



First Quarter 2011 Results

Underlying net profit increased 61.6% to EUR 1,492 mln

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CEO

Amsterdam – 5 May 2011
www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



ING Group posted strong first-quarter results

ING Group underlying net result rose 61.6% to EUR 1,492 mln

- Strong performance Bank and significant improvement Insurance
- Net result was EUR 1,381 mln, or EUR 0.37 per share

Bank posted another strong quarter: underlying pre-tax result of EUR 1,695 mln

- Net interest margin remained healthy
- Bank core Tier 1 ratio increased to 10.0% as a result of noticeable capital generation

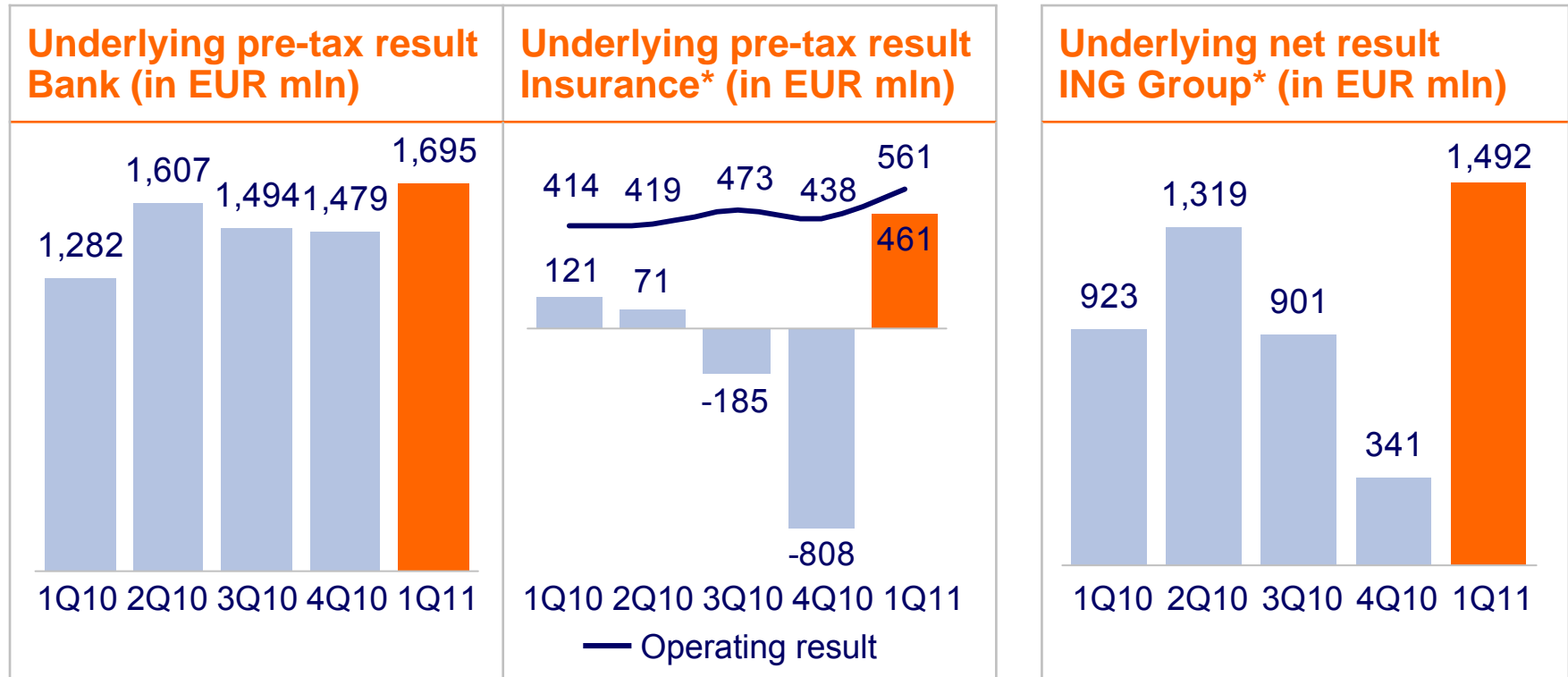
Insurance shows significant improvement: underlying pre-tax result of EUR 461 mln

- Operating result increases 35.5% to EUR 561 mln in 1Q11
- Sales (APE) showed solid growth compared with both 1Q10 and 4Q10

Divestment process on track and state aid will be repaid out of retained earnings

- Preparation for two IPOs of Insurance operations on track
- ING will proceed with the planned repurchase of EUR 2 bln of core Tier 1 securities from the Dutch State on 13 May 2011 at a total cost of EUR 3 bln

Both ING Bank and ING Insurance showed strong results in the first quarter



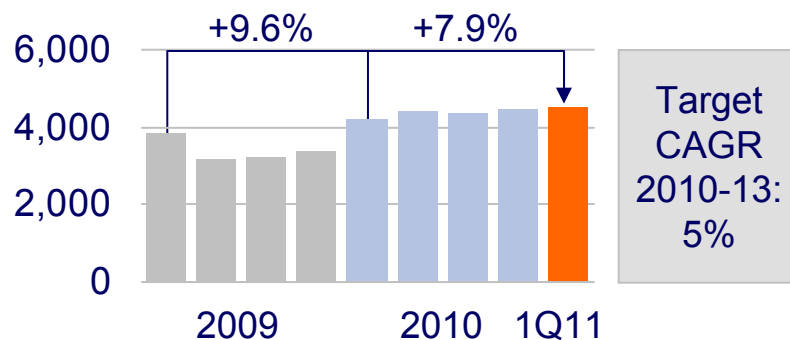
- Group net result in 1Q11 amounted to EUR 1,381 mln versus EUR 1,230 mln in 1Q10 and a net result of EUR 130 mln in 4Q10
- Divestments and special items totalled EUR -111 mln after tax in 1Q11

* Insurance/Group 2010 figures have been restated to reflect ING's move towards fv accounting on reserves for GMWB as of 1 Jan 2011

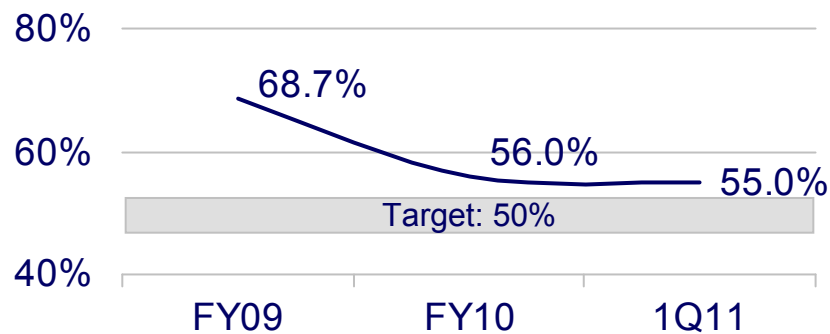


Bank is making good progress on Ambition 2013

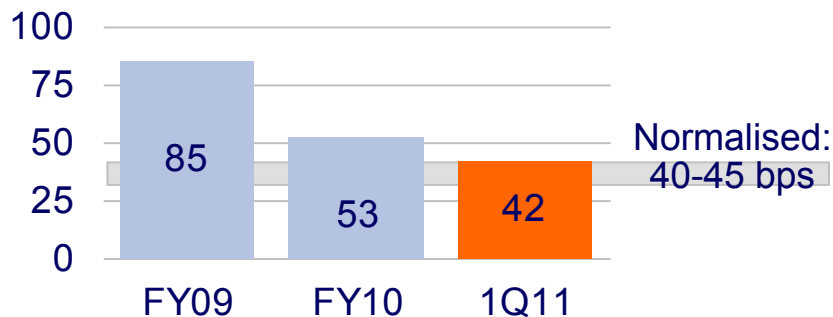
Underlying income (EUR million)



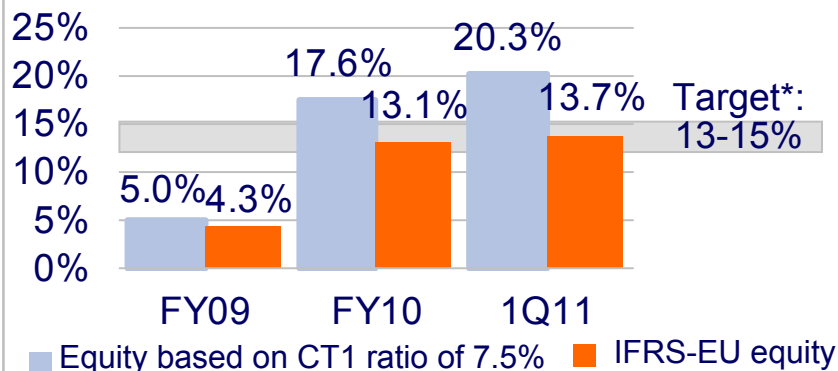
Underlying cost/income ratio (%)



Underlying risk costs in bps of average RWA



RoE (YTD, %)

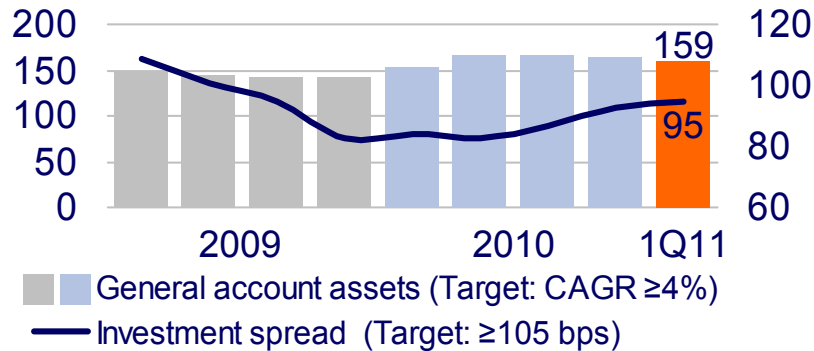


* Target assumes average equity based on core Tier 1 ratio of 7.5%.

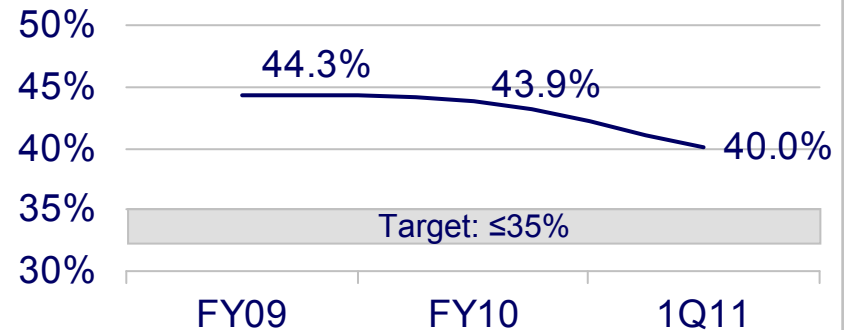


Insurance operations showing clear progress on Ambition 2013

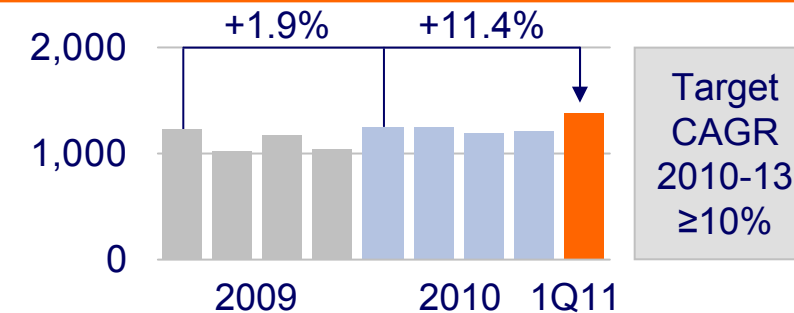
Life general account (EUR bln) and investment spread* (bps)



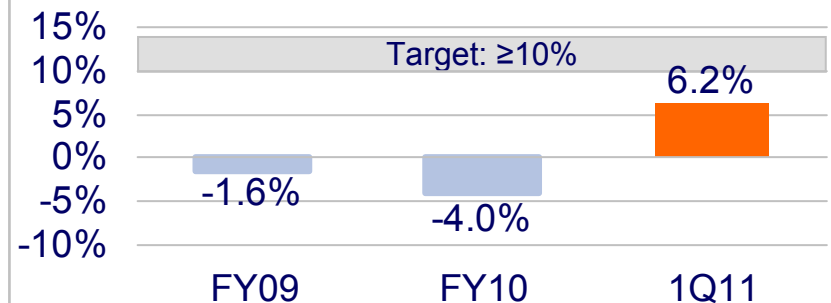
Life & IIM administrative expenses / Life & IIM operating income (%)



APE (EUR mln)



RoE** (YTD, %)

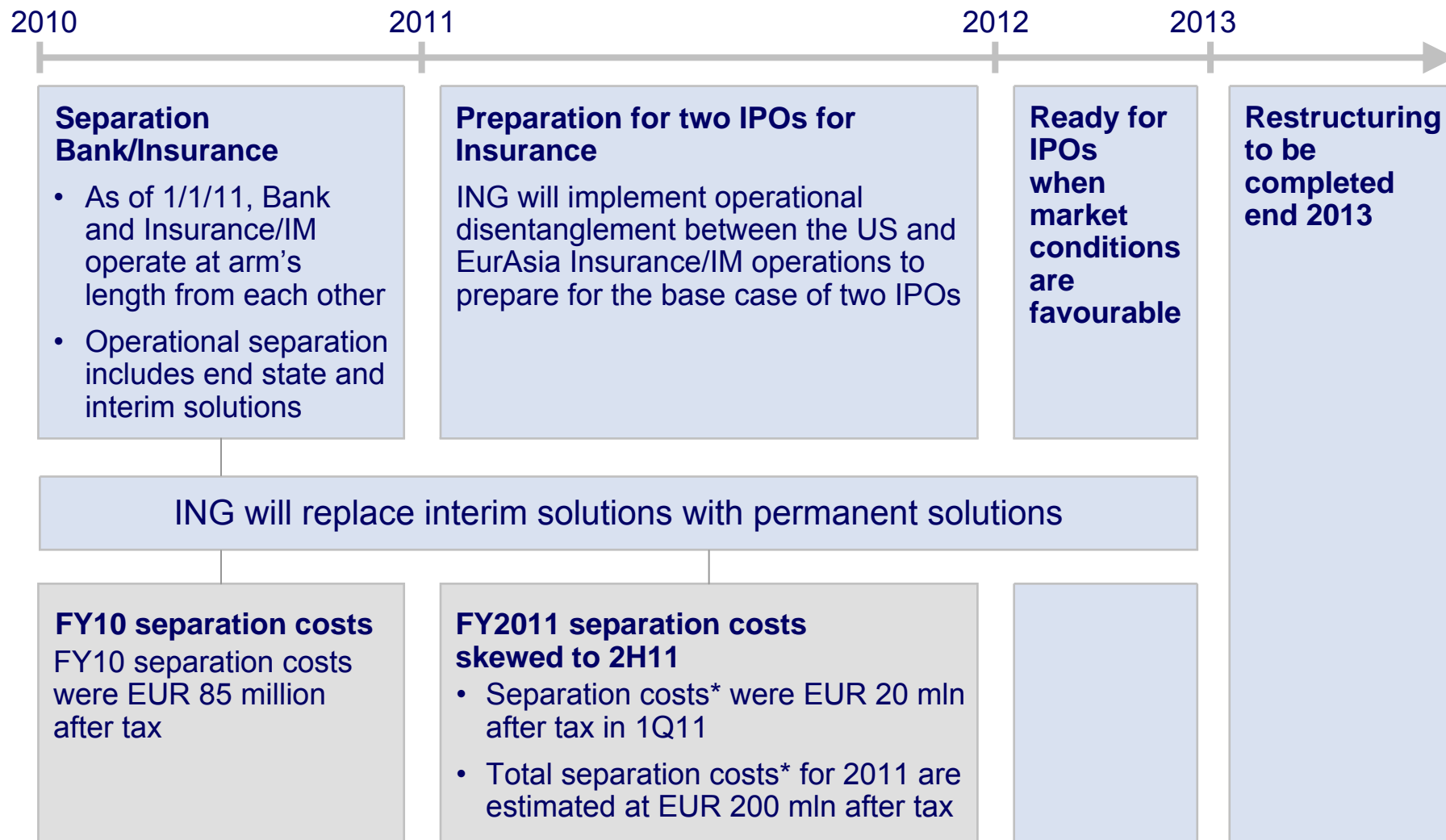


* Four-quarter rolling average

** Annualised underlying net result divided by average IFRS-EU equity. (For Insurance, the 2010 quarterly results are adjusted for the after tax allocated cost of Group core debt.). The 2009/2010 figures have been restated to reflect ING's move towards fv accounting on reserves for GMWB as of 1 Jan 2011



Separation and divestment process on track

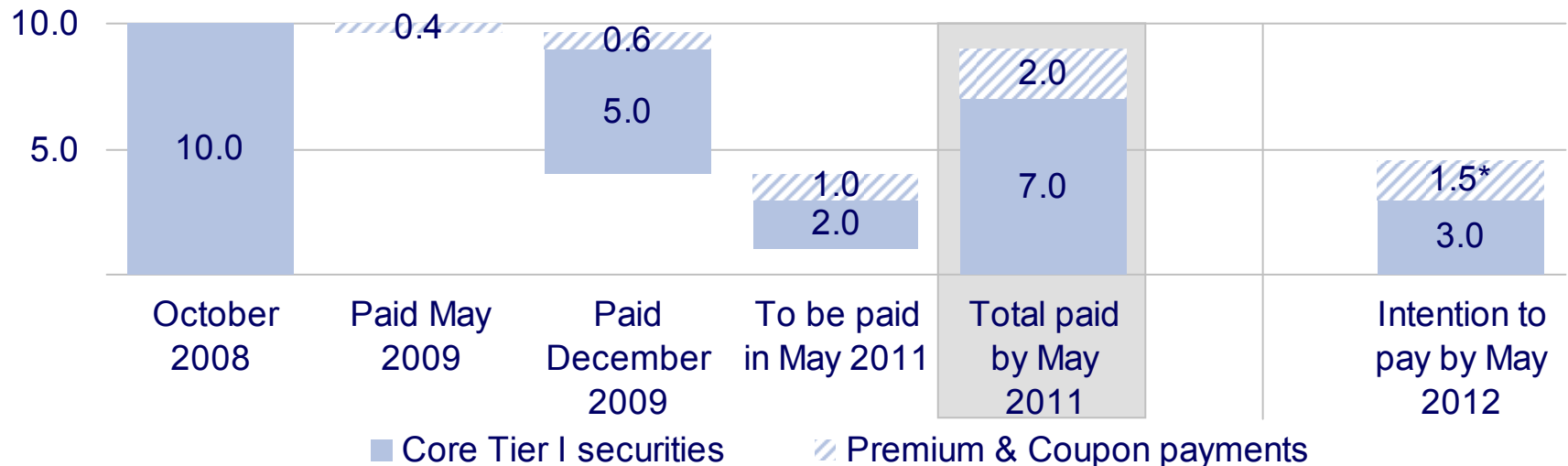


* Excluding rebranding



Repurchase of second tranche of core Tier I securities from Dutch State will bring total payment to EUR 9.0 bln

Core Tier I securities from Dutch State (EUR bln)

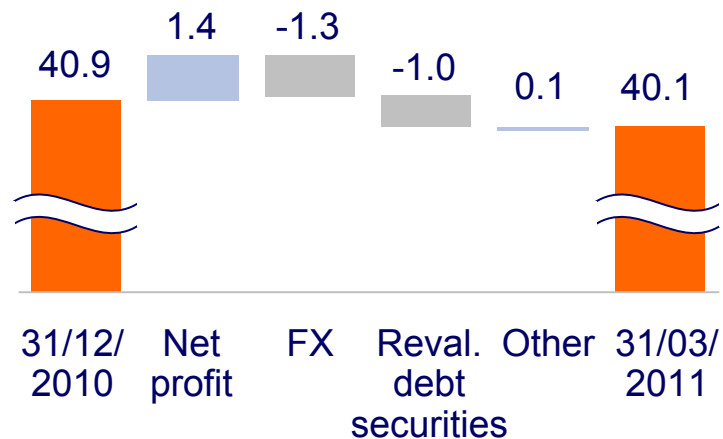


- ING will proceed with the planned repurchase of EUR 2 bln of core Tier 1 securities from the Dutch State on 13 May 2011
- The total payment will be EUR 3 bln and includes a 50% repurchase premium
- Based on ING's capital position on 31 March 2011 (core Tier I ratio of 10.0%), the repurchase would reduce the core Tier 1 ratio by 95 basis points
- Provided that the strong capital generation continues, ultimately by May 2012, ING intends to repurchase the remaining EUR 3 bln core Tier 1 securities from own resources, on terms that are acceptable to all stakeholders

* Indicative, based on 50% premium

Second tranche of state aid will be repaid out of retained earnings from the Bank

Shareholders' equity (in EUR billion)



- State aid of EUR 2 bln plus a 50% repurchase premium of EUR 1 bln will be repaid on 13 May 2011 out of retained earnings from the Bank
- Retained earnings and divestment proceeds will further enhance shareholders' equity

ING Group 31 March 2011

ING Bank	35	Equity	40
ING Insurance	19	CT1 securities	5
Hybrids ^B	8	Core Debt	9
Hybrids ^I	2	Hybrids	12
Other	1		
	65		65



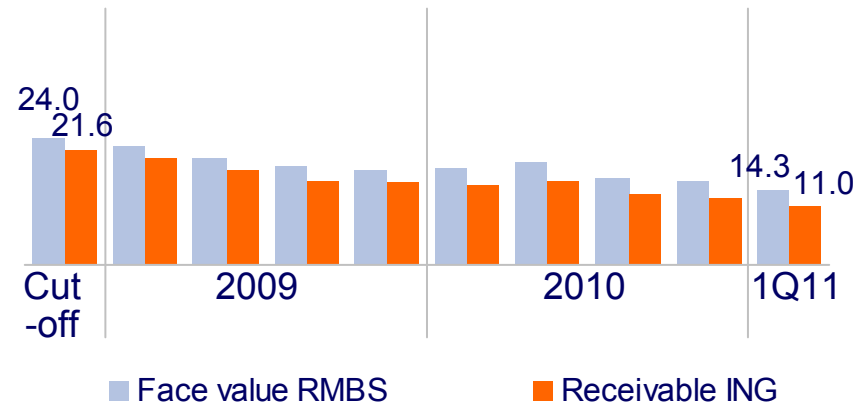
ING Group 31 March 2011 (pro-forma state repayment incl. premium: EUR 3 billion)

ING Bank	32	Equity	39
ING Insurance	19	CT1 securities	3
Hybrids ^B	8	Core Debt	9
Hybrids ^I	2	Hybrids	12
Other	1		
	62		62

Alt-A market values recovering, repayments continue and cash losses remain limited

- Face value of Dutch State Alt-A RMBS declined from EUR 24.0 bln at the cut-off date (26 Jan 2009) to EUR 14.3 bln at the end of 1Q11 due to repayments and currency movements
- Government used cash flows to reduce 'receivable ING' faster, from EUR 21.6 bln at the cut-off date to EUR 11 bln at the end of 1Q11
- Actual accumulated cash losses have been limited

Dutch State Alt-A RMBS and receivable (in EUR bln)*; 80% of IABF portfolio

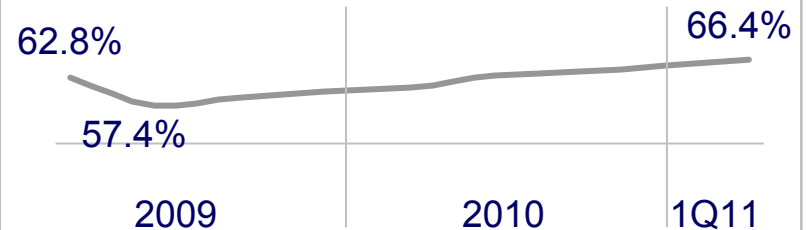


ING Group Alt-A RMBS (in EUR million) 20% of IABF portfolio

	2009	2010	1Q11
Alt-A portfolio*	2,708	2,626	2,379
After-tax revaluation reserve*	-109	176	201
Cash losses	3	13	10
IFRS pre-tax impairment	1,388	139	10

* End of period.

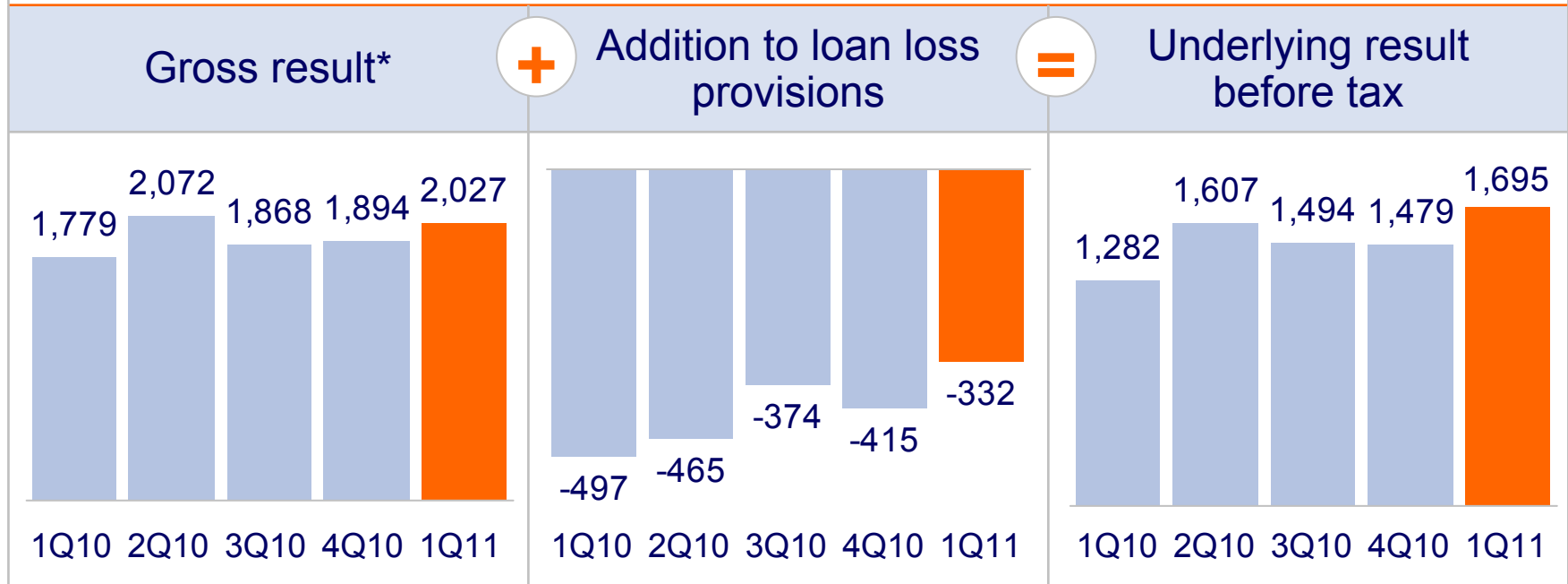
ING Group Alt-A average market value (in EUR bln)



ING Bank

ING Bank continued its strong growth momentum in 1Q11

Bank results (in EUR mln)

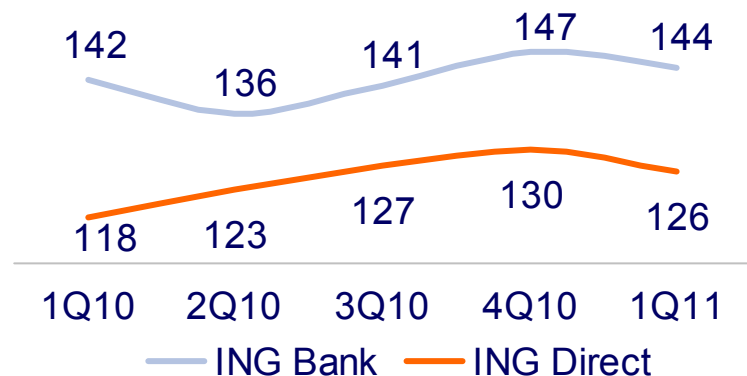


- Gross result increased 13.9% from 1Q10, driven by strong income growth at ING Direct and Commercial Banking
- Risk costs continued to trend downward towards more normalised levels

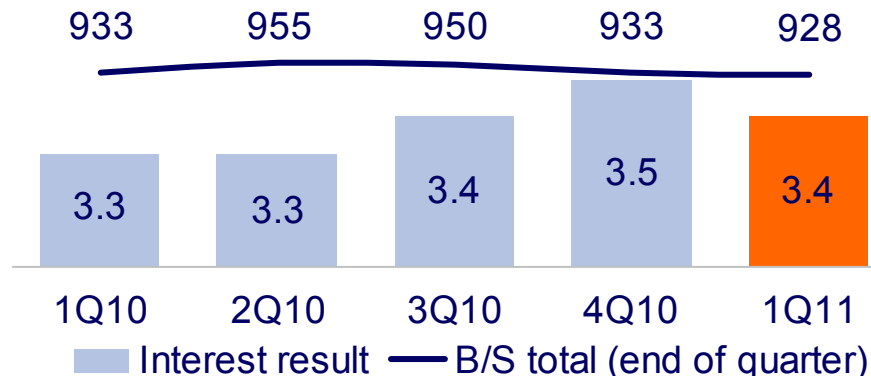
* Gross result = underlying income - underlying expenses

Net interest margin remained healthy

Interest margin by quarter* (in bps)



Interest result (in EUR bln)



Interest margin development (in bps)



Interest result supported by higher margins and growth in client balances

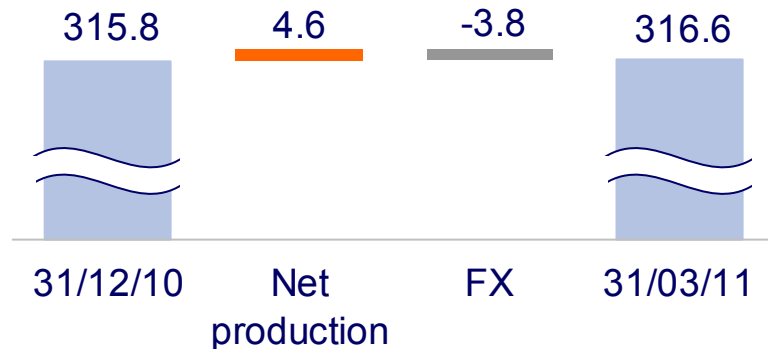
- Interest result rose 4.1% compared with 1Q10 driven by growth in client balances and higher interest margins in most areas
- Compared with 4Q10, margins for mortgages and savings in the Benelux are somewhat under pressure

* Interest margin is defined as the Bank's total interest result divided by average total Bank assets

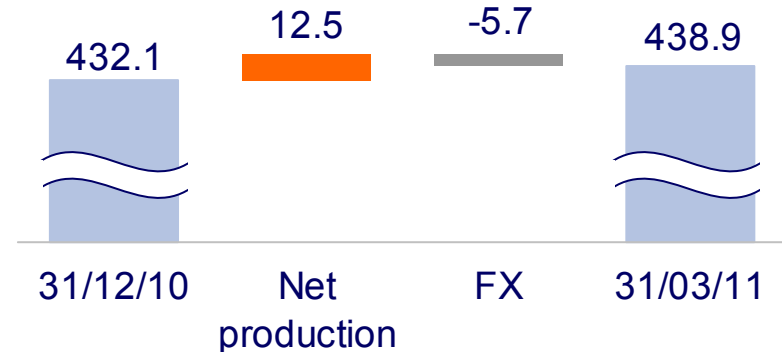


Volumes increased across the Bank

Residential mortgages (EUR bln)



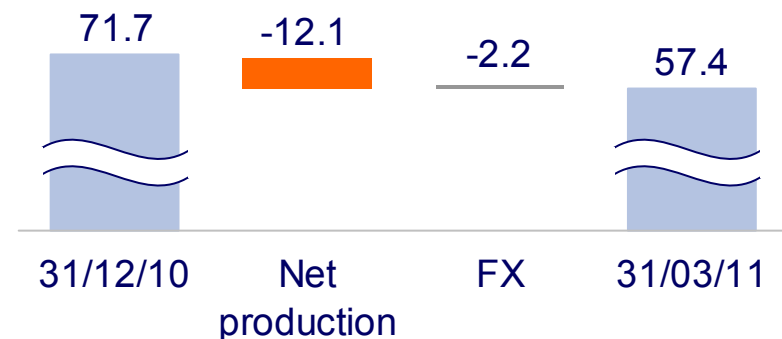
Funds entrusted Retail Bank (EUR bln)



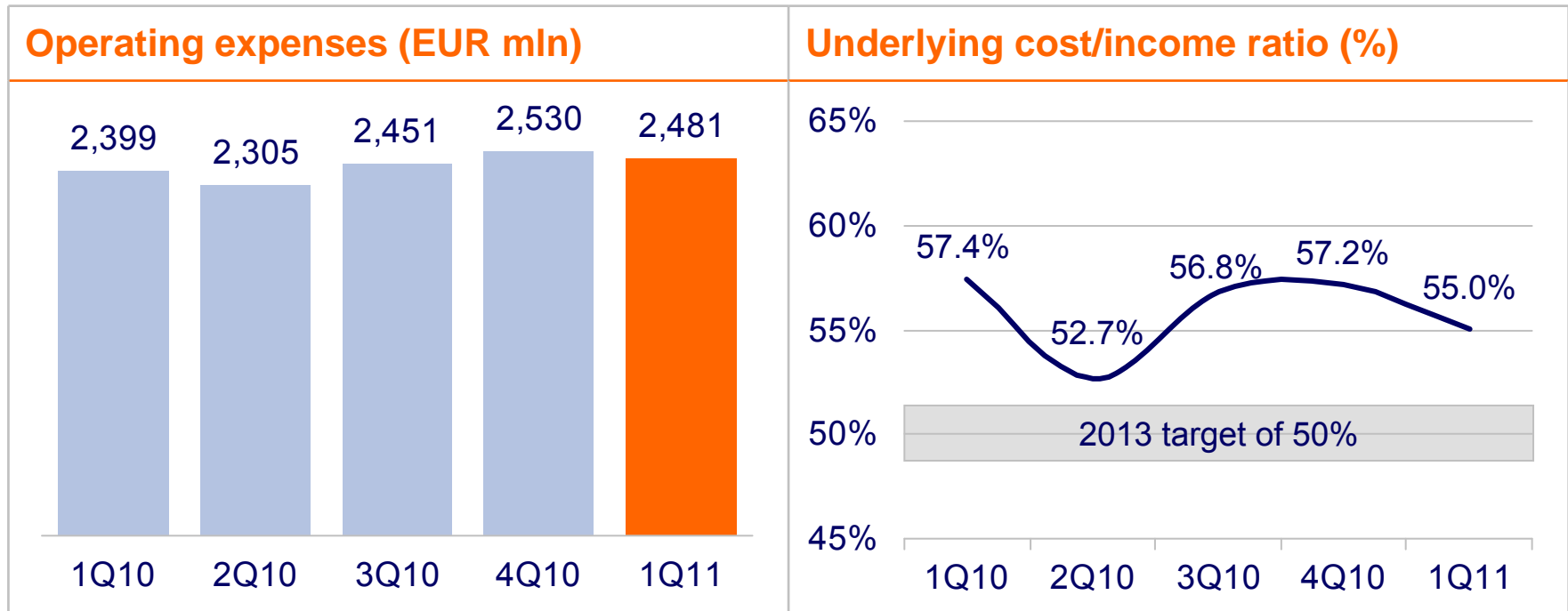
Corporate and other lending (EUR bln)



Funds entrusted Commercial Bank (EUR bln)



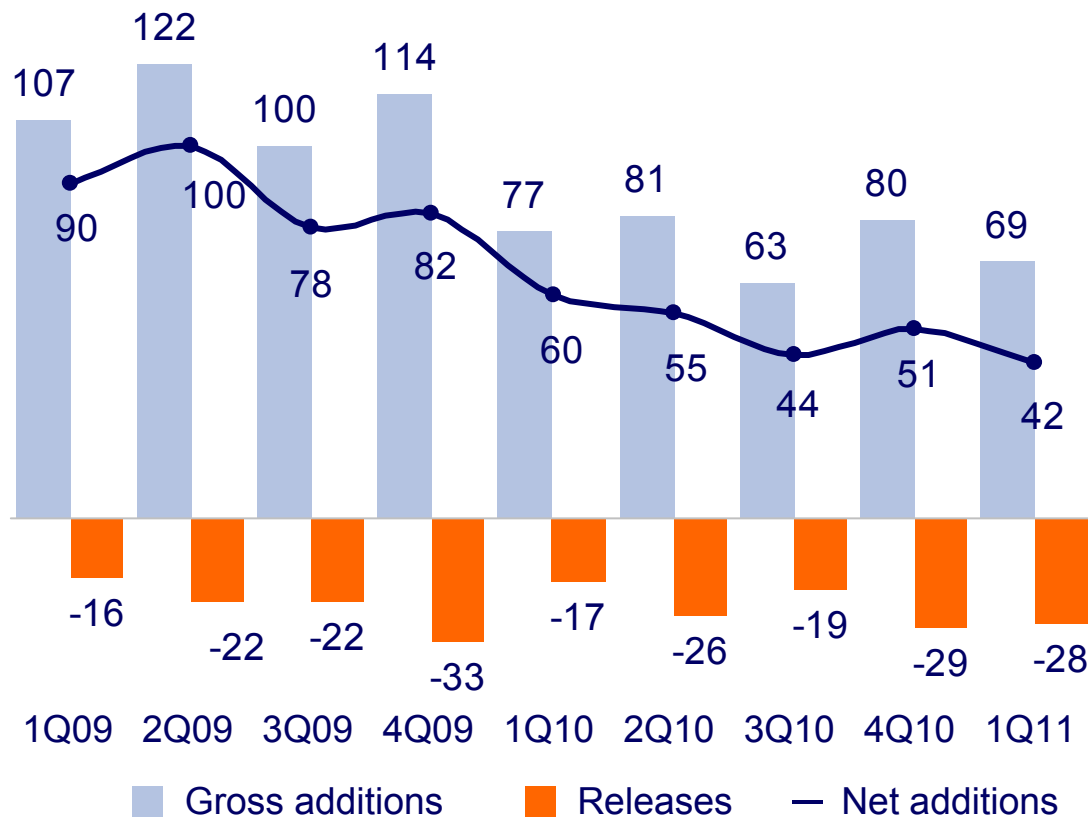
Expenses up 3.4% versus 1Q10, down 1.9% versus 4Q10



- Expenses down 1.9% versus 4Q10 due to lower marketing costs and one-off entry costs for the new deposit guarantee scheme in Belgium in 4Q10
- Expenses up 3.4% versus 1Q10 due to higher staff costs, increased marketing and IT project costs and higher contributions to deposit guarantee schemes
- Cost/income ratio improves to 55.0%

Risk costs continued to trend downward towards more normalised levels

Additions to loan loss provisions* (bps average RWA) trending down

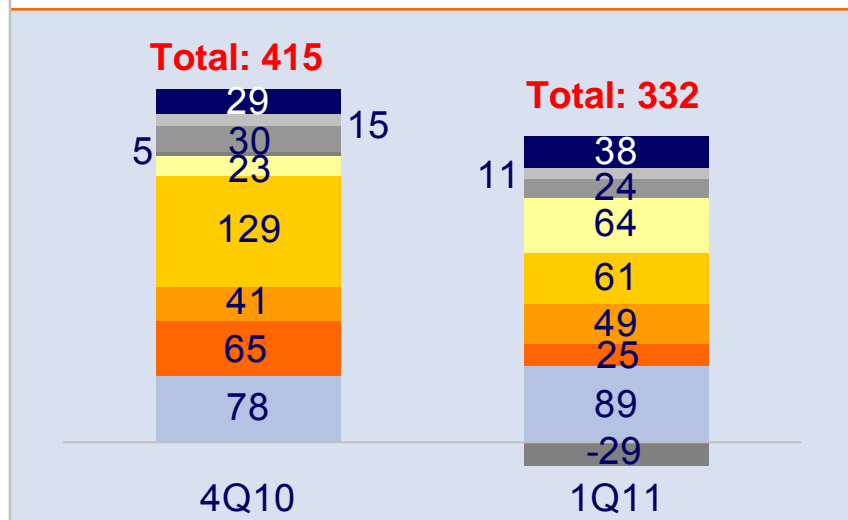


* Not adjusted for divestments and special items

- Net addition to loan loss provisions of EUR 332 mln or 42 bps of average RWA in 1Q11
- For the coming quarters, risk costs as a percentage of RWA are expected to remain below the average level of 2010
- Through the cycle we expect risk costs of 40-45 bps of average RWA under Basel II

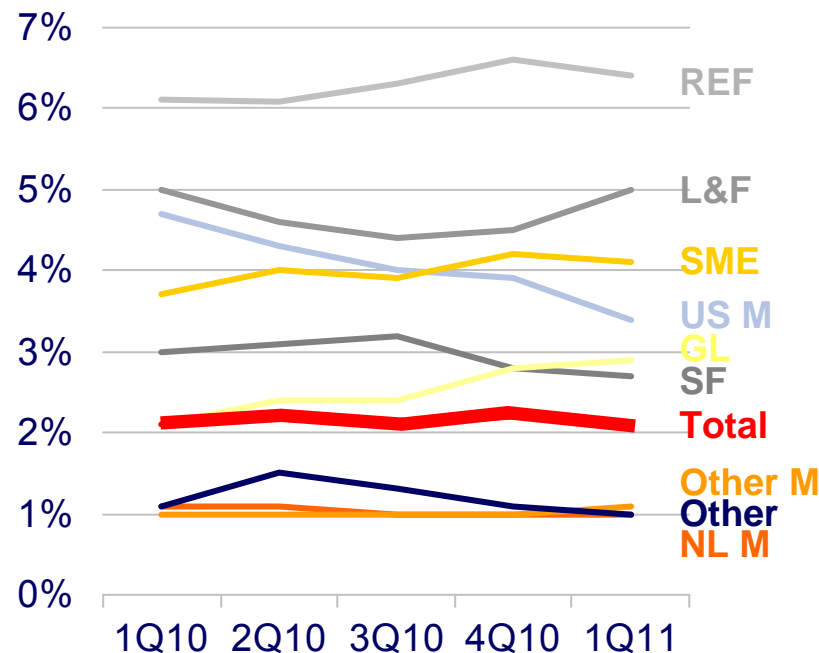
Non-performing loans decreased slightly to 2.1%

Risk cost per segment (EUR mln)



- US Mortgages
- Other Mortgages
- General Lending
- Leasing & Factoring
- Other and interbank
- NL Retail Mortgages
- Benelux SMEs/mid-corps
- Structured Finance
- Real Estate Finance

NPLs: modest decrease to 2.1%*



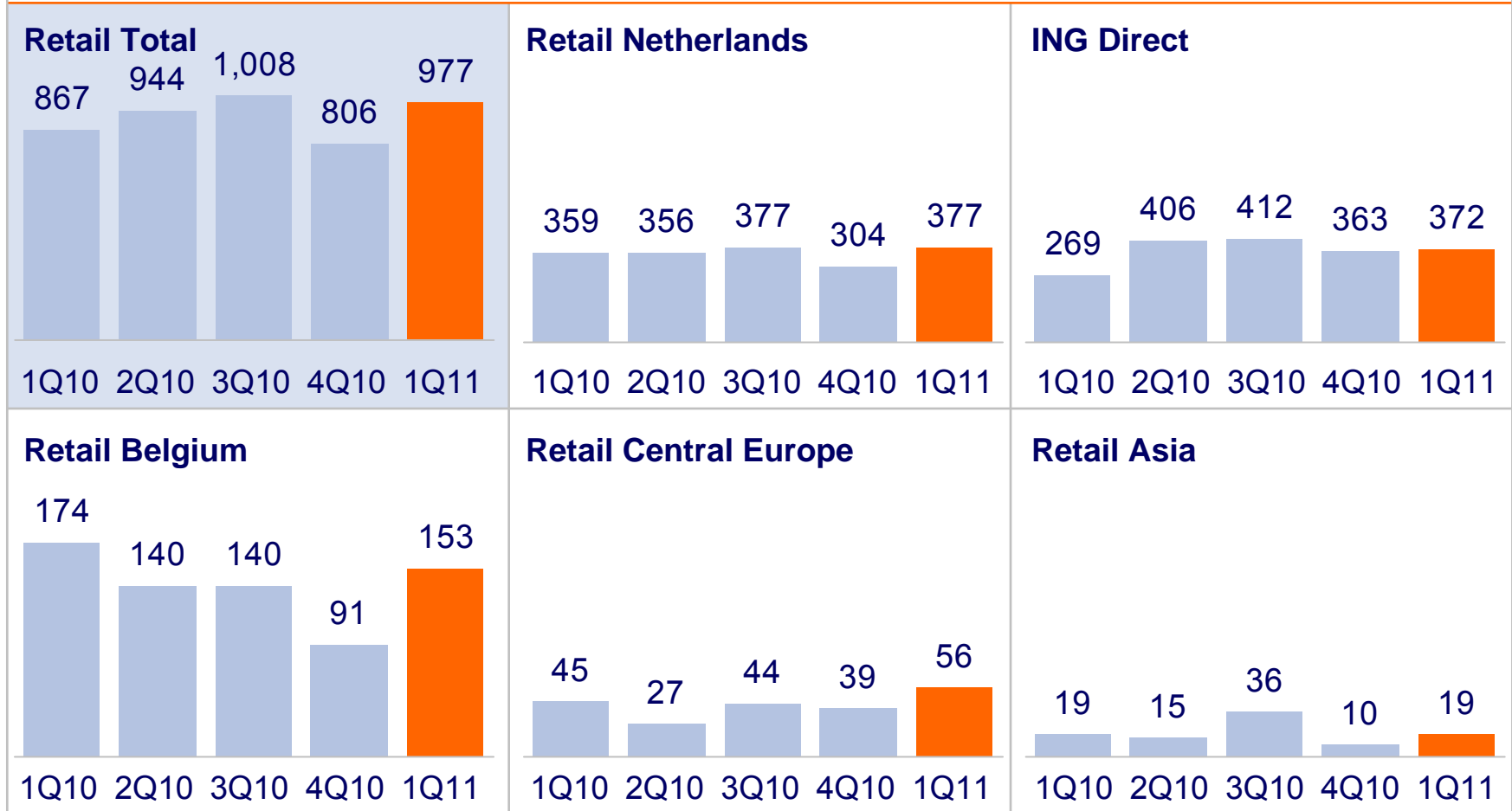
- Lower risk costs mainly visible in Retail Benelux, driven by reduced number of incidents in the mid-corporate segment and lower risk costs for the Dutch mortgage portfolio
- NPL ratio decreased slightly to 2.1% driven by lower non-performing loans at ING Direct US and ING Real Estate Finance

* NPLs = 90+ days delinquencies and loss expected



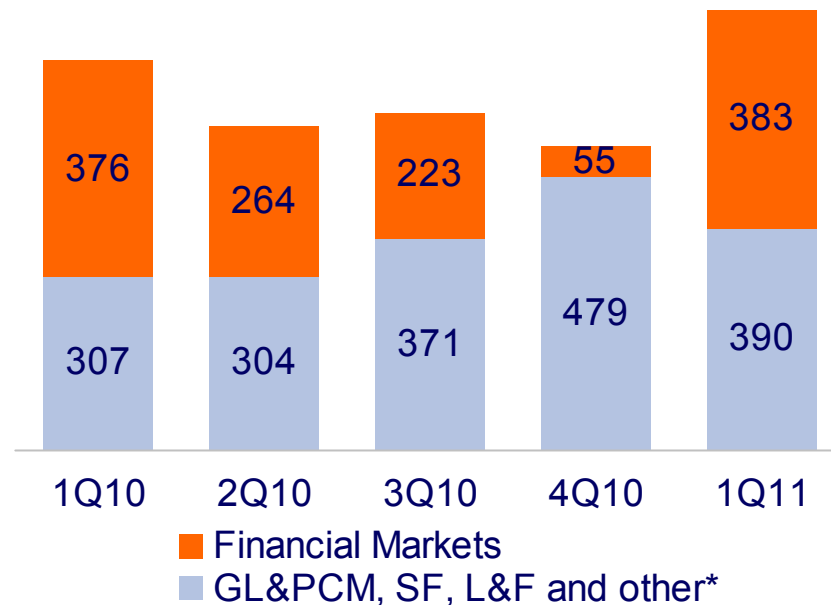
Retail Banking results increased sharply versus 1Q10, driven by higher income at ING Direct

Underlying result before tax (in EUR mln)

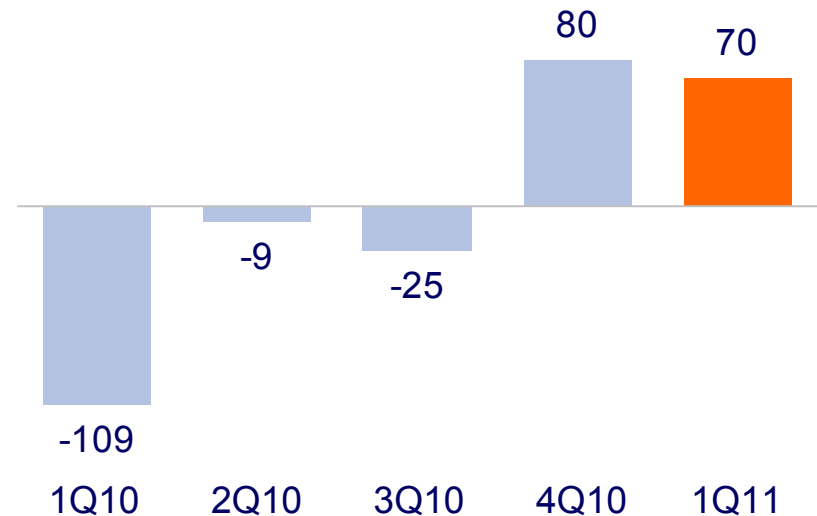


Very strong performance Commercial Banking; Real Estate continued to be profitable

Underlying pre-tax profit Commercial Banking excl. Real Estate (EUR million)



Underlying pre-tax profit Real Estate (EUR million)



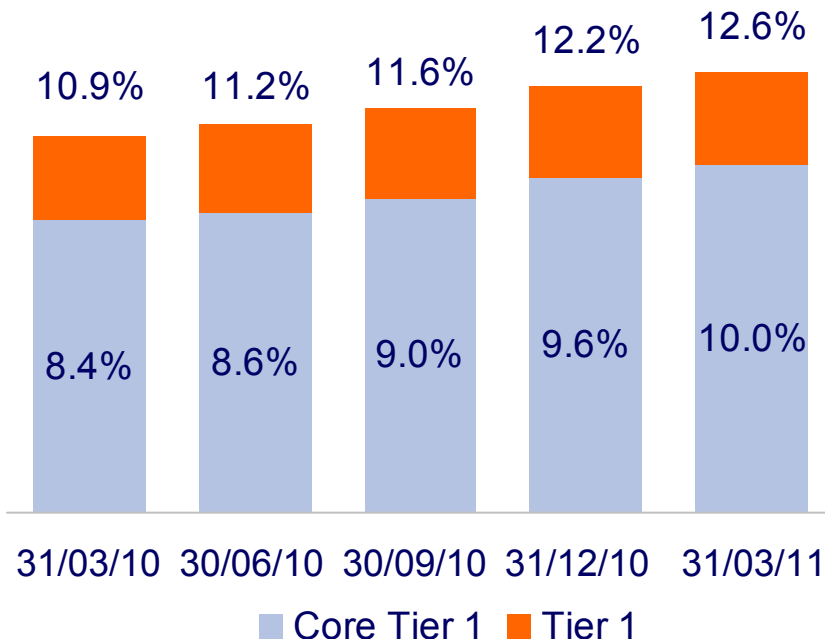
- Commercial Banking (excluding Real Estate) posted record results in 1Q11, driven by a strong performance in Structured Finance and Leasing, as well as higher customer activity in Financial Markets
- ING Real Estate had another quarter with a positive underlying result, reflecting the further improvement of real estate markets

* General Lending & Payments and Cash Management (GL&PCM), Structured Finance (SF), Leasing & Factoring (L&F) and other



Bank core Tier 1 ratio increased to 10.0% as a result of strong capital generation

ING Bank Tier 1 ratio



- Core Tier 1 ratio increased to 10.0%, from 8.4% at 31 March 2010

Core Tier 1 capital surplus generation* (in EUR bln)



■ Change of required capital (RWA movement at constant FX)

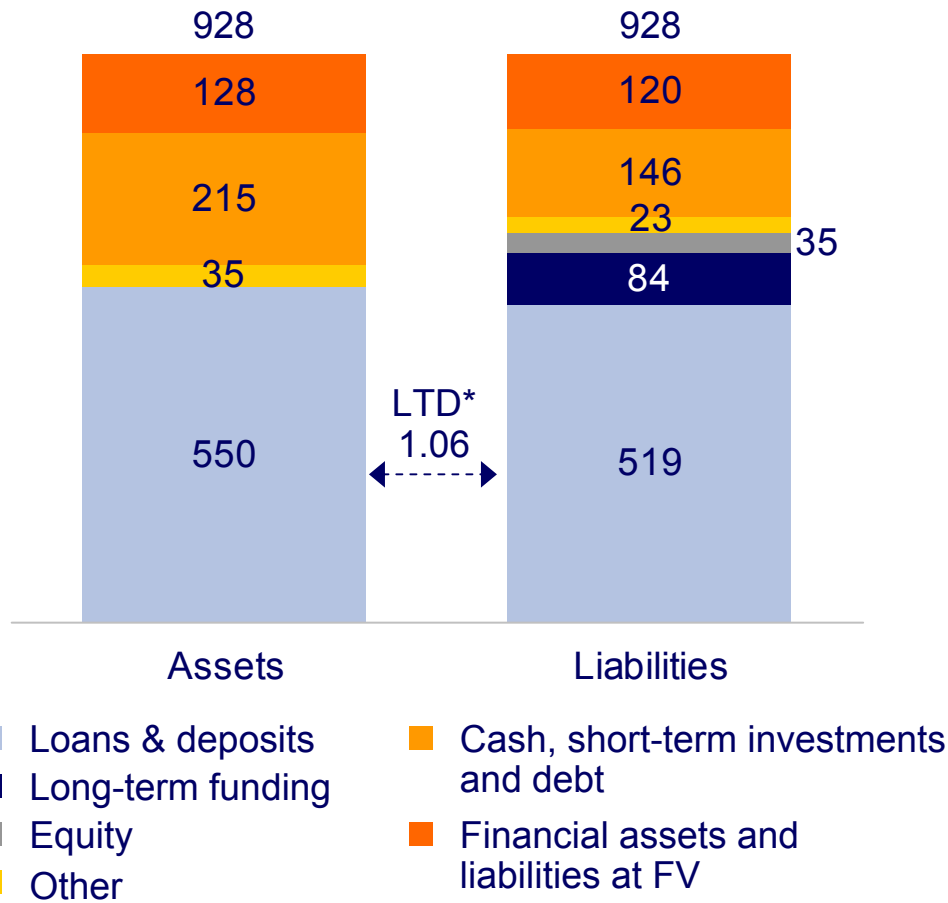
■ Net profit before minority interest

* Core Tier-1 capital generated is defined as net result before minority interest minus 7.5% * RWA growth at constant FX

- Bank generated EUR 1.0 bln of core Tier 1 capital at constant FX in 1Q11
- Strong profit contribution was partly offset by a rise in RWA at constant FX

ING Bank has a favourable funding mix and long-term funding is increasing

Balance Sheet Bank (in EUR billion)

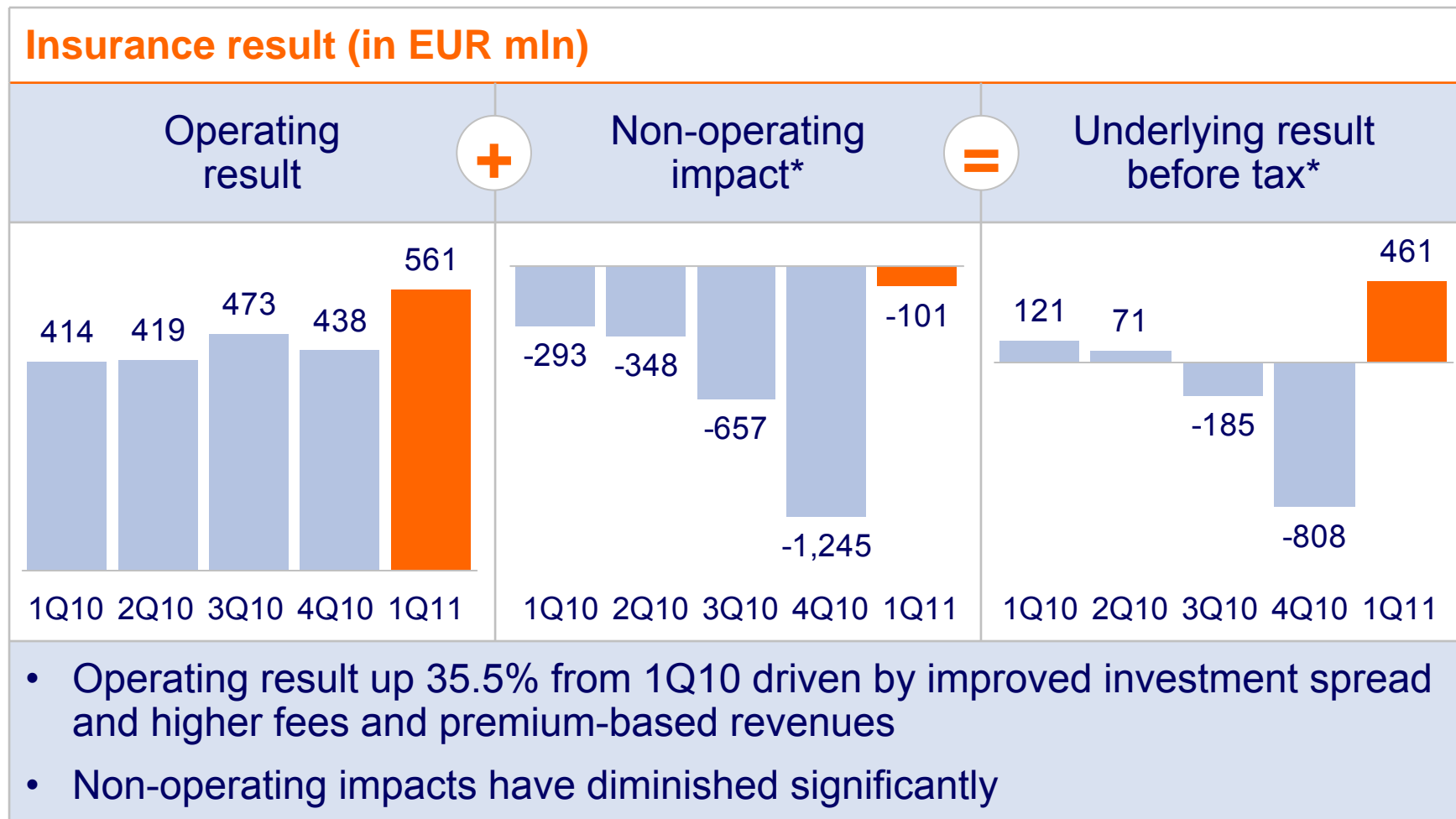


* Loan-To-Deposit Ratio

- ING's loan-to-deposit ratio amounted to 1.06 at the end of 1Q11
- Funding mix dominated by deposits and long-term debt
- Long-term funding and deposits > long-term assets
- Long-term funding: ING Bank's 2011 refinancing need almost already met. EUR 10 billion raised year to-date, or 95% of debt maturing in 2011

ING Insurance

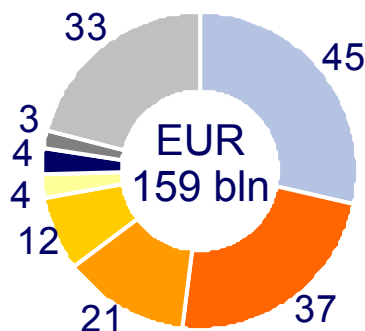
Insurance results show a strong improvement



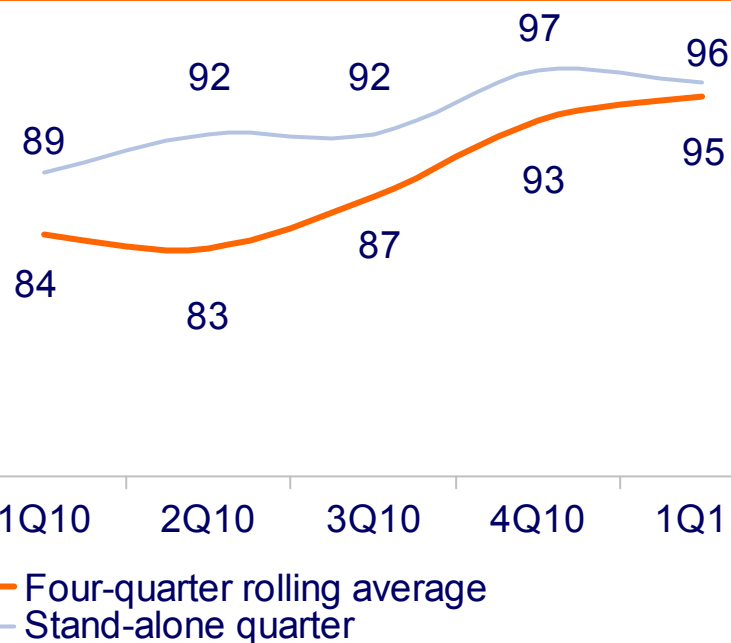
* Insurance 2010 figures have been restated to reflect ING's move towards fair value accounting on reserves for GMWB for Life in the US Closed Block VA as of 1 Jan 2011

Investment spread increased further to 95 bps

Life general account (end of 1Q11, in EUR billion)



Investment spread (in bps) Life GA

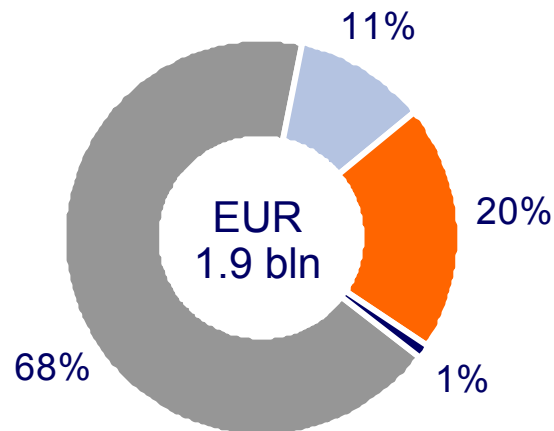


- Investment spread on Life general account assets increased further to 95 bps from 84 bps a year ago based on a four-quarter rolling average
- The actual investment spread in the stand-alone first quarter was 96 basis points

Increase Life & ING IM operating result supported by higher fees and premium-based revenues

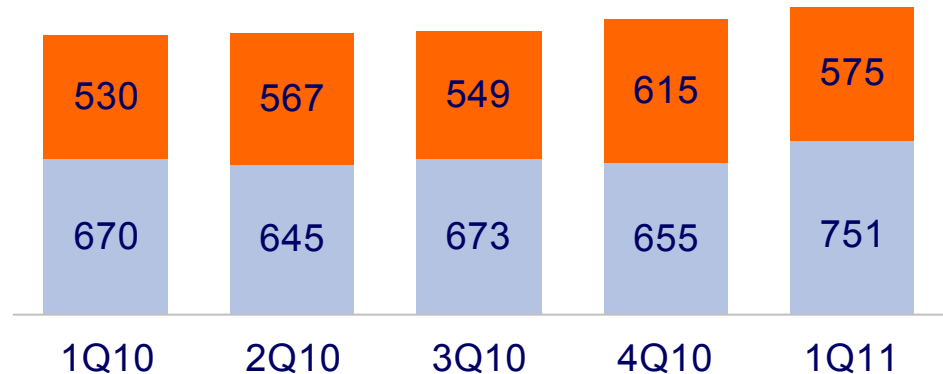
Life Insurance & ING Investment Management (IM)

Life & ING IM operating income largely consists of fees and premium-based revenues (1Q11)



- Fees and premium-based revenues
- Technical margin
- Investment margin
- Non modelled life business

Fees and premium-based revenues (in EUR mln)

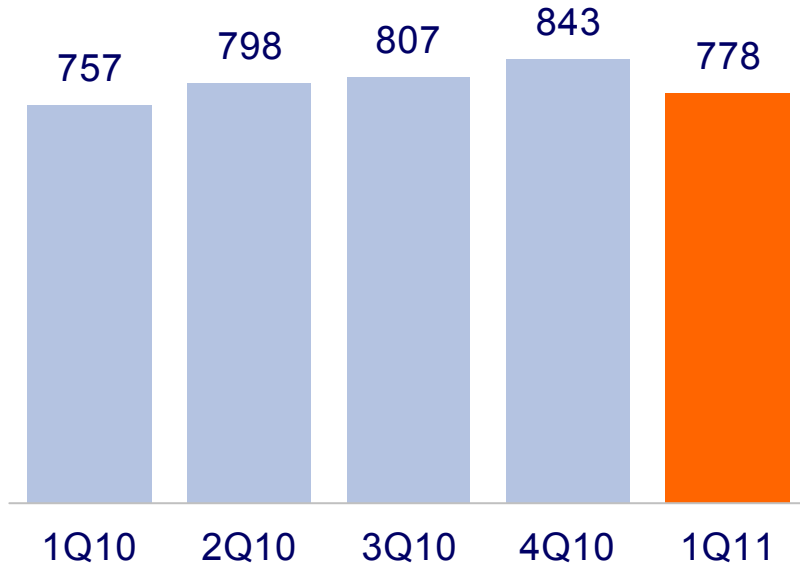


- Fees on AuM (incl. VA cost of guarantees)
- Premium-based revenues

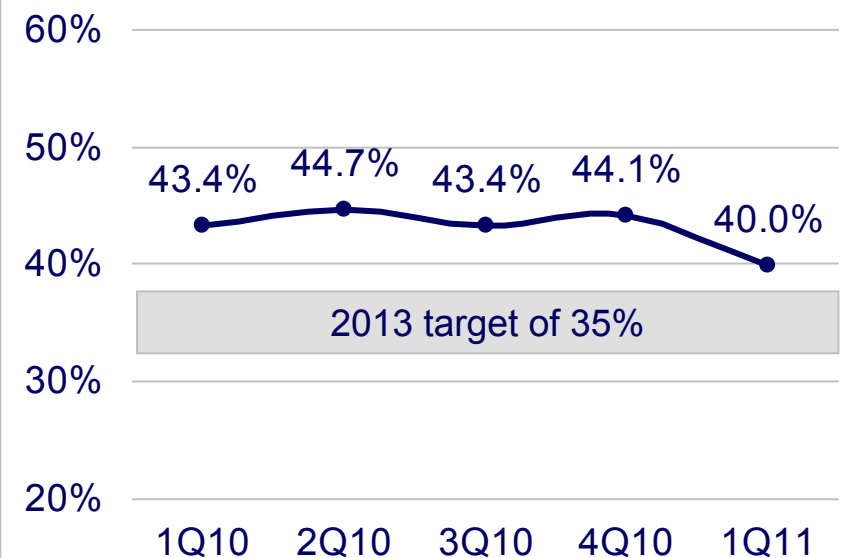
- Fees and premium-based revenues increased 10.5% from 1Q10 and 4.4% from 4Q10
- Cost of VA guarantees decreased to EUR 190 mln from EUR 198 mln in 1Q10

Administrative expenses/operating income ratio has improved to 40.0%

Life & IM administrative expenses
(EUR million)



Life & IM administrative
expenses/operating income ratio (%)

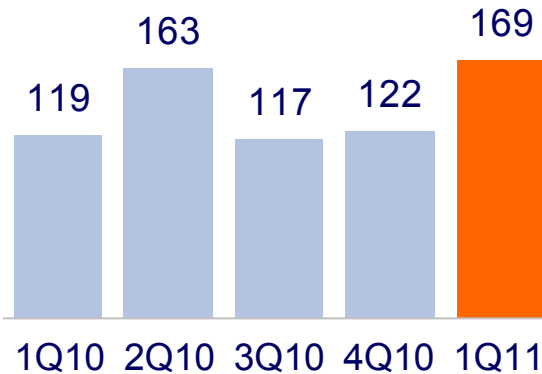


- Administrative expenses declined sharply from the fourth quarter and were up just 0.8% excluding currency effects from the first quarter of 2010, reflecting cost-containment efforts in the US and the Benelux
- Administrative expenses/operating income ratio has improved to 40.0%, from 43.4% in 1Q10

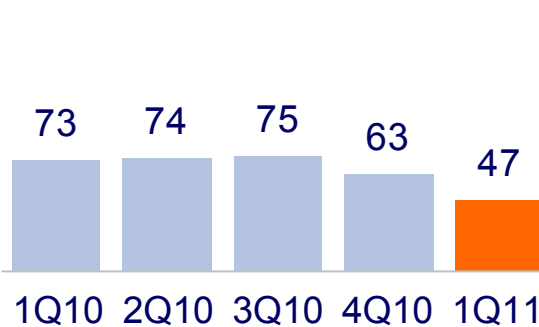
Operating result up in all business lines, except for CRE as a result of tax and regulatory changes

Life & ING Investment Management operating result (in EUR million)

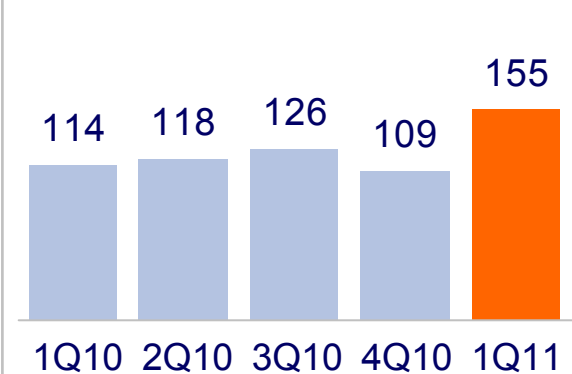
Insurance Benelux



Insurance Central & Rest of Europe

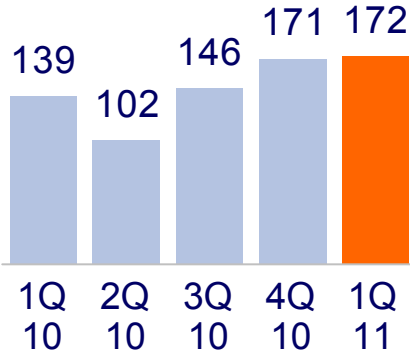


Insurance Asia/Pacific

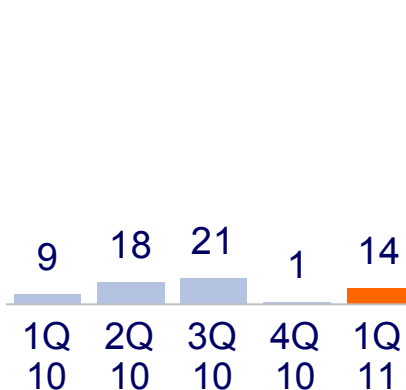


Insurance US

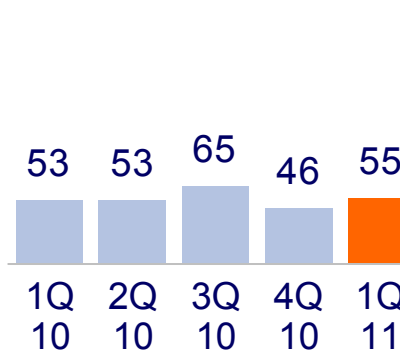
Excl. US Closed Block VA



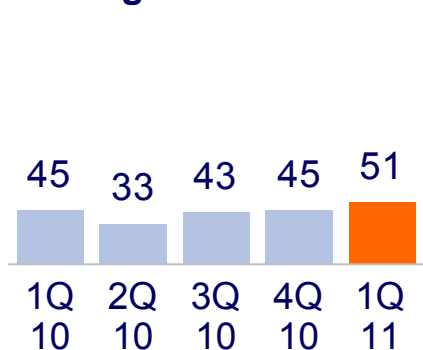
US Closed Block VA



Insurance Latin America



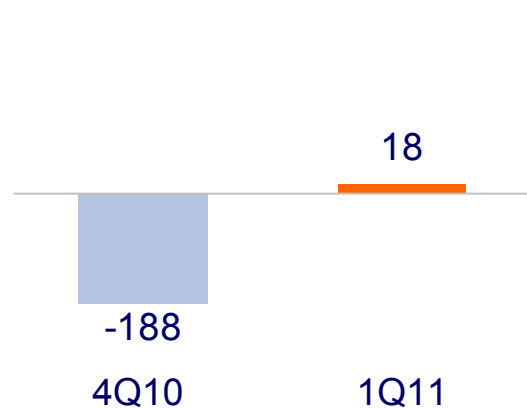
Investment Management



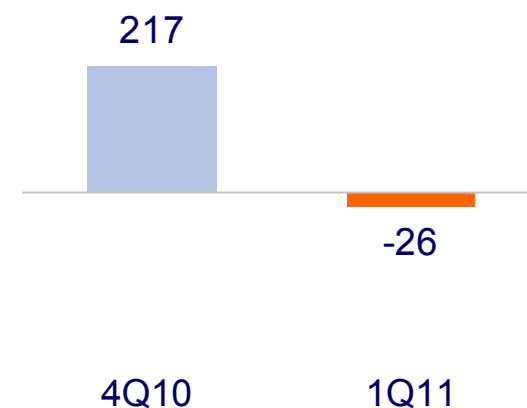
Interest rate and equity market sensitivities have been significantly reduced

Full-year earnings sensitivities (in EUR million)

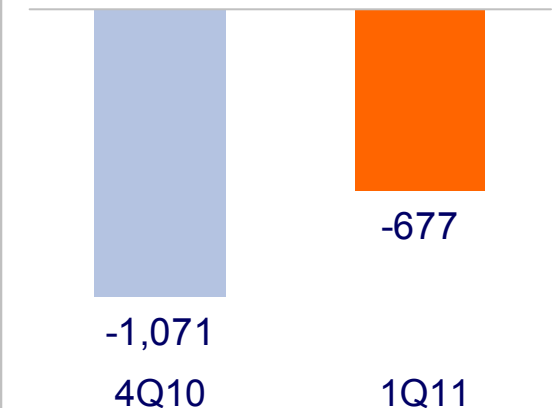
Interest rates +30%*



Interest rates -30%*



Equity markets -25%

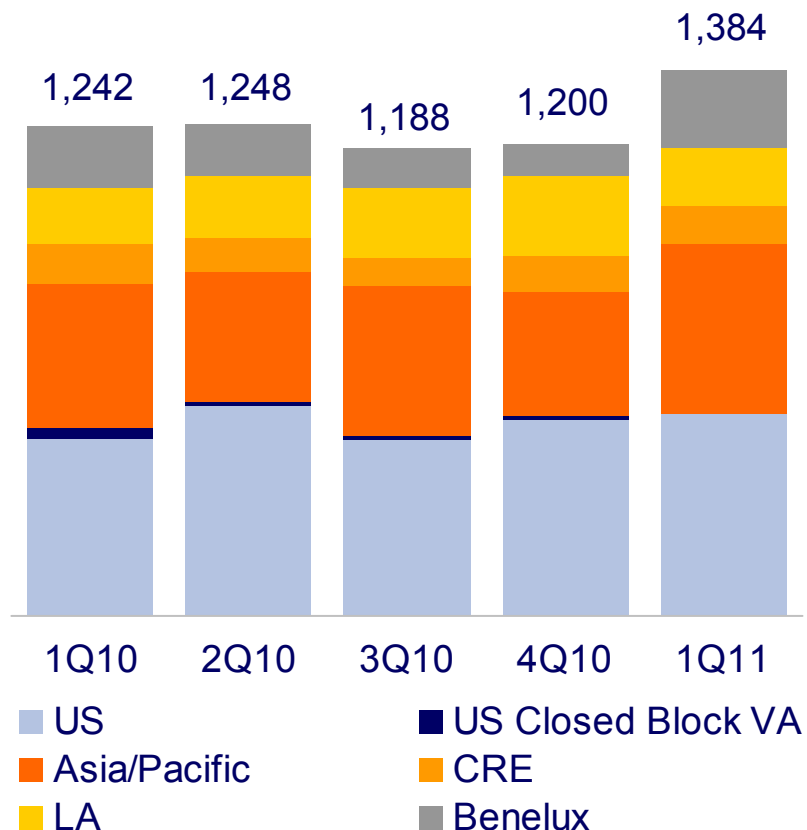


- Interest rate sensitivities have been reduced due to hedging changes for the Dutch separate account pension business
- Equity-related earnings sensitivities reflect direct equity exposure, primarily in the Benelux, and indirect equity exposure that arises primarily from US DAC unlocking and hedging activities
- Mean reversion methodology implemented for determining US DAC

* Parallel shock based on 30% move in 10 year swap rate at year-end 2010. The sensitivities for US Closed Block VA at both year-end 2010 and 31 March 2011 reflect the move towards fair value accounting and the hedging of interest rate risk for GMWB.

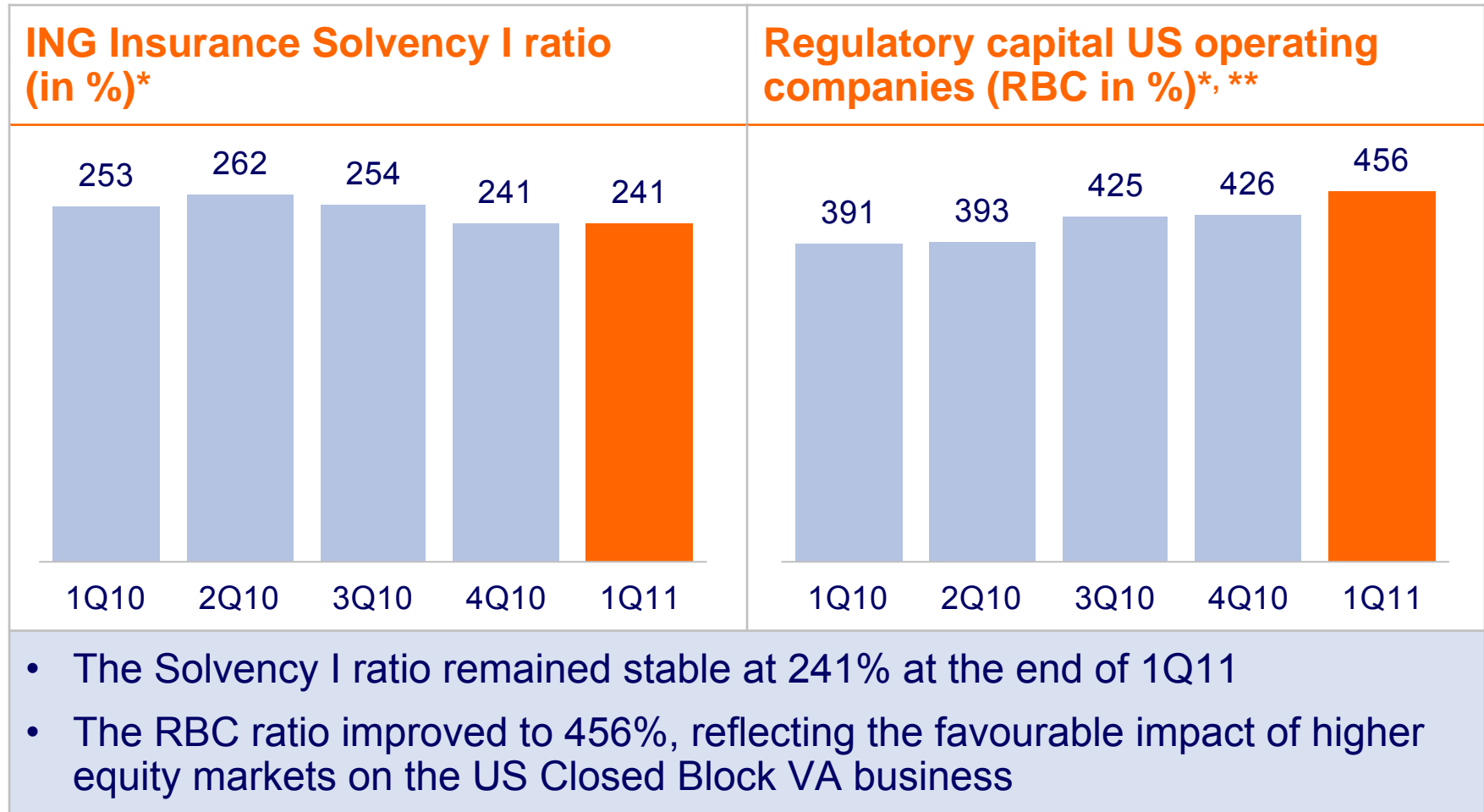
New sales (APE) continued to be strong

Sales (APE, in EUR million)



- New sales increased 11%, or 8% excluding currency effects, compared with 1Q10
- Increase driven by higher sales in Asia/Pacific, the Benelux and the US
- Sales in Central and Rest of Europe and Latin America declined versus 1Q10
- The sales decline in Latin America is due to lower mandatory pension sales in Mexico as new regulations led to a reduction in transfer activity

RBC ratio increased further in the first quarter



* End of quarter; Solvency I numbers over the period 1Q10-4Q10 are updated primarily to reflect the earnings restatement for US Closed Block VA

** ING's US domiciled regulated insurance business; 1Q11 RBC ratio is preliminary and subject to change

Wrap up

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- Strong performance Bank and significant improvement Insurance
- Net result was EUR 1,381 mln, or EUR 0.37 per share

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- Net interest margin remained healthy
- Bank core Tier 1 ratio increased to 10.0% as a result of noticeable capital generation

Insurance shows significant improvement: underlying pre-tax result of EUR 461 mln

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- Sales (APE) showed solid growth compared with both 1Q10 and 4Q10

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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 1Q2011 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) the implementation of ING's restructuring plan to separate banking and insurance operations, (4) 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, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, and (15) ING's ability to achieve projected operational synergies. 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.

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