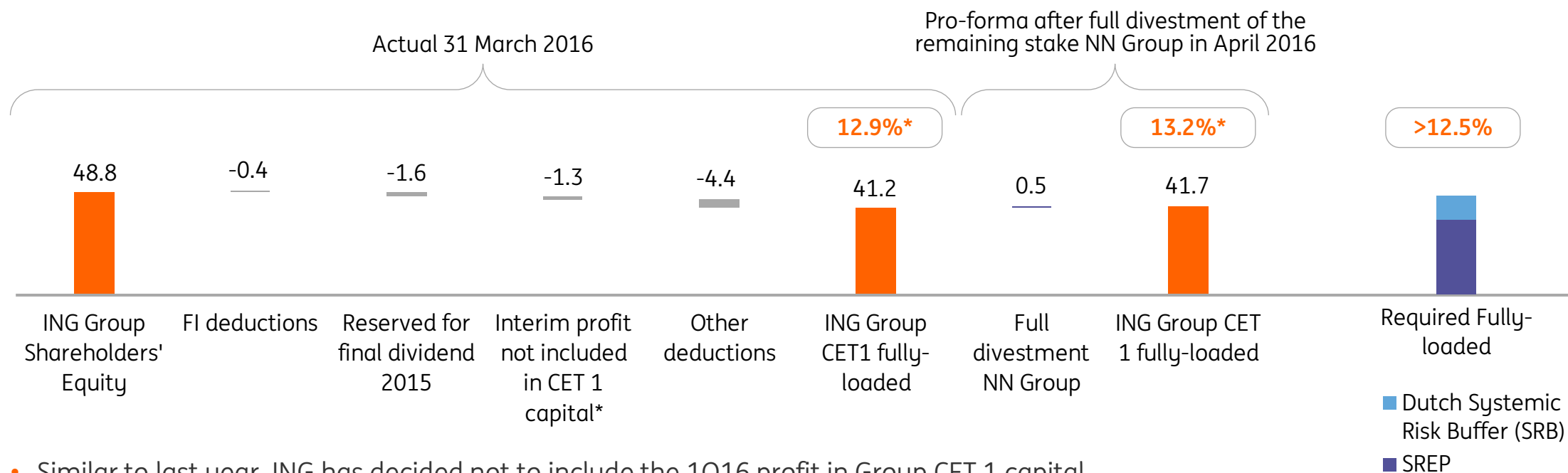
* Decline FI deductions, mainly related to reduction stake NN Group to 14.1% in 1Q16. The P/L gain of EUR 506 mln is not included

** Full divestment NN Group in April 2016. The P/L loss of EUR 66 mln is not included

*** P/L gain of EUR 506 mln on sale of stake NN Group in 1Q16 and loss of EUR 66 mln on full divestment NN Group in April 2016

Pro-forma Group CET1 already exceeds regulatory requirement on a fully-loaded basis

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

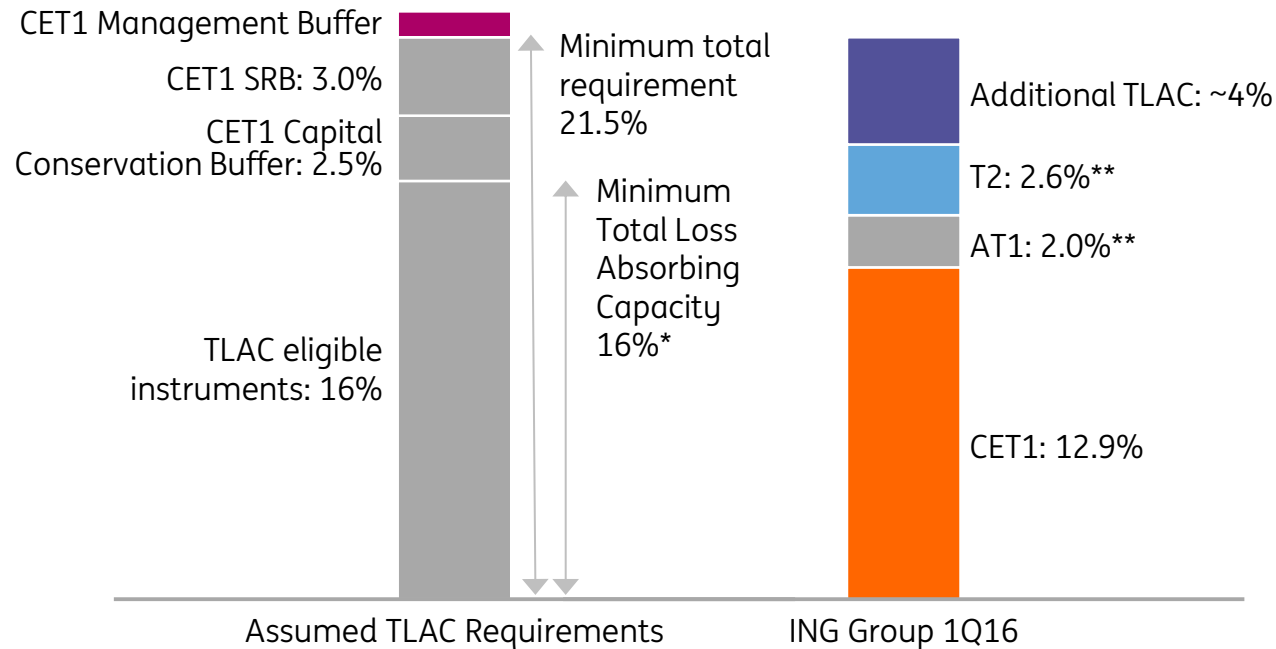


- Similar to last year, ING has decided not to include the 1Q16 profit in Group CET 1 capital
- Pro-forma Group CET 1 capital ratio after full divestment of NN Group on 14 April would be 13.2% in 1Q16
- Pro-forma Group capital ratio, excludes 38bps from the P/L gain on the sale of the remaining stake in NN and the 1Q16 net profit
- Group has a minimum required fully-loaded common equity Tier 1 capital ratio of 12.5%, which is composed of a 9.5% CET 1 (SREP) requirement and a 3.0% Dutch systemic risk buffer

* ING Group fully-loaded CET1 ratio is based on RWAs of EUR 318 bln; Pro-forma for full divestments is based on RWAs of EUR 316 bln

ING has flexibility to comply with expected TLAC requirements

TLAC requirements 1 January 2019 (fully loaded, in %)



The Financial Stability Board's TLAC proposals

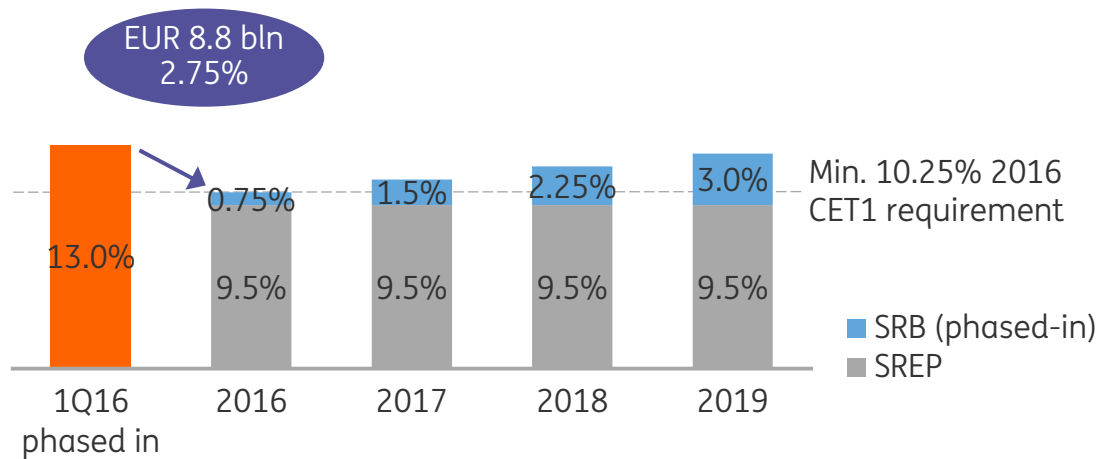
- The final TLAC proposal was published in November 2015
- Assuming TLAC requirements at 21.5% (including buffers) by 1 January 2019, ING is well placed to meet these
- Given the sizeable amount of long-term debt maturing in the next few years, ING has ample flexibility to comply with the expected TLAC requirements
- Minimum TLAC RWA requirement is currently more constraining than minimum TLAC leverage requirement
- Since the Systemic Risk Buffer of 3% is applied to ING Group (and not to ING Bank), we took the prudent approach to calculate TLAC for ING Group
- No decision has been taken as to the preferred resolution strategy pending regulatory discussions and developments

* Minimum TLAC requirement will increase to 18% as per 1 January 2022

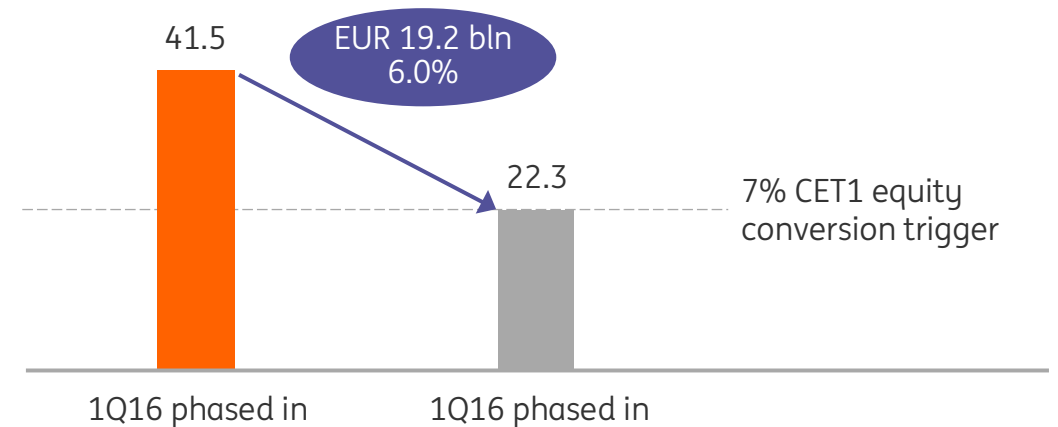
** Grandfathered securities expected to be replaced by CRD IV compliant hybrids in the coming years

Additional Tier 1: comfortable buffers to triggers

Buffer to MDA 1Q16*



Buffer to Conversion Trigger 1Q16 (in EUR bln)*



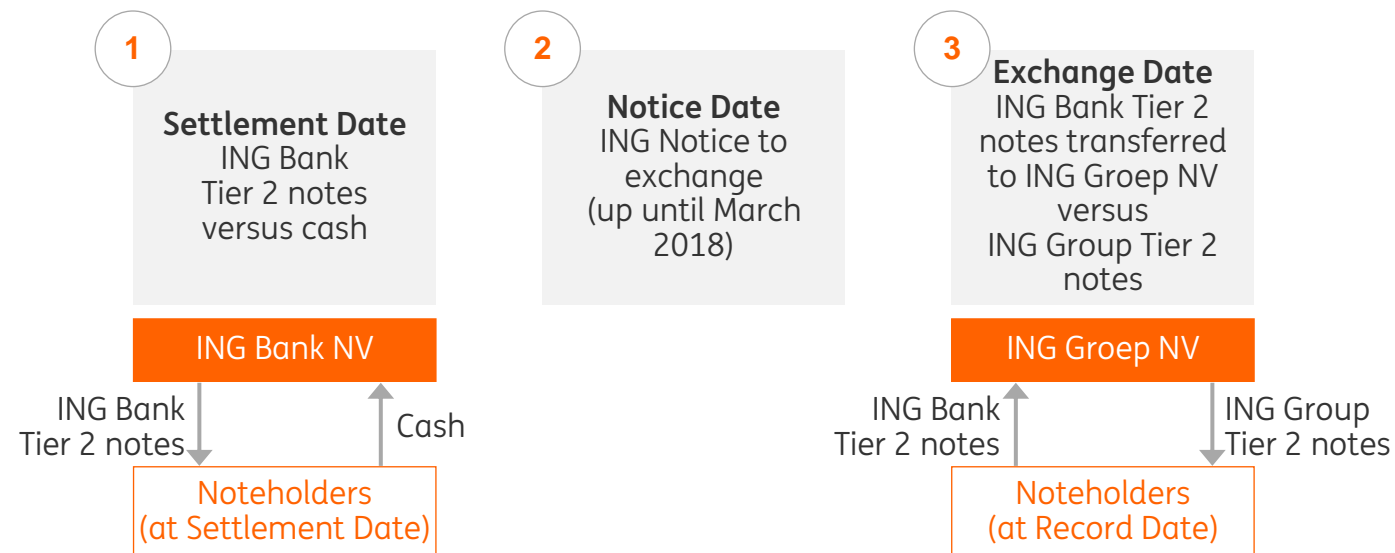
Buffer to MDA	<ul style="list-style-type: none"> MDA restrictions will apply if ING Group breaches Combined Buffer Requirements (CBR). SREP CET 1 requirement (9.5%) have come into force, while SRB (3%) is being phased-in over four annual instalments As per end-March 2016, the buffer to the 2016 MDA restriction level is EUR 8.8 bln or 2.75% of RWAs MDA framework is currently under review and could be subject to change
Buffer to Conversion Trigger	<ul style="list-style-type: none"> The ING Group phased-in capital buffer to conversion trigger (7% CET1) is high at EUR 19.2 bln
Available Distributable Items	<ul style="list-style-type: none"> AT1 discretionary distributions may only be paid out of distributable items As per end-2015, ING Group had EUR 36.2 bln of distributable items (~80x the FY15 coupon payments on Tier 1 capital), largely stable compared to the EUR 36.0 bln at end-2014

* Buffer vs. 2016 CRR/CRDIV transitional rules

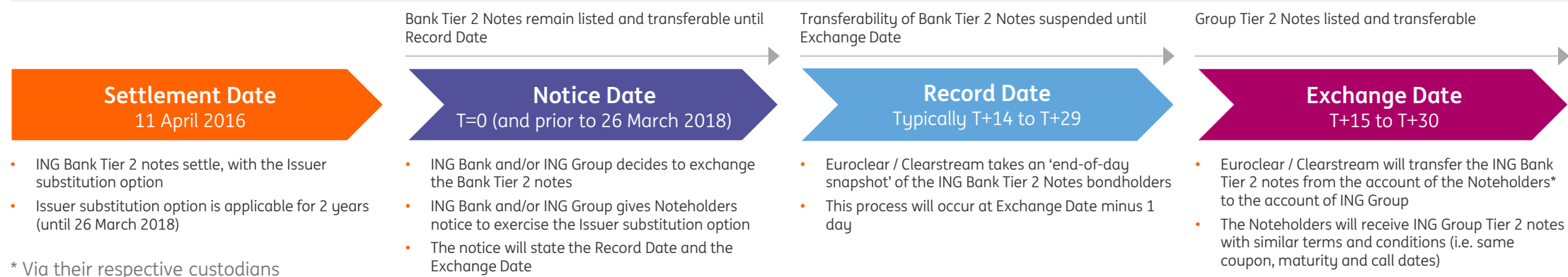
ING issues € 1 bln Tier 2 with innovative issuer substitution option through exchange

Tier 2 deal highlights

- On April 6th 2016, ING issued Tier 2 bonds with an issuer substitution option through exchange. This gives ING flexibility as to the issuing entity
- This is particularly relevant given that the National Resolution Authority has not given definitive guidance regarding the resolution strategy should a Dutch bank fail
- ING has the option to replace the ING Bank Tier 2 notes for ING Group Tier 2 notes (similar terms) through exchange until April 2018. The Noteholders agree upfront in the T&Cs to transfer their Bank Tier 2 notes (in whole and not in part) in return for Group Tier 2 notes, upon notice given by ING
- The EUR 1 bln 12NC7 deal was priced at m/s + 285bp

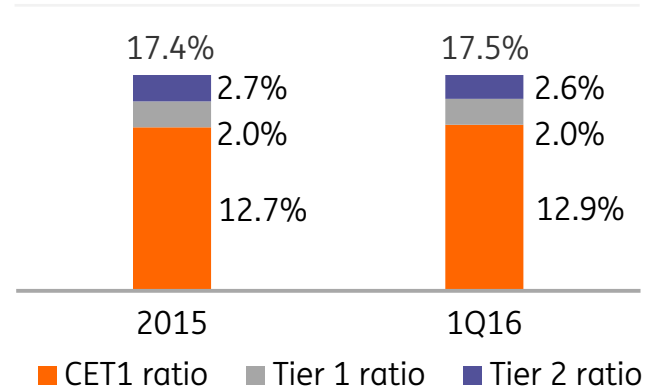


Issuer substitution option timeline

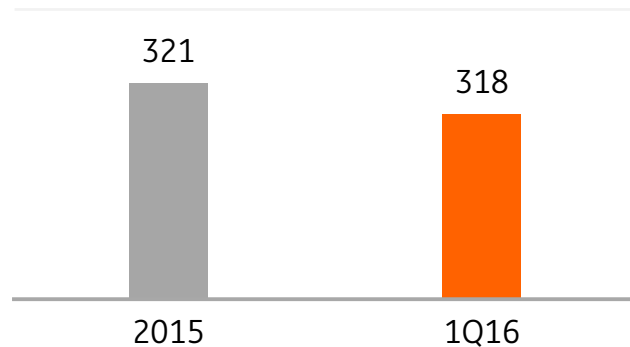


ING Group capital ratios and risk-weighted assets

ING Group capital ratios* (fully loaded)



ING Group total risk-weighted assets (in EUR bln)



* Includes grandfathered securities

Regulatory capital* (in EUR bln)

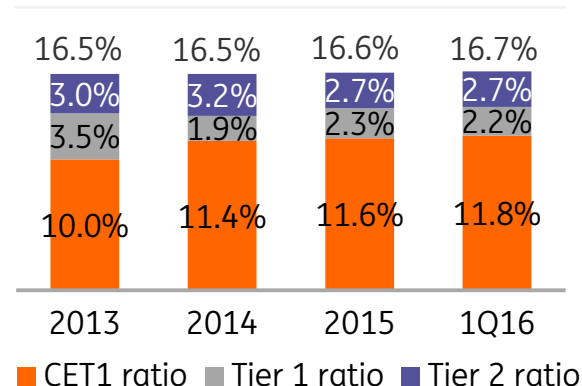
	31-Mar 2016	31-Dec 2015	Change	
Fully loaded ratios	CET1 ratio	12.9%	12.7%	+0.2%
	Tier 1 ratio	14.9%	14.7%	+0.2%
	Total capital ratio	17.5%	17.4%	+0.1%
	Leverage ratio	4.3%	4.4%	-0.1%
	Shareholders' equity	48.8	47.8	+1.0
	CET1 capital	41.2	40.8	+0.4
	Risk-weighted assets	318.3	321.2	-2.9

RWA development

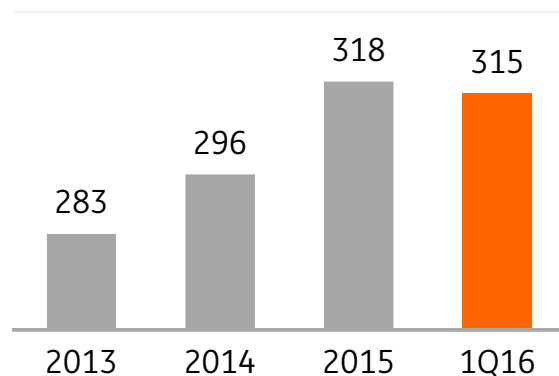
- Risk-weighted assets at Group level reflect developments at the Bank (see next page for more detail on RWA breakdown)

ING Bank capital ratios and risk-weighted assets

ING Bank capital ratios* (fully loaded)



ING Bank total risk-weighted assets (in EUR bln)

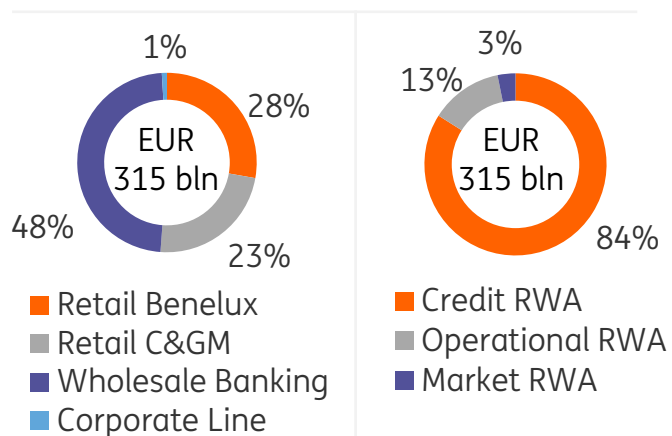


* Includes grandfathered securities

Regulatory capital* and liquidity (in EUR bln)

	31-Mar 2016	31-Dec 2015	Change	
Fully loaded ratios	CET1 ratio	11.8%	11.6%	+0.2%
	Tier 1 ratio	14.0%	13.9%	+0.1%
	Total capital ratio	16.7%	16.6%	+0.1%
	Leverage ratio	4.0%	4.1%	-0.1%
	Shareholders' equity	41.5	40.9	+0.6
	CET1 capital	37.2	36.8	+0.4
	Risk-weighted assets	315.4	318.2	-2.8
Liquidity	LCR	> 100%	> 100%	

ING Bank total risk-weighted assets 1Q16



RWA development

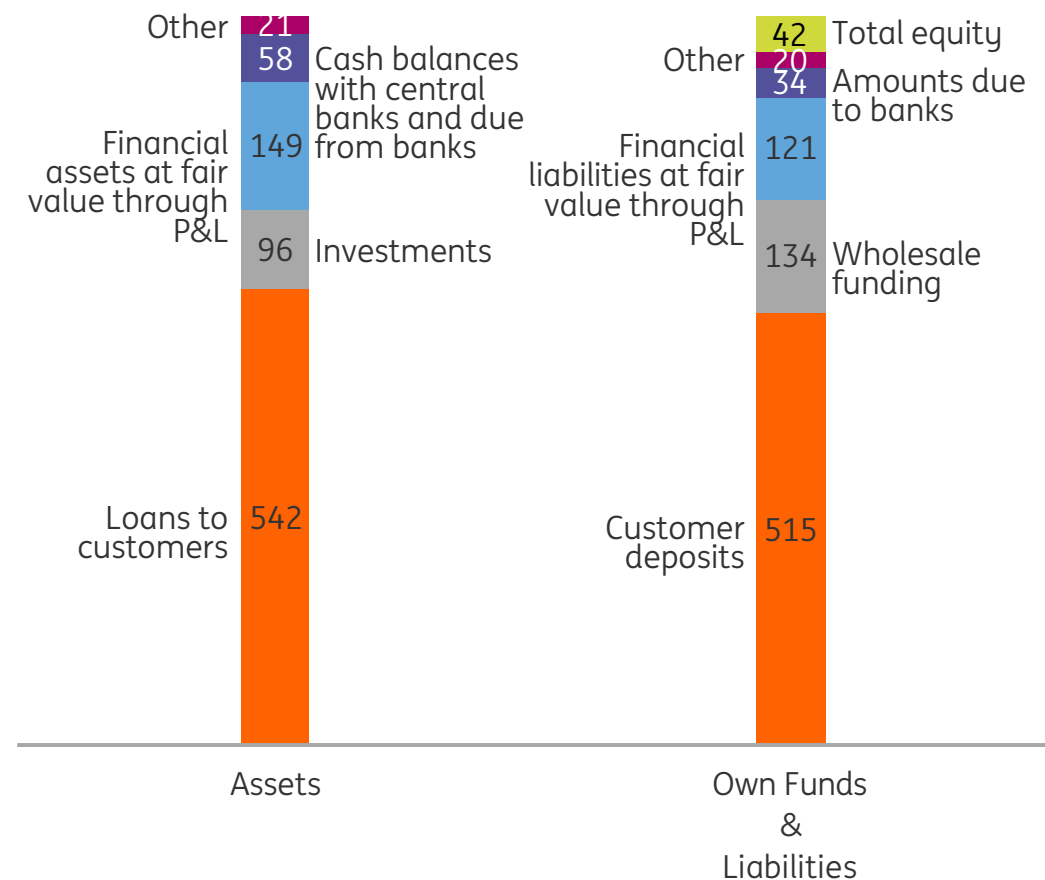
- At the end of March 2016, ING Bank's total RWA were EUR 2.8 bln lower than at year-end, reflecting negative impact from foreign currency movements and lower operational RWA
- There is still regulatory uncertainty with respect to the future applicable framework, particularly the proposal of a revised standardised approach plus floors ('Basel IV') could have a material impact
- ING participates in all Quantitative Impact Studies (QIS) and consultation processes and there is a constant dialogue with the regulators

Bank liquidity and funding

ING Bank balance sheet: strong and conservative with customer deposits as the primary source of funding

Balance sheet ING Bank (in EUR bln)

Balance sheet size ING Bank 31 March 2016: EUR 866 bln



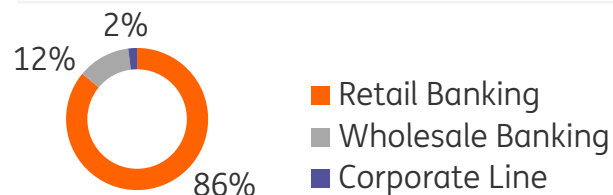
High quality customer loan book

- See Asset Quality section of the presentation

Attractive funding profile

- 59% of the balance sheet is funded by customer deposits
- 86% of total funds entrusted is retail based
- Attractive Loan-to-Deposit ratio of 1.04 as per 31 March 2016

Customer deposits by segment



Large, high quality liquidity buffer

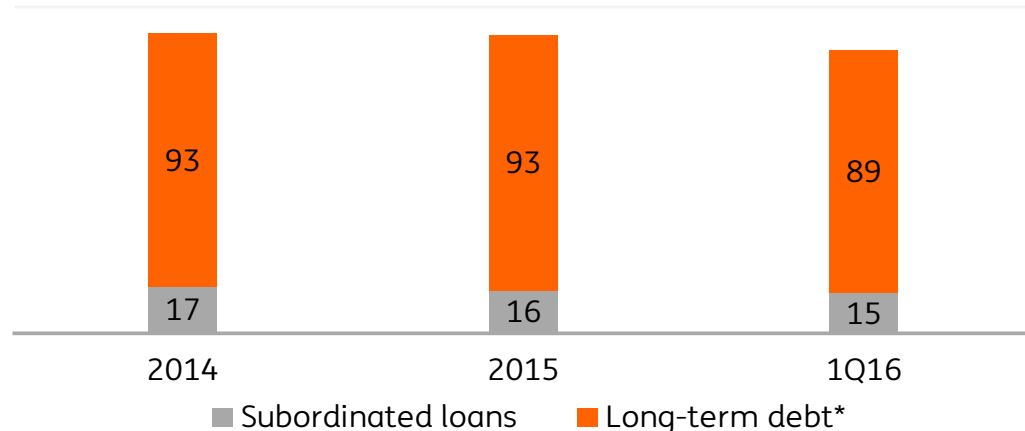
- See Funding & Liquidity sections of the presentation

Conservative trading profile

- Majority of our Financial Markets business is customer flow based where we largely hedge out positions, reflected in large but often off-setting assets and liabilities at FV positions
- Average VaR during 1Q16 was EUR 15 mln for ING Bank's trading portfolio

ING Bank long-term debt issuance has increased over time and has remained steady in past quarters

Long-term funding steady over past quarters (in EUR bln)



ING Bank credit ratings on 9 May 2016

	Long term rating	Outlook	Short term rating
S&P	A	Stable	A-1
Moody's	A1	Stable	P-1
Fitch**	A+	Stable	F1

Benchmark issuance in 1Q16

- Feb-16: 5yr EUR 1.25 bln ING Bank senior unsecured at m/s + 58bp
- Mar-16: USD 1.85 bln 3-tranche ING Bank senior unsecured:
 - 3yr FRN USD 500 mln at 3mL + 113bp
 - 3yr FXD USD 750 mln at T + 115bp
 - 5yr FXD USD 600 mln at T + 128bp

Asset encumbrance remains low

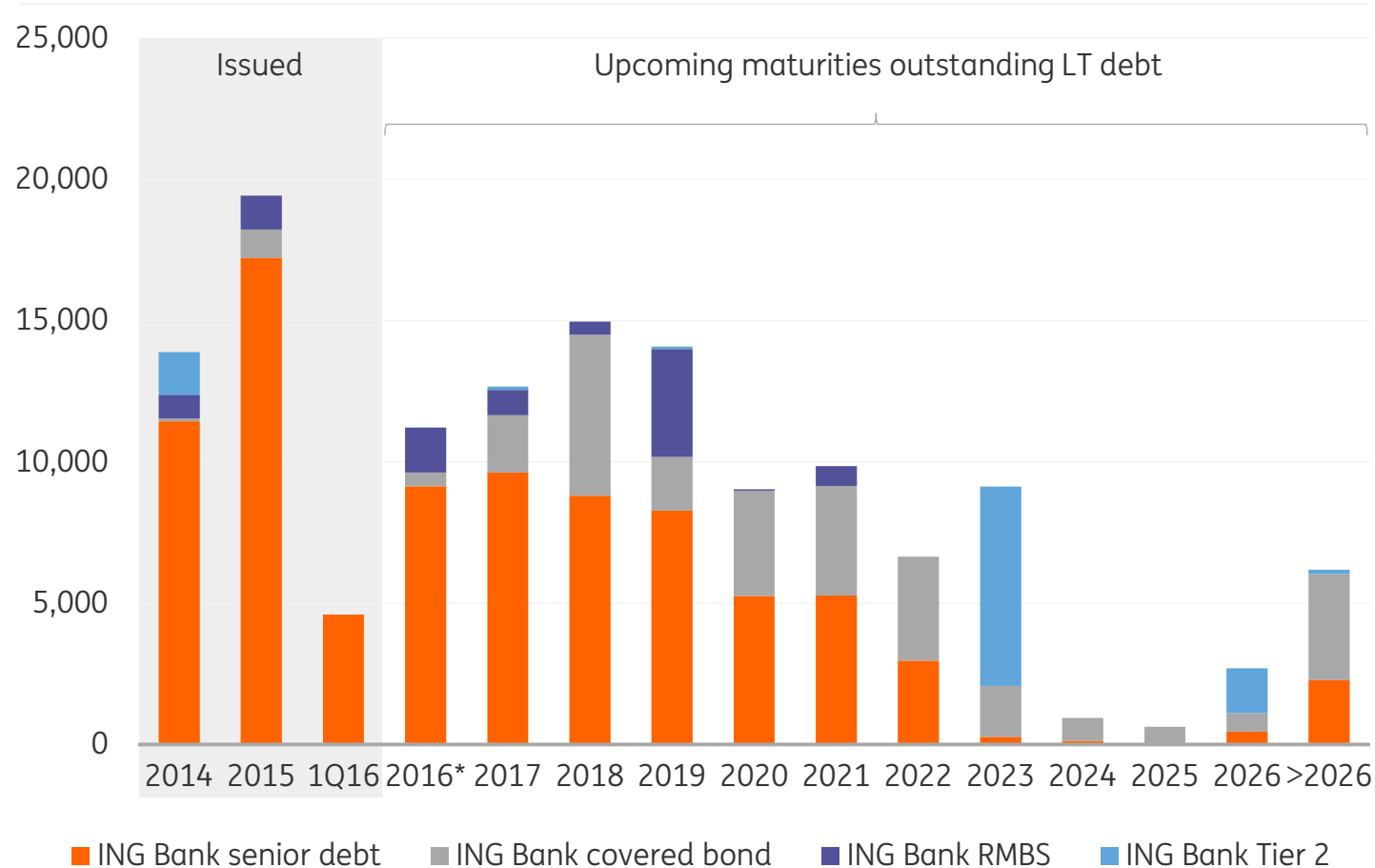
- At year-end 2015, the median asset encumbrance ratio for ING Bank was 18% (EUR 104.2 bln)
- ING manages its balance sheet prudently whereby a variety of funding sources is readily available
- Given this diversified funding strategy, the level of asset encumbrance of ING's balance sheet is relatively low compared to other European lenders

* Long-term debt recognised under Debt securities in issue and (minor part) under Financial liabilities at fair value through P&L

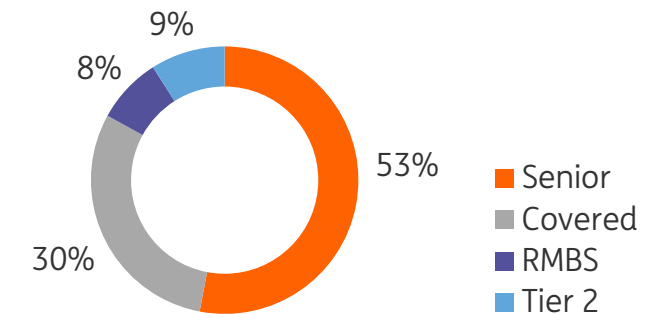
** In April 2016, Fitch upgraded its ratings of ING Bank NV by one notch from A to A+

ING Bank has modest long-term funding needs

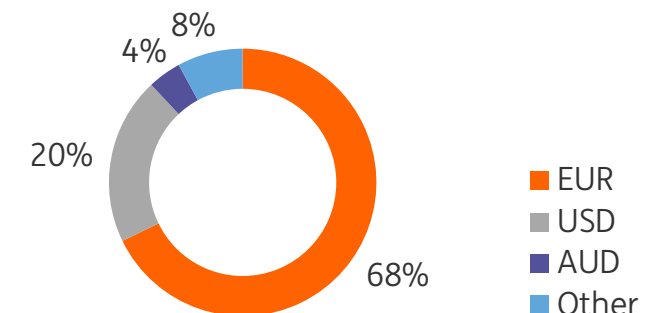
Maturity ladder outstanding long-term debt (in EUR mln)



Outstanding LT debt by type



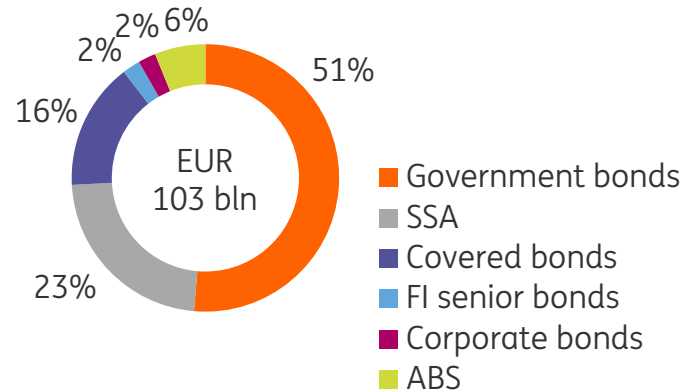
Outstanding LT debt by currency



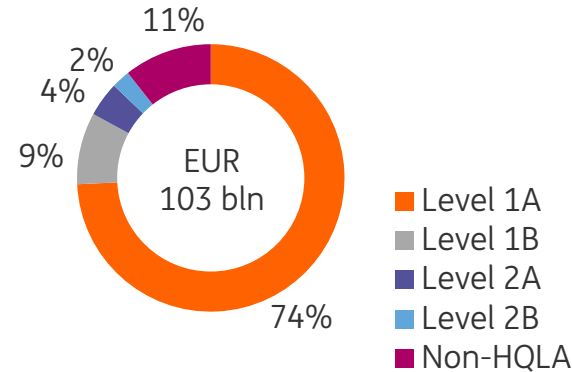
ING Bank NV consolidated figures shown for issued senior bonds are included with a tenor ≥ 1 year
 * 2016 redemptions do not include 1Q16

Investment portfolio consists of high quality assets

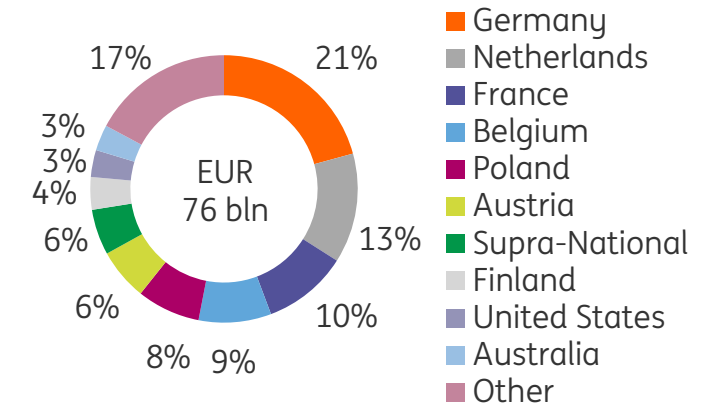
Debt securities by type



Debt securities by LCR category



Level 1A assets by country



Strong investment portfolio with mainly HQLA assets

- ING Bank's investment portfolio increased to EUR 102.6 bln from EUR 101.9 bln in 4Q15
- The increase is mainly the result of a EUR 1.1 bln rise in SSA bonds, largely in Dutch agencies and German federal states
- EUR 91.6 bln of bonds in the investment portfolio qualify as HQLA (89%), out of this amount 83% qualifies as Level 1A HQLA under the EU's delegated act
- The investment portfolio has an average tenor of 4.6 years
- Total liquidity buffer well exceeds short-term wholesale debt*

* Includes ING Bank NV long term debt with remaining lifetime < 12 months and balance of CD/CP's Issued

Wrap up

Wrap up

- ING has a well-diversified business portfolio and a conservative risk profile
- Think Forward strategy continues to improve the customer experience and drive commercial growth
- Net interest result increases on volume growth and higher margins; commission income stable
- Quality of the loan book evident as risk costs and NPLs fall
- ING Group's first-quarter net result was EUR 1,257 mln, supported by gain on divestment of stake in NN
- ING Group fully loaded CET1 ratio up to 12.9%, or 13.2% pro-forma after full divestment of NN
 - Already exceeds 2019 fully-loaded CET 1 requirement (SREP 9.5% + 3% D-SIB phasing in until 2019);
 - EUR 1.3 bln of 1Q16 interim profits not included in capital
- Strong and conservative balance sheet with customer deposits as the primary source of funding

Appendix

Robust rating profile with strong trend over the last 12 months

Credit ratings on 9 May 2016

	S&P	Moody's	Fitch
Stand-alone rating	bbb+	baa1	a+
Business position	1 notch		
Capital and earnings	1 notch		
Government support	-	1 notch	-
Junior debt support	-	N/A	-
Moody's LGF support	N/A	2 notches	N/A

ING Bank NV (OpCo)

Bank senior LT rating	A	A1	A+
Outlook	Stable	Stable	Stable
Bank senior ST rating	A-1	P-1	F1
Tier 2	BBB+*	Baa2	A

ING Groep NV (HoldCo)

Group senior LT rating	A-	Baa1	A+
AT1	BB	Ba1	BBB-

* Tier 2 rating for latest instrument with issuer substitution option via exchange is BBB

ING rating actions in past 12 months

- S&P: Jun-2015 outlook change from 'A' Negative to 'A' Stable on strengthening capital
- Moody's: May-2015 rating uplift from 'A2' to 'A1' following the publication of Moody's new bank rating methodology
- Fitch: Apr-2016 rating uplift from 'A' to 'A+' reflecting ING's solid financial metrics and strong execution of strategy, supported by higher capital ratios, which resulted in an improvement of ING Bank's viability rating

Recent ING Bank Senior, Covered and RMBS benchmarks and sustainability ratings

Senior Unsecured

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
US44987CAK45	Mar-16	Mar-19	3yr	3mL + 113	USD	500	3mL + 113
US44987CAN83	Mar-16	Mar-19	3yr	2.3%	USD	750	T + 115
US44987CAM01	Mar-16	Mar-21	5yr	2.75%	USD	600	T + 128
XS1368576572	Feb-16	Feb-21	5yr	0.75%	EUR	1250	ms + 73
US44987CAJ71	Nov-15	Nov-18	3yr	2%	USD	800	T + 90
XS1324217733	Nov-15	Nov-20	5yr	0.75%	EUR	500	ms + 58



Covered Bond*

ISIN	Issue date	Maturity	Tenor	Currency	Issued
XS1373214243	Feb-16	Feb-23	7yr	EUR	425
XS1373212460	Feb-16	Feb-23	7yr	EUR	575
XS1333774336	Dec-15	Dec-23	8yr	EUR	1000

Dutch RMBS (Orange Lion)

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
NL0011275425	Jun-15	Jul-22	6yr (WAL)	3mE + 29	EUR	750	3mE + 29

* Internally placed Soft Bullet Covered Bonds issued under ING Bank's € 5bn Soft Bullet Covered Bond programme

Our sustainable focus recognised by experts and public



ING is ranked in the **top 3%** of more than **2,000 companies** when it comes to actions and strategies to combat climate change, receiving the highest possible score, according to CDP. Our high score also earned us a place in the **Benelux Climate Disclosure Leadership Index**



ING was awarded a score of **C** and classified as **'Prime'** putting ING in place **10 out of 292 companies** rated by oekom research in the Financials/Commercial Banks and Capital Markets sector



ING is classified as **Industry Leader** by Sustainalytics. Of a peer group of 339 publicly listed banks, ING Group ranks **3rd** on corporate sustainability and ESG performance

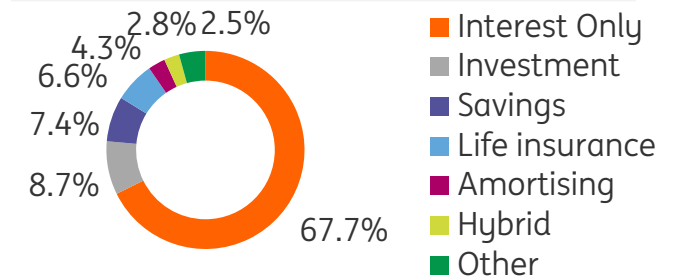
ING Bank's covered bond programme...

- ING Bank NV € 35bn Hard and Soft Bullet Covered Bonds programme
 - UCITS, CRR and ECBC Label compliant. Rated Aaa/AAA/AAA (Moody's/S&P/Fitch)
 - Programme is used for external issuance purposes; separate € 5bn Soft Bullet Covered Bonds programme for internal transactions only
 - Cover pool consists of 100% prime Dutch residential mortgage loans, all owner occupied and in EUR only. As per 31 March 2016, no arrears > 90 days in the cover pool
 - Strong Dutch legislation with min. legally required OC of 5% and LTV cut-off rate of 80%
- Latest investor reports are available on www.ing.com/IR

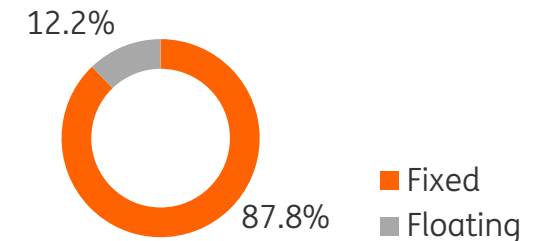
Portfolio characteristics in EUR (as per 31 March 2016)

Net principal balance	34,801 mln
Outstanding bonds	24,567 mln
# of loans	207,583
Avg. principal balance (per borrower)	167,649
WA current interest rate	3.6%
WA maturity	19.5 years
WA remaining time to interest reset	5.1 years
WA seasoning	10.1 years
WA current indexed LTV	76.7%
Min. documented OC	25.8%
Nominal OC	41.7%

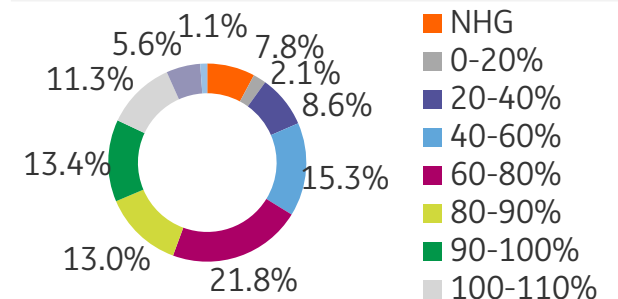
Repayment type



Interest rate type

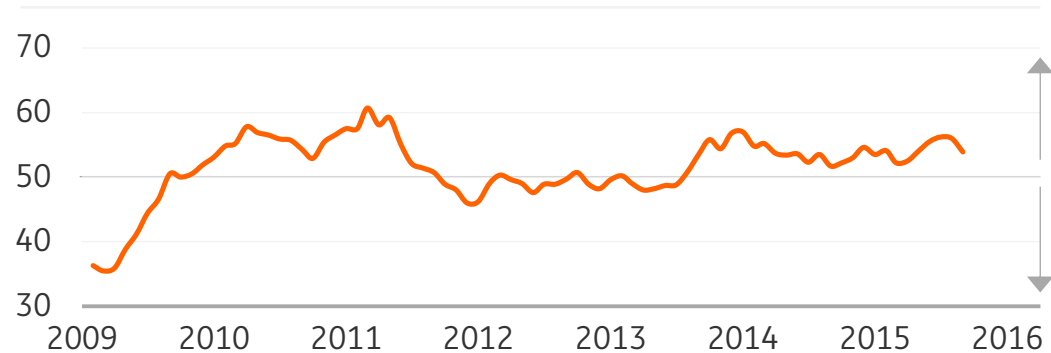


Current Indexed LTVs

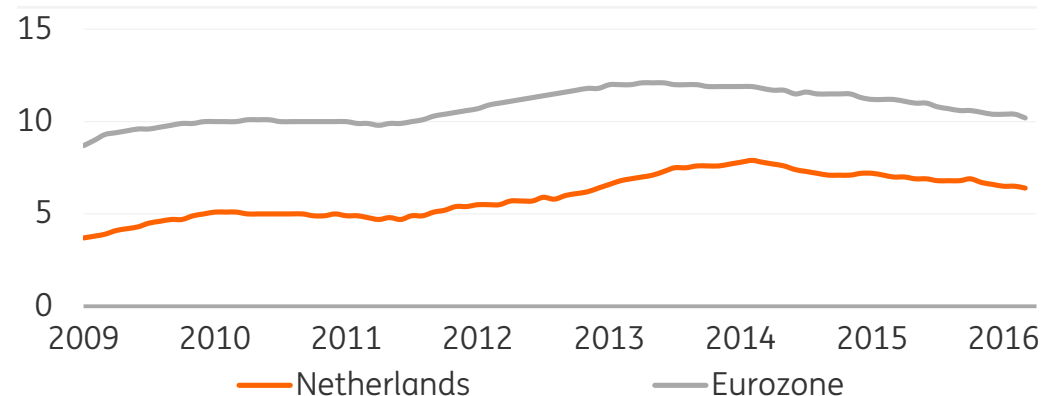


...benefiting from improving Dutch economy and housing market

Dutch Purchasing Managers Index (PMI) was 53.6 in March 2016 which indicates positive growth



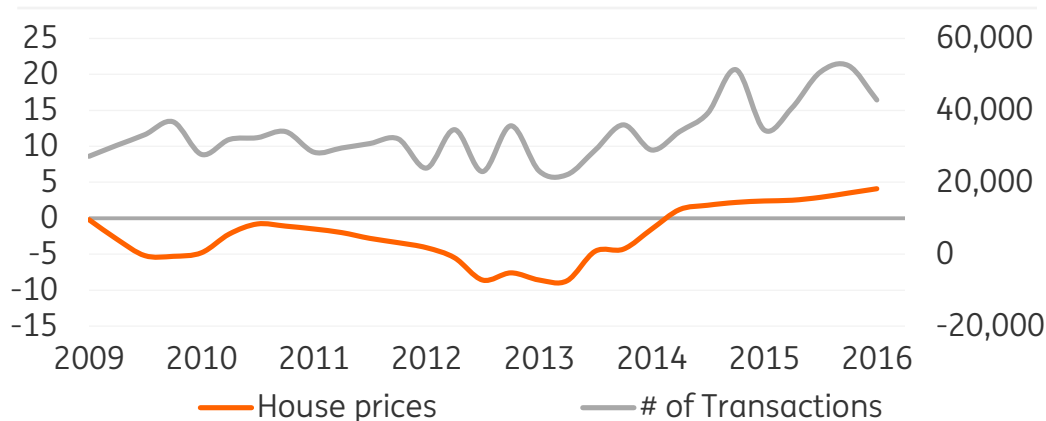
Unemployment rate (%) declined for the 5th consecutive month to 6.4% in March



Dutch consumer confidence* turning positive yet again but recovery remains fragile



Dutch house prices and market turnover underlining healthy state of the housing market**



* Source: CBS data
** Source: NVM

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, except as described otherwise, the same accounting principles are applied as in the 2015 ING Group consolidated 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) 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, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations, (10) changes in the policies of governments and/or regulatory authorities, (11) conclusions with regard to purchase accounting assumptions and methodologies, (12) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (13) changes in credit ratings, (14) ING's ability to achieve projected operational synergies and (15) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on www.ING.com. 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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