



Taking ING Back to Basics

Strategic Update

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CEO-Designate
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Change programme

Strengthen financials and navigate through the crisis

- Reduce costs
- Manage and reduce risk and capital exposures
- De-leverage balance sheet (reduce assets, preserve equity)

Focus on fewer, coherent and strong businesses

- Review portfolio of businesses
- Reduce number of markets in which ING operates
- Simplify the group

Invest to reinforce franchises in markets we focus on

- Drive operational and commercial excellence
- Consolidate positions using acquisitions where needed
- Continue to adapt to customers' needs

Build a stronger organisation

- Steer on operational and commercial performance with clear accountability
- Outward-looking and responsive to customer needs
- Simplify governance, further strengthen Finance & Risk, and reduce complexity

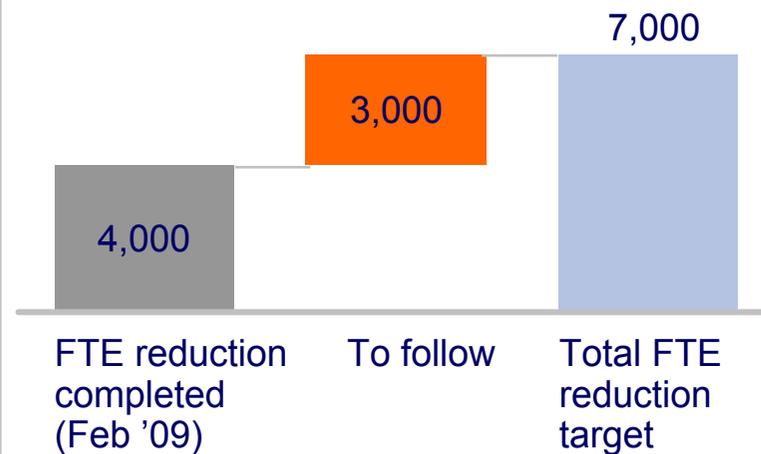


Cost reduction on track to realise EUR 1 billion in 2009

Operating expense reduction

- Cost reduction on track to realise EUR 1 billion in 2009
- More than half of expected 7,000 FTE reduction has already been achieved

FTE reduction



Further cost reduction being investigated by steering towards operational and commercial excellence and review of staff functions

De-risking measures are on track

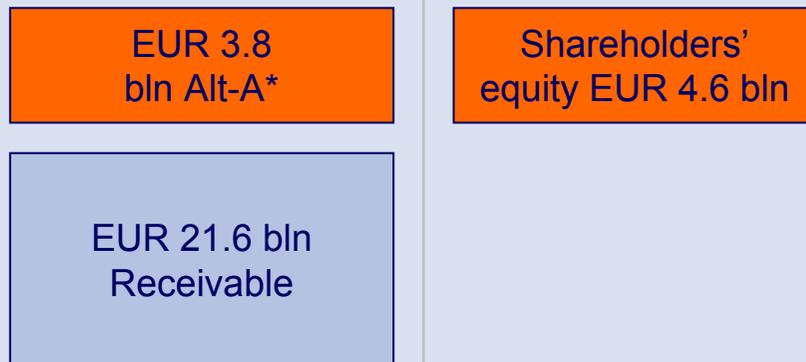
Direct equity exposure reduced (EUR bln)



Interest rate risk reduced

- Sale of Taiwan Life business eliminated largest single exposure to interest rates
- In Europe, duration of assets has been lengthened to approximately 9 years, matching liabilities

Alt-A exposure reduced by 80%



* = fair value of the EUR 5.5 bln amortised cost retained by ING
 Note: USD/EUR = 1.3

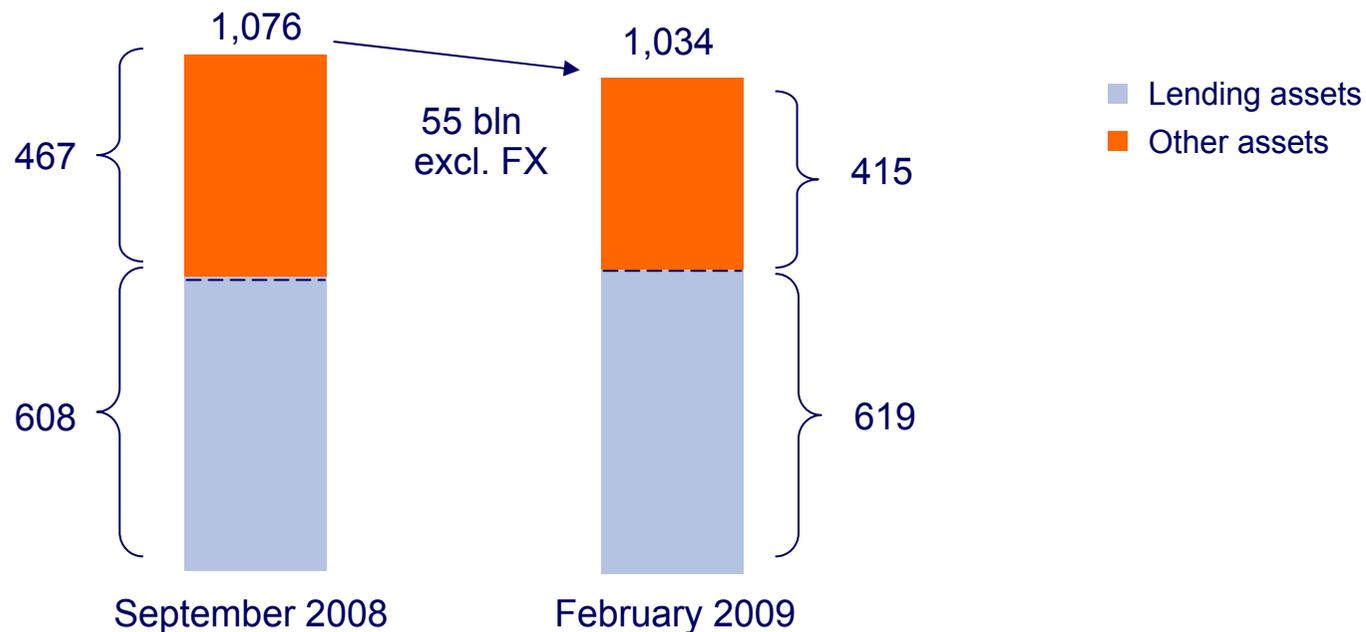
Additional measures underway

- Reclassification of CMBS, RMBS and covered bonds reduced accounting risk and volatility of IFRS equity (EUR 22 bln in January)
- Financial institutions exposure being gradually reduced
- Reducing investment portfolio at ING Direct and shifting to ING-originated assets
- Further tightening underwriting criteria



De-leveraging: Half of 10% B/S reduction target has been realised

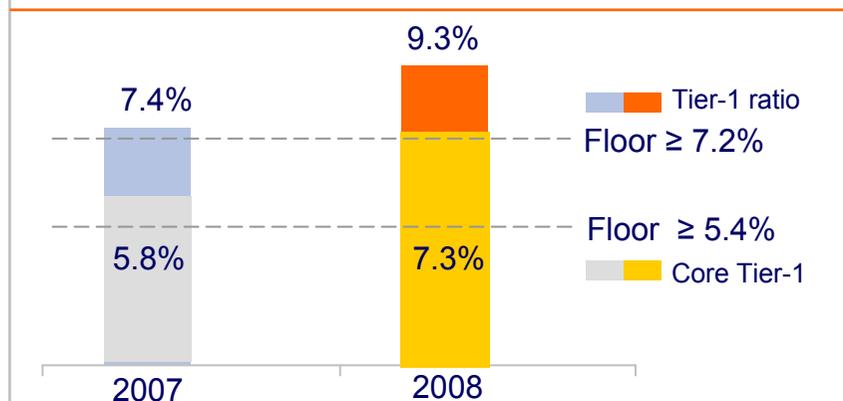
Realised asset reduction at ING Bank (EUR bln)



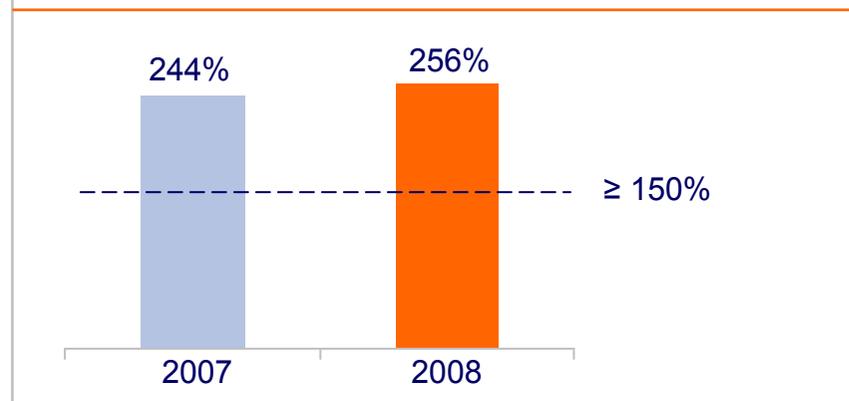
EUR 55 bln of the promised EUR 110 bln reduction has been realised so far. The 10% target reduction will result in EUR 130 mln reduction in earnings. A second wave of B/S reduction is being investigated.

ING's capital and solvency ratios are within target

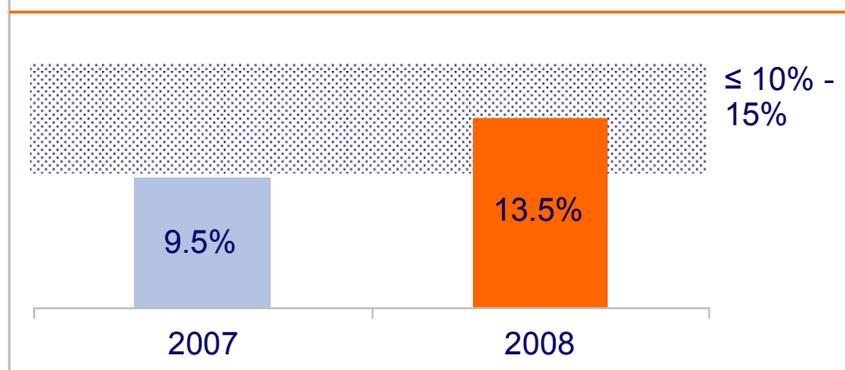
ING Bank Tier-1 ratio



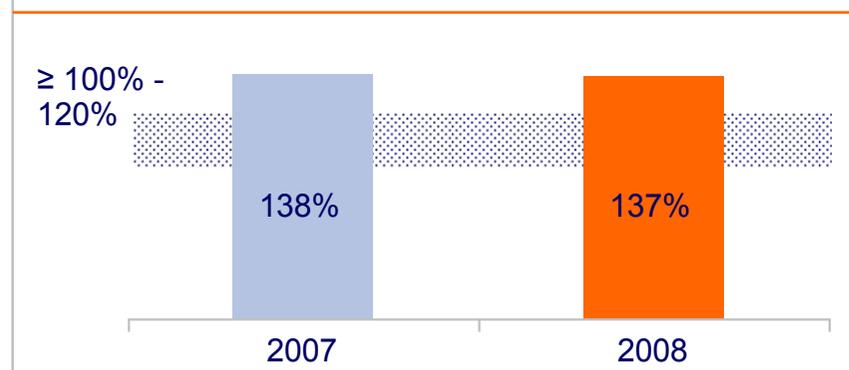
ING Insurance capital coverage ratio



ING Group D/E ratio



ING Group AFR/EC



--- Floor Target area



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Crisis is fundamentally changing the financial services industry

Less Risk Taking

- Economies will deleverage
- Individuals will save more
- Lending will be done on more prudent terms
- Increased demand for easier products and services

More Regulation

- Significant tightening in the regulatory environment already under discussion
- Increased constraints on borrowing, intervention, auditing

More Local

- Banks will be required to be more balanced in each individual country
- Shift in legal structures from branches to subsidiaries
- Risk of excess capital and liquidity being trapped in local subsidiaries

Higher Capital Needs

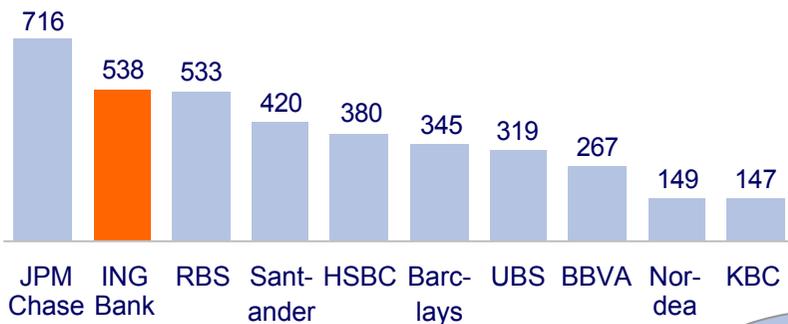
- Regulators will likely start demanding higher solvency for both banks and insurers
- Should recognise different types of risk and business models



All of the above will put pressure on returns. We need to choose where we have the scale and franchise strength to succeed in this environment. Banks and Insurers will need to 'industrialise' and operate on much lower costs in order to thrive.

ING has a number of key strategic advantages in this new environment

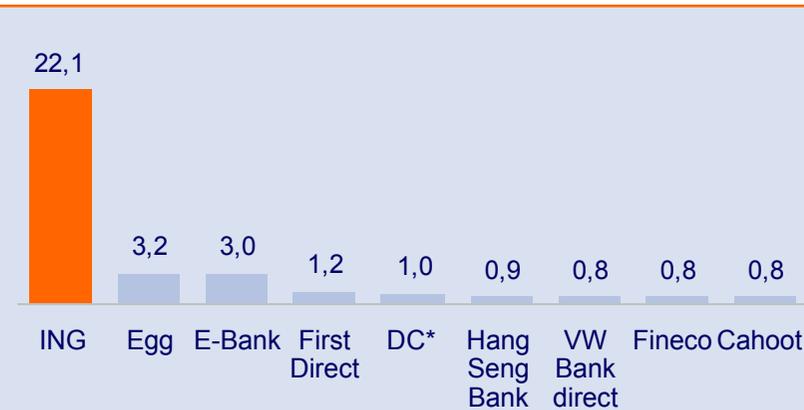
One of the largest savings banks (customer deposits EUR bln, 2008)



A favourable customer loan-to-deposit ratio (%, 2008)



Direct marketing & internet expertise (number of customers mln, 2008)



~85 million customers

Cost-efficient operator (opex/customer balances %, 2008)



* Daimler Chrysler



...but we need to focus and reduce complexity

Focus on Leadership Positions

- Focus on leadership positions and attractive growth options
 - Banking Benelux, key countries in Central Europe
 - Strong franchise in Direct Banking
 - Life & Retirement Services in Netherlands, US, Central Europe & Latin America, Asia

Reduce Complexity

- ING has more than 70 individual businesses
- Active in 48 countries
- Wider range of activities than almost any other institution
- Insufficient integration between businesses

Reduce Over-Extension

- ING has a number of small businesses with no clear outlook for market leadership
- Smallest units consume a disproportionate amount of Group capital



Focus on fewer, stronger franchises that form a coherent Group

Portfolio has been assessed on six filters...

Strategic Priorities

- Build on strong positions and focus on markets where we have franchise strength
- Reduce geographic and business scope over time
- Create a company based on fewer, coherent and strong franchises

Financial Priorities

- Further strengthen financial position by preserving capital
- Reduce exposure to high financial risk businesses
- Re-allocate capital from lower-return and riskier businesses



Portfolio assessed based on six filters

- Leadership positions in their markets
- Overall coherence of the Group
- Earnings contribution and volatility
- Capital intensity
- Returns on capital
- Funding needs

...and we reached the following conclusions

Conclusions

- We had indicated that we would make divestments with proceeds of EUR 2-3 billion over the coming 18 months. EUR 1.4 billion was achieved with sale of ING Canada
- Following the strategic review, divestments are now expected to total EUR 6-8 billion, with additional divestments to be executed over the coming 3 to 5 years
 - Total of 10-15 businesses to be divested over time
 - Expected to free up EUR 4 billion in surplus capital



- Divestments will be pursued as market conditions permit
- Potential to accelerate if necessary to reinforce capital if markets deteriorate sharply

We are taking decisive actions now to reduce complexity and risk

Reduce complexity:

- Operate Bank and Insurer separately under one Group umbrella
- Manage the Bank with one management team and an integrated balance sheet
- Accelerate transformation of Wholesale Bank into a Commercial Bank
- Real Estate Finance and Development will become part of Commercial Bank
- Manage the Insurer regionally
- Narrow focus in US Insurance to Life & Retirement Services
- Create a Global Investment Manager, including ING Real Estate Investment Management

Risk reduction:

- Variable and Fixed annuities in the US will transition to a new generation of low-risk roll-over products
- Financial Products division in US will be reduced as assets mature
- Manage down capital exposure at Real Estate Development and Real Estate Investment Management

Strategy: Predominantly a European Bank

ING's banking activities will be based on its proven strengths: gathering savings, distribution leadership, simple propositions and strong marketing and generating assets

Retail Banking

- Benelux: Leading internet-first bank focused on capturing further scale and efficiency gains
- CEE: Attractive positions managed for growth

ING Direct

- Number 1 Direct Bank
- Focus on markets with potential to reach significant scale
- Integrate balance sheet

Commercial Banking

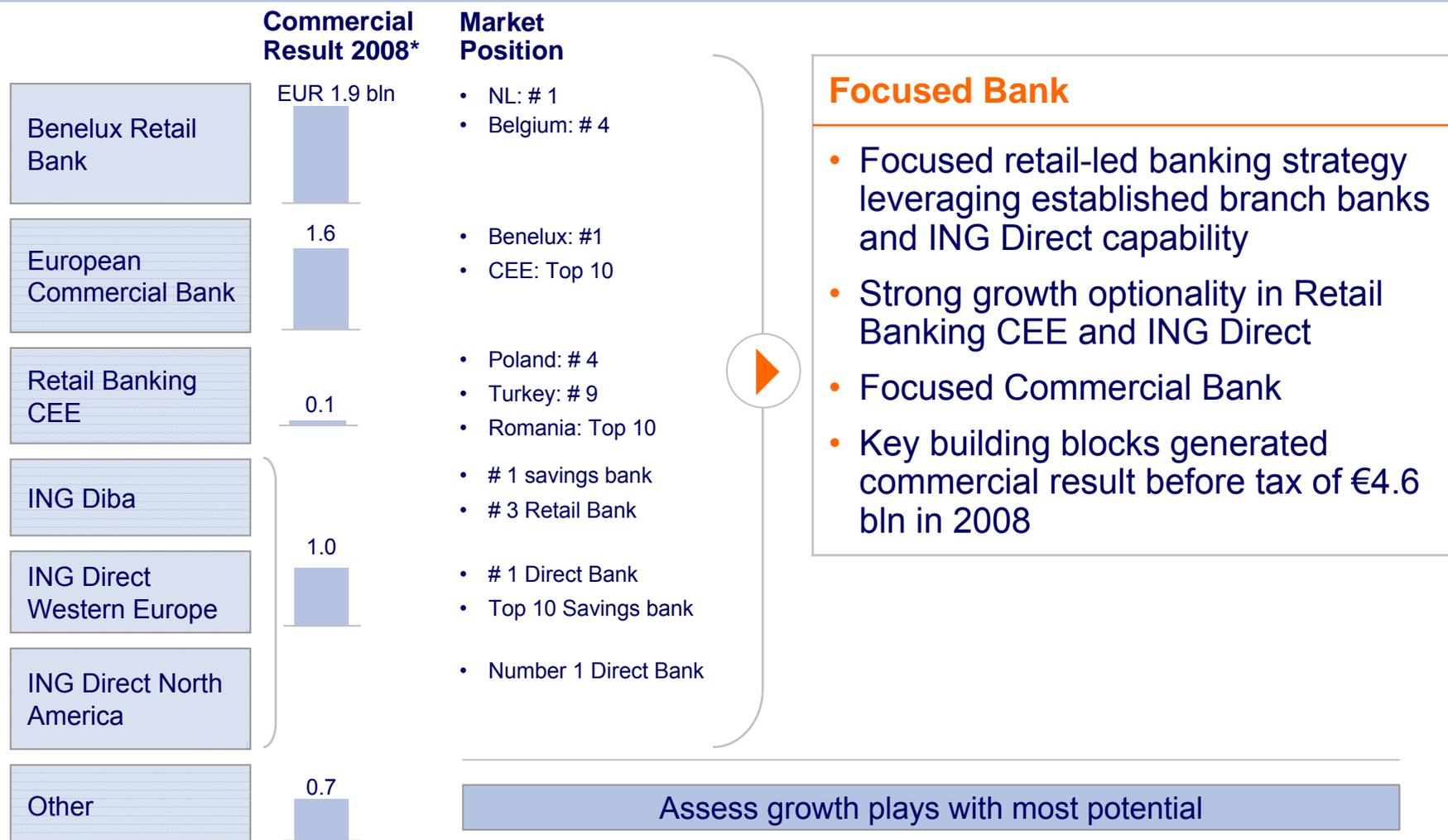
- Focus Commercial Bank mainly on Benelux and CEE
- European PCM, Specialised Finance and Financial Markets player
- Reduce international footprint



One Bank, One management team, One balance sheet
Focused primarily on Europe with selective growth options elsewhere



ING Bank – The key building blocks



* Commercial Result excludes impairments, fair-value changes and other market-related items as well as loan loss provisions



Strategy: Global Insurer in Life & Retirement Services

ING's insurance business will leverage its expertise in life and retirement services, focusing on long-term structural leadership positions

Benelux

- Sustain leadership by streamlining operations and investing in clients

US

- Focus on Life & Retirement Services
- Annuities will be transitioned to new low-risk roll-over products

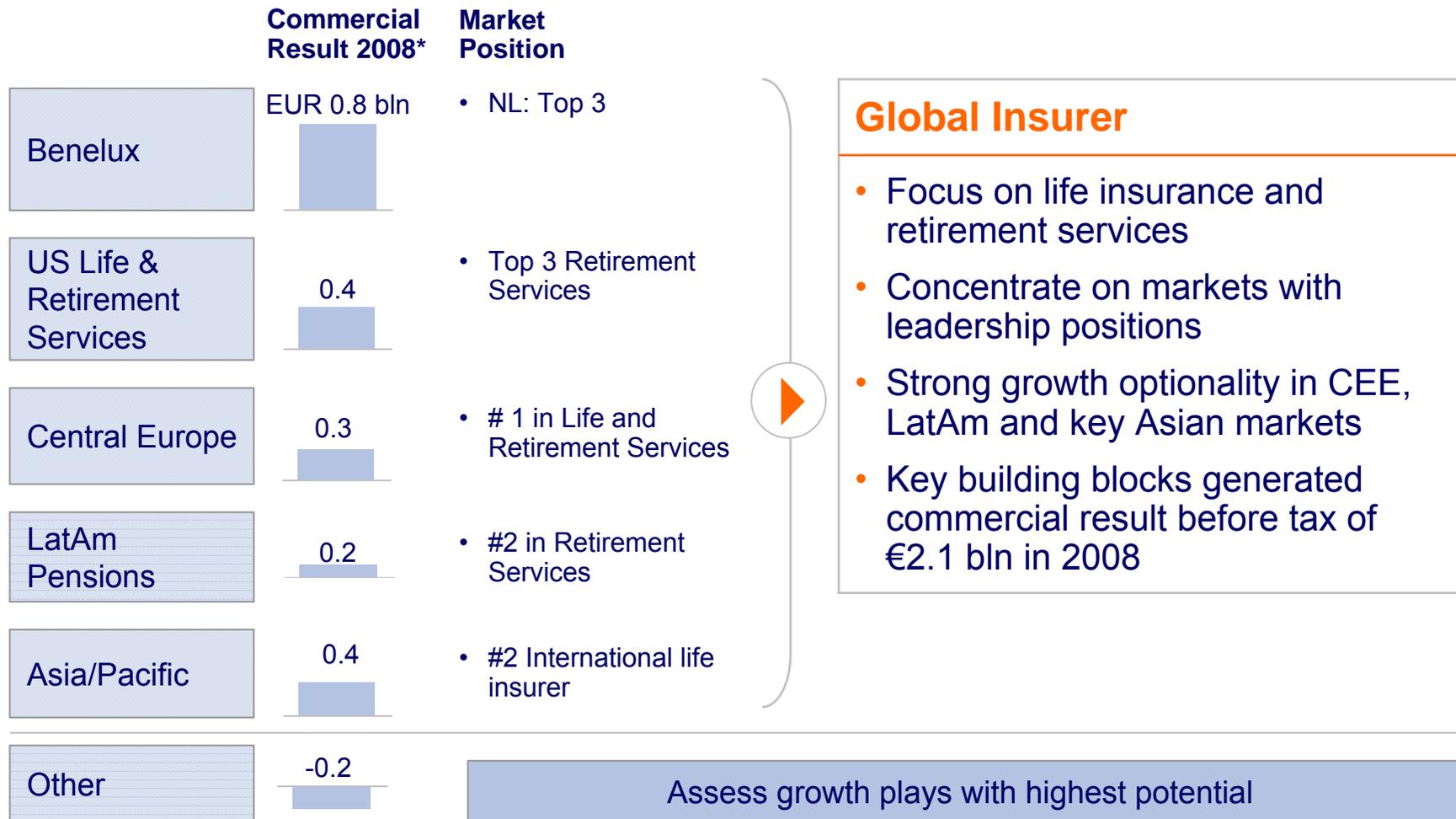
Growth markets

- Sustain leadership positions in Central Europe, Latin America, key Asian markets



One Insurer managed regionally with substantial growth options

ING Insurance - Key building blocks



* Commercial Result excludes impairments, fair-value changes and other market-related items



End result: A focused Group with substantial earnings power and growth options

Focused market presence

of businesses



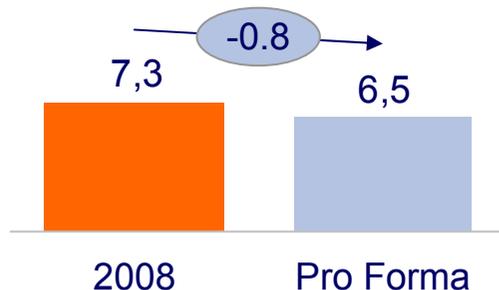
Significant capital release

Expected capital upstream from divestments



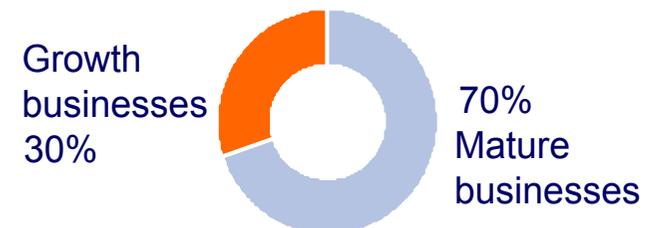
Limited impact on earnings power

Commercial Result 2008, EUR bln

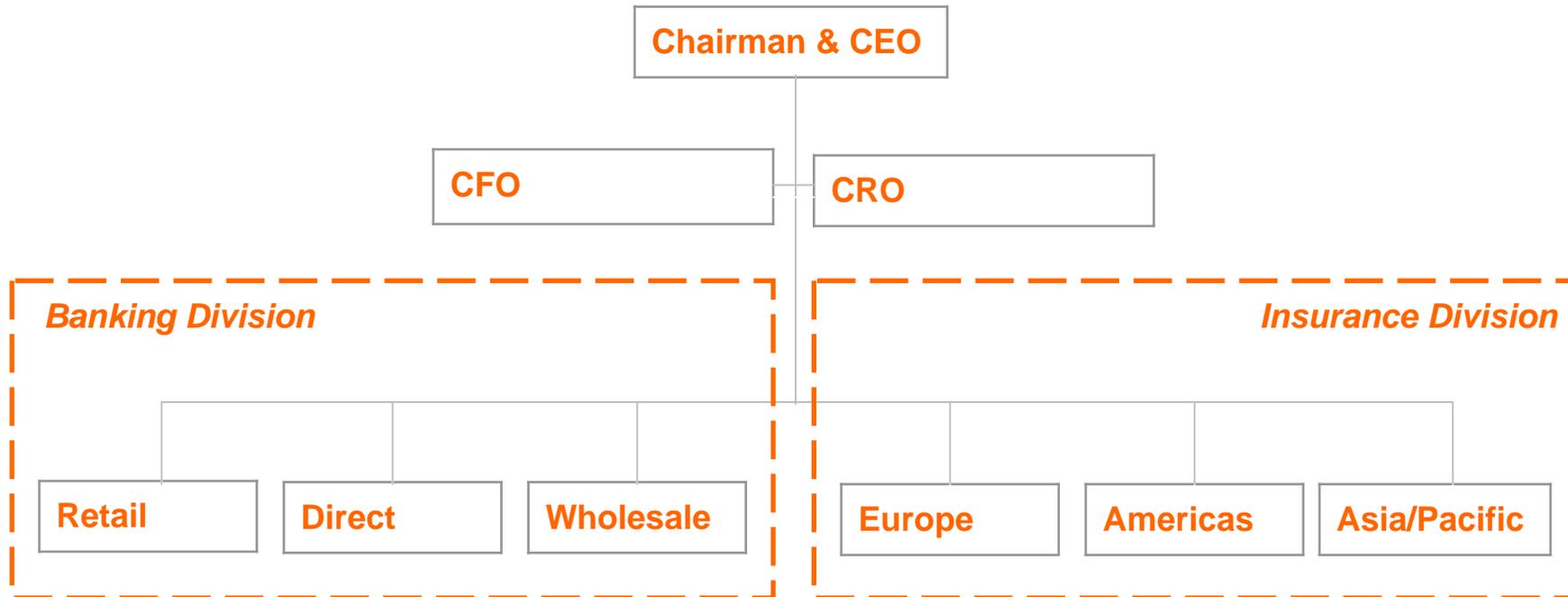


Significant growth potential

Commercial Result of key building blocks 2008, pro forma

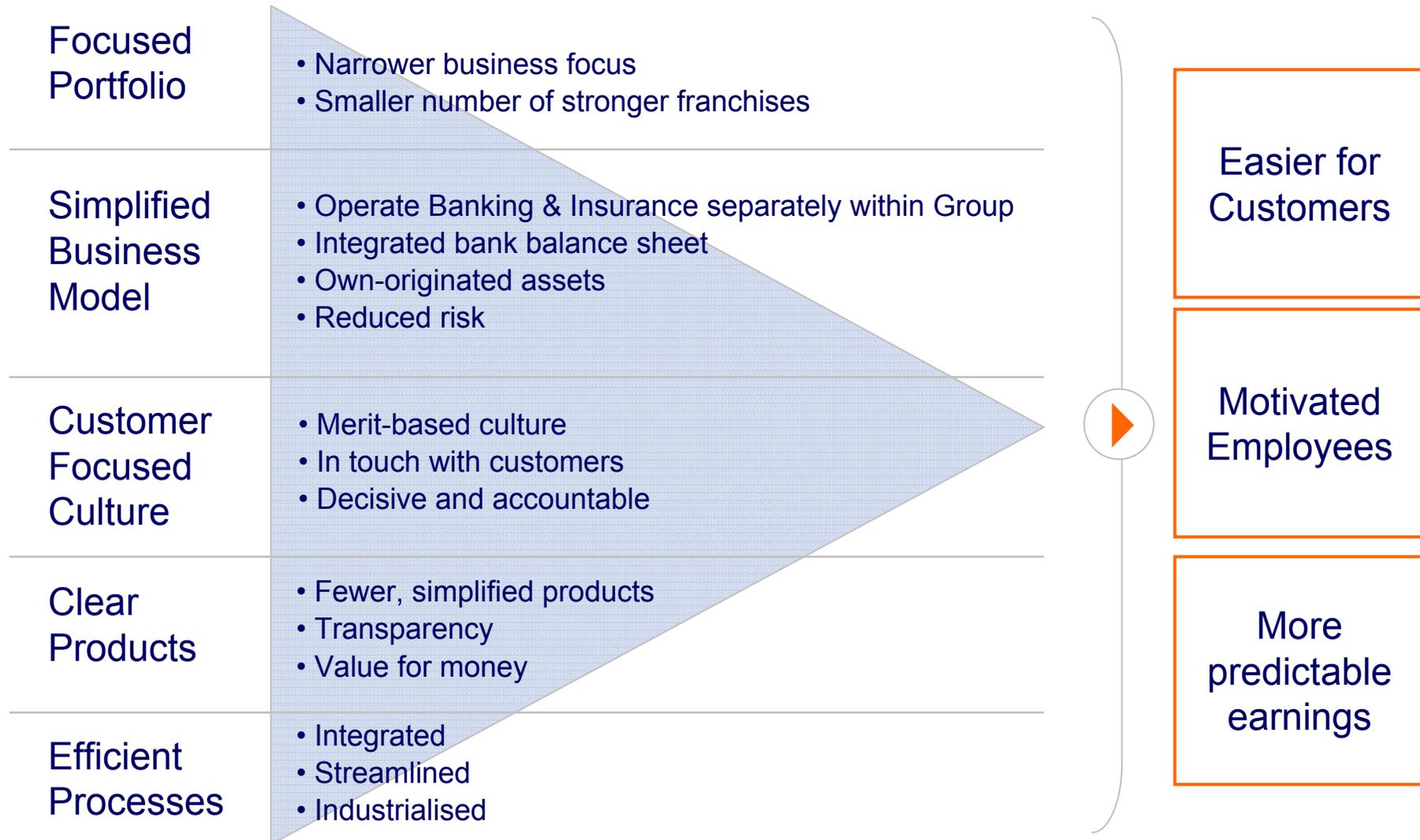


We will adapt our governance model to our strategy



- One Banking Division, One Insurance Division, responsible for strategy, execution and balance sheet
- Rigorous monthly performance reviews from top and reinforced accountability
- Strengthen mandates of the Finance and Risk functions to enable stricter controls
- Position of Global Investment Manager to be determined

We are going to take ING back to basics on all levels



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