ING Group

Think Forward, Act Now

Koos Timmermans, vice-chairman ING Bank

Rome • 16 June 2015

thinkforward

Key points

- ING Group’s stake in NN Group has been reduced to 38.2%; NN Group deconsolidated
  - Pro-forma ING Group CET1 ratio fully-loaded increased to 12.4%
  - Price leadership ban and acquisition ban have lapsed
- We continue to make progress on executing our Think Forward strategy
  - Interactions with customers are moving quickly to mobile
  - Continuing programme of innovation
- We are well positioned in the mature but wealthy Benelux markets
  - ING is a leading Retail and Commercial Bank in the Benelux
  - Benelux continues to deliver strong returns
- ING Bank’s first quarter 2015 results were strong
  - Underlying pre-tax result of EUR 1,661 mln, up 41.2% from 1Q14 and more than double that of 4Q14
  - 1Q15 results driven by robust loan growth and seasonally strong first quarter of Financial Markets

ING Group's stake in NN Group reduced to 38.2%…

ING Group's stake in NN Group reduced to 38.2%; NN Group deconsolidated

- On 26 May 2015, ING sold 45 mln ordinary shares of NN Group, reducing our stake to 42.4%. Gross proceeds to ING Group from this transaction amounted to EUR 1.1 bln
- Following this transaction, NN Group has been deconsolidated and will be accounted for as an Associate Held for Sale. This fulfils a EC restructuring requirement to divest at least 50% of NN Group before year-end 2015
- As a consequence of the deconsolidation of NN Group, the price leadership ban and acquisition ban are no longer applicable
- On 10 June, ING announced that it has exchanged EUR 337.5 mln of mandatory exchangeable subordinated notes of NN anchor investments into 14.2 mln NN shares*, reducing our stake to 38.2%

Estimated combined financial impact ING Group (in EUR bln)

	ING Group
Proceeds	1.1
Impact P/L	-0.1
Impact Shareholders' Equity**	-6.7
Impact CET 1 ratio fully-loaded	2.2
Impact CET 1 ratio fully-loaded (in bps)	80 bps

Final steps

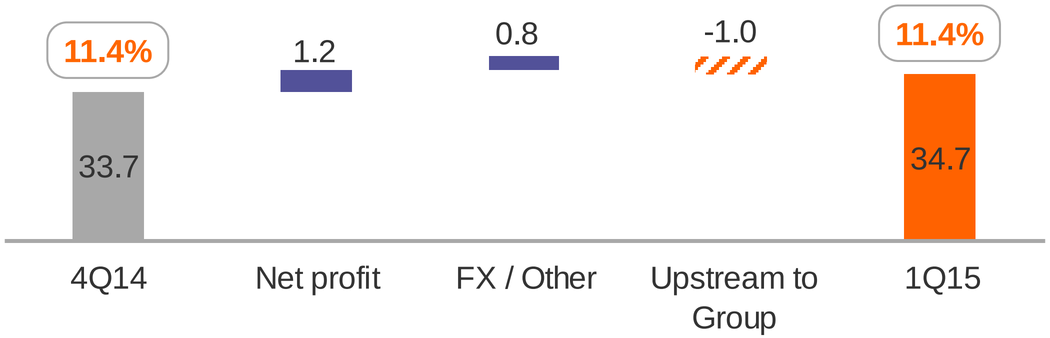
- Final step is the full divestment of our remaining stake in NN Group before the end of 2016
- Our base case scenario for the full divestment is a sell down through a series of follow-on offerings over the next 12-18 months

NN

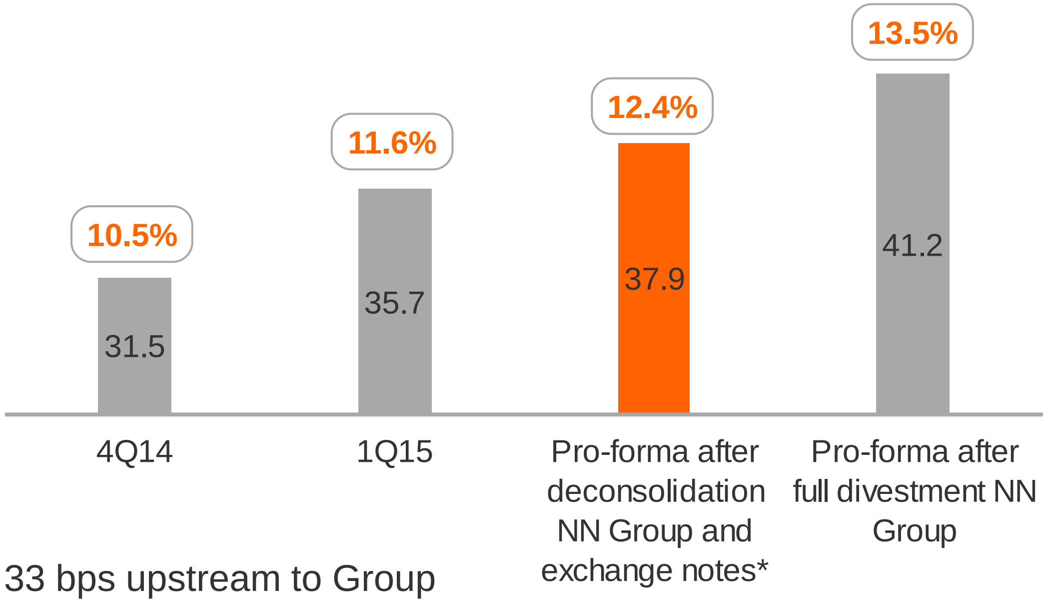
* Including accrued interest on the notes of approximately EUR 14.6 million that will be settled in an additional 0.6 mln NN Group shares as per the terms of the investment
** Based on ING's 31 March 2015 numbers

…further increasing Group CET 1 ratio fully-loaded

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



ING Group pro-forma CET1 fully-loaded ratio increased to 12.4% in 1Q15 (in EUR bln)



- Bank capital generation in 1Q15 remained strong at 40 bps, offset by 33 bps upstream to Group
- The Group CET 1 ratio increased to 11.6% in 1Q15
- The deconsolidation of NN Group and the exchange of EUR 337.5 mln of mandatory exchangeable notes is estimated to raise ING Group's fully loaded CET1 ratio to 12.4% on a pro forma basis
- Based on NN share price at the moment of deconsolidation of NN Group, the sale of the remaining stake in NN Group would result in a pro-forma CET1 ratio of approximately 13.5%

* CET 1 capital increased by EUR 2.2 bln as the negative impact of ING Group shareholders' equity (based on ING's 31 March 2015 numbers) was more than offset by the release of the Financial Institutions deductions

Think Forward strategy

Purpose

Empowering people to stay a step ahead in life and in business.

Customer Promise

Clear and Easy
- Clear products
- Plain language
- Fair prices
- Simple processes

Anytime, Anywhere
- Mobile first
- Omni-channel experience
- Advice when needed

Empower
- Personalised interfaces
- Insightful tools
- Tailored offers

Keep Getting Better
- Continuous improvement
- Setting the standard in service

Strategic Priorities

Creating a differentiating customer experience

1. Earn the primary relationship
2. Develop analytics skills to understand our customers better
3. Increase the pace of innovation to serve changing customer needs
4. Think beyond traditional banking to develop new services and business models

Enablers

Simplify & Streamline | Operational Excellence | Performance Culture | Lending Capabilities

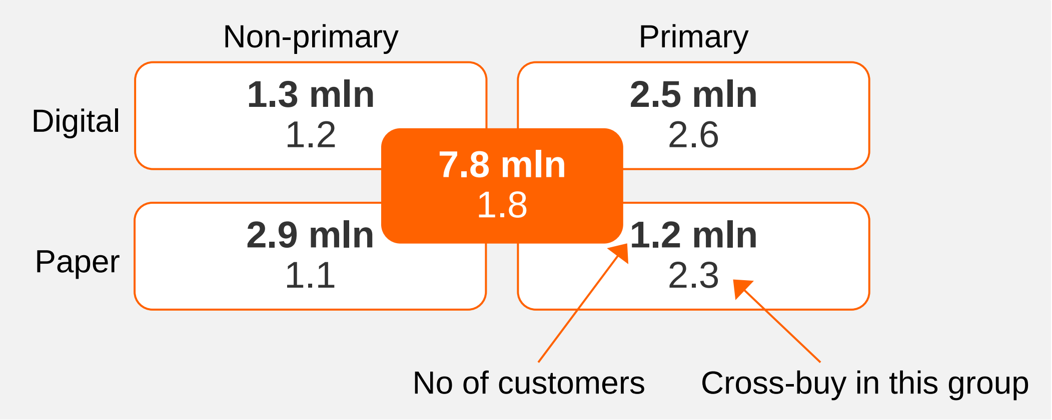
Earning the primary relationship is essential to be relevant to customers

Payment account customers buy more products*

15%
of **non-payment** account customers are multi-product

80%
of **payment** account customers are multi-product

Primary**, digital customers are more profitable (example NL)

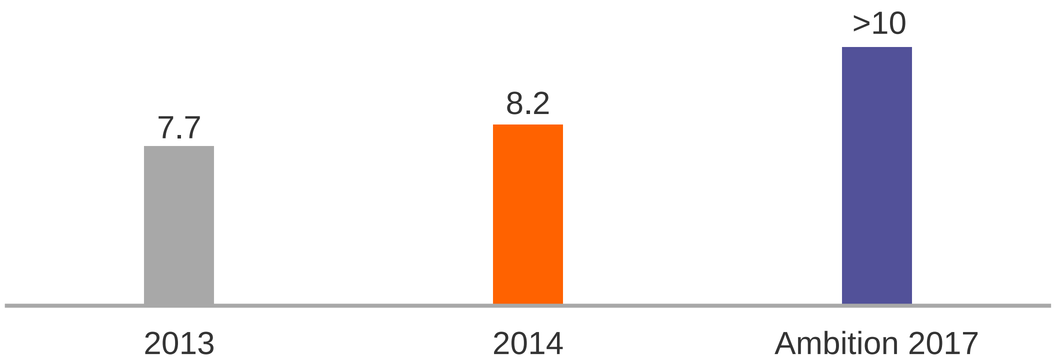


Primary bank customers have more contact with the bank*,**

Non-primary customers contact the bank on average
4 days **per month**

Primary bank customers contact the bank on average
10 days **per month**

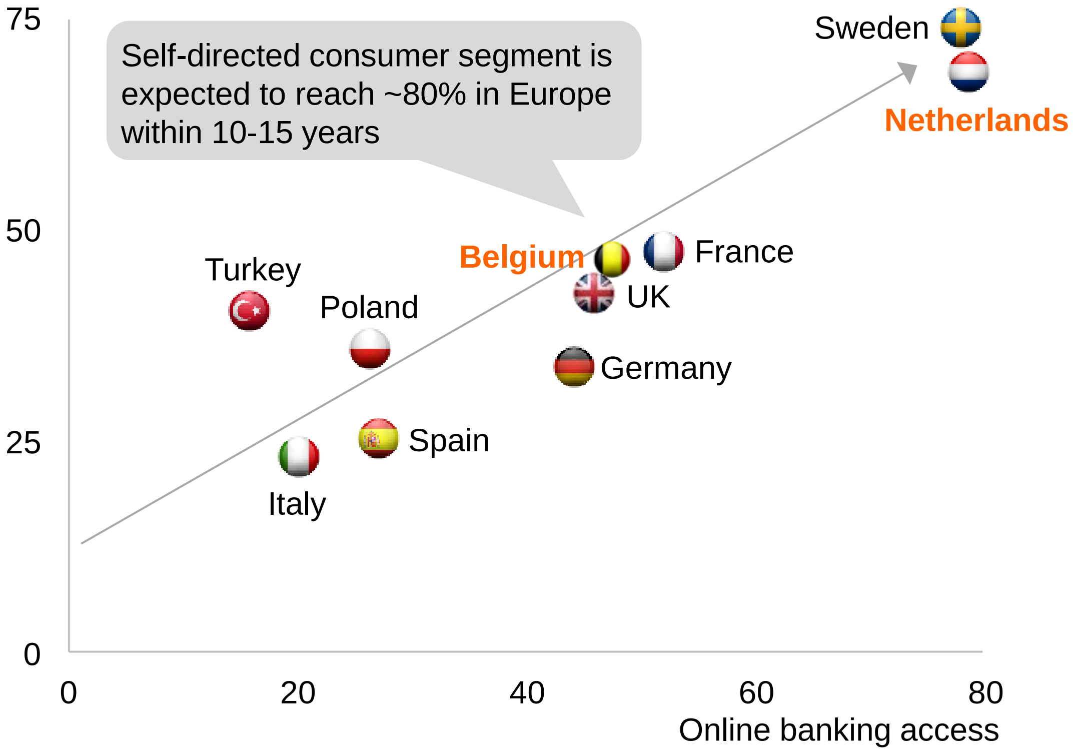
ING is on track to reach 10 million primary customers**



* Source: ING
** Primary customers are customers that have recurrent income on the payment account and are active in at least one extra product category

Interactions with customers are moving quickly to mobile

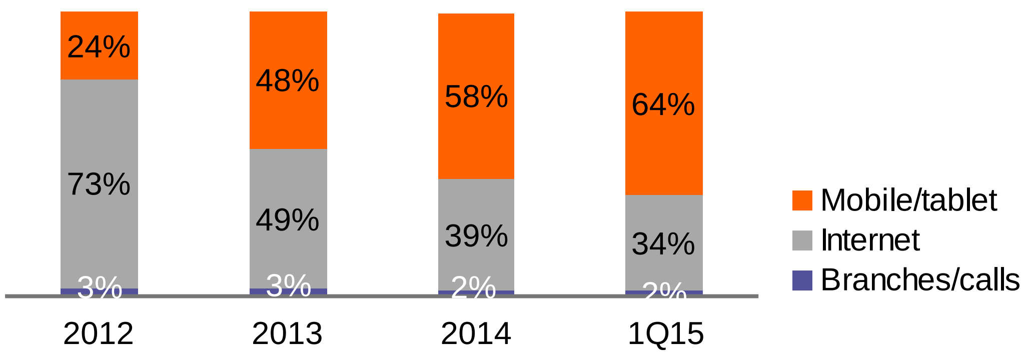
Customers in Northern Europe are most self-directed today (in %)



Source: McKinsey

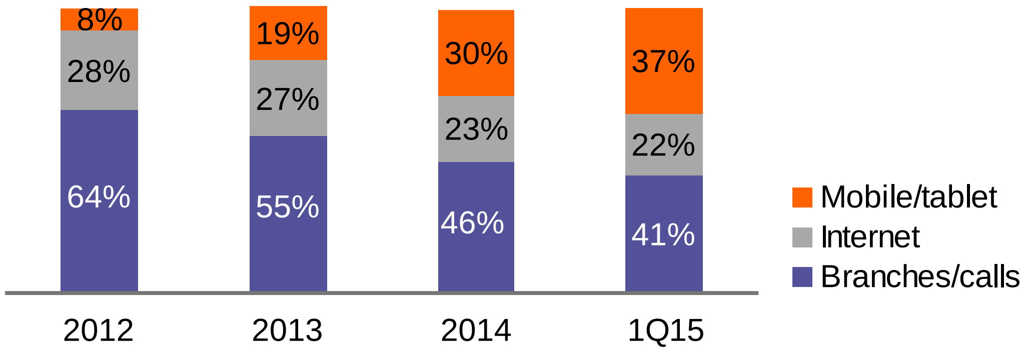
Customers have increasing digital contact with their bank, both in the Netherlands and Belgium

ING NL, number of contacts (in %)



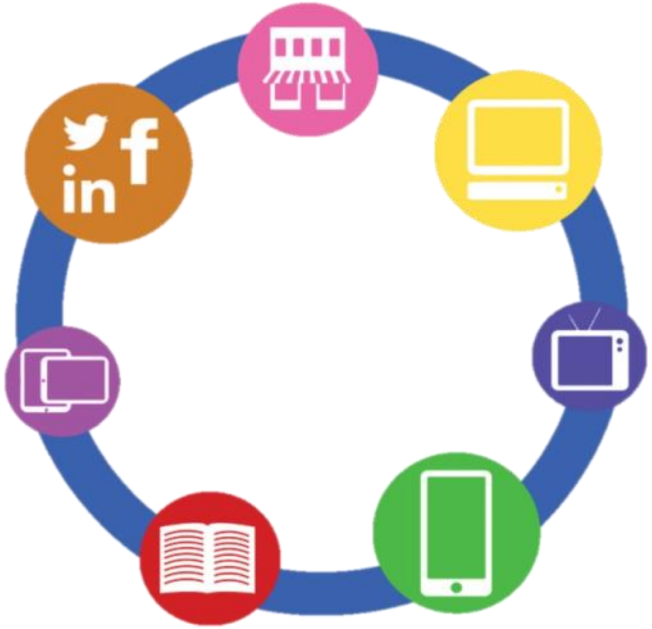
Source: ING Netherlands

ING Belgium, number of contacts (in %)



Source: ING Belgium

Next steps in Netherlands: Omnichannel



Omnichannel should result in differentiated customer experience…

- Deliver distinctive customer experience across all channels for retail and SME
- Based on dynamic customer profile updated real time, enabling customers to switch seamlessly between channels
- Daily banking: 100% digital and first-time right
- Advice: individual, proactive and relevant
- Entire organisation moving to agile way of working, with multi-disciplinary teams responsible for end-to-end processes

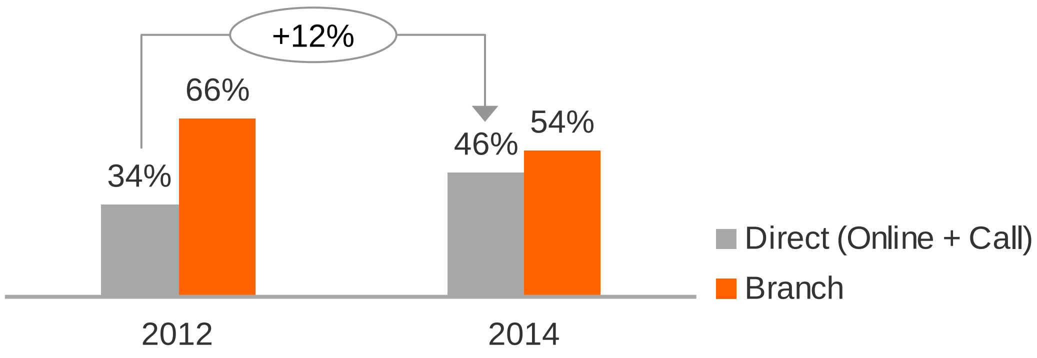
...and significant cost savings

- Investment of EUR 200 mln to further simplify, standardise and automate IT:
  - Decommissioning 40% of application landscape
  - Moving 80% of applications to zero-touch private cloud
- Annual gross savings of around EUR 270 mln from 2018 onwards

Belgium is further developing the 'direct if possible, advice when needed' strategy to maintain high cross-buy

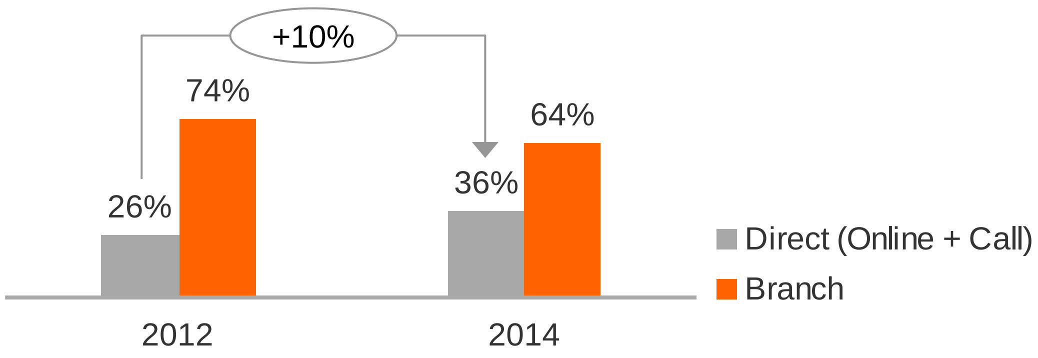
Direct product sales increase...

Simple product sales per channel (in %)



…but branches still important for cross-buy

All product sales per channel (in %)



Develop direct first model, while leveraging cross-buy strength through branch network

Develop digital channels	• Focus on simple sales products and services • Expand value-added services online for Personal Finance Management
Invest in intelligence	• Customised marketing to propose the right offer • Test (un)structured data for all segments
Sales and acquisiton	• Branches remain the crossing between digital channels and advice, via centrally generated sales • Branches remain important for advice and fee business • Continue growing the customer base

ING

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

We were the first Belgian bank to implement biometrics on mobile

1992	First PC banking platform
2011	First mobile banking app
2012	First in-app sell through mobile
2013	First budget module on tablet
	First online signature business credit contract
2014	First Private Banking app
	First Belgium bank to implement biometrics on mobile

Your bank at your fingertips
From the first week on, 56% of users switched to login by fingerprint

Digital transformation for our Commercial Banking clients as well

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

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

Multi Country
International reach, multiple languages and support

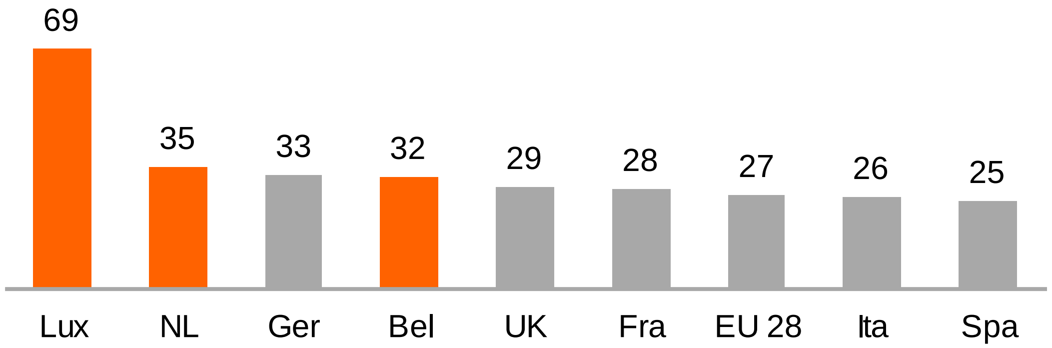
Multi Product
Online client interactions in an integrated platform

Multi Device
Platform accessible via Web and App

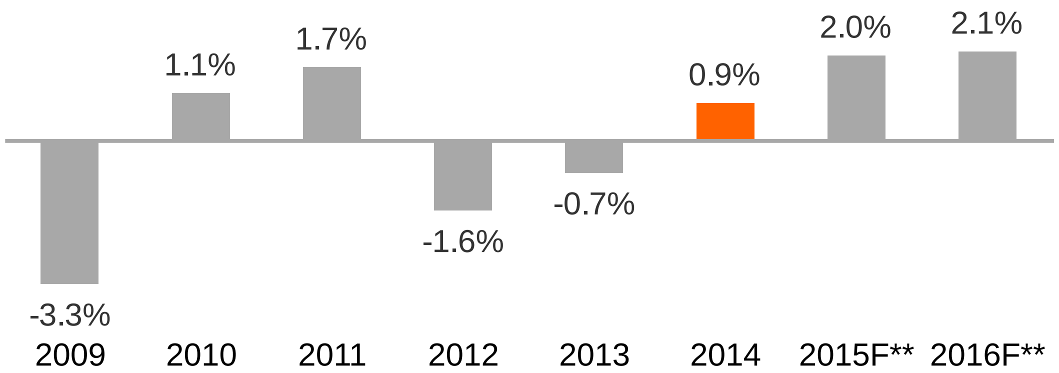
ING Benelux

ING is well positioned in the mature but wealthy Benelux markets

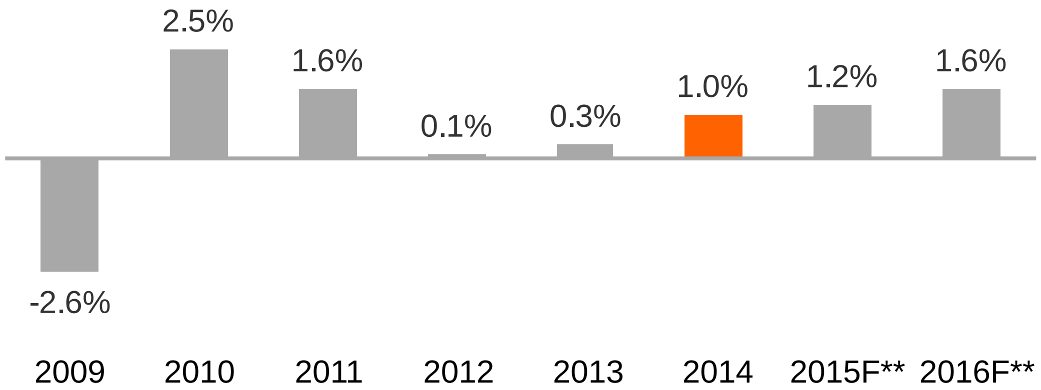
GDP per capita, 2013 (PPS*)



The economic recovery has gained traction in the Netherlands as well as in…



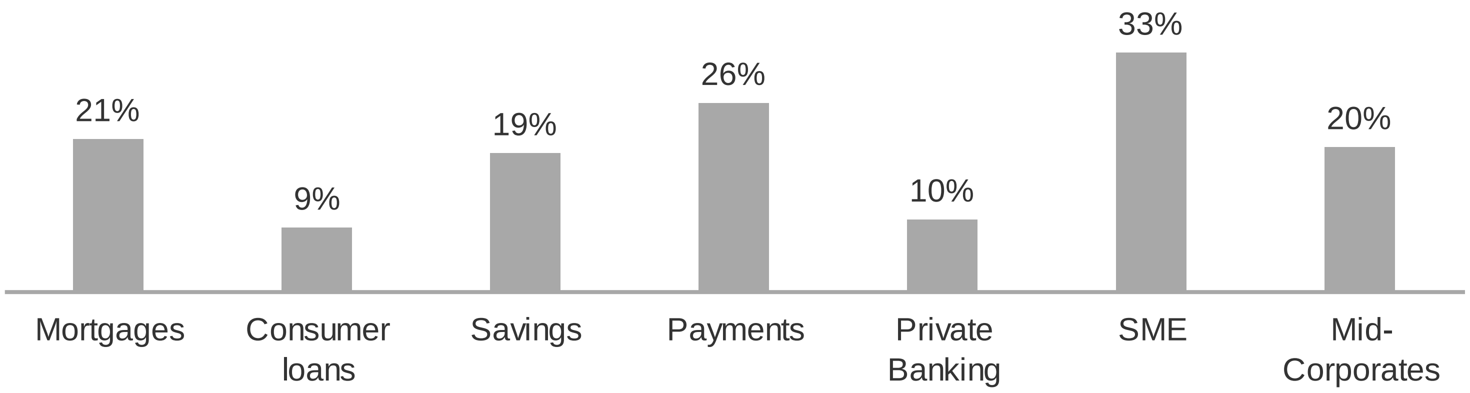
…Belgium: GDP growth 2009-2015 (in %)



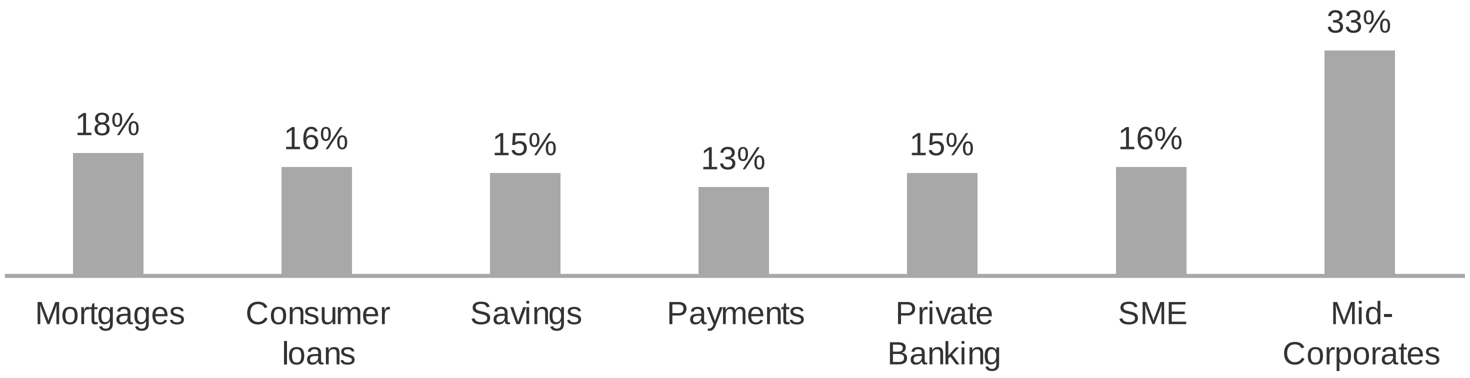
* The PPS (purchasing power standard) is an artificial currency that takes into account differences in national price levels. Eurostat – 21 May 2015
** Forecast ING Economics Department

ING is a leading Retail and Commercial Bank in the Benelux

Market shares in the Netherlands



Market shares in Belgium



Netherlands

- # 2 Retail Bank in NL
- # 1 Commercial Bank in NL
- 7.8 mln individual customers
- 3.7 mln primary customers
- 260 branches

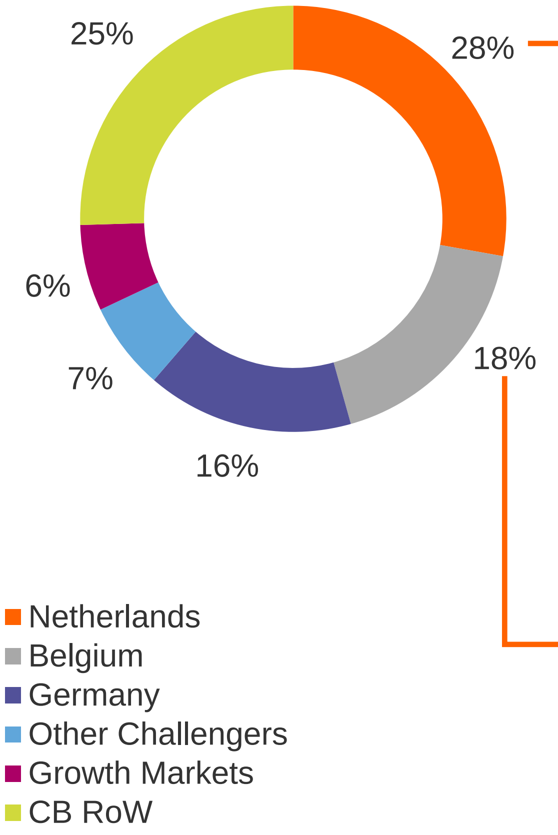
Belgium

- # 3 Retail Bank in Belgium
- # 2 Commercial Bank in Belgium
- 2.5 mln individual customers
- 0.9 mln primary customers
- 730 branches, of which 232 independent agents

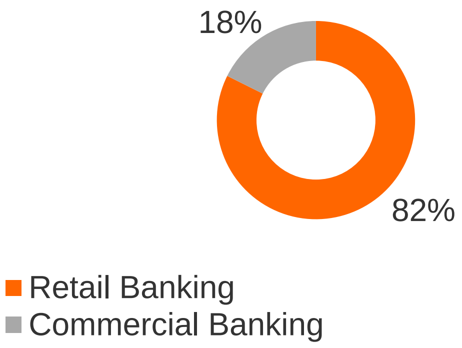
Source: ING Bank, TNS Nipo, Greenwich, UPC and BVK

Benelux contributes around 45% of total pre-tax profit

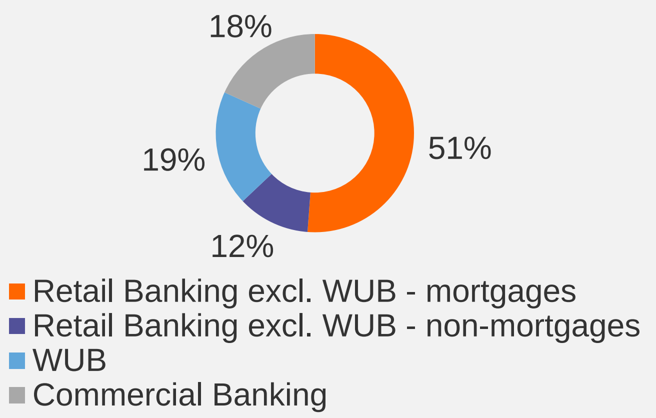
Pre-tax profit total bank 1Q15*,**



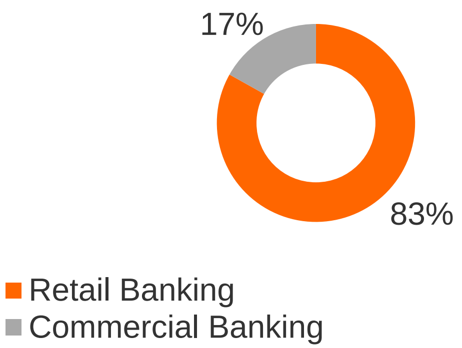
Pre-tax profit total Bank Netherlands



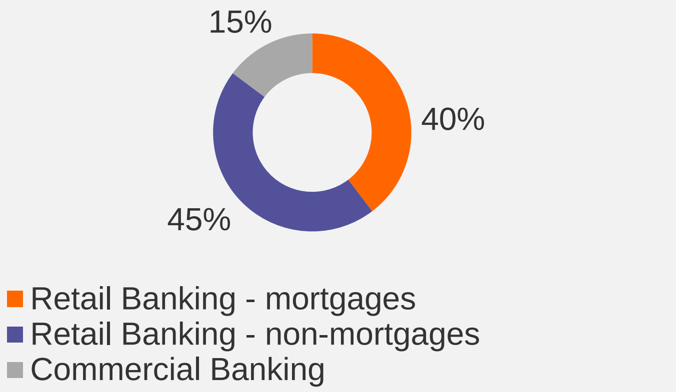
Breakdown loan book Netherlands



Pre-tax profit total Bank Belgium**



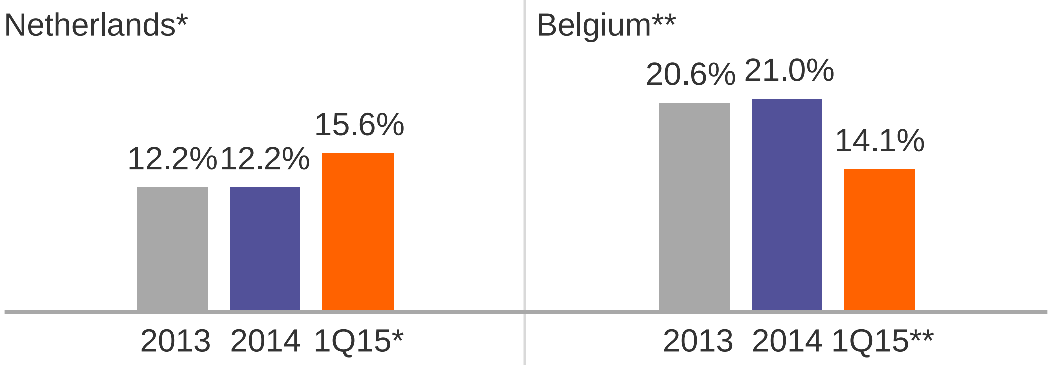
Breakdown loan book Belgium



* Excluding ‘Other’ which consists of Corporate Line and Real Estate run-off portfolio
** Excluding Belgium bank taxes booked in the first quarter

Benelux continues to deliver strong returns

RoE excl. redundancy costs (based on CET 1 ratio of 10% of RWA)

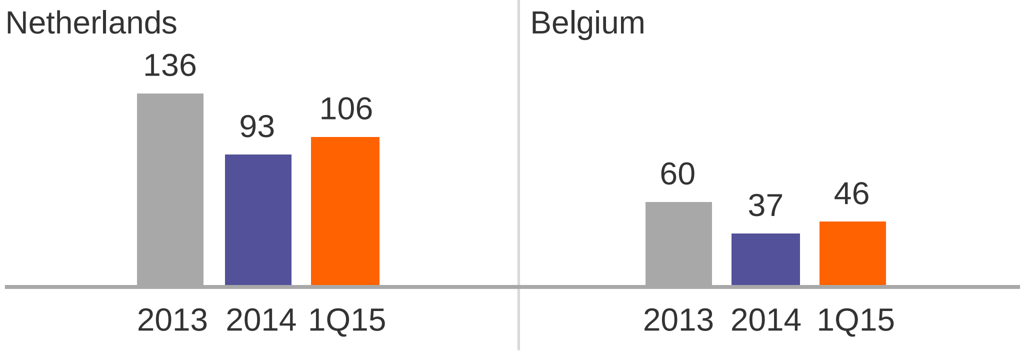


Recent trends

- RoE in the targeted 10-13% range in the Netherlands, despite risk costs still being relatively high
- Loan loss provisions have come down since the peak in 2013, but have remained relatively high. The economy is gaining momentum and a normalisation of loan losses to 40-45 bps would be supportive for the RoE
- Belgium continues to report a relatively high RoE

Gross result excl. CVA/DVA and redundancy costs improved in 2014… (in EUR mln)

…while relatively high risk costs as percentage of RWA in the Netherlands still reflect the recent recession (in bps)

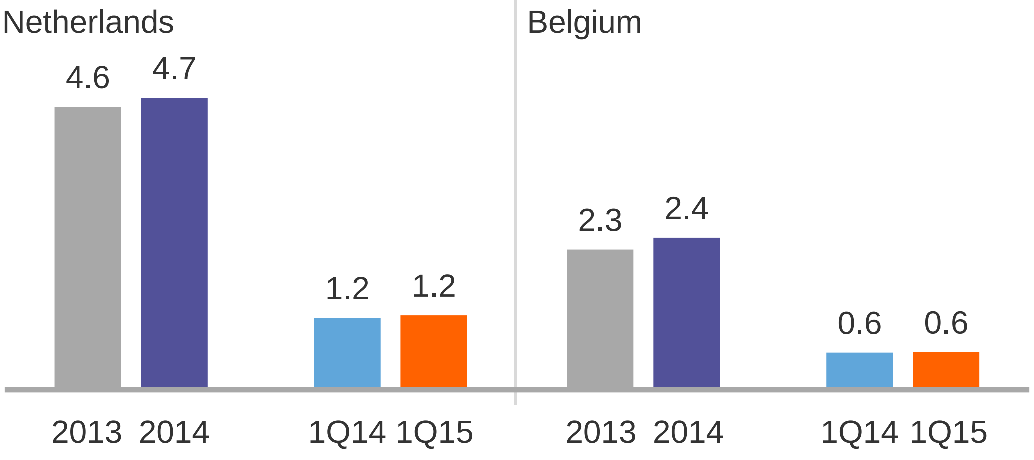


* RoE in the Netherlands benefited in the first quarter from positive hedge ineffectiveness which is volatile by nature
** RoE in Belgium is relatively low in the first quarter versus full year due to the bank taxes booked in 1Q. RoE excluding the bank taxes is 19.8% in 1Q15

ING

Interest result holding up well, despite pressure on margins from lower reinvestment yields

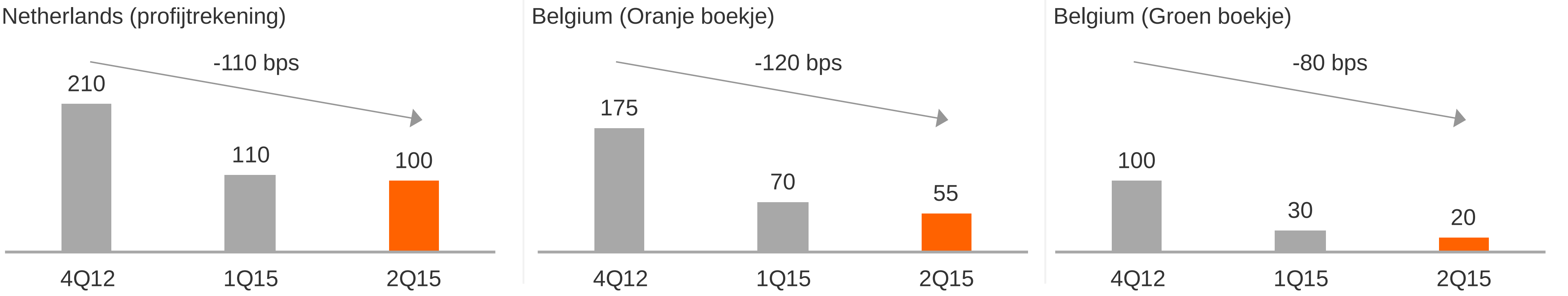
Interest result held up well in both countries (in EUR bln)



Recent trends

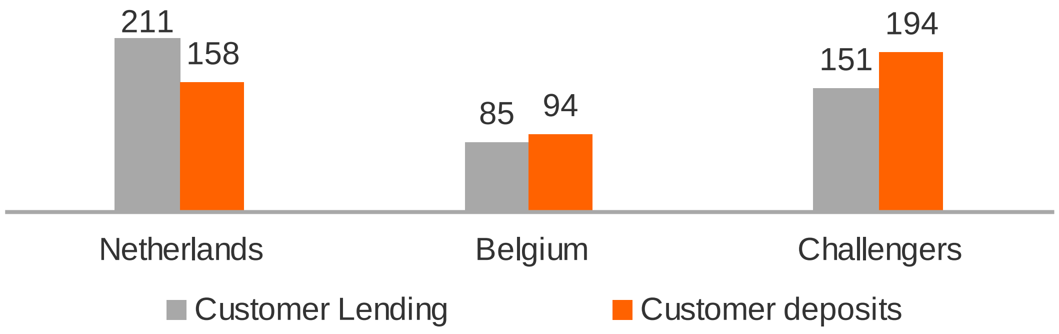
- Net interest income in the Netherlands grew by 3.2% in 2014 vs 2013 and by 3.5% in 1Q15 vs 1Q14
- Net interest income in the Belgium grew by 8.5% in 2014 vs 2013 and by 1.5% in 1Q15 vs 1Q14
- Net interest margins held up well, as the impact of lower reinvestment yields was offset by lower savings rates as well as higher margins on lending
- Interest result on Belgian mortgages benefited from higher pre-payment penalties (approximately EUR 20 mln in 1Q15). Flow of re-pricing expected to slow down

Lower funding costs (bps)



Belgium interest result has been supported by solid loan growth

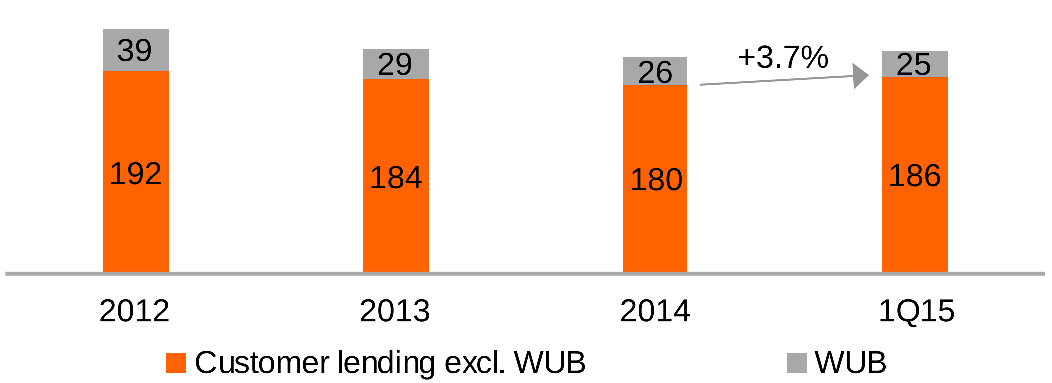
Funding shortage in the Netherlands offset by funding surplus in Belgium and Challenger countries in 1Q15 (in EUR bln)



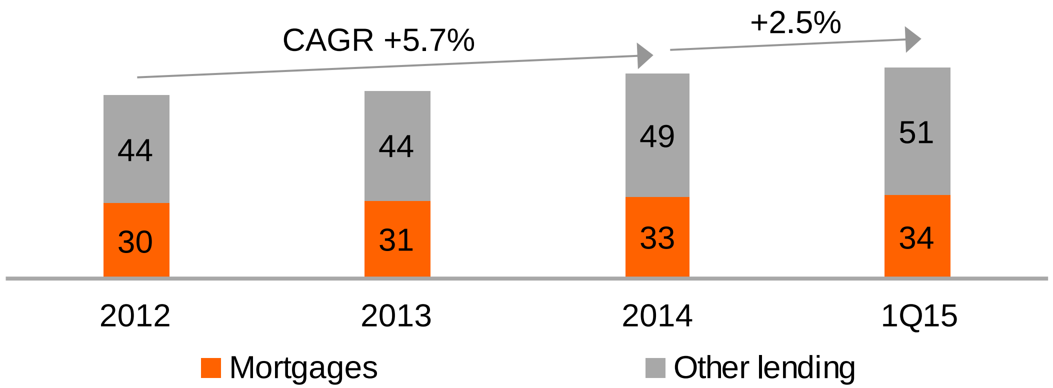
Recent trends

- Lending growth in the Netherlands was negative in the past years due to WUB transfers/run-off and low demand, reflecting the economic recession in the past years and high levels of pre-payments
- The economy is gaining momentum, which should be supportive for modest lending growth going forward
- Belgium posted strong net lending growth in the past years, driven by mortgages, SME/MidCorps as well as Commercial Banking

Loan growth in the Netherlands impacted by WUB transfers/ run-off. Lending excl. WUB starts to grow again (in EUR bln)



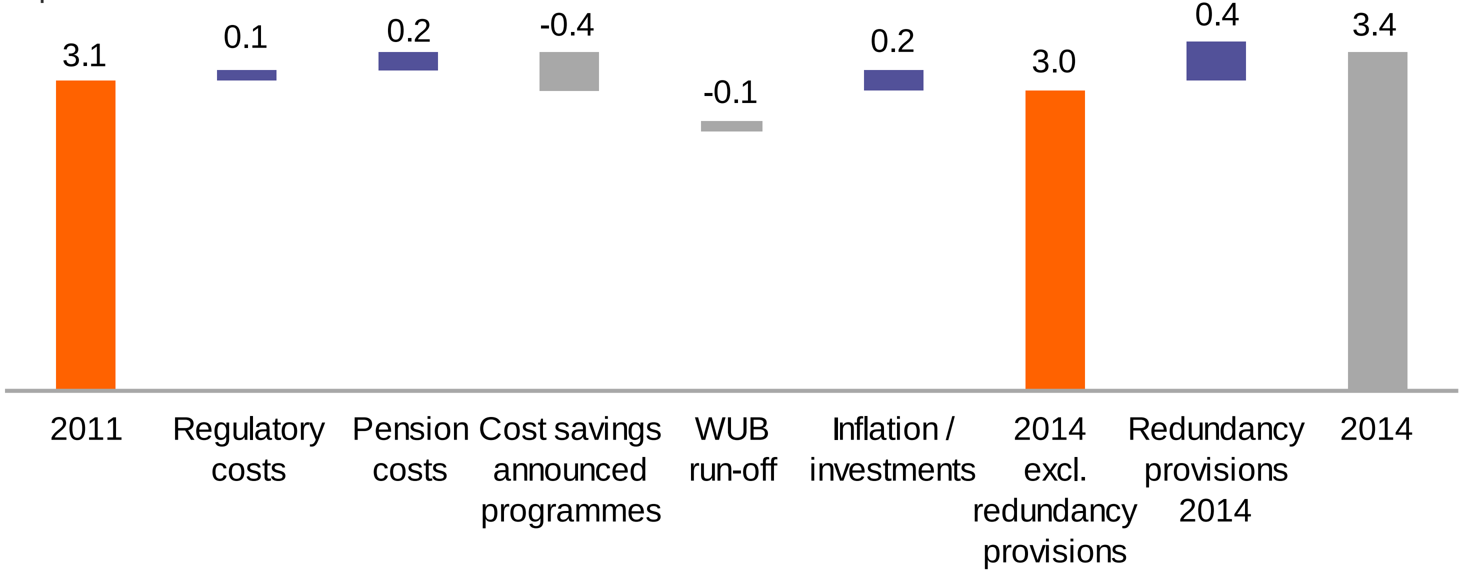
Belgium has continued to show solid loan growth (in EUR bln)



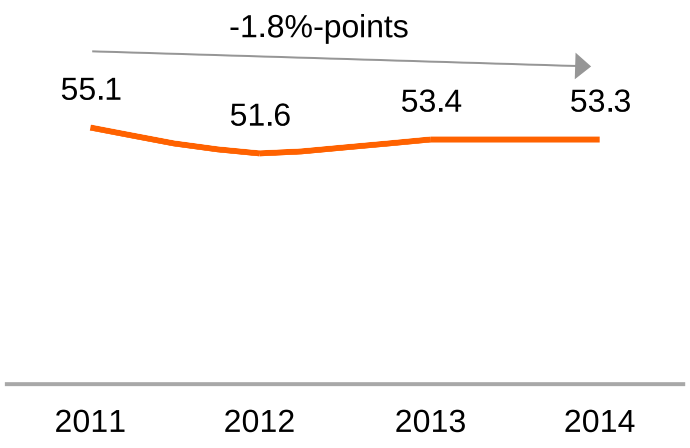
Operational excellence in the Netherlands resulted in slightly lower costs despite higher pension and regulatory costs

Operational excellence in the Netherlands absorbed higher pension expenses and restructuring charges

Expenses in EUR bln



Cost/income ratio excl. CVA/DVA and redundancy costs (in %)

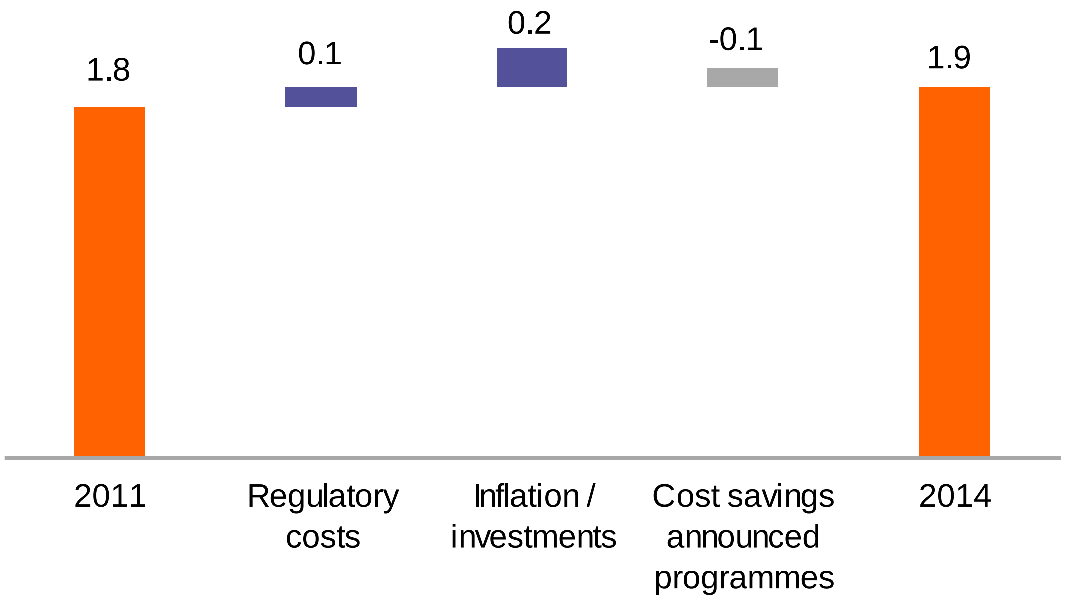


- EUR 0.4 bln of additional structural savings from running efficiency programmes still to be realised in the period 2015-2017, skewed to 2H16 and 2017
- Implementation of Dutch DGS and Single Resolution Fund expected to result in approximately EUR 0.2 bln additional structural costs
- IT investment of EUR 0.1 bln in 2015 and EUR 0.1 bln in 2016 related to the digitalisation program announced in 2014

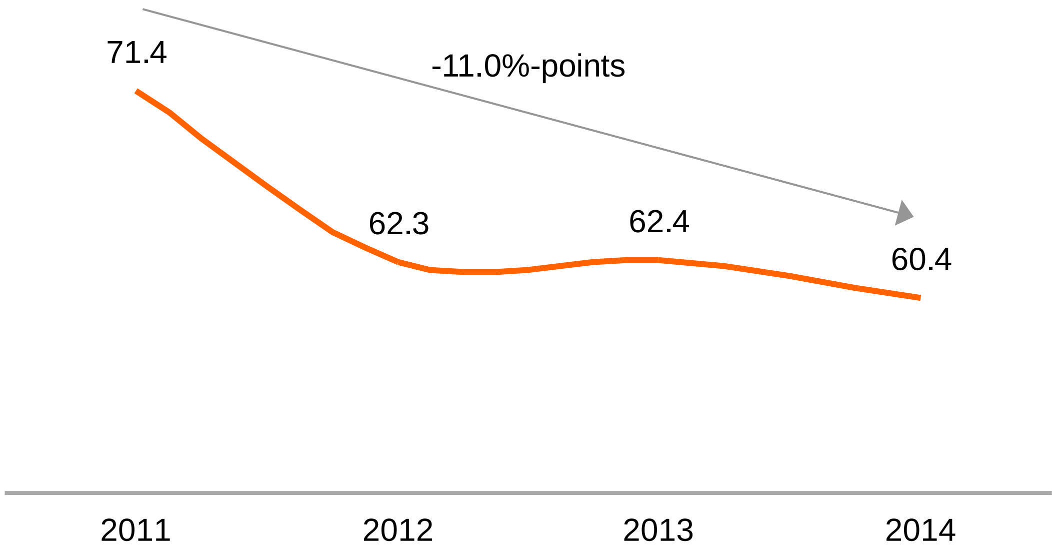
Good cost control in Belgium resulted in modest increase in expenses and strong improvement of the cost/income ratio

Good cost control resulted in modest increase in expenses…

Expenses in EUR bln



…and strong improvement cost/income ratio (in %)

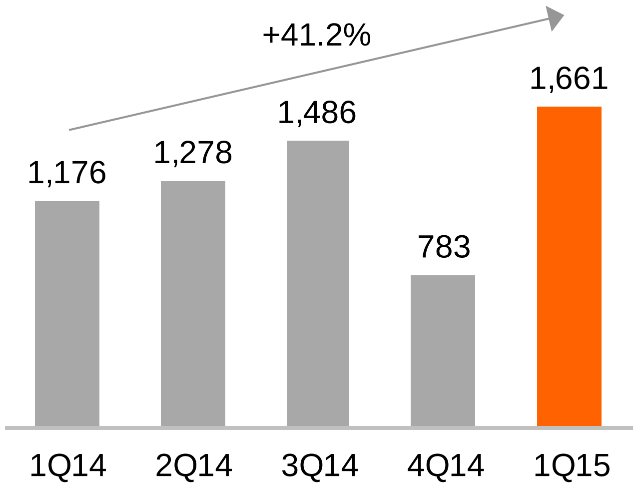


- Increase in expenses since 2011 driven by higher regulatory costs, investments and inflation, partly offset by savings from the transformation plan
- Wage inflation set by automatic index linked system. It is mandatory to adjust wages of all employees according to the index
- Cost/income ratio has improved from 71.4% in 2011 to 60.4% in 2014

1Q15 results

Strong first quarter results

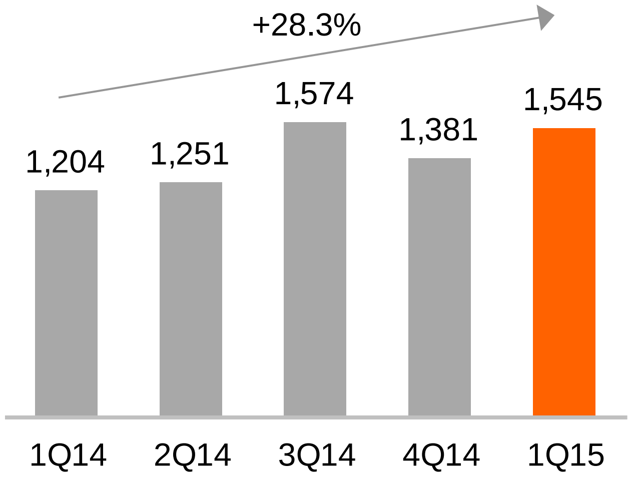
Underlying pre-tax result ING Bank (in EUR mln)



Volatile items (in EUR mln)

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

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

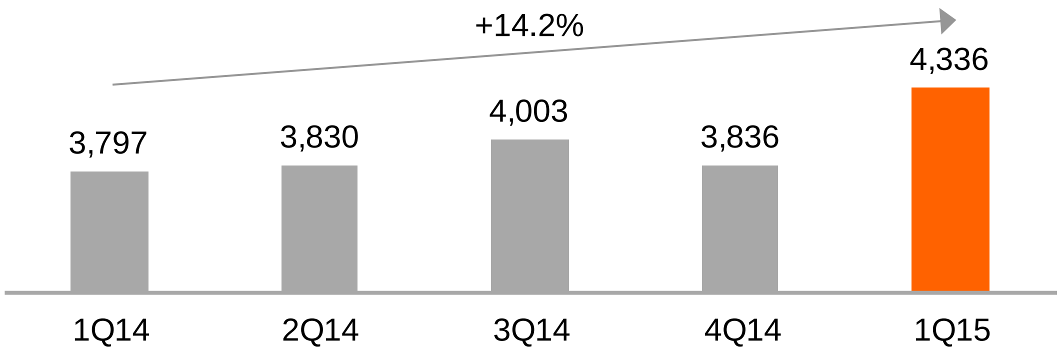


- Underlying results in recent quarters were impacted by volatile items such as CVA/DVA, capital gains, hedge ineffectiveness, redundancy provisions, bank tax and deconsolidation Vysya
- Pre-tax result excluding these volatile items items up 28.3% from 1Q14
  - Income up 11.9%, driven by strong growth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

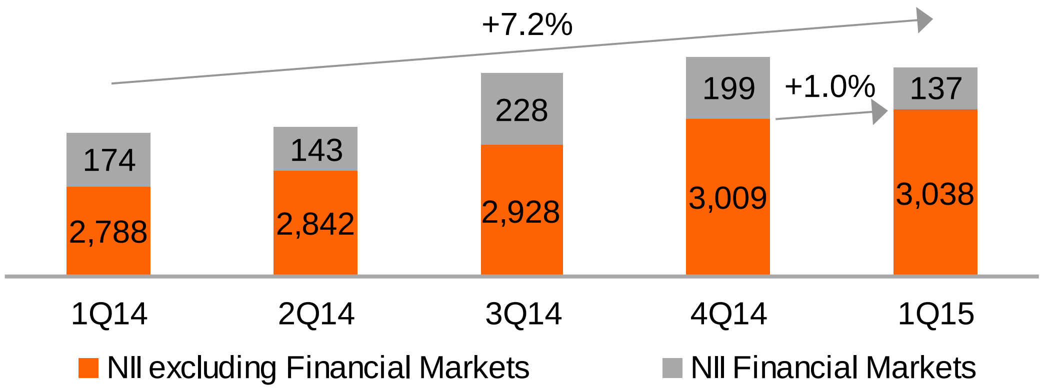
* Realised gains on Bonds and Equities
** Bank tax in the Netherlands and Belgium

Robust income growth, reflecting the positive momentum in our businesses

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

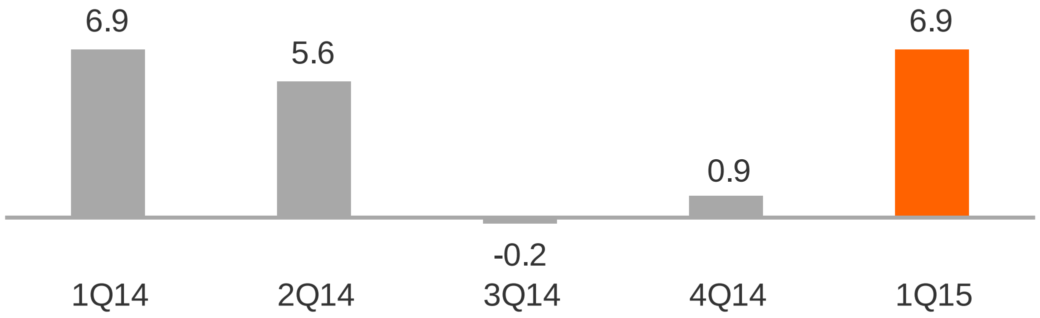


Net interest income excluding Vysya and FM continued its positive momentum supported by… (in EUR mln)



…solid net lending growth

Core lending franchises grew by EUR 6.9 bln or 5.3% annualised in 1Q15* (Customer lending, in EUR bln)



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

NIM down due to lower Net Interest Income FM and rise B/S

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

On track to deliver on our Ambition 2017

ING Bank	2014	1Q15	Ambition 2017	Guidance
CET1 (CRD IV)	11.4%	11.4%	>10%	• We will maintain a comfortable buffer above the minimum 10% to absorb regulatory changes and potential volatility
Leverage*	4.1%	4.1%	~4%	• In April 2015, ING Group issued USD 2.25 bln of CRD-IV eligible AT1 securities, which will be on-lent to Bank***
C/I**	55.1%	51.7%	50-53%	• Aim to reach 50-53% cost/income ratio in 2017. Over time, improve further towards the lower-end of the range
RoE (IFRS-EU equity)	9.9%	12.2%	10-13%	
Group dividend pay-out	40% of 4Q Group net profit		≥40% of annual Group net profit	• Target dividend pay-out ≥40% of ING Group's annual net profit • Interim and final dividend; final may be increased by additional capital return****

* The leverage exposure of 4.1% at 31 March 2015 is calculated using the published IFRS-EU balance sheet, in which notional cash pooling activities are netted, plus off-balance-sheet commitments. In January 2015, the EC formally adopted the Delegated Act for the leverage ratio. The pro-forma leverage ratio of ING Bank, taking into account the combined impact of grossing up the notional cash pool activities and the alignment with the Delegated Act, is 3.7%.
** Excluding CVA/DVA and redundancy costs
*** Pro-forma impact of AT1 issuance on leverage ratio is +20 bps
**** Interim dividend is 40% of first half underlying net profit

Wrap up

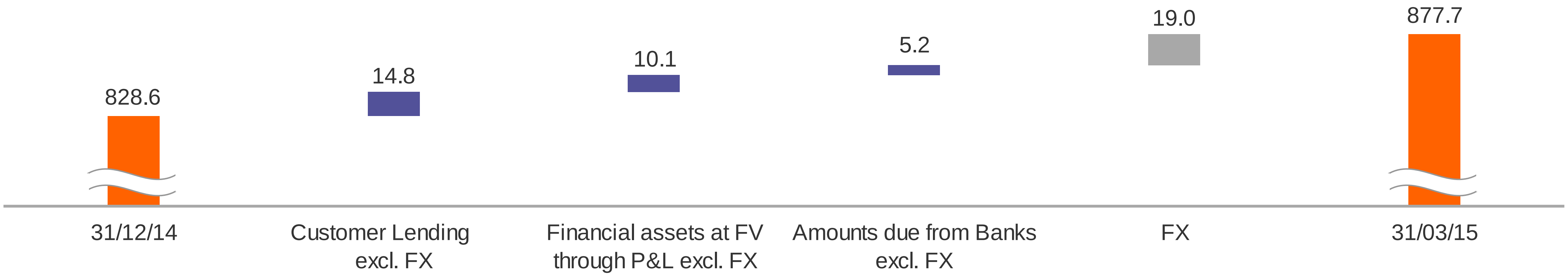
Wrap up

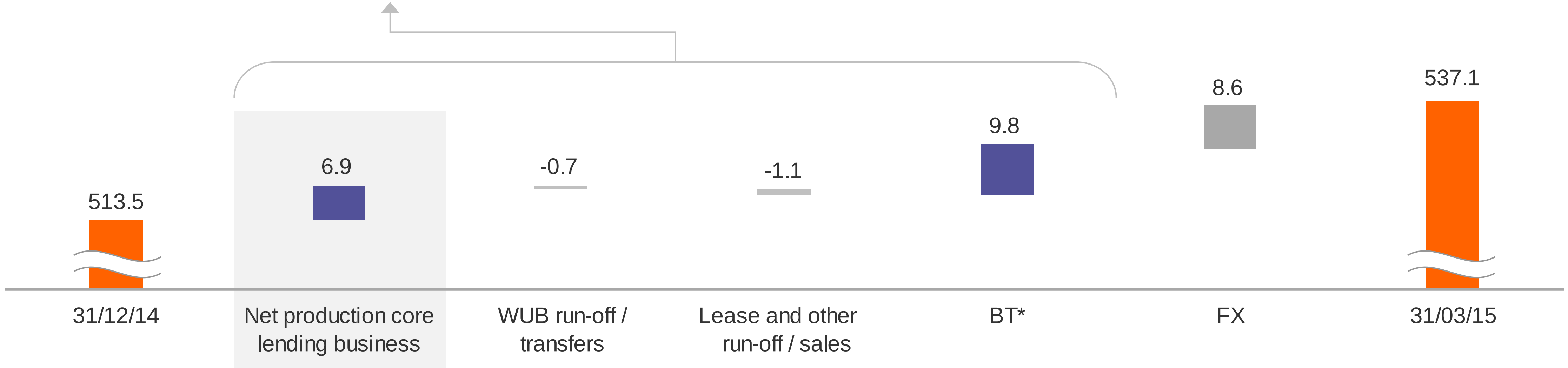
- ING Group’s stake in NN Group has been reduced to 38.2%; NN Group deconsolidated
  - Pro-forma ING Group CET1 ratio fully-loaded increased to 12.4%
  - Price leadership ban and acquisition ban have lapsed
- We continue to make progress on executing our Think Forward strategy
  - Interactions with customers are moving quickly to mobile
  - Continuing programme of innovation
- We are well positioned in the mature but wealthy Benelux markets
  - ING is a leading Retail and Commercial Bank in the Benelux
  - Benelux continues to deliver strong returns
- ING Bank’s first quarter 2015 results were strong
  - Underlying pre-tax result of EUR 1,661 mln, up 41.2% from 1Q14 and more than double that of 4Q14
  - 1Q15 results driven by robust loan growth and seasonally strong first quarter of Financial Markets

Appendix

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

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

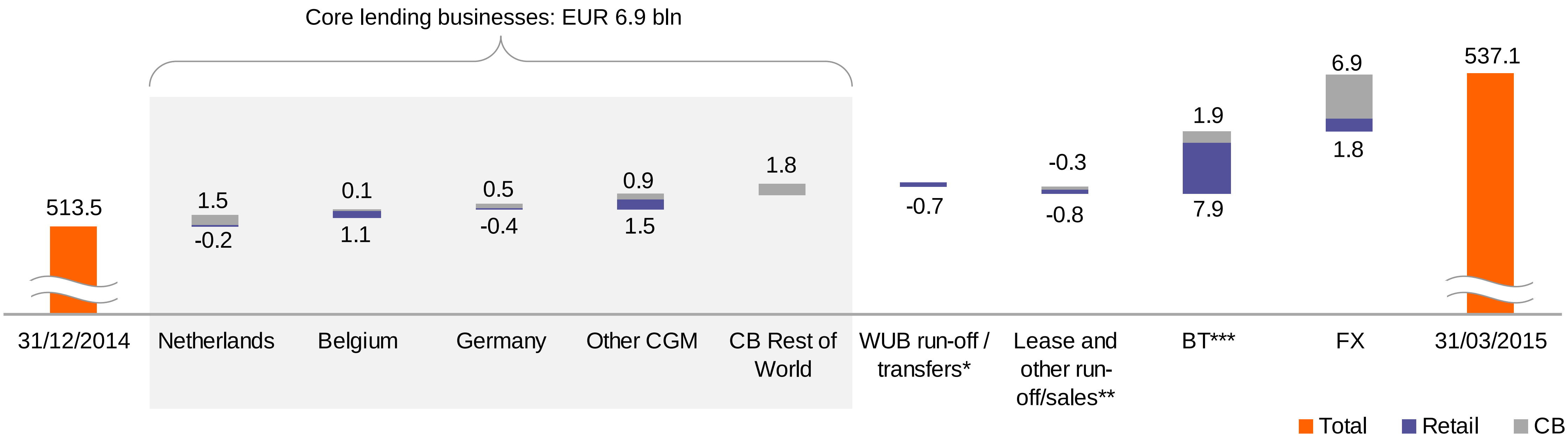




* Net production in Bank Treasury (BT) reflects mainly cash collateral placements to non-banks and higher reverse repos

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

Customer lending, 1Q15 (in EUR bln)



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

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

* WUB run-off was EUR -0.5 bln and transfers to NN were EUR -0.2 bln in 1Q15
** Lease run-off was EUR -0.3 bln in 1Q15; Other run-off /sales was EUR -0.8 bln and refers to Australian White Label mortgage portfolio that is in run-off and was partly sold in 1Q15
*** Net production in Bank Treasury (BT) reflects mainly cash collateral placements to non-banks and higher reverse repos

ING Group capital structure simplified by deconsolidation NN Group

Reported ING Group capital structure - 31 March 2015

ING Bank	39.5	Equity	53.5
NN Group (54.6%)*	12.9	Hybrids	7.2
Group cash/debt	2.4	Anchor provision**,***	1.2
Hybrids[B]	6.3		
Hybrids[I]	0.9		
	62.0		**62.0**

Pro-forma ING Group capital structure - 31 March 2015

ING Bank	39.5	Equity****	46.8
NN Group (38.2%)	3.4	Hybrids	7.2
Group cash/debt	3.9		
Hybrids[B]	6.3		
Hybrids[I]	0.9		
	54.0		**54.0**

Pro-forma ING Group capital structure impacted by several transactions

- On 21 May 2015, ING Group injected EUR 57 mln in NN Bank by subscribing for newly issued shares in NN group increasing the stake to 54.8%
- On 26 May 2015, ING Group sold 45 mln shares resulting in reduction of the stake to 42.4%.
- Following this transaction, NN Group has been deconsolidated and will be accounted for as an Associate Held for Sale.
- On 10 June 2015, ING announced that it has exchanged EUR 337.5 mln of mandatory exchangeable subordinated notes of NN anchor investments into NN shares, reducing ING's stake to 38.2%

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

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

*** As of the deconsolidation the remaining NN shares are valued at the lower of cost or market value. Since the anchor provision represents the difference between the book value and market value of the mandatorily to be exchanged NN shares, the provision has been released

**** Group Equity down by EUR 6.7 bln (based on ING's 31 March 2015 numbers)

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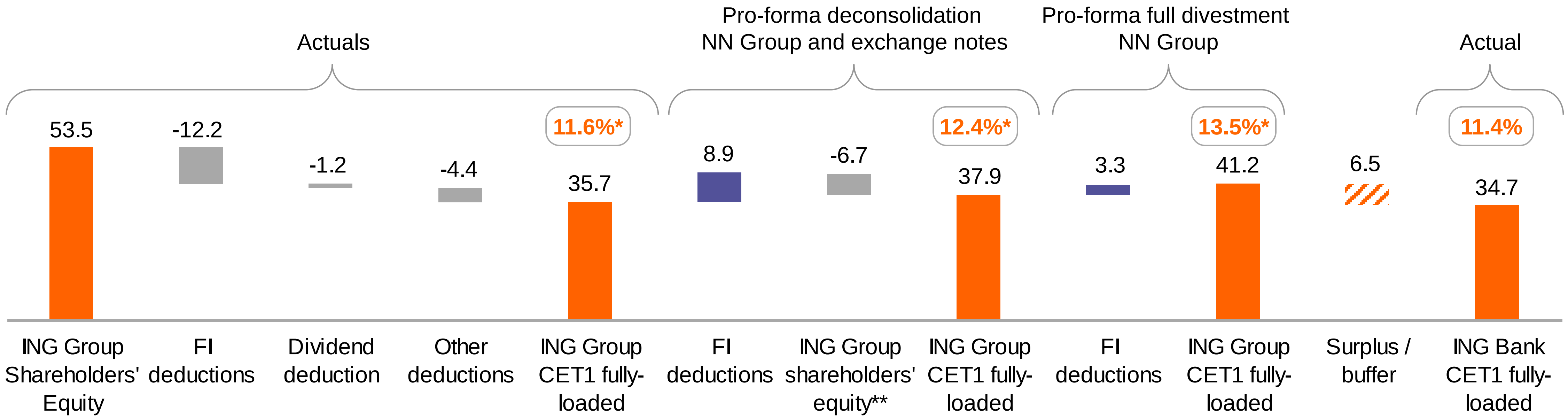
ING Group's stake in NN Group reduced to 38.2%, further increasing Group CET1 ratio fully-loaded to 12.4%

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

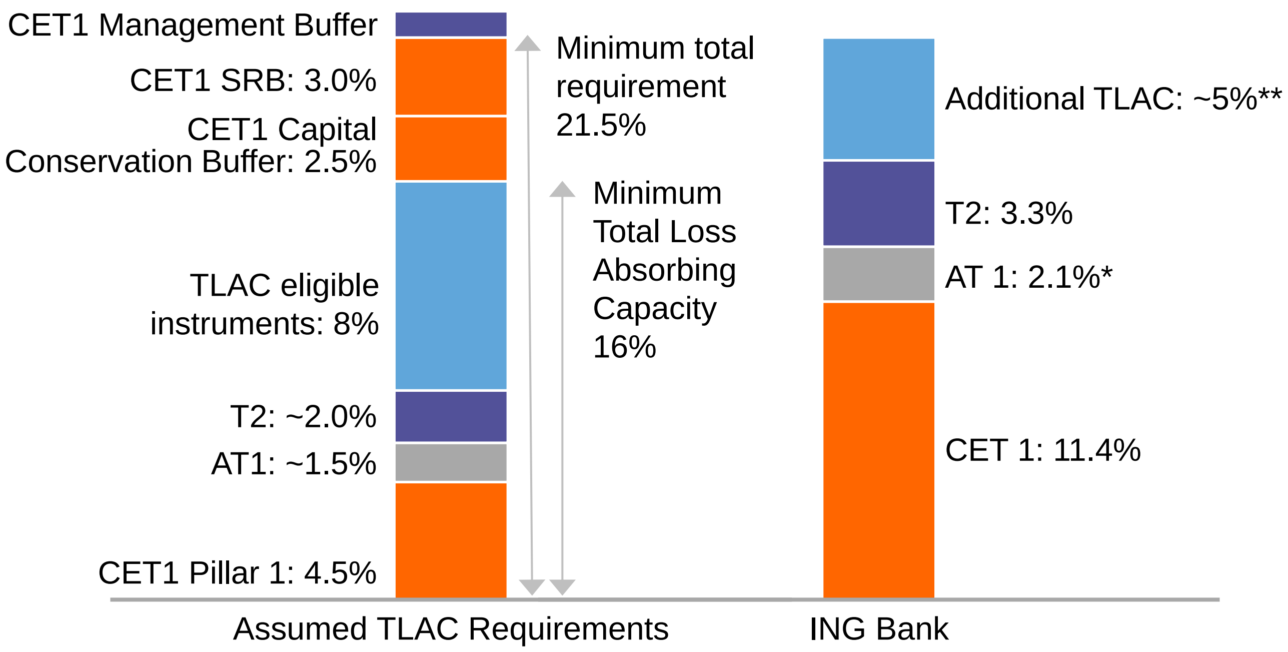


- Sale of 45 mln shares of NN Group in May and exchange of EUR 337.5 mln of mandatory exchangeable notes in June, is estimated to raise ING Group's fully loaded CET1 ratio to 12.4% on a pro forma basis
- The impact from divestment of NN Group sets ING Group CET1 significantly ahead of ING Bank CET1

* ING Group fully-loaded CET1 is based on RWAs of EUR 307.7 bln; Pro-forma Group fully-loaded is based on RWAs of EUR 306.0 bln for deconsolidation and EUR 305.8 bln for full divestment
** ING Group Equity down by EUR 6.7 bln (based on ING's 31 March 2015 numbers)

ING has flexibility to comply with expected TLAC requirements*

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



The Financial Stability Board's TLAC proposals

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

TLAC versus funding needs

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

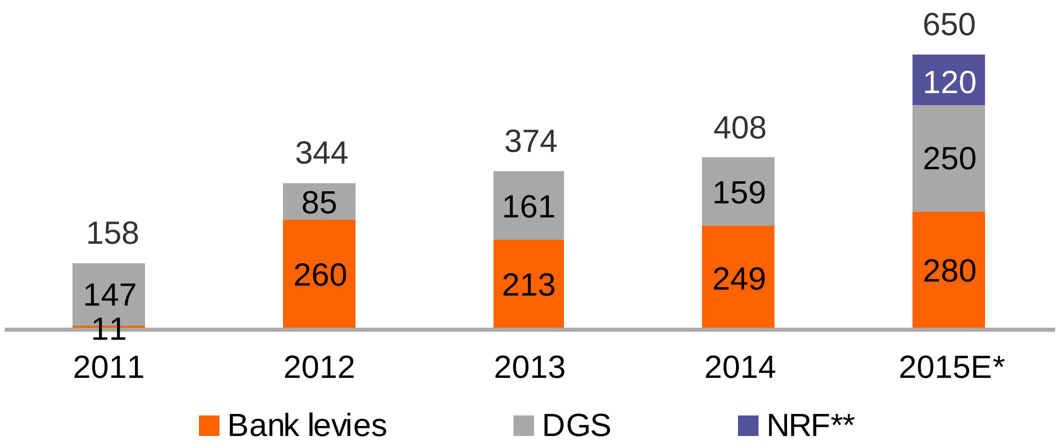
Successful AT1 issuance in April

- ING Group issued USD 2.25 bln of securities that qualify as AT1 capital in April, further strengthening ING's capital base

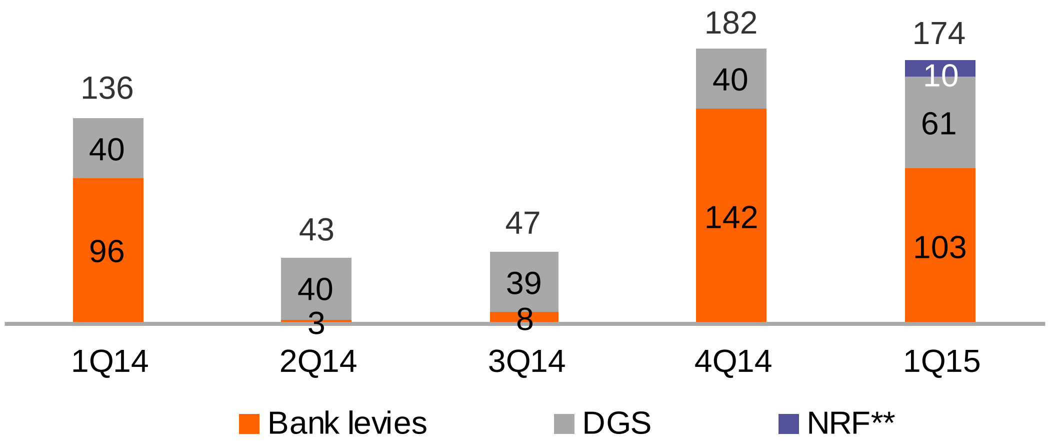
* Grandfathered loans will be replaced by CRD IV compliant hybrids in the coming years. TLAC proposals are still subject to change
** Senior debt as a percentage of RWAs of 2.5% may be allowable for bail-in purposes

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

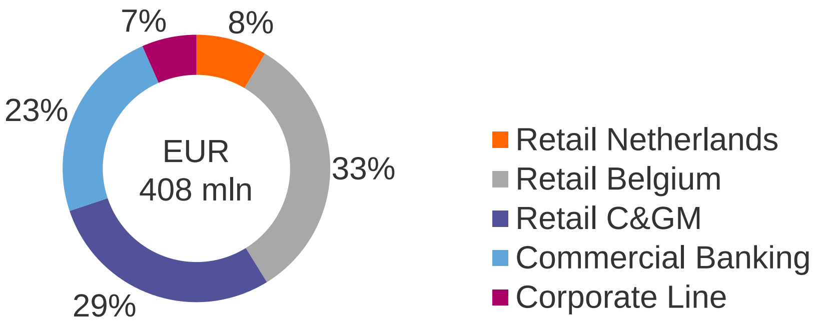
Regulatory costs (in EUR mln)



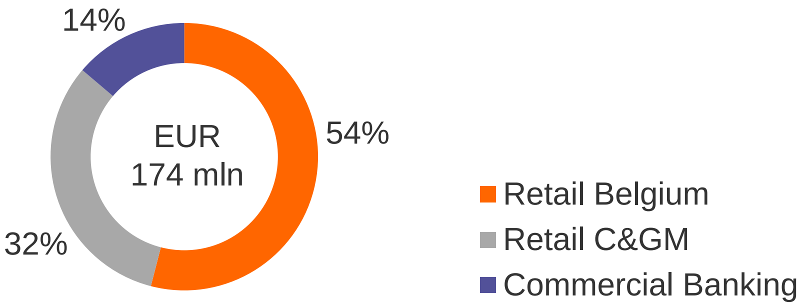
Regulatory costs (in EUR mln)



Regulatory costs by segment (2014)



Regulatory costs by segment (1Q15)



* 2015 is an estimate and subject to change
** National Resolution Fund (NRF)

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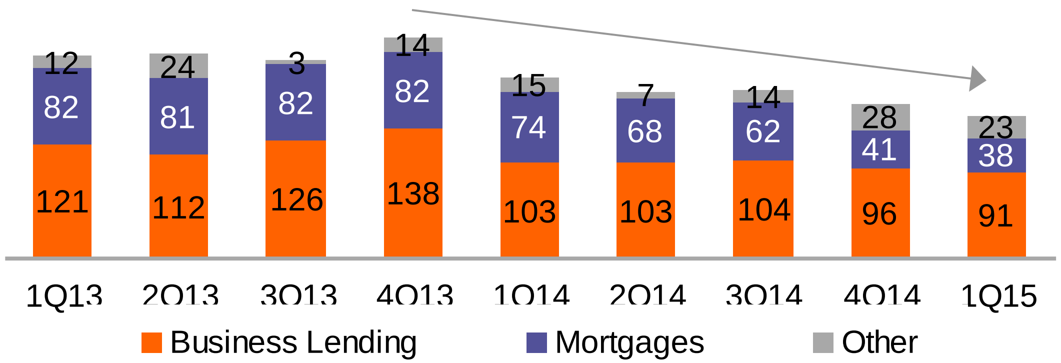
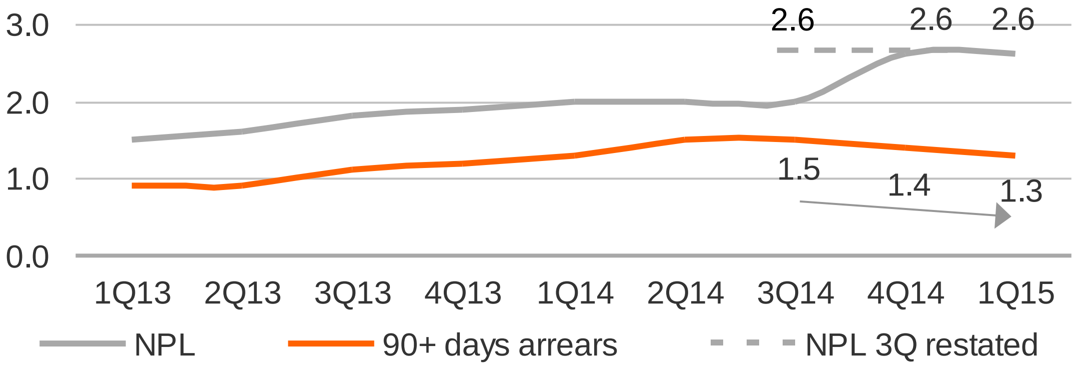
Risk costs Retail Netherlands have come down from the peak in 2013, driven by lower risk costs for Dutch mortgages

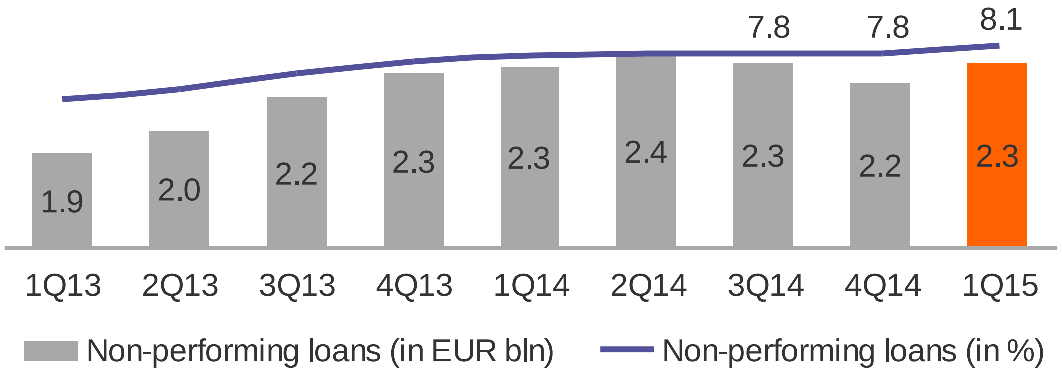
Risk costs have come down from the peak in 2013 (in EUR mln)



90+ days arrears for mortgages down for 2nd consecutive quarter, reflecting improvement housing market (in %)



Non-performing loans Business Lending remained elevated (in EUR bln and %)

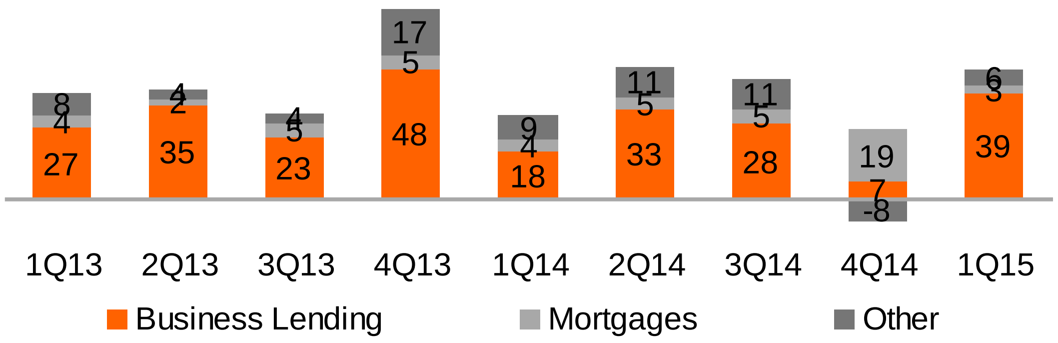


Risk costs Business Lending expected to remain elevated

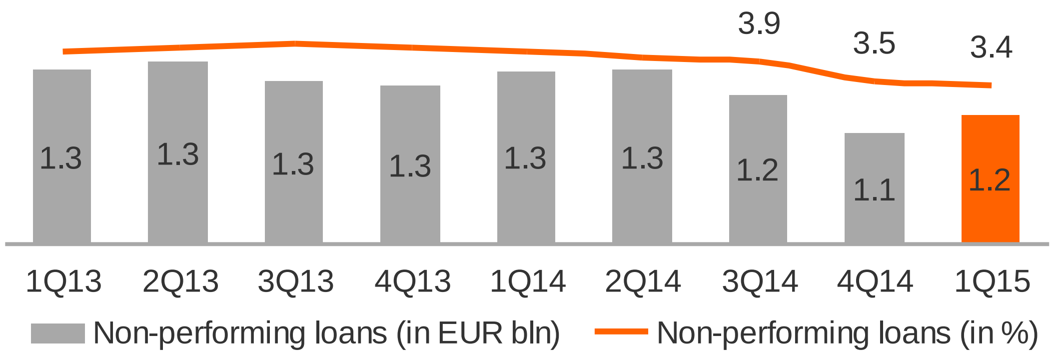
- Risk costs for mortgages continued its downward trend to EUR 38 mln in 1Q15 on the back of improving housing market
- The NPL ratio for Dutch mortgages stable at 2.6%. Increase in 4Q14 due to the implementation of new forbearance definition
- 90+ days arrears declined for the 2nd consecutive quarter to 1.3%, in 1Q15, reflecting improvement in the housing market
- Risk costs for Business Lending down from the peak in 2013, but still elevated. Risk costs expected to remain elevated
- NPLs Business Lending stable at around EUR 2.3 bln

Risk costs retail Belgium have been fluctuating around 40 mln per quarter

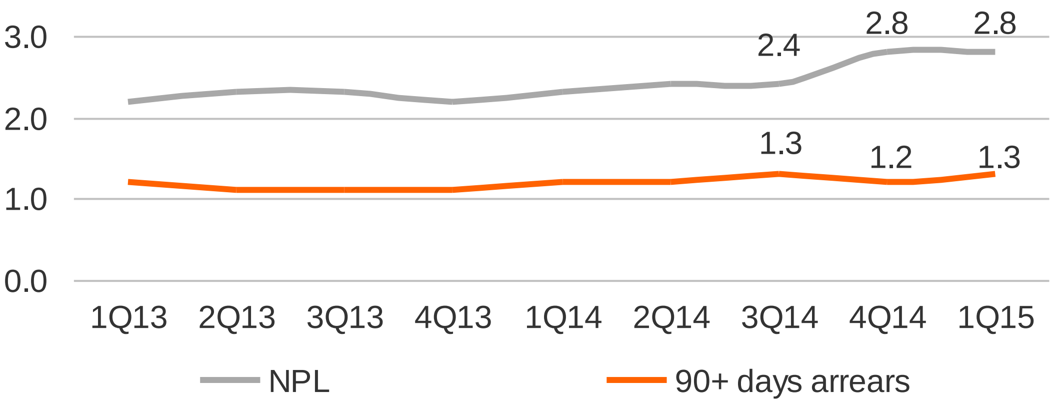
Risk costs have been fluctuating around EUR 40 mln per quarter (in EUR mln)



Non-performing loans Business Lending slightly down from the peak in 2013 (in EUR bln and %)



Non-performing loans ratio mortgages relatively stable



Risk costs around EUR 40 mln or 70 bps per quarter

- Risk costs retail Belgium have been on average at around EUR 40 mln, or 70 bps of average RWA per quarter, in the past 2 years, with some volatility due to Business Lending
- NPL ratio for Business Lending trending down from the peak in 2013, reflecting higher credit outstandings and slightly lower NPLs
- The risk costs and NPL ratio for Belgian mortgages have been relatively stable. Increase NPL ratio in 4Q14 due to the implementation of new forbearance definition

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Important legal information

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the 2014 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) ING's implementation of the restructuring plan as agreed with the European Commission, (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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