

PRESS RELEASE

Brussels, 8 August 2014

ING Belgium: 2014 first half year financial and commercial results

ING Belgium continues to deliver solid results

- **Profit before tax of EUR 649 million**
- **Net growth of 24,000 active clients**
- **ING continues to support the economy, with EUR 3.7 billion growth in the lending portfolio (+4.8%)**
- **Deposits rose by EUR 4.5 billion (+4.9%)**
- **Substantial increase in bank levies with EUR 41 million**

ING in Belgium¹ maintained its performance year-on-year, with a solid **profit before tax** of EUR 649 million compared to EUR 665 million in 2013². This performance remains another solid result, mainly thanks to our Best of Both Worlds' strategy and our permanent client focus. Due to the impact of bank levies which rose by EUR 41 million, profit before tax fell by EUR 16 million compared to the first half of 2013.

ING Belgium gained 24,000 active clients in the first half of 2014. ING was awarded "Best Bank in Belgium 2014" by *Global Finance* magazine, reconfirming our leading position as a client-focused bank.

ING BeLux's steadily growing customer base resulted in EUR 4.5 billion (+4.9%) additional **deposits** in the first half of 2014 (compared to the end 2013). This was largely due to a strong rise of EUR 4 billion (+12.3%) in current accounts in all segments. Savings showed moderate growth of EUR 0.8 billion (+1.8%), due to the low interest rate environment. The lower appetite in savings coincided with more interest in investment products.

44% of our simple products are purchased online, of which 52,000 are ING Lion Accounts in this half year 2014.

Rik Vandenberghe, CEO of ING Belgium: **"A year ago we said that ING Belgium was open for business and was eager to extend more credit to families and companies. I'm**

¹ 'ING in Belgium' includes the ING entities active in banking and leasing in Belgium & Luxembourg (called BeLux) and the Spanish, Portuguese and Swiss branches of ING Belgium SA/NV. The latter are called Foreign Branches in what follows.

² Comparative figures 2013 restated with exclusion of the French Branch.

proud to see that we delivered on our promises with an increase of EUR 3.7 billion in our lending portfolio.”

In Retail Banking, the increase in the **lending** portfolio was driven by mortgages. In the Midcorporate sector, institutional clients took more short term loans for treasury management purposes, as requests for long term loans and investment credits remained rather weak. The total lending portfolio has grown by 40% since 2009 showing that ING Belgium continues to support the real economy.

Income BeLux pursued growth this half year with a 3% increase compared to the first half year of 2013:

- **Retail Banking BeLux (including Private Banking, Midcorporate & Institutional segments)** continued to grow, with 9% increase in total income to EUR 1,265 million.
 - This reflects mainly the good commercial performance within the **private clients and smaller companies segments**, driven by higher volumes in all product lines. Clients continue to be more online (Home'Bank) and mobile (ING Smart Banking app new functionalities in 2014). The transformation of the branch network is on track. More than ever, *“Direct if possible, advice when needed”* responds to our clients' needs.
 - **Private Banking**: assets under management in Belgium were up 10% year-on-year to EUR 19 billion. With the successful launch of the new Private Banking app, Private Banking clients can now easily view their investments on mobile devices.
 - There was an income increase in the **Midcorporate & Institutional segment**, thanks to Corporate Finance & Investments deals, more Transaction Services and higher Lending income. As an universal direct bank we focus on all our client needs and, therefore, we are determined to enlarge our presence within the public sector.
- Good commercial results in **Corporate Clients BeLux**, in lending and payments & cash management were recorded; however, total income was impacted by lower results in Financial Markets.

Expenses BeLux increased by 6% compared to the first half of 2013 mainly due to higher bank levies. When we exclude these, expenses were 1.8% higher. This was the result of an increase in other operational expenses driven by investment projects and regulatory requests. Staff expenses fell by 3% in line with the transformation plan.

The slight increase in **Additions to loan loss provisions** reflects a still challenging economic environment. The Loan Loss Ratio on Outstanding remained low (0.14%). ING Belgium maintained high solvency, with a **Tier 1 ratio** of 17.3% (Basel III definition, consolidated view).

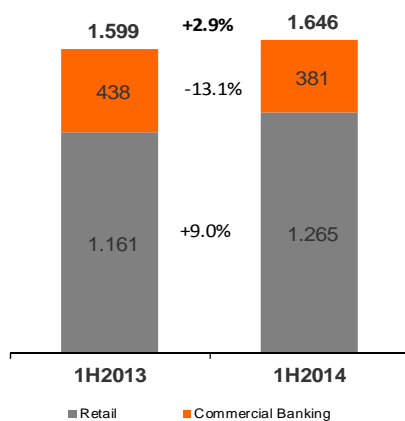
ING Luxembourg (included in Retail and Commercial Banking figures mentioned above) experienced a strong growth in client deposits (+15% or EUR 1.5 billion since December 2013), in both Retail Banking (+11% thanks to successful savings campaign) and Commercial Banking (+17% mainly in current accounts).

ING in Belgium - Income Statement				
In EUR million	1S2013	1S2014	Change	
RETAIL BANKING BELUX				
Total Income	1.161	1.265	+9%	
Operating Expenses	(717)	(785)	+9%	
Additions to loan loss provisions	(80)	(80)	+0%	
Profit before tax	363	400	+10%	
COMMERCIAL BANKING BELUX				
Total Income	438	381	(13%)	
Operating Expenses	(220)	(209)	(5%)	
Additions to Loan Loss Provisions	(9)	(5)	(46%)	
Profit before tax	209	168	(20%)	
FOREIGN BRANCHES				
Total Income	147	143	(3%)	
Operating Expenses	(43)	(44)	+2%	
Additions to Loan Loss Provisions	(12)	(17)	+43%	
Profit before tax	92	82	(10%)	
TOTAL				
Profit Before Tax	665	649	(2%)	
Tax	(169)	(170)	+0%	
Profit After Tax	495	480	(3%)	
KEY FIGURES				
Cost/Income ratio	56,2%	58,0%		

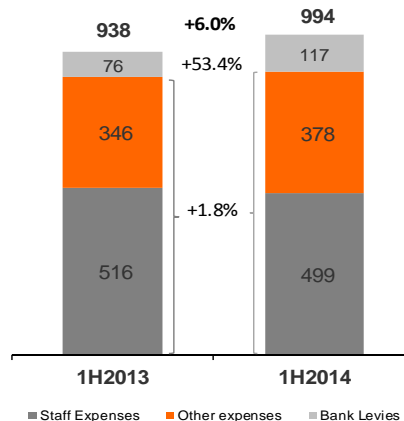
Note 1: Results mentioned under foreign branches include only ING Belgium SA/NV foreign branches (Spain, Portugal and Switzerland). 2013 figures are restated for the leave of France out of our scope during 2013.

Note 2: All figures in Management Accounting, unaudited.

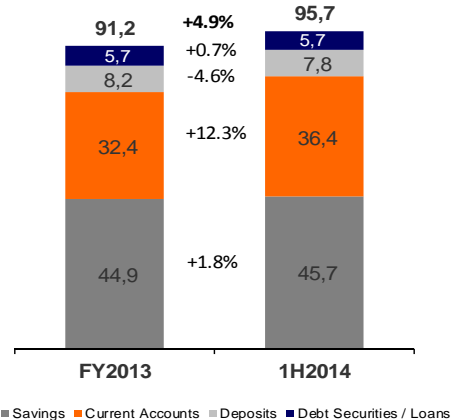
Total Income BeLux (in EUR mln)



Total Expenses BeLux (in EUR mln)



Total Deposits per product (in EUR bn)



Total Lending per product (in EUR bn)

