



Information Memorandum

For the extraordinary General Meeting of ING Group
called for Wednesday, 25 November 2009
at 2.00 p.m. CET
Elicium building of the Amsterdam RAI
Europaplein 22, 1078 GZ Amsterdam, the Netherlands

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Dear shareholders and holders of depositary receipts,

The Executive Board of ING Group has announced a comprehensive set of actions that, taken together, provide a clear plan for resolving the uncertainty created by the financial crisis and will launch a new era for ING. A little over one year ago, ING began to experience the direct impact of the financial crisis, resulting in two instances of government support: one to strengthen our capital position and one to mitigate risk. Over the last six months, we have worked tirelessly to devise a plan that will enable us to pay back the Dutch government, address the EC's requirements for viability and fair competition and return our focus to the business and what matters most to our customers.

Separating the company is not a decision we took lightly. ING has a proud history as a global financial services leader and has been a strong advocate for combining banking and insurance in one company. The combination provided us with advantages of scale, capital efficiency and earnings stability through a diversified portfolio of businesses. However, the financial crisis has diminished these benefits. Now, the widespread demand for greater simplicity, reliability and transparency has made a split the optimal course of action. We will work carefully in the coming months and years to manage the separation in a way that will support the success of our businesses in the interests of our customers, employees, shareholders and other providers of capital

We are seeking approval from you, our shareholders and holders of depositary receipts for shares in ING Groep N.V., to make this important change to the identity of the company, as well as to launch a EUR 7.5 billion rights issue to finance the repayment of the first tranche of Core Tier 1 securities held by the Dutch State. Capital raised by the rights issue will also allow us to maintain our capital strength. These are far-reaching decisions which are of great importance to ING and to you as our shareholder. The ING Executive and Supervisory Boards strongly support this strategic direction. We therefore urge you to vote in favour of these decisions at the extraordinary General Meeting of 25 November 2009, either in person or by proxy.

Yours sincerely,



Jan Hommen,
CEO ING Group

Introduction

The Executive Board of ING Group has made a strategic decision to separate the banking and insurance activities and to divest all of its insurance (including investment management) operations. This decision has been approved by the Supervisory Board. In addition, a rights issue is proposed which will be used to pay back EUR 5 billion (50%) in principal amount of the Core Tier 1 securities held by the Dutch State, mitigate the capital impact of the additional payments for the IABF as well as to maintain ING's capital strength. In order to effectuate these decisions, ING shareholders' and depositary-receipt holders' approval is needed. This document contains background with regard to these decisions and aims to give shareholders sufficient information upon which to base their voting decision at the extraordinary General Meeting (EGM) ING has called on 25 November 2009.

Separating the banking and insurance operations

The Executive Board of ING has made a strategic decision to move towards a complete separation of its banking and insurance operations as part of its ongoing review of the Group's strategy and as a logical next step in its Back to Basics programme. This will be achieved over the next four years by a divestment of all Insurance operations (including Investment Management). ING will explore all options, including initial public offerings, sales or combinations thereof.

The Executive Board believes that there are three compelling arguments supporting this decision: strategy, business sense and timing. The Executive Board believes this is the appropriate strategy as it clarifies the direction of the Group, creates an opportunity to unlock value for investors and satisfies major elements of the restructuring requirements of the European Commission.

Consistency with our strategic direction

Our Back to Basics strategic review earlier this year set out a clear vision for transforming ING Group. The first step of this vision was a two-pronged plan: a series of measures to strengthen the company's financials and navigate through the crisis (phase one of Back to basics), complemented by a decision to operationally separate the management of the business into a Bank, an Insurer and an Investment Manager (with the latter closely aligned with the Insurer), each with its own strategy and management team, within an overarching vision that focuses on savings and asset gathering. Such an operational separation was designed to enable these businesses to operate more effectively, while dealing with the financial uncertainty and the need to simplify the Group's complex portfolio of businesses.

Today, this first step is near completion. We have made progress on all the Back to Basics measures of de-leveraging, de-risking, decreasing costs and divestments and have progressed well on a number of targets set within Banking, Insurance and Investment Management.

Group operating expenses were 2% lower than the previous quarter and 9% lower than the third quarter of 2008. During the first nine months of 2009, Group-wide efficiency initiatives delivered EUR 1 billion of savings versus ING's upward revised full-year target of EUR 1.3 billion. Headcount reductions totalled 10,400 FTEs by the end of the third quarter, surpassing

the full-year expected reduction of 7,000 FTEs. A cumulative Bank balance sheet reduction of 16% was achieved by the end of September, well ahead of the Group's targeted 10% reduction for 2009 versus September 2008.

- The Bank: ING is integrating its banking operations into one bank, with one management team and one balance sheet. We have made significant progress in reducing the size of the balance sheet, reducing costs, divesting non-core operations, while maintaining a strong liquidity position and risk discipline. Furthermore, we have identified measures to reduce balance sheet leverage further over time through the closer integration of ING Direct with the rest of the Bank.
- The Insurer: ING has made significant progress in bringing greater discipline and focus to its regional insurance businesses by lowering costs, reducing risk and divesting several non-core businesses.
- The Investment Manager: We are on course to become an integrated asset manager, consisting of three regional operations (Europe, Asia/Pacific, Americas) and Real Estate Investment Management.

Consequently, ING is now prepared to take the operational separation of the bank and the insurer one step further, in recognition of the environment and the challenges we face. Therefore we will build on the governance changes introduced in April 2009. We believe that the future of the Group will be best served by splitting the banking and insurance operations.

ING Bank: A mid-sized international Bank, anchored in the Netherlands and Belgium, predominantly focused on the European retail market with selected growth options elsewhere. The bank has a good position in multi-channel distribution and marketing, including through ING Direct. Cost leadership, superior customer service, and innovative distribution will be the key levers for its future development.

In order to get approval from the EC on ING's Restructuring Plan, ING needs to divest ING Direct USA by the end of 2013. ING regards the operation a very strong franchise and the US market offers plenty of potential for growth. It is anticipated that a divestment will take several years and will not be completed before the end of 2013. In the meantime, ING will ensure it continues to grow the value of the business and offer a superior customer experience. This agreement has no impact on other countries. ING remains committed to the ING Direct franchise, as a strong contributor to ING's growth going forward. The unique customer proposition, simple transparent products and market-leading efficiency are at the heart of ING's banking strategy.

Also as part of the Restructuring Plan, ING will create a new company in the Dutch retail market out of part of its current operations, by combining the Interadvies banking division (including Westland Utrecht and the mortgage activities of Nationale-Nederlanden) and the existing consumer lending portfolio of ING Retail. This business, once separated, will be divested. The combined business is profitable and currently has a balance sheet of EUR 37 billion, with around 200,000 mortgage contracts, 320,000 consumer lending accounts,

500,000 savings accounts and 76,000 securities contracts. The business has a mortgage portfolio amounting to approximately EUR 34 billion, equal to a market share of around 6%.

The restructuring measures, including steps already taken as part of our Back to Basics programme, are expected to result in a pro forma balance sheet reduction of around EUR 600 billion by 2013, equal to approximately 45% of the balance sheet at 30 September 2008. This will be achieved via divestments and through further deleveraging of the bank balance sheet. Including estimated organic growth, it is expected that ING's balance sheet by the end of 2013 will be approximately 30% smaller than at 30 September 2008. The proceeds from divesting the insurance operations will be used to eliminate double leverage and further repay the Dutch State.

ING has agreed not to be a price leader in any EU country for certain retail and SME banking products and will refrain from acquisitions of financial institutions that would slow down the repayment of the Core Tier 1 securities. These restrictions will apply for the shorter period of three years or until the Core Tier 1 securities have been repaid in full to the Dutch State.

ING Insurance: A global Life Insurer and Retirement Services provider, active in the Benelux, US, Asia, CEE and Latin America, and complemented by a global Investment Manager. It has a relatively strong exposure to growth markets in Asia and Central Europe and a product offering well positioned for the savings needs of its customers. We expect cost leadership, superior customer experience, and above benchmark investment performance to be the key levers for its future development.

The Group has decided to divest all insurance operations (including investment management) over time and will explore all divestment options. Restructuring is to be completed by 2013.

It makes sound business sense

The decision to split the Company is in line with our ambition to reduce complexity, one of the key goals of the Back to Basics programme ING announced earlier this year. From an investor perspective, we believe that there is potential for value to be unlocked by having the elements of the business trade as pure play bank and insurance respectively. Furthermore, the Executive Board believes that ING will benefit from having greater clarity and a reduced scope.

We have found our Bancassurance formula increasingly challenged particularly with the onset of the financial crisis:

- With our growth in recent years, ING has become increasingly complex to manage and understand; our Banking and Insurance businesses have quite different drivers in their business models, and have quite different challenges in managing and pricing risk as well as in managing balance sheet exposures and capital needs. The financial crisis has further highlighted these differences and made it more difficult to fully appreciate the Group's future earnings capacity.
- We have enjoyed historically a material capital benefit, relative to our pure play banking and insurance competitors, because our diversification allowed us to utilise double leverage at our holding company. Over the last year, however, the Executive Board has

come to the view that over the longer term we should not base our strategic direction on this core element of our capital structure.

- Lastly, most of our competitors have either exited or significantly shrunk one of the two pillars of the bancassurance model in recognition of the fact that banks today do not need to manufacture the insurance they distribute.

The timing is right

For all the aforementioned reasons, the Executive Board believes that a separation of its banking and insurance operations is the most desirable direction for ING Group over the long-term. While the discussions with the European Commission served as a catalyst to accelerate this strategic step, ING believes the timing is also right for a number of other reasons.

Such a separation would enable a relatively rapid repayment of the remainder of the Core Tier 1 securities to the Dutch State and elimination of the double leverage; it would galvanise ING employees to take either the Bank or Insurer forward and it would also bring greater clarity to ING's investors and other stakeholders. At this stage it is premature to conclude on the preferred timing and route of the separation as we are exploring the full range of options, including a potential IPO or IPOs of the Insurance and Investment Management businesses. However, ING's top priority going forward will be to ensure that the strategic and operational integrity and performance of the Bank and Insurer are maintained.

Capital increase in order to repurchase 50% of Core Tier 1 securities

ING has reached an agreement with the Dutch State to alter the repayment terms of the Core Tier 1 securities issued in November 2008, in order to facilitate early repayment. This early repayment option is valid until the end of January 2010. ING intends to use this window of opportunity to repurchase EUR 5 billion of the Core Tier 1 securities in December 2009.

Under the agreement, ING can repurchase the first EUR 5 billion of the securities at the issue price (EUR 10) plus the accrued coupon and a repayment premium. The 8.5% coupon payment is estimated to be around EUR 260 million at the time of repayment. The repayment premium depends on the ING share price at the time of repayment. The premium has a minimum value of EUR 333 million and increases if the ING share price at the time of repayment rises above EUR 11.16. The premium is capped at EUR 691 million corresponding with a share price of 12.40 or above. The repayment terms for the remainder of the Core Tier 1 securities remain unchanged.

In January 2009, ING and the Dutch State agreed on an Illiquid Assets Back-up Facility (IABF). A full risk transfer was realised on 80% of the Alt-A portfolio. In order to get approval from the EC on ING's Restructuring Plan, ING has agreed to make additional payments to the Dutch State corresponding to an adjustment of fees for the IABF. In total, these extra payments will amount to a net present value of EUR 1.3 billion, which will be booked as a one-off pre-tax charge in the fourth quarter of 2009. Under the agreement, the IABF as announced in January 2009, including the transfer price of the securities of 90%, will remain unaltered. The additional payments will not be borne by ING's US subsidiaries.

In order to finance the repayment of the Core Tier 1 securities and the associated costs as well as to mitigate the capital impact of the additional payments for the IABF, ING plans to launch a capital increase with preferential subscription rights for holders of (depository receipts for) ordinary shares of up to EUR 7.5 billion. Proceeds of the issue in excess of the above amounts will be used to strengthen ING's capital position. ING expects to finance any further repayments of Core Tier 1 securities from internal resources, including proceeds from the divestment of the insurance operations as announced today.

The proposed rights issue will be presented for authorisation at an extraordinary General Meeting of Shareholders (EGM), which is scheduled for 25 November 2009 in Amsterdam.

The total capital required to be raised for the Group to maintain and even slightly improve its capital position justifies a rights issue of EUR 7.5 billion. The required capital amount after repayment of the Core Tier 1 securities will depend on the share price at the time of such repayment which is currently expected to take place concurrently with the completion of the rights issue. In case the prepayment penalty turns out to be lower than EUR 691 million the additional equity will be used to further strengthen the group's capital position.

The Executive Board of ING Group believes that raising the capital will bring significant benefits to ING Group's shareholders:

- This rights issue is a critical component of the measures ING has announced to regain our independence and to chart a clear course forward. With investors' support, we will repay half the funds we received last year from the Dutch State and will obtain capital to maintain our capital strength.
- It provides the ability to repay EUR 5.0 billion of Core Tier 1 securities on more advantageous repayment terms.
- The rights issue provides sufficient buffer to offset the negative capital impact of the additional payments for the Illiquid Assets Back-up Facility.

The agreements with the Dutch State on repayment of the Core Tier 1 securities and additional payments for the IABF are included in the Restructuring Plan ING has submitted to the European Commission as part of the process to receive approval for the government support measures. ING has finalised the negotiations with the European Commission and formal approval is expected before the EGM in November 2009.

Additional information

Additional information on the strategic direction and the rights issue can be found on our website www.ing.com. Special pages have been created here with regard to the technical details of the rights issue and the extraordinary General Meeting.

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