



Shaping our Future

Strategic Priorities 2010

ING Investor Day

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London – 19 April 2010
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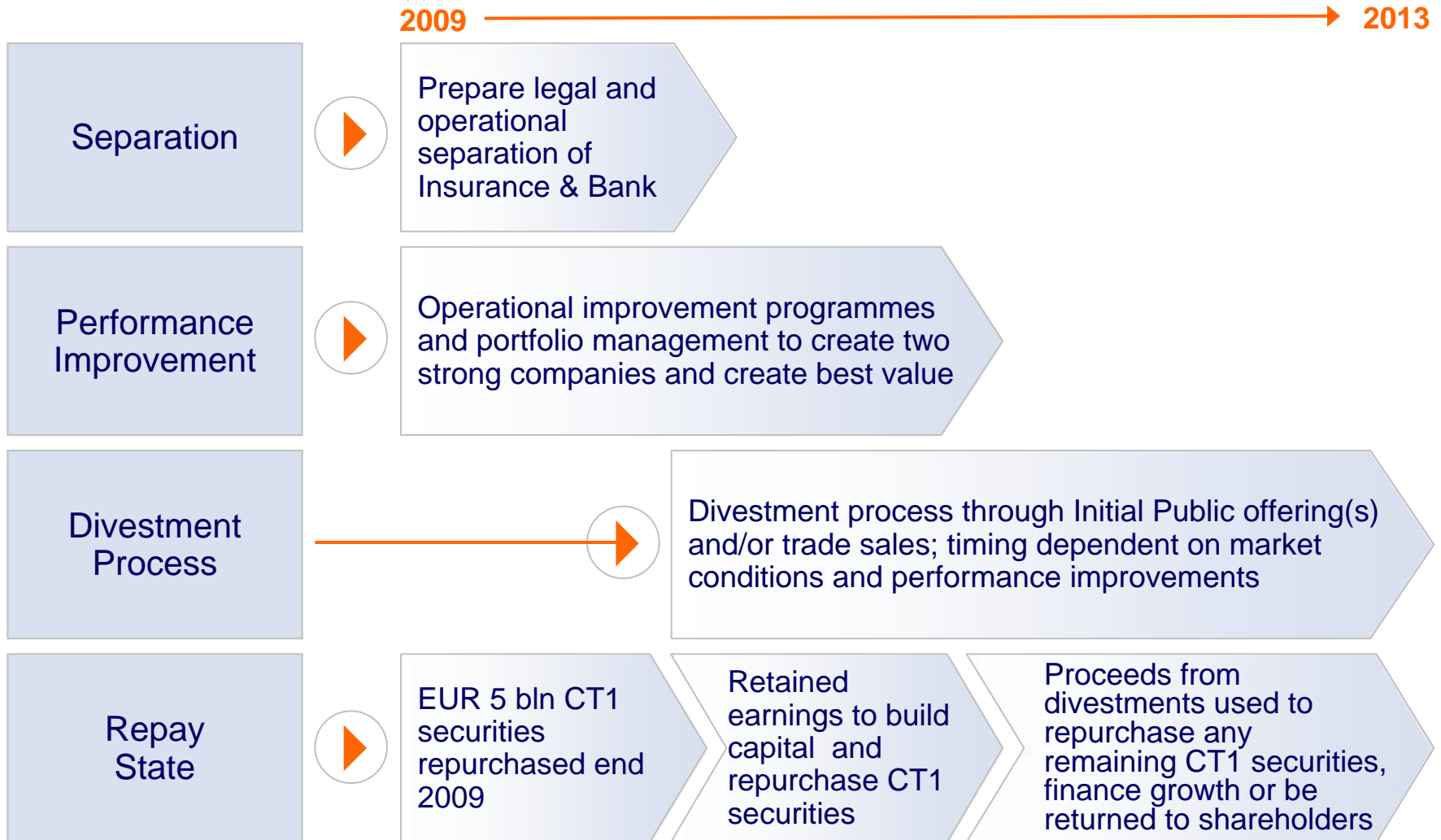
BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



We completed Phase 1 of Back to Basics and are now accelerating Phases 2 and 3



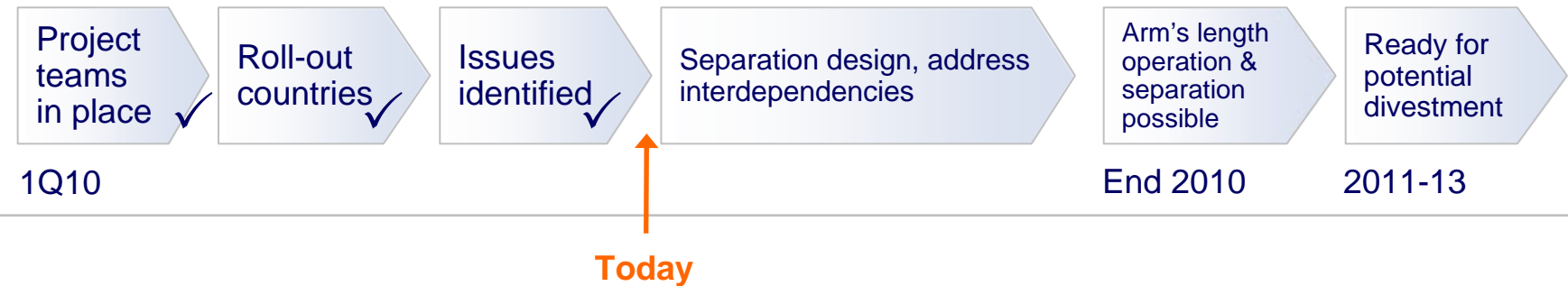
We are on track to deliver on our four priorities to shape our future



Separation

Priority for 2010: Strong businesses, ready for separation

Diligent process towards separation



- Objective is to finalise the operational separation of Banking and Insurance by the end of 2010
- Inventory phase completed. All functional dependencies identified between:
 - Insurance & Banking
 - Insurance & Investment Management
 - Investment Management & Banking
 - Functions and regions
 - ING Direct USA and Interadvies with rest of Group
- All scenarios analysed to allow maximum flexibility and to support strategic and financial analysis on various divestment options
- Priority for 2010 is the separation between Bank & Insurance

We have created a systematic inventory of all separation issues to be resolved for each BU

Each business unit identified all dependencies with other local BUs as well as global & regional functions

10 global functional specialist teams analysed all identified dependencies for each BU and classified them according to complexity

Specialists from Bank, Insurance and ING IM assessed each BU's overall separation complexity from a global perspective

Comprehensive database of separation issues for management and monitoring

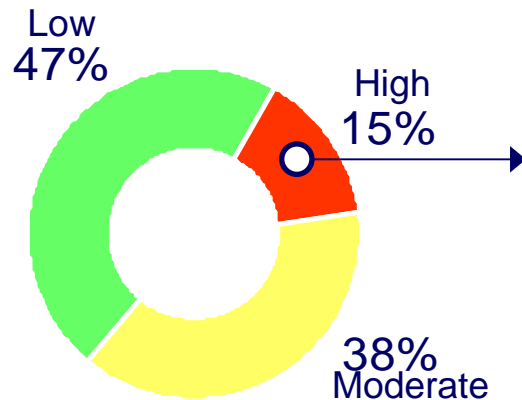
- Assessment performed by more than 100 business units and Group functions
- Each dependency was evaluated in terms of: criticality, materiality, and lead time
- Functional and Business experts analysed and validated all assessments to ensure that 'no piece goes missing' and to assess overall separation complexity for each business unit

Each individual dependency was evaluated in terms of how complex it will be to achieve separation

Degree of integration	Description	Illustrative dependencies (ICT)
Low	Functional dependencies that: <ul style="list-style-type: none">• If not resolved by day 1, will not impact the operational integrity of the separated business unit• Can be resolved within a short time frame through easily implementable steps	<ul style="list-style-type: none">• Shared IT support services (e.g. helpdesk)
Moderate	Functional dependencies that: <ul style="list-style-type: none">• If not resolved by day 1, will not stop the separated business unit from operating, but that will require interim solutions to be put in place• Are projected to have a longer lead time for achieving final resolution (stand-alone readiness)	<ul style="list-style-type: none">• Shared support applications (e.g. Peoplesoft)
High	Functional dependencies that: <ul style="list-style-type: none">• If not resolved by day 1, may hinder the operational integrity of the separated business unit• Issue resolution involves complex activities across multiple business units and/or geographies <p>Small list of critical issues being handled centrally, including works councils, regulatory approvals, tax, pension fund and brand</p>	<ul style="list-style-type: none">• Shared data center, fully integrated across multiple BUs• Shared core business applications (e.g. risks)

Readiness: Assessment of dependencies and complexity

Distribution of functional dependencies per level of integration (%)



Most functional dependencies between businesses are of moderate to low complexity and can be solved at the local level

Distribution of high integration dependencies per functional area (%)



2/3 of all high complexity dependencies are concentrated in 4 functional areas: ICT, HR, Capital structure, Distribution & Commercial
From a cost perspective the top 3 issues are expected to be ICT, HR and Brand

Examples of 'high level of integration' functional dependencies

ICT

- Shared network infrastructure. Disentanglement of IT services, data centres and servers

HR

- Strong entanglement between Bank and Insurance in the Netherlands, including pension fund

Distribution & Commercial

- NN (the Netherlands): high production- and distributional entanglement between Insurance and Bank
- Insurance Belgium: Bank is only distribution channel for Insurance

Capital

- Inter-company funding

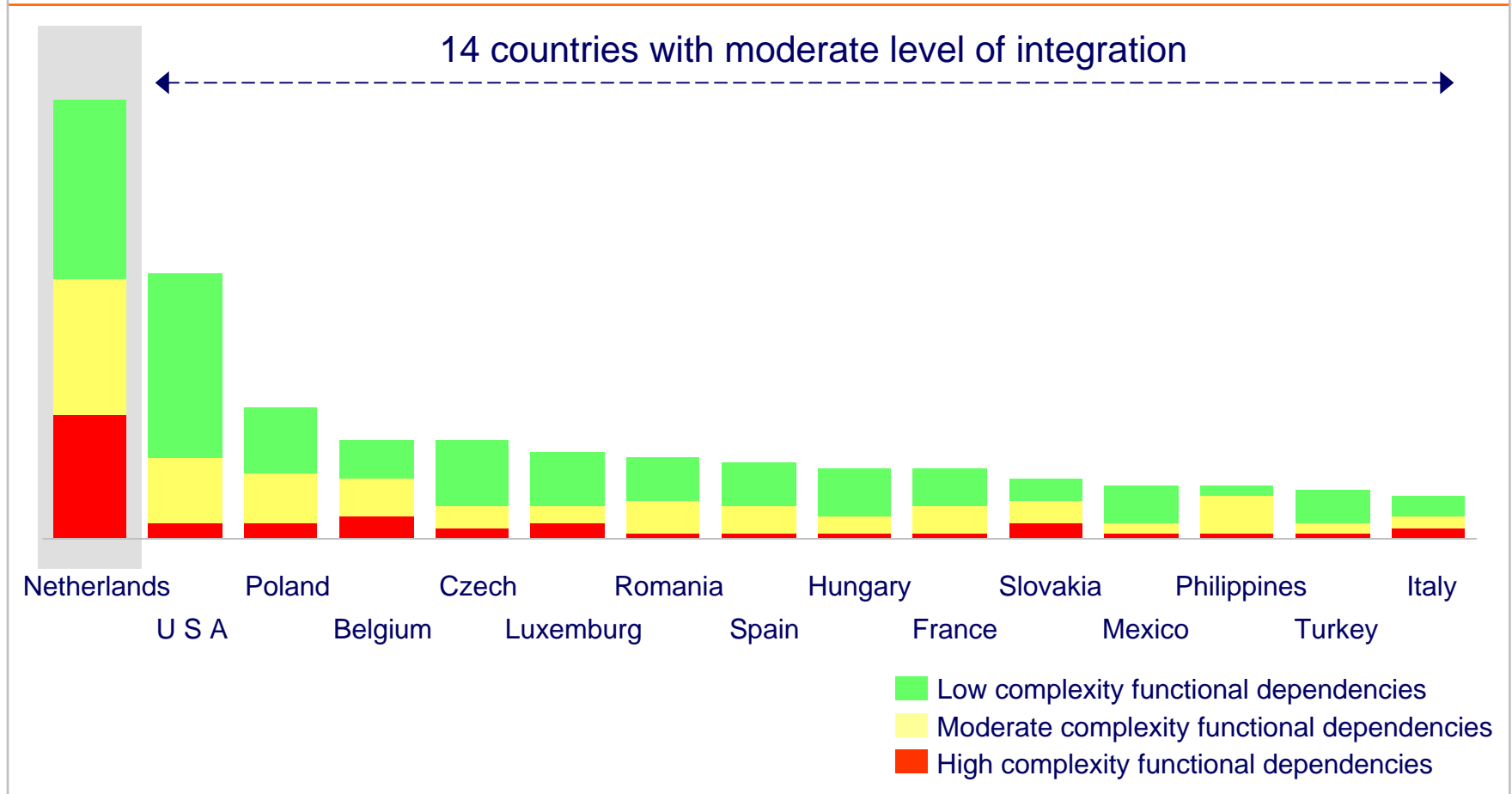
Brand

- Separation consequences on ING brand usage

Netherlands is the most integrated country

14 countries with moderate level of integration

Level of separation complexity (relative index NL =100)

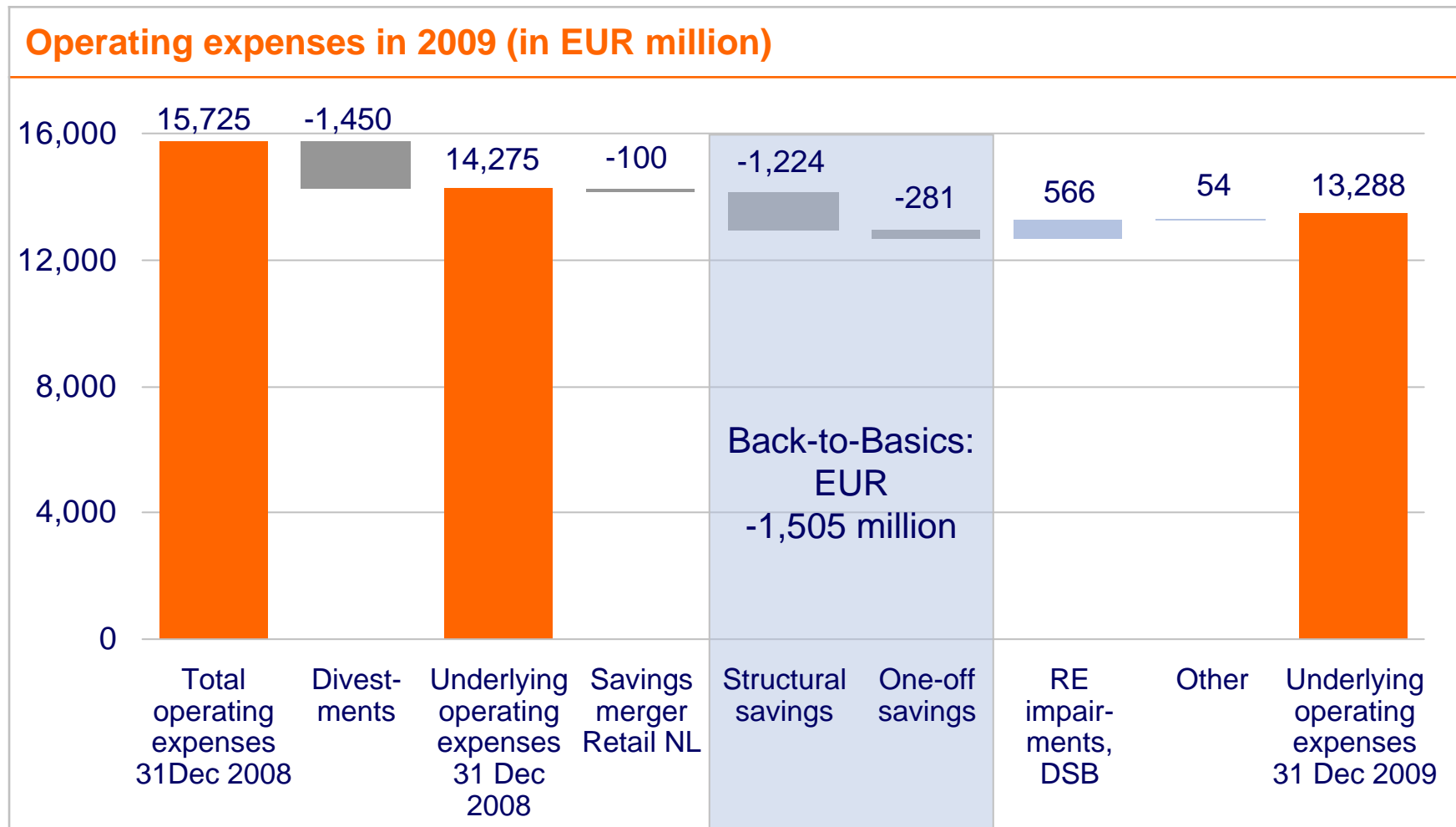


Next steps – Design of separation solutions

- We will prepare solutions for standalone operation by end of 2010. These will be either interim solutions or, where possible, end-state solutions
- During the Design Phase we will consider the trade-off between:
 - More SLA's – cheaper, faster, but costs won't go down
 - Separate through redesign whereby stranded costs and one-time restructuring charges may be incurred but with the benefit of lower operational expenses going forward
- Procedure in place to ensure completeness of disentanglement plans; risk management procedures are in place; regulators and supervisors informed and involved where necessary
- Costs: it is too early to estimate disentanglement costs; however, it can be expected that the bigger ticket items are IT, HR, pensions and the brand

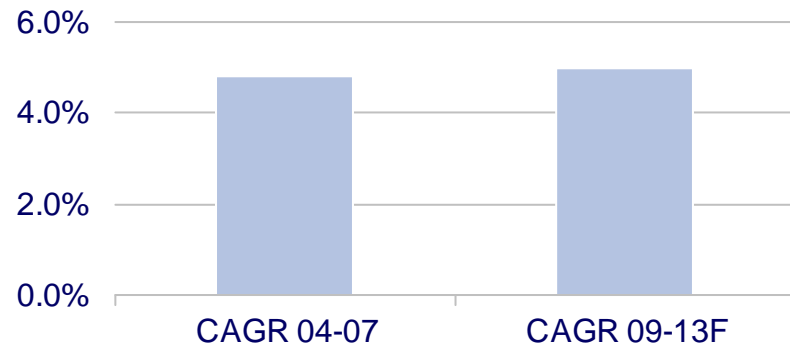
Performance Improvement

Expenses substantially reduced in 2009

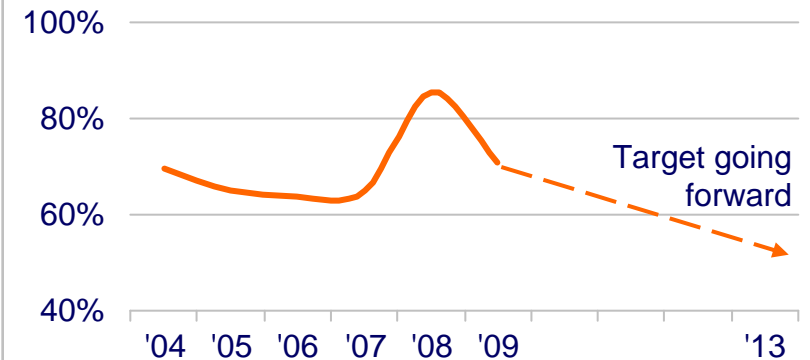


ING Bank announced Ambition 2013 plan to improve growth, efficiency and returns

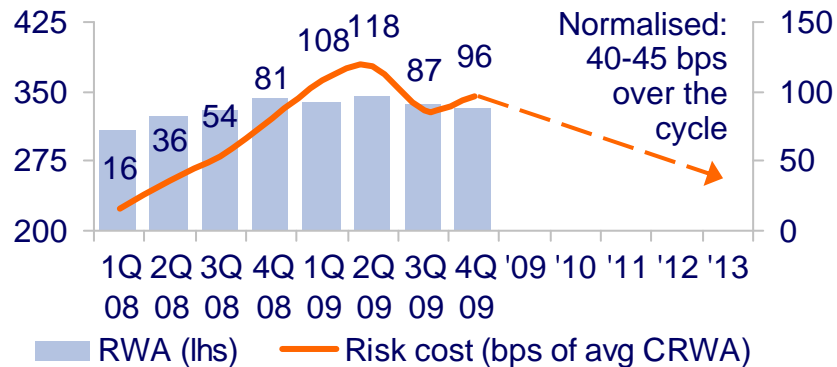
Moderate top-line growth ambition 5%*



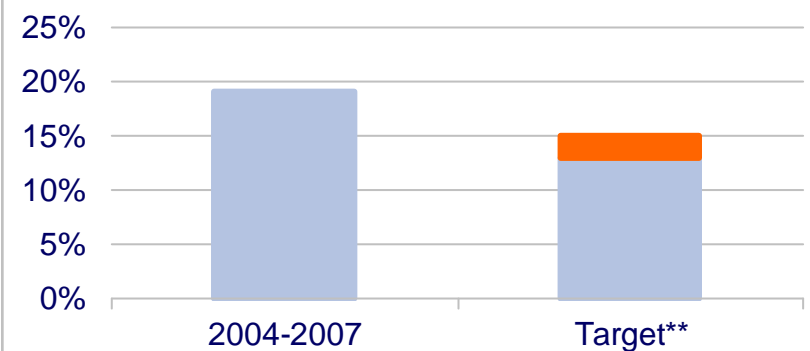
Cost/income ratio target of 50%



Risk costs in bps of average CRWA



RoE of 13 - 15% despite higher capital



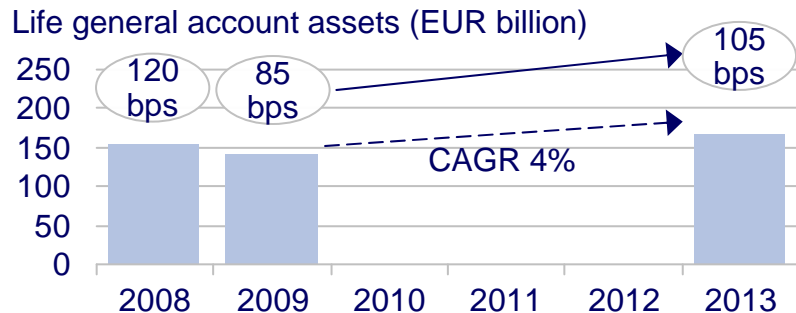
* Excluding ABS/Real Estate impairments and fair value changes
real estate 2004-2007 based on Basel I RWA

** Based on core tier-1 target of 7.5%, 2004-07 based on IFRS capital

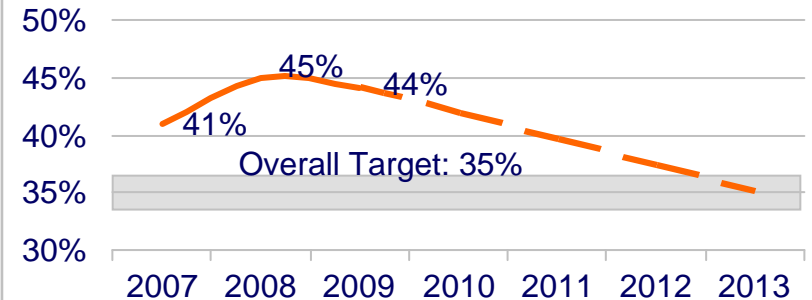


ING Insurance aims to improve margins, growth and efficiency to increase RoE

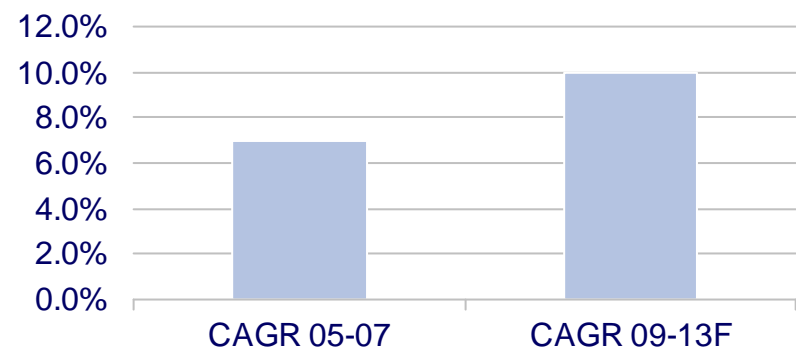
Increase investment margins by 20 bps on 4% general account growth



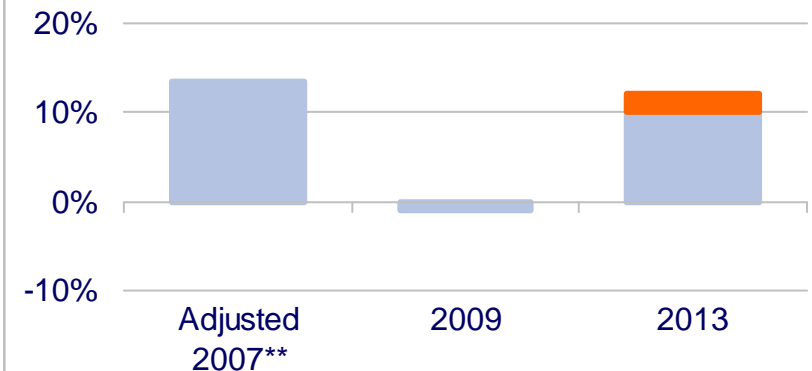
Reduce Life admin expense/Life operating income to 35%



Ambition to grow sales by 10% p.a.



RoE of >10% in near/mid-term



* Excluding ABS/Real Estate impairments and fair value changes real estate

** Excludes realised gain on sale of Numico and ABN AMRO stakes

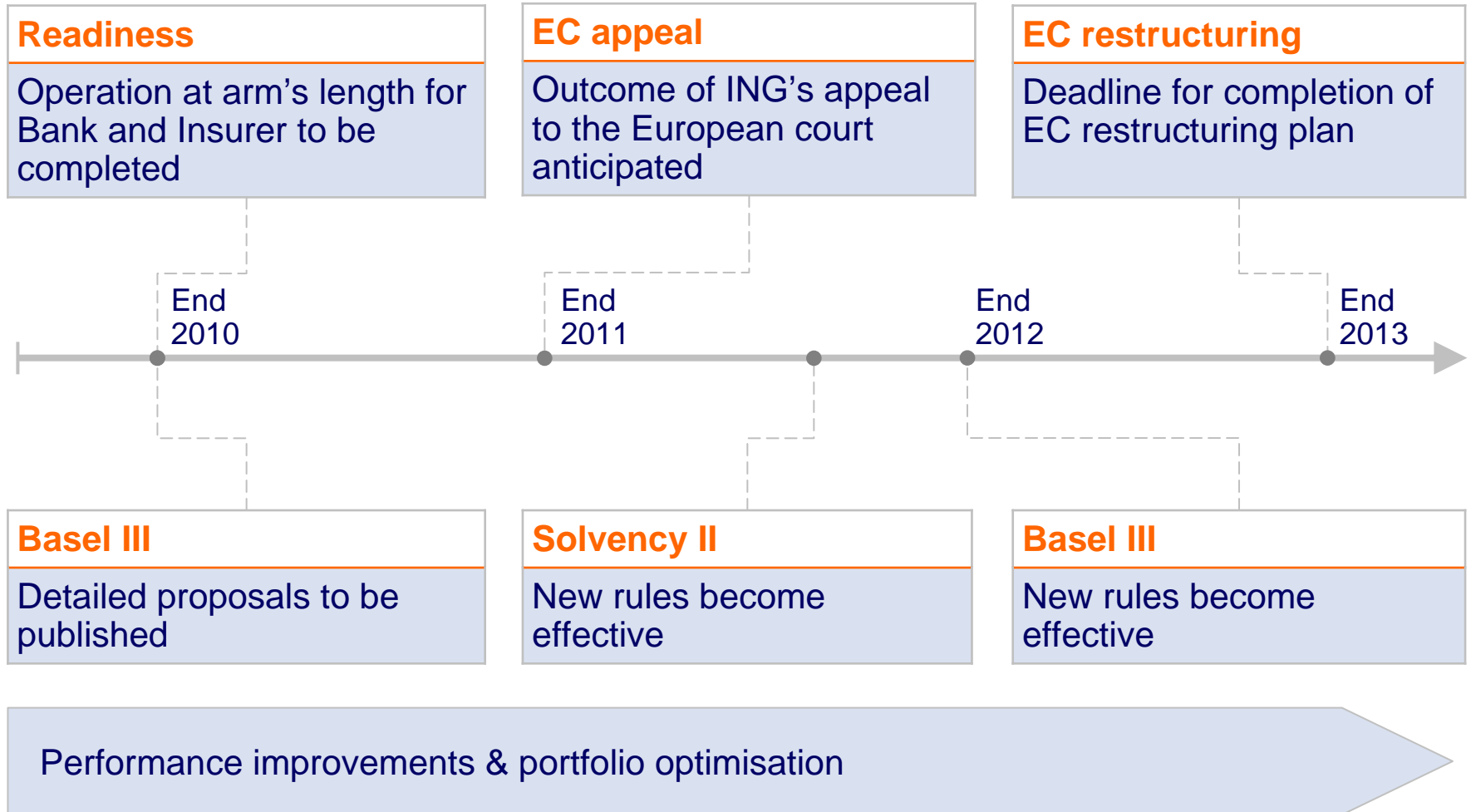


Divestment Process

Analysing all options for Insurance



Timing considerations for separation



Repayment

Repayment of State & Appeal EC decision

- ING repurchased EUR 5 billion of the Core Tier-1 Securities from the State at year-end 2009, with an annualised return on investment for the State of 15%
- The European Commission's interpretation – that a reduction of the 50% exit premium constituted *additional* state aid – has created a disincentive for ING to repay the remaining support early
- ING and the Dutch State are appealing this interpretation to the European Court in Luxembourg
- Because the fast-track procedure was not granted by the Court, ING's full appeal – including the question of overall proportionality of the restructuring measures – will be considered by the court

We are on track to deliver on our four priorities to shape our future

Separation



- On track to be ready for separation in 2010
- Minimise separation costs and maximise structural cost improvements
- Maintain engaged employees and focus on customers

Performance Improvement



- Plans in place to structurally improve the Bank and Insurer
- Bank has head start with good progress to date
- Continue with portfolio management initiated under Back to Basics to increase returns

Divestment Process



- We are analysing all options for Insurance to optimise value for shareholders
- The base case is 1 or 2 IPOs

Repay State



- Currently no incentive for early repayment until appeal of EC decision is addressed
- Meanwhile, focus is on an orderly separation of Banking and Insurance as well as performance improvement

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.

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