

Acquisition of pension business in Latin America

Analyst Presentation
July 2007

www.ing.com

ING's growth strategy

- ING is a leading provider of Wealth Management and Retirement Services products
 - Savings, mortgages, insurance, pensions and investments
- The key business capabilities underpinning our growth are
 - Distribution reach
 - Product capabilities
 - Brand
- ING's strategy has been driven by generating capital and allocating capital to markets where we can generate high returns and growth
- In addition to funding organic growth, we also seek opportunities to make bolt-on acquisitions in fast developing markets
 - The acquisition of Santander's pension businesses in Latin America demonstrates ING's ability to allocate capital to high growth markets
 - The acquisition will be financed from internal resources and has no impact on the share buyback program

Key points

- ING to acquire Santander's pension businesses in Chile, Mexico, Colombia and Uruguay
- ING will become 2nd largest pension fund manager in fast growing Latin American market
- Acquisition pursues ING's strategy to expand life insurance and retirement services business in developing markets:
 - 2nd largest foreign life insurer in Asia Pacific and 2nd largest foreign asset manager in Asia Pacific (ex-Japan)
 - 1st largest life insurer and pension fund manager in Central Europe
 - 2nd largest pension fund manager in Latin America
- This is a transformational transaction for ING Latin America positioning it as a leader in retirement services in Latin America, providing scale in existing markets and access to attractive new markets
- Transaction doubles ING's pension fund AUM* in Latin America and ING targets doubling again pension fund AUM in Latin America in 2008 - 2011

* AUM based on proportional ownership of pension fund companies in Latin America



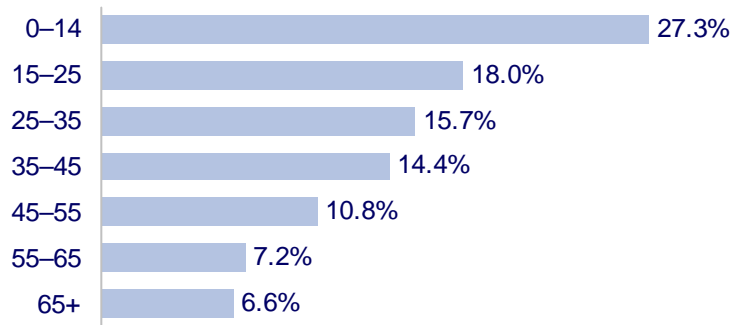
Transaction highlights

- Cash purchase price of USD 1.3 billion (EUR 960 million)*
- P/E multiple of 15.1 on 2006 earnings
- EPS effect negligible in 2008 and accretive from 2009 onwards (before amortisation of intangibles)
- Impact on D/E ratio Group approximately 160 bps
- No impact on share buyback program
- Transactions are subject to various national regulatory approvals, expected to close during the end of 2007 and in early 2008
- ING is in the process of negotiating the purchase of Santander's pension and annuity business in Argentina

* EUR/USD = 1.374 (25 July 2007)

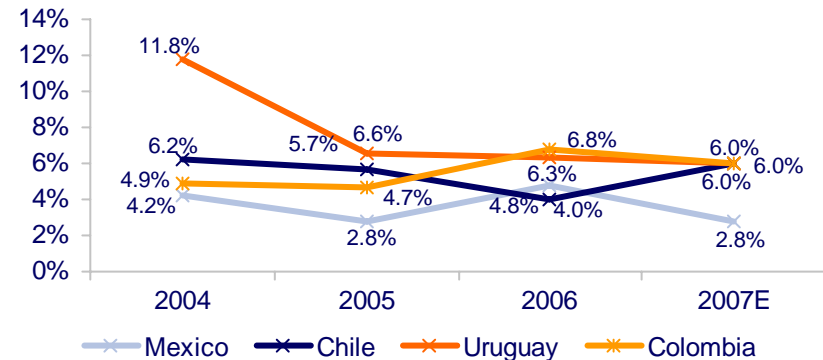
Attractive demographics and strong economic growth have driven macro improvement in region

Relatively young populations should drive future growth in these markets (expectations by 2010)



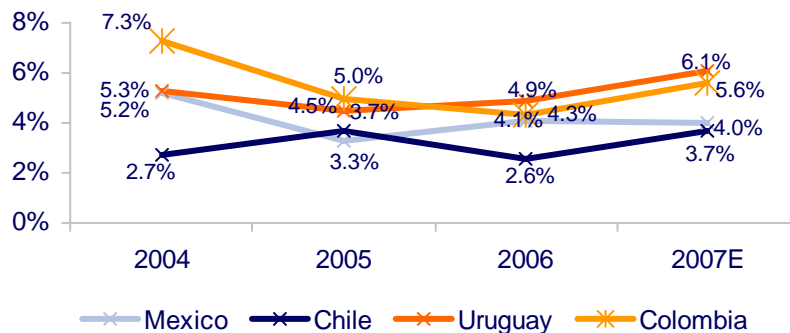
Source: ECLAC for Mexico, Chile, Colombia and Uruguay

GDP continues its consistently strong growth



Source: JPMorgan, MacData

Inflation is under control



Source: JPMorgan, MacData

Country credit ratings show positive momentum

Country	Credit rating		Int'l reserves		Ext. debt / res.	
	2001	2006	2001	2006	2001	2006
Brazil	B+	BB	35.7	85.6	6.4x	2.3x
Chile	A-	A	14.4	19.4	2.7x	2.3x
Colombia	BB	BB+	10.2	15.3	3.9x	2.5x
Mexico	BB+	BBB	44.7	76.3	3.6x	2.2x
Uruguay	BBB-	BB-	2.6	3.0	2.6x	3.0x
Peru	BB-	BB+	8.7	16.7	3.2x	1.8x

Source: JPMorgan

Note: Standard & Poor's foreign currency long-term credit rating as of December of each year



Latin America pension business has grown rapidly

Pension fund AUM and income in 2003-2006

(in EUR mm)	2003	2004	2005	2006	CAGR/Avg
Chile					
AUM	41,507	47,674	53,913	66,404	17.0%
Fee income	470	503	574	637	10.7%
Mexico					
AUM	27,619	32,936	40,473	49,949	21.8%
Fee income	889	958	1,003	994	3.8%
Colombia					
AUM	8,873	11,257	15,739	18,025	26.6%
Fee income	161	218	260	306	23.9%
Uruguay					
AUM	934	1,271	1,637	1,960	28.0%
Fee income	10	12	16	19	23.5%
Total					
AUM	78,933	93,138	111,762	136,338	20.0%
Fee income	1,530	1,692	1,853	1,956	8.5%
Fee income ex-Mexico	641	734	850	963	14.5%

Source: Superintendencies of respective countries

Note: All figures shown at 2006 FX rates.

Latin American pension growth drivers

1. Regulation

- mandatory pension fund contributions (typically 6-11% of wages)
- pension reforms broaden the system, incorporating new participants (e.g. self-employed, parts of informal economy, government employees)
- government provides incentives to increase voluntary savings in order to generate higher salary replacement rates upon retirement

2. Economic growth: triggering strong wage and pension AUM growth

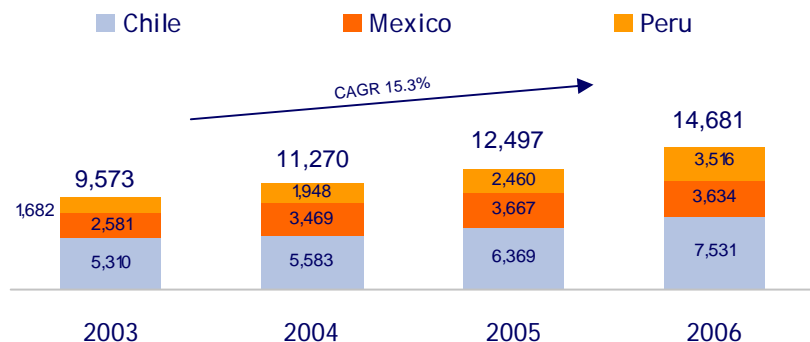
3. Demographics: young population will drive future participation in (mandatory) private pension funds

Market growth should result in substantial AUM growth, increasing profitability, esp. in those countries which allow fees on AUM

ING's global asset management strengths complements the increased allocation of international investments within portfolios

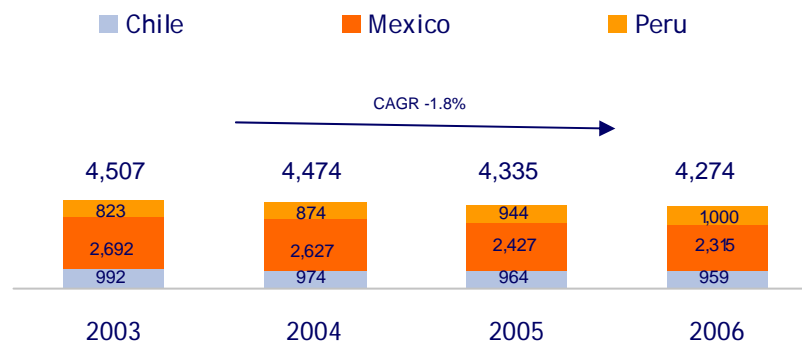
Historical performance of ING's pension business

Assets under management (EUR mm)



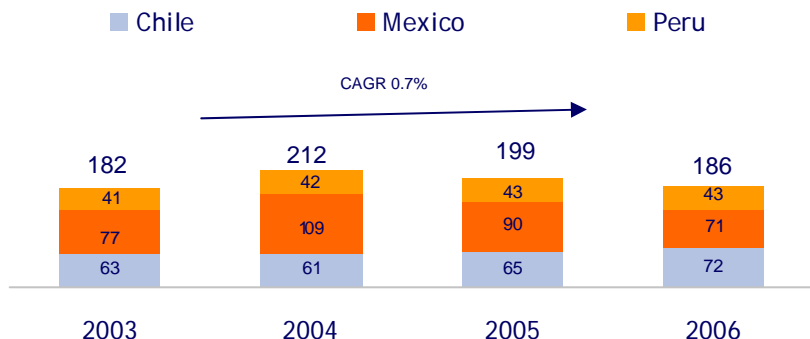
Note: Excluding Mexico, CAGR for the period is 16.5%

Number of pension customers ('000s)



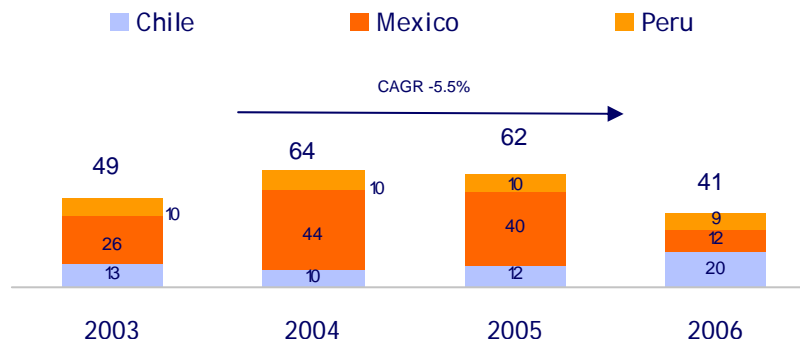
Note: Excluding Mexico, CAGR for the period is 2.6%

Fee income (EUR mm)



Note: Excluding Mexico, CAGR for the period is 3.2%

Net profit (EUR mm)

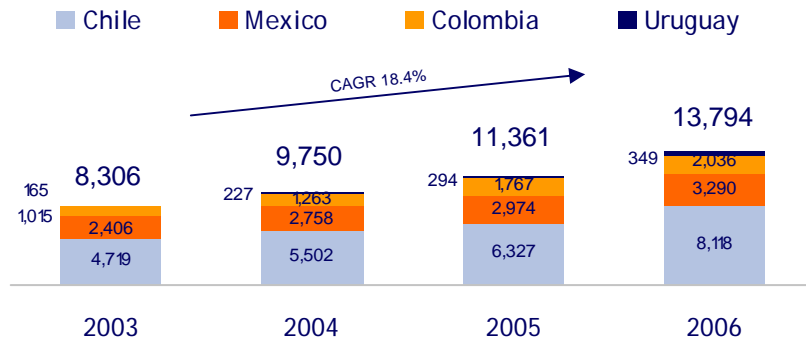


Note: Excluding Mexico, CAGR for the period is 8.0%

Note: All figures shown at 2006 FX rates

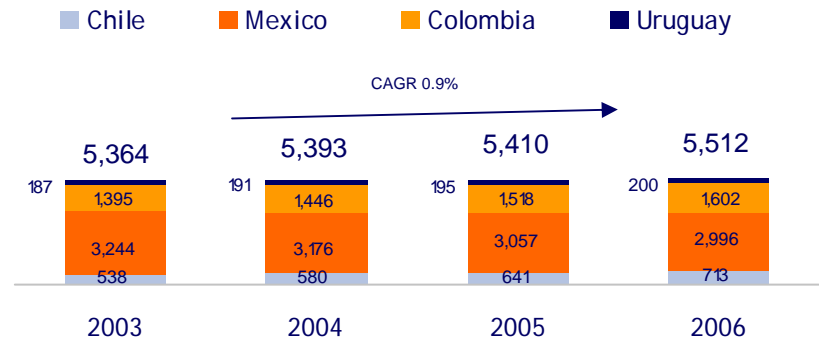
Historical performance of Santander's pension business

Assets under management (EUR mm)



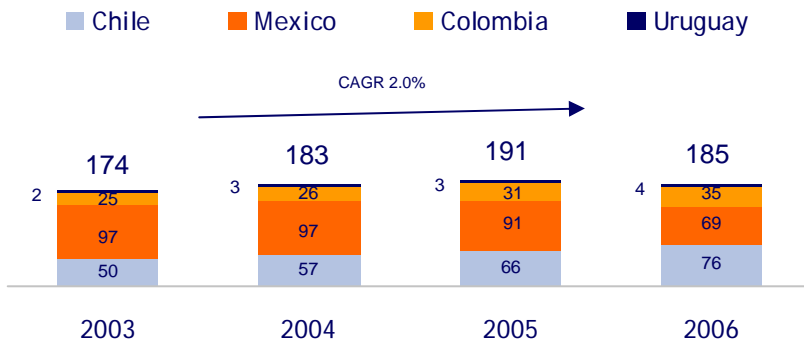
Note: Excluding Mexico, CAGR for the period is 21.2%

Number of pension customers ('000s)



Note: Excluding Mexico, CAGR for the period is 5.9%

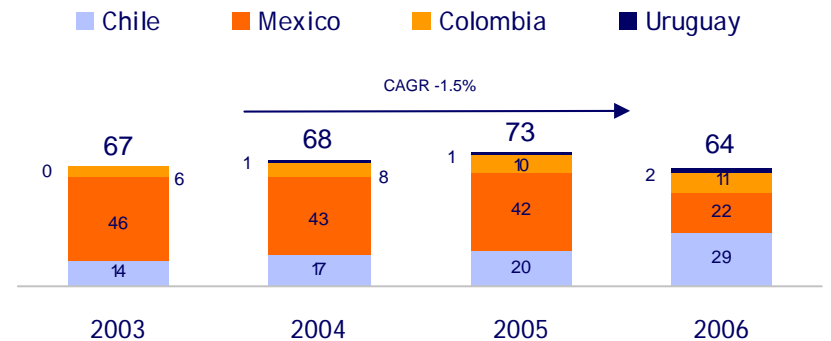
Fee income (EUR mm)



Note: Excluding Mexico, CAGR for the period is 14.6%

Source: Superintendence of Chile, Mexico, Colombia and Uruguay

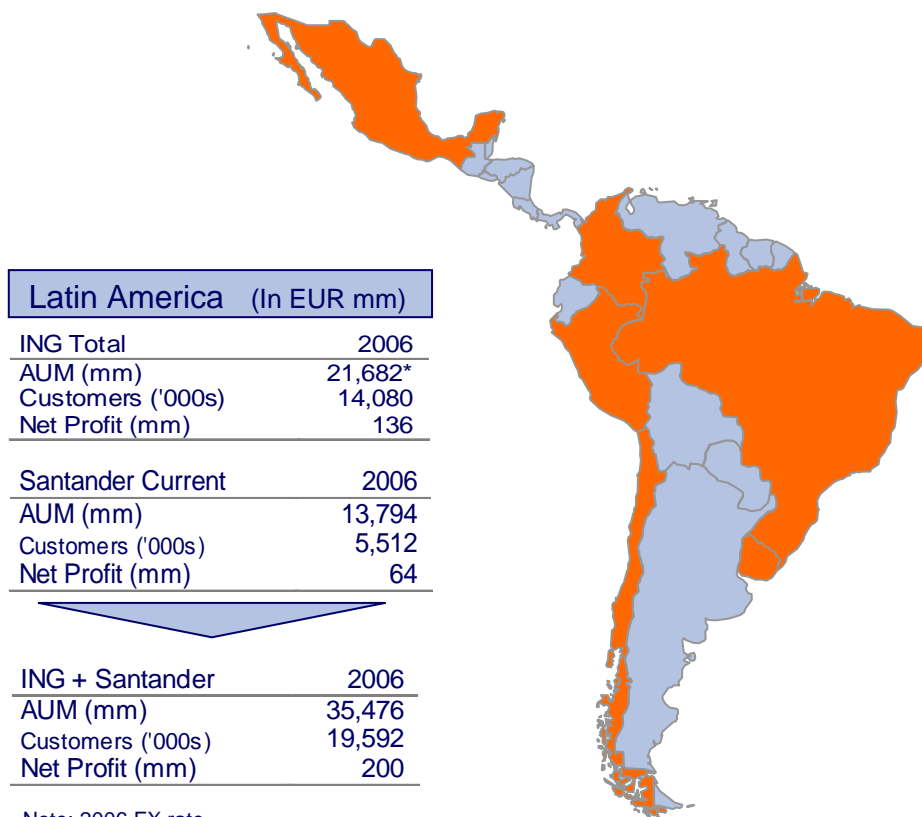
Net profit (EUR mm)



Note: Excluding Mexico, CAGR for the period is 26.4%

Note: All figures shown at 2006 FX rates

Overview of ING position in Latin America



Note: 2006 FX rate

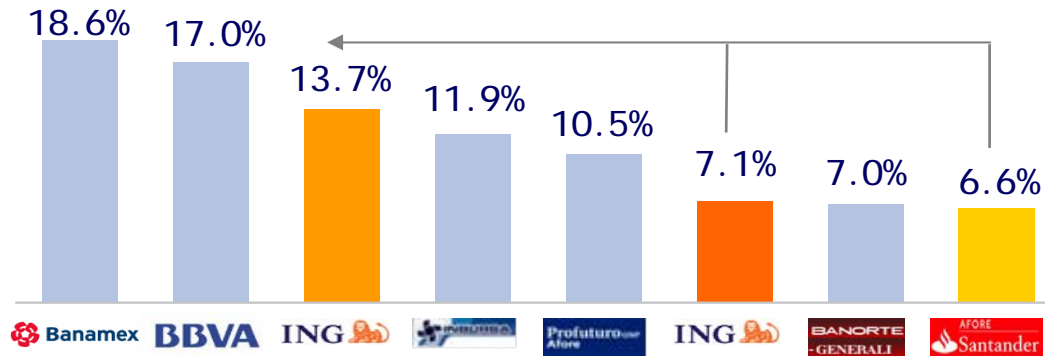
* Of which EUR 14.7 bn pension AUM

2006 Latin America Market position

	ING	ING + Santander
Mexico		
Pension Funds (AUM)	#5	#3
Life (premiums)	#7	#7
Health (premiums)	#3	#3
Auto (premiums)	#3	#3
P&C (premiums)	#2	#2
Chile		
Pension Funds (AUM)	#5	#3
Life (premiums)	#1	#1
Health (premiums)	#2	#2
Colombia		
Pension Funds (AUM)	No presence	#5
Uruguay		
Pension Funds (AUM)	No presence	#2
Peru		
Pension Funds (AUM)	#1	
Life (premiums)	#3	
Mutual Funds (AUM)	#5	
Brazil		
Pension (contributions)	#13	
Life (premiums)	#10	
Health (premiums)	#2	
Auto (premiums)	#2	
P&C (premiums)	#5	

Transaction brings significant scale to ING's current pension businesses

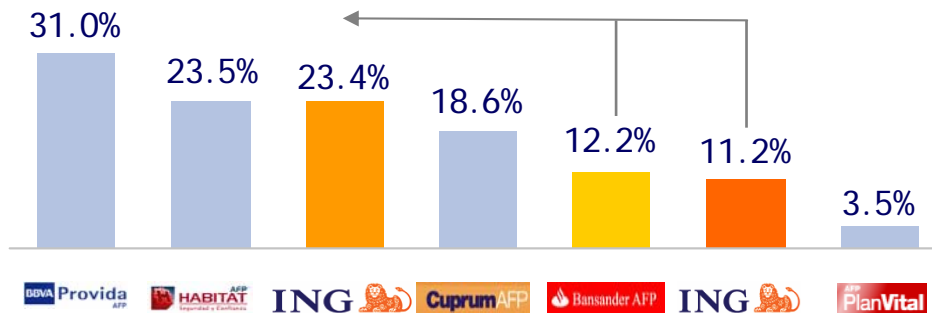
Mexico: AUM market shares



Source: Consar

Transaction will improve ING's position in terms of AUM in Mexico from #5 to #3

Chile: AUM market shares



Source: SVS

Transaction will improve ING's position in terms of AUM in Chile from #5 to #3

Synergies & growth opportunities

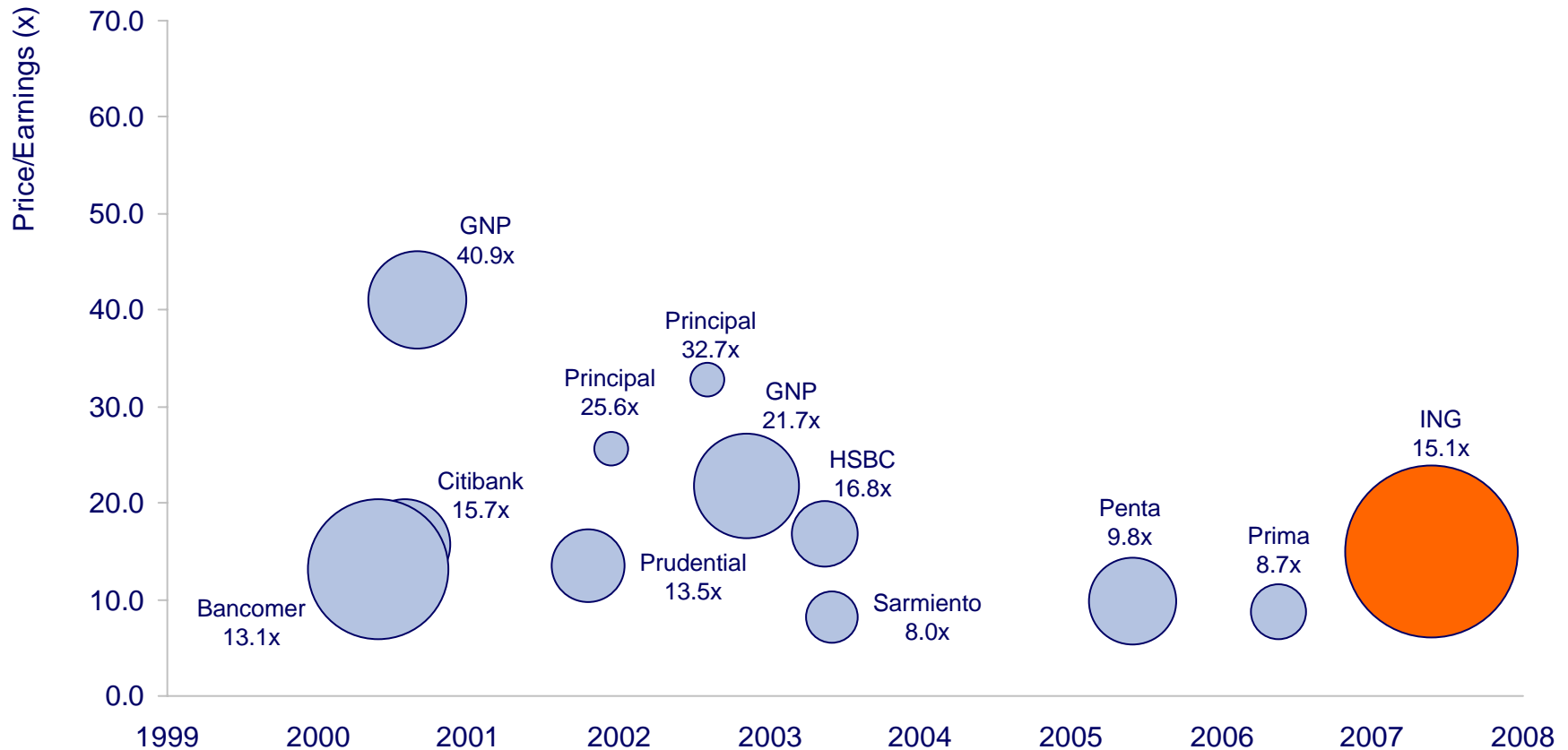
Integration plan

- Execute integration plan generating pre-tax net cost savings in Mexico and Chile of EUR 25 million by 2010. Savings to be driven by reductions in back-offices
- Launch major branding/marketing campaigns in the new markets and enhance current branding activities in existing markets (budget EUR 12 million in 2008)
- ING will leverage its global asset management skills, leadership in pension fund management and strong brand to grow the business and enhance profitability
- ING's pension fund AUM* in Latin America targeted to double in 2008 – 2011, driven by enhanced scale, expertise, distribution capabilities

* AUM based on proportional ownership of pension fund companies in Latin America



Valuation compared to previous transactions



Note: Size of circles corresponds to relative size of purchase price grossed up to 100% ownership

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- Acquisition pursues ING's strategy to expand life insurance and retirement services business in developing markets:
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Appendix

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Latin America pension business has grown rapidly as penetration levels have increased

Brief history of Latin American pension funds

- Private pension system began in Chile in 1981 with a system of mandatory individual savings accounts managed by authorized private pension fund administrators (Pillar II)
- Mid-1990s: Mexico, Peru, Ecuador, Argentina, Colombia and Uruguay adopt similar systems (AFPs/Afores/AFJPs)
- Given Chile's stable macroeconomic environment and its 25 years of pension experience, it has a relatively high penetration level that other countries in the region are expected to trend to over time
- Under these systems, all employees in the formal economy are required to contribute a % of salaries (typically ranging from 6-11%) to their own individual accounts, which are managed by the private pension fund administrators

Fee structure trending toward performance-based system

- Pension fund administrators derive revenues from a fee structure, which in some countries is commission based on a % of contributions but on a % of AUM in an increasing number. Mexico is moving towards a system of fees charged on AUM as of January 2008, which will provide a competitive advantage to players with scale and superior investment returns
- Distribution of pension products in all countries is via large networks of tied agents. Although banks are permitted to participate in many of these markets via subsidiaries, distribution via bank branches has not played an important role in pension sales

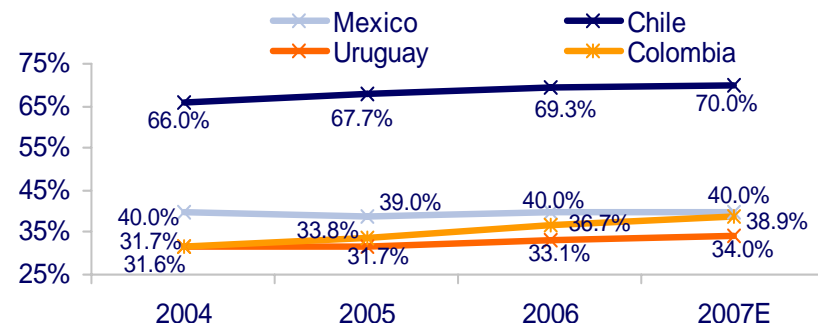
Impressive growth of pension fund AUM and income

(in EUR mm)	2003	2004	2005	2006	CAGR/Avg
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Source: Superintendencies of respective countries

Note: All figures shown at 2006 FX rates

Penetration will improve with economic growth (Pension Fund Clients as % of population between 15-64)

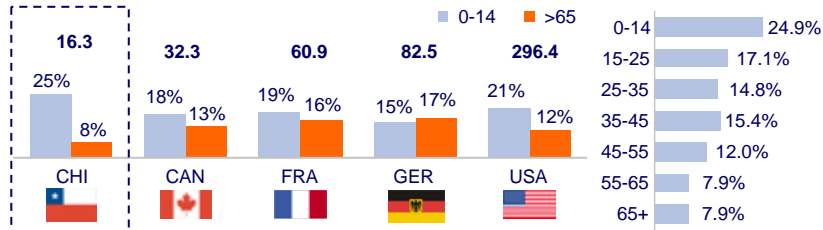


Source: ECLAC and superintendence of respective countries



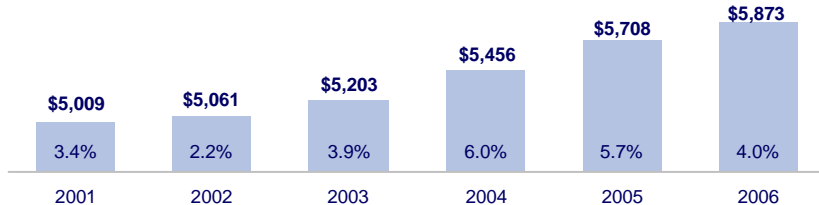
Chile represents the largest and most sophisticated pension fund market in the region

Population age composition—2005



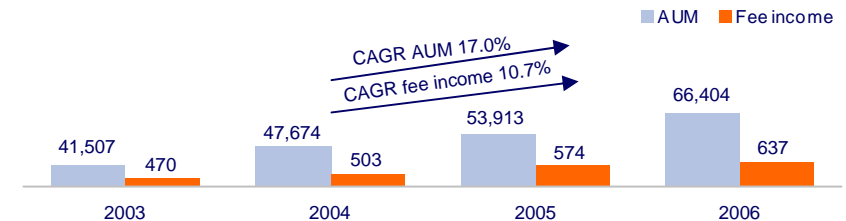
Source: ECLAC

Real GDP per capita and real GDP growth (US\$mm)



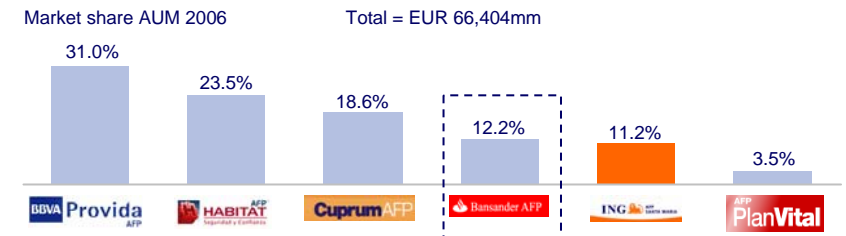
Source: ECLAC

AUM and fee income evolution (EURmm)



Source: SAFP

Market shares



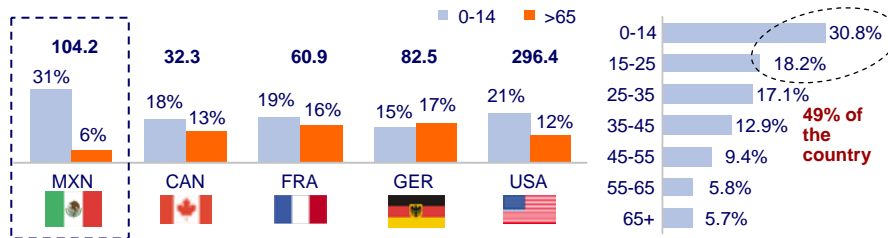
Source: SAFP

- The country was the first to establish a private pension system in South America, and the system has emerged as one of the strongest in the region
- Transaction will bring scale to operations and will target net efficiency gains of EUR 10mm by 2010
- Acquisition increases the number of pension fund clients from 0.97mm to 1.7mm



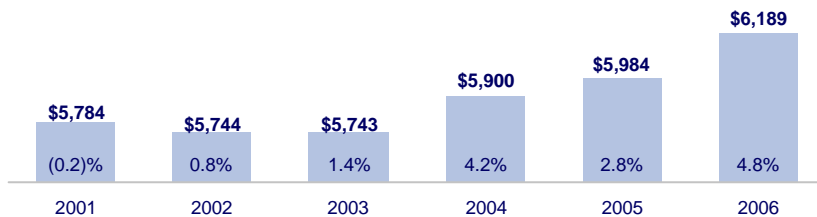
Expansion in Mexico will allow ING to capitalize on increased scale in a young and growing market

Population age composition—2005



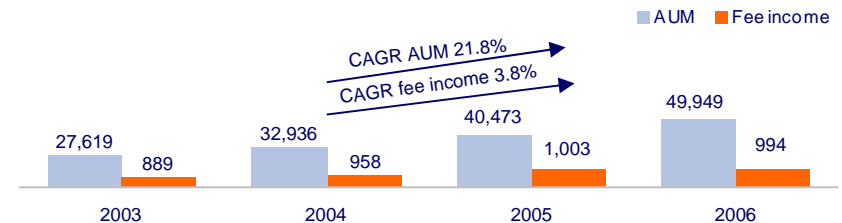
Source: ECLAC

Real GDP per capita and real GDP growth (US\$mm)



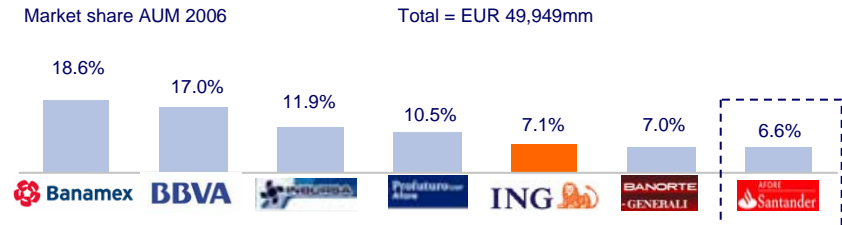
Source: ECLAC

AUM and fee income evolution (EURmm)



Source: Consar

Market shares



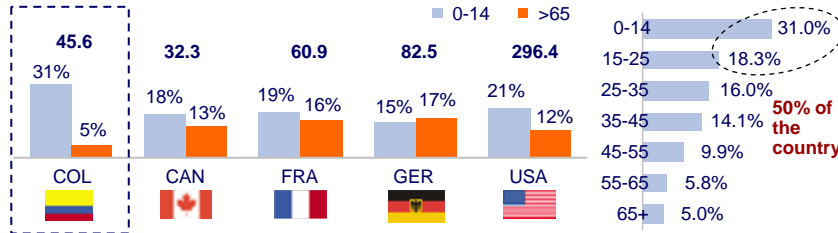
Source: Consar

- Regulatory shift emphasizing performance based commissions and reducing transfers should mitigate the current transfer war and stabilize the market
- Transaction will bring scale to operations and will target net efficiency gains of EUR 15mm by 2010
- Acquisition increases the number of pension fund clients from 2.3mm to 5.3mm



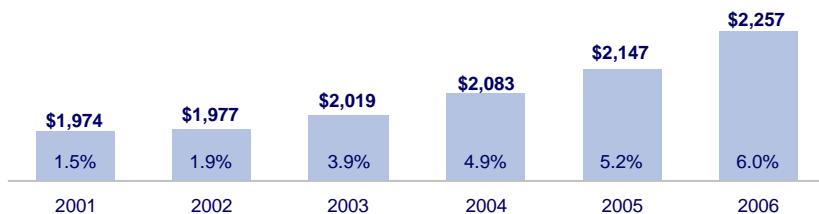
Colombia represents a compelling opportunity with its young population and macro growth

Population age composition—2005



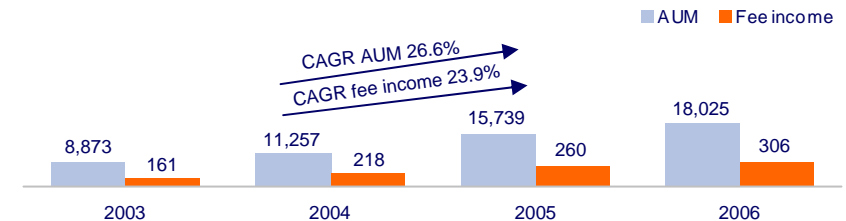
Source: ECLAC

Real GDP per capita and real GDP growth (US\$mm)



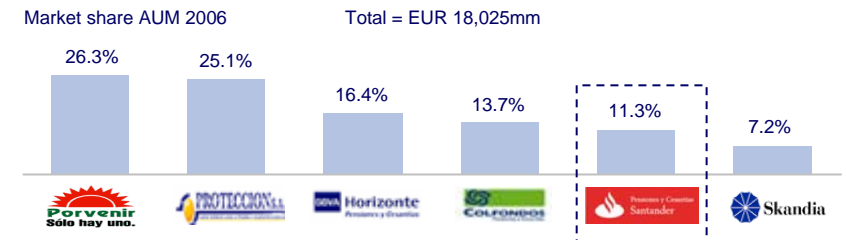
Source: ECLAC

AUM and fee income evolution (EURmm)



Source: Superfinanciera, Asofondos

Market shares

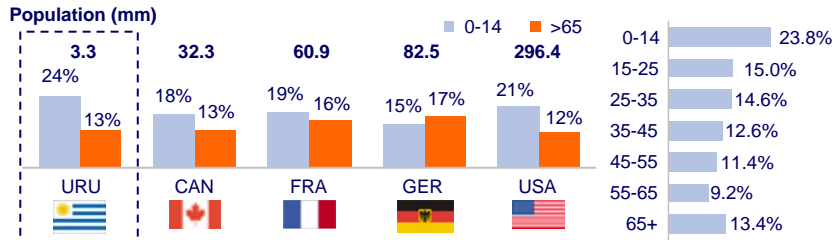


Source: Superfinanciera

- Colombian pension system and economy is one of the fastest growing in the Region
- Optimistic political outlook- popular center-right government and potential ratification of a free-trade agreement with the U.S.
- Upside expected as investment limits are liberalized
- Growth opportunities seen in voluntary savings products, while overall growth trends in market expected to be maintained

Uruguay is characterized by growth and profitability

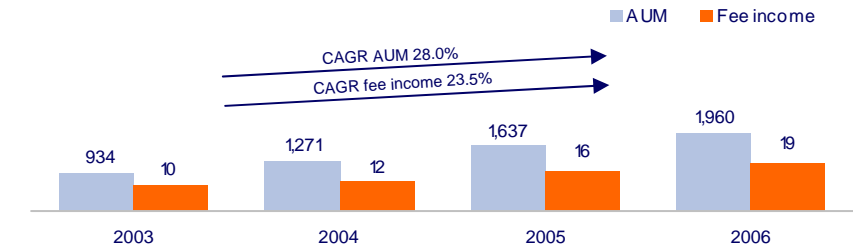
Population age composition—2005



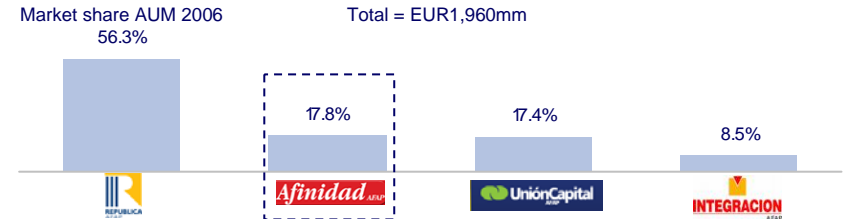
Real GDP per capita and real GDP growth reflects recovery



Impressive growth in AUM and fee income (EURmm)



Market shares



- Uruguay has recovered impressively from the macroeconomic crisis of 2002
- Upside expected as system continues to evolve and investment limits are liberalized

Summary of applicable regulations

Key regulatory aspects

	 Mexico	 Chile	 Colombia	 Uruguay
Mandatory contribution levels	<ul style="list-style-type: none"> Mandated level of 6.5% of the monthly salary No current plans to impose a matching percentage by govt. or employer The govt. only contributes if employee does not reach minimum assured pension at retirement 	<ul style="list-style-type: none"> Contribution composed of: <ul style="list-style-type: none"> A 10% mandatory rate on the monthly salary An additional amount to be defined by each AFP individually (approx. 2%) - the commission An extra 7% for health and other benefits 	<ul style="list-style-type: none"> The law specifies a contribution of 15.5% as of December 2006 Employers pay for 75% of the contribution; employees pay for the remaining 25% The govt. can choose to temporarily subsidize contributions in some cases 	<ul style="list-style-type: none"> Under Uruguayan law, a 15% contribution level is applied to monthly salaries The system incorporates a complex distribution scheme which shares contributions between the national system (BPS) and the AFAP¹
Commission schemes and levels	<ul style="list-style-type: none"> On contributions and on AUM (starting in 2008, only fees on AUM will be allowed) No current plans to impose caps on commissions on AUM As of March 2007, average commission on contributions at 1.2%; average commission on AUM at 0.9% 	<ul style="list-style-type: none"> On contributions and on AUM The SAFP does not set caps on commission levels, so AFPs can establish them at their own discretion For mandatory pensions, AFPs may only charge a commission on contributions (avg. at 2.4% as of March 2007) 	<ul style="list-style-type: none"> On contributions and on AUM For mandatory pensions, cap of 1.5% on contributions applies (avg. at 1.5% as of March 2007) For severance pensions, cap of 4.5% on contributions applies (avg. at 4.0% as of March 2007) A commission on affiliate transfers also applies, capped at 1.0% of contributions 	<ul style="list-style-type: none"> The Central Bank does not set caps on commission levels, so AFAPs can establish them at their own discretion AFAPs can choose to charge variable (%) or fixed commissions over monthly contributions As of March 2007, average commission on contributions at 2.9%
Voluntary contributions	<ul style="list-style-type: none"> Flexible system allows the contributor to redeem investments at any moment Afores can establish commission levels at their own discretion Loosely regulated, not a significant component of the whole industry AUM 	<ul style="list-style-type: none"> For voluntary pensions, AFPs may only charge a commission on AUM (avg. at 0.6% as of March 2007) A commission on affiliate transfers also applies, calculated as a fixed amount in pesos per transfer (avg. at 1,200 pesos as of March 2007) 	<ul style="list-style-type: none"> For voluntary pensions, commissions on AUM apply There is no defined cap, as AFPs establish fees at their own discretion 	<ul style="list-style-type: none"> For voluntary pensions, there are no commissions contemplated by the law Accordingly, AFAPs do not charge a commission on voluntary pensions
Disability & Survivor coverage	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> D&S insurance to be financed with the additional contribution described above (approx. 2%) 	<ul style="list-style-type: none"> AFPs are required by law to acquire collective policies to insure against the risk of not being able to finance D&S pensions Mandatory pensions include an additional fee on cont. to cover for this expense 	<ul style="list-style-type: none"> D&S insurance is financed from commissions, specifically from an additional margin added to the basic administrative fee

Source: Pension fund superintendencies in each respective country

Santander's Pension Business – Consolidated

P&L

	Historical		
<i>In EUR mm</i>	2004	2005	2006
Commissions	183.2	191.1	185.0
Gain/(loss) from required capital	9.4	11.3	16.9
Total revenues	198.9	211.4	213.3
Operating expenses	(95.7)	(104.3)	(125.7)
Profit before tax	97.0	102.7	82.3
Net Profit	68.2	72.6	63.6
AUM	9,750.2	11,361.0	13,793.6
Profitability ratios			
Profit before tax margin (%)	52.9%	53.7%	44.5%
Net margin (%)	37.2%	38.0%	34.4%
Fee income/AUM (%)	1.9%	1.7%	1.3%
Fee income/contributor (EUR)	\$82	\$85	\$79
Opex/contributor (EUR)	\$43	\$47	\$54
ROAA (%)		31.6%	25.5%
ROAE (%)		37.7%	30.9%
Growth			
Commissions		4.3%	(3.2%)
Opex		9.0%	20.4%
Net profit		6.6%	(12.4%)

Balance sheet

	Historical		
<i>In EUR mm</i>	2004	2005	2006
Current assets			
Cash and equivalents	103.7	95.3	85.5
Accounts receivable	8.4	7.6	12.7
Other current assets	1.6	2.4	3.8
Non-current assets			
Required capital	99.9	117.2	144.0
Net PP&E	3.7	8.6	8.3
Other non-current assets	4.8	5.7	7.3
Total assets	222.2	236.9	261.7
Current liabilities	19.3	16.0	28.6
Non-current liabilities	19.0	19.5	22.3
Total liabilities	38.3	35.4	50.9
Stockholders' equity			
Common stock / PIC	64.8	66.8	68.7
Retained earnings	119.0	134.6	142.1
Total equity	183.8	201.4	210.7
Total liabilities and equity	222.2	236.9	261.7

*Amounts shown in local regulatory basis (Mexico, Chile, Colombia and Uruguay)

Note: All figures based on Santander's figures and presented at 2006 Euro FX rates for comparison purposes



Certain of the statements contained herein are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates (viii) general competitive factors, (ix) changes in laws and regulations, (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

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