



ING Commercial Banking

Strong performance through the financial crisis

ING Benelux Conference

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CEO Commercial Banking

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BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



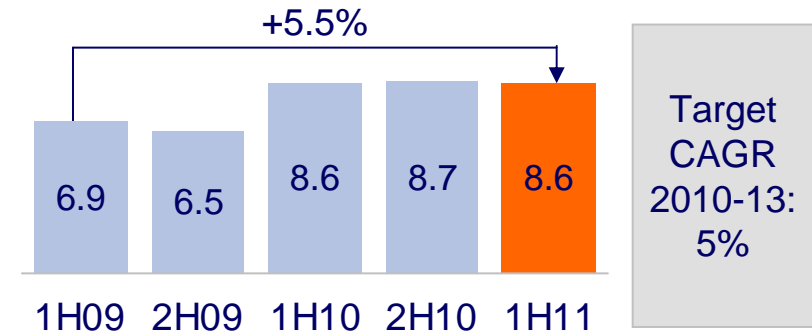
Commercial Banking: strong performance through the financial crisis

- Bank is making good progress on Ambition 2013
- Bank has strong capital ratios
- Commercial Banking performed well during the crisis and is well positioned for the future
- ING Real Estate exposure has declined significantly

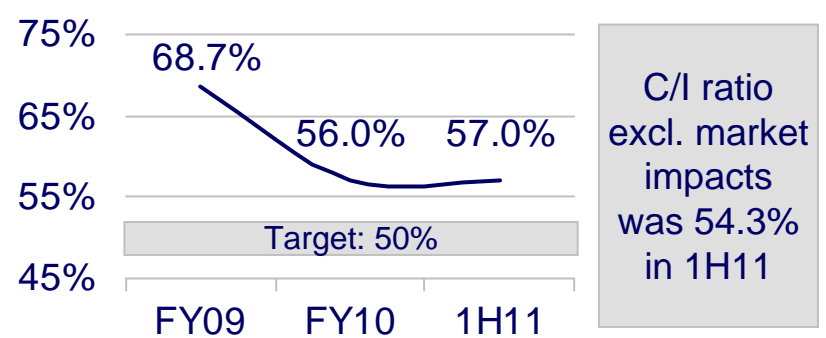
Bank is making good progress on Ambition 2013

Bank is making good progress on Ambition 2013

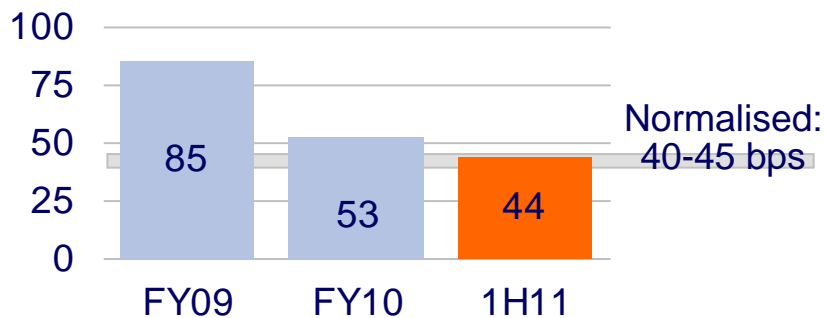
Underlying income (EUR billion)



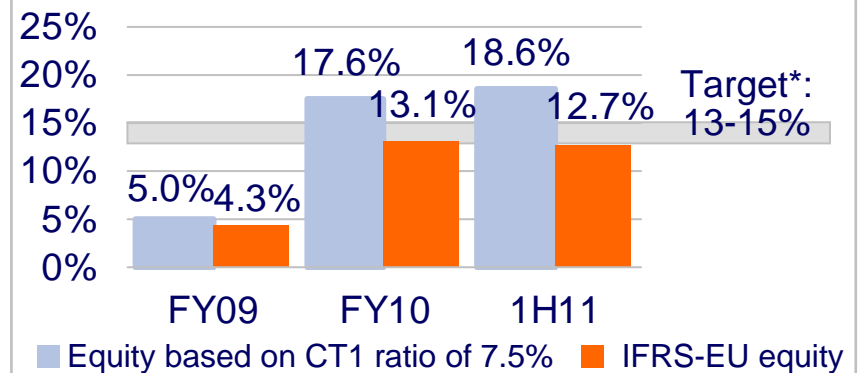
Underlying cost/income ratio (%)



Underlying risk costs in bps of average RWA



RoE (YTD, %)



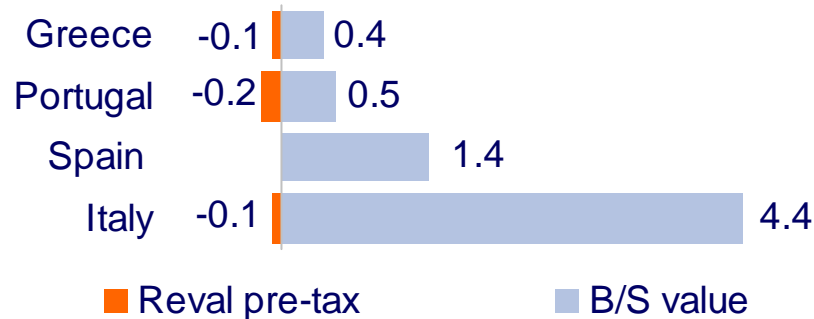
* Target assumes average equity based on core Tier 1 ratio of 7.5%.



Exposure to Southern European sovereigns

Bank: Government bond exposure (in EUR bln)*

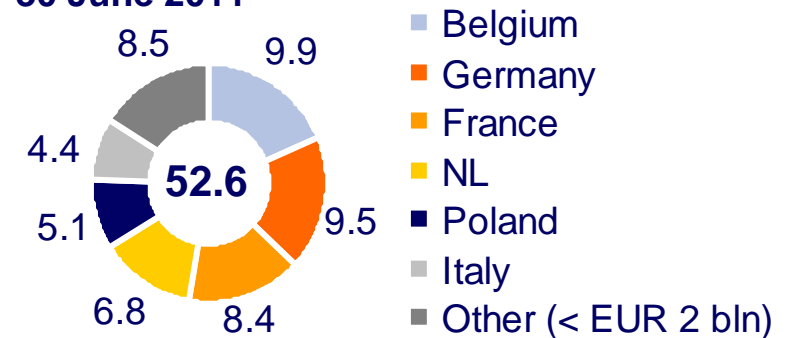
30 June 2011



- Greek government bonds maturing before 2020 have been impaired to market value, leading to a EUR 187 mln pre-tax impairment
- Remaining Greek government bond exposure (B/S value) amounts to EUR 0.4 bln
- Pre-tax revaluation reserve in Equity amounted to EUR -0.1 bln for Greece

Bank: Government bond exposure (exposures > EUR 2 bln)**

30 June 2011



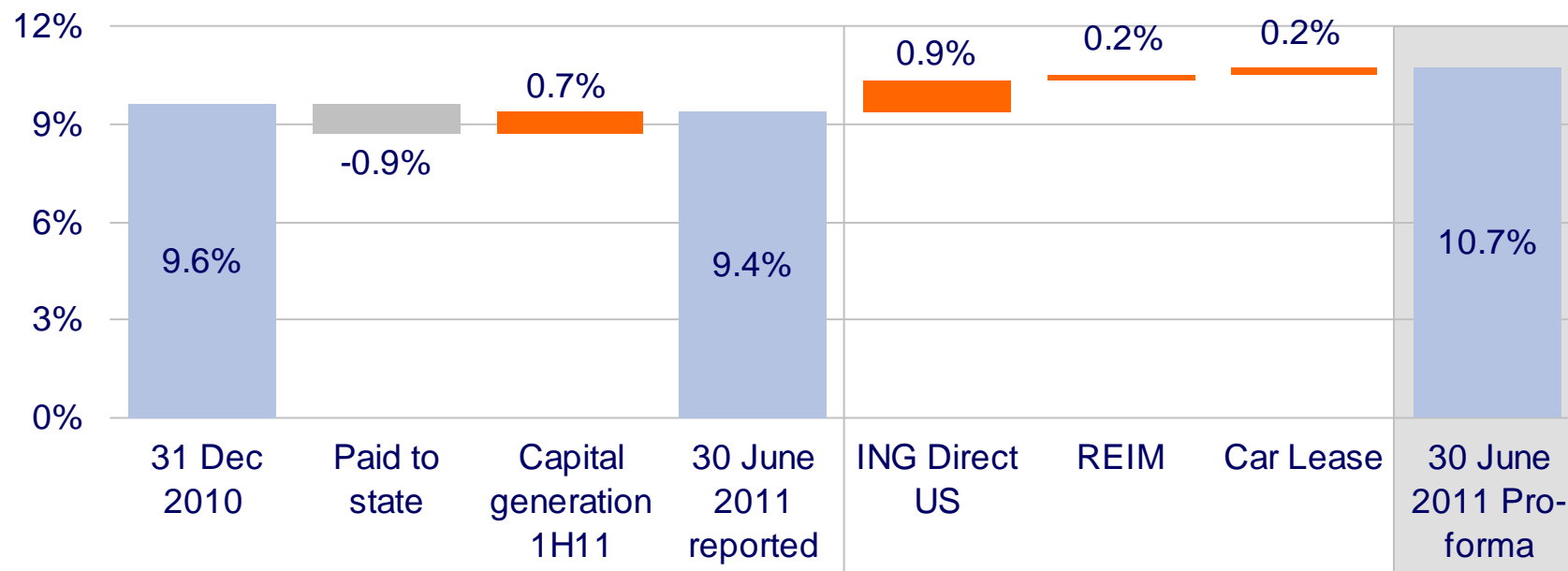
- Largest government bond exposures are Belgium, Germany, France, Netherlands, Poland and Italy
- Pre-tax revaluation reserve total Bank government bond exposure amounted to EUR 0.2 bln

* Bank has no exposure to Ireland.

** Balance Sheet value. Investments AFS (EUR 50.7 bln), Loans and Advances (EUR 1.0 bln) and HTM (EUR 0.9 bln).

Core Tier 1 ratio at 9.4% despite payment to Dutch State Pro-forma 10.7% including impact of announced divestitures

Core Tier I ratio



- The Core Tier 1 ratio was 9.4% at 30 June 2011. The EUR 3 bln payment to the Dutch State was largely offset by the strong capital generation in 1H11
- Including the positive impact of the announced sales of ING Direct US, REIM and Car Lease, the pro-forma core Tier 1 ratio is 10.7%

ING Commercial Banking

ING Commercial Banking performed well during the crisis and is well positioned for the future

ING Commercial Banking

ING Commercial Banking excluding Real Estate

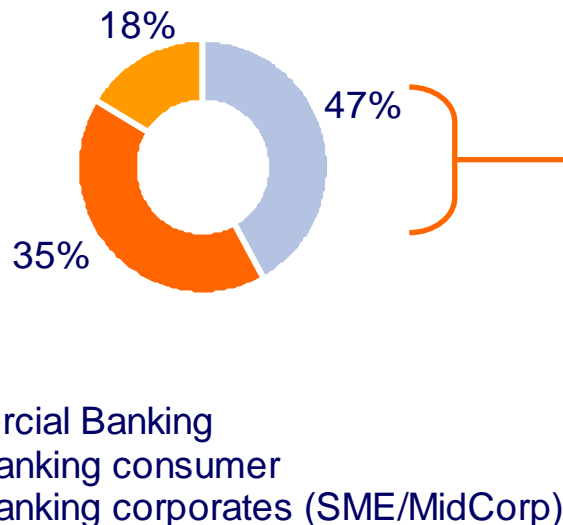
- Performed well during the crisis
 - Good risk management
 - Strict cost discipline
 - RWA and lending asset growth managed prudently

ING Real Estate

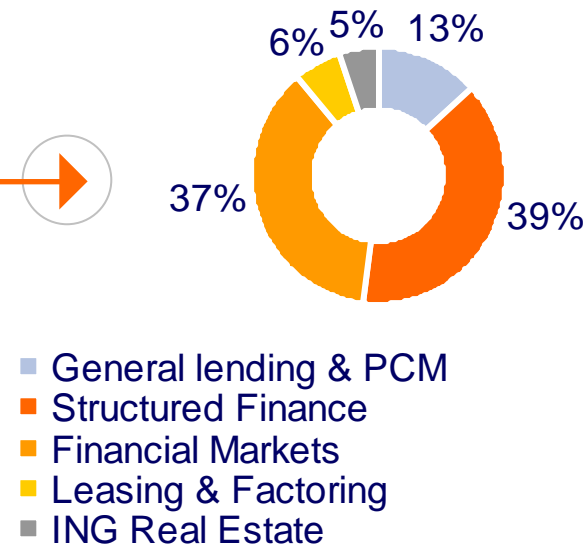
- ING Real Estate exposure has declined significantly
- REF performed well during the crisis and will remain core to the bank

ING Commercial Banking contributed 47% to total bank pre-tax result in 1H11

Bank: Pre-tax result in 1H11 by segment* (%)



Commercial Bank: Pre-tax result in 1H11 by product (%)**



- ING Commercial Bank has leadership positions in core markets such as the Benelux & CEE and an international network in 40 countries
- Strong focus on core products such as Structured Finance & Financial Markets

* Bank pre-tax result was EUR 2,999 mln in 1H11. Percentages based on pre-tax result Bank excluding Corporate Line of EUR 3,182 mln

** Commercial Bank pre-tax result was EUR 1,501 mln in 1H11. Percentages based on pre-tax result Commercial Bank excluding 'Other Products' of EUR 1,549 mln

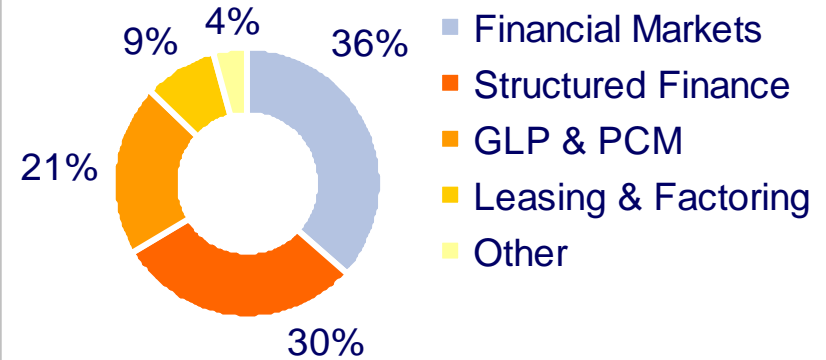
Commercial Banking performed well during the crisis

Commercial Banking excluding Real Estate continued to perform well during the crisis

Underlying income* (EUR mln)



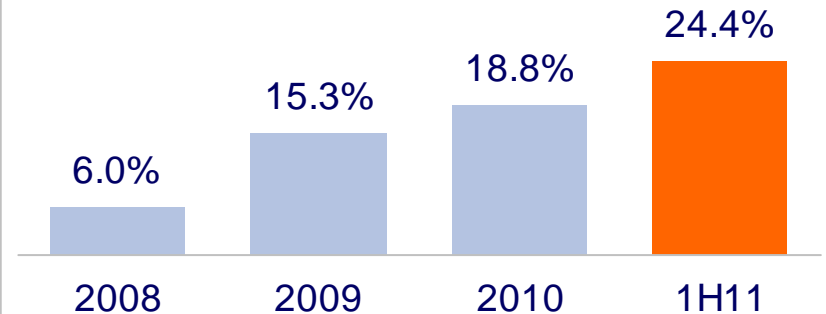
Underlying income* 1H11



Underlying result before tax* (EUR mln)



ROE*,** (%)



* Commercial Banking excluding Real Estate

** Return on Equity = Underlying after-tax return divided by equity based on average 7.5% core Tier 1 ratio (annualised)



Financial Markets remained profitable during the crisis

Underlying result before tax (EUR mln)

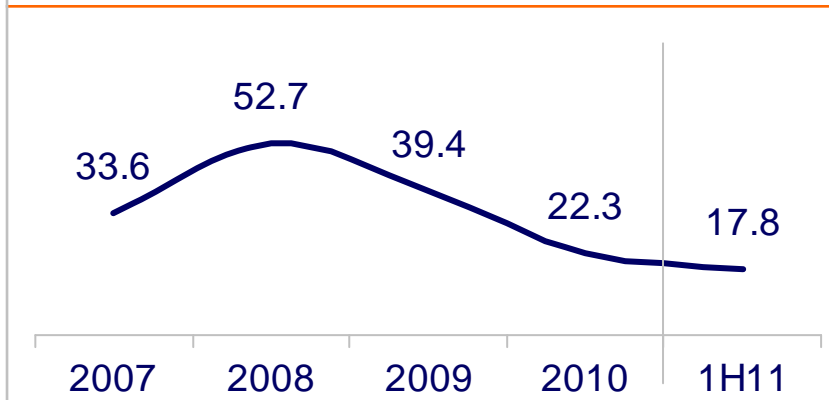


Income by product (EUR mln)



* Other FM income includes ALCO, Strategic Trading and Other income

Value at Risk (average)

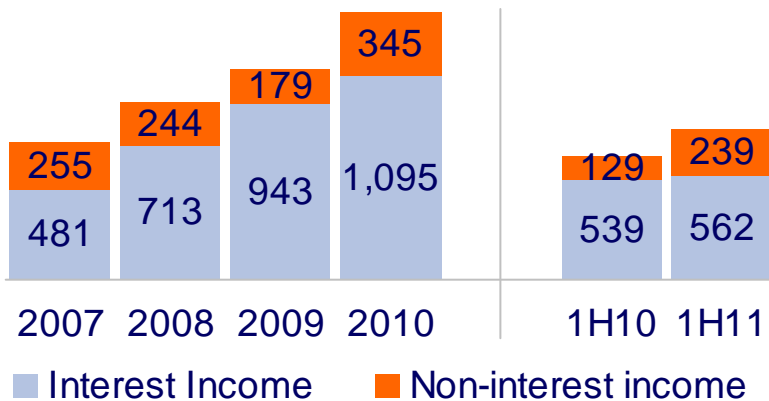


- Even in difficult periods (2007, 2008), FM remained profitable
- ING CB had a relatively low Value at Risk (VaR) compared with peers
- ING has wound-down the proprietary trading book in the US, driven by the new regulatory environment



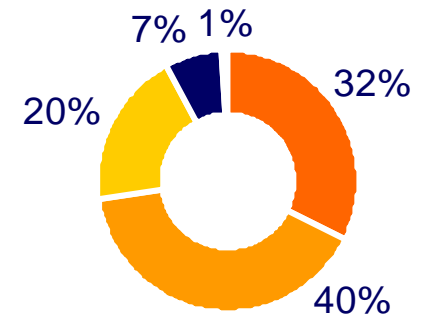
Structured Finance benefited from repricing of the portfolio and higher deal flow

Structured Finance income (EUR mln)



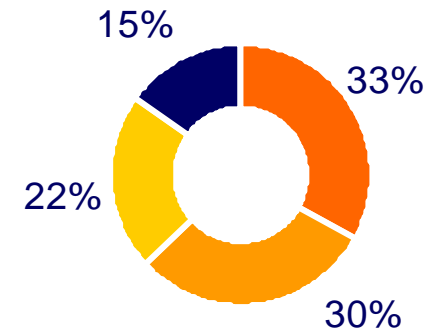
Structured Finance

Income
EUR 801 mln
in 1H11

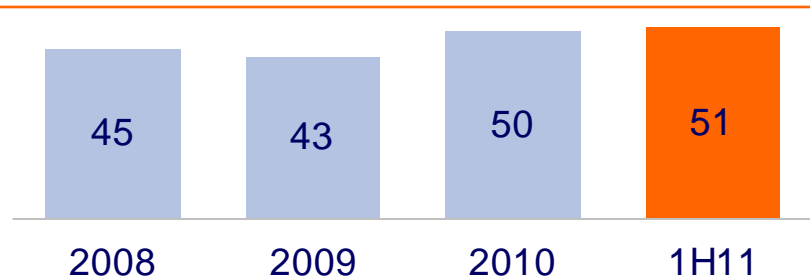


- Energy, Transport & Infrastructure
- Specialised Financing*
- International Trade & Export Finance
- Trade Finance Services
- Other

Lending
EUR 51 bln
in 1H11



Structured Finance - lending assets (EUR bln)

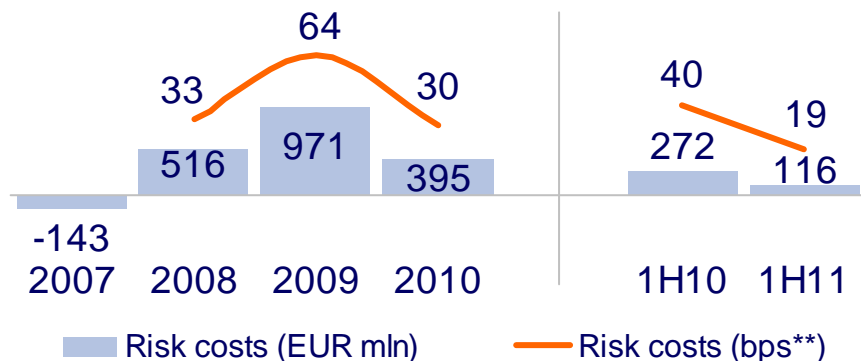


* Specialised Financing includes Telecom & Media & Technology Finance, Structured Acquisition Finance, Structured Solutions & Securitised Finance Group and Local Structured Finance

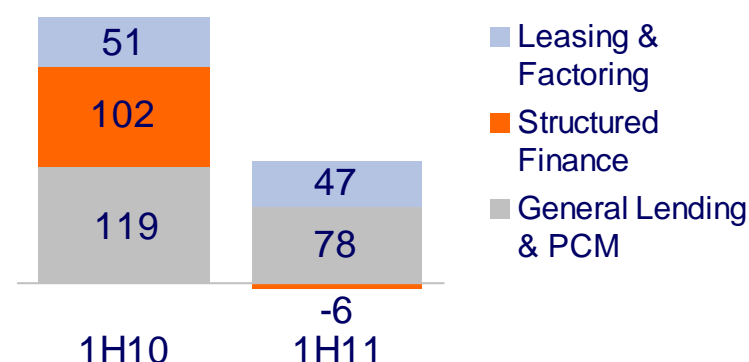


Risk costs remained under control, benefiting from a well diversified portfolio

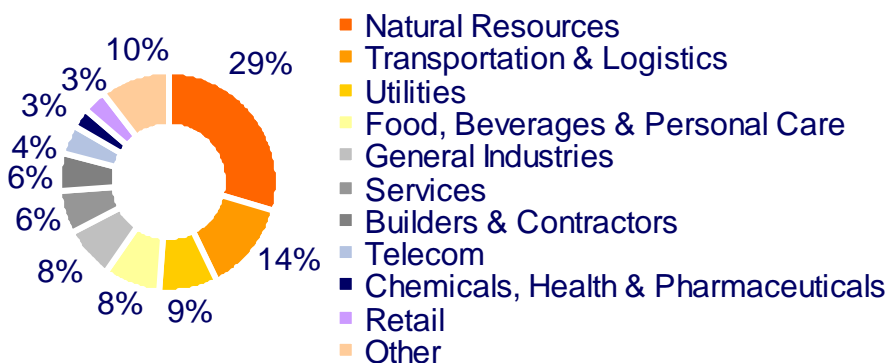
Risk costs*



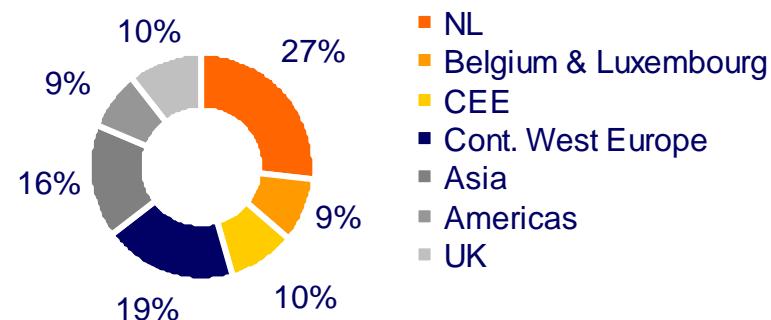
Risk costs by product*** (EUR mln)



Lending portfolio by industry* (30 June 11)



Lending portfolio by region* (30 June 11)



* Commercial Banking excluding ING Real Estate

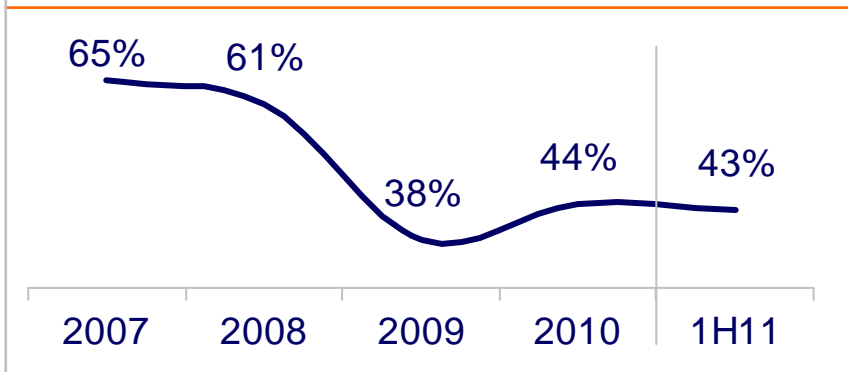
** Risk costs in bps of average RWA based on Basel II as of 2008 (in prior years RWA was still based on Basel I)

*** Commercial Banking excluding ING Real Estate, FM and Other Products

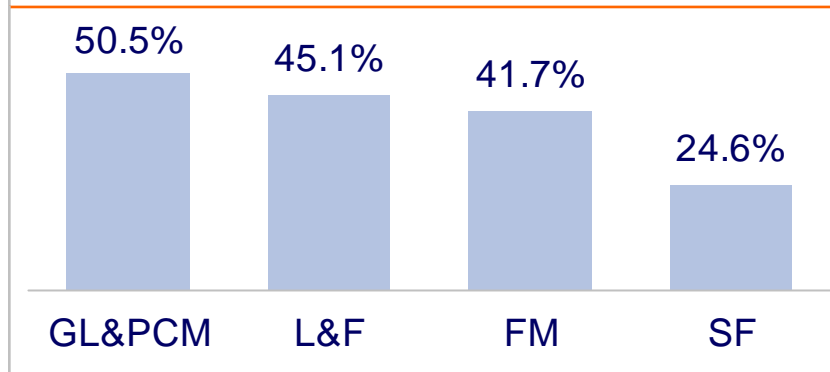


Higher income and strict cost discipline resulted in an operating efficiency which is among the best in the industry

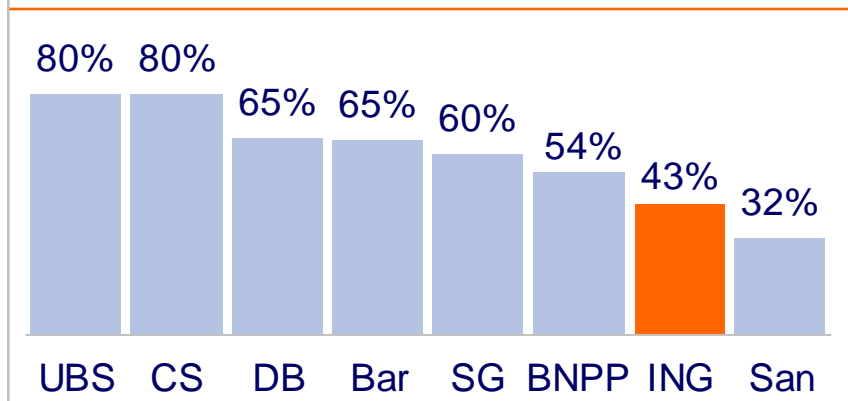
Cost / Income ratio*



Cost/Income ratio by product* (1H11)



Cost / Income ratio CIB activities** (1H11)



- Headcount has been reduced since 2008
- Limited and targeted new hires to re-balance capabilities – centrally reviewed and signed off
- Selective investments in Financial markets and PCM to improve capabilities

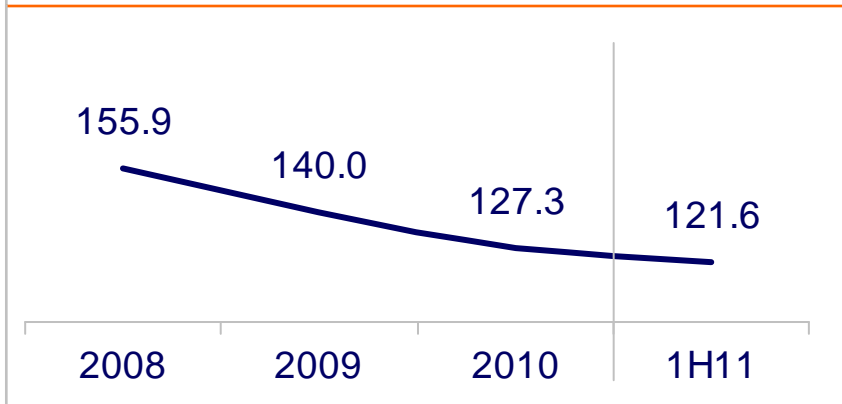
* ING Commercial Banking excluding Real Estate

** CIB activities refers to Investment Banking (UBS, CS), Corporate & Investment Banking (DB, Barclays, SocGen, BNPP), Commercial Banking (ING) and Global Wholesale Banking (Santander)

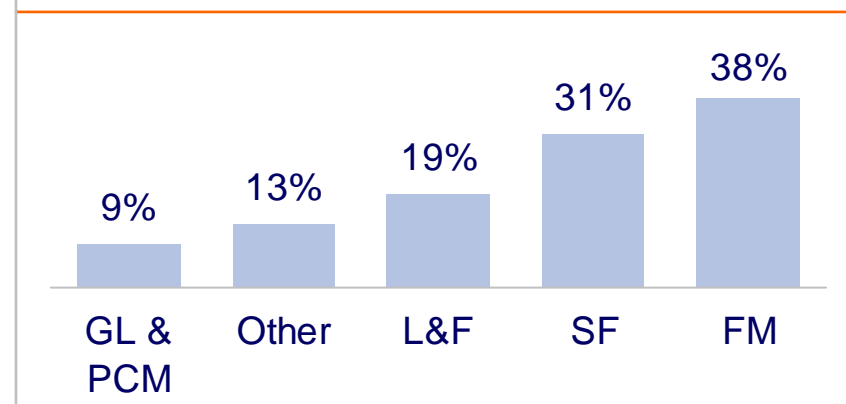


Commercial Banking RWA will continue to be managed prudently

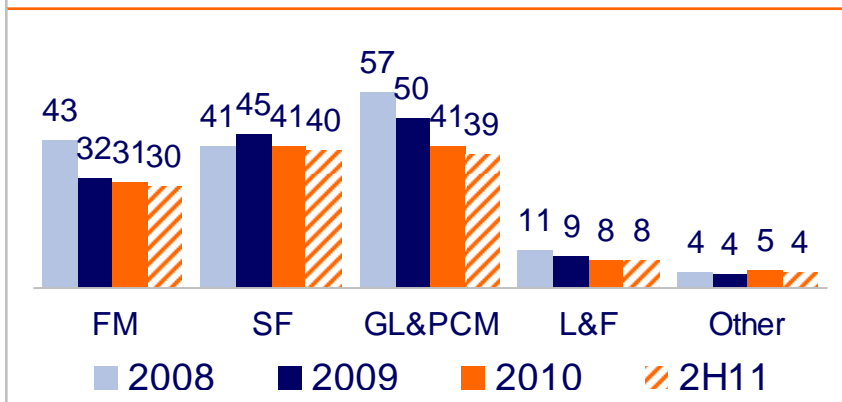
RWA* (EUR bln)



RoE 1H11 by product (%)**



RWA per product (EUR bln)



- Risk-weighted assets and lending assets declined significantly in 2008-2010, particularly in General Lending.
- Going forward, Commercial Banking will continue to allocate capital to core markets such as the Benelux and CEE and high return global businesses such as Structured Finance and Financial Markets

* ING Commercial Banking excluding Real Estate

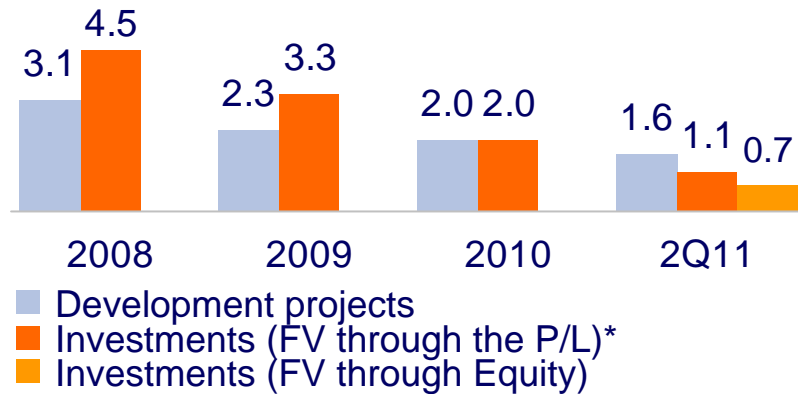
** Return on Equity = Underlying after-tax return divided by equity based on average 7.5% core Tier 1 ratio (annualised)



ING Real Estate

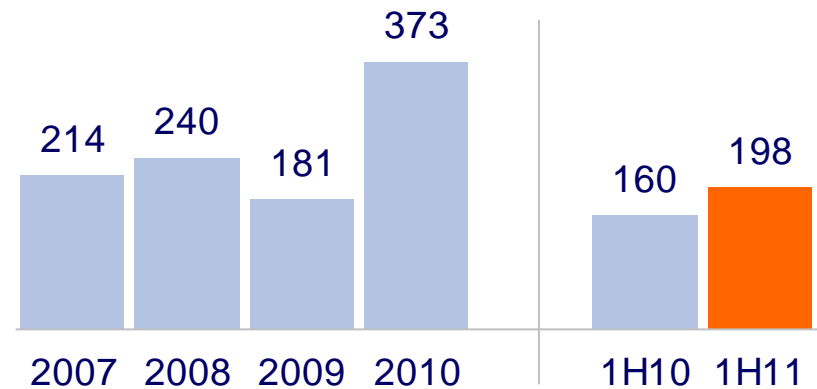
Exposure on development projects and investments (FV through P/L) has declined sharply

Exposure on development projects and investments reduced (EUR bln)



- Summit, part of the investment portfolio (FV through P/L), was sold in 4Q10
- REIM has been sold. Following the closure of one part of the REIM transaction (sale of Clarion Partners), ING has reclassified EUR 0.7 bln of RE investments from 'FV through P/L' to 'FV through Equity'
- RE investments and development projects will be further reduced over time in a controlled manner

Underlying result before tax REF (EUR mln)



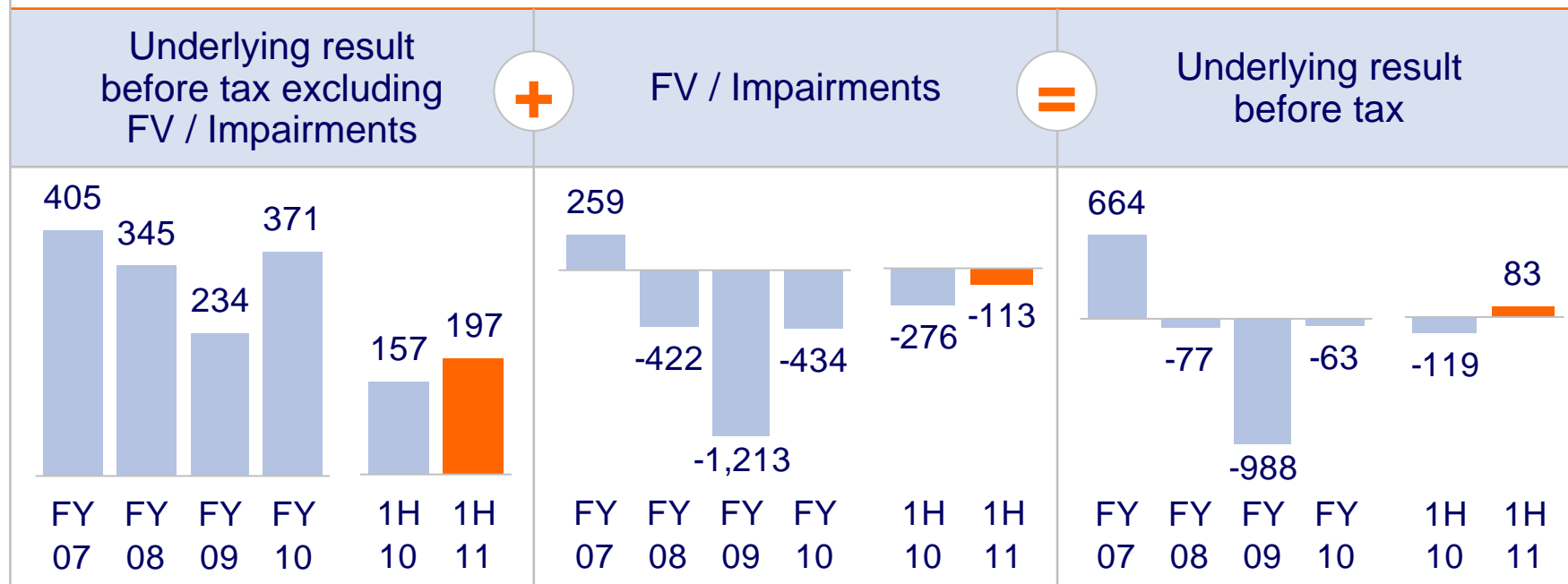
- REF performed well during the crisis although markets remain unstable
- REF remains core to the Bank
- During the crises the portfolio was held stable at approximately EUR 35 -37 bln
- Risk costs remained limited despite turbulent market circumstances

* 2008 and 2009 is including Summit (EUR 1 bln and 0.7 bln respectively)



Improved ING Real Estate performance driven by lower FV changes on Investments and lower RED impairments

ING Real Estate results* (in EUR mln)



- ING Real Estate was severely hit by Fair Value changes and Impairments, while operational result remained positive thanks to REF and REIM FEE.
- Substantial amount of losses on FV related to investments (FV through P/L)
- Pre-tax result ING Real Estate turned positive again in 4Q10 and stayed positive 1H11

* The results are excluding Summit that was sold in 4Q10. The results in 2008-2010 have been restated accordingly. Underlying result before tax incl. Summit was EUR -297 mln in 2008, EUR -1,389 mln in 2009 and EUR -43 mln in 2010.



Wrap up

Wrap up

- Bank is making good progress on Ambition 2013
- Bank has strong capital ratios
- Commercial Banking performed well during the crisis and is well positioned for the future
- ING Real Estate exposure has declined significantly

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 2Q2011 ING Group Interim 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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