

Strong progress on strategic priorities

Jan Hommen CEO

Goldman Sachs Conference – 9 June 2010
www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



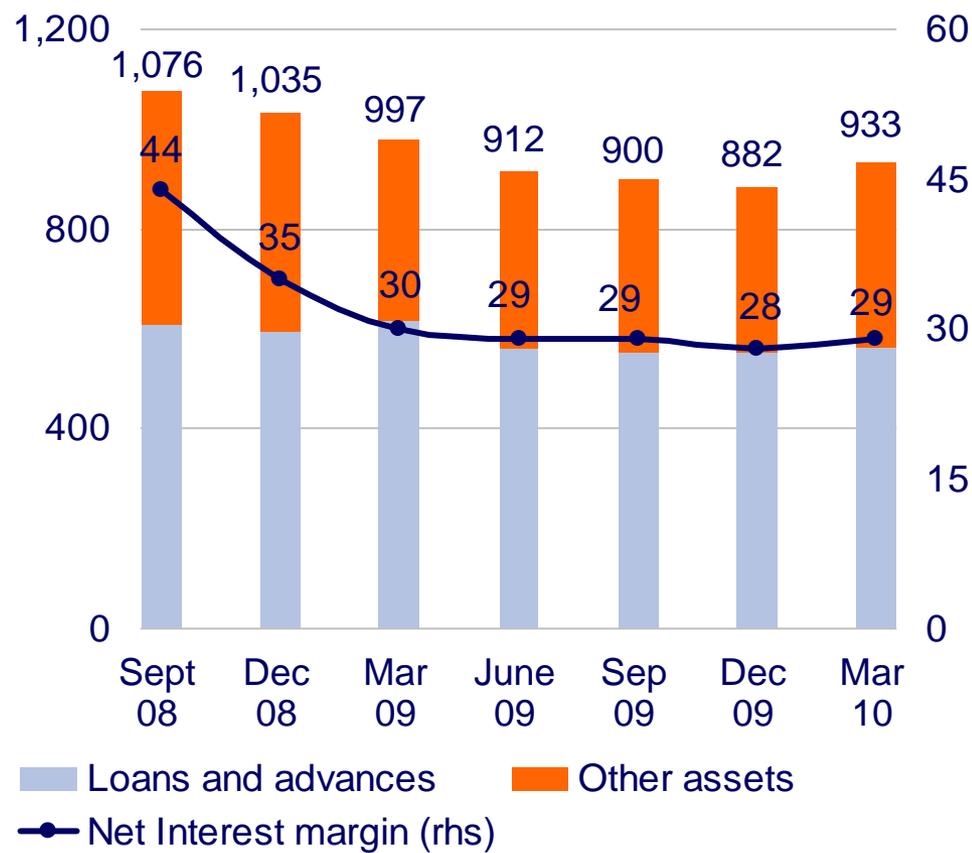
ING is making good progress on strategic priorities, while actively managing our exposures

- ING has made substantial progress in reducing leverage and risk
- ING is actively managing its sovereign debt portfolio
- The separation process of banking and insurance is on track
- ING has set clear targets to improve the performance of Banking and Insurance
- First quarter 2010 results show encouraging progress

Deleveraging and de-risking

Balance sheet shortened while margins increased

Total assets ING Bank (in EUR billion) and asset leverage ratio*



Net interest margin (in bps)

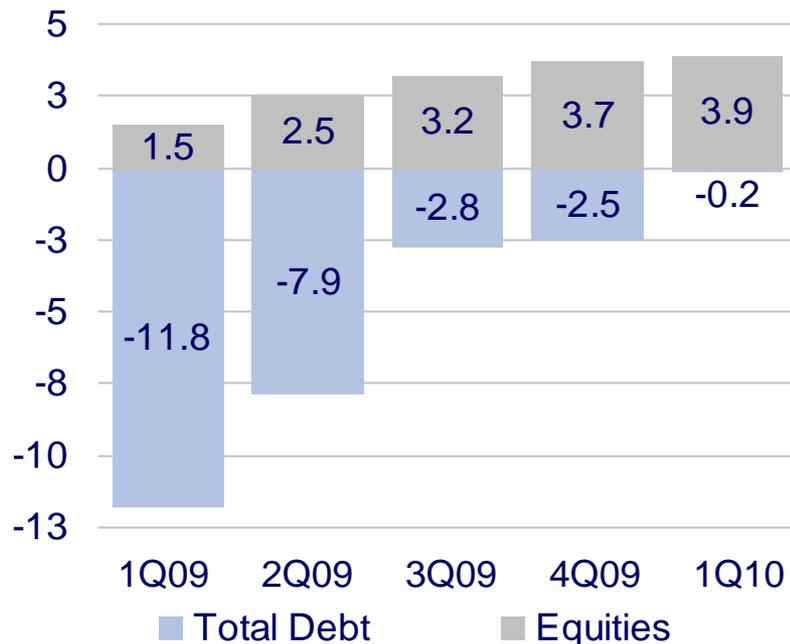


* total assets / shareholders equity (adjusted for mtm own debt)



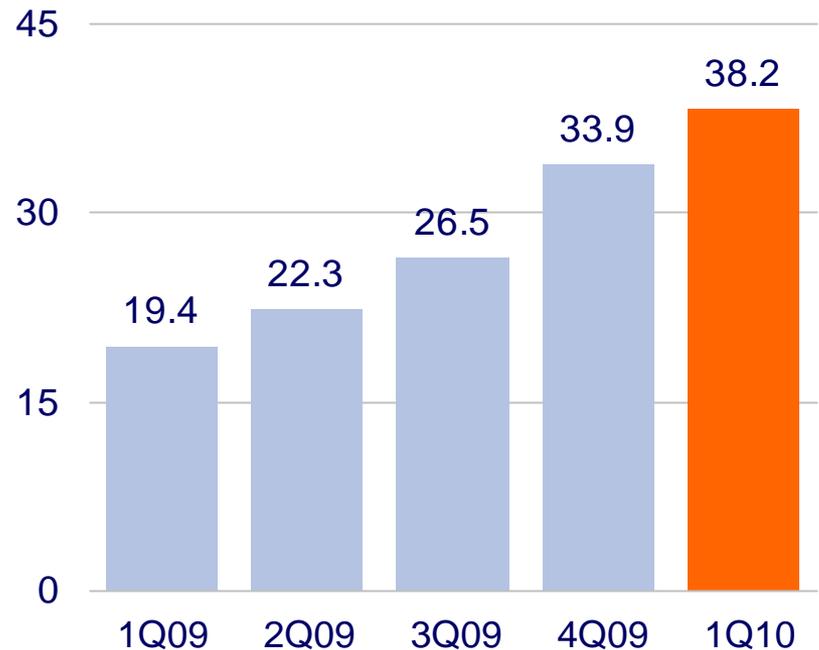
Shareholders' Equity doubled, driven by a strong improvement of revaluation reserve

ING Group: after tax revaluations (in EUR billion)



- Improvement driven by positive ABS revaluations

Shareholders' equity (in EUR billion)



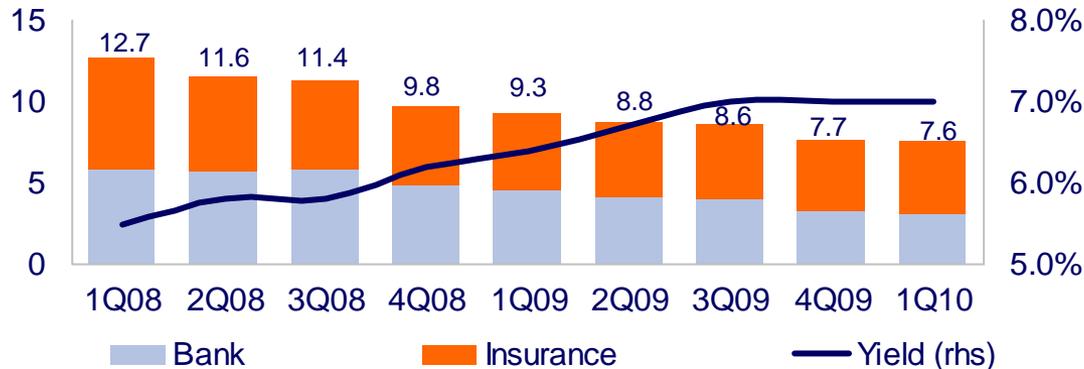
- Shareholders' equity per share EUR 10.10 and tangible equity* per share EUR 9.25 at 31 March 2010

*Shareholders' Equity excluding Goodwill

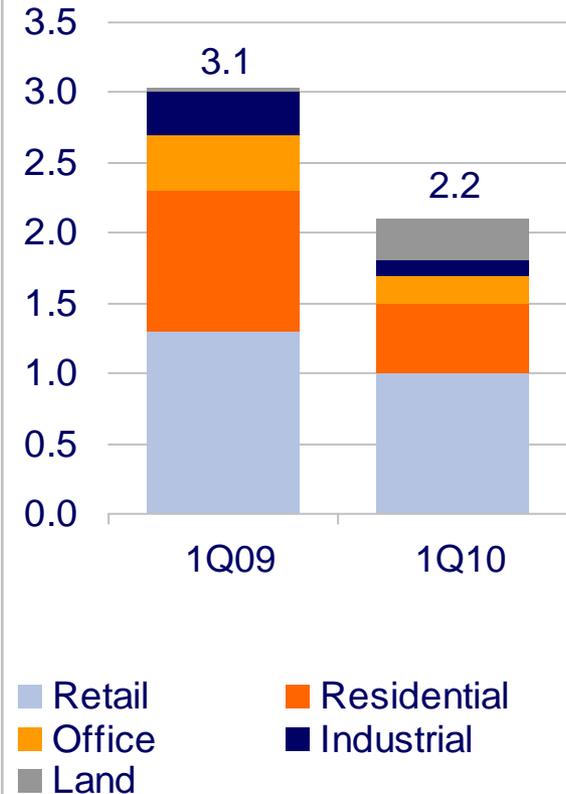


Real Estate exposure is being steadily reduced

Real Estate revalued via P&L (In EUR billion)



Real Estate development projects (in EUR billion)



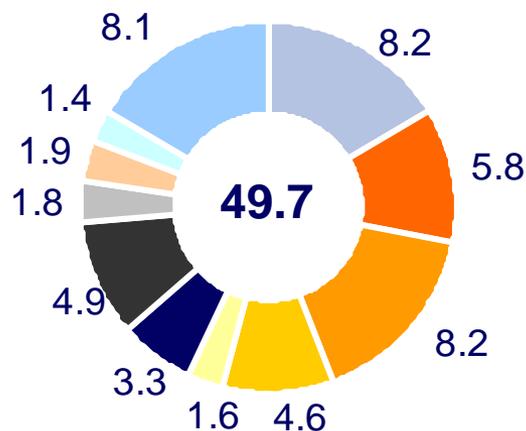
Decreasing Real Estate exposure

- Part being revalued through the P&L decreased 40% to EUR 7.6 billion
- ING Bank is now conducting an evaluation of the position of REIM within the Banking business
- Review of RED projects started in 4Q09 and several projects scaled back in 4Q09 and 1Q10

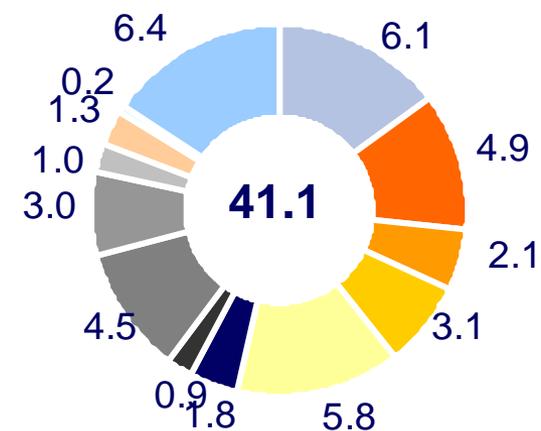
ING is actively managing its sovereign debt portfolio

Government bonds: EUR 91 billion at 31 March 2010*

Banking



Insurance



Total Group

France, 14.3	Germany, 10.7	Belgium, 10.3	Italy, 7.7	US, 7.4
Netherlands, 5.1	Poland, 5.8	South Korea, 4.5	Japan, 3.0	Spain, 2.8
Greece, 3.2	Portugal, 1.6	Other, 14.4*		

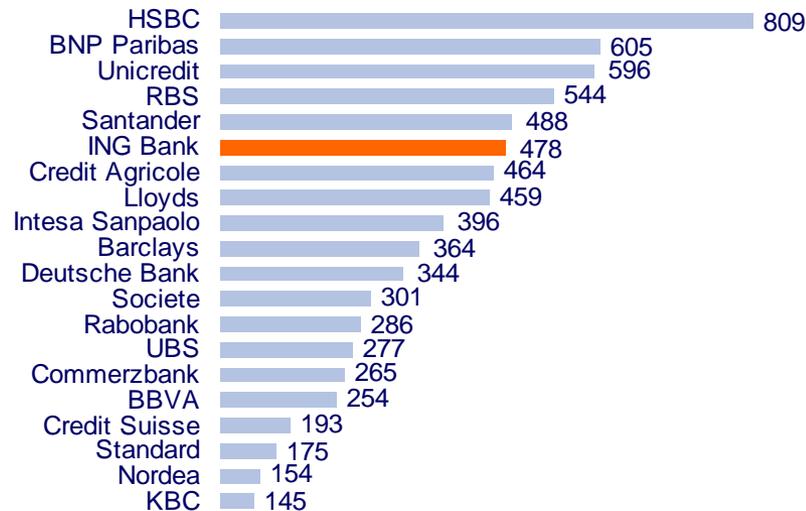
* Investment portfolio (HTM and AFS) based on amortised costs

** other includes EUR 41 million Irish government bonds

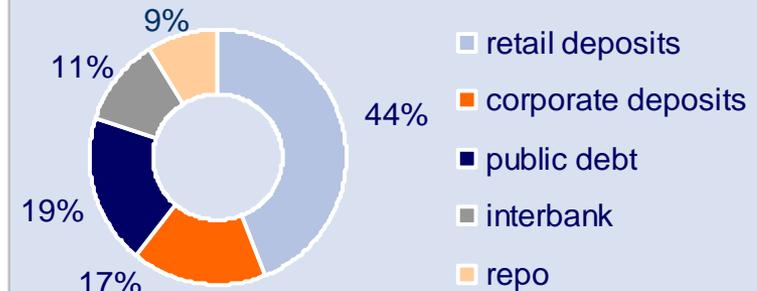
- EUR 1.8 billion after-tax positive revaluation reserve at 31 March 2010
- In 2Q10 ING reduced its Southern European sovereign debt exposure

ING Bank benefits from favourable funding profile and prudent liquidity management

Large deposit base (31 Dec 09, EUR bln)



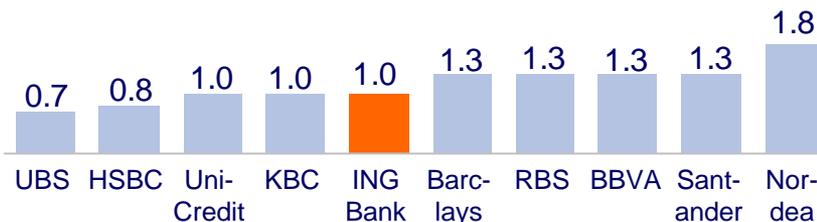
Favourable funding mix (1Q10)



2010 refinancing need already met

- Long-term funding: ING Bank's 2010 refinancing need already met: EUR 9.7 billion raised year to-date versus EUR 9.5 billion maturing in full year 2010
- Short-term: USD refinancing need is limited and can be met in money markets at normal costs

Favourable loan-to-deposit ratio*



* 31 March 2010, except for HSBC and Barclays (31 Dec 2009)



Priorities 2010

We are on track on our priorities for 2010



Progress continues on portfolio management

Divestments completed in 2009 and 1Q10

- ING Canada
- Annuity and mortgage business Chile
- Annuity Argentina
- Insurance Australia & New Zealand
- Private Banking Switzerland
- Private Banking Asia
- Reinsurance US
- Three US retail Broker-dealers



Total proceeds: EUR 4.2 billion

Total Capital release: EUR 3.1 billion

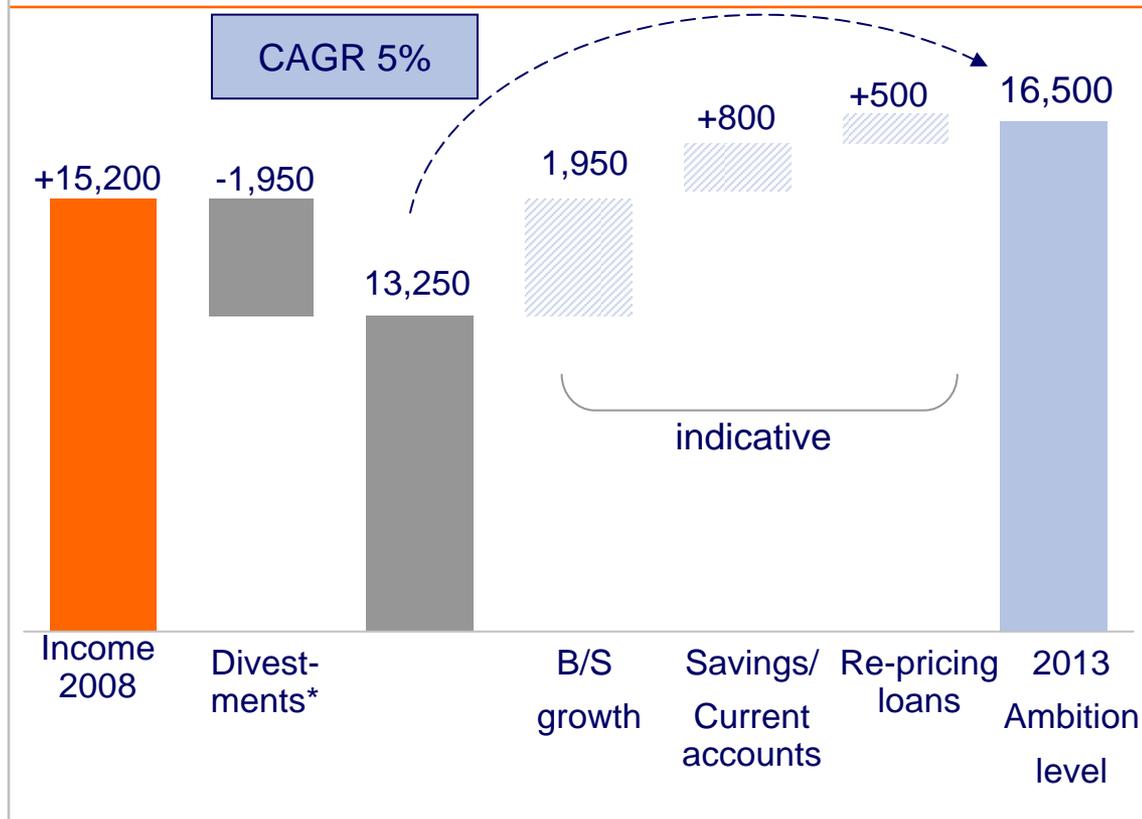
- Significant steps made to sharpen focus of the business
- Improve returns and reduce capital
- We will continue to optimise the portfolio to bring more focus and ensure an attractive combination for the IPO(s)

Creating two strong companies

ING Bank

Ambition 2013: Top-line CAGR 5%

Income before market impact (in EUR million)



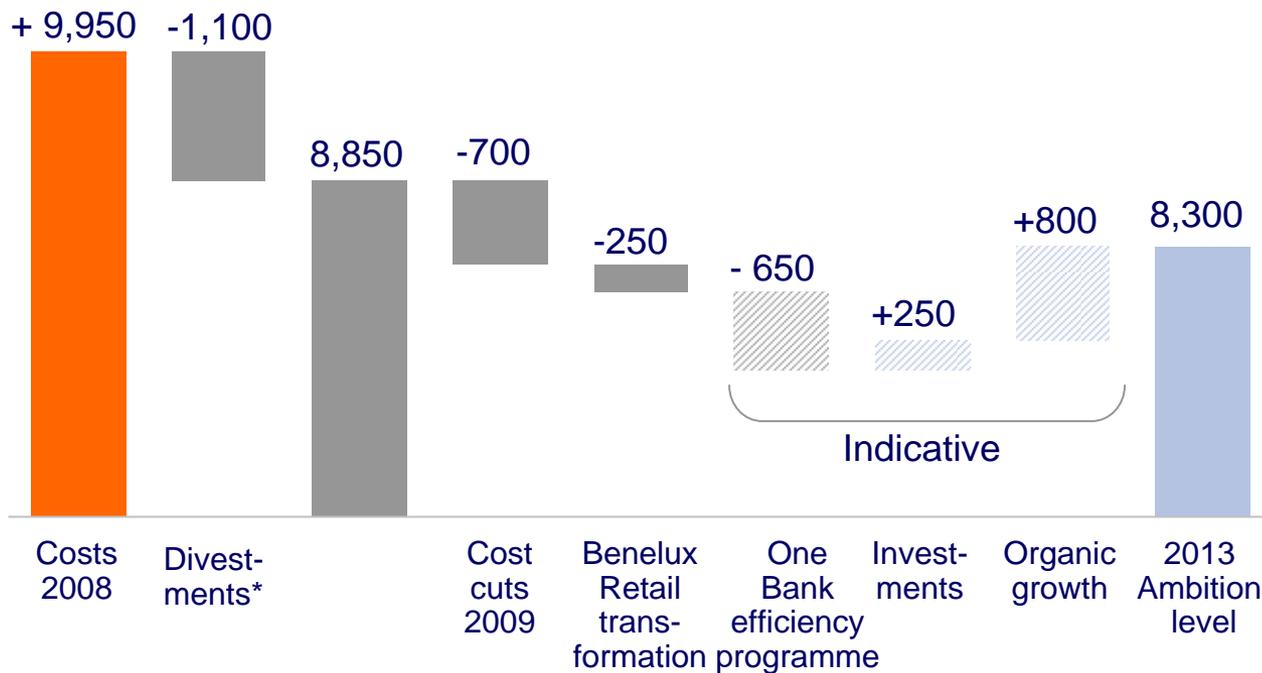
- Divestments estimated to result in EUR 2 bln lower income by 2013
- Estimated annual balance sheet growth of 5%
- Improved margin expected on savings and current accounts, including result of steeper yield curve
- Re-pricing of the loan book and increased cross sell

* Include divestments completed since 2009 as well as committed investments of ING Direct US and Interadvies



Ambition 2013: Reduce C/I-ratio to 50%

Cost development (in EUR million)

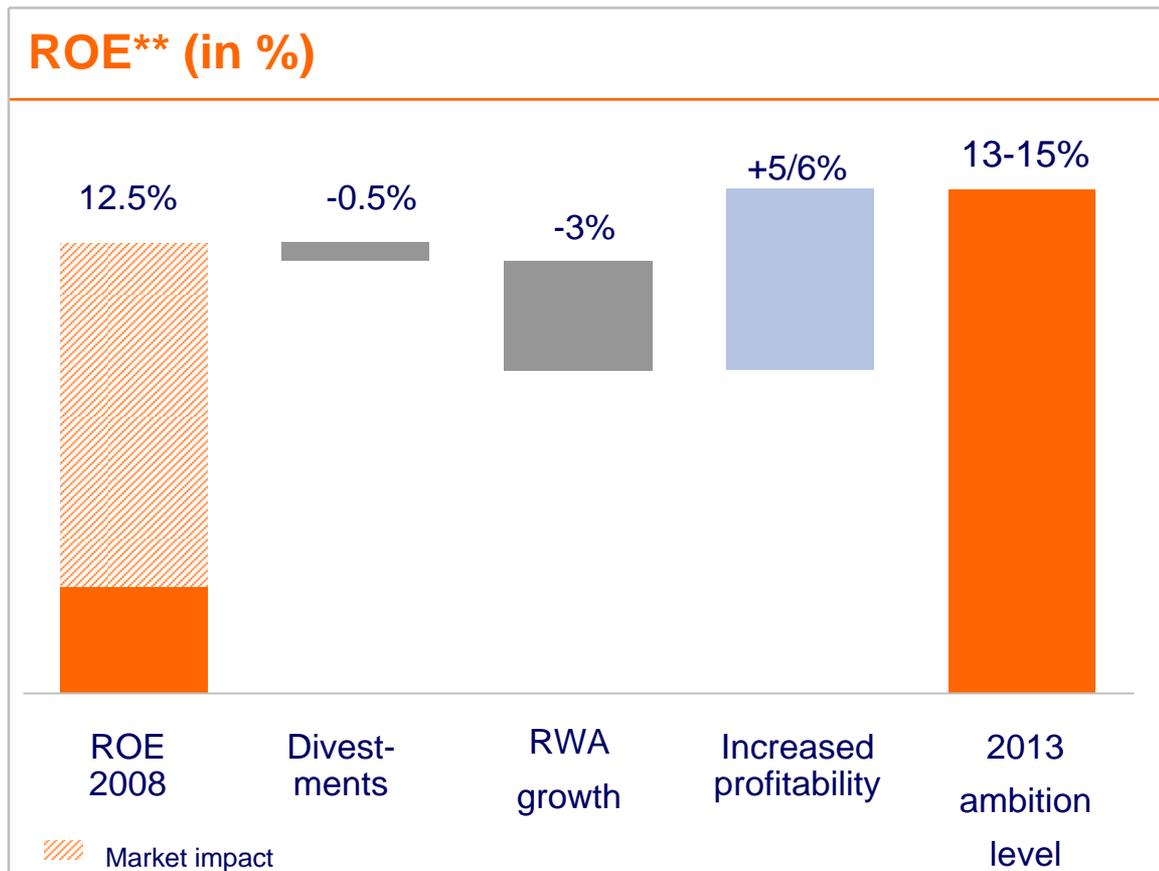


• Include divestments completed since 2009 as well as committed investments of ING Direct US and Interadvies. Divestments include part of the announced EUR 725 million of cost reductions for the Bank

- Announced divestments reduce the expense base by EUR 1.1 billion
- Cost reduction 2009 of EUR 700 mln
- Remaining Benelux Retail transformation of EUR 250 mln
- One Bank efficiency programmes includes procurements /IT
- Further investments to upgrade internet banking platforms
- Cost increase to support business growth estimated at 2% per annum



Ambition 2013: Return on Equity 13-15%



ROE 2008 (excl market impact)

Total Bank	13%
Retail Benelux	25%
International Retail and Direct	10%
Commercial Banking	9%

- Attractive returns achieved in the Benelux
- International Retail and Direct should benefit from maturing operations and additional product offering
- Commercial Banking should benefit from re-pricing and additional cross-selling

* Include divestments completed since 2009 as well as committed investments of ING Direct US and Interadvies

** Return on equity calculated on core Tier 1 target of 7.5% and excluding special items



The bank is making progress on its Ambition 2013 plan to improve growth, efficiency and returns

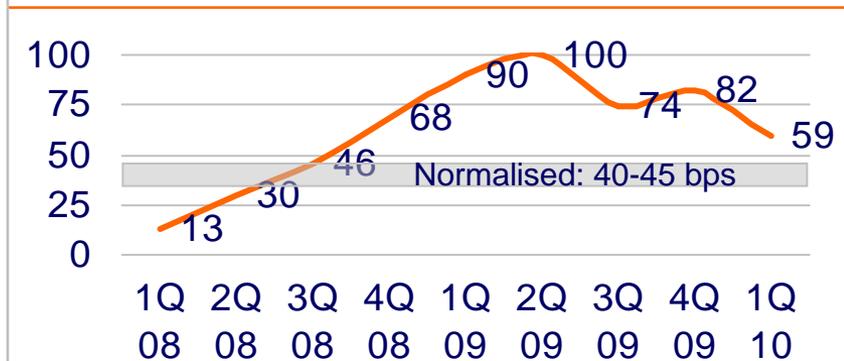
Underlying income (EUR million)



Underlying cost/income ratio (%)



Risk costs in bps of average RWA



RoE* (%)



*Average equity based on core tier-1 target of 7.5%



ING Insurance

ING Insurance: Strong footprint in attractive markets

2009

3 US Retirement services

GWP = € 13.8 bln
VNB = € 132 mln

**# 1 Benelux Insurer
1 Benelux Pensions**

GWP = € 7.7 bln
VNB = € 43 mln

**# 1 CRE Life Insurer
1 CRE Pensions**

GWP = € 2.0 bln
VNB = € 143 mln

#4 Foreign Life Insurer Asia

GWP = € 6.4 bln
VNB = € 127 mln

#2 Latin America Pensions

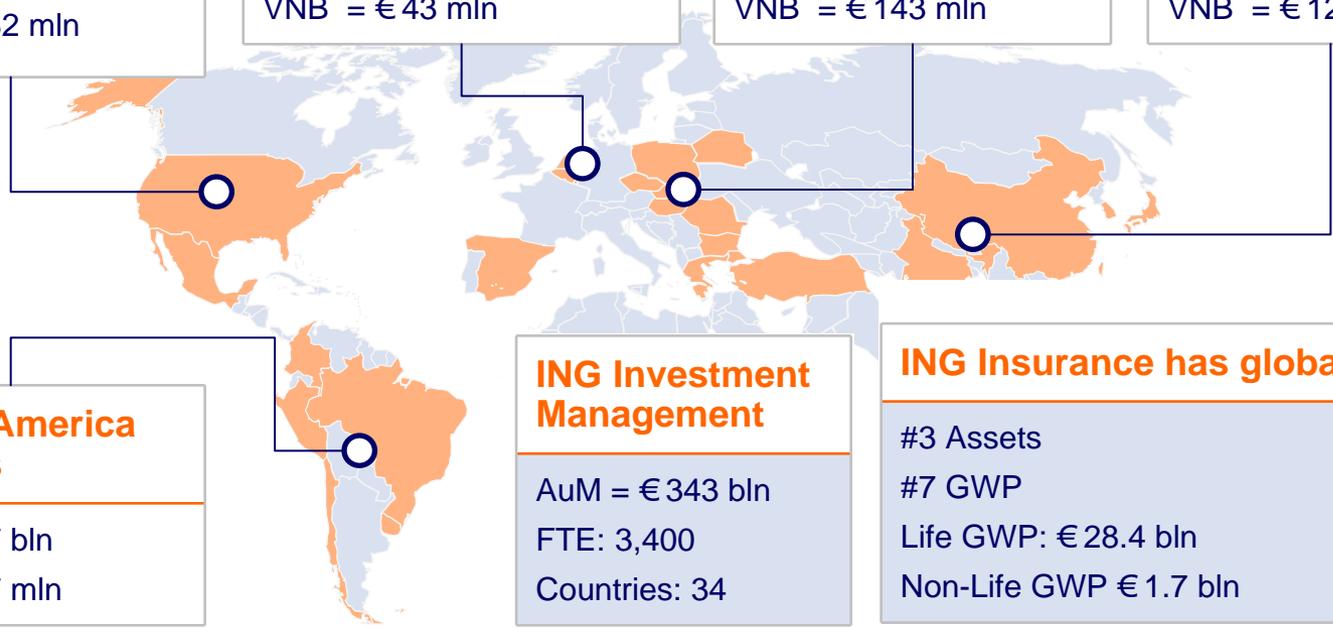
AuM = € 37 bln
VNB = € 57 mln

ING Investment Management

AuM = € 343 bln
FTE: 3,400
Countries: 34

ING Insurance has global scale

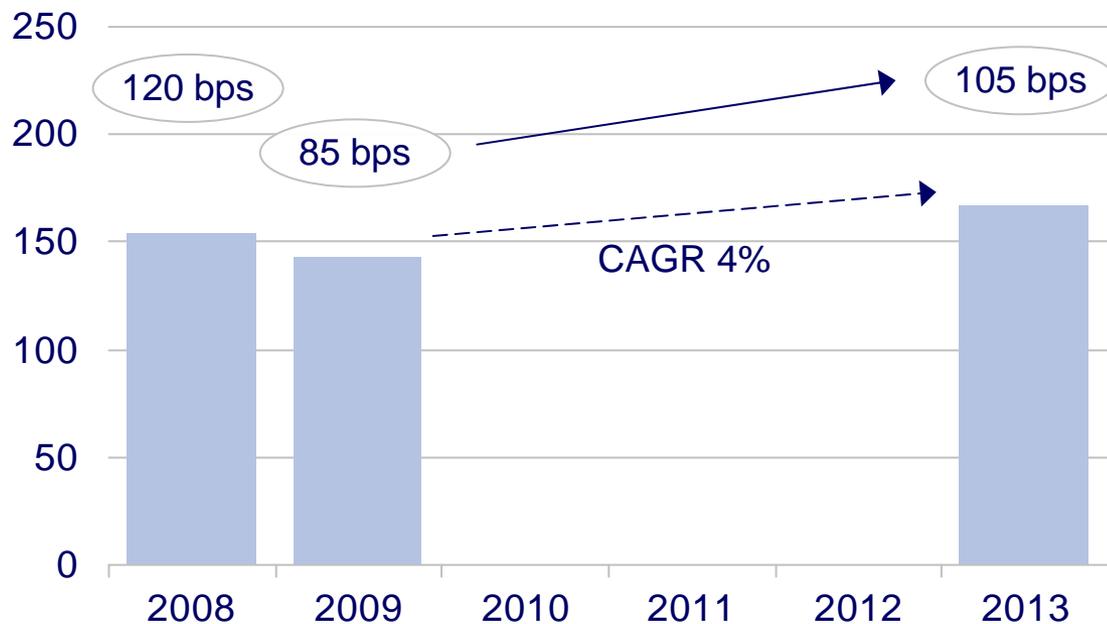
#3 Assets
#7 GWP
Life GWP: € 28.4 bln
Non-Life GWP € 1.7 bln



Re-investing should improve investment margins over time

Life & ING IM general account assets and investment spread (bps)

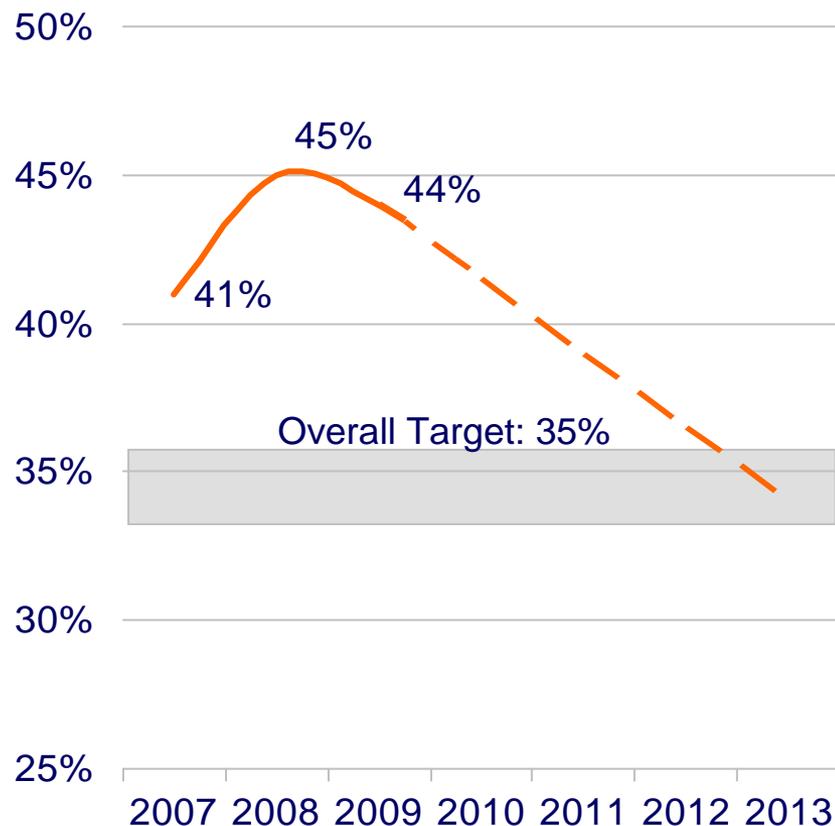
General account assets (EUR billion)



- General account is assumed to grow at about 4% per year
- Re-investing should allow ING to increase investment spread by 20 bps, in line with historical levels

Cost containment while growing the business

Admin expenses/operating income for Life & ING IM (%)



Cost initiatives

Regional expense control initiatives

- One NL
- Central & Rest of Europe Vision 4 Growth

Initiatives beyond Back to Basics to reduce costs by about EUR 300 million within three years

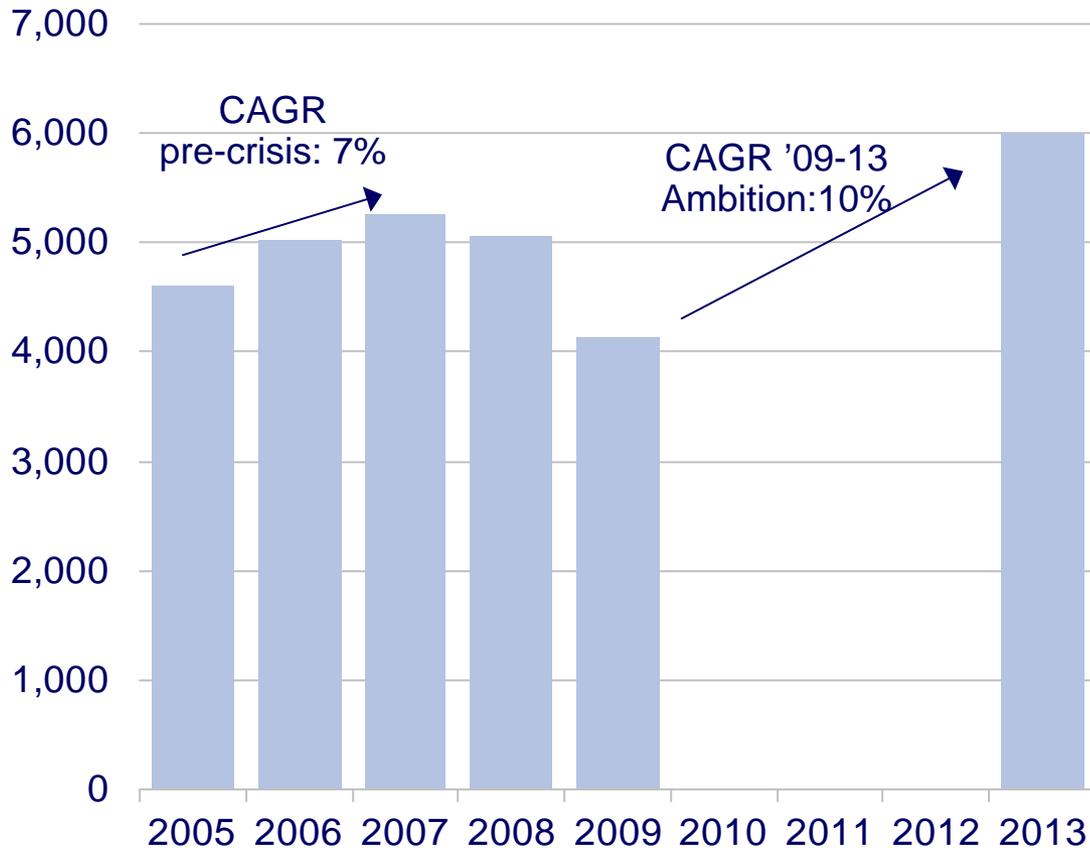
Our aim is to keep life administrative expenses flat while increasing the life operating income

DAC amortisation and trail commissions are expected to grow in line with operating income



Sales are expected to grow, led by increases in developing markets and US Retirement

Sales, APE (EUR million)



Note: historical CAGR excludes VA sales

2009-2013 annual sales growth range

Benelux (0-2%)

- One NL and Luxembourg VA

CRE (10-12%)

- Tied agent overhaul in a high growth market

United States (8-10%)

- Rollover product suite and improving Life insurance market shares

Latin America (6-8%)

- Wealth Management aimed at the affluent market
- Plus mutual fund growth of 25 to 30%

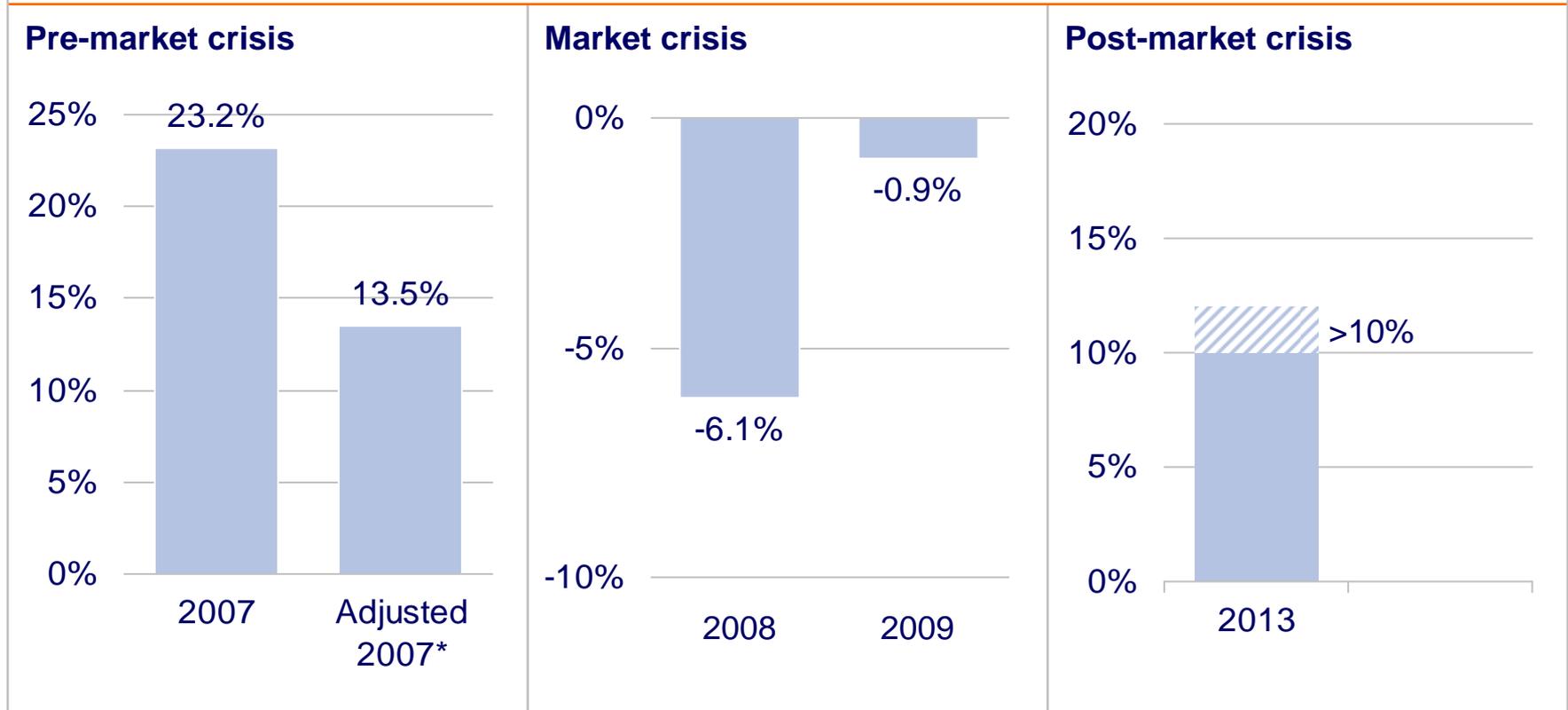
Asia/Pacific (18-20%)

- Generating new commercial momentum by enhancing distribution



ING Insurance aims to increase ROE through improved margins and cost containment

ING Insurance Return on Equity (%)



* Adjustments to remove realised gain on sale of Numico and ABN AMRO

The insurance operations show early progress on performance improvements

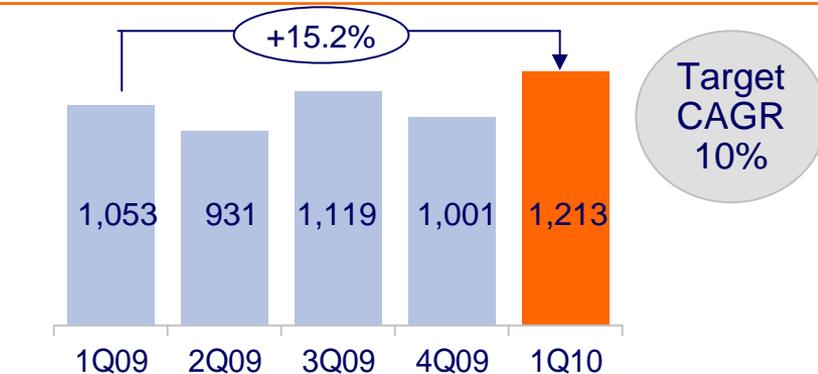
Life general account (EUR bln) and spreads (bps)



Life admin expense/Life operating income



APE* (EUR million)



RoE** (Year-to-date, %)



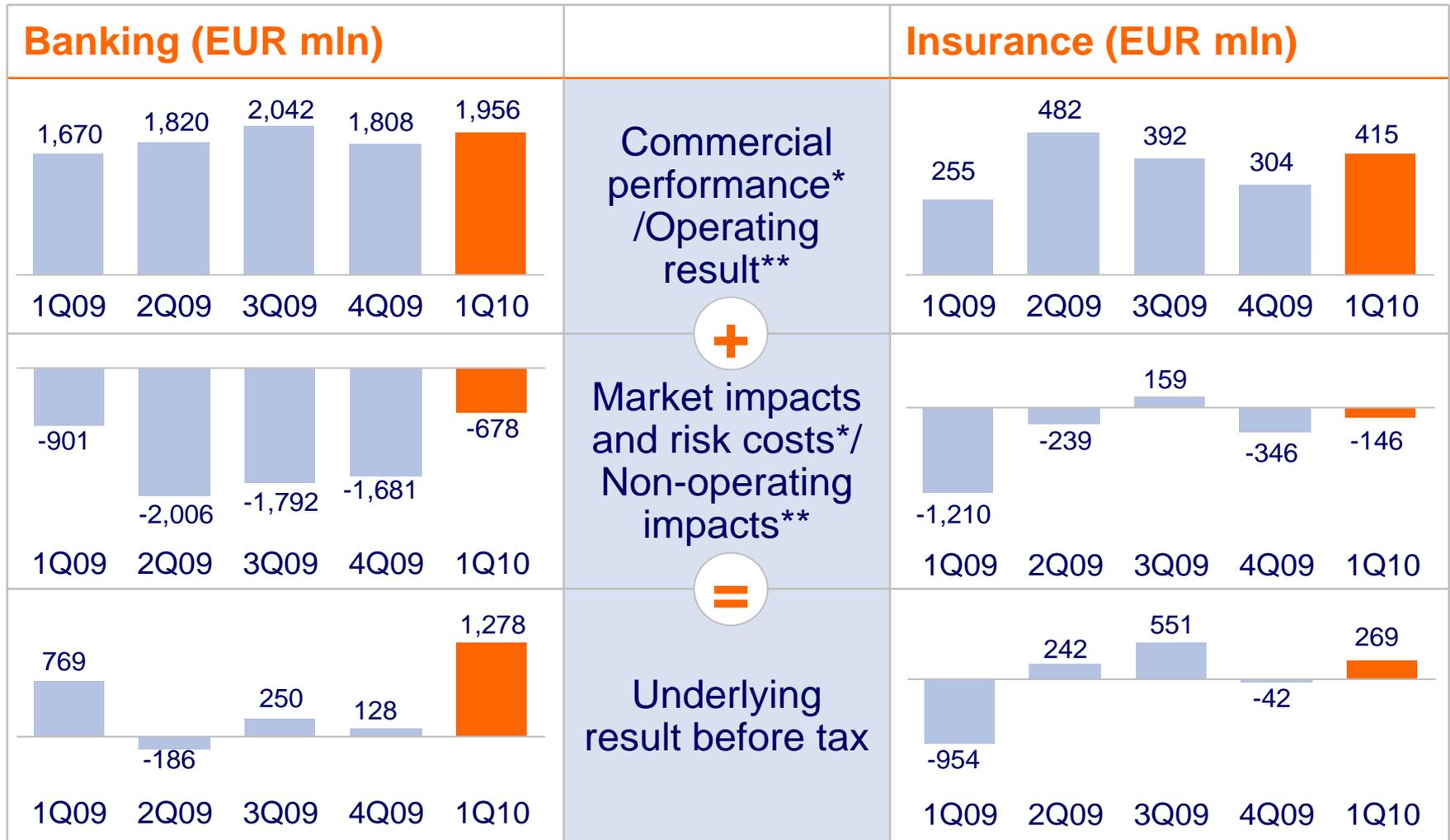
* Excluding closed blocks

** Underlying net result (YTD), adjusted for after-tax allocated cost of Group core debt injected as equity into insurance, divided by average IFRS equity (annualised)



First Quarter 2010 Results

ING's 1Q results show strong improvement



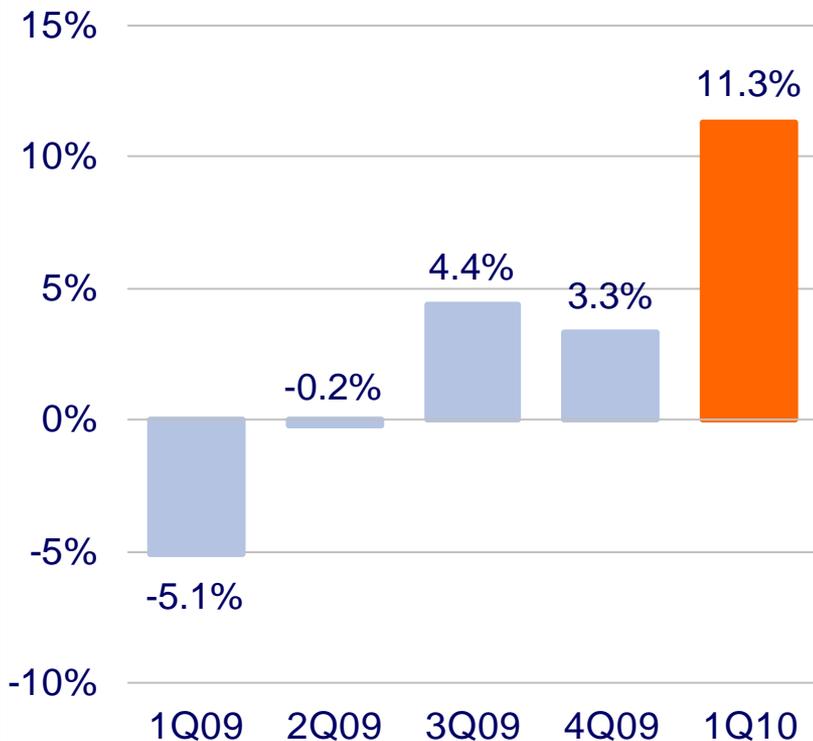
*Bank commercial performance = underlying result before tax excluding market impact and risk costs.

** Insurance

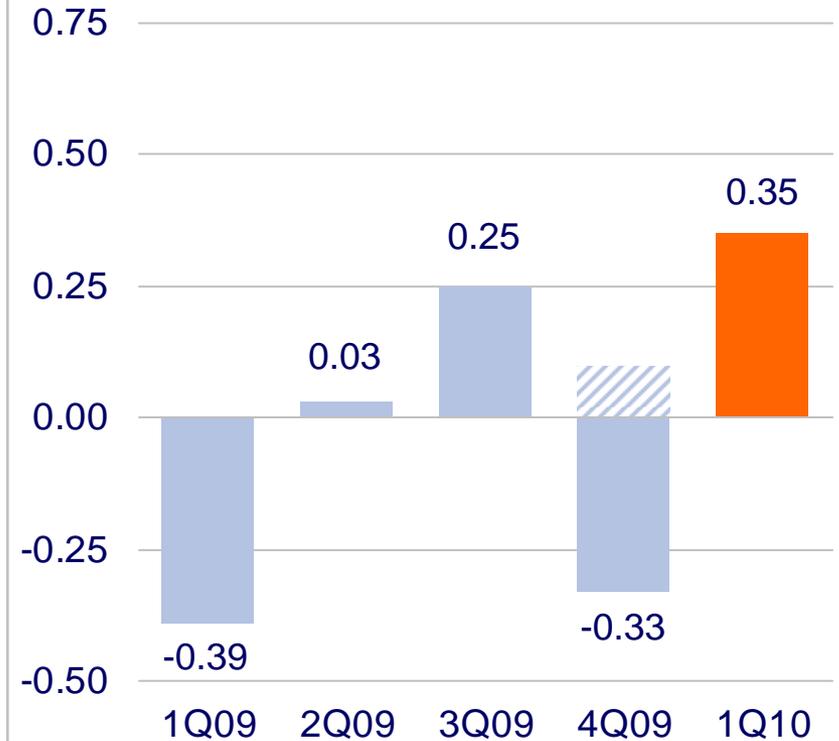


RoE and net result per share started to improve

Return on Equity (year to date, %)



Net result per share (in EUR)

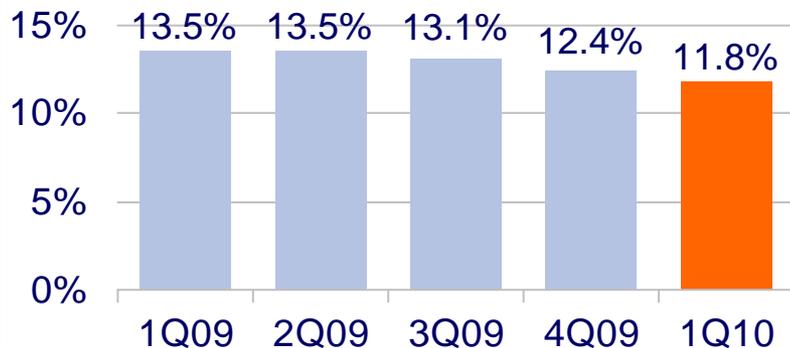


▨ 4Q09 net result per share (0.10) excluding additional IABF payments (-0.43)

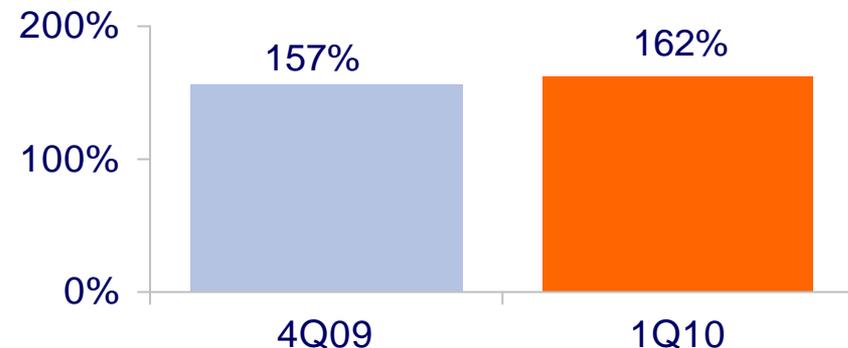


All capital ratios improved in the first quarter

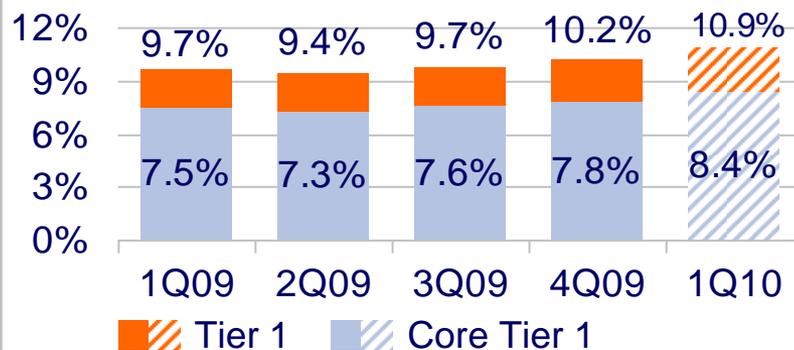
ING Group D/E ratio



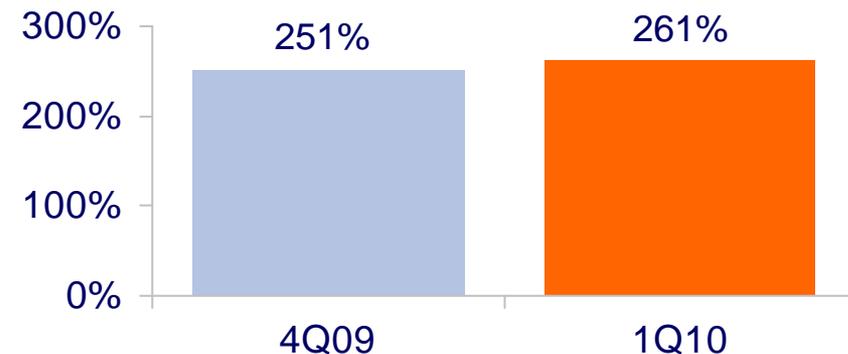
ING Group FiCo ratio



ING Bank Tier 1 ratio



ING Insurance Solvency I ratio



ING Insurance book value increased to EUR 18 billion

ING Group 31 March 2010

ING Bank	32	Equity	38
Insurance	18	CT1 securities	5
Hybrids ^B	8	Core Debt	12
Hybrids ^I	4	Hybrids	62
	62		

ING Bank 31 March 2010

RWA	332	Equity	32
		Hybrids	8

ING Insurance 31 March 2010

Equity _S	27	Equity	18
		Group Hybrids	4
		Subordinated Debt	2
		Other	3

Insurance Subsidiaries



Insurance proceeds should be sufficient to repay Dutch State and eliminate double leverage

Impact of scenario of a divestment at 1.0x book

- (1) Group double leverage is EUR 7 billion, the remaining Dutch government CT1 EUR 5 billion (with maximum premium 50%)
- (2) If ING were to divest ING Insurance today at 1x book, ING Bank's pro-forma core Tier 1 ratio would be 11.7%*

Group after Insurance divestment and Bank/Group merger

Bank	32	Equity	38
Cash	18	CT1	5
		Core Debt	7

- (3) Assuming repaying the CT1 securities at the maximum 50% premium would leave the Bank/Group well capitalised with a core Tier 1 ratio of 9.5%*

Bank after Bank/Group merger and CT1 redemption

RWA	332	Equity	35.5
Cash	10.5	CT1	0

- (4) After the Group/Bank merger "core debt" becomes part of regular funding (senior debt that is not used as equity)
- (5) In addition to these pro-forma illustrations, ING and its core Tier-1 ratio will benefit from retained earnings up to the actual divestment

* assuming core tier-1 capital equals shareholders' equity minus EUR 4 billion (as is the case per 1Q10)



Summary

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- ING has set clear targets to improve the performance of Banking and Insurance
- First quarter 2010 results show encouraging progress

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 2009 ING Group Annual 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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