



ING Direct

Royal Bank of Scotland Investor Conference

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Key Messages

ING Direct is successfully implementing ING's Back to Basics strategy

- Cost reductions to realise EUR 150 million of annual savings are on track with almost 50% of FTE reductions realised
- Deleveraging has decreased the balance sheet by EUR 9 billion in 1Q09
- De-risking measures are in progress; Available-for-sale investments reduced by almost 50% in 1Q09

Underlying business results strong

- Results before impairments up 9% to EUR 173 mln for 1Q09, after impairments result amounted to EUR 44 mln
- Impairments of EUR 129 mln of which EUR 67 mln re-impairments
- Strong client balance production, mainly funds entrusted

ING Direct's simple and efficient model make it part of ING Group's core strategy

Agenda

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1. ING Direct is successfully implementing ING's Back to Basics strategy
2. 1Q09 highlights
3. Key strengths of the ING Direct model

ING Direct is successfully executing ING Group's back to basics strategy

ING Group's back to basics strategy

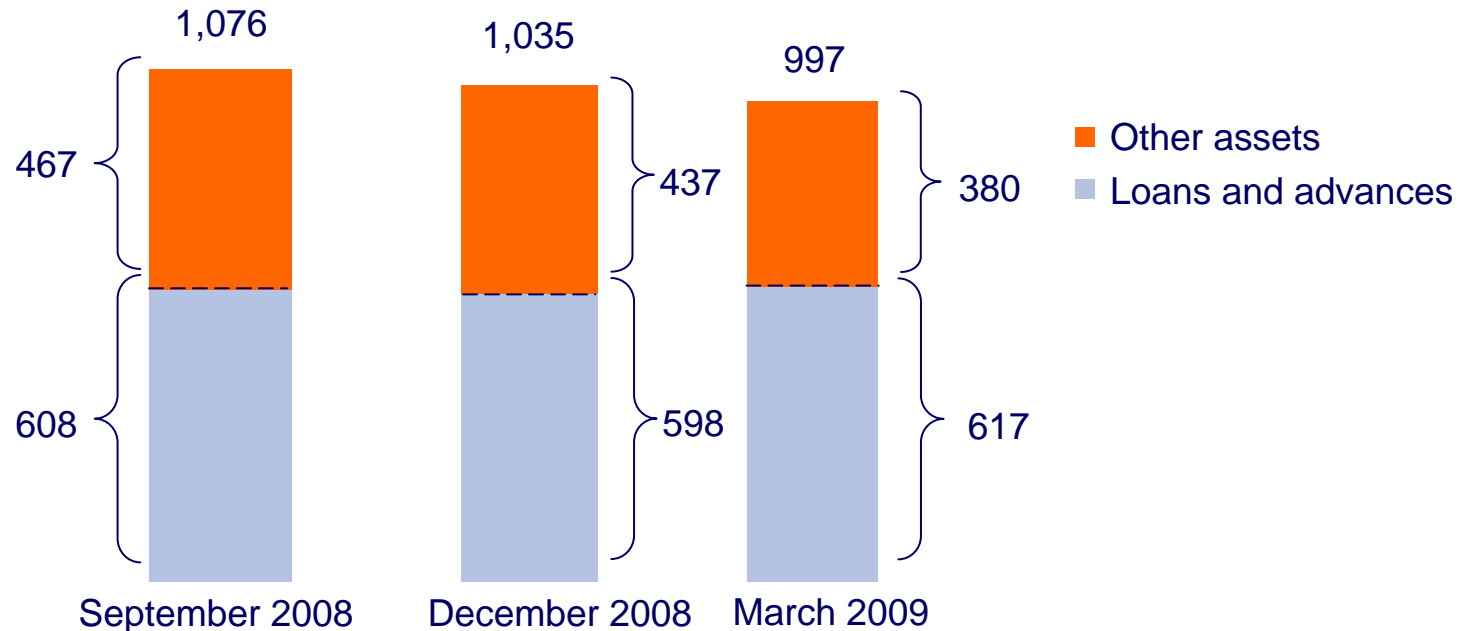
1. Strengthen financials and navigate through the crisis
 - Reduce costs
 - Manage and reduce risk and capital exposures
 - De-leverage balance sheet (reduce assets, preserve equity)
2. Focus on fewer, coherent and strong businesses
 - Review portfolio of businesses
 - Reduce number of markets in which ING operates
 - Simplify the group
3. 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

ING Direct initiatives

- ING Direct is on track to realise EUR 150 million of cost savings for 2009
- Operating expenses decreased 1.9% compared with 1Q08 and 9.8% compared to 4Q08
- Total expenses are managed down by
 - Reducing staff
 - Reducing marketing expenses
 - Reviewing supplier relations
 - Further optimising operation processes
- Internal staff was reduced by 288 FTE's out of 600 announced; external staff declined by 139 FTE's
- De-risking and deleveraging of the balance sheet are in progress
 - Wholesale funding has been decreased by EUR 9 billion in 1Q09
 - The Available-for-sale portfolio has been reduced by almost 50%

De-leveraging: EUR 79 bln out of EUR 110 bln B/S reduction target has been realised

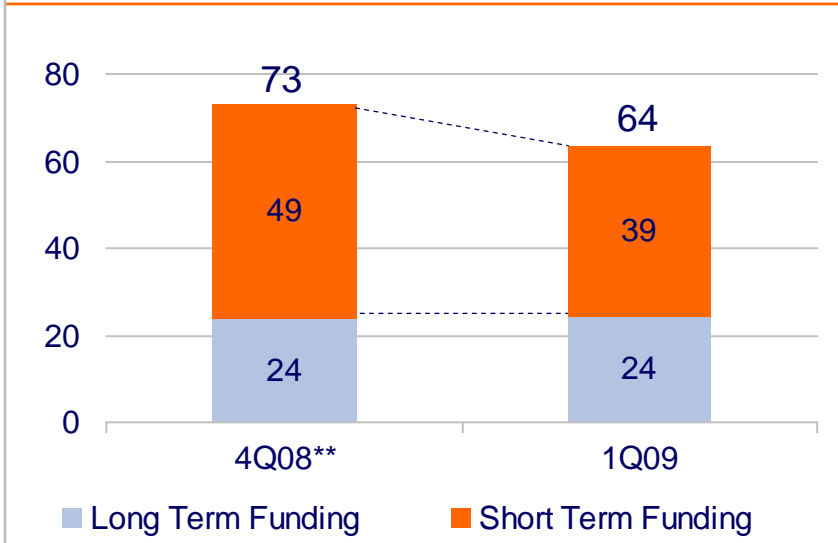
Realised asset reduction at ING Bank (EUR billion)



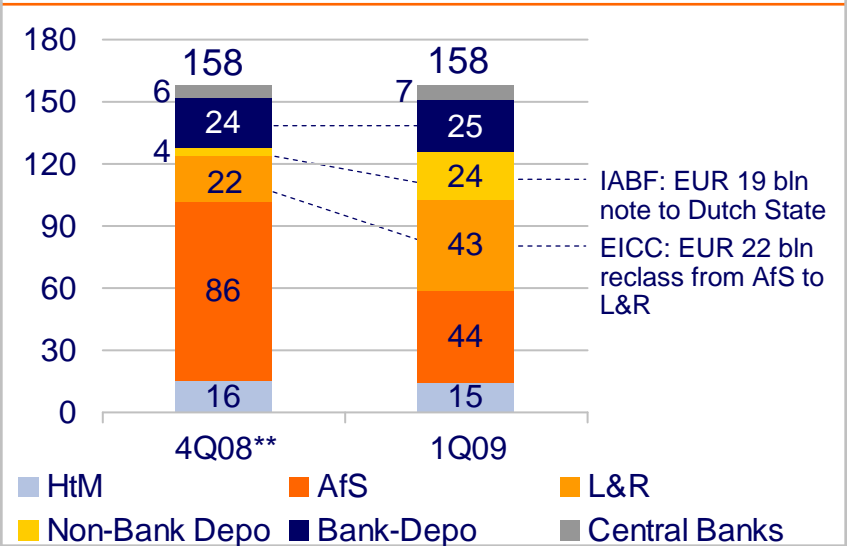
Balance sheet has been reduced by EUR 79 billion (EUR 74 billion excl. FX) of which EUR 28 billion due to netting and EUR 49 billion due to lower repo balances

Balance Sheet deleveraging and de-risking

Wholesale Funding



Investment Book*



Comments

- Maturities and positive retail funding gaps have been used to reduce wholesale funding positions, resulting in a decrease of EUR 9 bn

Comments

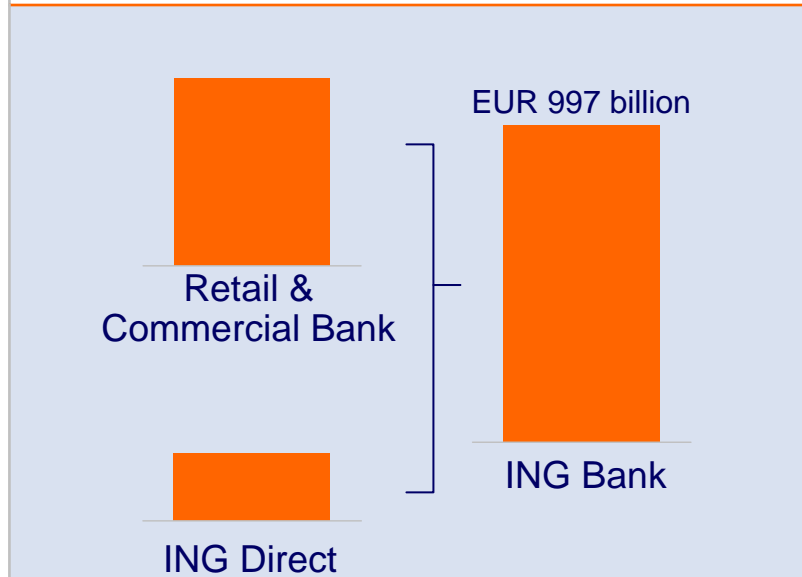
- Investments stable at EUR 158 bln
- De-risking and reducing accounting volatility measures in progress

* Investment book based upon ING Direct balance sheet classifications, all investments presented at amortised costs

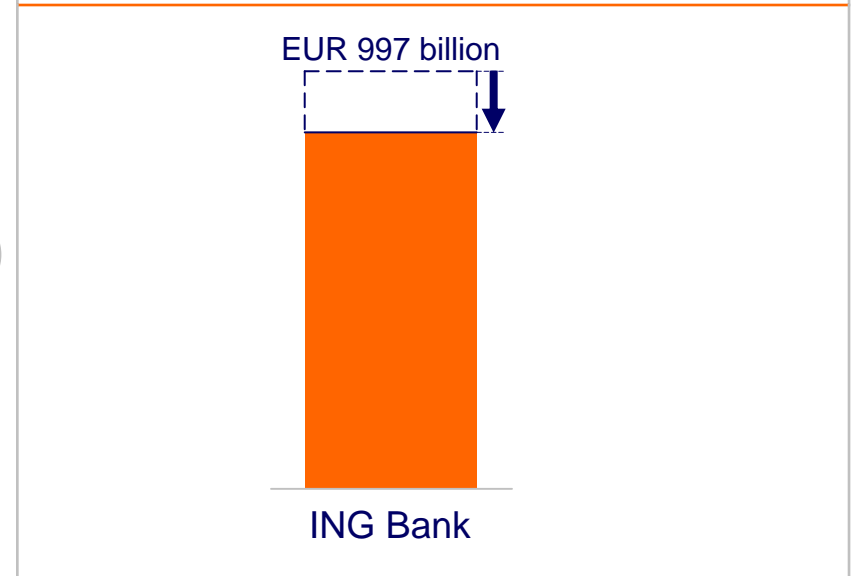
** At FX March

Move to one integrated bank balance sheet

Today: ING Direct separate



Integrated Balance Sheet



Benefits of managing one integrated Balance Sheet

- Absolute B/S reduction of EUR 50-70 bln on top of existing deleveraging target
- Lower dependency on investments
- Better returns on risk-weighted assets
- Better central control of risk and finance

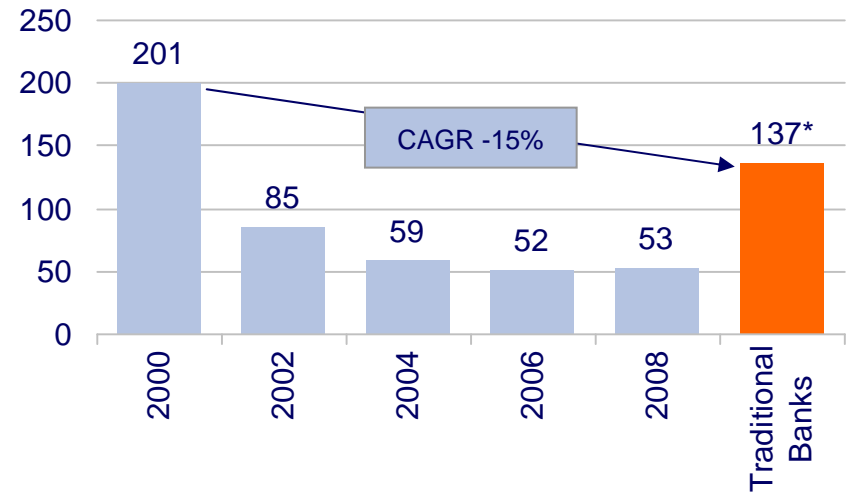
Balance sheet integration will not impact ING Direct business model

Asset mix shift does not impact spread

- ING Direct's business model is based on an average spread of at least 80 basis points on savings through the cycle
- This was largely from duration, with credit spreads historically contributing less than 20 bps
- After the shift towards more ING (Direct) originated assets, an over-the-cycle spread of at least 80 bps remains achievable:
 - Normalised credit spreads are expected to contribute 40-50 bps
 - Dependency on duration reduced to approximately 40 bps, allowing for faster repricing of assets

Competitive advantage is low cost base

Total expenses to client retail balances (bps)



* Source: BCG sample incumbents 2007



ING Direct's competitive cost advantage enables it to offer retail customers a structurally attractive interest rate



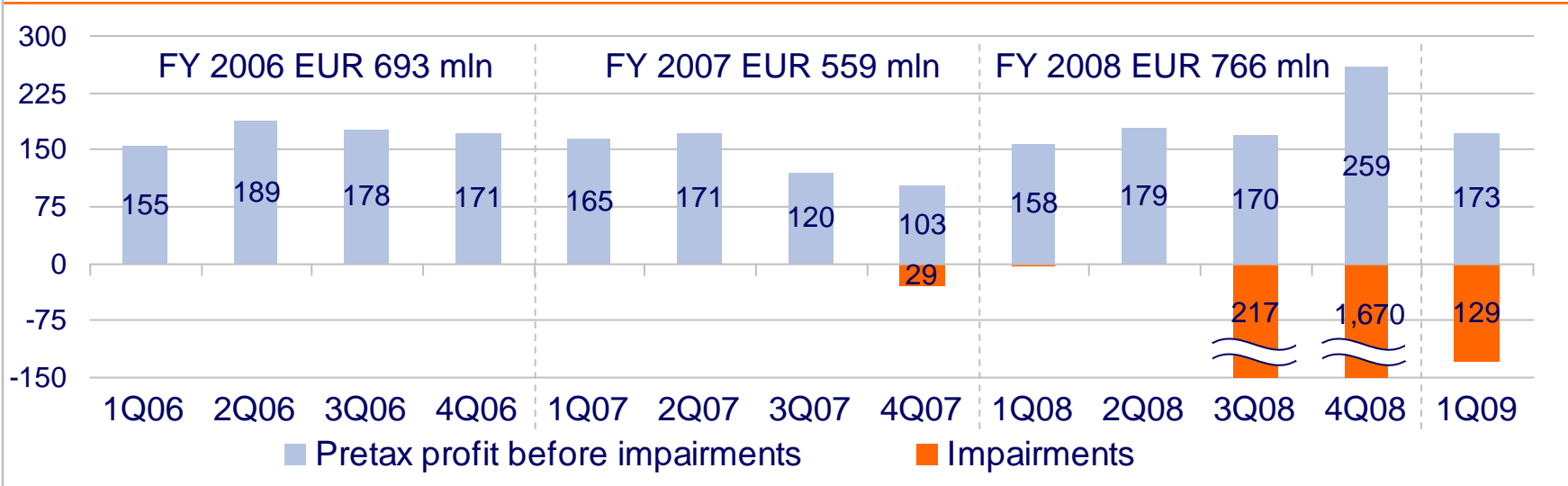
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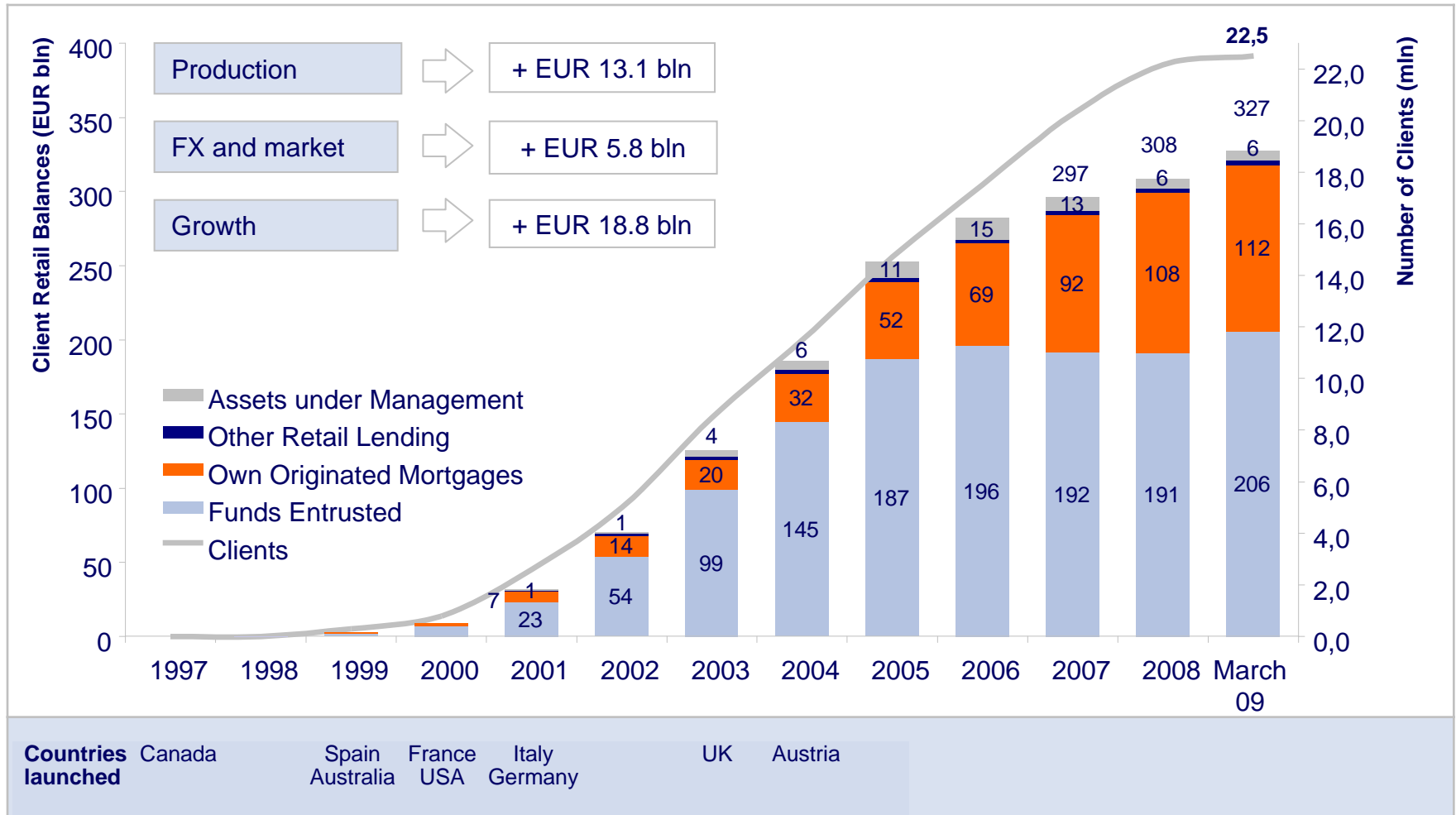
Quarterly pre-tax profit before impairments strong at EUR 173 mln

ING Direct pre-tax result before impairments (in EUR million)



- Pre-tax result positively impacted by interest margin improvements mainly in Australia, Canada, US and UK.
- 1Q09 results before impairments of EUR 173 mln. A relative small estimated credit loss of EUR 17 mln triggered EUR 71 mln of new impairments, remainder of impairments due to further market value deterioration
- Potential new IFRS accounting rules may reduce P&L volatility from impairments on investment securities in the future

ING Direct achieved EUR 327 bln in Client Balances and 22.5 million customers worldwide by the end of March 2009



Note *: 'Client Balances is defined as the disclosed ING Direct 'Client Retail Balances' excluding bought pools, e-brokerage, and (as from 4Q2008) the market value of the IFRS hedge on part of the mortgage portfolio



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“The Formula”: our Principles

Customer Experience:

- Excellent Customer Service / Satisfaction
- Value for money proposition
- “Treats me fairly”
- Efficient and massive marketing linked to customer’s needs

Simplicity and Transparency:

- Making things simple for the customer
- No product proliferation



Low Cost:

- Large volumes per product, operational efficiency
- Direct distribution
- Making things simple for the bank

The Fleet of Companies:

- Local implementation
- Copy best practices



ING Direct strategy: covering the main customer needs

	Products	Highlights
5 main customer needs	Savings	<ul style="list-style-type: none">• Remains the core acquisition product• Develops strong awareness• Builds large customer base
	Retail Investment Products	<ul style="list-style-type: none">• Increases share of wallet• Efficient use of capital
	Mortgages	<ul style="list-style-type: none">• Balance sheet management• Stable income stream
	Payment Accounts	<ul style="list-style-type: none">• Deepens customer relationship• Increases share of wallet
	Consumer Lending	<ul style="list-style-type: none">• Easy to cross-sell (limited credit risk once you know the customer)

ING Direct's simple model and efficient structure makes it part of the core of ING's move "back to the basics"

Simple Business Model



- ING Direct business model is simple, transparent and focus on value for money
- Reduces Risk
- Own-originated retail assets

Customer Focused Culture



- Excellent customer service driven by high employee engagement
- Value for money proposition
- Treats me fairly
- Mass marketing linked to customer needs

Transparent, Simple Products



- Large volumes per product with modest margins
- Direct distribution
- No product proliferation

Efficient Processes



- Integrated and streamlined processes
- Cost efficient processes, low cost culture
- Strong distribution channels
- Strong marketing
- State of the art IT systems
- Sharing best practices worldwide

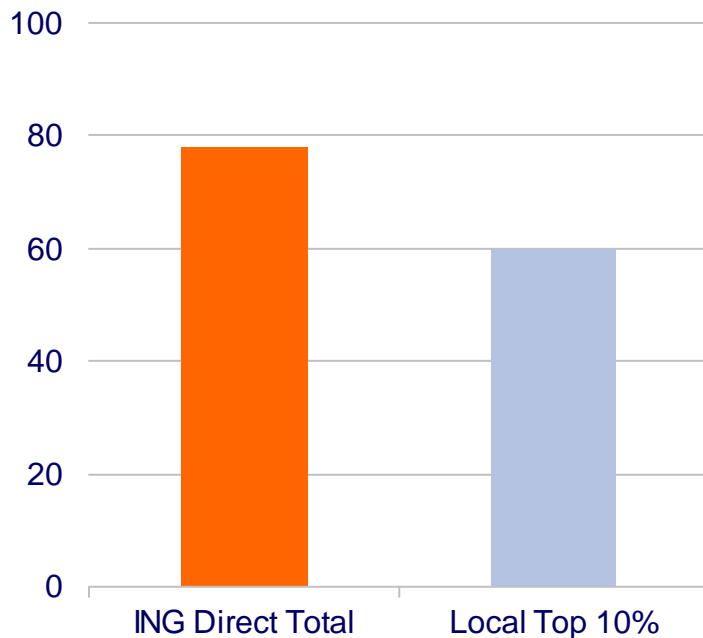
Core position

- Focused retail-led banking strategy leveraging ING Direct capability
- ING Direct is well positioned within the retail banking strategy and ready for changing environment



Engaged ING Direct Employees are key to our success

Employee Engagement Score



Source: Kinexa ING employee research 2008 weighted average internal FTE's Towers Perrin 12 month study of 50 financial organisations

Orange values and behaviours

we are challengers



- » Be proactive, take initiative
- » Show drive and passion
- » Think out of the box
- » Be an optimist



we are accessible

- » Encourage active, open communication
- » Care for people
- » Don't be driven by hierarchy
- » Share information and knowledge

we are passionate executors

- » Be results driven and focused
- » Focus on time management (keep the momentum)
- » Be customer focused
- » Be dedicated and go the extra mile



we are the good guys

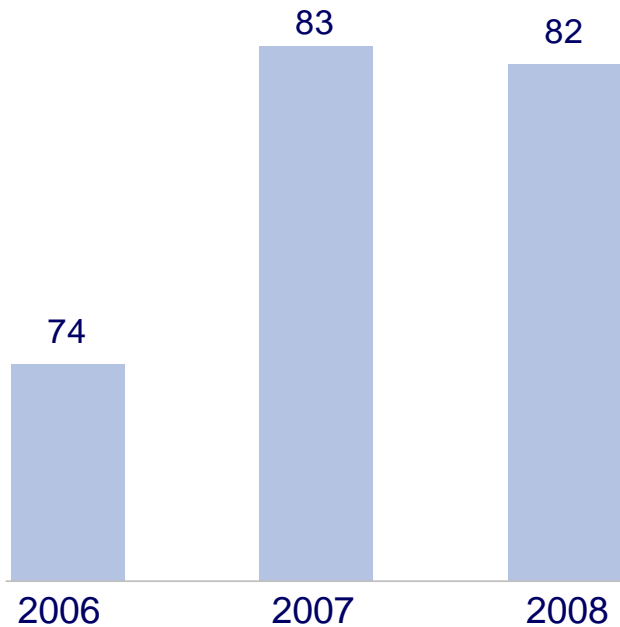
- » Be honest
- » Act with dignity
- » Be fair

Engaged employees and the orange values are key to our success. Employee engagement scores are amongst the highest in all our countries.

ING Direct has created a strong brand and loyal customers in all countries

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Global Brand awareness (%)



Brand positioning

- Price
- Freedom
- Convenience
- Simplicity

Brand image

- Innovative
- Reliable
- Value for money
- Easy to deal with
- Fair

Net Promoter Scores

- High NPS ranking of 1 or 2 in all countries

Weighted average based upon CRB. 2006 & 2007 figures refer to brand awareness of financial services providers offering savings accounts while 2008 numbers refer to financial service providers in general.

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ING Direct's vision updated to a new world

Vision

To become the world's most preferred consumer bank

Sources of value creation

Continued growth in existing geographies to meet scale

Completing the product range to meet 5 main customer needs

Strong focus on low cost execution and providing client value for money

End result

ING Direct will offer narrow range of simple products, achieve substantial scale, efficiency and profitability, and be a leader in all markets in which it operates



ING Direct's simple and efficient model make it part of the core of ING Group's strategy

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