



To Understand China's "One Belt One Road"

April 2016



Contents

- 1. Executive summary**
- 2. China's B&R initiative overview**
- 3. Current CC and FI client activities under B&R**
- 4. General Assessment on ING Products for B&R**
- 5. China Outbound M&As**

Executive Summary

- China's “One Belt One Road”(B&R) Initiative has implications for huge cross border business activities spanning more than 40 countries, 4 billion engaged population involving USD 21 trillion of GDP;
- For ING, this presents a tremendous platform for outbound business coming from our Chinese clients as well as Chinese companies we are targeting to cover;
- The converse holds true for our clients firstly in Eastern Europe, expanding to our other ING platforms for the rest of Europe, Africa and routing back to Asia, as various investments, projects and related financing are positively affected along the B&R route;
- ING Clients China (Corporates and Financial Institutions) has identified this as an important initiative long overdue, and would be working with our coverage and product teams in the rest of the network to identify, coordinate, and hopefully crystallize these opportunities to promote more international business, and in the process also deepen our client relationships.
- Belgium government has been active in promoting the B&R strategy since 2015, and the Antwerp project has been one of the pioneer cases of Europe under this strategy.

One Belt One Road

- “One Belt One Road” (B&R) is a development strategy initiated by Chinese President Xi Jinping in 2013.
- A key initiative for China government to build stronger economic links between Asia and Europe
 - Chinese framework for organizing multinational economic development through the land-based "Silk Road Economic Belt" and oceangoing "Maritime Silk Road"
 - Principal aim is to boost connectivity and commerce between China and 64 countries with a total population of 4.4bn by building infrastructure and boosting financial and trade ties.



List of Countries along B&R route

There are 65 countries along One Belt One Road, which includes:

Middle East Europe (16)

- Poland
- Romania
- Czech Republic
- Bulgarian
- Lithuania
- Slovenia etc.

West Europe

- Netherlands
- Belgium
- Germany
- France
- Austria
- Italy etc.

West Asia & North Africa (16)

- Saudi Arabia
- United Arab Emirates
- Egypt
- Iran
- Turkey
- Israel etc.

South Asia (8)

- India
- Pakistan
- Bangladesh
- Nepal etc.

Commonwealth of the Independent States (11)

- Kazakhstan
- Uzbekistan
- Ukraine
- Kyrgyzstan etc.

Russia

Mongolia

China

Southeast Asia (11)

- Indonesia
- Thailand
- Malaysia
- Vietnam
- Singapore etc.

Source: literal search, Strategy& analysis

ING's International Presence along B&R



ING's Presence in B&R key beneficial countries:

- Europe
 - Netherlands
 - Belgium
 - Germany
 - France
 - Poland
 - Romania
 - Russia
 - Italy
 - Austria
- West Asia
 - Turkey
- Central and South Asia
 - India
 - Kazakhstan
- Southeast Asia
 - Indonesia
 - Thailand
 - Singapore
 - Vietnam
 - Malaysia
 - The Philippines

China's B&R in Europe

- In 2012, China approached the countries of Central-Eastern Europe (“CEE”) with a proposal concerning regional cooperation in the ‘16+1’ formula. The rationale behind this breakthrough decision was Beijing’s acknowledgment of the growing importance of the region’s states within the European Union.
- Central and Eastern Europe (“CEE”) has grown in importance to China’s foreign policy in recent years, especially since it was “rediscovered” as an important part of the B&R initiative.
- In the meeting of Heads of the Government of China and CEE (known as the Belgrade Meeting) in 2014, Chinese Premier Li Keqiang emphasized the importance of the CEE region for China’s “B&R” initiative.
- The Meeting also resulted in the jointly released “Belgrade Guidelines,” setting the medium-term strategy for China and CEE countries “to strengthen all-round cooperation,” including an announcement of an additional fund of \$3 billion for Chinese investment in the CEE region through public-private partnerships and Beijing’s contribution of another \$1 billion to the China-CEE Investment Fund. The participants also set a goal to double the current trade volume of \$60 billion within the next 5 years.
- The Chinese B&R initiative presents the whole EU with a unique opportunity to re-enter the “great game” bringing together its own best practices with Chinese led economic growth, infrastructural development and capacity building.

Key Objectives

- To be discussed which countries are involved

A National and Regional Strategy aimed at

- Exporting the country's excessive capacities in sectors such as steel, construction, transportation, and manufacturing.
- Creating investment opportunities for China's massive forex reserve
- Promoting new growth engines through infrastructure investment and enhanced trading activities
- Accelerating RMB internationalization
- Ensuring resource security
- Expanding China's sphere of influence in global economic and political affairs whilst deepening regional economic cooperation and integration



China is offering financial support through

- its current US\$3.21 trillion forex reserves (as of 31Mar 2016)
- the Asian Infrastructure Investment Bank (AIIB), with a registered capital of USD100 billion, with China holding 50% of the shares, and
- the USD40 billion Silk Road Fund

On the news.....

Silk Road Fund makes first investment

The Silk Road Fund's first overseas investment project is expected to demonstrate a new financing model that supports infrastructure construction and improves connectivity across the regions involved in the "Belt and Road Initiative", experts said on Tuesday.

The \$40-billion (S\$54 billion) Silk Road Fund will inject capital in China Three Gorges South Asia Investment Ltd, a subsidiary of China Three Gorges Corp, to develop the Karot hydropower project on the Jhelum River in northeastern Pakistan.

The project will be funded through a mix of equity and loan investments.

The infrastructure construction project, under the framework of the China-proposed Silk Road Economic Belt and the 21st Century Maritime Silk Road initiative, is expected to ease electricity shortage in Pakistan and support its economic development.

22 April 2015 – China Daily/Asia News Network

China's CITIC Antes Up \$113 Billion for Silk Road Initiative

Chinese state-owned conglomerate CITIC Ltd. announced last week that it will invest upwards of \$113 billion dollars into China's "One Belt, One Road" (aka the New Silk Road) initiative. The money will come from its banking, securities, trust, and construction divisions, and will be put toward the completion of approximately 300 projects from Singapore to Turkmenistan.

The New Silk Road is a planned network of infrastructure links across Asia, the Middle East, and Europe. Projects include the construction of railways, highways, power grids, pipelines, and Internet networks, to list a few. In March, Chinese President Xi Jinping said he hopes that annual trade between Silk Road countries will reach \$2.5 trillion in the next ten years and bolster China's trade connections to European and other Asian countries.

CITIC's banking subsidiary, China CITIC Bank Corp., will contribute the majority of the funds with \$65 billion dollars. The money will be disseminated through its local branches and help fund more than 200 projects in infrastructure, energy, and agriculture. CITIC's securities, trust, and construction divisions will contribute the rest of the funds as equity and debt financing to more than 30 countries supported by the initiative.

30 June 2015 – China Business Review

On the news.....

Silk Road Key to China's Next Move

In May 2015, China's planning agency, the National Development and Reform Commission, announced 1,043 projects worth 1.97 trillion yuan (USD 318bn). While many of the projects are focused on building infrastructure across China's major exporting provinces, there has been a shift of focus to develop China's inland cities as part of the Government's Silk Road Economic Belt.

Part of China's broader 'go out' strategy, the Silk Road Economic Belt (or One Belt, One Road as it is also called), proposes to create an economic zone that runs through Asia, Europe and Africa, linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia.

China has also moved rapidly to establish new commercial relationships with Kazakhstan, setting up a future arm wrestle with Russia over influence in Central Asia. In March 2015, China announced that it had reached agreement with the Kazakhstan Government to support 33 infrastructure projects worth US 23.6 billion.

31 August 2015 – China Business

Chinese Experts Focus on South Asia Role in "One Belt, One Road"

According to Wang Huiyao, director of the Center for China and Globalization, "One Belt, One Road" will focus more on exports than imports. India is seen as a key area for the overall success and development of the program. Investment in production and manufacturing will be difficult in India but we can start from the tourism industry. And considering the fairly high quality of education in India, we can import talents but not invest too much in building infrastructure.

In terms of the investment in production and manufacturing, Pakistan is considered an ideal target with low risk and high profits. The electric power industry has great potential in Pakistan. In areas where rich people live, electricity can be cut off 3-4times a day. For Chinese enterprises, hydropower, thermal power or nuclear power can achieve good returns. And the use of new energy in Pakistan could also enjoy subsidies from the government.

The World Bank has forecast that from 2015 to 2020, South Asia will see 2.5 trillion U.S. dollars of investment flowing to new infrastructure to support development in power generation, transportation and drinking water supply.

1 Sep 2015 – CRI English

On the news.....

Silk Road Key to China's Next Move

In May 2015, China's planning agency, the National Development and Reform Commission, announced 1,043 projects worth 1.97 trillion yuan (USD 318bn). While many of the projects are focused on building infrastructure across China's major exporting provinces, there has been a shift of focus to develop China's inland cities as part of the Government's Silk Road Economic Belt.

Part of China's broader 'go out' strategy, the Silk Road Economic Belt (or One Belt, One Road as it is also called), proposes to create an economic zone that runs through Asia, Europe and Africa, linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia.

China has also moved rapidly to establish new commercial relationships with Kazakhstan, setting up a future arm wrestle with Russia over influence in Central Asia. In March 2015, China announced that it had reached agreement with the Kazakhstan Government to support 33 infrastructure projects worth US 23.6 billion.

31 August 2015 – China Business

Chinese Experts Focus on South Asia Role in "One Belt, One Road"

According to Wang Huiyao, director of the Center for China and Globalization, "One Belt, One Road" will focus more on exports than imports. India is seen as a key area for the overall success and development of the program. Investment in production and manufacturing will be difficult in India but we can start from the tourism industry. And considering the fairly high quality of education in India, we can import talents but not invest too much in building infrastructure.

In terms of the investment in production and manufacturing, Pakistan is considered an ideal target with low risk and high profits. The electric power industry has great potential in Pakistan. In areas where rich people live, electricity can be cut off 3-4times a day. For Chinese enterprises, hydropower, thermal power or nuclear power can achieve good returns. And the use of new energy in Pakistan could also enjoy subsidies from the government.

The World Bank has forecast that from 2015 to 2020, South Asia will see 2.5 trillion U.S. dollars of investment flowing to new infrastructure to support development in power generation, transportation and drinking water supply.

1 Sep 2015 – CRI English

Recent Corporate Clients Activities under B&R

Client	Date	Activities
China Merchants Group	May 2015	<ul style="list-style-type: none"> China Merchants Group intends to build a logistics hub as large as 1 km² in the China-Belarus industrial park Great Stone and plan to invest \$500 million
	Aug 2015	<ul style="list-style-type: none"> CMHI Issues USD 700 Million Notes to boost port business; CMHK has poured \$500m into Colombo International Container Terminal, a JV between CMHK and Sri Lanka Ports Authority
	Sep 2015	<ul style="list-style-type: none"> China's two largest port operators, COSCO Pacific and China Merchants Holdings (International), have teamed up with CIC Capital Corp to acquire a 65 per cent stake in Turkey's Kumport container terminal for US\$940 million
China Shipping	June 2015	<ul style="list-style-type: none"> China Shipping launched container shipping services in Moldova, becoming thus the second foreign companies to have the operation in the country's only port of Giurgiulesti
COSCO	March 2015	<ul style="list-style-type: none"> COSCO launched weekly Adriatic-Greece-Turkey shipping service at the Adriatic Gate Container Terminal in the Port of Rijeka , Croatia.
ChemChina	July 2015	<ul style="list-style-type: none"> ChemChina secured European Union antitrust approval for its \$7.86 billion bid for Italian tyre maker Pirelli
CITIC	June 2015	<ul style="list-style-type: none"> CITIC announced to invest \$113 billion on projects extending from Singapore to Turkmenistan
CRRC	Aug 2015	<ul style="list-style-type: none"> China's first bullet train exported to Europe rolled off production line at Zhuzhou Electric Locomotive Co., Ltd., a subsidiary company of CRRC
State Grid	April 2015	<ul style="list-style-type: none"> State Grid is promoting power grid interconnection and interworking with neighboring countries as implementation of China's B&R initiative.
Southern Grid	March 2015	<ul style="list-style-type: none"> Southern Grid has invested two power plant projects in Vietnam and Laos respectively. It is discussing potential Turkey projects with Silk Road Fund
China Southern Airlines	June 2015	<ul style="list-style-type: none"> China Southern Airlines began operating two new cargo routes between China and Europe in June 2015. One route will fly between Guangzhou, London and Frankfurt, while the other will service Guangzhou, Paris, and Vienna. Both routes will be serviced by Boeing 777 cargo planes.

Recent Corporate Clients Activities under B&R

Client	Activities
Ningbo Port	<ul style="list-style-type: none"> Ningbo Port is looking for investment opportunities in established container ports alongside the B&R, e.g. Sri Lanka, Thailand, Saudi Arabia, Turkey
Shandong Heavy Industry Group	<ul style="list-style-type: none"> Weichai Power (subsidiary of Shandong Heavy Industry Group): Weichai is following China's B&R strategy, to actively promote overseas market layout for business expansion. The company will further explore overseas markets, e.g. in India, Thailand, Abyssinia etc. Shantui Construction Machinery (subsidiary of Shandong Heavy Industry Group): the company indicated that it will closely follow China government's B&R guidance, work with machinery manufacturers and contractors to provide machinery products and services to support Chinese Co.'s construction and infrastructure projects alongside B&R
Shanghai Electric Power	<ul style="list-style-type: none"> SEP (50.5%), China National Aero-Technology Import & Export Corporation (8%) and EMBA, a Turkish private investment company (41.5%), set up SEP EMBA company in Turkey, to invest and operate a thermal power plant with ultra-supercritical technology. Under that guideline for overseas expansion, SEP targets to invest in power projects in Europe (i.e. Malta, Montenegro) and new energy projects in developed countries e.g. in Germany
Zhenhua Port Machinery	<ul style="list-style-type: none"> Zhenhua Port Machinery' subsidiary signed a Turnkey project in respect of Asia's first fully automated container terminal with Qingdao Port . European center (a fully owned subsidiary of ZPMC) was set up in Rotterdam in 2012, which is the best performed regional center of ZPMC. Main business is for marketing, sales of spare parts, and after-sales activities. European purchase center was set up in Hamburg with annual purchase volume (from Siemens, ABB etc) at ~USD1bn. ZPMC is bidding for equipment supply for a bulk cargo port construction project in Russia with contract size at Euro110mln. The project sponsor is not on US sanction list.
Shandong Hi Speed	<ul style="list-style-type: none"> The company set up its first overseas in Singapore in 2014 with the purpose of capitalizing on Singapore's hub status (both in finance and trade flows), and meanwhile looking for investment opportunities in infrastructure i.e. highway, port, airport, bridges along B&R (in terms of airports, would prefer the ones in Europe given the lower political risks)

Recent Corporate Clients Activities under B&R

Client	Date	
Sinopec	September 2015	Sinopec and SIBUR, a leading Russian gas processing and petrochemical company, have entered into a framework investment agreement whereby Sinopec is to acquire a stake in SIBUR
China Minmetals	February 2015	This year, Minmetals is focusing on One Belt One Road route while putting greater emphasis on southwestern and northwestern regions domestically and expanding into developing markets in Asia and even in Africa and Latin America as the second drive of Chinese mineral industry
CNPC	September 2015	On August 31, successful operatio of the Phase-III project as the Third Processing Plant of the Zhanazhol Oilfield in Kazakhstan. The Phase-I and Phase-II projects for integrated utilization of natural gas at the Third Processing Plant boast the largest scale and investment ever made by CNPC AktobeMunaiGas.
CNOOC	July 2015	Recently, "Offshore Oil 278" successfully finished module float-over installation of CKX Project at CAKERAWALA site in adjacent waters of Thailand and Malaysia, which referred to the first module float-over installation under joint operation contract of COOEC and Dockwise, and also the second floating of "Offshore Oil 278" after float-over installation of Enping 25- module in May 2014.

Key FI Players Involved in B&R

Client	Date	Activities
Asian Infrastructure Investment Bank	Dec 2015	AIIB announced the starting of operation, with registered capital of US\$100Bln, who will play a key role in the B&R projects.
Bank of China	Jun 2015	Bank of China raised USD4bn B&R bond in June 2015 to support the potential projects.
Chine Development Bank	May 2015	China Development Bank announced plans to invest more than \$890 billion funding over 900 projects involving 60 countries.
China Construction Bank	Jun 2015	Open new branches in Paris, Milan, Madrid, etc. in the next two months. The number of the overseas branches will increase from 22 to 30 by 2015 end. To support RMB150bn investment in Shannxi which is in northwest China, the starting point of silk road.
The Export-Import Bank of China	Apr 2015	China EXIM is one of the key financing partner to the China/Pakistan US\$ 46bn energy and infrastructure investment pact.
Industrial and Commercial Bank of China	Apr 2015	ICBC plans to participate in at least 130 "belt and road" projects in the transportation, mining, power and telecom sectors, to name just a few, and that are worth a combined US\$ 158 billion.
Agricultural Bank of China	Jun 2015	Support the agriculture loan in Xinjiang Province and Tajikistan.

Asia Infrastructure Investment Bank



Basics

- ❑ **HO:** Beijing
- ❑ **Initial capital:** US\$100bn
- ❑ **Asian members:** Hold 75%
- ❑ **When to Start Operation:** Announced at the end of 2015.
- ❑ **Focused Industries:** the development of infrastructure in Asia, including energy and power, transportation and telecommunications, rural infrastructure and agriculture development, water supply and sanitation, environmental protection, urban development and logistics.
- ❑ **57 Founding Members (PFMs)** signed AoA

Shareholding Structure

Vote Type	% of Total Votes	Total Votes	Vote per Member	China (Largest PFM)	Maldives (Smallest PFM)
Basic votes	12	138,510	2,430	2,430	2,430
Share votes	85	981,514	Varies	297,804	72
Founding Member votes	3	34,200	600	600	600
Total	100	1,154,224	varies	300,834 (26.1%)	3,102 (0.3%)

Recent Updates:

- On 25Dec 2015, the AoA entered into force;
- On 16Jan 2016, the board of governors of the bank convened its inaugural meeting in Beijing and declared the bank open for business;
- 29 states, together holding 74% of the initial subscriptions of Authorized Capital Stock, had deposited the instrument of ratification for the agreement, triggering entry into force, and making them all founding members and bringing the Articles of Agreement, the bank's charter, into force.

B&R Activities

- Most of the Funding Members are in the B&R areas.
- AIIB has discussed with Islamic Development Bank (IDB) to study the use of Islamic financing in the B&R areas.



Export-Import Bank of China

Background

The Export-Import Bank of China is one of three institutional banks in China chartered to implement the state policies in industry, foreign trade, diplomacy, economy, and provide policy financial support to promote the export of Chinese products and services. Established in 1994, the bank is subordinated to the State Council.

China EXIM distinguishes its role as the sole provider of Chinese government concessional loans. Commercial activity includes export credits mainly in the infrastructure fields (roads, power plants, oil and gas pipelines, telecom, and water projects) and investment loans for Chinese businesses to establish overseas in the energy, mining and industrial sectors.

B&R Activities

- As of early 2014, China EXIM's "two excellent" project cumulative lending supported 46 ASEAN regional interconnection projects, which include 24 highway projects, new construction, renovation, repair highway mileage of about 2705 km; support 3 rail and urban rail transportation projects, the total mileage of about 99 km; support 1 port project, after the completion of the ability to 120,000 TEUs annual throughput of containers; in addition, support 3 airport projects, and 9 large bridge projects.
- China EXIM together with ICBC, the Silk Road Fund, and the CDB will finance the USD 46 billion energy and infrastructure investment pact finalized on April 21, 2015, signed by China and Pakistan.

China Development Bank

Background

- Founded in 1994, CDB was one of the three policy banks in China and acts as the main bank in the mid/long term investment and financing area, focusing on the construction and development of infrastructure, basic industries and pillar industries.
- In Dec. 2008 when it was converted into a national joint stock commercial bank. CDB's three shareholders are the State through Ministry of Finance (50.18%), Central Huijin under China Investment Corporation (47.63%), and NCSSF (2.19%). By asset size, CDB is now the 5th largest bank in China. CDB is converted back into a policy bank of China in April, 2015.
- Headquartered in Beijing, with a network distribution of 54 branches domestically and 5 overseas presences, HK branch, Cairo, Moscow, Rio de Janeiro, and Caracas Rep office.
- CDB is dedicated to provide mid/long term investment and financing in the purpose of national economy mid/long term strategic growth.

B&R Activities

- China Development Bank will invest more than USD890bn into more than 900 projects involving 60 countries, as part of its efforts to bolster the B&R initiative. In nearly 50 signed agreements, covering areas including gas, mining, power, telecommunications, infrastructure and agriculture. 22 projects that have been implemented, with total loans are more than 10 billion US dollars.
- CDB with ICBC, the Silk Road Fund, and the EXIM will finance the USD46bn energy and infrastructure investment pact finalized on April 21, 2015, signed by China and Pakistan.
- By the end of 2014, CDB and the countries along the "B&R" signed contracts of more than USD137bn, and supported more than 400 financing projects along the B&R.

General Assessment on ING Products for B&R-FI Clients

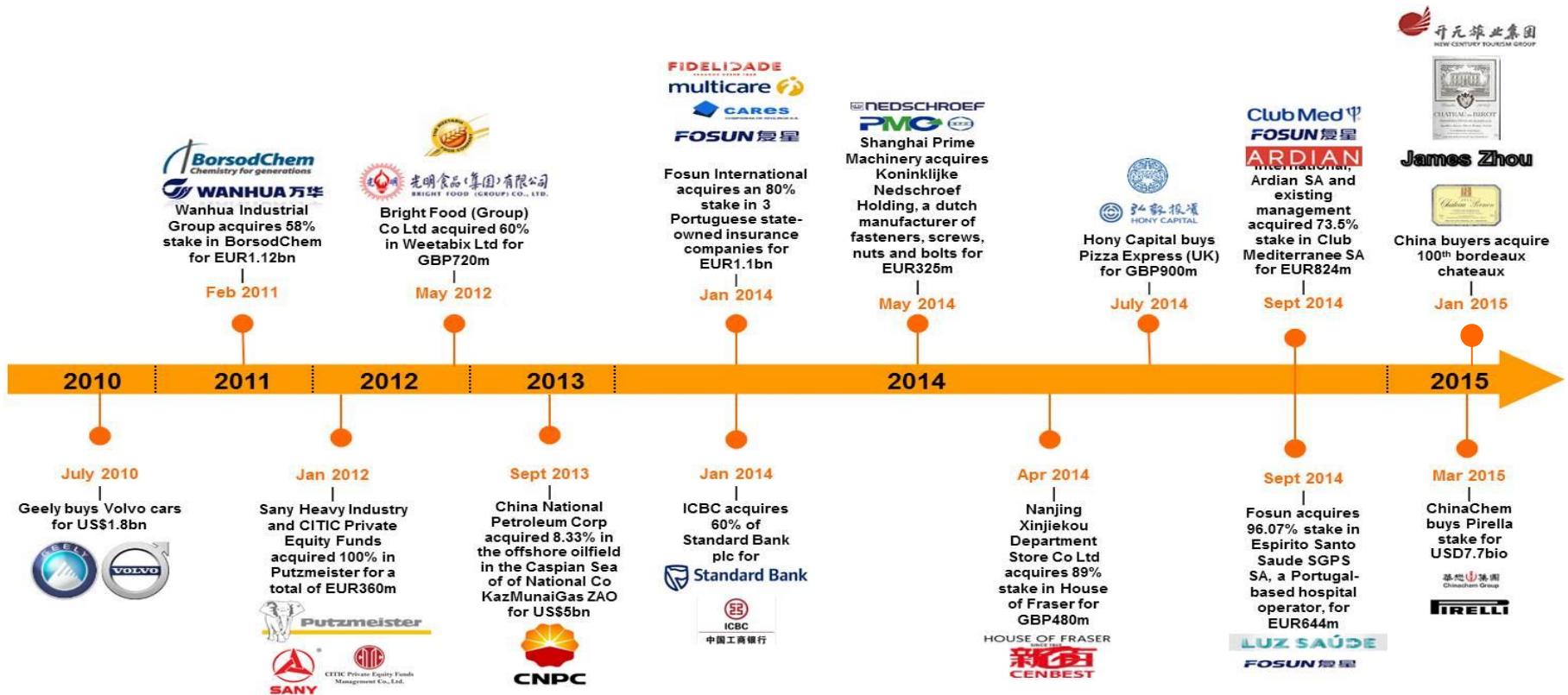
Products	Notes
Corporate and FI Lending	Lending support to policy banks – CDB, China EXIM
SF – TMT, Infra&Utilities, SMEF	<ul style="list-style-type: none"> • Project referral to each other • Syndication/club loan <ul style="list-style-type: none"> Invite Chinese banks to join the syndicate/project Join the syndicate/project led by Chinese banks
Trade Finance Services	<ul style="list-style-type: none"> • SBLC reissuance by using ING local entities' capability. • Funded/Unfunded risk participation <ul style="list-style-type: none"> Take the Chinese banks' risk if we have appetite Take the local banks clients' risk if Chinese banks don't have
Financial Markets	<ul style="list-style-type: none"> • Rates: LT IRS (project related) • FX: CCS for currency hedging
Corporate Finance	<ul style="list-style-type: none"> • Chinese bank/NBFI to buy FIs in the B&R areas <ul style="list-style-type: none"> ASEAN CEE • Referral from Chinese banks, for their corporate's M&A in the B&R areas <ul style="list-style-type: none"> MOU signed with CMB for referral DCM/ECM/M&A transactions Target similar approach with other 2nd tier banks which don't have network in the B&R area.
DCM	<ul style="list-style-type: none"> • Policy banks HO: <ul style="list-style-type: none"> CHEXIM deal done; Keep dialogue with CDB • Chinese banks entities in the B&R areas: <ul style="list-style-type: none"> ICBC London/Luxemburg BOC Luxemburg

General Assessment on ING Products for B&R-CC Clients

Products	Notes
Corporate Lending	<ul style="list-style-type: none">• To understand clients' overseas financing needs in accordance with B&R strategies• To provide lending support to clients' overseas investees along B&R countries
SF – TMT, Infra&Utilities, SMEF	<ul style="list-style-type: none">• To capture acquisition finance & project finance opportunities with Sinasure's cover• To offer latest sector information to the clients in pursuing overseas investments
Trade Commodity Finance	<ul style="list-style-type: none">• To leverage on local expertise in commodities financing
Financial Markets	<ul style="list-style-type: none">• To catch up on FX hedging & IRS opportunities
Corporate Finance	<ul style="list-style-type: none">• To pitch for M&A advisory role in B&R projects
DCM	<ul style="list-style-type: none">• To seek participation in bond issuance for B&R activities

Corporate Finance / Mergers & Acquisitions

March of the China Juggernaut

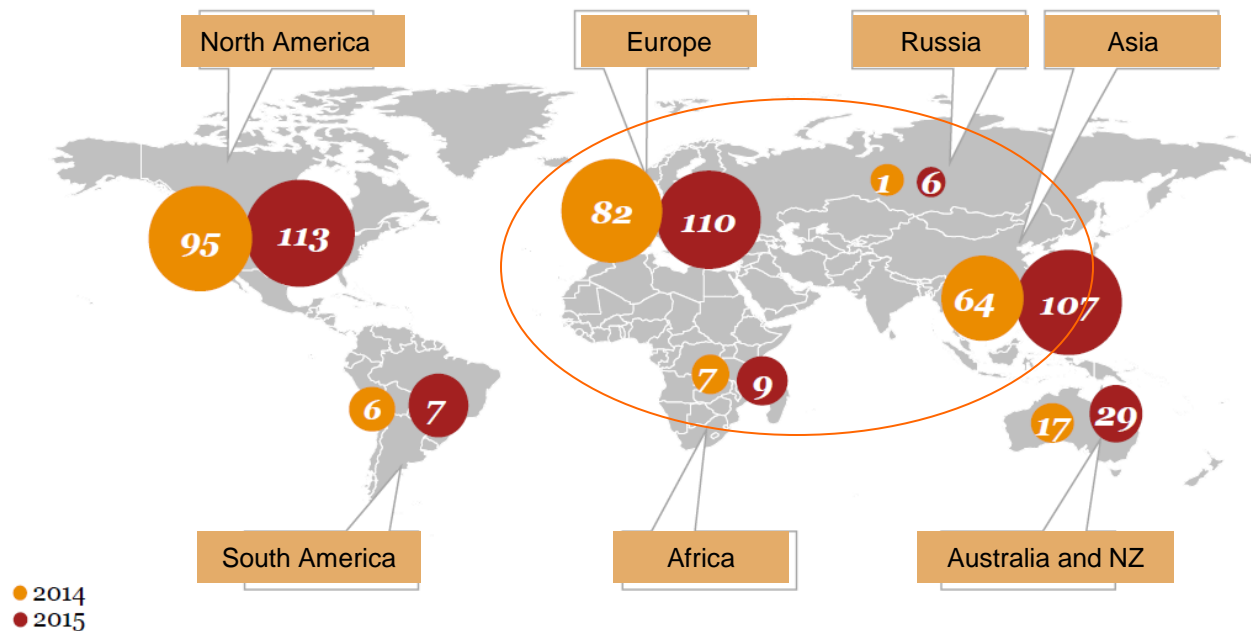


- Mandate for SOEs to go global and international
- First wave addressed Resource and Food security concerns
- Good Brand and quality names raised profile for competing in domestic and international markets
- Acquisition of technology and licenses accelerated the learning and innovation curve
- Greater participation of Chinese Financial sponsors

Outbound M&As: 2013 to 2015 Statistics

	2013		2014		2015	
	# of Txns	Value (in US\$Bn)	# of Txns	Value (in US\$Bn)	# of Txns	Value (in US\$Bn)
China Overseas M&As						
SOEs	57	38.5	78	27.4	80	29.1
POEs	118	11.1	145	14.3	207	22.2
Financial Investors	25	1.1	49	14.0	95	16.1
Sub Total	200	50.7	272	55.7	382	67.4
HK Overseas M&As	164	9.4	214	21.8	199	26.3
Total	364	60.1	486	77.5	581	93.7

- The completed M&As in 2015 increased 21% yoy in amount;
- POEs' overseas M&As surged in 2015 also, grow 55% yoy;



Outbound M&As: Q1 2016 Announced Transactions

Date Announced	Target Public Status	Target Name	Target Nation	Industries	Acquiror Name	Rank Value of Deal (US\$mil)
2/3/2016	Public	Syngenta AG	Switzerland	Chemicals	China National Chemical Corp	44,181.78
2/17/2016	Public	Ingram Micro Inc	United States	High Technology	Tianjin Tianhai Invest Co Ltd(HNA)	6,257.66
1/15/2016	Sub.	General Electric Co-Appl Bus	United States	Consumer Staples	Qingdao Haier Co Ltd	5,400.00
1/26/2016	Public	Terex Corp	United States	Industrials	Zoomlion Heavy Ind Sci&Tech	4,727.70
1/11/2016	Priv.	Legend Pictures LLC	United States	Media and Entertainment	Dalian Wanda Group Co Ltd	3,500.00
2/4/2016	Sub.	EEW Energy from Waste GmbH	Germany	Energy and Power	Beijing Entrp Hldg Ltd	1,594.06
2/10/2016	Public	Opera Software ASA	Norway	High Technology	Beijing Kunlun Tech	1,257.71
2/4/2016	Sub.	Hersha Hospity Tr-Hotel	United States	Media and Entertainment	Cindat Capital Management Ltd	571.40
2/2/2016	Sub.	ARCAS Automotive Group LLC	United States	Industrials	Haosheng Investment Co Ltd	491.20
2/4/2016	Public	Multi-Fineline Electronix Inc	United States	High Technology	Suzhou Dongshan Precision Mnfr	407.31
1/21/2016	Public	Piraeus Port Authority SA	Greece	Industrials	China Ocean Shipping (Group)	305.59
3/15/2016	Priv.	Jagex Ltd	United Kingdom	High Technology	Shandong Hongda Mining Co Ltd	300.00
2/25/2016	Sub.	Repsol Nuevas Energias UK Ltd	United Kingdom	Energy and Power	SDIC Power Holdings Co Ltd	258.30
2/6/2016	Sub.	Bilfinger SE-Water Tech Unit	Germany	Industrials	Chengdu Techcent Envi Co Ltd	223.29
1/6/2016	Public	Metalico Inc	United States	Materials	Yechiu Metal Recycling(China)	202.52
2/29/2016	Sub.	AstraZeneca AB-Imdur Assets	Sweden	Financials	Everest Future Ltd	190.00
1/7/2016	Public	MakeMyTrip Ltd	India	Consumer Products&Services	Ctrip.com International Ltd	180.00
3/8/2016	Public	Webzen Inc	South Korea	High Technology	Fungame (HK) Ltd	170.01
1/1/2016	Sub.	Maxim Integrated Prod-Unit	United States	High Technology	Silergy Corp	105.00
1/11/2016	Priv.	Voss Of Norway ASA	Norway	Consumer Staples	Reignwood Group	105.00

- Above table listed the announced overseas M&A transactions with amount greater than US\$100Mil;
- 52 more other M&A transactions were with smaller transaction amounts or no amount disclosed for current stage;
- TMT, Chemicals, Industrials, Materials, Consumers and Healthcare are still the hot targeting segments;
- Europe, with US\$47Bn amount in Q1 2016, has exceeded US with amount US\$36Bn, mainly due to the ChemChina deal;
- Number of transactions shows that Europe is the hot target market under the influence from “One Belt One Road” strategy.

Disclaimer

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 2Q2014 ING Group Interim 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) the implementation of ING'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 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.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction. The securities of NN Group have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

www.ing.com

Thank You!