ING strengthens core capital

EUR 10 billion in core tier-1 securities issued to the Dutch government

Analyst Presentation

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Key Points

- ING is further strengthening its core capital position with a EUR 10 billion transaction, fully subscribed by the Dutch state

- Sale of ING Life Taiwan further strengthens capital position

- ING's results impacted in 3Q by financial markets turmoil and declining market prices

Capital expectations have increased due to the extraordinary market circumstances

- ING's capital ratios already exceeded the targets set by regulators and internal targets
- However, the market environment has changed in recent weeks and the expectations for capital levels have changed following massive capital injections in financial institutions worldwide
- In this exceptionally challenging environment it makes sense to have a large financial buffer
- ING therefore wants to increase that buffer to:
  - Give stakeholders the best comfort and protection we can
  - Have more flexibility to execute on our strategy

ING strengthens core capital by EUR 10 billion

- ING issues EUR 10 billion core tier-1 securities to the Dutch state
- Use of proceeds:
  - EUR 5 billion to increase shareholders' equity in ING Bank
  - EUR 2 billion to strengthen the balance sheet of ING Insurance
  - EUR 3 billion to reduce the debt/equity ratio from 15% to 10%

After this transaction:

- ING Bank's core tier-1 ratio will be around 8%
- ING Bank's tier-1 ratio will be above 10%
- AFR/EC of ING Group will increase from 113% to 140%

Terms: Characteristics of core tier-1 securities

- ING will issue 1 billion core tier-1 securities at a price of EUR 10 per security to the Dutch state
  - The securities are *pari passu* with common equity
  - A coupon is paid only if a dividend is paid to common shareholders
  - There is no maturity and ING can convert into common shares or buy back the securities at a premium in the future
  - The securities are non-transferable
  - The coupon is not tax deductible

The Dutch central bank has determined that these securities qualify as core tier-1 capital

Terms: Not dilutive for common equity capital and attractive investment for Dutch state

- Core capital issue is non-dilutive to common equity capital
- ING has the option to repurchase all or some of the securities at any time, with permission of the DNB
  - The securities would be repurchased at EUR 15 per unit, 150% of the issue price
- ING has the right to convert all or some of the securities into ordinary shares on a one-for-one basis, from three years after the issuance onwards
  - If ING chooses to do so, the Dutch state may opt for repayment in cash at the issue price, of EUR 10, rather than shares

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Impact on Dividend

- ING maintains full discretion to determine its dividend on ordinary shares
- The state will receive the highest of: EUR 0.85 (8.5%) coupon, or
  - 110% of dividend paid on ordinary shares over 2008
  - 120% of dividend paid on ordinary shares over 2009
  - 125% of dividend paid on ordinary shares over 2010 and afterwards
- In all cases ING will have the option to seek more competitive sources of tier-1 capital to replace the securities

- ING has decided not to pay a final dividend for 2008, thereby leaving the total 2008 dividend at the EUR 0.74 per ordinary share paid out as interim dividend
- Core Tier-1 securities will receive EUR 0.425 cents in May 2009

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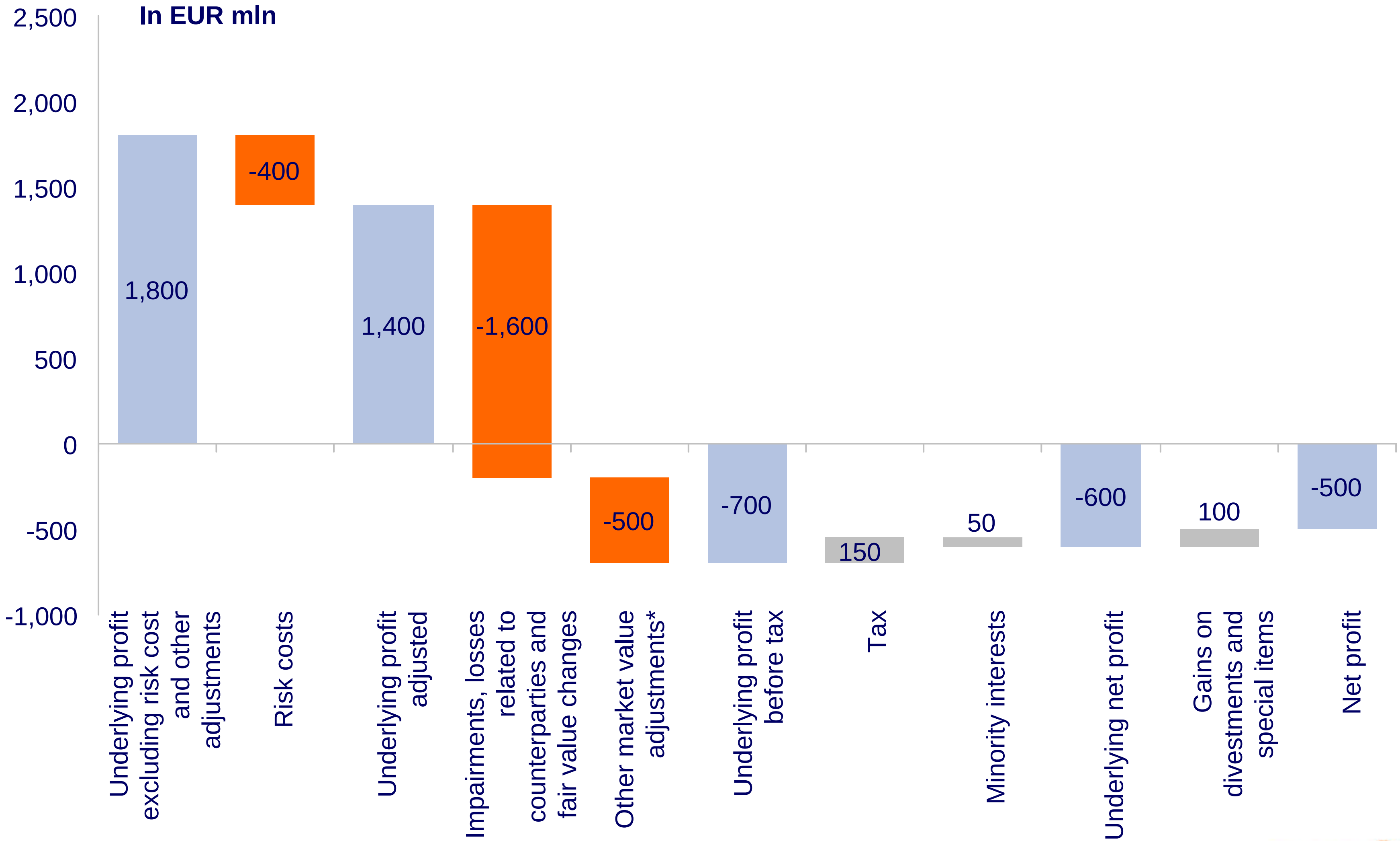
Divestment of ING Life Taiwan will reduce Economic Capital requirements

- ING has reached an agreement with Fubon Financial Holding Co. Ltd. (FHC) to sell ING Life Taiwan for USD 600 million (EUR 447 million)
- A non-cash transaction: 5% in FHC, remainder in subordinated debt securities
- The transaction is equivalent to a valuation of EV_{2007} + 9.1x VNB_{2007}
- The transaction will result in a book loss of EUR 427 million on closing (expected by the end of 1Q 2009)
- The divestment is in line with ING's strategy to actively manage its portfolio of businesses, allocating capital to those businesses that generate the highest returns
- ING Taiwan has reported no profits since 2005 due to reserves strengthening
- The transaction will substantially reduce EC requirements

ING underlying profit before tax excluding impairments, fair value changes and risk costs



* Includes DAC unlocking, hedges on equities, FX hedges

ING 3Q impairments, fair value changes and profit development

ING Group Impairments and fair value adjustments on pressurised assets (In EUR million)

	3Q08 Est	2Q08	1Q08	2008E YTD
Impairments and fair value adjustments on pressurised assets	-350	-60	-80	-490
- Alt-A	*-200*	*-35*	*-17*	*-252*
- CDO	*-100*	*-12*	*-16*	*-128*
- Subprime	*-50*	*-7*	*-33*	*-90*
- Other	*0*	*-6*	*-14*	*-20*
Capital gains, net of impairments	-450	380	85	15
Fair value changes real estate	-200	-285	-69	-554
Private equity, alternative assets	-100	25	-38	-113
Impairments on debt securities	-100	-17	-21	-138
Impairments, fair value adj. and losses - financials (Lehman, WaMu, Icelandics)	-400	0	0	-400
Impairments, losses related to counterparties, and fair value changes	-1,600	43	-123	-1,680

ING Group net and underlying profit (In EUR million)

	3Q08 Est	2Q08	1Q08	2008E YTD
Underlying profit before tax	**-700**	**2,246**	**2,127**	**3,673**
Tax	-150	324	514	688
Underlying profit before minority interest	-550	1,922	1,613	2,985
Minority interests	50	-23	24	51
Underlying net profit	**-600**	**1,946**	**1,589**	**2,935**
Net gains/losses on divestments and special items	100	-26	-49	25
Net profit (attributable to shareholders)	**-500**	**1,920**	**1,540**	**2,960**

Conclusions

- The market environment has changed dramatically over the last weeks and even fundamentally healthy companies are affected
- ING has amply increased its capital position and now has a very sizeable buffer to deal with the uncertainty of the market environment
- Our business model is sound; we are a retail institution, and a buy-hold investor
- On the basis of our solid business model and our prudent risk and capital management, we will continue to execute our strategy
- The measures we have taken will allow us to continue building our franchise in the long-term interests of our shareholders and customers

ING will publish detailed 3Q financial figures on 12 November 2008

Certain of the statements contained in this release are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) 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, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

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