



ING Direct Spain

The transformation

César González-Bueno
CEO ING Direct Spain

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BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



The sources of growth

ING Direct

Continued savings growth in the existing geographies

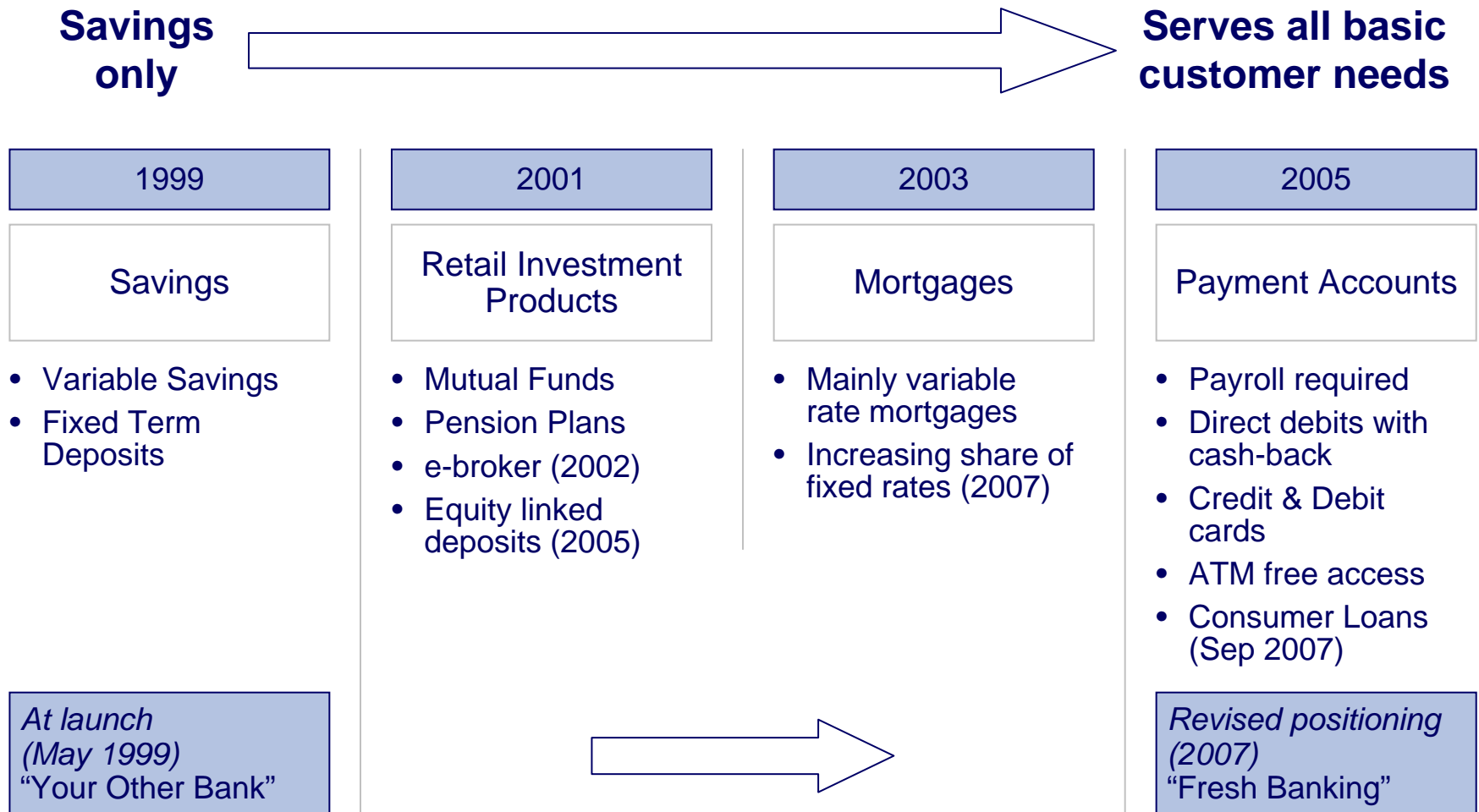
Expanding the product range

Further geographic expansion

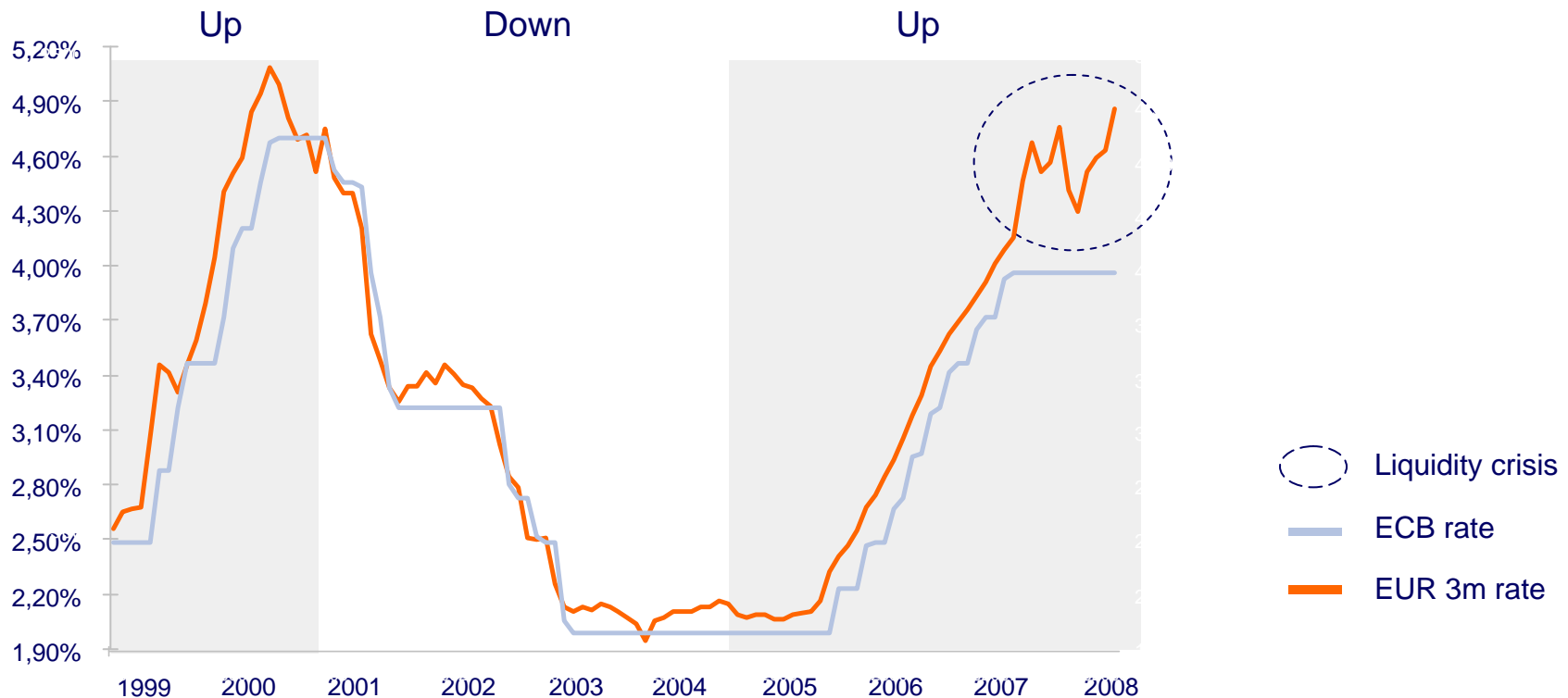
ING Direct Spain

Today we will focus on the impact of serving all basic customer needs

A phased approach leading into a radical transformation

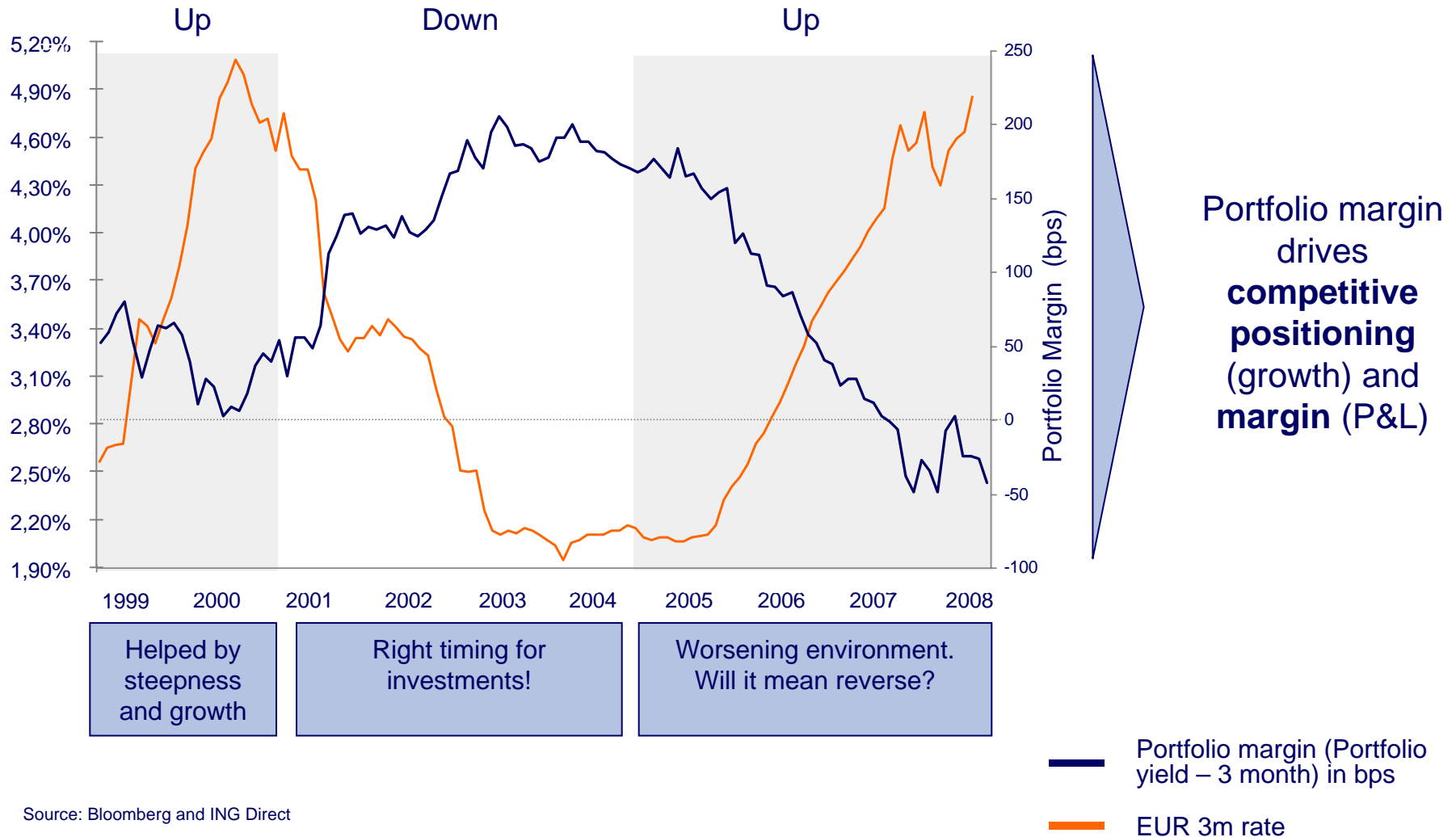


Since launch, there have been 3 clearly different cycles

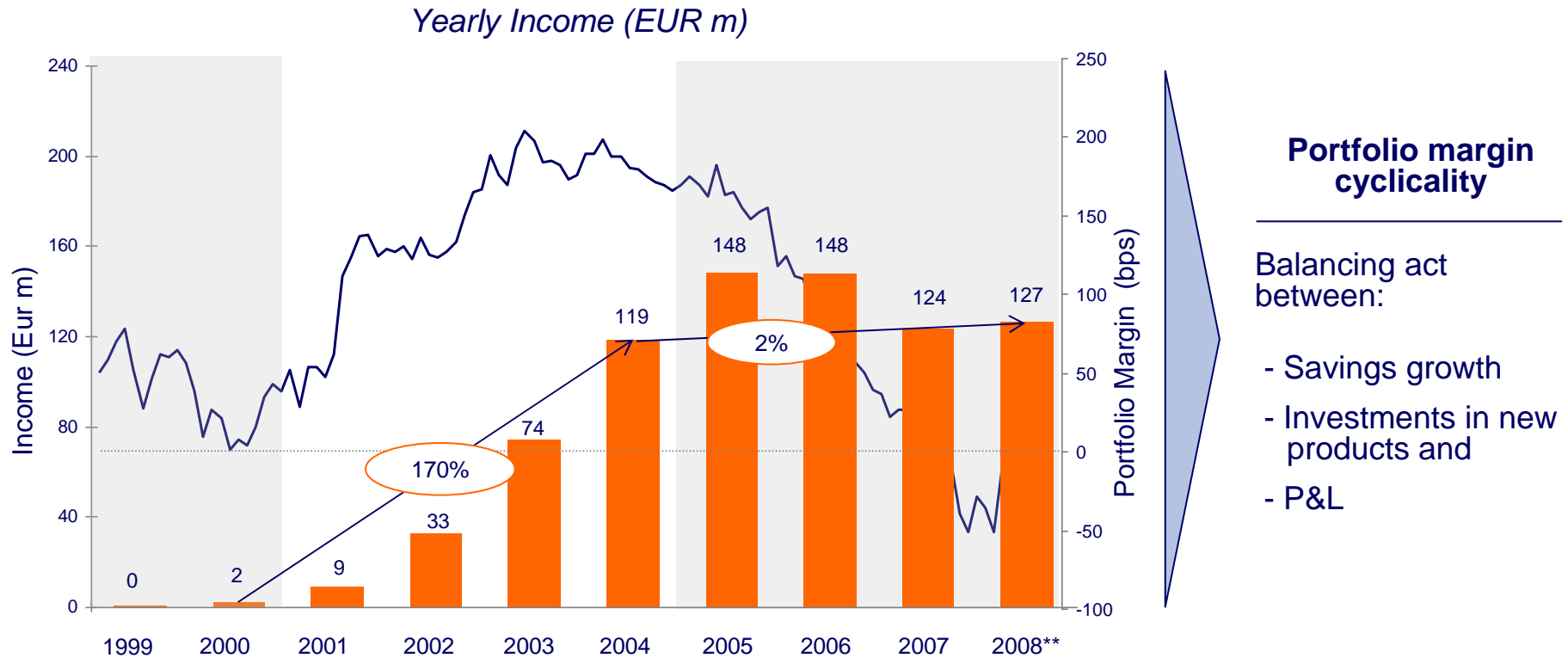


Source: Bloomberg

Our portfolio margin (portfolio yield – 3m rate) has been resilient but is affected by the cycles



1st product - Savings (1999)



| | | | | |
|-----|-----|------|-------|--------|
| 166 | 547 | 927 | 1.449 | 1.759* |
| 1.9 | 5.9 | 10.2 | 11.7 | 12.0* |

Total customers ('000)
Savings Balances (Eur bn)

* Up to June 2008

** Annualized data

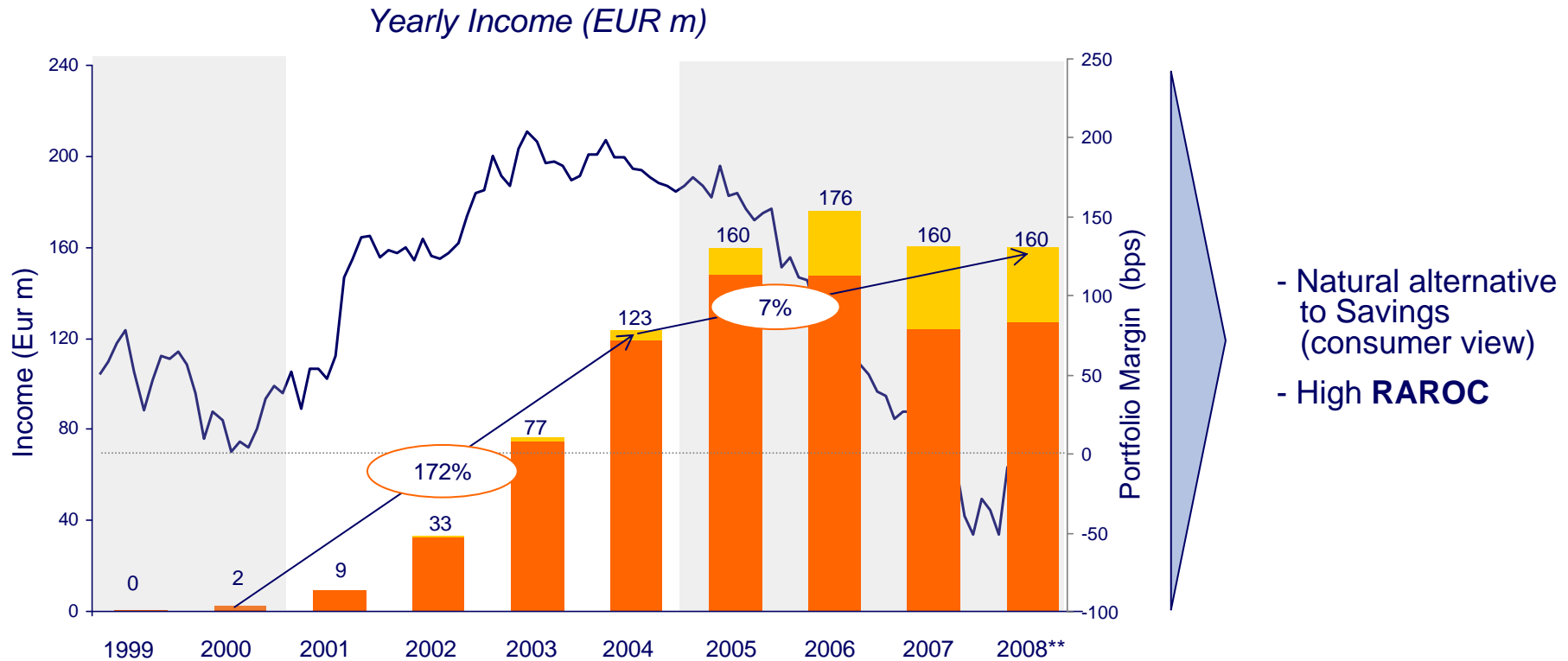
Source: Bloomberg and ING Direct

Savings

Portfolio margin (Portfolio yield – 3 month) in bps
 CAGR



2nd product – Retail Investment Products (2001)



| | | | | |
|-----|-----|------|-------|--------|
| 166 | 547 | 927 | 1.449 | 1.759* |
| 2.0 | 6.0 | 10.8 | 14.3 | 14.8* |

Total customers ('000)

Savings & Retail Inv. Products (Eur bn)

* Up to June 2008

** Annualized data

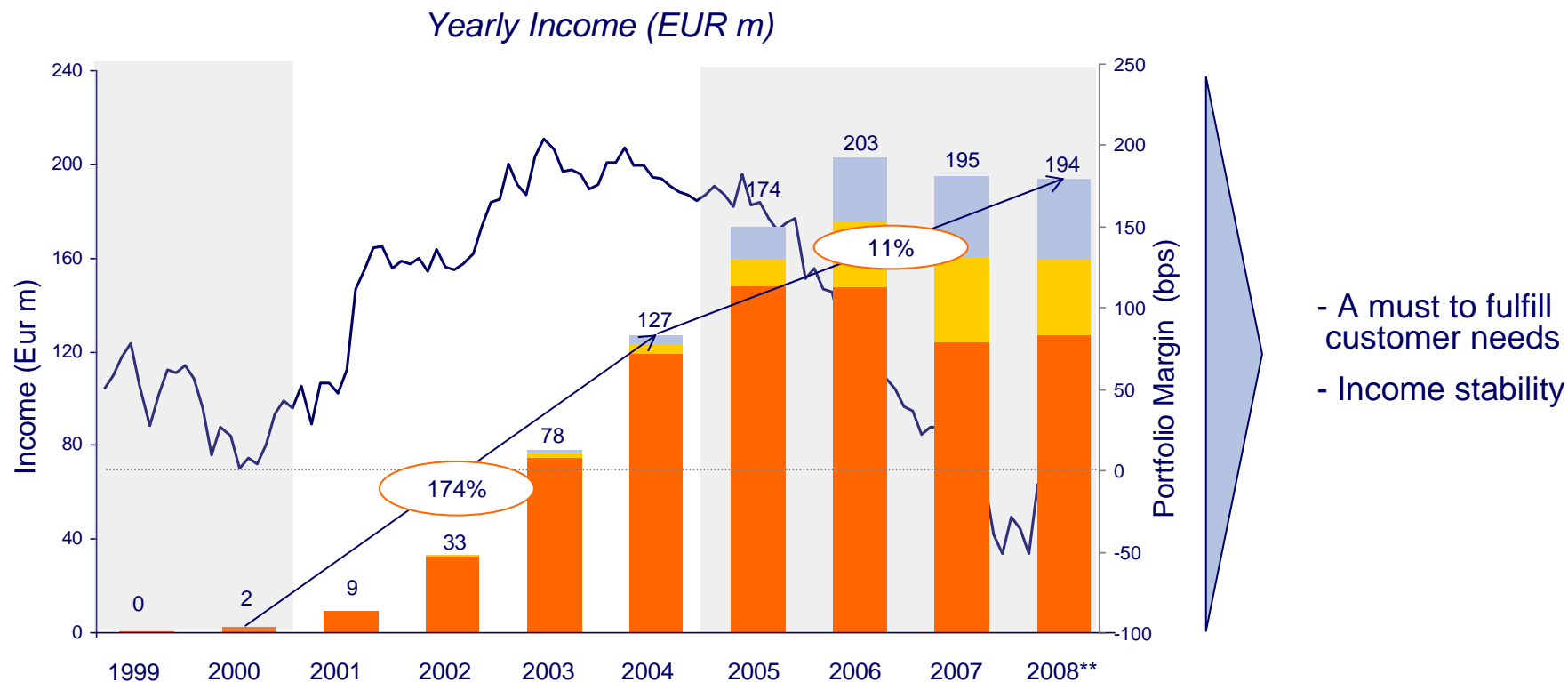
Source: Bloomberg and ING Direct

Inv. Products
Savings

Portfolio margin (Portfolio yield – 3 month) in bps
CAGR



3rd product – Mortgages (2003)



| | | | | |
|-----|-----|------|-------|--------|
| 166 | 547 | 927 | 1.449 | 1.759* |
| 2.0 | 6.0 | 11.7 | 18.3 | 21.7* |

Total customers ('000)
Savings, Inv. Products & Mortgages
(Eur bn)

* Up to June 2008

** Annualized data

Source: Bloomberg and ING Direct

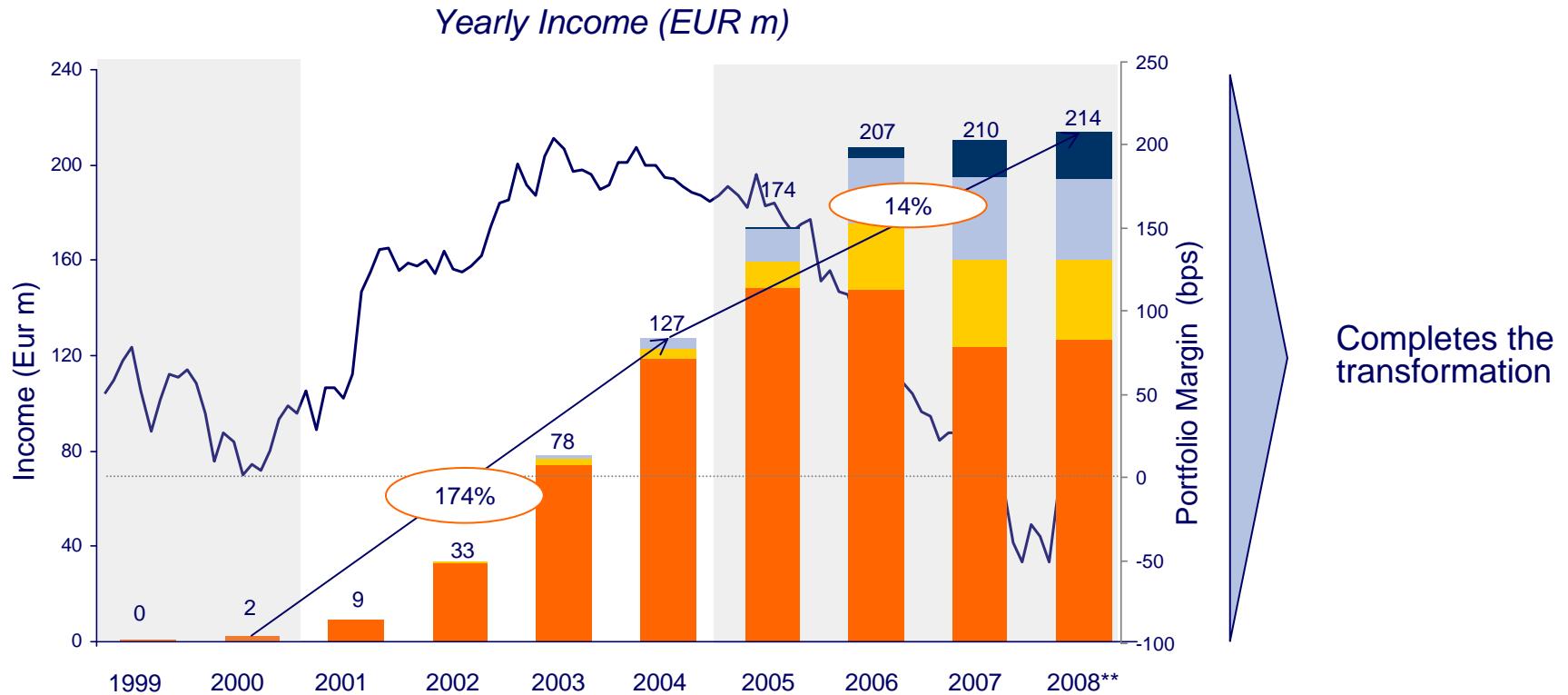
Mortgages

Inv. Products
Savings

Portfolio margin (Portfolio
yield – 3 month) in bps
CAGR



4th product – Payment Account (Sept 2005)



| | | | | |
|-----|-----|------|-------|--------|
| 166 | 547 | 927 | 1.449 | 1.759* |
| 2.0 | 6.0 | 11.7 | 18.5 | 22.4* |

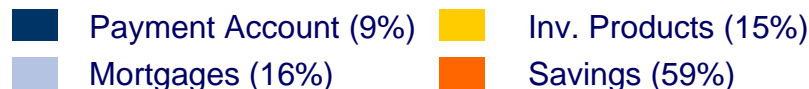
Total customers ('000)

Client Retail Balances (Eur bn)

* Up to June 2008

** Annualized data

Source: Bloomberg and ING Direct



Portfolio margin (Portfolio yield – 3 month) in bps

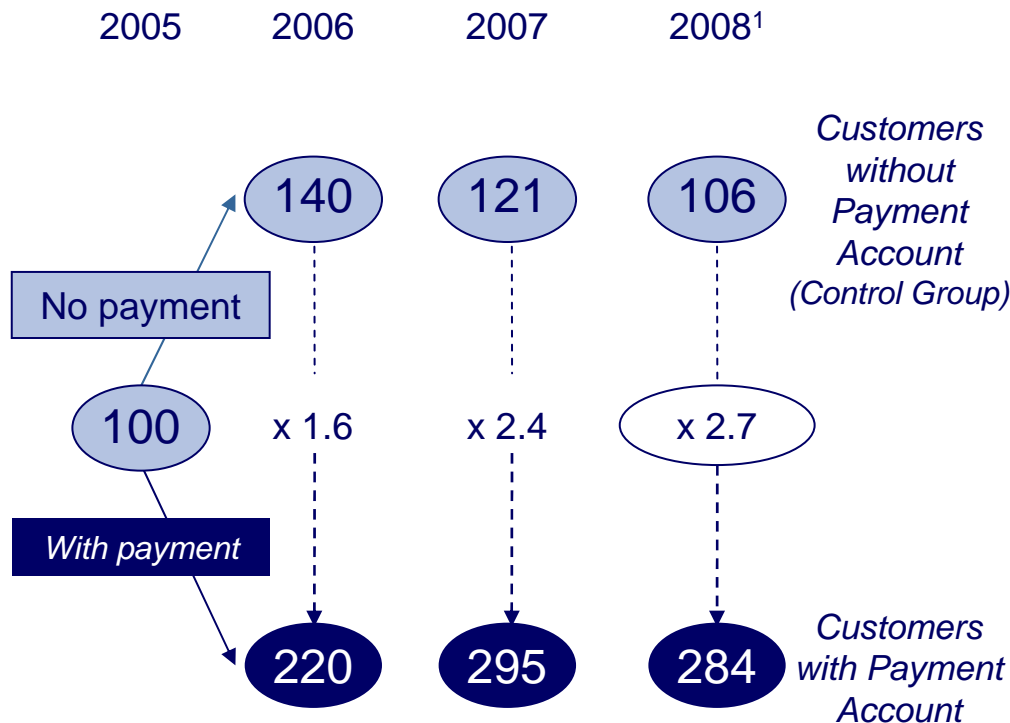
CAGR



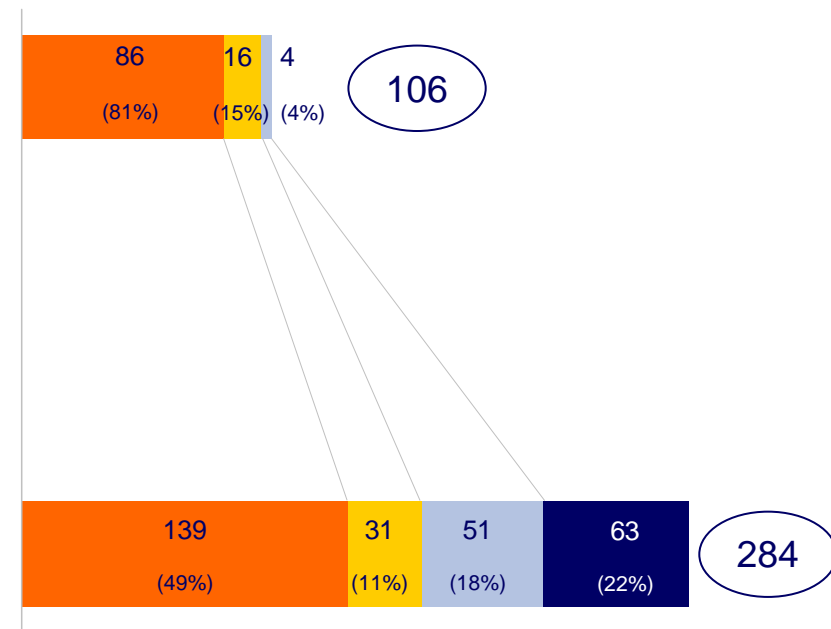
Payment Account customers rapidly improve their behavior

Annual income per customer
(indexed figures)

Income sources (Year 2008)
(indexed figures)



Savings Inv. Products Mortgages Payment Account



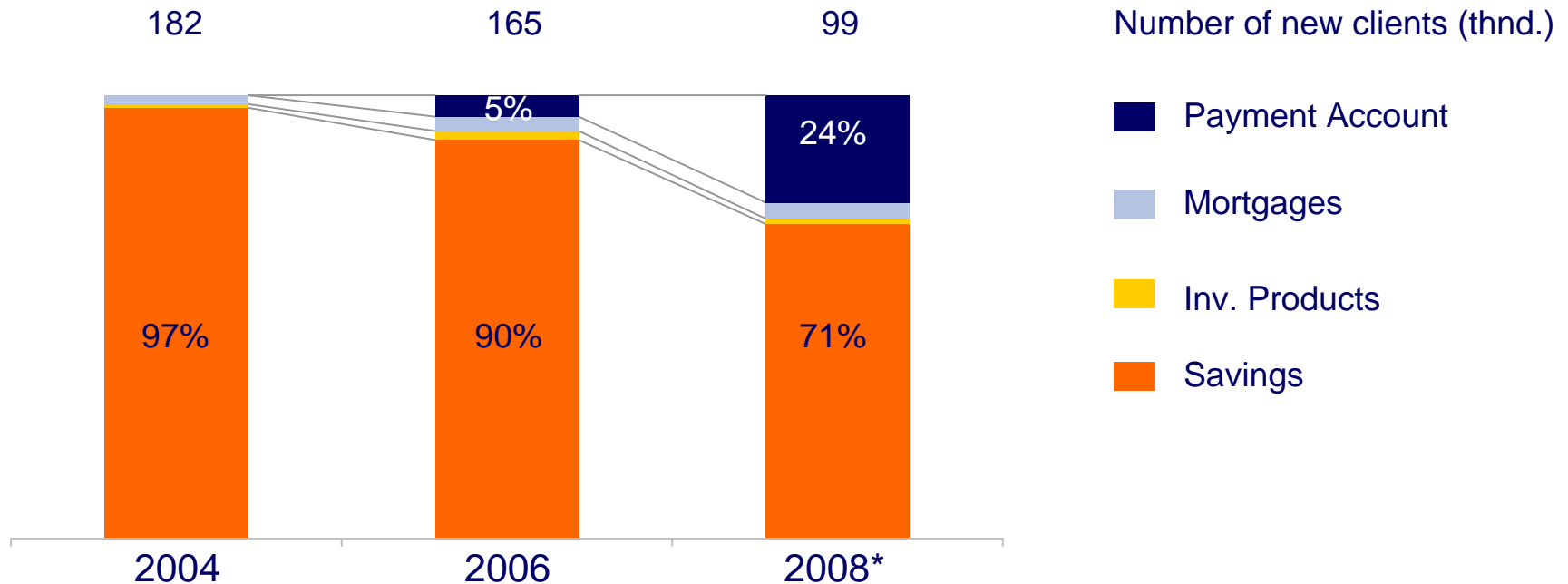
Income per customer (Indexed figures)
(%) over total indexed figures

1. Annualized data

ING Direct analysis based on Control Groups formed before the launch of the Payment Account (2005)

Furthermore, the Payment Account has become an acquisition tool

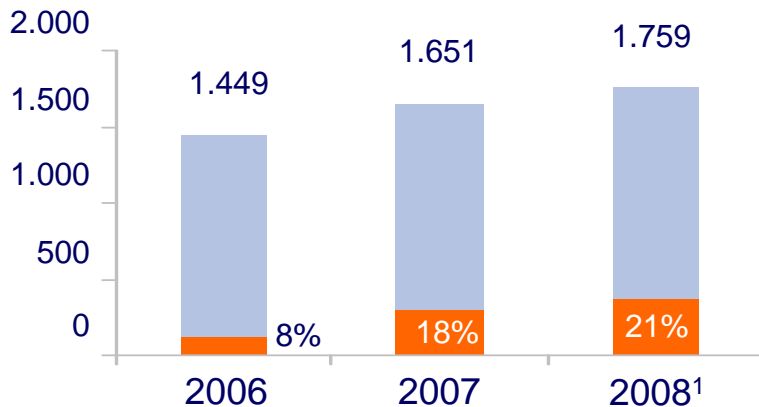
New customers by entry product



* Up to June 2008

The growth of Payment customers is fast, has further potential and boosts top line growth

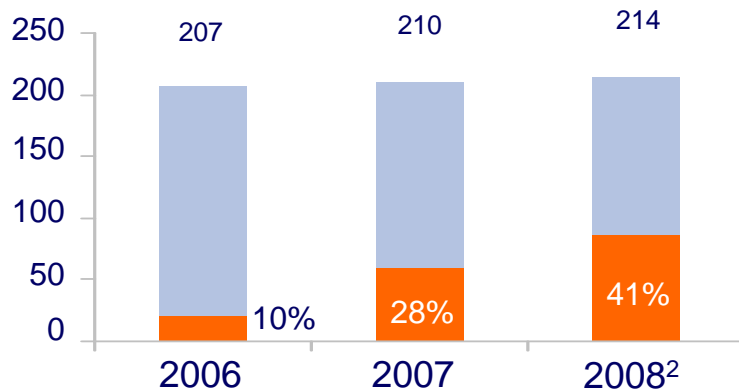
Total customers ('000)



21% of Customers

Room for higher penetration

Total income (EUR m)



42% of Income

Drives top line growth

1. Up to June 2008

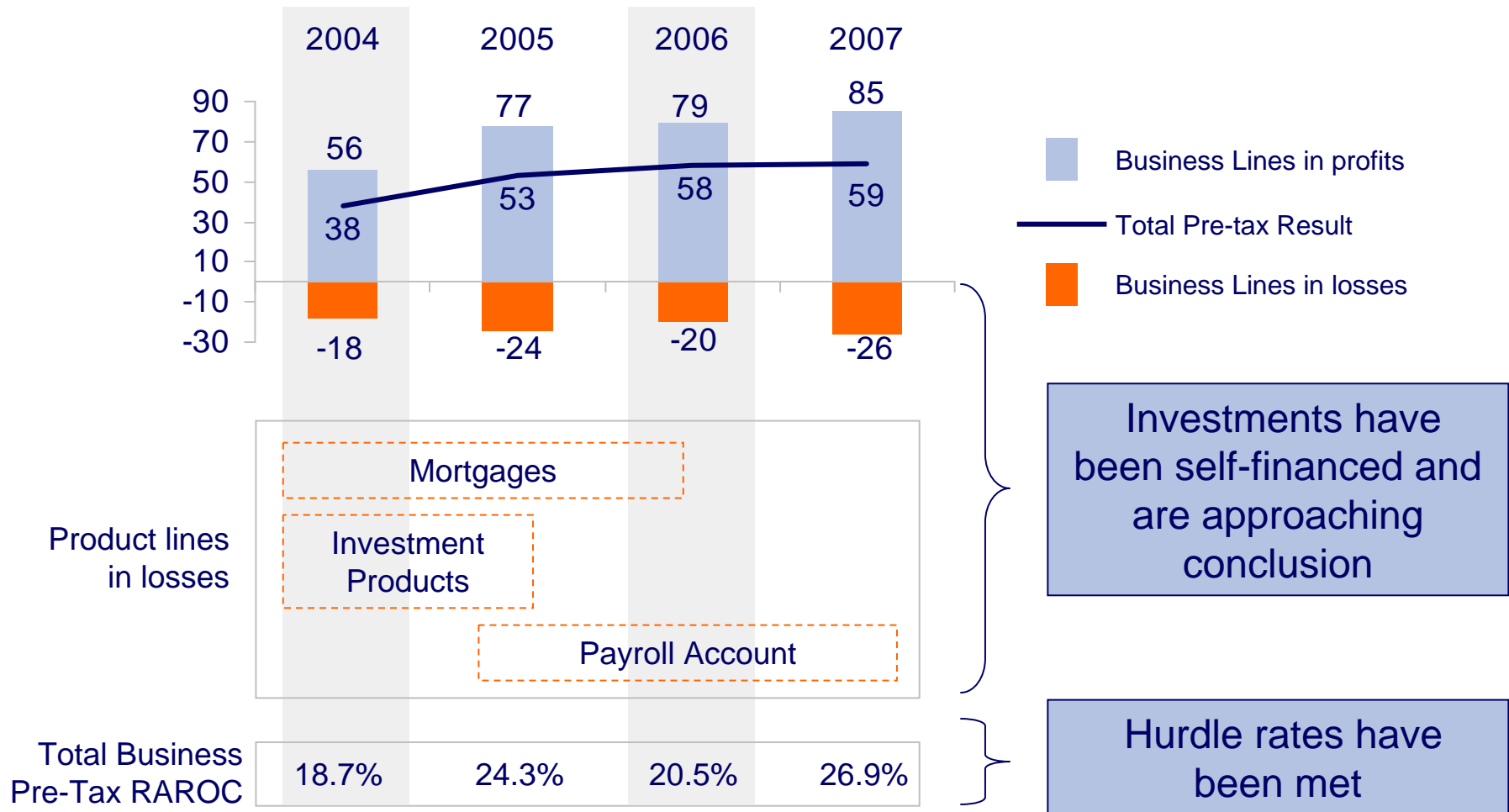
2. Annualized data

Customers without Payment Account Customers with Payment Account



The transformation of ING Direct Spain has required continued investments

Pre-tax Result (EUR m)¹ & RAROC



1. Results before Group overhead and ING Direct Head Office costs



In summary

- **Since launch** – May 1999 – ING Direct Spain has crossed several interest rate cycles while making investments to cover the full range of customer needs
- **Today** the investments have almost been completed although we are at a “low point” with respect to the interest rate cycle
- **Towards the future**, ING Direct Spain is well positioned to become the most preferred consumer bank. Growth will come from new customers and an increasing share of wallet of existing customers

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