

# Reshaping ING in the Benelux

ING Investor Day

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CEO Retail Banking Benelux

Amsterdam – 13 January 2012



# Agenda

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**1** Strong position in a changing competitive environment

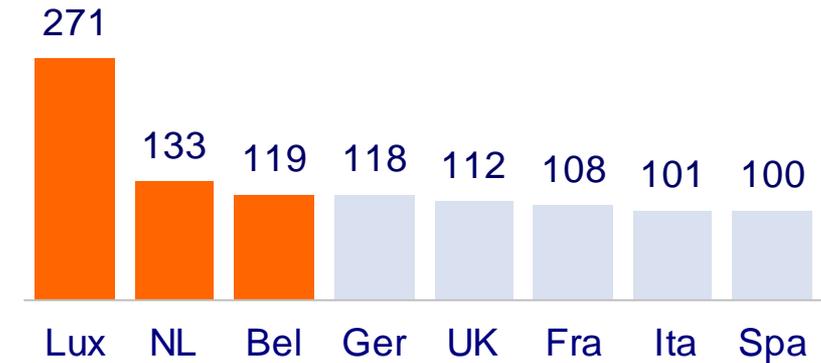
**2** ING is advanced in preparations for challenges ahead

**3** Case Studies: Retail Netherlands and Retail Belgium

# ING is well positioned in the mature but wealthy Benelux markets

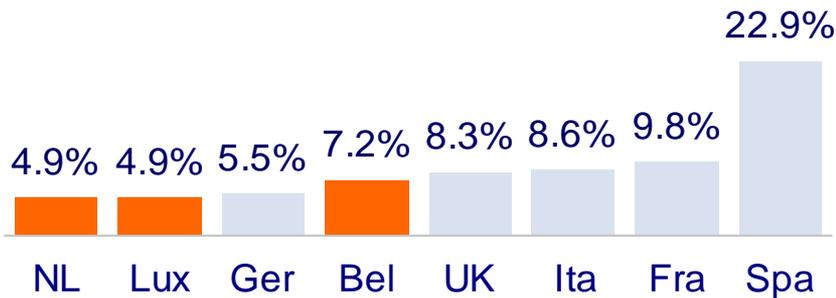


## GDP per capita, 2010 (PPS\*)



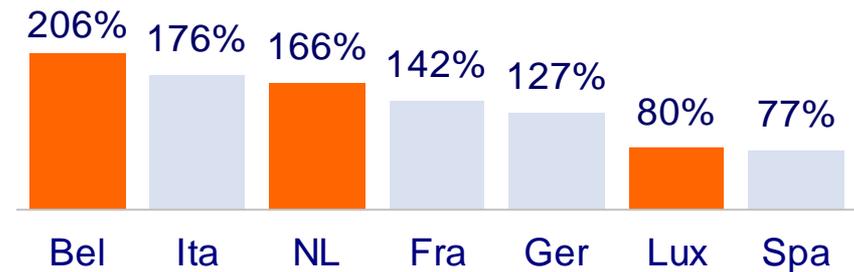
Source: Eurostat, 13 December 2011; \*Purchasing Power Standard

## Unemployment rates in November 2011



Source: Eurostat, 6 January 2012

## Net financial wealth, households, 2010 (% GDP)\*



Source: Eurostat data base, 2011

\* Net financial wealth is defined as total financial assets (including pension assets) minus total liabilities (including mortgage debt). Total financial assets excludes the value of homes owned by households



# The competitive landscape has been transformed but ING has maintained its leading market position

## ING NL

- # 2 bank in NL
- Full universal bank with 8.9 mln customers
- 280 branches and 415 agents
- 14,762 employees (retail)
- Competitive landscape changed: banks nationalised, new entrants and repositioning competitors

## ING BE

- # 4 bank in Belgium
- Full universal bank with 2.7 mln customers
- 779 branches (incl 229 independent agencies, excl. Record)
- 9,541 employees (retail incl Record)
- Full universal bank in Luxembourg
- Competitive landscape changed: competitors nationalised, restructuring and/or repositioning

## ING Retail NL: market share and position

- |                   |         |       |
|-------------------|---------|-------|
| • Mortgages:      | ~ 22%   | # 2   |
| • Savings:        | ~ 19%   | # 2   |
| • Payments:       | ~ 30%   | # 1   |
| • Private Banking | ~ 7%    | # 3/4 |
| • SME:            | ~ 30%** | # 2   |
| • Mid-Corporates: | ~ 20%** | # 2   |

## ING BE: market share and position

- |                   |         |       |
|-------------------|---------|-------|
| • Mortgages       | ~ 22%*  | # 3   |
| • Savings         | ~ 15%*  | # 3/4 |
| • Payments        | ~ 13%   | # 4   |
| • Private Banking | ~ 16%   | # 2/3 |
| • SME             | ~ 18%** | # 3   |
| • Mid-Corporates  | ~ 25%** | # 2   |

\* 2Q11, including Record

\*\* Primary banker

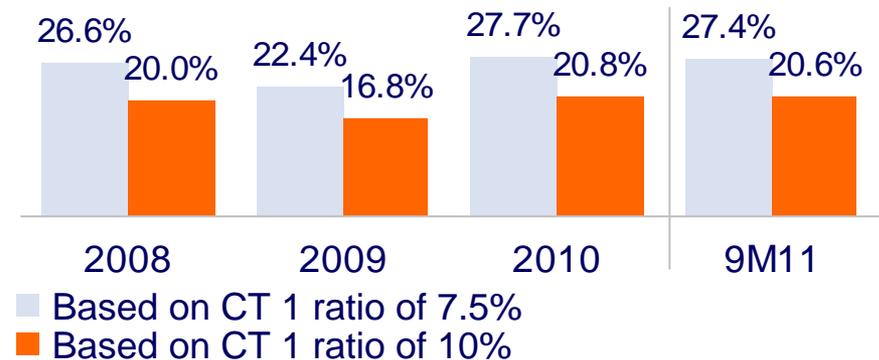


# Retail Benelux maintained strong profits and ROE through the crisis

## Underlying result before tax (EUR mln)



## RoE\* (%)

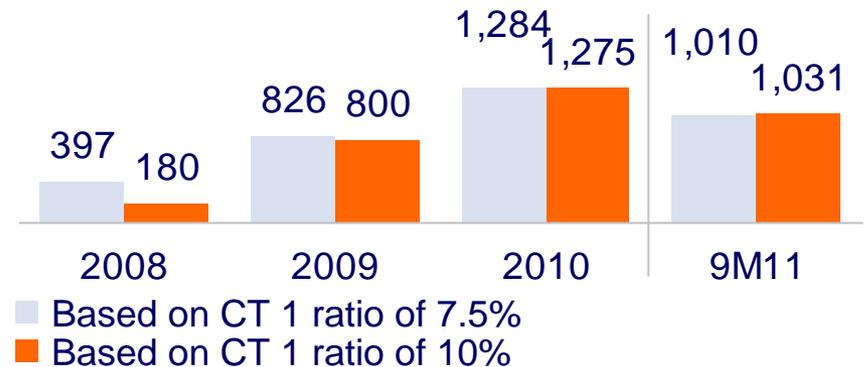


## Risk costs in bps of average RWA



■ Target = ING Bank total

## Regulatory Capital Added (EUR)

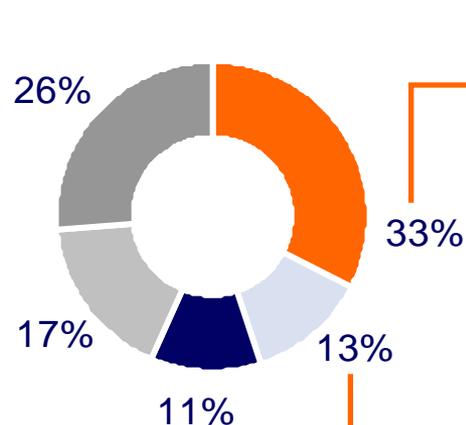


\* Average equity based on core Tier 1 ratio of 10%. Regulatory capital added (RCA) is defined as result after tax exceeding the retained earnings needed to cover the FX adjusted growth in RWA based on a core Tier 1 ratio of 10%



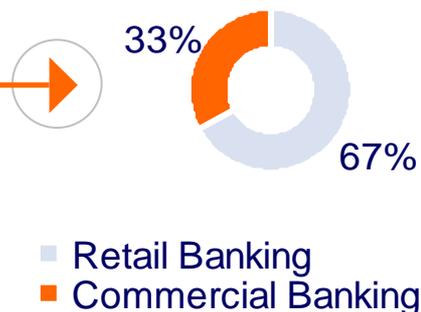
# ING Benelux contributed 46% to total Bank pre-tax result in 9M11, Retail Benelux 30%

## Total Bank pre-tax profit 9M11\*



- Netherlands
- Belgium
- Germany
- Rest of Europe
- Outside Europe

## Total Bank Netherlands



## Total Bank Belgium \*



## Retail Netherlands



## Retail Belgium \*



\* Reported Bank pre-tax result was EUR 4,061 mln in 9M11. Percentages in the graphs are based on pre-tax result Bank excluding Corporate Line, REIM and Car Lease and adjusted for Greek government bonds impairments (EUR 4,570 mln)



# Agenda

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**1 Strong position in a changing competitive environment**

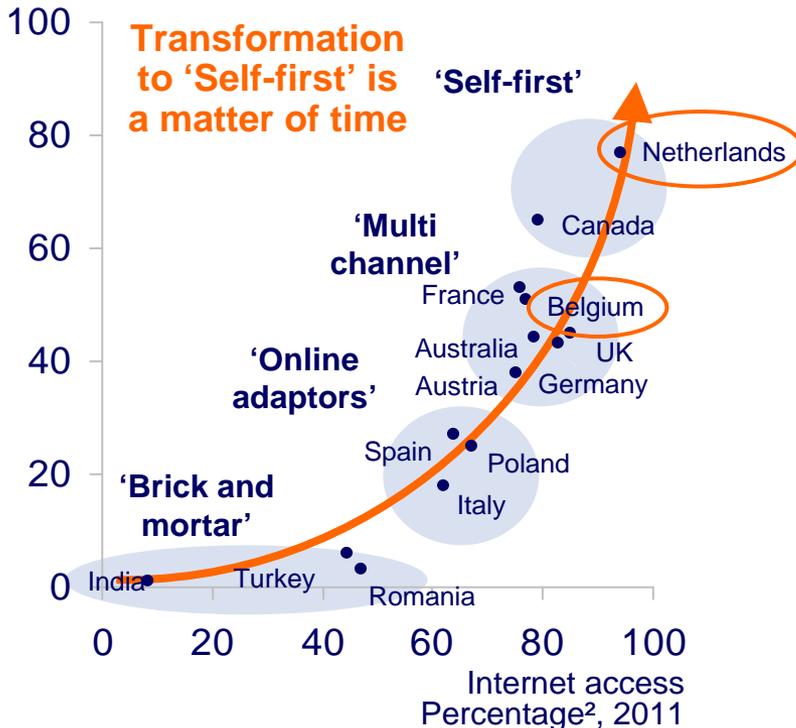
**2 ING is advanced in preparations for challenges ahead**

**3 Case Studies: Retail Netherlands and Retail Belgium**

# ING in the Benelux, different current positions but same strategic direction

## NL is a leader in online banking

Online banking usage  
Percentage<sup>1</sup>, 2010



<sup>1</sup> Percentage of adults using internet

<sup>2</sup> Percentage of households with internet access

SOURCE: data published by Eurostat, EFMA, comScore. Internet World Stats (Nielsen Online, International Telecommunications Union, Official country reports, and other trustworthy research sources).

## Business model

- Universal bank
- Offering services direct when possible, and with advice when needed
- Relationship banking models for Private Banking, (Mid-) Corporate customers and SME
- International network (> 40 countries)

## Spearheads

- To be the preferred bank: focus on customer experience, measured and improved using Net Promoter Score methodology
- Continuous focus on execution and process improvements to improve client experience and lower costs
- Focus on cost-efficiency, best in class C/I ratios compared to local peers
- Highly-engaged employees
- Sustainable business models



# The banking industry is facing far-reaching changes

## Societal Drivers & Consumer Trends



- Need to rebuild trust in the industry
- Demand for transparency, clarity and simplicity
- Increasing focus on social responsibility
- Wisdom of the crowds and peer reviews
- Increasing use of internet and mobile devices

Client focus and shift to modern distribution channels

## Economic Drivers



- Challenging economic environment
- Liquidity crisis
- Increased competition for funding
- Households and governments need to reduce debt

Limit demand and growth

## Regulatory Changes



- Higher capital requirements
- Lower balance sheet leverage
- More emphasis on local funding
- Increasing cost of deposit guarantees
- Bank levy

Higher costs for capital and funding

# ING Benelux is adapting to the changing environment

## Societal Drivers & Consumer Trends



- Easy and transparent product offering
- Converged to distribution model “direct where possible, advice when needed”
- Leverage new technology to improve service levels, proximity and convenience (internet, mobile)



## Customer Centricity

## Economic Drivers



- Cost leadership will be a key strategic advantage
- Further process and IT improvements leading to:
  - More efficiency
  - Better client services
  - Focus on workforce to increase effectiveness



## Operational Excellence & Top Employer

## Regulatory Changes



- Increase growth in savings and fixed deposits
- Moderate growth in mortgages, focused on core customers
- Grow in attractive Mid-Corporate market using a relationship model
- Sharpen pricing discipline to reflect higher cost of funding



## Balance Sheet Optimisation

# Case Study: ING Bank The Netherlands

Nick Jue, CEO

# ING NL strategic objectives are set

## Customer Centricity



- Client-focused sales model
- Improving modern distribution channels (internet, mobile)
- Empathy in each client contact
- Customer opinion always visible, using NPS
- Improved, faster customer service
- Customer suitability

## Operational Excellence



- Efficiency drive
- Direct channels leading
- Customer processes faster and more predictable
- Service guarantees

## Top Employer



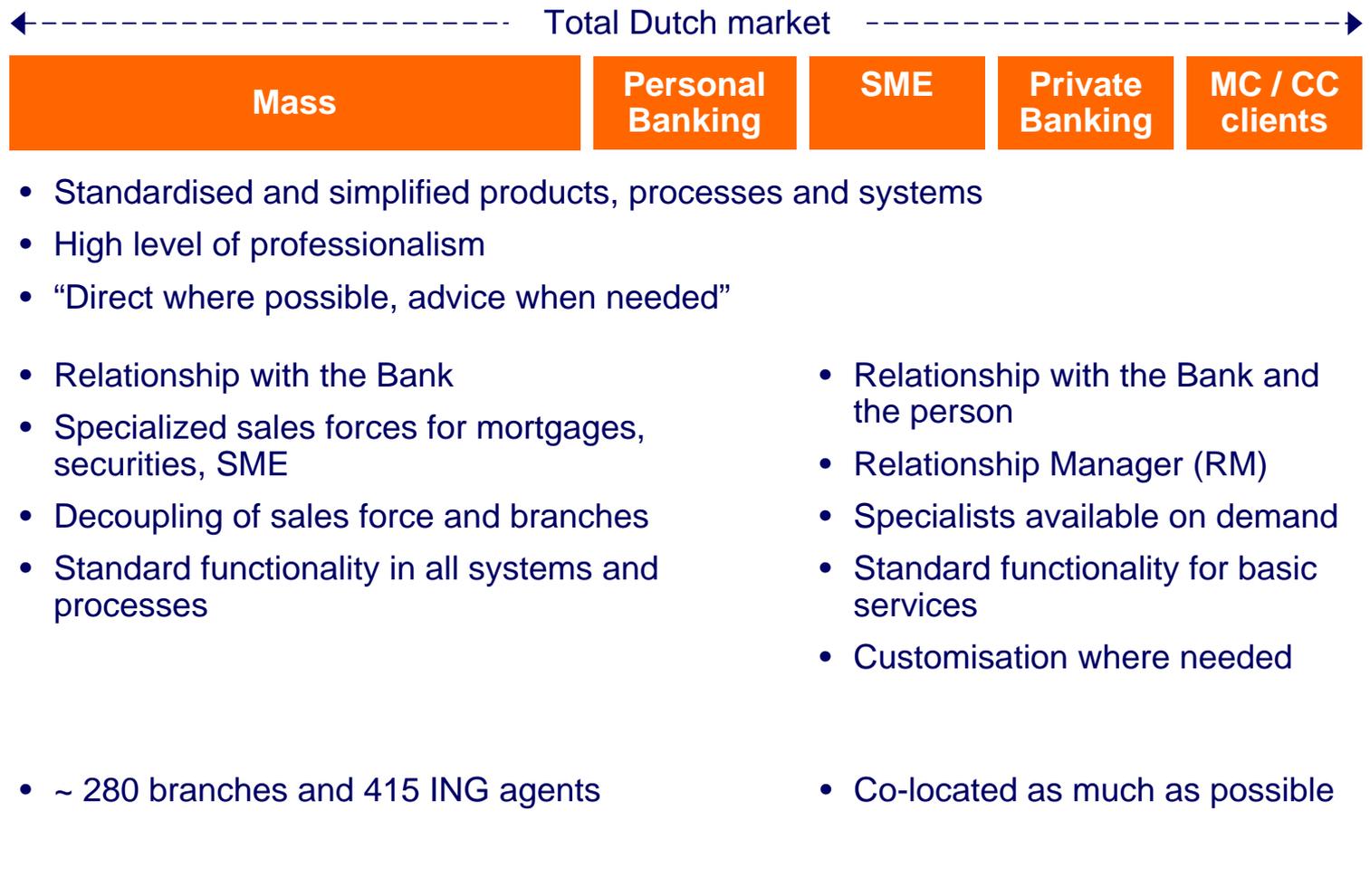
- Sustainable people strategy
- One common goal and effective collaboration
- Personal leadership and execution power

## Balance Sheet Optimisation



- Balanced growth of assets and liabilities
- Continuous cost improvements
- Strict control on risk costs
- Pricing discipline

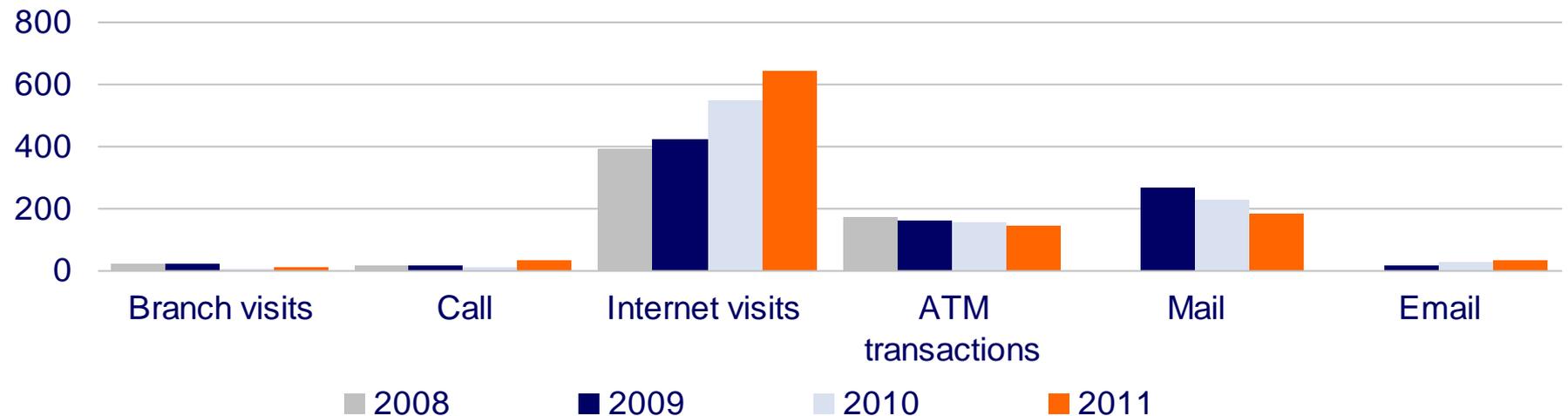
# ING NL has implemented a business model tailored to the needs of different client groups



# ING NL is the leading internet bank in terms of number of visitors, channel usage and sales

- Internet is the leading channel for usage and sales, with 60% of sales via internet
- # of ING customers with an online banking account still growing (currently ~4 mln customers)
- Most popular website of the year 2011 in the financial services category (Emerce and MetrixLab, November 2011)
- ING is the only bank in the top 10 of Google search

## ING channel usage: growth in internet usage (millions)



# ING has successfully launched its mobile App in the Netherlands

## 4Q11-1Q12: Mass customers

### Recent initiatives

- Native applications for iPhone / iPad and Android market
- Star rating: **4.5**
- Target # customers after 1 year: 500,000; 250,000 activated
- Launch of App in November 2011; At 31 December 2011 already 513,000 downloads, 366,000 activated

### Ongoing releases:

- Native applications for RIM Platform (Blackberry)
- New features

### 2012

- Mobile banking for SME
- Mobile payments



Printscreens for iPhone & Android



Ambition to be the number 1 in Dutch mobile banking!



# ING holds a strong position in the Dutch Mid-Corporate segment

## Serving Mid-Corporates in the Netherlands

### Facts

- Market share: ~20%
- 34,000 client clusters
- 3 service concepts:
  - Local: turnover EUR 3-25 mln; 52 locations
  - Sector: turnover EUR 25-250 mln; 12 locations
  - Institutions: budget > EUR 10 mln; 4 regional locations
- Approx EUR 1.2 bln revenues
- 1,470 FTE

## Using relationship model and product experts

Core Client Team led by Relationship Manager



### Product Specialists:

- PCM
- Lending
- Event Finance
- Real Estate Finance
- Financial Markets
- Leasing & Factoring
- Securities Services
- Trade & Commodity Finance
- Corporate Investments
- Insurance

## With the following priorities for 2012

### Focus

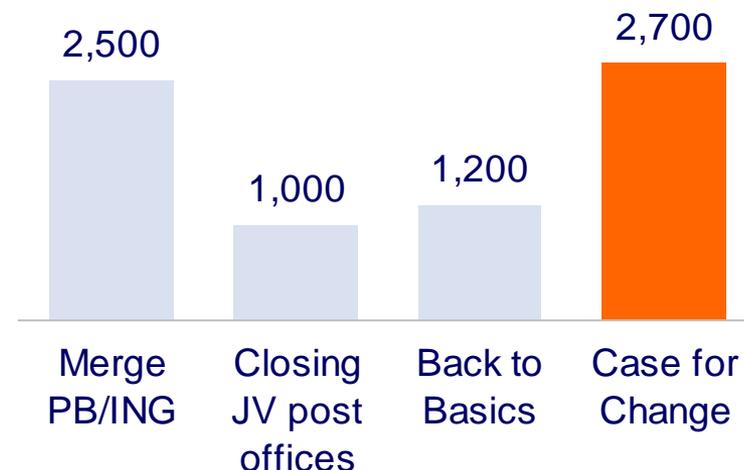
- Client satisfaction and percentage preferred bank
- Commercial initiatives e.g. sector-based market approach and international business
- Further improving client and product processes
- Continuous enhancement of quality of staff through education and training

# As retail cost leader in the Netherlands, ING improved its cost advantage significantly over the past years

## Underlying expenses (EUR mln)



## Cost savings initiatives NL (FTE)



## Cost savings track record and initiatives

- Integration of Postbank and ING Bank NL to improve efficiency with high FTE impact (~2,500 FTE)
- Closing of joint venture post offices together with TNT (~1,000 FTE)
- Back to Basics program 2009 with focus on efficiency programs (~1,200 FTE)
- Case for Change program 2011 launched with additional IT investments to offer better service to our customers in combination with a lower cost level (~2,700 FTE)



# ING NL is taking decisive steps to further reduce costs by EUR 300 mln as of 2014, as announced in 3Q11

- Weakening economic environment, more stringent regulatory requirements and changing customer expectations are putting pressure on volumes & margins
- Steps are taken to further reduce costs and improve operational excellence

## Strategic measures

- Further process improvements by reducing complexity and streamlining workflows
- Additional IT investments to reduce costs while delivering faster and more accurate service

## Financial impact (in EUR)

Headcount reduction (2012-2013):	2,700 FTE
IT investments (coming two years)	200 mln
Special item in 4Q11	235 mln
Of which redundancy provision:	215 mln
Structural cost reduction as of 2014	300 mln



Winning model in current landscape and ready for the future

# Benefits from restructuring programmes go far beyond cost reductions

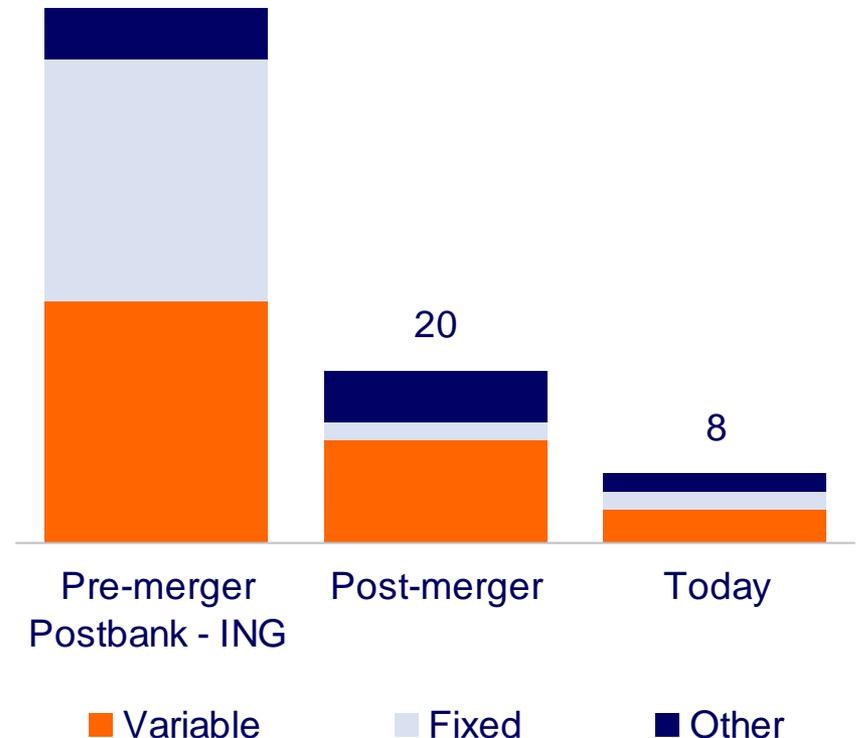
## Restructuring programmes aim to increase customer centricity and operational excellence

- Product offering has been simplified and made more transparent
- Simplification of products made it possible to streamline the client processes and related client channels
- Operational excellence has become visible in:
  - measurable and predictable processes
  - service-oriented back offices
  - straight-through processing
  - strong centralised customer base
  - modern channels for day-to-day services

leading to a better NPS score, improved customer satisfaction and reduced number of customer calls

## Simplification of Product Offering

Examples # Retail savings products offered in NL  
62



# Operational excellence (1)

## Measurable, transparent and predictable processes

- 100 most important services/processes monitored to make them transparent and predictable
- Delivery guarantees introduced in 2011 and communicated to customers to manage their expectations, increasing satisfaction and reducing the number of calls to check status:
  - ‘Scan your Customer’ (track and trace application forms through the whole process by using barcode scanners)
  - ‘Spot on’ (real-time tool for monitoring processes)
  - Periodic process measurement to seek customer feedback and telephone follow-up to ‘close the loop’

## Service-oriented back office

- Cultural move to realise delivery guarantees
  - “The Bridge” (calling customers instead of sending back incomplete application forms, dramatically increases customer satisfaction and reduces the number of dropouts)
  - “Event teams” being created to help customers with specific solutions in complex situations (e.g. divorce, tailor-made mortgages)

## Straight-through processing

- Investing in new systems and technology to implement straight-through processing. (Reduced the number of customer calls to check on payments alone by 600,000 in 2011 versus 2010)
  - Introduction of new mortgage origination process and system in December 2011. Regular mortgage proposal process reduced from 3 days to 3 minutes
  - Opening of a complete account including instant internet and debit card in 20 minutes

# Operational excellence (2)

## Single source of customer truth

- ING has created a strong centrally registered customer base
  - Key system for customer services which shows a customer view across different products
  - Customer data complete, up-to-date and real-time for our customers and for ING
  - Simplified IT environment, easier to change with lower change costs
  - Moving towards digital application forms, e-mails instead of letters
  - By 2015, this system is expected to result in EUR 17 mln in annual savings and allow for the decommissioning of 5 databases

## Product / service – channel alternatives

- Invest more in modern channels (internet, mobile) for day-to-day services
  - Mobile banking/mobile app
  - iDEAL mobile
  - SMS alerts: blocking credit card when stolen/missing

## Less paper

- More digital (E-mail and SMS) and less paper
  - Multi-channel Forms: Reduce the many different application forms into one standard digital form
  - Less paper bank statements: e.g. credit card 70% paperless

# Actions are taken to adjust to new regulatory reality and optimise the balance sheet

## Regulatory changes

- Higher capital and liquidity requirements



## ING response

- Continue to improve funding and liquidity position with stable returns and strong capital generation

## Examples

- Leverage constraints



- Selective growth in long-term assets:
  - Shorter durations
  - Mortgage offering to core customers

- Acceptance criteria adjustment for mortgages

- More emphasis on local funding



- Increasing stable deposit base:
  - Fixed-term deposits
  - Product development in savings

- 1 year fixed-term deposit campaign resulting in net new inflow of fixed savings of EUR 2 bln
- Savings campaigns

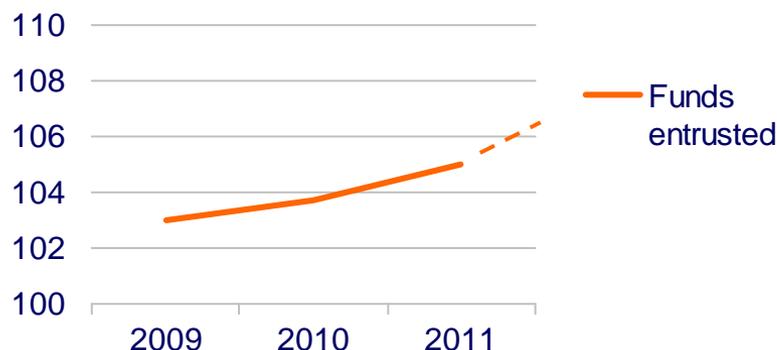
- Deposit Guarantee Scheme and bank tax



- Pricing discipline

# ING is accelerating funds entrusted growth in the Netherlands

## Retail NL funds entrusted (EUR bln)



\* 2008 funds entrusted Retail NL corrected for re-segmentation in 2009 by EUR 3.8 bln

**3,2%** RENTE  
**LET OP**  
TIJDELIJKE SPAARACTIE



## Accelerating funds entrusted growth

- Accelerating inflow funds entrusted and increasing focus on fixed-term deposits
- 1 year fixed-term deposit campaign aimed at private individuals in last months of 2011 resulting in a net new inflow of fixed savings of EUR 2 bln
- Fixed-term deposit campaign for private individuals now repeated in Q1 2012
- Various other savings campaigns
- Successful focus on savings for SME and Mid-Corporate customers led to a market share increase of 3%-point in 2011

# Dutch mortgage market: Despite high LTVs it is less risky than perceived - 4 factors provide support

## Dutch Government policies

- Mortgage interest is tax deductible for a period of 30 years
- Guarantee system for certain types of mortgages (NHG)
- Withdrawal of subsidies for social housing

## Balanced price growth and shortage of houses

- No price boom pre-crisis
- Relatively low level of owner-occupation (54% in 2010)
- Number of one-person households increasing

## Regulation

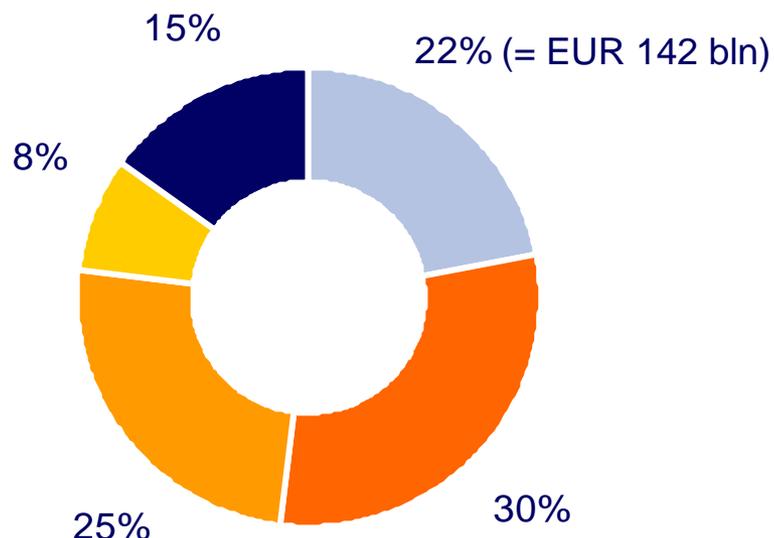
- Maximum loan-to-value (LTV)
- Code of Conduct limits borrowers' debt/income ratio
- Law allows lenders to claim income and assets of borrowers in arrears

## Buffers through social security

- Low unemployment rate compared to other countries
- Social security system provides unemployment benefits from 3 up to 36 months
- Financial compensation for layoffs and personal liability for mortgage taker

# Stable delinquency rates in ING NL mortgage portfolio and manageable risk costs

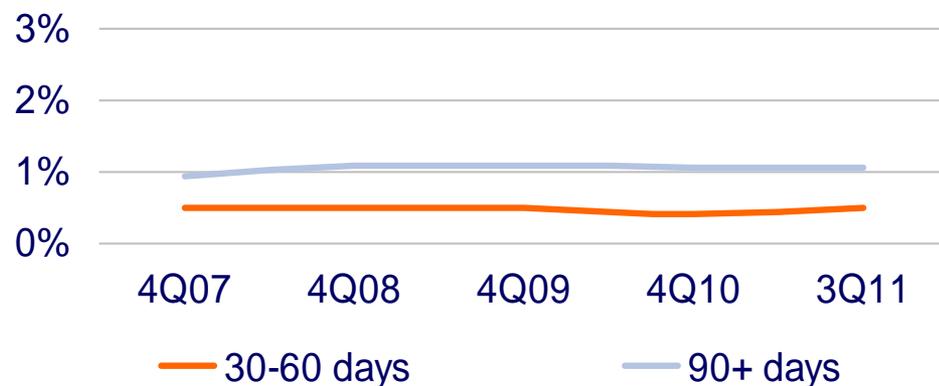
## ING NL: 22% market share (outstanding)



- ING NL\*
- Rabobank
- ABN AMRO
- SNS Reaal
- Other

\* Including WUB

## ING NL: Delinquencies\*\*



## ING NL: Additions to loan loss provision (EUR mln)\*\*



\*\*Excluding WUB



# Actions have been taken to further increase the quality of ING NL mortgage portfolio

## Breakdown by mortgage type

	Total portfolio 3Q11	New production 3Q11
Interest-only	60 %	60%
Investment	13 %	0%
Life	13 %	2%
Savings	9 %	36%
Other	5 %	2%

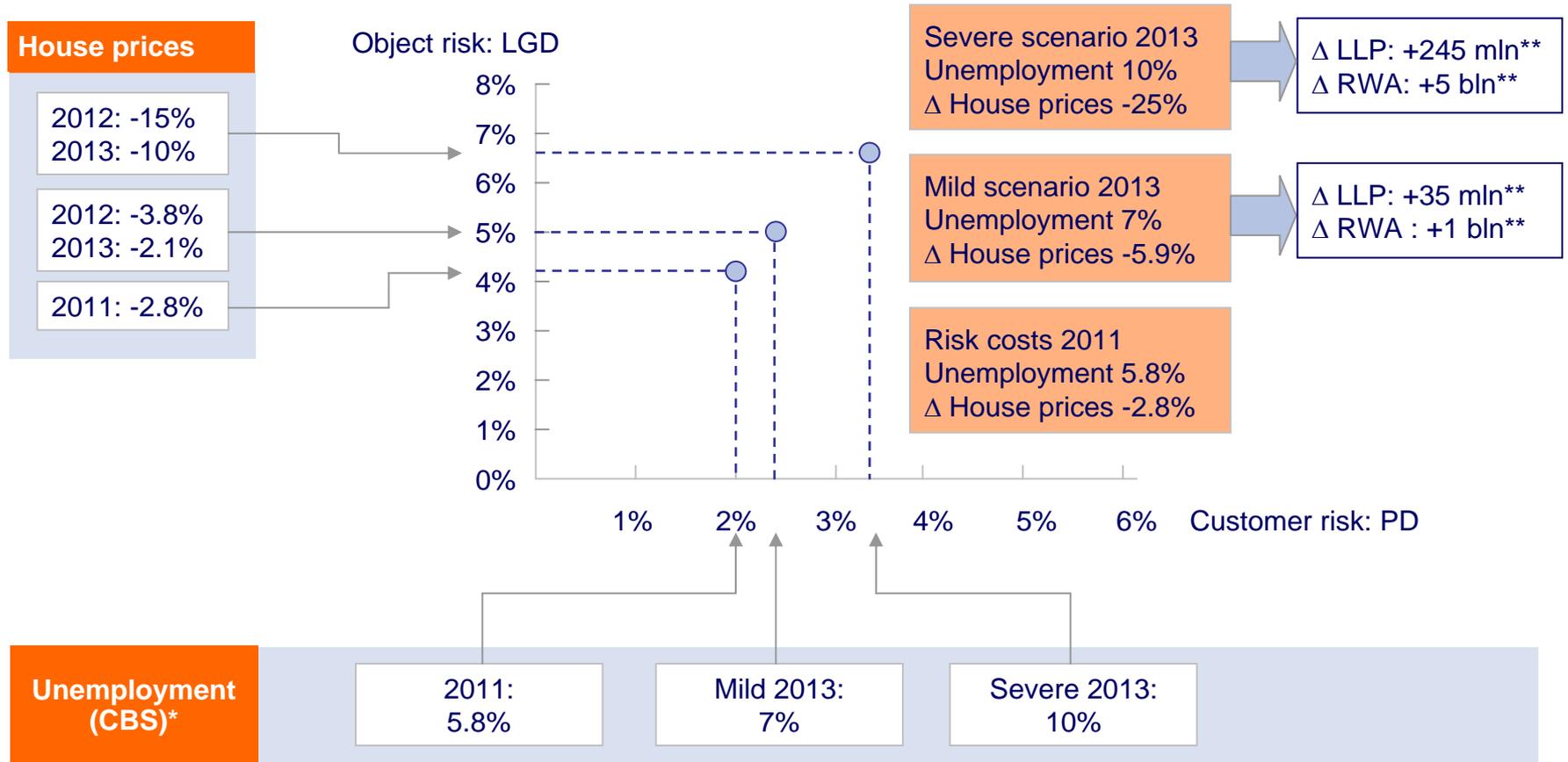
## New production

	NHG	LTV 103-106%
Sep-11	41.1%	15.3%
Jun-11	44.5%	16.3%
Mar-11	46.5%	15.0%
Dec-10	51.0%	14.6%
Jun-10	40.6%	14.3%
Dec-09	32.2%	21.8%

- “Investment mortgages” new production decreased to 0%
- “Savings mortgages new production” at 36% in 3Q11
- “Interest-only mortgage” at maximum 50% of total fair value
- NHG production (Government guaranteed mortgages) above 40% of the new production
- Mortgages new production with LTV between 103 -106% fair value at approximately 15%
- ING NL mortgage risk strategy concentrates on risk reduction in the portfolio, helping customers to meet mortgage payments

# Dutch mortgages: Stress test results indicate that the risk is manageable

## Stress testing ING Bank Dutch mortgages: Risk costs (in EUR mln) and RWA (in EUR bln)

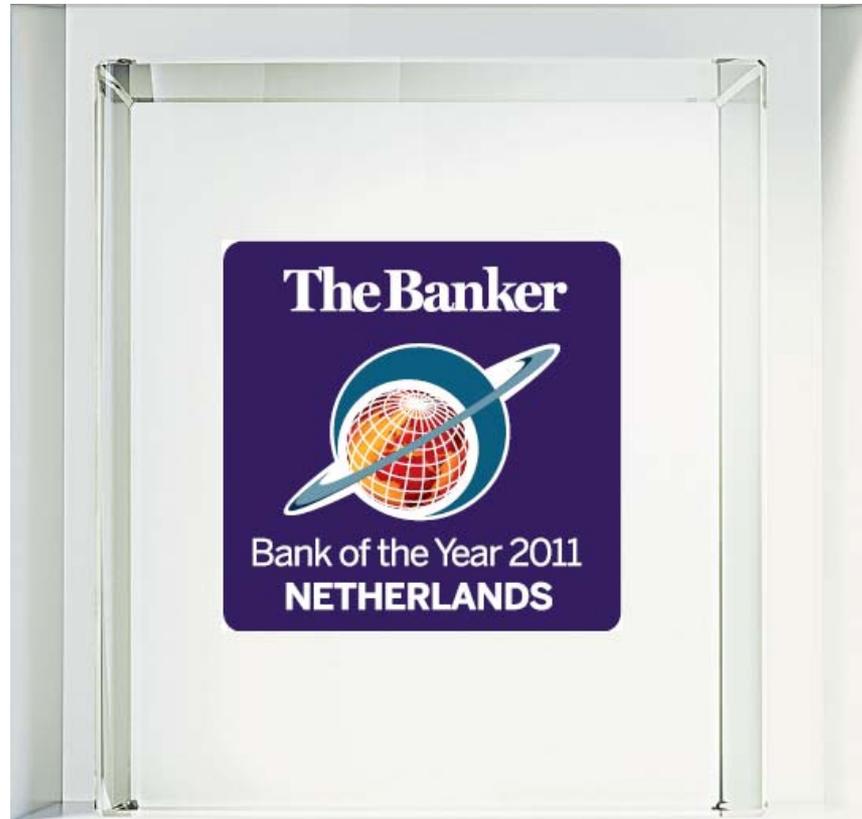


\*The national CBS definition for unemployment differs from the Eurostat definition (based on directives drawn up by the International Labour Organisation, ILO) on slide 3. The main difference between the ILO definition and the Dutch definition is the amount of weekly working hours. According to the ILO concept, the employed labour force is larger than according to the national definition. The unemployed labour force, on the other hand, is smaller.

\*\*Delta versus 2011



# ING NL named best bank by the Banker in 2011



# Case Study: ING Bank Belgium

Ralph Hamers, CEO

# ING Belgium shares the same strategic direction

## Customer Centricity



- Improving service via modern distribution channels
- Renewed branch network
- Growing client base with high cross-sell ratios, maintaining high NPS
- Improved, faster customer service
- Customer suitability

## Operational Excellence



- Process and efficiency improvements
- Enhance local cost leadership position
- Investments in IT platform
- Product simplifications

## Top Employer



- Sustainable people strategy
- One common goal and effective collaboration
- Execution power

## Balance Sheet Optimisation



- Stable RoE and capital generator
- Liquidity and funding provider to ING Bank NV
- Leveraging strong funding position in the liability-driven Belgian market
- Deposits Guarantee Scheme already implemented
- Increasing pricing discipline

# ING Belgium has a sustainable multi-channel universal bank model

## Domestic Banking\*

Retail and Mid-size	<ul style="list-style-type: none"> <li>• 2.2 mln active clients</li> <li>• EUR 120 bln in client balances</li> </ul>
of which:	
Personal Banking	<ul style="list-style-type: none"> <li>• 124,000 individual active clients</li> </ul>
Private Banking	<ul style="list-style-type: none"> <li>• 12,000 families</li> <li>• EUR 15 bln in Assets under Management</li> <li>• Top 3 market position</li> </ul>
Professionals	<ul style="list-style-type: none"> <li>• 184,000 active clients</li> </ul>
SMEs	<ul style="list-style-type: none"> <li>• 122,000 active clients</li> <li>• Top 3 market position</li> </ul>
MidCorporates & Institutionals	<ul style="list-style-type: none"> <li>• 32,000 active Mid-Corp customers</li> <li>• 4,800 active institutional customers</li> <li>• EUR 36 bln in client balances*</li> </ul>

## Commercial Banking

Corporate	<ul style="list-style-type: none"> <li>• 1,000 groups</li> </ul>
Financial Institutions	<ul style="list-style-type: none"> <li>• 40 groups (Belux)</li> </ul>

\* Excluding Record and ING Luxembourg

## ING Retail BeLux operates under three brands

Pre-tax result of EUR 368 mln\*, 9M11



\* Excluding impairments on Greek government bonds of EUR 13 mln



# ING Luxembourg and Record Bank are contributing to the results and growth options of ING Belgium



## Profile Luxembourg

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- Universal bank
- Domestic Retail Banking, Private Banking and Commercial Banking
- Top 5 player
- Profit before tax 9M11 EUR 38 mln
- 70,000 customers
- 16 Branches
- Approximately 800 employees

## Profile Record

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- Network of approximately 1,500 independent agents, credit brokers and vendors
- Savings, mortgages and consumer lending
- 778,000 clients
- Profit before tax 9M11: EUR 41 mln\*



\* Excluding impairments



# Change in customer behaviour drives the multi-channel business model



## Branches

774 branches  
20 mln operations



## Self'Bank

69 mln identifications  
(contacts)  
78 mln operations



## ING.be

19 mln visits



## Home'bank

0.6 mln active users  
1.2 mln customers  
58 mln sessions  
(contacts)



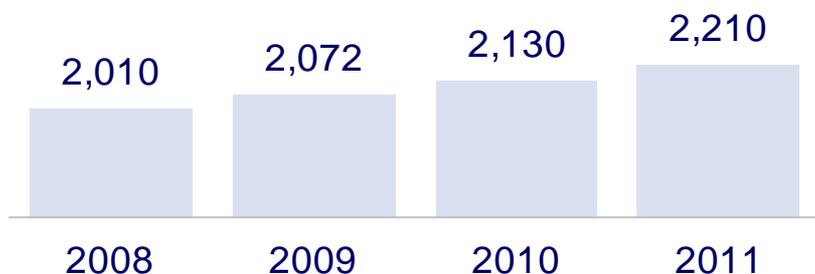
## Call Center

0.5 mln inbound calls  
0.2 mln outbound calls  
2.9 mln Phone'Bank  
calls  
= 3.6 mln contacts

Aim for 50% of 'simple' products sold via internet

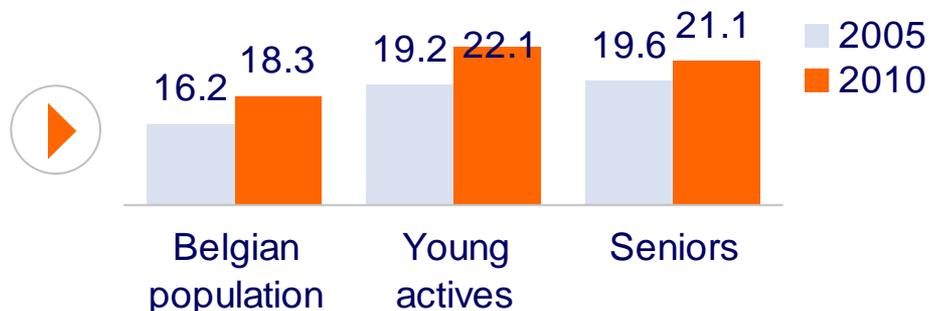
# The direct model “direct where possible, with advice when needed” is paying off

## Net active clients base (x1,000)



Scope: ING active clients October 2011 YTD

## Penetration up from 16.2% ('05) to 18.3% ('10)



Source: ING Customer Intelligence; FOD Economie

## Rapid increase in sales of products online



## Increasing market share in savings

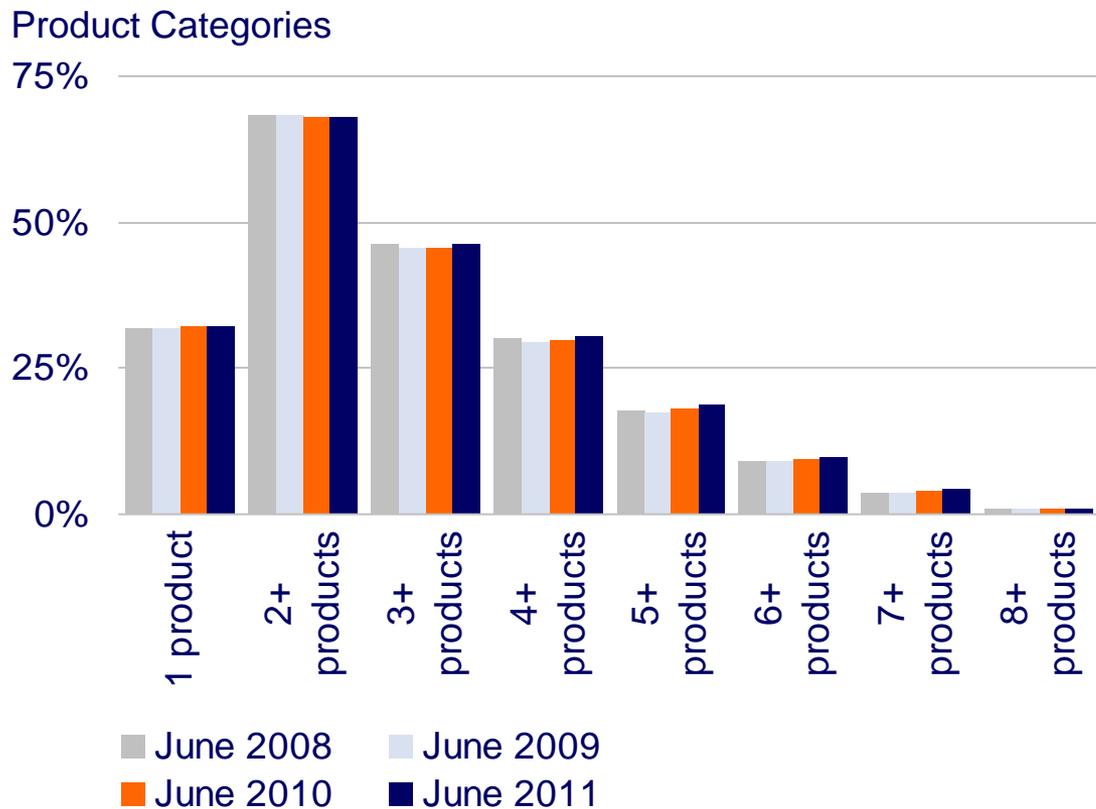


Source: ING Customer Intelligence; FOD Economie  
 Regulated Savings market equals EUR 200 bln market,  
 Term Savings market equals EUR 62 bln



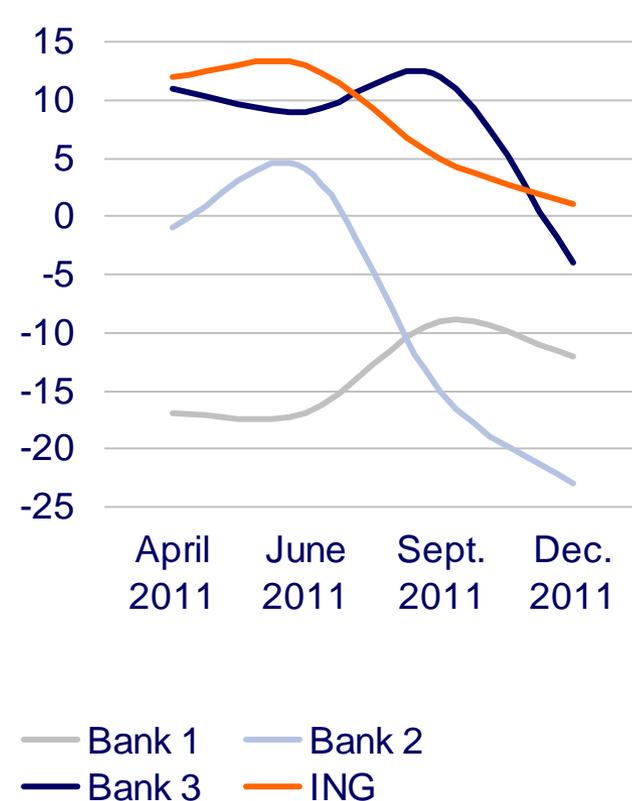
# The retail client base is growing while cross-sell rates continue to be high and NPS scores remain positive

## Number of product categories per customer (in percentages)



Source: ING customer intelligence  
 Scope: Retail active clients

## Net Promoter Score (Belgian individuals 2011)



Source: ING customer intelligence  
 Scope: Retail main bank clients



# Commercial momentum: Market share is increasing in all segments, also in Private Banking and Mid-Corporates

## Private Banking\*

- Private Banking is a core and growth engine contributing EUR 44 mln pre-tax result (FY2010)
- EUR 16 bln in assets and 16% market share
- ROA: 0.83%
- Continuous net inflow and growing number of clients (+4% 9M11) in a challenging environment
- Expanding the Family Business approach in collaboration with the Mid-Corporates segment

## Mid-Corporates

- Robust growth in both deposit (+4.6% 9M11) and lending (+7.2% 9M11) volumes
- Market leader in Acquisition Finance
- Successful “Automatic Credit Offer” campaign
- Stable loan provider in the Belgian market with net growth of EUR 3.7 bln over the last 3 years
- Successful international campaign
- Steady inflow of new clients
  
- Flemish government acquired as client in 2011

\*Excluding Luxembourg



# ING Belgium is investing for the future; further expansion of the universal Direct business model for all segments

## Strategy

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Direct where possible, advice when needed.

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Ambition to be the preferred Bank in 2015



## Spearheads

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- Client acquisition and cross-selling through universal Direct Bank model
- Offering simple products online and value-added sales through the branch and product specialists network: “direct where possible, advice when needed”
- Expanding the easy online offering of products and services
- Offering full-service branches and new IT infrastructure allowing mobility of sales staff
- Monitoring and steering based on feedback from clients through Net Promoter Score for all segments

# Investments of EUR ~220 mln on top of regular change budget are made to improve operational excellence and client services\*

## Client Service

- Launch of mobile app in summer 2011; 5 star user rating in App Store. Mobile banking for Android operating system will be launched in 2012
- Trusted payments functionality introduced in Home'Bank and mobile
- 235 full-service branches will be renewed, combining personal contact and e-wall
- Scheduled improvements for products and online service offering for business clients

## Operations

- Direct link of customers' e-ID to ING database has improved flow of customer information
- Reduced credit approval time for retail mortgage from 3.7 days (2010) to 2.7 days (2011)
- Faster decision-making process for Business Lending, reduced from 8 days to 48 hours
- Improve straight-through processing of securities operations via outsourcing to third party platform

## Systems

- Branch'bank application shows cross-sell opportunities per customer to the sales force
- Off-loaded external data center (annual cost reduction > EUR 2 mln)
- Implement new core banking system, reducing time to market for new products by more than 25 %

Investments of approximately EUR 220 mln over next 4 years and will be booked in operating expenses



# ING Belgium will bring down the C/I ratio

Efficiency gains based on 3 main drivers:

- Product rationalisation: simplify product offering by removing low volume products
- Process improvement: throughout entire sales life cycle and eliminating waste to enhance customer experience
- IT rationalisation: by replacing old technology, optimising sourcing models and improving delivery processes

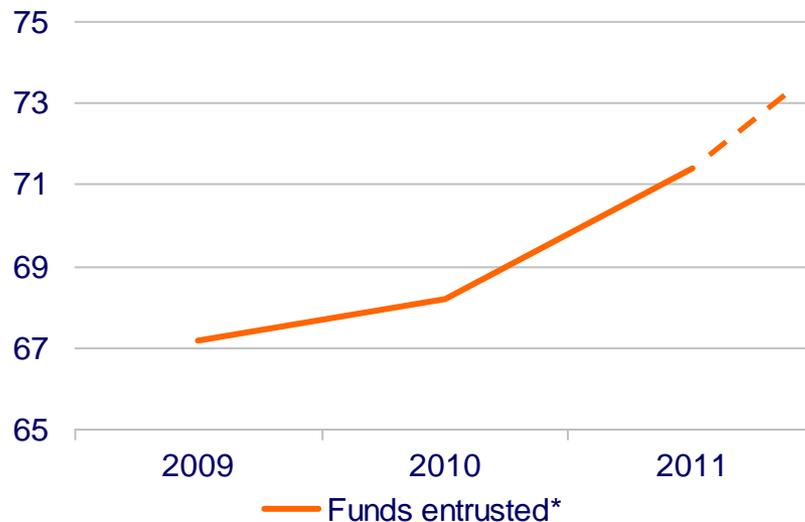
Reduction of FTE is helped by natural attrition

## FTE evolution ING Belgium (excl. Luxembourg)



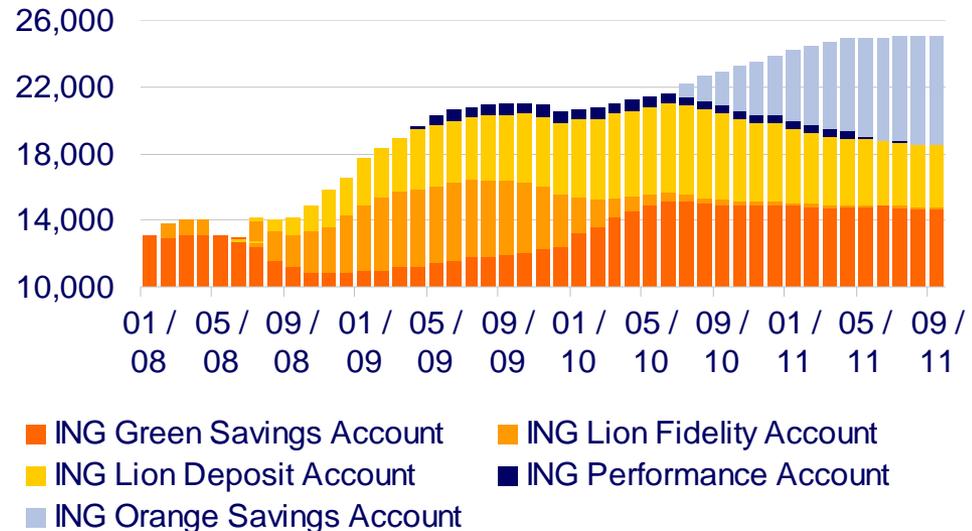
# ING Belgium is generating consistent growth in savings volumes

## Retail Belux funds entrusted (EUR bln)



\* 2009 and 2010 funds entrusted Retail Belux corrected for sale of Private Banking Switzerland

## Savings ING Bank Belgium (EUR bln\*)



\* Excluding Record Bank

- ING Belgium is growing funds entrusted in funding rich Belgian market
- Product innovation and trust in the brand evidenced by a rise in savings volumes to EUR 25 bln 3Q11
- Savings volume growth from individuals over the last year was driven by Orange Savings account
- ING Belgium is the only large Belgian bank with net inflow of savings in 2011 (survey De Tijd, January 2, 2012)



# Wrap-up

Hans van der Noordaa, CEO Retail Banking Benelux

# Reshaping ING in the Benelux

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## Summary

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- ING has a leading position in the Benelux market, where the competitive landscape has changed dramatically
- ING Benelux has diversified sources of profit and is a strong RoE and capital generator
- ING currently has different positions in the Netherlands and Belux but shares the same strategic direction: direct where possible, with advice when needed
- Additional initiatives are being taken to improve client services and to further reduce costs
- ING is taking actions to adapt to the new regulatory reality

# 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 3Q2011 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) 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. This document, and any other document or presentation to which it refers, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities.

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