

press release

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EUR 1.275 billion investment in NN Group secured ahead of IPO

- ING to issue EUR 1.125 billion subordinated notes to RRJ Capital, Temasek and SeaTown
- Notes are mandatorily exchangeable into NN Group shares in three tranches through 2016
- Anchor investment by each investor in NN Group at intended IPO totalling EUR 150 million

NN Group notes the announcement of ING Group that it has secured important investments into NN Group totalling EUR 1.275 billion ahead of NN Group's intended Initial Public Offering (IPO). In this context, ING Group has agreed to sell NN Group shares at the IPO to RRJ Capital, Temasek and SeaTown Holdings International (SeaTown), three Asia-based investment firms, and also to issue to these three investors subordinated notes that ING Group will over time exchange into NN Group shares.

"We welcome the investment commitment of RRJ Capital, Temasek and SeaTown and their confidence in the prospects of NN Group as a standalone company," said Lard Friese, vice-chairman of NN Group. "We continue to make good progress in preparing for an IPO and we are on track for a transaction this year, depending on market circumstances." Further announcements on the base case IPO, including the capital structure, will be made as and when appropriate.

Structure of the transactions

Under the agreed terms, ING Group will receive cash amounts of EUR 750 million from RRJ Capital, EUR 425 million from Temasek and EUR 100 million from SeaTown in exchange for (1) the allocation of NN Group shares from ING Group at the intended IPO of NN Group (the "anchor investment") and (2) subordinated ING Group notes, mandatorily exchangeable into NN Group shares over time. The combined proceeds represent an aggregate amount of EUR 1.275 billion of direct and indirect investments into NN Group shares.

The anchor investment in NN Group shares at the time of the intended IPO will total EUR 150 million, of which EUR 88 million by RRJ Capital, EUR 50 million by Temasek and EUR 12 million by SeaTown. There will be no lock-up on these NN Group shares which will be acquired at the IPO transaction price.

In May 2014, ING Group will issue to each of the investors in this transaction mandatory exchangeable subordinated notes for a total amount of EUR 1.125 billion. These notes will accrue a 4% coupon, and will be mandatorily exchangeable into NN Group shares in three tranches according to following schedule:

	RRJ (EUR million)	Temasek (EUR million)	SeaTown (EUR mil- lion)	Features
1st tranche (EUR 450 mil- lion)	264.7	150.0	35.3	<ul style="list-style-type: none"> • Exchange at closing of IPO; • Exchange price at a discount of 1.5% to the IPO price; • Lock-up until the later of 6 months after settlement of IPO or 9 months from the date of issue of the notes
2nd tranche (EUR 337.5 million)	198.5	112.5	26.5	<ul style="list-style-type: none"> • Exchange at any time in 2015 at the discretion of ING Group; • Exchange price is the lower of (i) a 3% discount to the NN Group closing share price or (ii) the 5 day Volume Weighted Average Price ("VWAP"); • Lock-up of 3 months
3rd tranche (EUR 337.5 million)	198.5	112.5	26.5	<ul style="list-style-type: none"> • Exchange at any time in 2015 or 2016, after the exchange of the 2nd tranche and at the discretion of ING Group; • Exchange price is the lower of (i) a 3% discount to the NN Group closing share price or (ii) the 5 day VWAP; • No lock-up
Total (EUR 1,125 million)	661.7	375.0	88.3	

ING Group has also agreed certain orderly market arrangements which will be appropriately disclosed in the IPO prospectus as and when that document is published. None of RRJ Capital, Temasek and SeaTown will have any special governance rights in NN Group as a result of these transactions.

The transactions are subject to the base case IPO of NN Group taking place in 2014. If the IPO does not take place in 2014, the transactions with these three investors will be unwound, and the subordinated notes will be redeemed.

About the investors

RRJ Capital is an Asia-based investment management company. It currently manages two private equity funds with a combined size of USD 5.9 billion. RRJ Capital strategically focuses on the following sectors: Financial Institutions, Consumer, Energy, Food and Industrials.

Incorporated in 1974, Temasek is an investment company based in Singapore. Supported by 11 offices globally, Temasek owns a S\$ 215 billion (USD 173 billion) portfolio as at 31 March 2013, with more than 70% of its underlying assets in Asia (including Singapore).

SeaTown, based in Singapore, is a wholly-owned subsidiary of Temasek and was established in 2009 as an investment manager focused on absolute returns. SeaTown seeks to achieve consistent, superior risk-adjusted investment returns with its core strategy in value investing across the capital structure in companies globally.

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NN Group profile

NN Group is an insurance and investment management company with a strong, predominantly European presence in more than 18 countries. With over 12,000 employees the group offers retirement services, insurance, investments and banking to more than 15 million customers. NN Group includes Nationale-Nederlanden, ING Insurance Europe, ING In-

vestment Management and ING Life Japan, which are jointly preparing to become an independent, standalone company, separate from ING Group. NN Group is currently a fully-owned subsidiary of ING Group.

Important legal information

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 NN'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) the implementation of ING Groep N.V.'s restructuring plan to separate banking and insurance operations, (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 of NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit-ratings, (18) NN'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.

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