



# ING extraordinary General Meeting

Amsterdam – 25 November 2009  
[www.ing.com](http://www.ing.com)

**BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES**



# Agenda item 1

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## Opening remarks and announcements

# 2009 extraordinary General Meeting

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On the Record date, 30 October 2009, the issued capital of the company consisted of:

2,063,147,969 ordinary shares

No votes can be cast on 49,542,087 ordinary shares as the depositary receipts for those shares were held by the company on the Record date

Consequently, a total of 2,013,605,882 votes can be cast

# Agenda item 2A – discussion item

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## Strategy



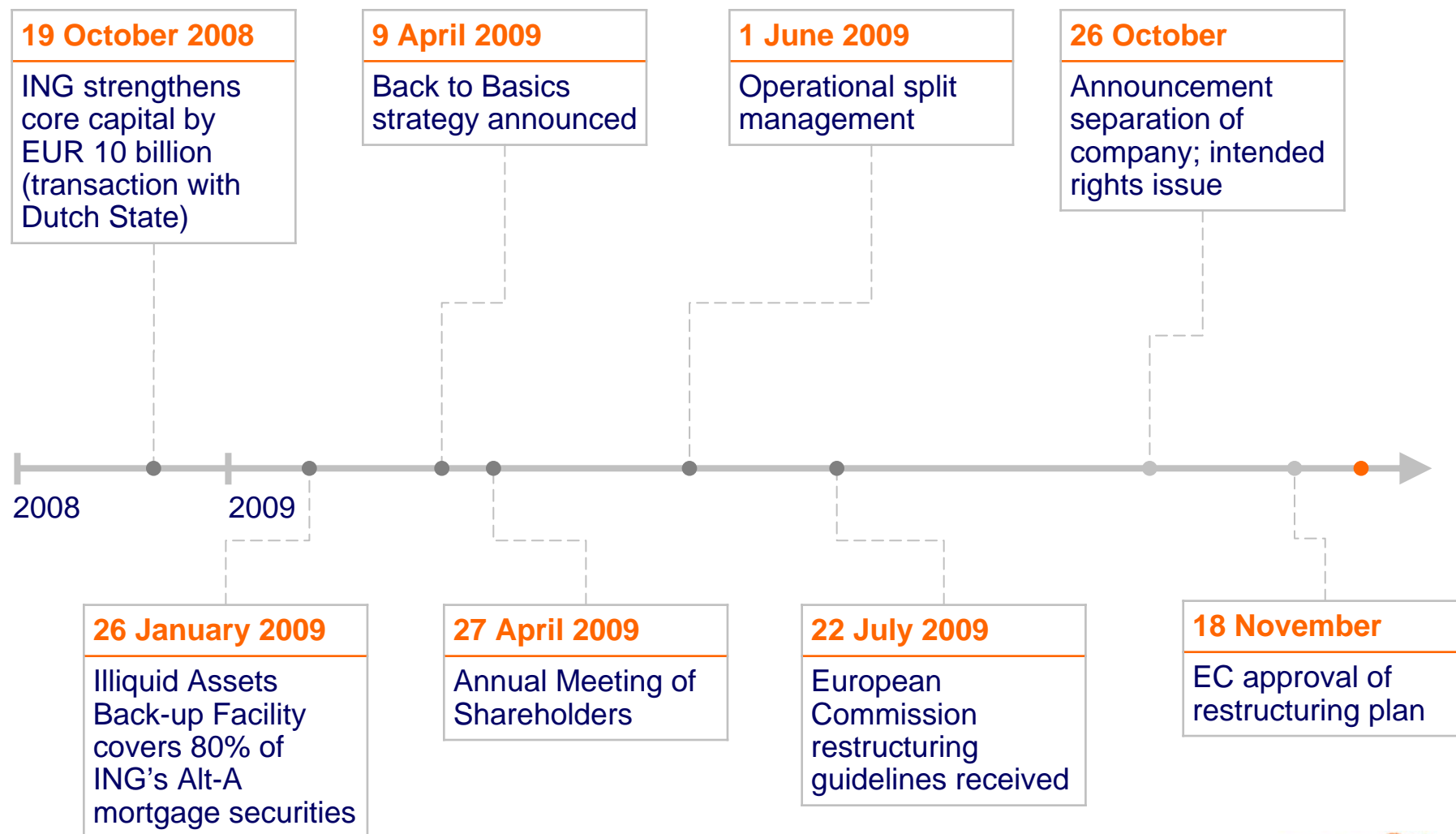
# Accelerating the Journey Back to Basics

Jan Hommen  
CEO

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



# Context: events leading up to today



# Back to Basics

# We started moving in this direction with the Back to Basics programme announced in April

Strengthen financials and navigate through the crisis

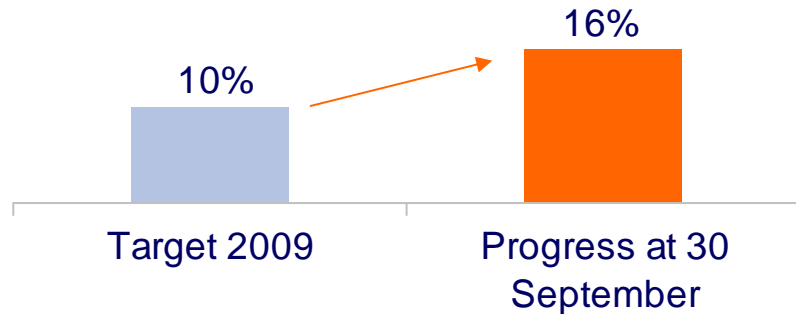
Focus on fewer, coherent and strong businesses; Simplify the group

Invest to reinforce franchises in markets we focus on



# We have achieved the goals set out in the first phase of our Back to Basics programme

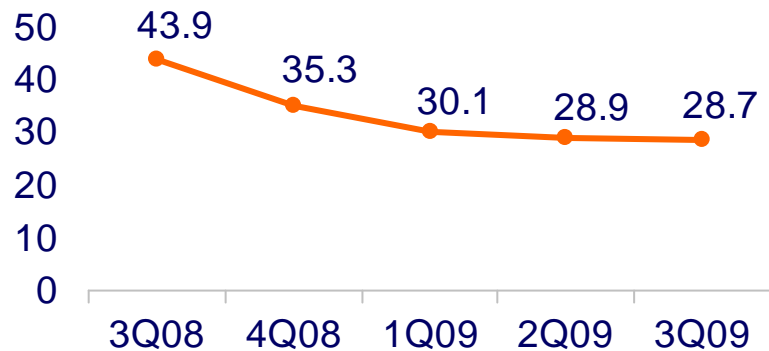
## ING Bank balance sheet has been reduced compared with 30 Sept 2008



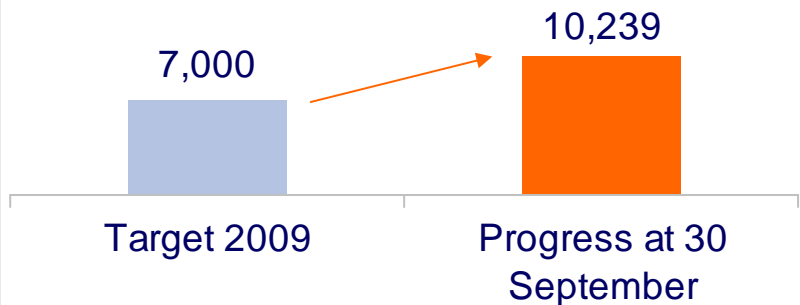
## ING Group's cost (OPEX) reduction on target (in EUR mln)\*



## ING Bank asset leverage ratio reduced



## ING Group's headcount reduction well above target (in FTEs)



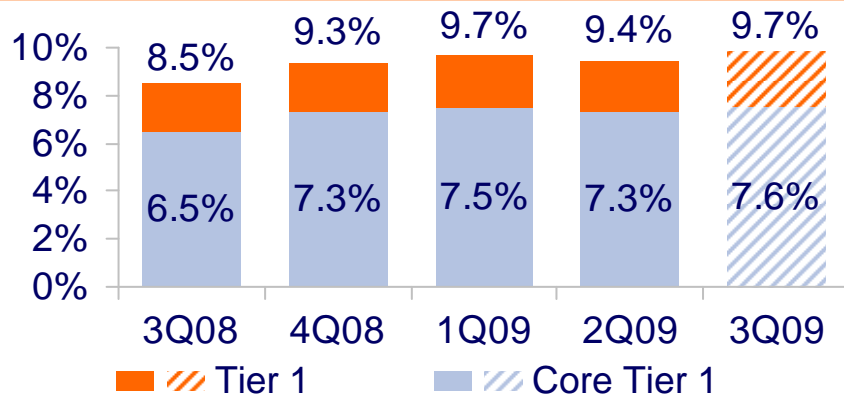
\* On a comparable basis

\*\* Excluding impairments on Real Estate development projects

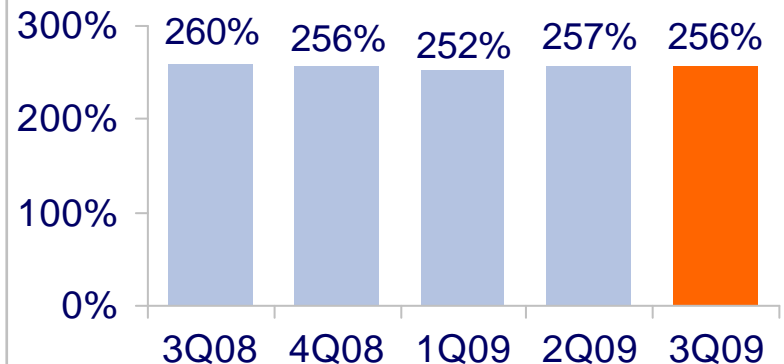


# Core Tier 1 ratio, capital coverage ratio and D/E ratios improved

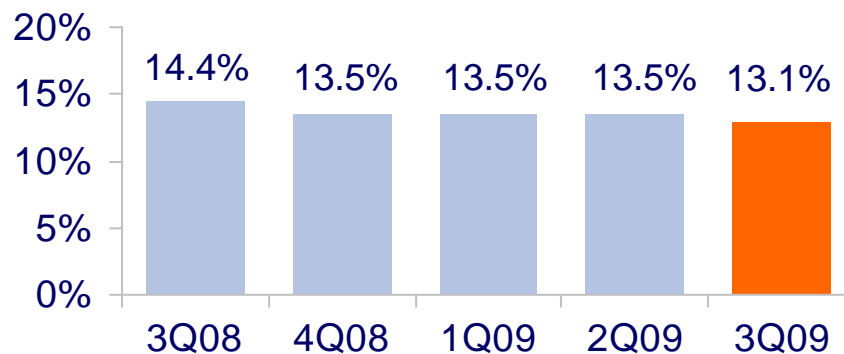
## ING Bank Tier 1 ratio



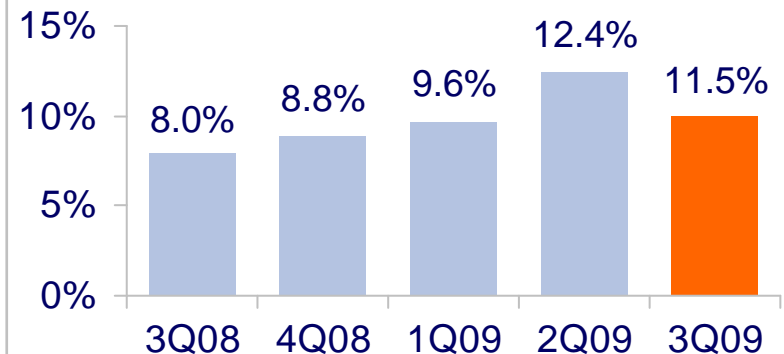
## ING Insurance capital coverage ratio



## ING Group D/E ratio



## ING Insurance D/E ratio

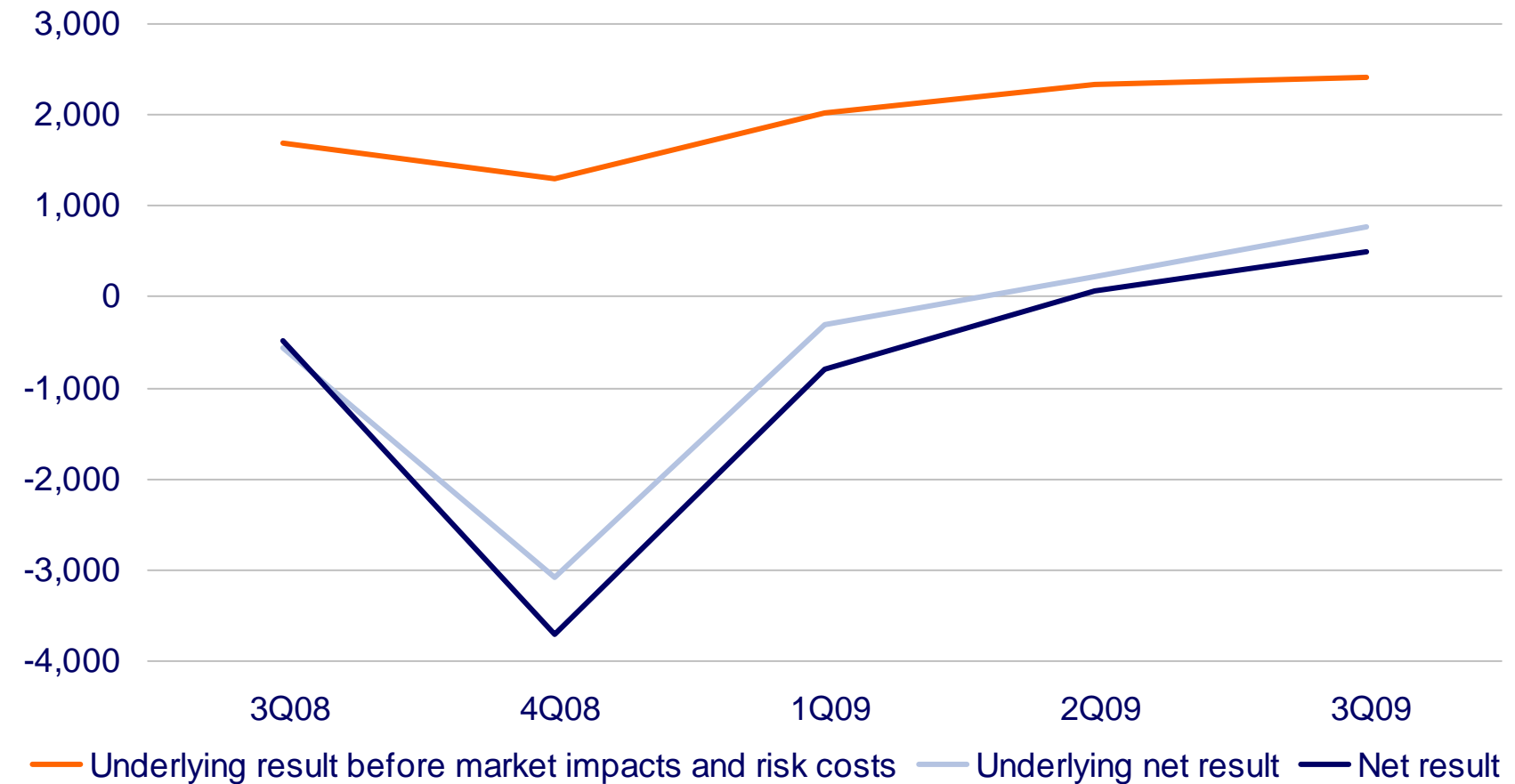


# In 2009, the portfolio review has led to the following divestments:

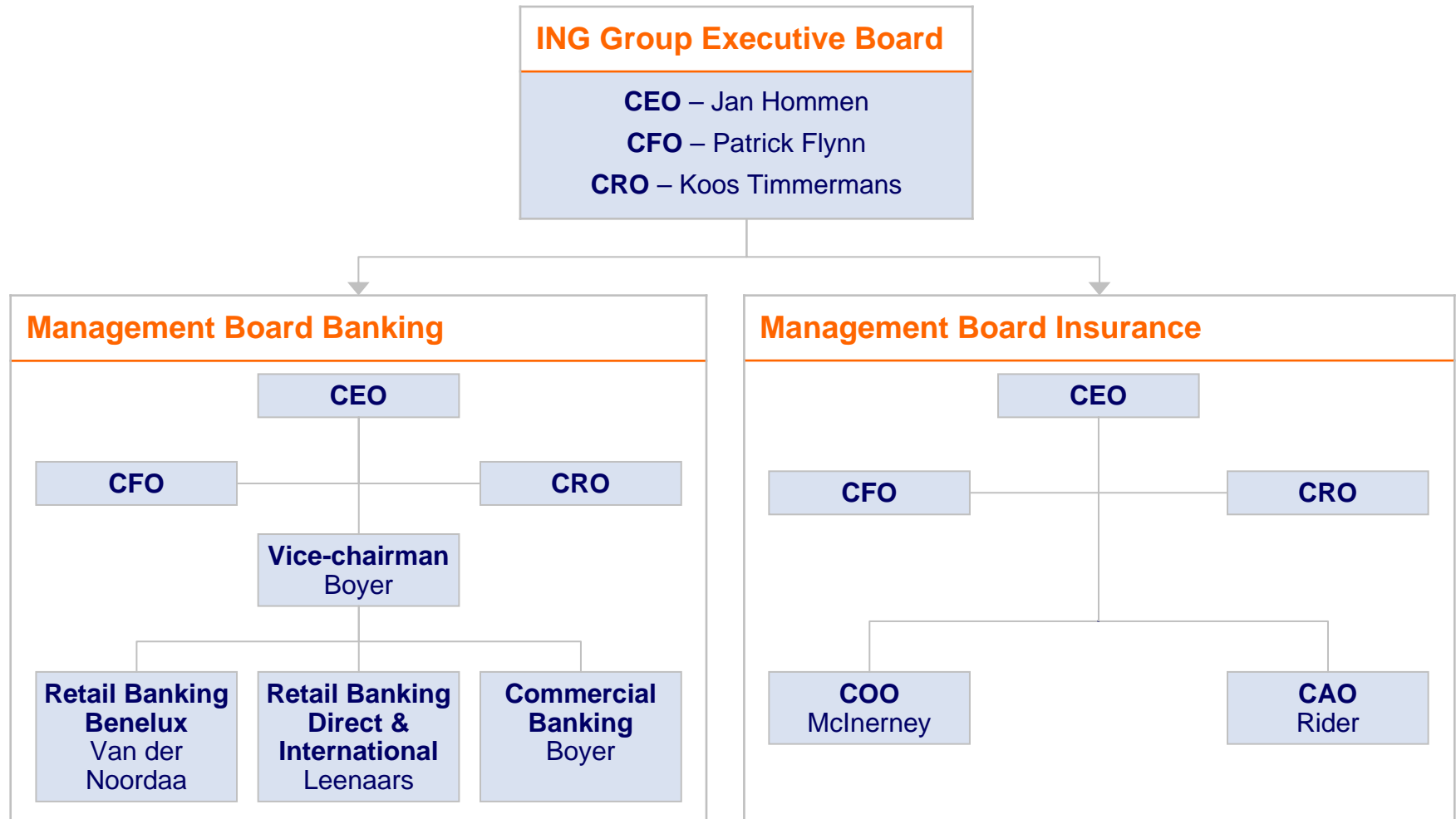
Deal	Date of announcement
Annuity Argentina	January 2009
ING Canada	February 2009
Annuity and Mortgage Businesses in Chile	July 2009
Australian and New Zealand insurance business	September 2009
Swiss Private Banking business	October 2009
Asian Private Banking business	October 2009
ING Reinsurance US (US group reinsurance business)	October 2009
Three US independent retail broker-dealer units	November 2009
Total proceeds	EUR 3.8 billion
Total capital release	EUR 2.7 billion

# ING's results have recovered since the fourth quarter of 2008

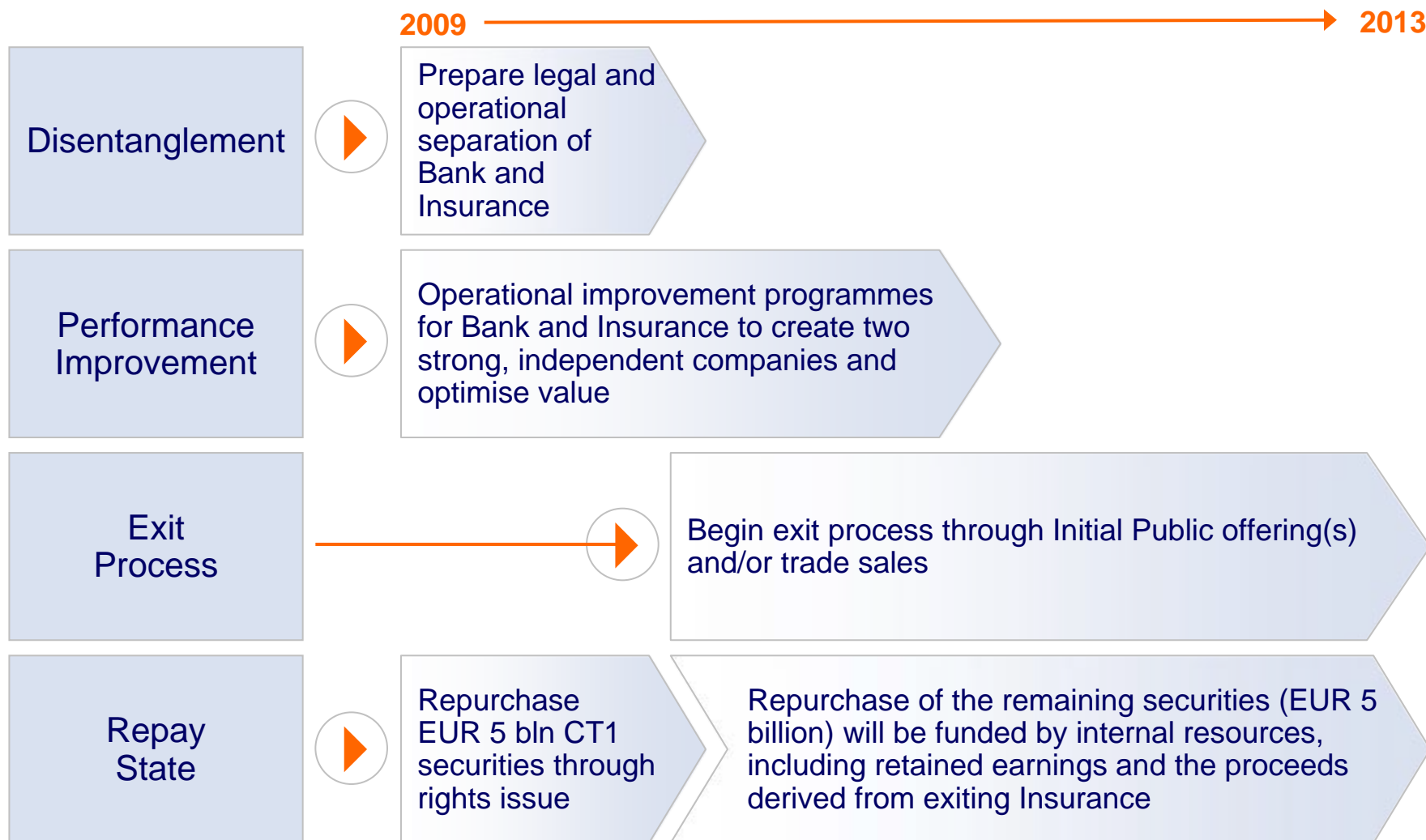
ING Group results (in EUR million)



# ING has adapted corporate governance model to strategy



# Next phase: repay the Dutch State



# Separation is the best way forward for customers, employees and shareholders

Focuses on customers

Reduces complexity

Unlocks shareholder value

Creates two strong companies

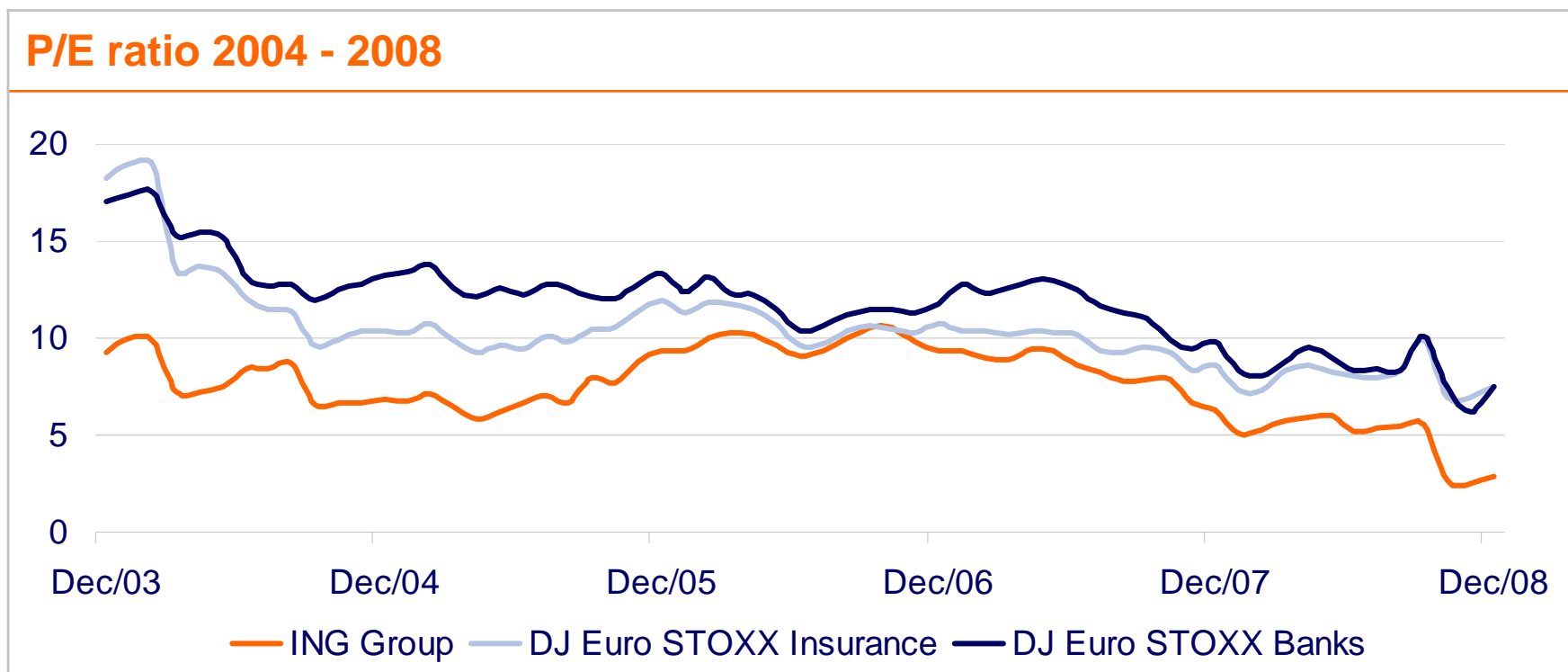


Simplicity improves focus on operational excellence

Eliminates conglomerate discount and unlock shareholder value

Sets a clear course for both Banking and Insurance and facilitates better management

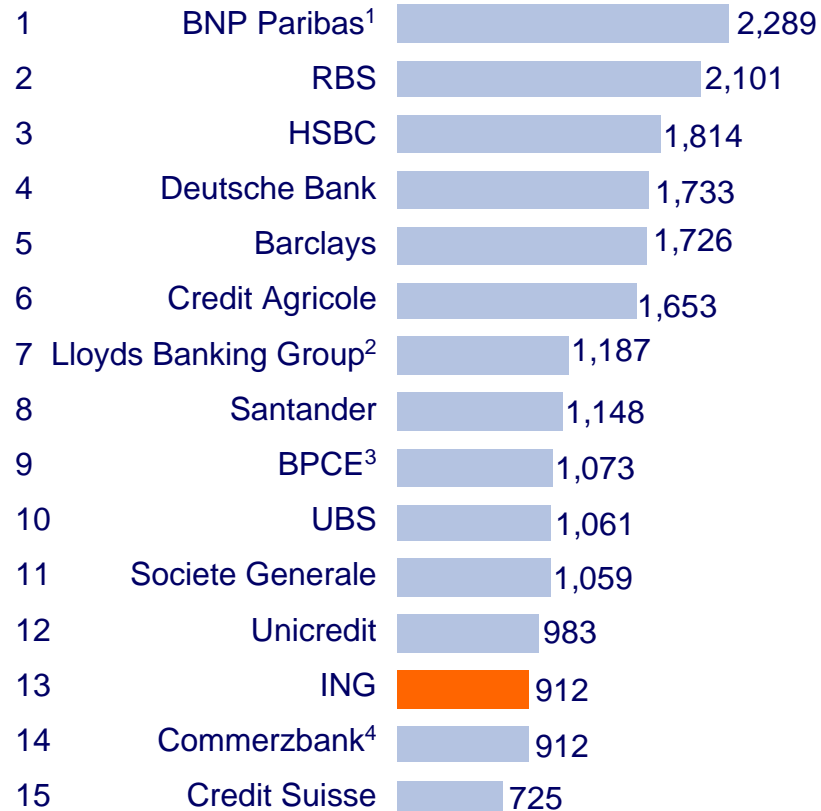
# ING has historically traded at a 30% discount



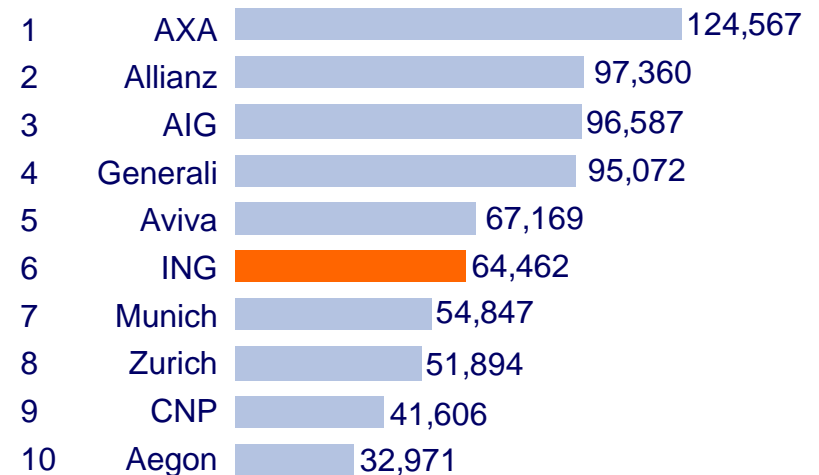


# Bank and Insurance both have attractive market positions on a stand-alone basis

## Assets European banks 1H 2009 (in EUR billion)



## Revenue of global top 10 insurance companies (2008, in USD million)



Source: Datamonitor, Global Top 10 Insurance Companies - Industry, Financial and SWOT Analysis, 8/3/2009

Source: Financial statements <sup>3</sup> Banque Populaire and Caisse d'Epargne

<sup>1</sup> Includes Fortis Bank Belgium merger

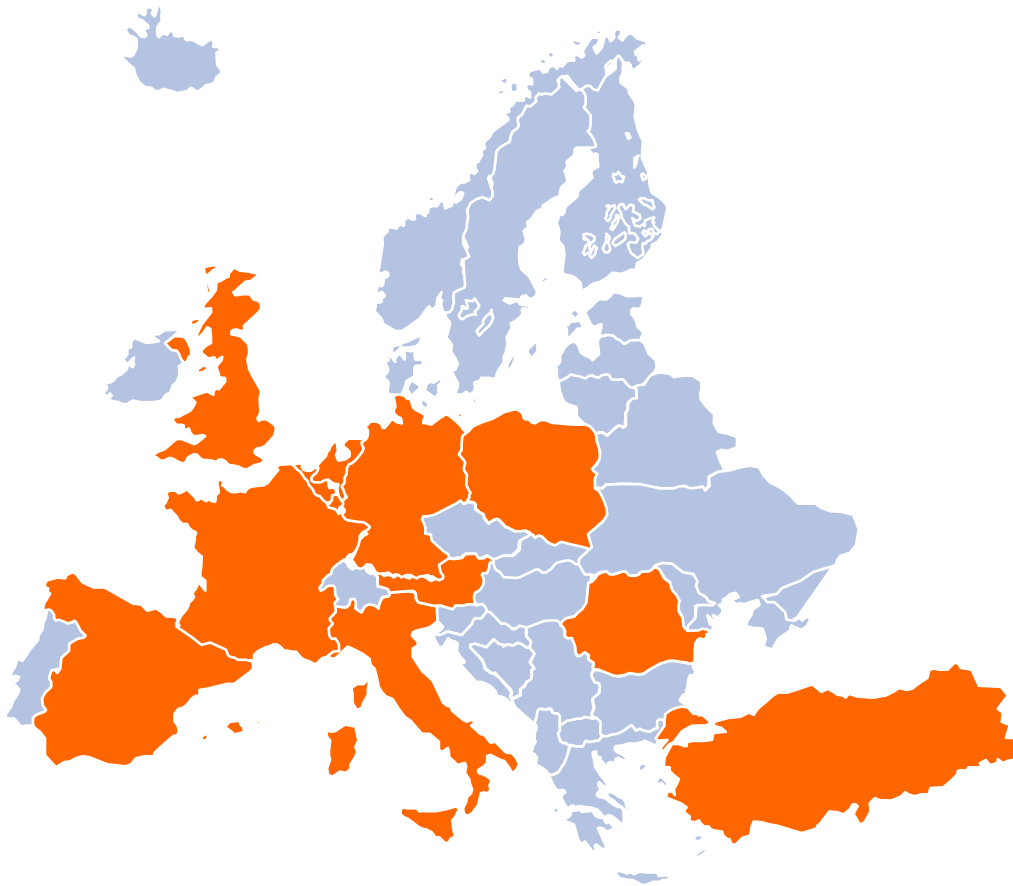
<sup>2</sup> Includes HBoS

<sup>4</sup> Includes Dresdner Bank



# ING Bank has a European footprint and strong growth potential

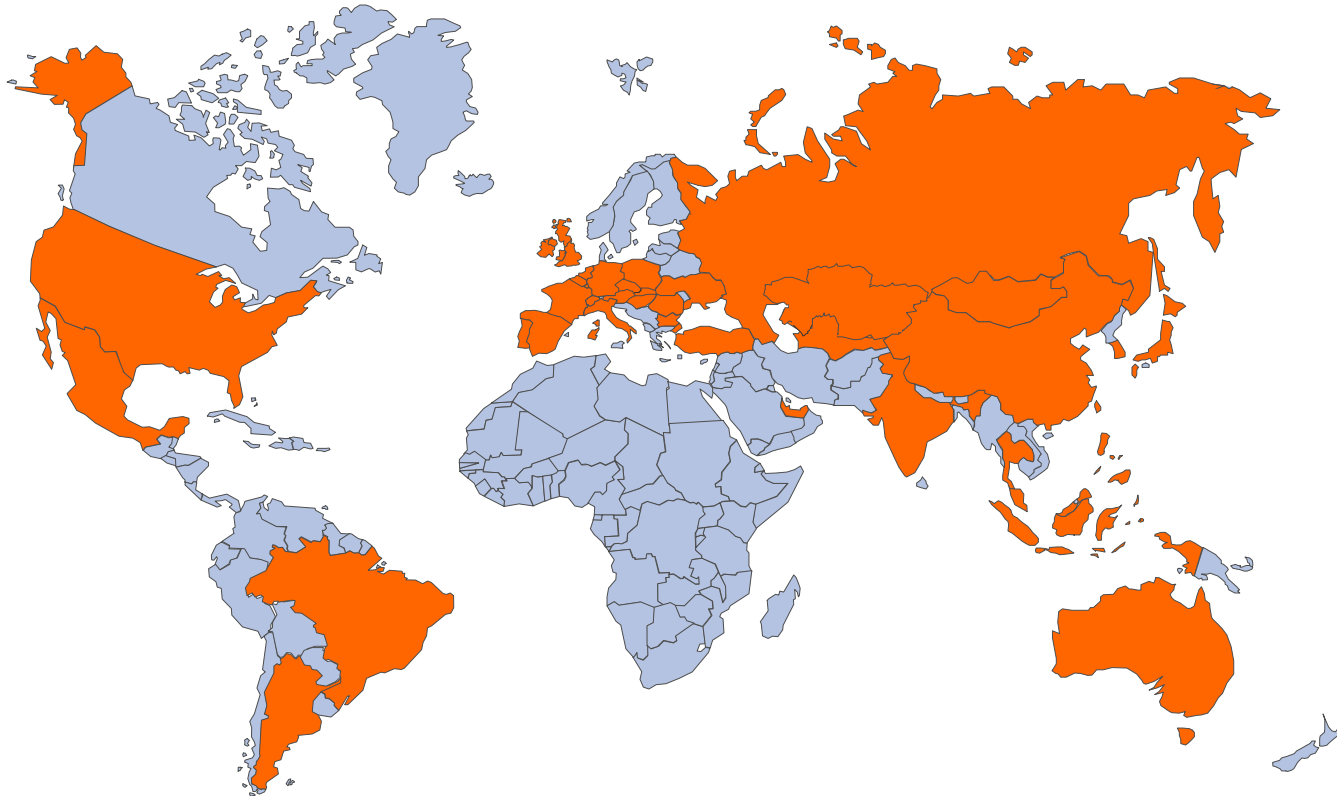
## European banking footprint



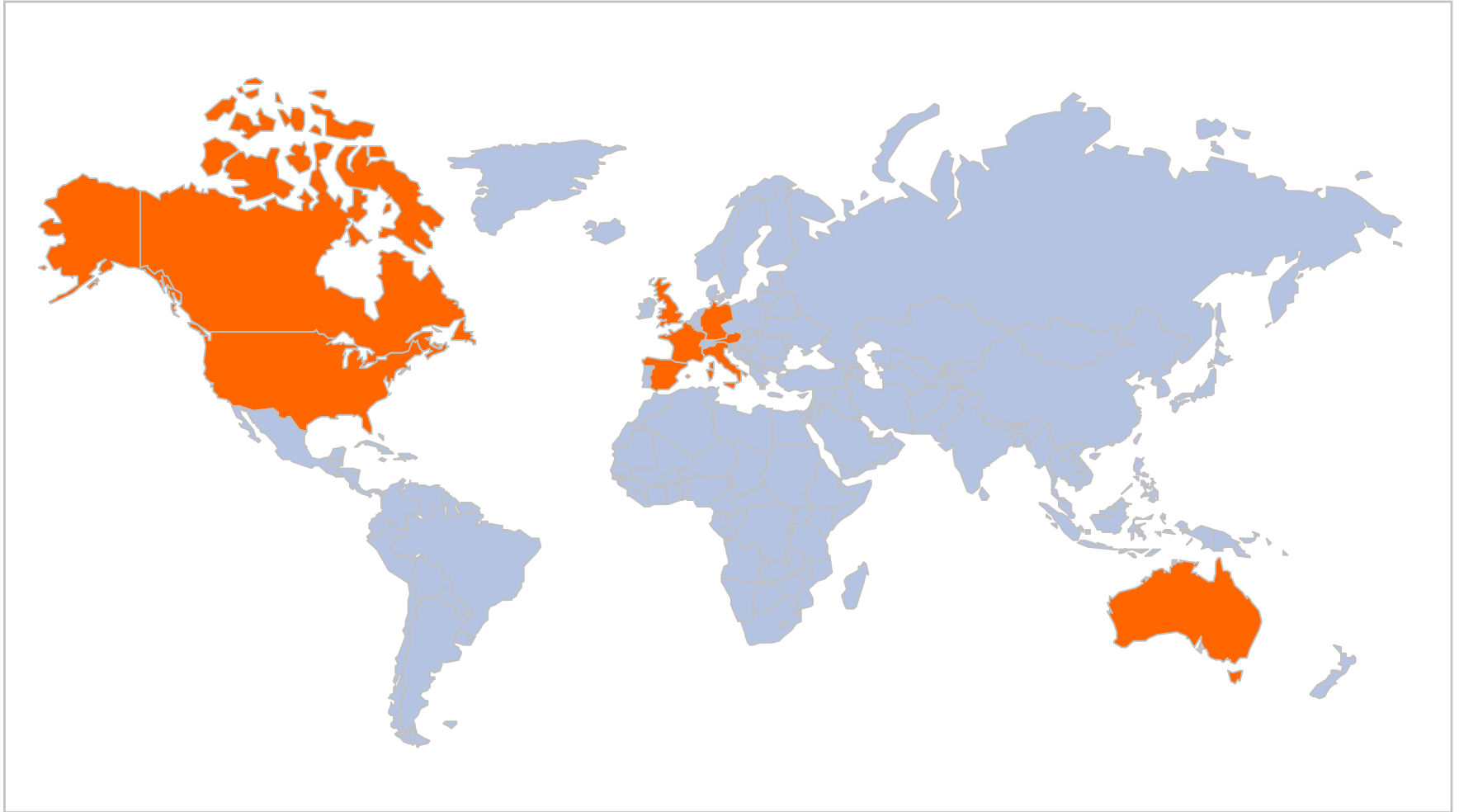
- Home market position in Benelux markets: #2 Retail Bank in NL, #4 in Belgium
- #3 Retail Bank in Germany
- Largest Direct Bank in Europe: Germany, Spain, France, Italy, UK
- Strong positions in largest Central and Eastern European countries: Poland, Romania, Turkey
- Growth options beyond Europe: Canada, Australia, India, China, Thailand

# ING Commercial Banking's international network

## Presence in 40 countries

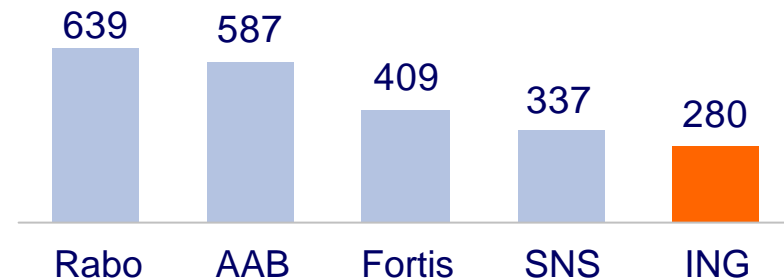


# ING Direct strives to offer its clients good value for money and aims to be the lowest cost provider

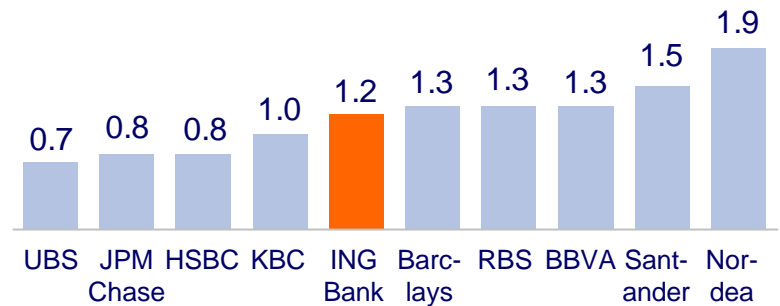


# ING Bank has strategic advantages that will be increasingly important

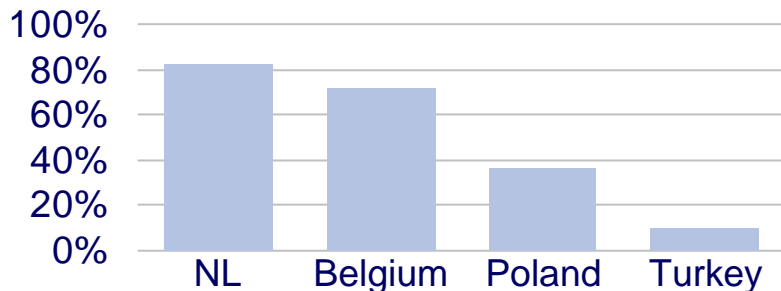
## Lowest cost/current account in the Netherlands (NL) (in EUR)\*



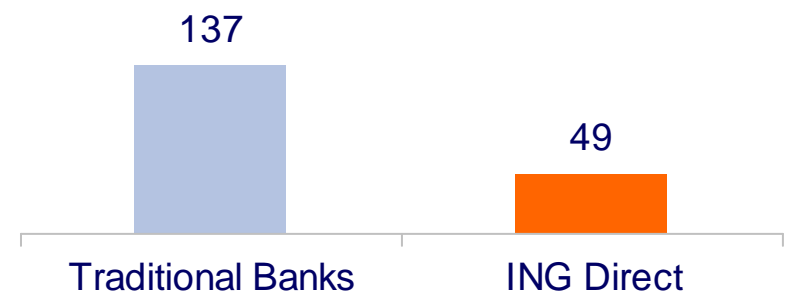
## A favourable customer loan-to-deposit ratio (% , 1H09)\*\*



## Spontaneous brand recognition\*



## ING Direct has lowest cost base (opex to client balances, in bps)\*\*\*



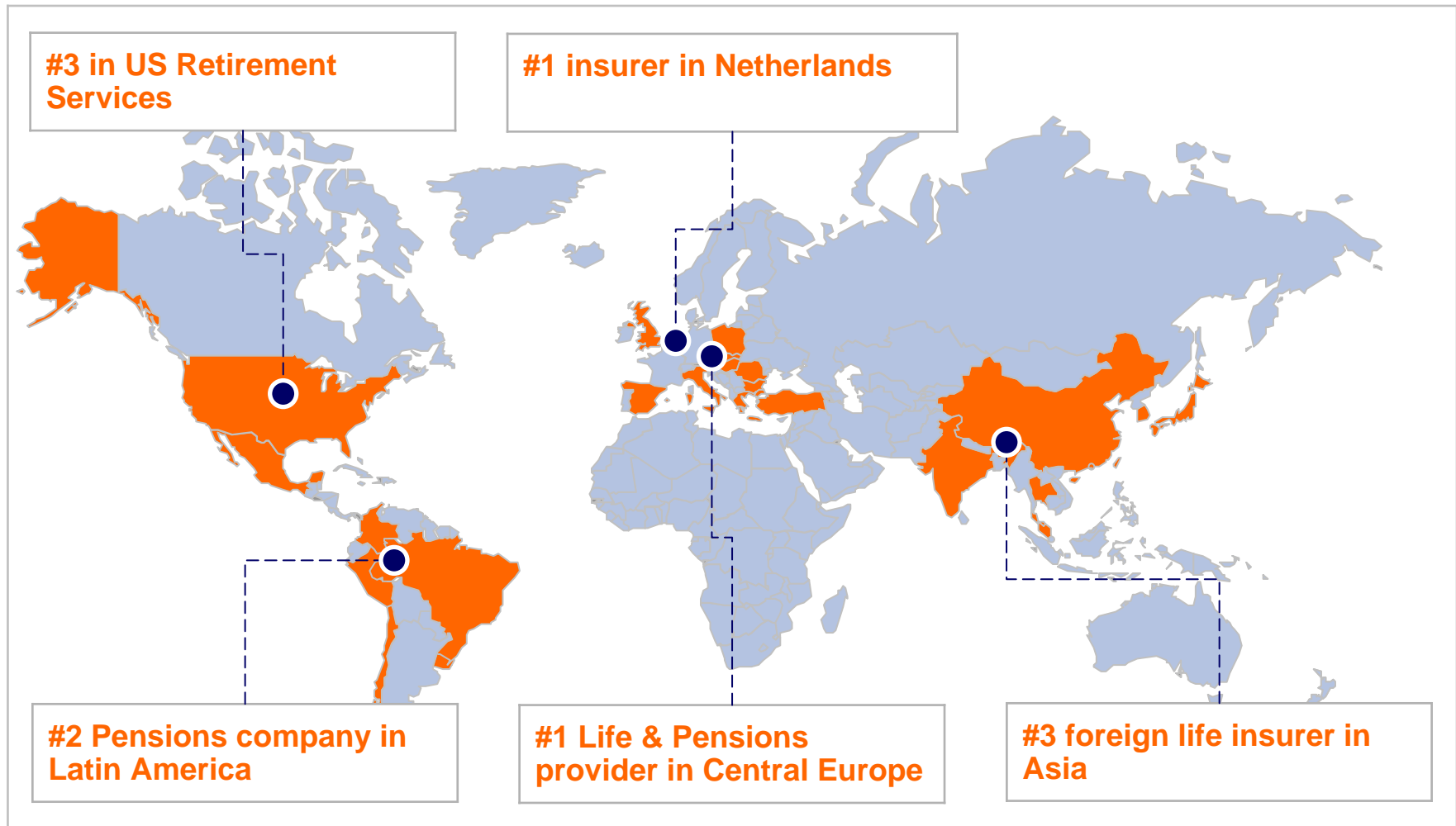
\* Source: Company data 1Q09

\*\* Source: McKinsey

\*\*\* Source: CapGemini, WRBR 2005, BCG Sample incumbents 2007



# ING Insurance has an attractive mix of mature businesses and strong positions in growth markets



Source: Datastream, Company websites



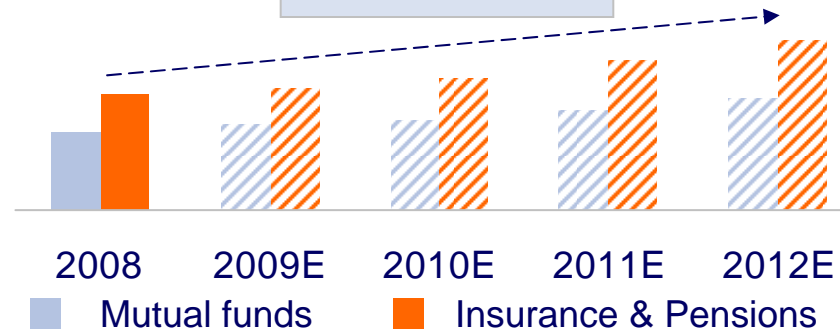
# Insurance aims for double-digit growth

Insurance & pensions, as well as mutual funds, are well positioned

## Insurance & Pensions, Mutual Funds

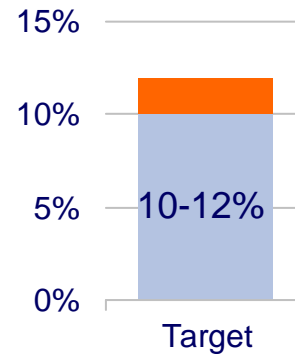
### Assets

Combined CAGR  
2008-12 of 9.5%

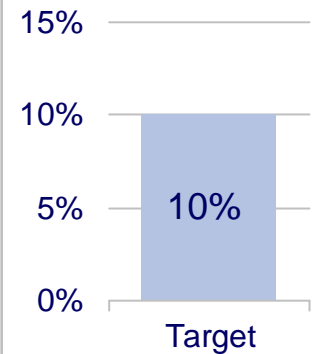


## Long term Insurance ambition

### VNB growth



### Top line growth



Source: McKinsey & Company

- Insurance & Pension assets are expected to increase at nearly 10% per year
- The annual growth rate in mutual fund assets of 9% is in line with the pre-crisis growth rates

# ING Investment Management has more than EUR 400 billion assets under management

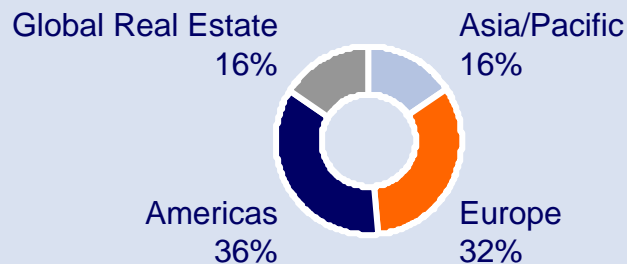


## ING Investment Management

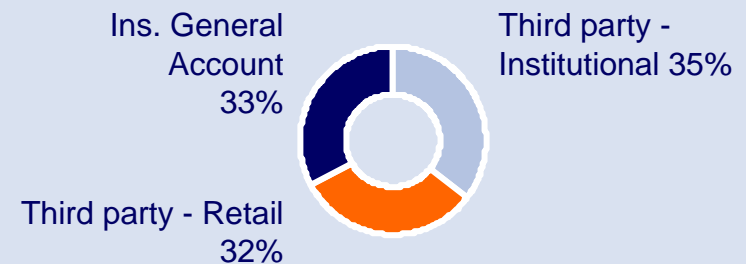
- ING is a leading asset manager with over EUR 400 billion AuM, of which approximately one third is Insurance general account and two thirds Third Party
- ING Investment Management is positioned in 34 countries providing diversified investment solutions on a truly global scale

## ING Investment Management: AuM of EUR 403 billion (30 June 2009\*)

### Regions



### Clients



\* Based on provisional data





# EC Restructuring Plan

# The EC has approved ING's restructuring plan on 18 November 2009

- Main components:
  - Split Bank and Insurance and eliminate double leverage
  - Exit of Insurance and Asset Management
  - Carve out from Dutch retail banking operations: Interadvies and ING Netherlands' Consumer Credit Business
  - Additional fees to be paid to Dutch State for Illiquid Asset Back-up Facility
  - Sale ING Direct US
- Restructuring to be completed before end of 2013

# Carve-out from Dutch retail banking operations

## New company consists of:

### Interadvies



Westland Utrecht  
Mortgage Bank



Banking activities of  
Nationale-Nederlanden

+



Consumer Credit  
business (formerly part of  
Postbank)

- Over 1 million customer contracts are in place
- EUR 120 million underlying profit before tax for the first nine months of 2009
- Around 700 employees

# Additional payments on Alt-A facility and further conditions

## Additional payments on Alt-A facility

- Funding fee paid to ING reduced by 50 bps
- Guarantee fee paid to Dutch State increased by 82.6 bps
- Additional costs: EUR 1.3 billion (one-off charge taken in 4Q 2009)

## Further conditions

### Acquisitions

- ING will refrain from acquisitions of financial institutions and other acquisitions that would slow down the repayment of the Core Tier 1 securities

### Price leadership

- ING has agreed not to be a price leader in any EU country for certain retail and SME banking products

### Hybrid capital payments

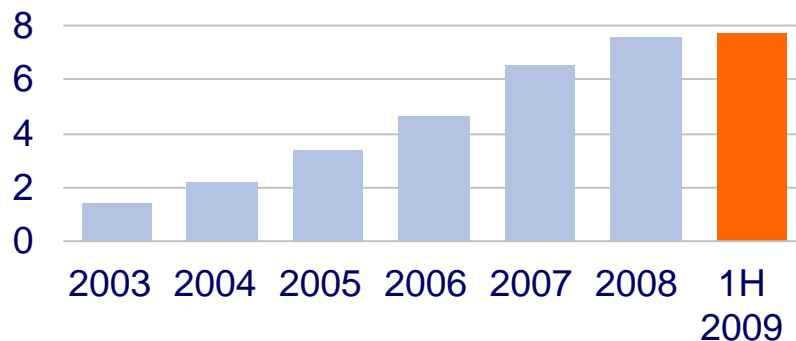
- ING will not be forced by the EC to defer coupon payments on hybrids pending a successful rights issue

- These restrictions will apply for the shorter period of three years or until the core Tier 1 securities have been repaid in full to the Dutch State
- Remuneration and corporate governance restrictions committed in the core Tier 1 and IABF agreements with the Dutch State will continue to be in force

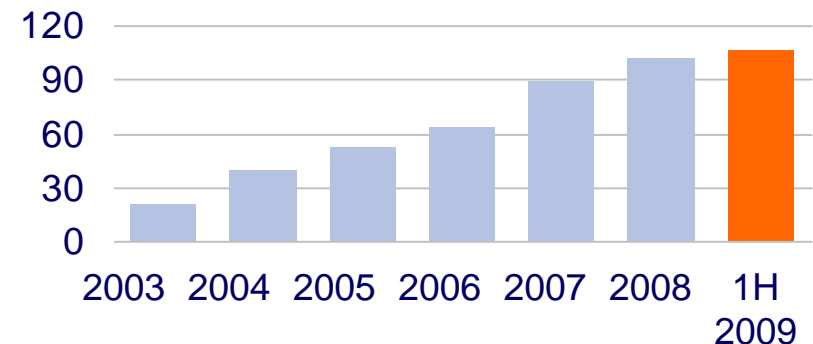
# As part of the restructuring plan, ING needs to divest ING Direct US over time

- ING Direct continues to be a very strong franchise and the US market offers potential for growth
- Divestment expected to take several years to complete. Will be closed before the end of 2013
- In the meantime ING intends to grow the value of the business and offer a superior customer experience

**ING Direct US clients (in millions)**



**ING Direct US client Retail Balance (in USD bln)\***

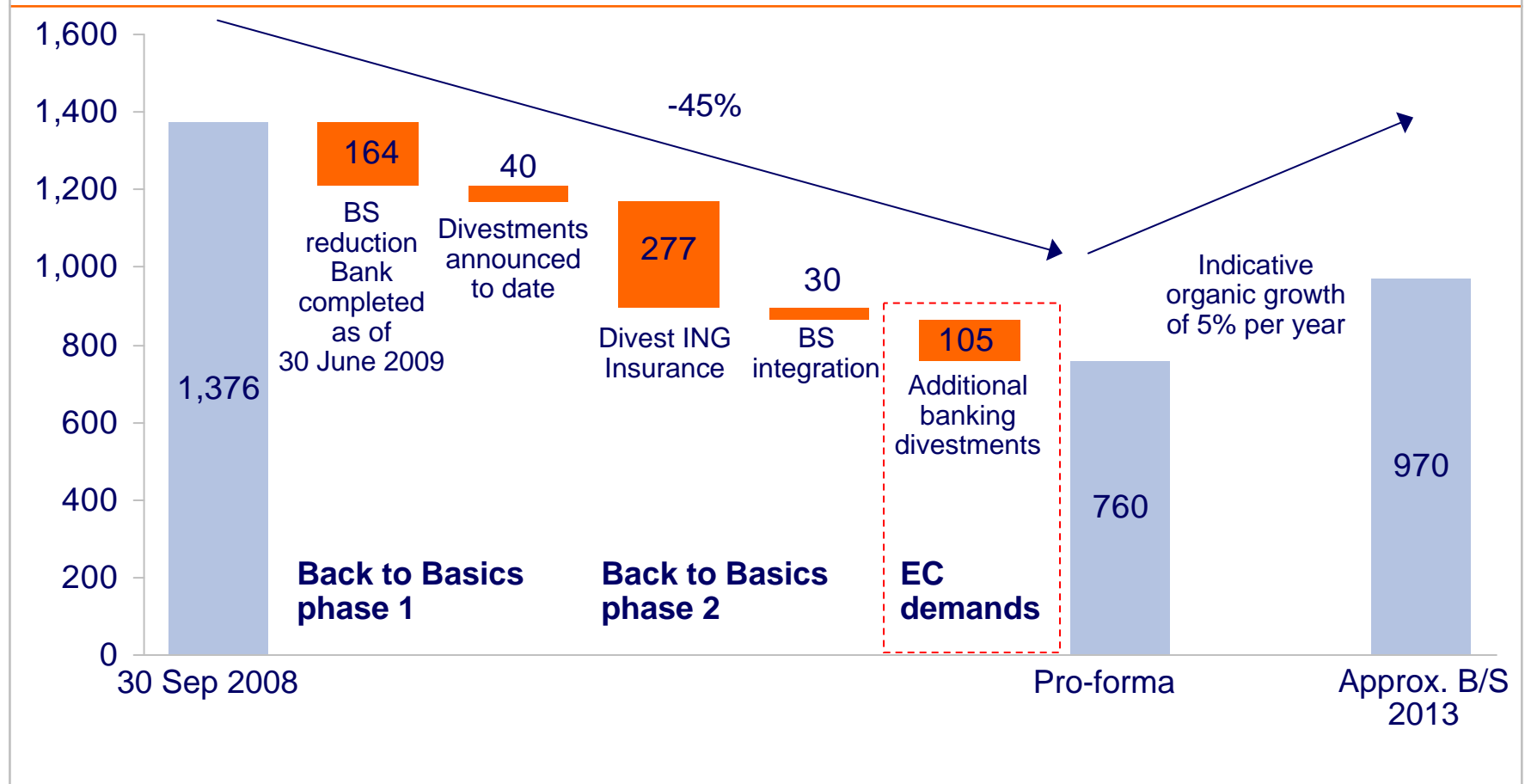


\* Starting in 2008, Client Retail Balances definition changed to Client Balances (excluding bought mortgage pools)



# Restructuring reduces balance sheet by 45%

## Balance sheet reduction: Blend of Back to Basics programme and EC induced measures



# Repurchase of core Tier 1 securities

# ING reached agreement for early repurchase of core Tier 1 securities from Dutch State

## Revised terms to repurchase 50% of CT1 securities before 31 January

- Window of opportunity: through 31 January 2010
- Terms:

Nominal repayment of EUR 5 billion

+ Accrued interest of 8.5% per annum (EUR 259 million)

+ Repurchase premium between EUR 346 million and EUR 705 million depending on the volume weighted average share price of ING on the five trading days prior to the date of repurchase



# Repurchase of CT1 funded by rights offering is attractive under revised terms

## Repurchase will enable ING to stand on its own feet and move forward

- Repurchasing half of State investment is a key transitional point for ING, which allows us to regain our independence and to chart a clear course forward
- EUR 7.5 billion rights issue to finance repayment and cover charge for additional IABF payments
- Repurchase of the remaining securities (EUR 5 billion) will be funded by internal resources, including retained earnings and the proceeds derived from exiting Insurance

# The Proposed Offering

# Rights Issue: key transaction terms

**Terms and conditions will be announced after the EGM, pending your approval**

## Offer Size



- EUR 7.5 billion

## Use of proceeds



- Repurchase of 50% of State's core Tier 1 capital securities
- Covering additional Alt-A facility (IABF) fees
- Strengthening the Company's capital base

## Structure and Key Terms



- For each ING share (or BDR) owned at the close of trading on Euronext Amsterdam on the record date, one right will be awarded
- Conditions will be announced shortly (provided that the EGM authorizes the rights issue)

## Listing/trading



- BDRs: Euronext Amsterdam, Brussels (IDRs Brussels only)
- Rights: Euronext Amsterdam and Brussels only
- ADSs: rights will not be not listed or traded on NYSE

# What does this mean for you?

- For each ING share (or BDR) owned at the close of trading on Euronext Amsterdam on the record date, one right will be awarded
- Terms to be announced later
- Your options:
  - Exercise all your rights
  - Exercise part of your rights, sell part of your rights
  - Sell all your rights
  - Allow your rights to expire

For more information and to request the prospectus:  
[www.ing.com/rightsissue](http://www.ing.com/rightsissue)

# Timeline rights offering

25 November	Extraordinary General Meeting
27 November	Provisional rights record date for American Depositary Shares and Bearer Depositary Receipts
[•]	Publication date of the prospectus
[•]	Start rights trading on Euronext; Start rights subscription BDRs and ADSs
[•]	End of ADS subscription period
[•]	End of BDR rights trading; End of BDR rights subscription
[•]	Rights issue results announced; Rump offering



# Accelerating the Journey Back to Basics

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



# 2009 extraordinary General Meeting

Present or represented are:

- 12 shareholders
- 347 holders of depositary receipts

holding on the Record date (30 October 2009):

- 2,062,307,758 ordinary shares

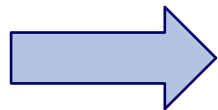
permitting 2,012,765,671 votes to be cast

- ING Trust Office excluded, 626,658,775 votes (31.12% of the total number of votes), will be cast in the meeting and by means of proxy voting

# Agenda item 2B – voting item

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Approval of a resolution of the Executive Board regarding an important change of the identity or the character of the Company or the enterprise



***See explanation of the agenda***



# Agenda item 2B – voting item

Approval of a resolution of the Executive Board regarding an important change of the identity or the character of the Company or the enterprise

	Number	%
<b>In favour</b>	<b>1,997,980,327</b>	<b>99.268</b>
<b>Against</b>	<b>4,280,032</b>	<b>0.213</b>
<b>Abstentions</b>	<b>10,455,528</b>	<b>0.519</b>

Excluding  
ING Trust Office

In favour	611,873,431	97.648
Against	4,280,032	0.683
Abstentions	10,455,528	1.669

# Agenda item 3 – voting item

## Authorisation to issue ordinary shares and to exclude the pre-emptive rights

- issue of such a number of ordinary shares as needed to raise an amount of up to EUR 7,500,000,000
- exclusion of applicable pre-emptive rights, but with similar subscription rights for existing shareholders and depositary receipt holders subject to relevant securities laws and regulations
- authority applies to the period ending on 27 October 2010

# Agenda item 3 – voting item

Authorisation to issue ordinary shares and to exclude the pre-emptive rights

	Number	%
<b>In favour</b>	<b>1,983,905,442</b>	<b>98.569</b>
<b>Against</b>	<b>5,800,663</b>	<b>0.288</b>
<b>Abstentions</b>	<b>23,009,683</b>	<b>1.143</b>

Excluding  
ING Trust Office

In favour	597,798,546	95.402
Against	5,800,663	0.926
Abstentions	23,009,683	3.672

# Agenda item 4

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## Closing

## IMPORTANT LEGAL INFORMATION

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 developing markets, (iii) the implementation of ING's restructuring plan to separate banking and insurance operations, (iv) 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, (v) the frequency and severity of insured loss events, (vi) mortality and morbidity levels and trends, (vii) persistency levels, (viii) interest rate levels, (ix) currency exchange rates, (x) general competitive factors, (xi) changes in laws and regulations, (xii) changes in the policies of governments and/or regulatory authorities, (xiii) conclusions with regard to purchase accounting assumptions and methodologies, (xiv) changes in ownership could affect the future availability to us of net operating loss, net capital loss and built-in loss carryforwards, and (xv) ING's ability to achieve projected operational synergies. ING assumes no obligation to update any forward-looking information contained in this document.

*This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. If you are a US person, ING will arrange to send you, when the rights offering is launched, the prospectus it expects to file with the Securities and Exchange Commission if you request it by writing to ING Group Investor Relations, Location code IH 07.362, P.O. Box 810, 1000 AV Amsterdam or by calling +31 20 541 5460.*

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