

CORE TIER I SECURITIES RANKING PARI PASSU WITH ORDINARY SHARES

Term sheet - subject to documentation

Issuer:	ING Groep N.V.
Investor:	State of The Netherlands

CHAPTER I	CORE TIER I SECURITIES RANKING PARI PASSU WITH ORDINARY SHARES
Form and transfer of securities:	The securities (each a "Security") are offered in registered form and are transferable only with the prior written consent of the Issuer and also of DNB.
Registrar:	ING Groep N.V.
Nominal value:	EUR 0.24 per Security
Issue Price:	EUR 10 per Security
Number of Securities:	Up to 1 billion (up to EUR 10 billion aggregate Issue Price)
Coupon:	<p>The higher of:</p> <ol style="list-style-type: none"> 1. EUR 0.85 per Security, payable annually in arrear (short first coupon of EUR 0.425 per Security on 12 May 2009) (unadjusted); and 2. 110% of the dividend paid on the ordinary share in 2009, 120% of the dividend paid on the ordinary share in 2010 and 125% of the dividend paid on the ordinary share in 2011 onwards, <p>paid in cash if the dividend is in cash, or paid in scrip Securities in the event of a scrip dividend.</p>
Tax Status:	The coupons will not be tax deductible for the Issuer. Investor will be paid the coupon after deduction of any applicable withholding tax. In the situations described under Optional Buy Back and Conversion option below, withholding tax may be due.
Issue Date:	12 November 2008
Coupon Date:	12 May in each year, or if that day is not a business day the next following business day (without any interest or other sum being due in respect of such postponed payment). A first short coupon will be payable on 12 May 2009.
Business Days:	TARGET2, Amsterdam
Day count fraction:	30/360 (bond basis)
Status and Subordination:	<p>The Securities will be deeply subordinated, ranking <i>pari passu</i> with ordinary shares in a winding-up (<i>faillissement</i> or <i>vereffening na ontbinding</i>) of the Issuer.</p> <p>Coupons will only be due and payable, on a non-cumulative basis, if a dividend is paid on ordinary shares over the financial year preceding the Coupon Date, either on an interim or a final dividend basis, provided always that the Issuer's capital adequacy position is and remains satisfactory both before and after payment in the opinion of DNB. (This</p>

	<p>means that, subject to this proviso, the first short coupon in May 2009 is payable whether ING Groep N.V. pays a final dividend over the financial year 2008 or not, because ING Groep N.V. has paid an interim dividend for the financial year 2008 in August 2008).</p> <p>The Securities qualify as core tier 1 capital for regulatory purposes. ING Groep N.V. may inject the cash proceeds of the Issue into either ING Bank N.V. or ING Verzekeringen N.V. as core equity.</p>
Voting rights:	None
Maturity:	None, perpetual
Optional Buy Back:	The Issuer has the right, on giving not less than 15 nor more than 30 days' notice to the Investor, to repurchase with permission of DNB all or some of the Securities, at EUR 15 per Security (plus accrued interest) at any time.
Conversion option:	The Issuer may, after having given not less than 15 nor more than 30 days' notice to the Investor, convert all or some of the Securities into (depository receipts for) ordinary shares on a one for one basis (subject to customary adjustments as may be necessary to preserve economic equivalence), three years after their Issue Date or at any time thereafter, with approval from DNB and subject to the following. Within 5 Business Days after having received such notice, the Investor may opt, by giving notice to the Issuer, for repayment of the Securities concerned, on the date that had been identified by the Issuer for the conversion, at EUR 10 per Security (plus accrued interest). Such repayment will also be subject to the approval of DNB. In addition, it shall be a condition to any conversion that all required non-Dutch insurance, banking or other regulatory approvals shall have been obtained.
Payments:	Payments in respect of the Securities will be made by the Issuer, subject to any applicable fiscal and other laws, to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof.
Limitation of remedies:	Any rights of the Investor to dissolve (<i>ontbinden</i>) or annul (<i>vernietigen</i>) are excluded.
Prescription:	Claims for payment in respect of the Securities shall be prescribed and become void unless made within five years from the due date thereof.
Notices:	Notices to the Investor shall be mailed to it at its address in the Register. Notices to the Issuer shall be mailed to it at its registered address.
Listing:	N/A
Anti-dilution:	Customary anti-dilution provisions will apply to preserve economic equivalence of the Securities.

CHAPTER II	CORPORATE GOVERNANCE AND REMUNERATION
Governance:	<p>Investor will have the right ("<i>versterkt aanbevelingsrecht</i>") to, subject to applicable law and to corporate governance practices, generally accepted under applicable stock listing regimes, recommend to Issuer's Supervisory Board two (2) new Supervisory Board members at the next AGM to be held in 2009. All Supervisory Board approval items listed in the annex hereto require approval by Investor's nominees. Until their formal appointment, the Investor's nominees will function as observers.</p> <p>Investor's nominees, subject to applicable law and to corporate governance practices, generally accepted under applicable stock listing regimes, to be represented on the Issuer's Supervisory Board Audit,</p>

	<p>Remuneration and Nomination and Corporate Governance Committees.</p> <p>Issuer to agree that Investor may receive same information as its nominated observers or Supervisory Board member(s) in accordance with applicable laws and regulations (amongst others regarding market abuse and selective disclosure) and provided that the confidentiality of this information is ensured by Investor.</p> <p>All of the above shall apply only for so long as Investor holds at least 25% of the Securities originally issued at Closing.</p>
Remuneration:	<p>Issuer's Supervisory Board to develop a sustainable remuneration policy for the Executive Board and Senior Management that is aligned to new international standards. These incentive schemes will be linked to long-term value creation, taking account of risk and restricting the potential for "rewards for failure".</p> <p>Issuer's Executive Board to forego all bonuses for 2008 (cash as well as options and share rewards).</p> <p>Issuer's Executive Board to limit exit schemes or statutory compensation for dismissal to one year's fixed salary.</p>

CHAPTER III	GENERAL
Use of Proceeds:	Proceeds will be used to strengthen equity of Issuer and its subsidiaries; use of proceeds to invest in Issuer subsidiaries outside the EU subject to DNB approval, only if used for capital over an amount of EUR 300 million.
Costs:	Costs and expenses of both parties borne by Issuer.
Governing Law and Jurisdiction:	Dutch law. Exclusive jurisdiction of the Amsterdam district court and its appellate courts in the Netherlands.
Documentation:	The issuance of the Securities is subject to customary documentation, including standard representations and warranties.

Date: 19 October 2008

ING Groep N.V.:

State of the Netherlands:

ANNEX

List of Supervisory Board decisions that require approval by Investor's nominees:

- a. the issue or acquisition of its own shares by the company (other than related to the core tier-1 Securities issue and other than as part of regular hedging operations and the issuing of shares according to employment schemes);
- b. cooperation in the issue of depositary receipts for shares;
- c. application for listing in or removal from the price list of any stock exchange of the securities referred to in a. or b.;
- d. entry into or termination of lasting cooperation between the company or a dependent company and another legal entity or partnership or as general partner in a limited partnership or general partnership where such cooperation or termination thereof has material significance for the company, i.e. amounting to one-quarter or more of the company's issued capital and reserves as disclosed in its balance sheet and notes thereto;
- e. acquisition by the company or a dependent company of a participating interest in the capital of another company amounting to one-quarter or more of the company's issued capital and reserves as disclosed in its balance sheet and notes thereto or a material increase or decrease in the magnitude of such a participating interest;
- f. investments involving an amount equal to one-quarter or more of the company's issued capital and reserves as disclosed in its balance sheet and notes thereto;
- g. a proposal to wind up the company;
- h. filing of a petition for bankruptcy or moratorium;
- i. a proposal to reduce the issued capital (other than related to the core tier-1 Securities issue);
- j. proposal for merger/split-off, dissolution; and
- k. a proposal to shareholders for change of the remuneration policy.