First Quarter 2008 Results

ING's profit declines 15.2% on market downturn while commercial growth momentum remains robust

Press Presentation

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www.ing.com

BANKING · INVESTMENTS · LIFE INSURANCE · RETIREMENT SERVICES

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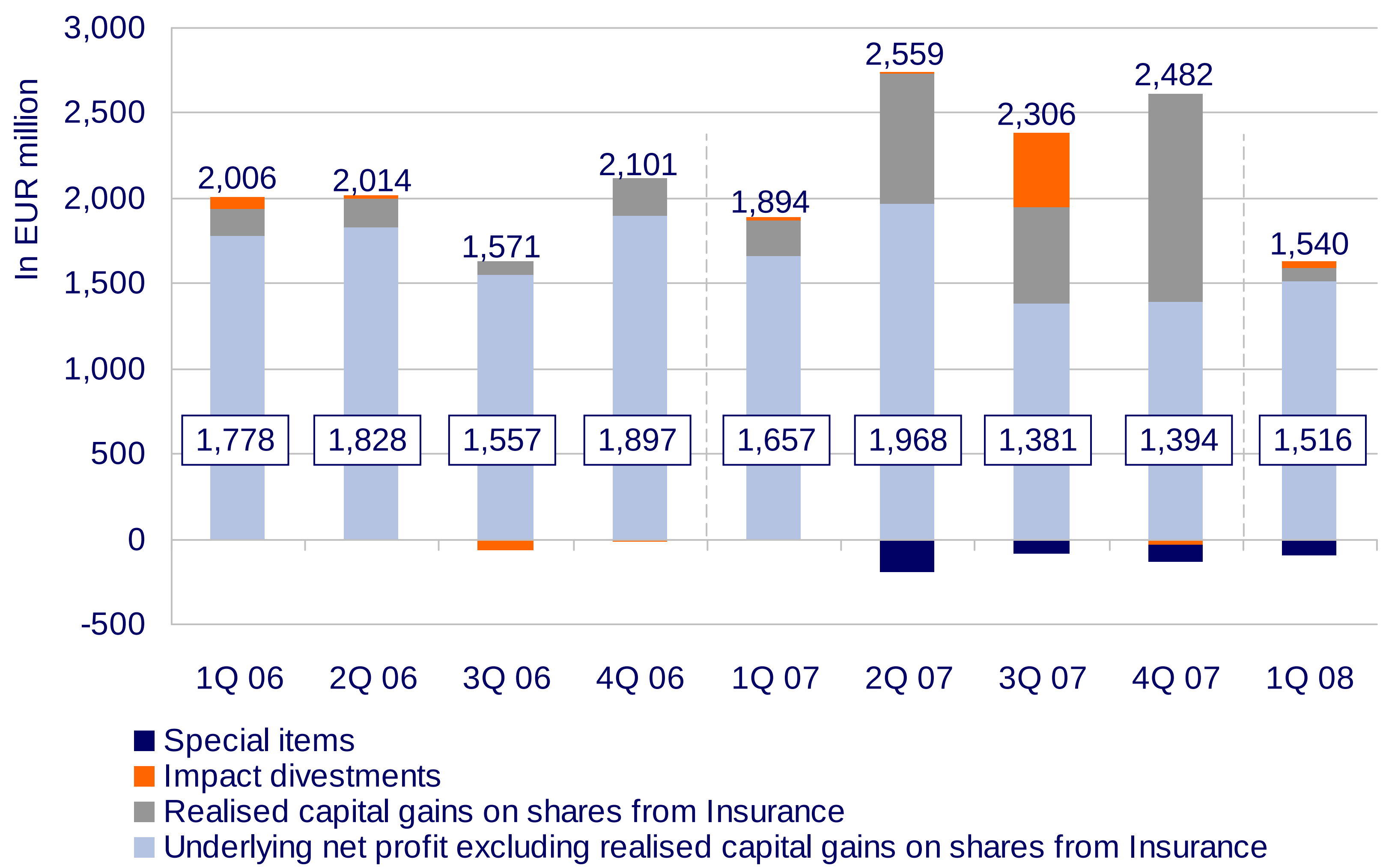
First Quarter 2008: Agenda

1.	Overview	Michel Tilmant, CEO
2.	Financial Highlights	John Hele, CFO
3.	Risk Management	Koos Timmermans, CRO
4.	Closing Remarks	Michel Tilmant, CEO

Key points first quarter 2008 developments

- Earnings affected by the downturn in financial markets: underlying net profit declines 15.2% to EUR 1,589 million
- Limited direct impact from credit and liquidity crisis
- Strong commercial growth continues despite competitive and turbulent markets
- Continued focus on managing organic growth, costs and add-on acquisitions

Results in first quarter holding up…



…with limited direct impact from the credit and liquidity crisis

- P&L impact from subprime, Alt-A and other pressurised asset classes limited to EUR 55 million after tax in first quarter

- Market prices impacted by lack of market liquidity with a revaluation of EUR -2.3 billion after tax on pressurised asset classes through shareholders' equity in first quarter

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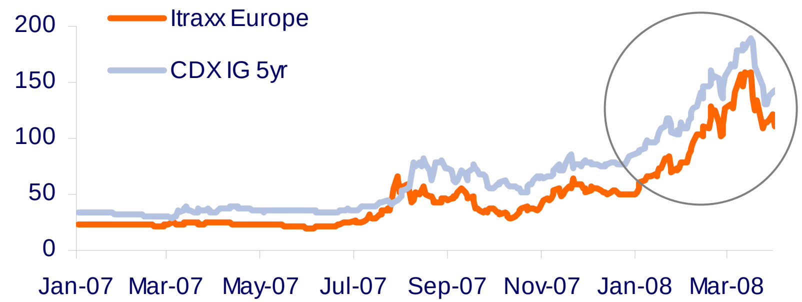
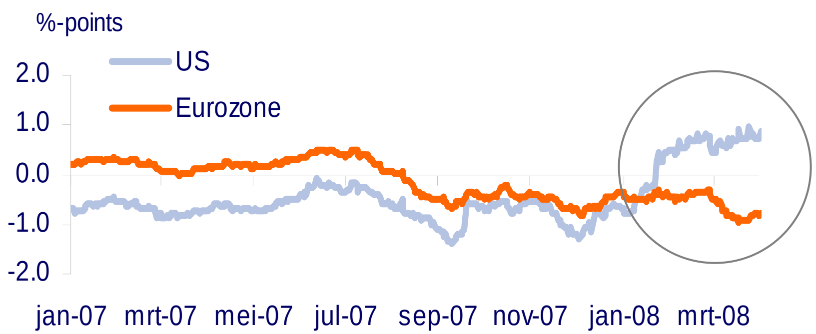
The market environment has become more challenging

Stock markets

Credit spreads

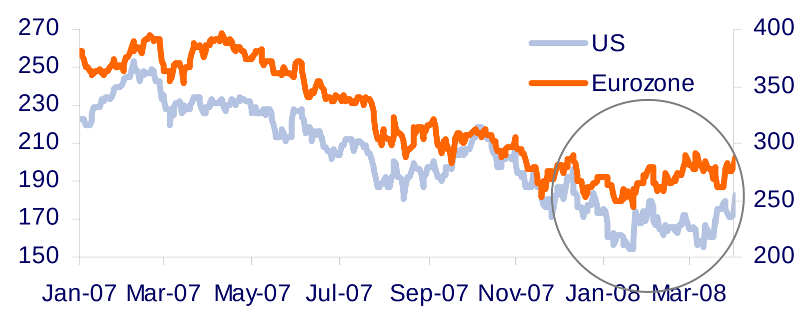


Yield curve*



*10yr -/- 3m

MSCI real estate (in USD)



Financial markets continued to suffer in 1Q from the credit crisis and market illiquidity, reflected in increased volatility, declining equity and real estate markets and widening credit spreads, while yield curves in Europe remain inverted

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Earnings were affected by the downturn in financial markets

	Net			Before tax		
in EUR million	1Q2008	1Q2007	Change	1Q2008	1Q2007	Change
Underlying profit	**1,589**	**1,874**	**-15.2%**	**2,127**	**2,434**	**-12.6%**
Impairments on pressurised asset classes	-55		-55	-80		-80
Capital gains (net of impairments) on equity securities	95	327	-232	85	351	-266
Hedges on equities	115		115	153		153
Real Estate revaluations	-52	130	-182	-69	173	-242
Private equity result	-37	100	-137	-38	119	-157
Foreign exchange effect		55	-55		78	-78
Subtotal adjustments	**66**	**612**	**-546**	**51**	**721**	**-670**
	1,523	**1,262**	**20.7%**	**2,076**	**1,713**	**21.2%**

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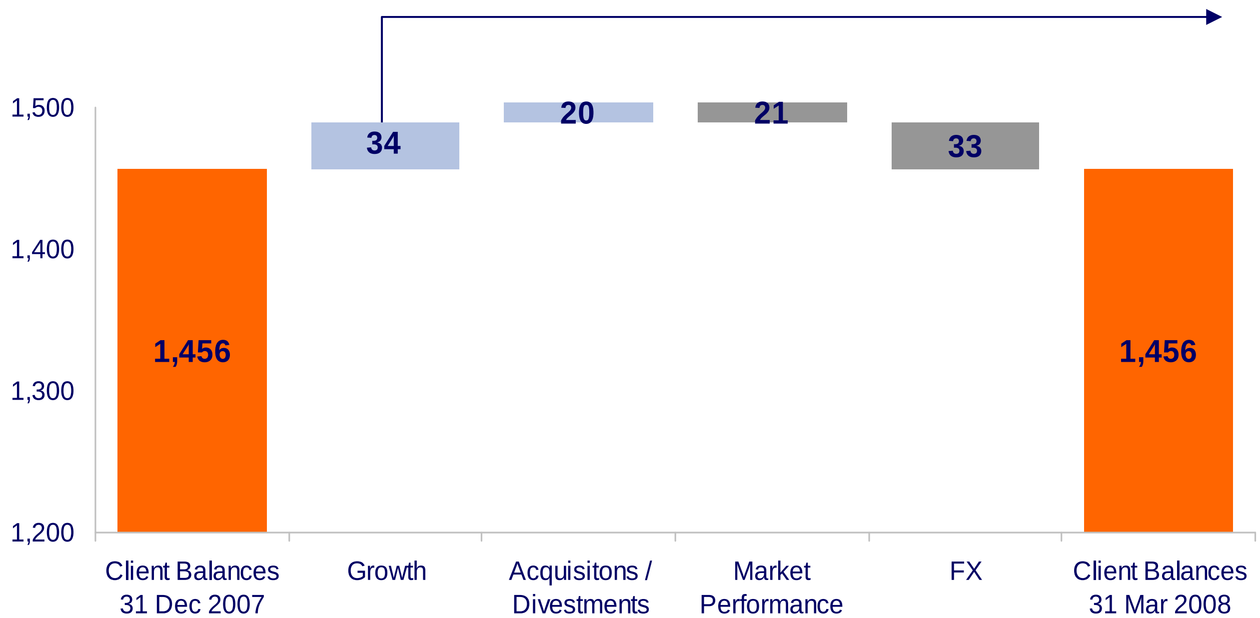
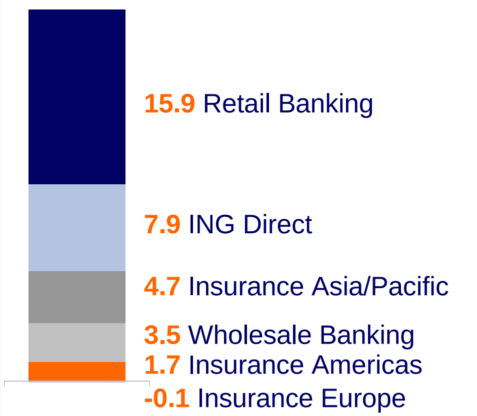
Strong commercial growth with net inflows of EUR 34 billion in client balances…

Client Balances, Group (in EUR billion)



Net Inflows (in EUR billion)

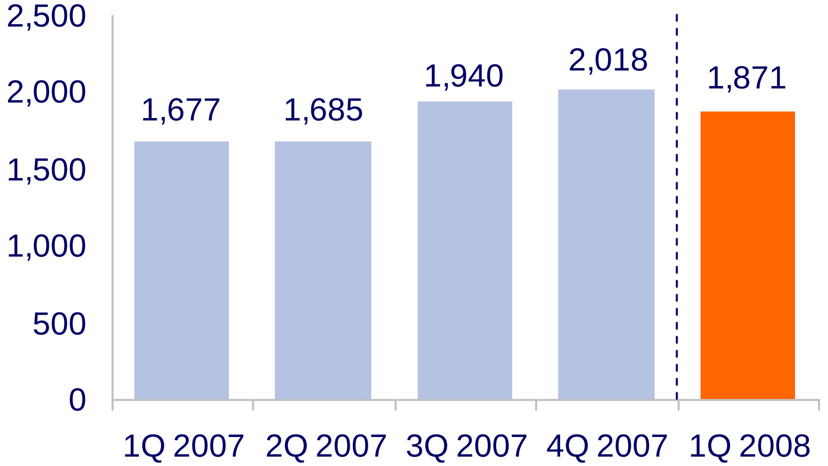


- Client balances remain stable as growth is offset by negative currency impact
- Excluding the currency impact, client balances are up driven by growth in retail lending

Client balances include liabilities (savings, deposits, investment products and current accounts), assets (loans, advances, mortgages) and insurance and investment contracts, institutional asset management funds and pension funds

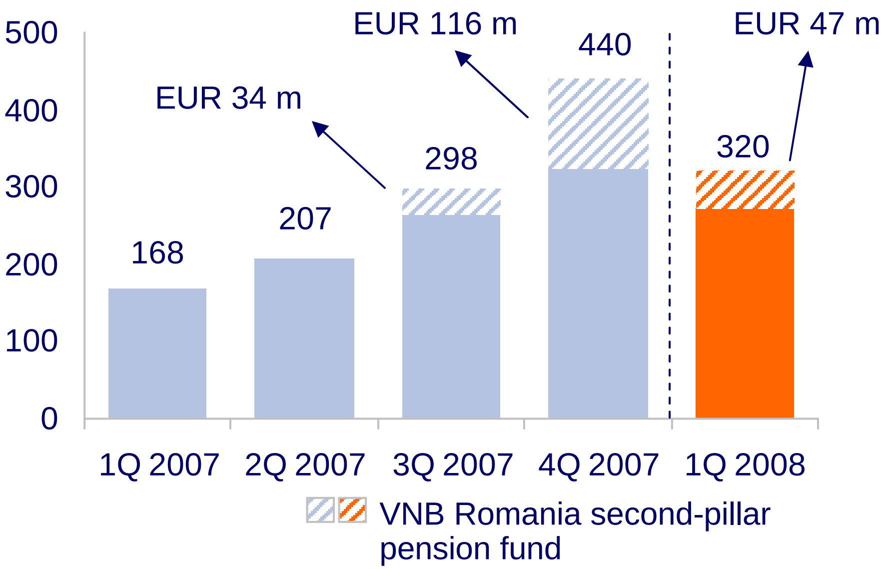
…and strong growth in insurance sales and VNB

New sales (APE, in EUR million)



- New life sales up 11.6% and 23.1% excluding currencies
- ING continues to capitalise on shift from traditional to investment-linked products
- Romanian pension fund adds EUR 27 million to APE

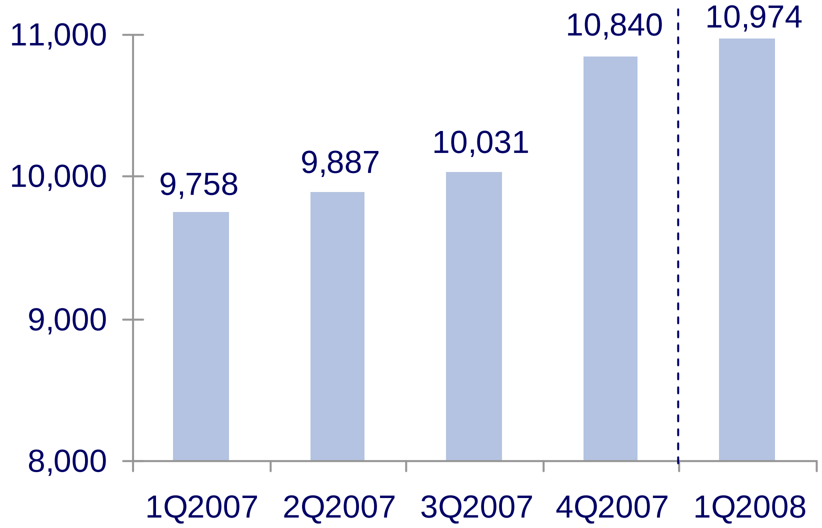
Value new business (in EUR million)



- VNB up 90.5% to EUR 320 million
- Central Europe lifted by second-pillar pension fund in Romania
- Latin America benefiting from acquisition of pension business

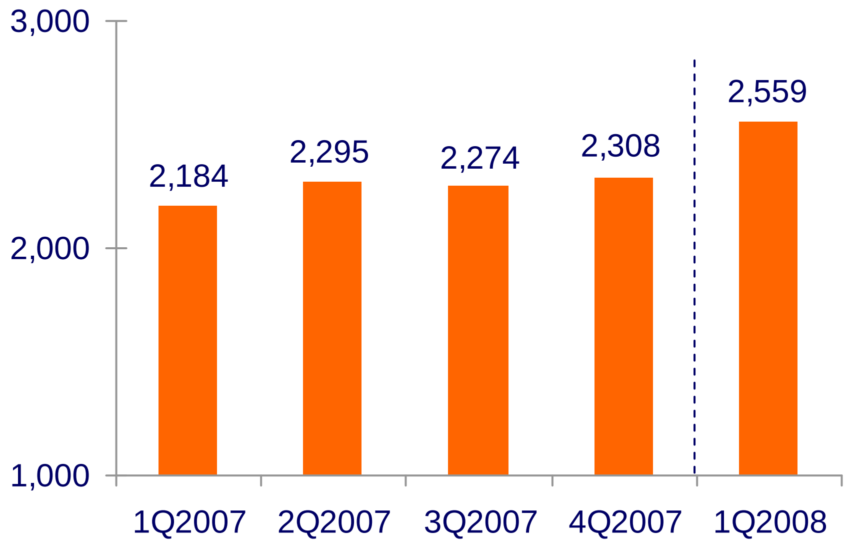
This resulted in solid top-line growth…

Life gross premium income Insurance (EUR million)



- Life premiums up 22.4% excluding currencies, mainly due to Asia/Pacific and US
- Total gross premiums up 10% (18.5% excluding currency effects), reflecting ING's solid commercial performance

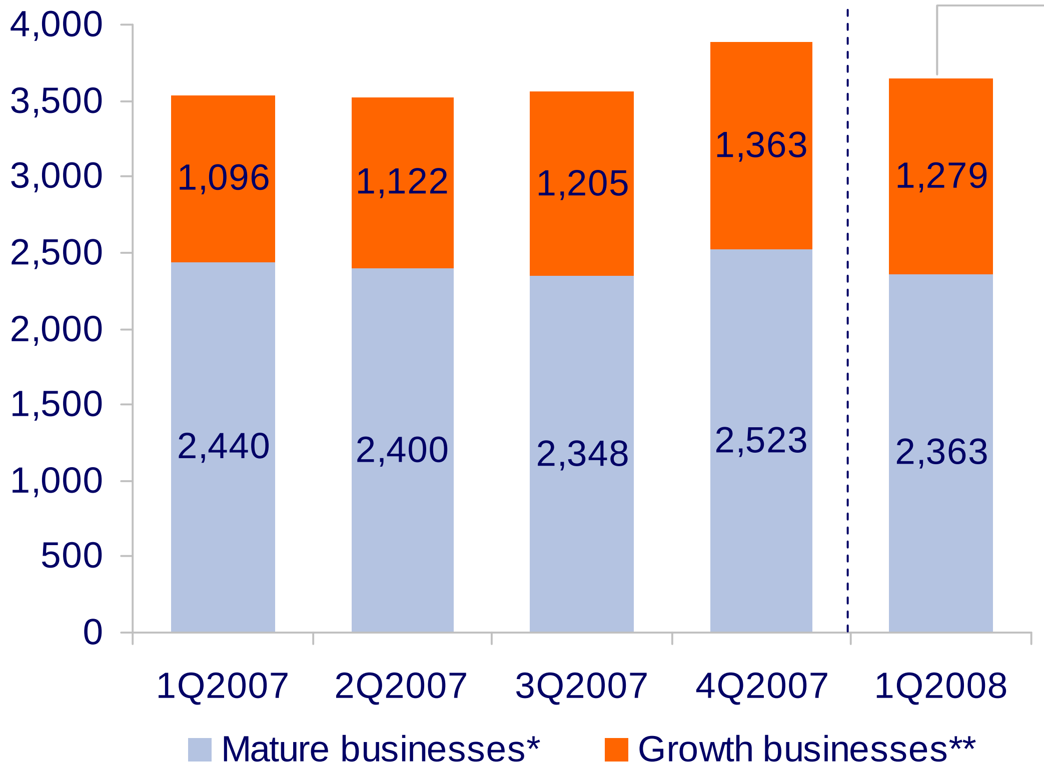
Interest result Banking (EUR million)



- Interest results up 17.2% due to increasing volumes and improvement of interest margin to 1.02% (up 8 basis points vs. 4Q2007)
- Total underlying income up 4.3%

…while expenses remain under control

Recurring operating expenses (EUR million)



Recurring operating expenses (1Q vs 1Q):

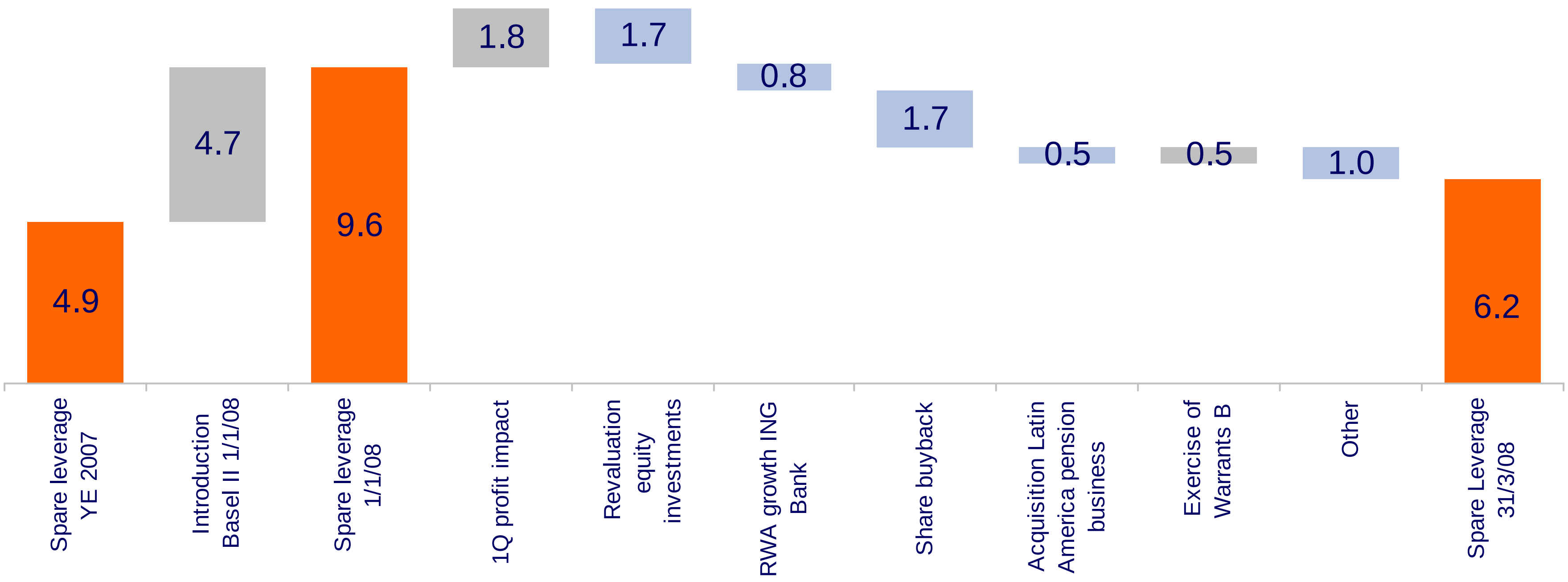
- Up 2.9% ING Group
- Down 3.2% in mature businesses
- Up 16.7% in growth businesses

* Insurance Europe (Benelux); Insurance Americas (excl. US Wealth Management); Corporate Line Insurance; Wholesale Banking (excl. ING Real Estate); Retail Banking (Benelux); Corporate Line Banking

** Insurance Central Europe; US Wealth Management; Insurance Asia/Pacific; ING Real Estate; ING Direct; Retail Banking (outside Benelux)

All key capital ratios are within target, with spare leverage capacity of EUR 6.2 billion

ING Group (in EUR billion)



- Tier-1 ratio Bank 8.3% (vs > 7.2% target)

- Debt equity ratio Insurance 12.3% (vs < 15% target)
- Debt equity ratio Group 9.7% (vs < 10% target)

Managing our strategic priorities…

Commercial and organic growth	• Combination Postbank and ING Bank in the Netherlands on track • Turkey: preparation opening up more than 50 new retail bank branches in 2008 • India: roll-out of 56 new retail bank branches in 2008 • Japan: ING Life Japan selected by Japan Post as one of the principal product providers for both SPVAs and COLI products
Business portfolio	• Acquisition of CitiStreet LLC • Expected gain divestment P&C Mexico between EUR 150-200 mln
Business fundamentals	• Focus on cost efficiency – total recurring operating expenses up 2.9% • Disciplined risk management – limited direct impact credit crisis • Disciplined capital management – all capital ratios within target

…including the recent acquisition of CitiStreet

citistreet℠

A State Street and Citigroup Company

- Announced acquisition of CitiStreet LLC for total consideration of EUR 578 million
- CitiStreet is one of the premier retirement plan, benefit service and administration organisations in the US defined contribution marketplace
- ING will become third-largest defined contribution business in US based on AUM/AUA (EUR 224 billion) and second-largest based on plan participants (more than 14 million)
- High technology platforms position us to compete effectively in the US retirement savings market

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Looking forward

- As we saw in the first quarter, earnings and shareholders' equity are affected by movements in fixed-income securities, equity and real estate markets.
- Although we have perceived some improvement in equity markets and credit spreads since the close of the first quarter, investment returns and asset values will likely remain under pressure with the correlated impact on earnings.
- However, with ING's broad client access and product range, strong capital base and solid liquidity position we remain confident that ING is well positioned to help our customers manage their financial future while generating long-term profitable growth for our shareholders.

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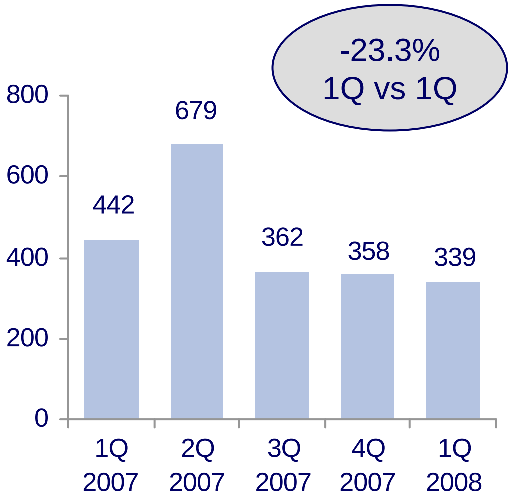
- Limited direct impact from credit and liquidity crisis in 1Q
- Market downturn affects results from equity, real estate and private equity

Insurance: Profit declines on impact of downturn in financial markets

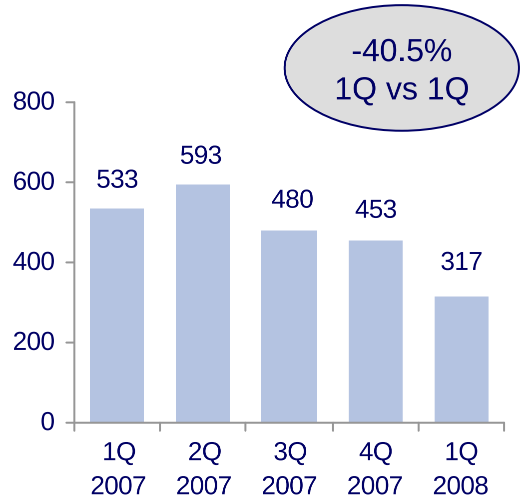
Underlying profit before tax (EUR million)

Insurance Europe



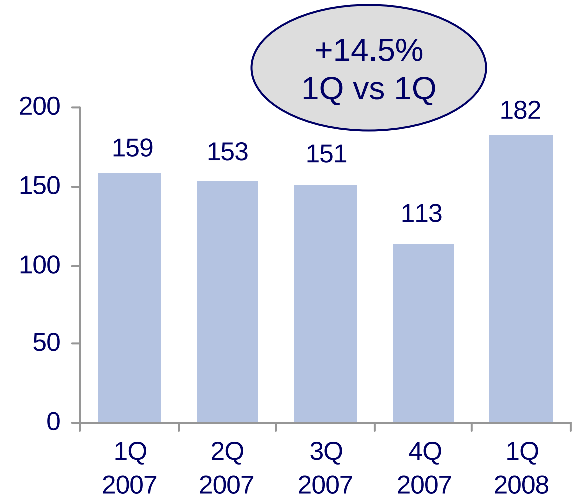
- Profit down due to lower investment income, especially at the Dutch life businesses, due to negative revaluations on real estate and private equity
- Life profit from Central Europe +17.1%

Insurance Americas



- Earnings decline 35% excluding FX as markets trigger DAC unlocking in the US and credit and liquidity crisis leads to EUR 30 million in impairments
- Canada non-life -36.4% excluding currencies
- Latin America life profit +37.5%

Insurance Asia/Pacific

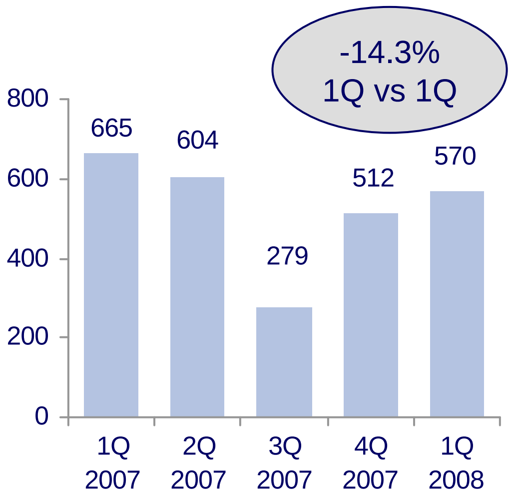


- Profit up 14.5% on hedge results for SPVAs in Japan
- In South Korea, profit declined due in part to a negative revaluation on a CDO and higher claims
- Investments continue in greenfields

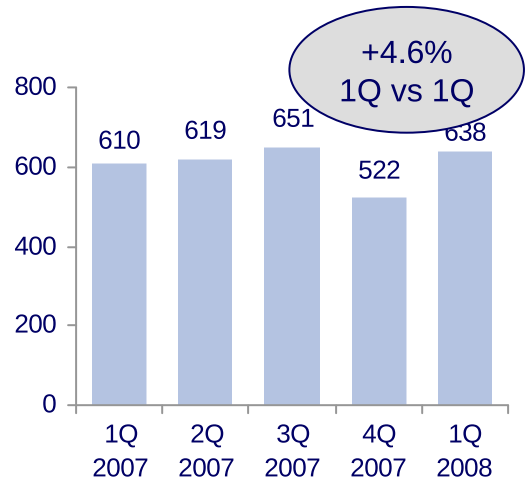
Banking: Limited impact from credit market turmoil

Underlying profit before tax (EUR million)

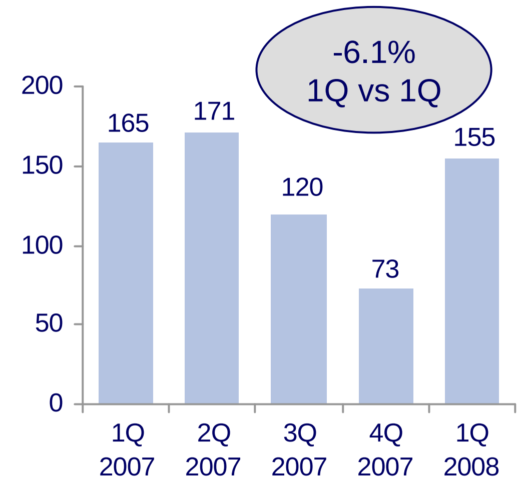
Wholesale Banking



Retail Banking



ING Direct



Wholesale Banking

- Credit crisis has limited impact of EUR 33 million
- Lower real estate valuations have negative impact of EUR 116 million
- Profit up 11.3% from 4Q2007
- Expenses under control and risk costs remain low

Retail Banking

- Profit up 22.2% from 4Q2007
- Operating expenses decline in mature markets
- Margins under pressure as customers shift to lower margin term deposits
- Oyak Bank adds EUR 18 million after capital charges

ING Direct

- Earnings rebound in the US as rate environment improves
- Interest margin recovers to 86 bps
- Losses in the UK narrow 59% compared with 4Q2007

Limited direct impact from credit and liquidity crisis in 1Q

Accounting policy (IFRS)

- There are important differences in the accounting treatment of revaluations and impairments depending where assets are held
- For assets classified as available for sale, fair value changes are recognised in shareholders' equity
  - At the end of the reporting period assets are assessed for impairment (if principal and/or interest are not expected to be fully repaid)
  - If impaired, the unrealised revaluation is taken out of equity and recognised in the P&L
  - If a debt security is fair valued below par for a prolonged time, this would by itself not trigger an impairment
- For assets held in the trading book, fair value changes are recorded in the P&L

P&L (1Q2008) and Equity impact (31 March 2008)

Pre-tax P&L impact of pressurised assets in 1Q 2008

(EUR million)	Impairment	Fair value	Trading loss	Total
subprime RMBS	26	0	7	33
Alt-A	17	0	0	17
CDOs	3	13	0	16
Monolines	0	4	0	4
Investments in SIVs, ABCP	10	0	0	10
Total	**56**	**17**	**7**	**80**
Other impairments	89	0	0	89
Total impairments	**145**	**17**	**7**	**169**

Subprime RMBS, Alt-A RMBS and CDO/CLO at 31 March 2008

	amortised costs* EUR billion	market value EUR billion	fair value in %	pre-tax revaluation via equity, EUR billion
US subprime RMBS	2.8	2.3	81%	-0.5
Alt-A RMBS	27.1	22.8	84%	-4.3
CDO/CLO	2.3	2.1	90%	-0.2

* purchase price +/- amortisations - cumulative impairments

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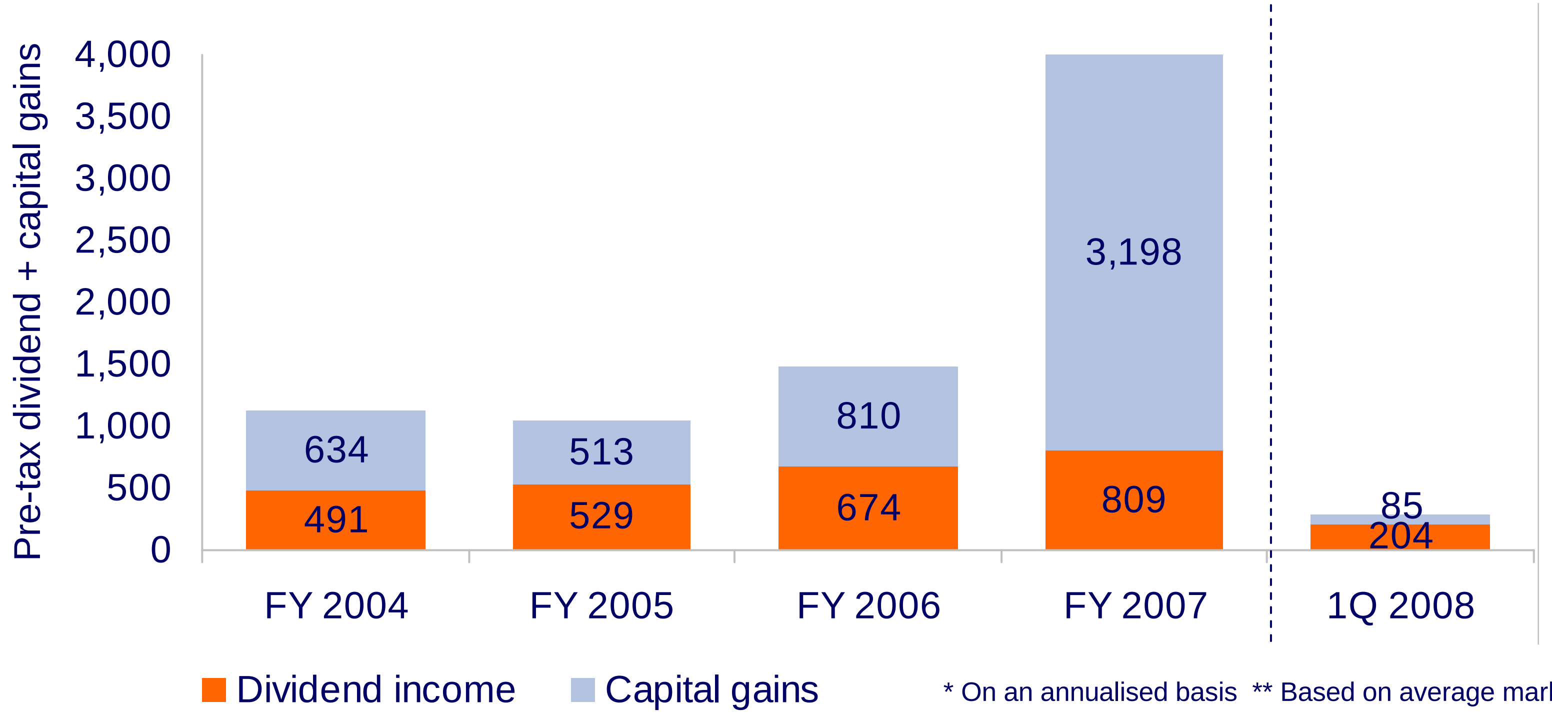
Equity capital gains decline due to market downturn after several years of strong returns

Public Equity (in EUR mln)

Return**	10.2%	8.1%	9.6%	22.1%	6.2%*	Long-term assumed return 8%

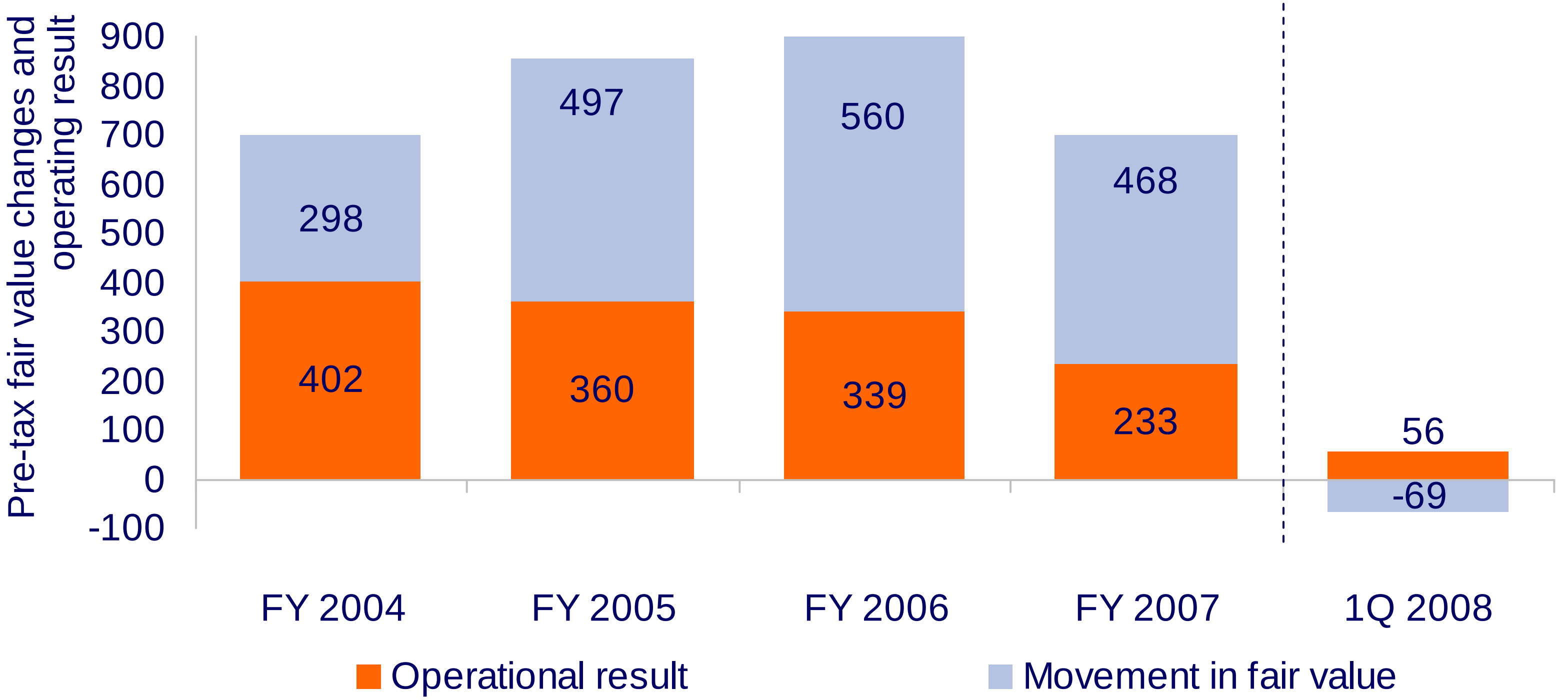


* On an annualised basis ** Based on average market value portfolio

- Equity capital gains 2007 boosted by ABN AMRO and Numico gains
- Revaluation reserve declines in 1Q due to market declines and lower value of stakes in Bank of Beijing and Kookmin Bank

Decline in property values in some markets led to negative revaluations in 1Q after significant positive fair value changes in past four years

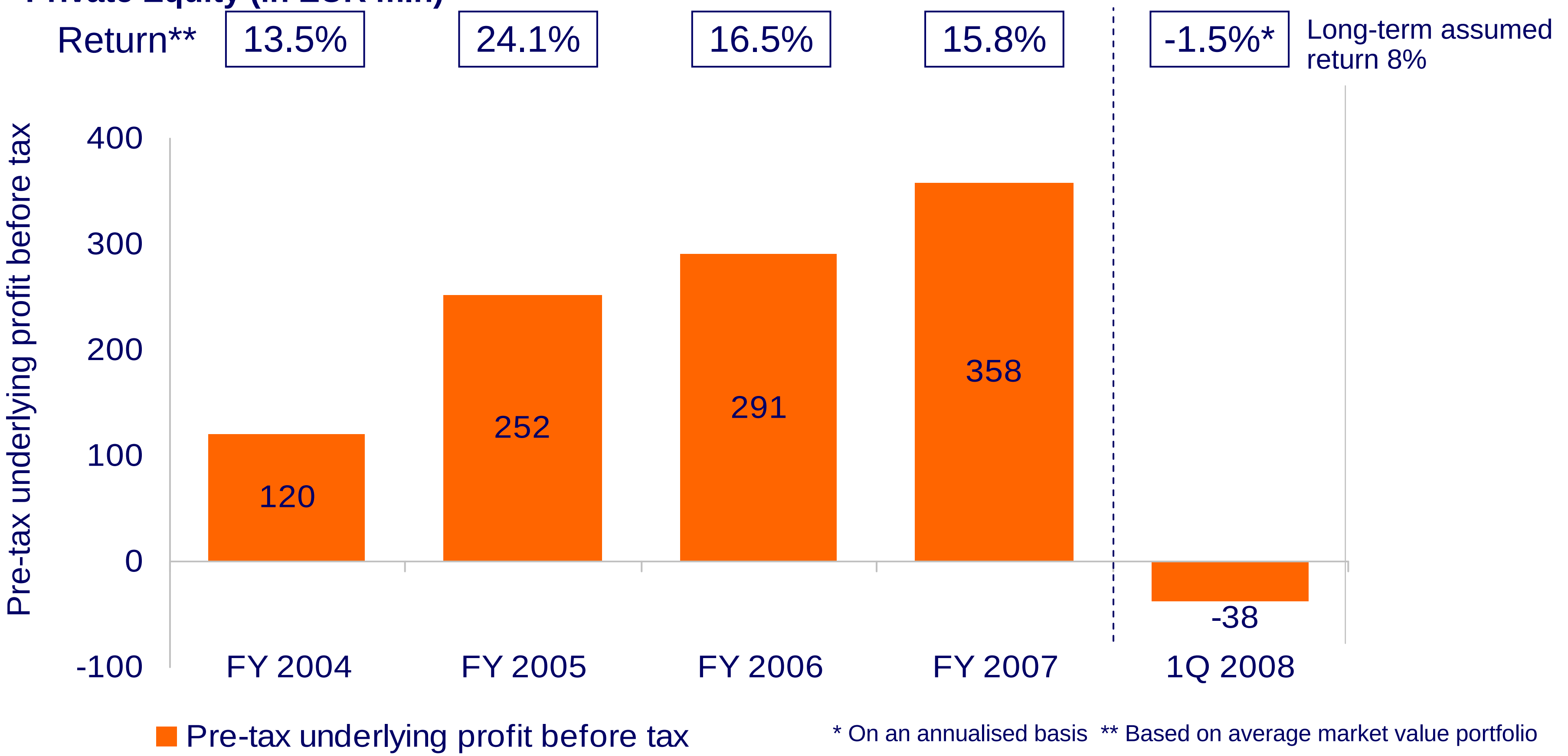
Real Estate investments (in EUR mln)



- Since the transition to IFRS, positive revaluations through the P&L have totalled EUR 1,823 million
- As of 31 March 2008, EUR 6.8 billion of real estate is revalued through P&L in Insurance
- As of 31 March 2008, EUR 5.9 billion of real estate is revalued through P&L at ING Real Estate

Private equity results decline after several years of very high returns

Private Equity (in EUR mln)



* On an annualised basis ** Based on average market value portfolio

- As of 31 March 2008, NL Insurance portfolio at fair value through P&L: EUR 946 million
- As of 31 March 2008, US Insurance portfolio at fair value through P&L: EUR 1,669 million

Financial highlights first quarter 2008

- Commercial growth momentum continues across the Group

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- Market downturn affects results from equity, real estate and private equity

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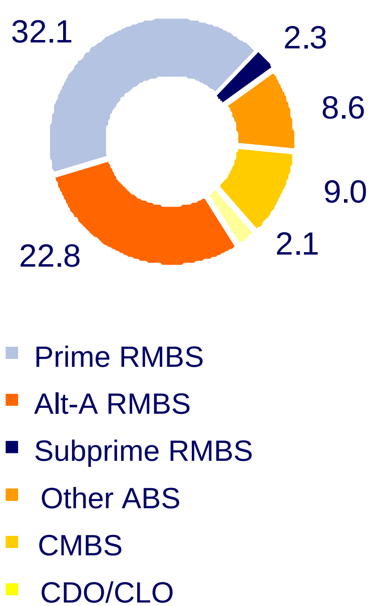
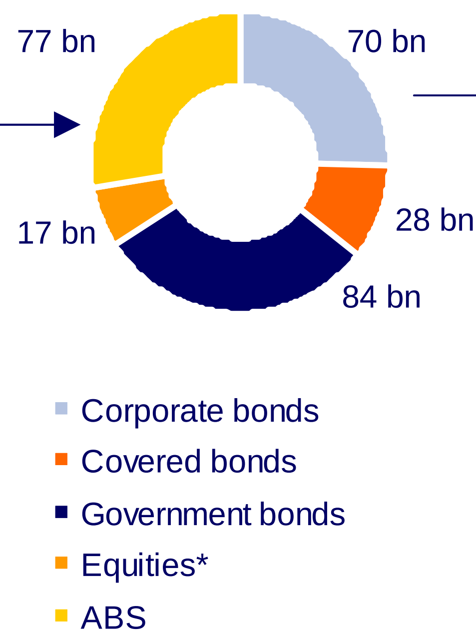
Risk Management and business profile shield ING from direct impact of credit and liquidity crisis

- ING is primarily a retail house: we collect customer balances and invest them.
- ING invests to match liabilities, we're a long-term investor and aim to hold most assets to maturity
- ING is not an originator of CDOs or a manufacturer of RMBS
- Conservative selection of assets with a high structural credit protection

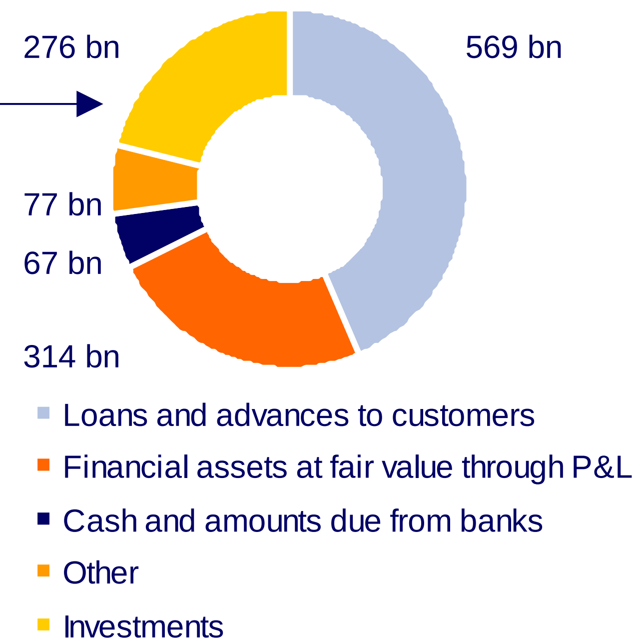
ABS: EUR 77 bn



Investments: EUR 276 bn



Total assets: EUR 1,303 bn



** = Equities include EUR 3.8 billion of real estate and fixed income mutual funds*

Risk Management: key points 1Q 2008

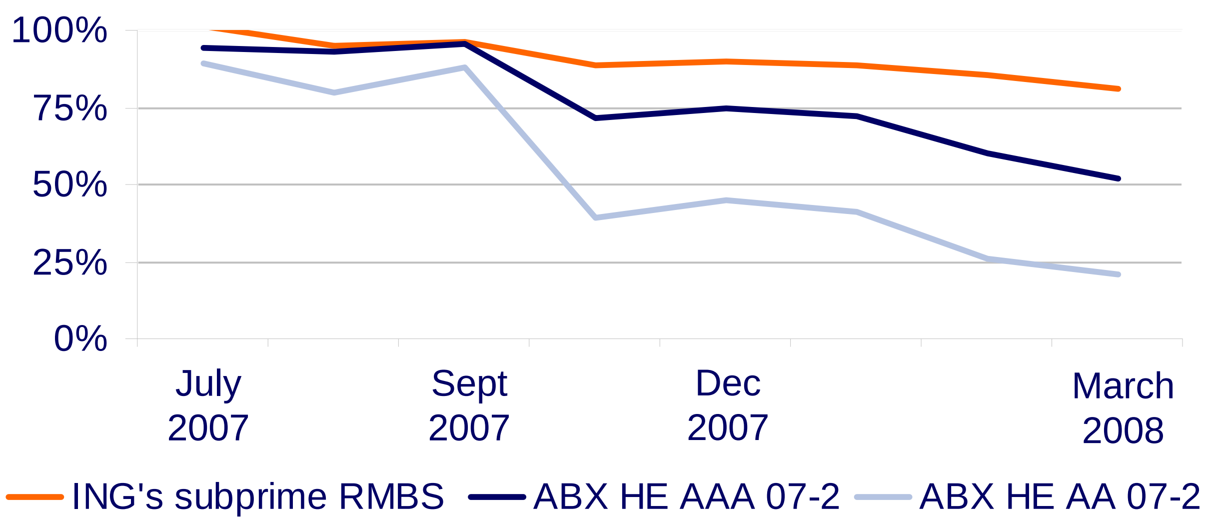
Limited impact of credit crisis and deteriorating US housing market:

- ING carefully invested in high-quality securities with high structural credit protection and categorised these predominantly as AfS
- Wider credit spreads and illiquidity pushed RMBS and CDO/CLO prices down, causing pre-tax negative revaluations of EUR 3.6 billion (EUR 2.3 billion after tax) through shareholders' equity
- Pre-tax P&L impact EUR 80 million (EUR 55 million after tax), of which EUR 50 million on US subprime RMBS and Alt-A RMBS
- Impairments limited as cash flows from US subprime and US Alt-A RMBS continue to perform
- Average credit enhancement in ING Direct's Alt-A RMBS can absorb 7x current pipeline loss in underlying mortgages, vs 8x at year-end

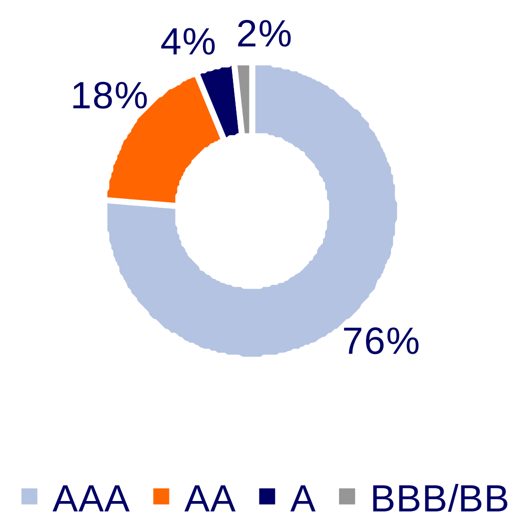
ING's US subprime RMBS holds up relatively well

- Pre-tax P&L loss on US subprime RMBS limited to EUR 33 million in 1Q: including impairments of EUR 26 million and trading losses of EUR 7 million
- Portfolio totals EUR 2.3 billion, of which 76% AAA rated after EUR 475 million was downgraded in 1Q
- Fair value 81.4% at 31 March, down from 90.1% at year-end as credit spreads widened
- Average credit enhancement can absorb 3.5 x current pipeline losses in underlying subprime mortgages

ING's US subprime RMBS outperforms the ABX



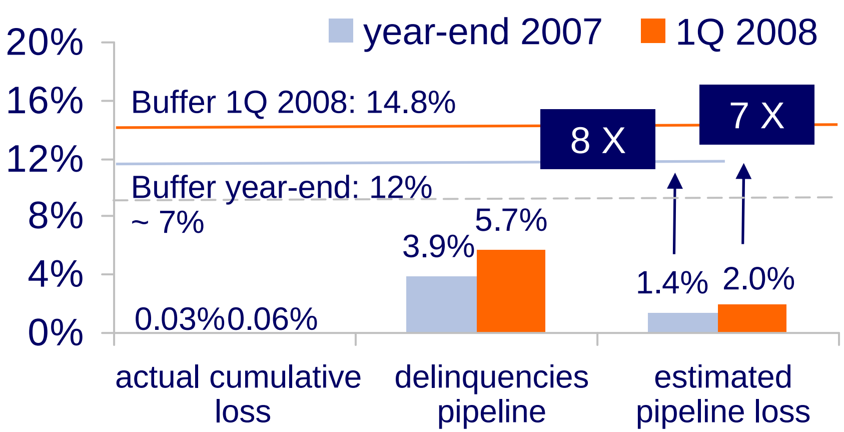
Credit ratings (1Q 2008)



At ING Direct, average credit enhancement can absorb 7x current pipeline losses in underlying Alt-A mortgages

- Average credit enhancement up from 12% to 14.8% in 1Q 2008, as data now distinguish between super senior AAA and AAA attachment points for all bonds (+2.7%), and due to prepayments (+0.1%)
- Current credit enhancement covers *current* 2% estimated pipeline loss by 7 times
- Fitch estimates *final* losses (as % of original mortgage balances) for the 2007 vintage at 3.4% for fixed rate and at 4.1% for ARMs

ING Direct's Alt-A RMBS and underlying mortgages at year-end 2007 and 1Q 2008



ING Group's Alt-A RMBS

ING holds EUR 22.8 billion in US Alt-A RMBS: ING Direct EUR 19.3 billion, Insurance Americas EUR 3 billion, Wholesale Banking EUR 0.5 billion

Market value down from 96.7% at year-end to 84.3% at 31 March 2008

ING Direct has broad Alt-A RMBS definition
ING Direct's Alt-A RMBS under broad definition* drops to EUR 7.8 billion on narrow definition**

* LTV: 70%-100% or FICO 640-730 or low doc > 50%
** LTV: 70%-100% and FICO 640-730 and low doc > 50%

Limited exposure to CDOs/CLOs, while current market offers attractive opportunities

CDOs / CLOs (31 March 2008)

- Net Collateralised Debt and Loan Obligations exposure EUR 2.1 billion, up from EUR 1.9 billion at year-end 2007
- Insurance Americas wrote protection on EUR 1.1 billion super senior tranches of investment-grade corporate credit indices in 1Q 2008. The position is profitable at 31 March 2008
- Wholesale Banking reduced its net exposure to CDOs by EUR 0.9 billion. EUR 630 million CDOs exposure, which was previously insured by a downgraded monoline insurer, was either sold or hedged
- Only EUR 6 million exposure to CDOs backed by US subprime mortgages
- Negative pre-tax P&L impact EUR 16 million in 1Q 2008: EUR 13 million in Insurance Korea and EUR 3 million in Wholesale Banking
- Portfolio fair valued at 90.3%: pre-tax revaluation of EUR - 223 million at 1Q 2008 versus EUR - 134 million at year-end 2007

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ING's Real Estate and CMBS exposure

Real Estate revalued via P&L

- EUR 12.7 billion Real Estate exposure is revalued through the P&L: EUR 5.9 billion ING Bank, EUR 6.8 billion ING Insurance
- Pre-tax negative revaluation of EUR 69 million through P&L in 1Q 2008
- Regional diversification: exposure to the UK EUR 1.1 billion and to the US EUR 1 billion

Real Estate exposure accounted for through P&L

	Residential	Office	Retail	Industrial	Other	Total
Netherlands	350	1,460	497	18	316	**2,641**
Spain	14	52	413	207	8	**695**
UK	5	296	508	84	213	**1,107**
Other EU	103	1,218	1,744	429	435	**3,929**
USA	269	164	68	288	191	**980**
Australia	12	74	333	269	40	**728**
Asia	243	73	378	44	202	**939**
Global	117	-	173	1,231	119	**1,639**
Total	**1,113**	**3,337**	**4,113**	**2,570**	**1,524**	**12,657**

Commercial MBS

- Commercial MBS portfolio declined from EUR 10.1 billion at year-end 2007 to EUR 9.0 billion at 1Q 2008. Decline is due to EUR 0.5 million negative pre-tax revaluation and EUR 0.5 currency impact
- CMBS portfolio has fair value of 94.6% at 1Q 2008, down from 99% at year-end
- Split over business lines: Insurance Americas 65%, ING Direct 29%, Insurance Europe 3%, Wholesale Banking 3%
- ING's US CMBS portfolio:
  - approx. 75% of ING's CMBS portfolio
  - fair value 93%
  - 90% AAA rated
  - 26% credit enhancement
  - average LTV 68%

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Negligible impact liquidity crisis: ING Bank benefits from diversified funding base

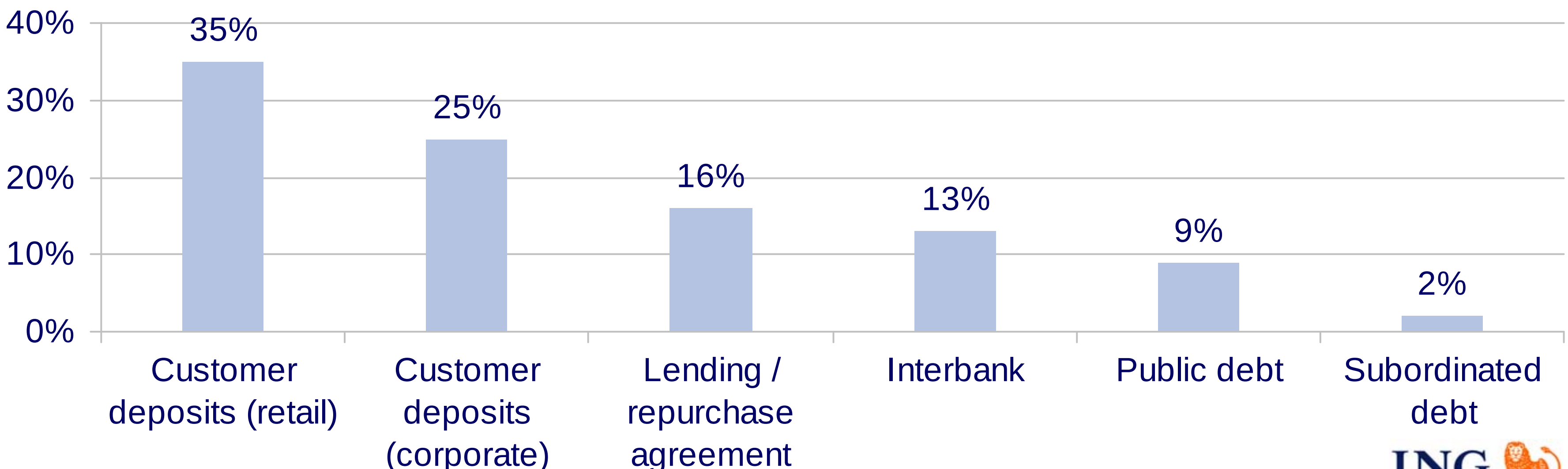
Favourable funding base

- Customer deposits provide majority of ING Bank's total funding base: 60%
- Retail (35%) and corporate (25%) deposits are relatively stable funding sources
- ING has a strong balance sheet without large funding requirements

Maintains low funding cost

- Fixed-income market recognises ING's sound balance sheet and favourable risk profile: ING Bank's funding costs in the money market are well below LIBOR
- ING Bank further enhanced its liquidity source profile by issuing a EUR 1 billion 5-year covered bond and a USD 1.25 billion extendible senior bond in 1Q 2008

ING Bank: well diversified funding base (31 March 2008)



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Closing remarks

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Looking Forward

- As we saw in the first quarter, earnings and shareholders' equity are affected by movements in fixed-income securities, equity and real estate markets.
- Although we have perceived some improvement in equity markets and credit spreads since the close of the first quarter, investment returns and asset values will likely remain under pressure with the correlated impact on earnings.
- However, with ING's broad client access and product range, strong capital base and solid liquidity position we remain confident that ING is well positioned to help our customers manage their financial future while generating long-term profitable growth for our shareholders.

Certain of the statements contained in this release 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) 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, (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, and (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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