

Answers to Questions You Might Have

What does the Dutch government investment/participation in ING mean for me?

This is good news. You will be dealing with an even stronger financial services organization backed by the government of one of the world's leading economic powers. But what is important to realize is that ING has always had a strong capital position in line with targeted levels in the context of our third-party ratings. With the measures taken yesterday, ING remains consistent with its prudent and conservative approach to have sufficient financial buffers. For you, it means your ING affiliated company remains strong and your investments in ING general account products continue to benefit from ING's strengthened financial position. This transaction reflects the Dutch government's increased commitment to ensuring that its number one financial institution stays a healthy and prudent bank and insurance company.

Is this investment by the Dutch government connected to the financial performance of ING and its ratings?

No. ING is confident about the strength of its financial position. Its ratings currently remain strong. After this capital reinforcement we think our position is even stronger. But in today's market circumstances, even the most healthy financial services companies like ING have chosen to use the government's support to reinforce our position of strength as a global financial leader.

Are you in the same situation as Fortis, which was nationalized a few weeks ago, or other competitors?

You cannot compare our situation to that of other companies – every company is different. We cannot speak for others, but ING has always had a strong position and has continued meeting all its capital requirements. We did not enter into this agreement to repair a gap in our balance sheet. Market conditions have dramatically changed in recent weeks and have led to an internationally recognized belief that going forward, capital requirements for financial institutions should be significantly higher than was previously accepted. ING felt it was prudent and in our customers' best interests to take these steps and work together with the Dutch Central Bank and the Ministry of Finance to further strengthen our capital position.

How about the €500 million loss you reported? Will you go bankrupt?

On Friday, October 17, ING reported a preliminary third quarter loss of EUR 500 million. Final third quarter financials will be released on November 12. Given ING's prudent and conservative approach towards risks, this is the first time since the crisis began mid-last year that ING has reported a loss. Please be reminded that worldwide governments and the Dutch government have said that they are focused on preserving the strength of its financial institutions. The safety of customer money is not an issue here. This EUR 500 million loss should be put in context of ING's profits for the first 9 months of 2008, which were EUR 3 billion. The reported losses and fluctuation in our share price do not affect the safety of your deposits nor impact the claims paying ability of contracts..

What caused the drop in your profits in the third quarter?

Operational performance of the business was solid, given the challenging market environment. However, declining asset prices inevitably impacted our results in the third quarter. This caused:

- Impairments on equity investments
- Issues with financial counterparties
- Impairments on pressurized asset classes
- Fair value changes on real estate.

These factors totalled approximately EUR 1.6 billion before tax for the third quarter. Loan-loss provisioning at the bank increased to approximately EUR 400 million. Together these factors are expected to result in a EUR 500 million loss for the quarter.

But isn't €500 million a lot?

This €500 million loss compares with the accumulated losses of the world's top 24 financial institutions, which is €435 billion! (average per company €18 billion). This €500 million loss should be put in context of ING's profits for the first nine months of 2008, which were €3 billion.

And isn't ING one of the world's strongest and most prudent banks?

We are. ING is simply adapting to extraordinary market circumstances where even healthy banks need to take measures to reinforce their position. ING is confident in its financial situation and wants to maintain its high standards as a prudent and conservative financial services institution. We remain very well-funded – we are one of the world's largest financial services institutions – and we have strong credit ratings. We have solid risk management processes, which have helped us weather the current financial turmoil and we are well-diversified as both an insurer and bank.

Why is the ING stock down?

All financial stocks are getting badly hit by this unusual and unstable market environment. ING is no different. The fluctuation in ING's stock price does not affect the safety of your ING products (including: deposits, mutual fund operations or the claims-paying ability of annuities and insurance policies). Of course, account values will fluctuate with market conditions and are subject to change.

Is this transaction related to the drop in the stock price last Friday?

No – the drop in our share price was of course very unfortunate for our shareholders – but did not trigger our decision to look at options to strengthen our capital position. We have already been reviewing options in the past few weeks as market conditions have changed in recent weeks and felt that in the extreme market circumstances of today – we needed to take prudent and proactive steps to further strengthen our capital position.

You said that you had various options. Why did you choose this one?

We have looked at many different options. ING felt it was prudent and in the best interest of our customers and shareholders to take these steps and work together with Dutch Central Bank and the Ministry of Finance to further strengthen our capital position. This structure is designed to minimise dilution of existing shareholders entitlements.

What is a tier-1 capital ratio? Is 8% for ING good?

The tier-1 capital ratio is the main measure of a bank's financial strength in the regulator's eyes. The tier-1 ratio shows a bank's ability to sustain future losses. ING is governed by the Dutch Central Bank which uses the capital adequacy guidelines developed by the European Union. According to these guidelines for a bank to be adequately capitalized it must have a tier-1 ratio of at least 4%. ING's tier-1 capital ratio is well-above this, at 8% after the capital injection.

What do you think will happen to banks and insurance companies in the next few months?

Unfortunately the situation is uncertain. The trend is for governments to get increasingly involved in order to safeguard the health of financial services companies and customer deposits. With the added support of the Dutch government and our boosted financial position, we remain confident that we will continue to provide you with the service and safety you need in these turbulent times.

Will the Dutch government now run the company ING?

No. The management of the daily operation will not change. ING will expand the Supervisory Board from 12 members to 14 to include two members nominated by the Dutch government. The Supervisory Board has approval rights for decisions concerning equity issuance or buyback (except in connection with this transaction) and any other strategic transaction over specified thresholds. In addition, all members of ING's Executive Board have agreed to forego all their bonuses for 2008, and all their stock awards that would normally be made in the spring of 2009, and to limit their potential exit-arrangements to a maximum of one year's salary.

Will the government provide extra capital if you need it?

We believe this transaction gives ING ample capital to continue to build our franchise in the long term interests of all stakeholders.



Are my retirement plan investments affected?

No. The holdings in your plan accounts are protected from creditors of ING. The nature of those protections differs depending on the structure of the investment arrangement. Of course, account values will fluctuate with market conditions and are subject to change.

You should consider the investment objectives, risks, and charges and expenses of the variable insurance product and its underlying investment options or mutual funds offered through a retirement plan, carefully before investing. The prospectuses/prospectus summaries/information booklets containing this and other information, can be obtained by contacting your local representative. Please read the information carefully before investing.

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