

Ratings

Category	Moody's Rating
Outlook	Stable(m)
Senior Unsecured -Dom Curr	A1
Subordinate MTN -Dom Curr	(P)A2
Jr Subordinate -Fgn Curr	Ba1
Jr Subordinate -Dom Curr	Ba1
Preferred Stock	Ba1
Preference Stock	Ba1
ING (Mexico), S.A C.V. Casa de Bolsa	
Outlook	Stable
Issuer Rating -Dom Curr	A3
NSR Issuer Rating -Dom Curr	Aaa.mx
ST Issuer Rating -Dom Curr	P-2
NSR ST Issuer Rating -Dom Curr	MX-1
ING Bank N.V., Tokyo Branch	
Outlook	Stable
Bank Deposits	Aa3/P-1
Commercial Paper -Dom Curr	P-1
ING Bank, S.A (Mexico)	
Outlook	Stable
Bank Deposits -Fgn Curr	Baa1/P-2
Bank Deposits -Dom Curr	A3/P-2
NSR Bank Deposits -Dom Curr	Aaa.mx/MX-1
Bank Financial Strength	D+

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Key Indicators

ING Groep N.V.[1]	2009	2008	2007	2006	2005
Total Assets (EUR Mil.)	1,163,643	1,331,663	1,312,510	1,226,307	1,158,639
Total Equity (EUR Mil.)	39,778	28,928	39,531	41,215	38,425
Net Result Before Minority Interests (EUR Mil.)	(1,053)	(766)	9,508	8,033	75,151
Total Income (EUR Mil.)	47,765	66,291	76,586	73,621	71,141
Adjusted Financial Leverage (ING Group figures)	31.5%	44.4%	22.2%	25.6%	28.3%
Total Leverage (ING Group figures)	46.7%	70.8%	38.1%	44.0%	47.8%
Earnings Coverage (1 yr.) (ING Group figures)	-0.3x	-0.3x	7.4x	11.0x	9.8x
Adjusted Financial Leverage (ING Insurance figures)	31.3%	45.4%	30.5%	28.2%	31.9%
Earnings Coverage (1 yr.) (ING Insurance figures)	-0.4x	-1.8x	13.6x	10.2x	7.8x

[1] Information based on IFRS financial statements

Opinion

SUMMARY RATING RATIONALE

The A1 senior unsecured debt rating of ING Groep N.V. ("ING Group", A1 senior unsecured rating, stable outlook) reflects the global franchise and the credit strengths of the group's various operating entities but also the view that the group's profitability will continue to be pressured as a result of overall economic slowdown and fragile financial market conditions. The ratings also reflects the very strong systemic support available

to the group, as demonstrated by the EUR10.0 billion capital injection by the Dutch State announced in November 2008 and the illiquid assets back-up facility arranged with the government in Q1 2009 covering 80% of ING Direct and ING Insurance US Alt-A RMBS portfolio.

ING Group is currently the main holding company of the group and parent company of ING Verzekeringen N.V. ("ING Insurance", Baa1 senior unsecured debt rating) and ING Bank N.V. ("ING Bank", C+ Bank Financial Strength Rating "BFSR" and Aa3 long term bank deposits rating). Going forward, and following the announcement by the management of its intention to divest the entire insurance operation by the end of 2013, ING Group will become a pure bank with its ownership limited to ING's banking activities. Therefore, ING Group's senior and subordinated ratings reflect Moody's standard notching for bank holding companies relative to ING Bank's ratings. The stable outlook on ING Group's ratings reflects the stable outlook on ING Bank's senior rating.

ING Group is currently one of the major providers of banking and insurance services in the Benelux region; the group ranks number one in both retail and commercial banking and life insurance in the Netherlands, and number three in commercial banking in Belgium (ING Belgium SA/NV, C+ BFSR and Aa3 long-term bank deposits rating). ING Group also has a strong market share in insurance in the US, where it ranks in the top three in the retirement services arena and in the top-ten in individual life (ING Life and Insurance Annuity Company and ING USA Annuity and Life Insurance Company, both A2 insurance financial strength rating).

Credit Profile of Significant Subsidiaries

ING Bank

ING's banking segment consists of both retail - which represented 66% of the banking underlying income in 2009 when including ING Direct - and commercial banking activities which represented the remaining income.

The C+ (negative outlook) BFSR of ING Bank, which translates into a Baseline Credit Assessment of A2, reflects the bank's strong franchise in the Benelux, which is rooted in a robust retail presence, the international scope given by ING Direct and the strong liquidity management and liquidity position of the bank. The rating also incorporates the full benefit from the January 2009 agreement with the Dutch Government regarding the illiquid asset backup facility and the improved capital position following the rights issue last year.

ING Bank's Aa3 long-term debt and deposit ratings reflects Moody's view that the bank is and will remain a systemically important institution in two European markets, the Netherlands and Belgium, and continues to have a significant retail presence throughout Europe via ING Direct.

For further discussion of the credit fundamentals of ING Bank N.V. please refer to ING Bank N.V.'s credit opinion and ING Bank N.V. Credit Analysis.

ING Insurance

ING Insurance is focused on life business (94% of gross premiums written (GPW) in 2009) and operates mostly in the retail segment of the market. ING Insurance is organized in five business lines: Benelux (representing 26% of GPW in 2009), Central & Rest of Europe (6% of GWP), United States (46% of GWP), Latin America (1% of GWP), and Asia/Pacific (21% of GWP).

Moody's Baa1 rating for senior debt of ING Insurance reflects (i) the strong standalone insurance franchise (ii) the structural subordination of the insurance holding company's obligations to the obligations of the insurance operating entities (iii) the more limited geographical diversification of the insurance group that is likely to result from the disposal of the insurance operations. Moody's does not include any support in the insurance rating from ING Group given the intention to dispose the insurance business by the end of 2013.

ING has a dominant insurance franchise in the Netherlands, ranking number one in both life insurance and non-life, and top ten market position in the US individual life insurance, annuity and top three in retirement services. The group also benefits from growing earnings diversification arising from its franchise in Latin America, the Asia Pacific region and the CEE.

Moody's rates the ING U.S. life insurance companies A2 for insurance financial strength, which reflects the group's stand-alone intrinsic credit profile, based on the group's well-established, and in some cases, strong positions in certain sectors of the U.S. retirement services and life insurance markets, as well as strong regulatory capital adequacy, as measured by NAIC Risk Based Capital Ratios. These strengths are mitigated by the reduction in the U.S. operation's footprint, both by design (a scale-back of the US operation was announced by the Group) and possibly, as the unintended consequence of ING's announcement of the divestment of its global insurance operations (including ING US), as part of an European Commission-led restructuring plan. As a result, we expect ING US' business diversity and market share in the U.S., as well as its earnings capacity, to decline relative to the pre-financial crisis level.

For further discussion of the credit fundamentals of ING US Life Insurance Companies please refer to ING US Life Insurance Companies Credit Opinions.

Credit Strengths

- Very strong systemic support available to the group, as demonstrated by the EUR10.0 billion capital injection by the Dutch State announced in November 2008 and the illiquid assets back-up facility arranged with the government in Q1 2009 covering 80% of the group's Alt-A portfolio
- Strong global franchise in insurance, retail and direct banking, and asset management; going forward the franchise will narrow to the banking business with the planned divestiture of the insurance operations by the end of 2013
- Leading banking and insurance position in the Dutch home market and in the US insurance market with diversification in emerging countries

Credit Challenges

- To successfully implement its "Back to basics - Accelerating the journey" strategy, announced in October 2009, which includes the full divestment of its insurance operations and ING Direct USA by the end of 2013
- To protect its balance sheet against the potential additional impairments in its investment portfolio and/or potential further increases in credit costs in the banking book
- To maintain its competitive position in its challenging Benelux market

- To achieve further efficiency and profitability gains in its organization, in particular in the insurance and banking activities in the Benelux and in ING Direct's operations

Rating Outlook

The C+ BFSR of ING Bank carries a negative outlook reflecting the execution risks resulting from the restructuring plan as well as Moody's expectation of subdued macroeconomic conditions in the regions where ING Bank operates, namely the Netherlands and Belgium.

The Aa3 long-term debt and deposit ratings of ING Bank carry a stable outlook reflecting the fact that a one-notch downgrade of the BFSR would be unlikely to impact these ratings as it is Moody's view that the bank benefits from "very high" systemic support translating into a two-notch uplift from the Baseline Credit Assessment (BCA) of A2.

ING Group's A1 senior rating carries a stable outlook reflecting the stable outlook of ING Bank's corresponding senior rating.

The negative outlook for ING Insurance and ING Insurance US reflects the depressed earnings at ING US (although core earnings have shown recent signs of improvement), due to both continuing legacy variable annuity issues, as well as above-average investment losses, largely from structured securities. Charges taken in 3Q10 and expected in 4Q10 will continue to depress earnings and internal capital generation. The negative outlook also incorporates the uncertainty and execution risk associated with the IPO process.

What Could Change the Rating - Up

In respect of ING Group

- Upgrade of ING Bank ratings, which is unlikely at this stage
- Enhanced overall competitive position in particular in the banking business
- Improvement of ING Bank profitability and efficiency ratios and/or improving ING Insurance underlying profits
- Lower financial leverage, consistent with group's financial leverage in the mid-20s and fixed-charge coverage above 8x

In respect of ING Insurance

- Upgrade of ING Insurance US
- Acquisition of the insurance group by a stronger entity

What Could Change the Rating - Down

In respect of ING Group

- Downgrade of ING Bank ratings
- Lower than expected level of probability of systemic support from the Netherlands
- Continuous material deterioration of bottom line earnings and underlying profits
- Material deterioration of ING Group's capital structure, with the group's financial leverage and double leverage over 40% and 130%, respectively, and the group's fixed-charge coverage falling below 4x
- Additional capital pressures from a potential further increase in loan losses in the banking operations
- Challenges in implementing its "Back to basics - Accelerating the journey" strategy, announced in October 2009

In respect of ING Insurance

- Downgrade of ING Insurance US
- Acquisition of the insurance group by a weaker entity
- Weakening credit profile through subsidiary sales

Recent Results and Developments

ING Group reported a net profit before minorities of EUR2,785million in the first nine months of 2010 (3Q2009 YTD: negative EUR223 million), mostly benefiting from the strong recovery in the underlying results of the banking operations. The insurance underlying results were impacted instead, in the third quarter, by a negative EUR356 million variable annuity assumption changes in Japan and US and EUR513 million goodwill write-down related to the US operations; in the second quarter, by the equity market decline which resulted in a negative EUR521 million DAC unlocking in the US. Total group equity was EUR48.5 billion, up by 22% from year-end 2009, as a result of currency and revaluation effect and the positive bottom line result.

On December 13, 2010 Moody's affirmed the A2 insurance financial strength ratings of the US life insurance subsidiaries of ING Groep N.V. and the Baa1 senior rating of ING Verzekeringen N.V. and changed the outlook to negative from developing. On February 03, 2010 Moody's confirmed ING Bank NV's C+ BFSR, Aa3 senior long-term debt and deposit ratings and A1 dated subordinated debt rating. Moody's also confirmed the Ba1 ratings of ING Group's preference stocks, ING Verzekeringen NV's subordinated debt securities and Equitable of Iowa Companies Capital Trust II's preferred stocks. The B1 rating of ING Capital Funding Trust III's trust preferred securities was also confirmed.

On December 21, 2009 ING Group exercised its option to early repurchase EUR 5.0 billion out of EUR 10.0 billion of core Tier I securities to the Dutch State for a total amount of EUR 5.6 billion. To fund this first repayment ING Group raised EUR 7.5 billion via an equity rights issue

completed in December 2009.

On October 26, 2009 ING Group announced of its intention to divest its insurance operations within the next four years as a part of its final restructuring plan filed with the European Commission. The group also announced (i) its intention to repay EUR 5 billion of core Tier I securities to the Dutch State in December 2009 for a total maximum repayment amount of EUR 6 billion and (ii) the revision of the terms in respect of the Alt-A Back-up facility provided by the Dutch State at the beginning of this year which resulted in a one-off pre-tax charge of EUR 1.3 billion.

Capital Structure and Liquidity

Overall financial flexibility for the group is in line with a single A level.

The group's fixed charge coverage remains under pressure given the negative bottom line results for both 2008 and 2009. Moody's views that - similarly to other financial groups - prospective fixed charge coverage is also expected to remain below levels seen historically, given the continuous pressure on earnings for the insurance operations. Nevertheless financial leverage decreased in 2009 to 31 % from 45% at insurance level, mostly as a result of improving shareholder's equity under IFRS.

Moody's noted the significant decrease in 2009 of ING Group double-leverage to 122% which is in line with a single A level (140% in 2008) (double leverage at the holding company is calculated as the ratio between investments in subsidiaries and shareholders' equity). We expect double leverage to continue to decrease further in the next few years with the repayment of group debt via the proceeds from disposals of the insurance operations.

Total leverage, which includes operational debt and does not incorporate equity credit for hybrid securities, is high at 47% and below the overall score for financial flexibility.

ING has a clear and integrated treasury and capital management strategy, whereby perpetual hybrid securities are always raised via direct issuance of the parent company, ING Groep N.V. Conversely, lower Tier-2 capital or subordinated debt is raised directly from the main banking or insurance operations according to their needs; the parent company acts as guarantor. In this regard, Moody's gauges the risk of the capital structure and debt-service capacity of ING, based on a multi-dimensional view of the financial leverage of the insurance operations, the group and the holding companies.

The subordinated debts issued by ING Groep N.V. are perpetual securities, while the subordinated debts issued by ING Insurance mature after 2020. Hence, the refinancing risk only concerns senior debt. We note that ING Bank has refinanced its long-term financial obligations for 2010.

Moody's notes that ING has maintained a good access to capital markets mainly via (i) securitisation programmes, (ii) banking private placement and loans, (iii) ING Group's EUR 10 billion Euro MTN as well as ING Bank's EUR 40 billion global issuance program for medium-term funding, (iv) its US\$7 billion and its two EUR 10 billion banking commercial paper programmes as well as CP issuance in London markets for short-term funding for the bank, (v) its US and Euro commercial paper programmes of US\$3.0 billion and EUR 2.0 billion for the insurance operations, (vi) covered bond issues, (vii) Government guaranteed bonds and (viii) the successful completion of the EUR 7.5 billion equity rights issue in December 2009. Some of these liquidity sources may be more challenging to use in the near-term, given the volatile capital markets, but the recent issuances made by the group show the ability of ING to tap the capital markets. Additionally, Moody's notes that the Group has ample access, if needed, to the Central Banks' discount windows thanks to its large pool of eligible assets.



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