2009

ING BANK

Condensed consolidated interim financial information for the period ended 30 June 2009

ING

In this report

ING BANK N.V.

Overview
ING Bank N.V. together with ING Verzekeringen N.V., is part of ING Groep N.V. The business lines for the banking activities are Retail Banking, ING Direct and Commercial Banking.

Income
Total income decreased by 9.9%, or EUR 773 million, to EUR 7,025 million from EUR 7,798 million for the six months ended 30 June 2008, mainly due to a strong decrease in investment income and other income, partly offset by a strong growth in interest result.

The net interest result for the six months ended 30 June 2009 increased by EUR 1,028 million, or 19.3%, to EUR 6,349 million, from EUR 5,321 million for the six months ended 30 June 2008, attributable to Commercial Banking (EUR 646 million), ING Direct (EUR 343 million), Retail Banking (EUR 35 million) and Corporate Line (EUR 4 million). The total interest margin in the six months ended 30 June 2009 was 1.26%, an increase of 21 basis points compared with the six months ended 30 June 2008, mainly due to de-leveraging of the balance sheet (estimated effect 10 basis points), higher interest margins at ING Direct (effect 4 basis points) and higher margins in Commercial Banking.

Commission income for the six months ended 30 June 2009 decreased by EUR 198 million, or 13.5%, to EUR 1,274 million, from EUR 1,472 million for the six months ended 30 June 2008. The decrease was primarily due to EUR 167 million lower management fees (on the back of lower asset values, especially in Retail Banking and ING Real Estate), EUR 15 million lower funds transfer commission and EUR 34 million lower other commission income, only partly compensated by EUR 25 million higher securities business commission.

Investment and Other income decreased by EUR 1,603 million to a negative EUR 598 million for the six months ended 30 June 2009, from EUR 1,005 million for the six months ended 30 June 2008. The decrease reflects EUR 583 million of impairments, primarily on debt securities, and EUR 370 million of negative fair value changes on direct real estate investments in the first six months of 2009. In the first six months of 2008 impairments were EUR 136 million and fair value changes on direct real estate investments amounted to negative EUR 221 million. EUR 79 million lower realised gains on sale of equity securities and EUR 38 million lower dividend income were more than compensated by EUR 183 million higher realised gains on sale of bonds. The decline in Other income was mainly caused by EUR 760 million lower valuation results from non-trading derivatives, for which hedge accounting is not applied, and EUR 257 million higher losses from associates (mainly at ING Real Estate due to the downward valuation of listed funds).

Expenses
Operating expenses for the six months ended 30 June 2009 increased by EUR 123 million, or 2.4%, to EUR 5,175 million, from EUR 5,052 million for the six months ended 30 June 2008. The increase is fully caused by the special items (in the first six months of 2009 EUR 488 million and in the first six months of 2008 EUR 163 million), mainly provisions and costs related to the Retail Netherlands strategy and the restructuring as part of the Bank initiative to reduce operating expenses by EUR 650 million in 2009. Excluding the special items, operating expenses declined by EUR 202 million or 4.1%. The positive impact of the cost-containment initiatives was partly offset by EUR 76 million of impairments on real estate development projects and a EUR 84 million increase of deposit insurance premiums paid by ING Direct. The cost/income ratio deteriorated to 73.7% from 64.8% in the first six months of 2008 driven by the sharp decline in investment and other income.

Addition to the provision for loan losses
The provision for loan losses reflected an addition of EUR 1,625 million for the six months ended 30 June 2009, compared with an addition of EUR 331 million for the first half of 2008, representing an increase of EUR 1,294 million, of which EUR 612 million was attributable to Commercial Banking, EUR 438 million to Retail Banking and EUR 244 million to ING Direct.

Result before tax and net result
The result before tax for the six months ended 30 June 2009 decreased by EUR 2,190 million, or 90.7%, to EUR 225 million, from EUR 2,415 million for the six months ended 30 June 2008. The effective tax rate decreased from 26.0% (EUR 628 million) for the six months ended 30 June 2008, to 8.4% (EUR 19 million) for the six months ended 30 June 2009. Net result decreased by EUR 1,505 million, or 82.7%, to EUR 315 million.

Underlying result before tax and net result
ING manages its banking activities on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 9 “Segment reporting”.

The underlying result before tax, which excludes the effects of divestments and special items, decreased by EUR 1,968 million, or 76.3%, from EUR 2,579 million in the first six months of 2008 to EUR 611 million in the first six months of 2009. Underlying net result decreased by EUR 1,363 million, or 70.2%, from EUR 1,941 million to EUR 578 million.

Total assets
Total assets decreased by EUR 123 billion, or 11.9%, to EUR 912 billion at 30 June 2009, from EUR 1,035 billion at 31 December 2008, primarily the consequence of ING Group's target to reduce the bank balance sheet total at the end of 2009 by 10% from the end of September 2008.

The decrease is largely attributable to the change in product features for current accounts that allows netting in the balance sheet under IFRS (effect approximately EUR 80 billion, mainly at loans and advances to customers) and the reducing of financial assets at fair value by EUR 42 billion, of which EUR 23 billion trading derivatives and EUR 18 billion in securities borrowing and reverse repos. The composition of the balance sheet was effected by a reclassification at ING Direct from investments to loans and advances (EUR 17 billion) and to amounts due from banks (EUR 6 billion). As a consequence of the Illiquid Assets Back-up Facility EUR 14 billion of Alt-A RMBS was derecognised from investments and replaced by a receivable of EUR 20 billion from the Dutch government, under loans and advances, as part of the agreement.

Loans and advances to customers
The decrease of loans and advances to customers by EUR 37 billion is distorted by the changed netting of current accounts (effect EUR –76 billion), the reclassification from investments at ING Direct (effect EUR +17 billion) and the Illiquid Assets Back-up Facility (effect EUR +20 billion). Excluding the netting effect, the reclassification and the IABF, loans and advances increased by EUR 2 billion. The EUR 13 billion growth in residential mortgages was largely offset by the decrease by EUR 10 billion in corporate lending, of which EUR 3 billion in the Netherlands.

Total liabilities
Total liabilities decreased by EUR 128 billion, or 12.7%, in the first six months of 2009 to EUR 883 billion from EUR 1,011 billion at 31 December 2008, also primarily the consequence of ING Group's target to reduce the balance sheet total by 10%. The decrease is largely attributable to the changed netting of current accounts (effect approximately EUR 80 billion) and the reducing of financial liabilities at fair value by EUR 37 billion, of which EUR 24 billion trading derivatives and EUR 9 billion in securities lending and repos. The strong decrease of amounts due to banks (EUR –48 billion) was partly offset by an increase of debt securities in issue by EUR 27 billion.

Customer deposits and other funds on deposit
The decrease of customer deposits and other funds on deposits by EUR 66 billion is largely attributable to the changed netting of current accounts. Excluding the netting effect, customer deposits grew by EUR 10 billion. Lower corporate deposits, especially in the Netherlands, were more than offset by the strong increase in savings by EUR 18 billion, especially at ING Direct (EUR 11 billion), ING Belgium (EUR 5 billion) and ING Retail Netherlands (EUR 2 billion).

Liquidity
Throughout the credit and liquidity crisis, ING Bank has maintained its liquidity position within its conservative internal targets. ING Bank's loan-to-deposit ratio was 1.11 at 30 June 2009, excluding the reclassified securities. ING Bank continues to benefit from its diversified funding profile and stable liquidity position.

Key capital and leverage ratios
ING Bank's Tier 1 and core Tier 1 capital remained robust in the first half of 2009. Total Tier 1 capital increased by EUR 0.4 billion, mainly due to the year to date net profit in the Bank. ING Bank's Tier 1 ratio increased from 9.3% at year-end 2008 to 9.4% at the end of June 2009. The core Tier 1 ratio remained stable on 7.3%, while the BIS capital ratio declined from 12.8% at the end of December 2008 to 12.5% at the end of June 2009.

Risk management
ING Bank is taking de-risking measures to preserve shareholders' equity and limit earnings volatility. Key measure in place is the Illiquid Assets Back-up Facility with the Dutch State on the Alt-A RMBS portfolio.

ING Bank's exposure to Asset Backed Securities (ABS) declined to EUR 41.1 billion at 30 June 2009 from EUR 55.4 billion at the end of December 2008. ABS in the available for sale (AFS) investment portfolio declined from EUR 42.3 billion at the end of December 2008 to EUR 14.6 billion at the end of June. Pre-tax impairments on ABS were EUR 557 million in the first six months 2009, of which EUR 411 million in the Alt-A RMBS portfolio

ING Bank's Alt-A RMBS portfolio declined from EUR 16.7 billion at the end of December 2008 to EUR 2.8 billion at the end of June 2009, driven by the Illiquid Assets Back-up Facility with the Dutch State. EUR 330 million of the EUR 411 million impairments on Alt-A RMBS was on newly impaired RMBS. These new impairments were triggered by an estimated credit loss of EUR 63 million. Re-impairments on previously impaired bonds were limited to EUR 81 million as market prices for Alt-A RMBS were relatively stable in the first six months of 2009.

ING Bank's subprime RMBS book amounted to EUR 49 million at the end of the second quarter. ING Bank took EUR 107 million pre-tax impairments on subprime RMBS in the first six months.

ING Bank's CDO/CLO portfolio was EUR 693 million at the end of June 2009. The CDOs in ING Bank's portfolio generally reference to investment-grade corporate credit.

Two CLO positions within ING Commercial Banking had credit protection via credit default swaps with a monoline insurer. The CLO positions have a nominal value of EUR 560 million. Negative movements in their fair value were fully offset by positive movements on the credit default swaps up until the end of the first quarter of 2009. In the second quarter, the credit rating of the monoliner was downgraded significantly. As a result, the two CLO positions were no longer credit protected, causing a EUR 58 million write-down on the credit default swaps through the P&L.

The commercial mortgage backed securities (CMBS) portfolio had a market value of EUR 2.6 billion at the end of June 2009. There are no impairments on ING Bank's CMBS portfolio to date.

ING Bank's direct real estate exposure at 30 June 2009 was EUR 8.5 billion, of which EUR 4.1 billion is subject to revaluation through the P&L. In the first six months of 2009 ING Bank took a EUR 676 million pre-tax negative revaluation through the P&L on this portfolio.

Risk-weighted assets (RWA) increased by EUR 1.7 billion to EUR 345.1 billion in the first six months of 2009. Credit rating migration generated EUR 22 billion of RWA in the first six months, mainly in the loan book and due to downgrades of securities. The adverse impact of credit rating migration was partially offset by balance sheet reduction, a lower average Value-at-Risk in the trading book, the Illiquid Assets Back-up Facility and FX impacts.

Looking ahead

We have made strides to reduce risk, stabilise the capital base and simplify our organisation in the first half. The merger of ING's Dutch retail banking operations is well on track. In line with our Back to Basics strategy, we have also agreed to sell several non-core or sub-scale businesses in our efforts to streamline the Group and sharpen our strategic focus. We are currently reviewing additional strategic options to facilitate our continued transformation and realise our ambition to repay the Dutch State. The process will also support ING's efforts to meet the restructuring requirements set out by the European Commission for financial institutions that received state aid in the context of the financial crisis. In the meantime, we continue to focus on providing first-rate service to our customers and providing them with simpler and more transparent products.

Conformity statement

Conformity statement pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)*

The Management Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his or her knowledge:

- the ING Bank N.V. Interim Accounts for the period ended 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Bank N.V. and the enterprises included in the consolidation taken as a whole;
- the ING Bank N.V Interim Report for the period ended 30 June 2009 gives a true and fair view of the position at the balance sheet date, the development and performance of the business during the first half year of 2009 of ING Bank N.V and the enterprises included in the consolidation taken as a whole, as well as of the other information required pursuant to article 5:25d, subsection 8 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

AMSTERDAM, 12 AUGUST 2009

Jan Hommen
Chairman of the Management Board

Patrick Flynn
CFO, member of the Management Board

Koos Timmermans
CRO, member of the Management Board

Eric Boyer de la Giroday
Member of the Management Board

Dick Harryvan
Member of the Management Board

Eli Leenaars
Member of the Management Board

Condensed consolidated balance sheet* of ING Bank

as at

amounts in millions of euros	30 June 2009	31 December 2008
ASSETS		
Cash and balances with central banks	**17,222**	18,169
Amounts due from banks	**51,355**	48,447
Financial assets at fair value through profit and loss **2**	**133,313**	175,022
Investments **3**	**105,893**	148,805
Loans and advances to customers **4**	**561,249**	598,328
Investments in associates	**1,559**	1,813
Real estate investments	**2,709**	2,884
Property and equipment	**5,777**	5,686
Intangible assets **5**	**2,441**	2,415
Other assets	**30,454**	33,120
Total assets	**911,972**	1,034,689
EQUITY		
Shareholders' equity (parent)	**27,653**	22,889
Minority interests	**1,150**	1,232
Total equity	**28,803**	24,121
LIABILITIES		
Subordinated loans	**20,929**	21,657
Debt securities in issue	**111,265**	84,272
Amounts due to banks	**104,135**	152,265
Customer deposits and other funds on deposit	**471,368**	537,683
Financial liabilities at fair value through profit and loss **6**	**146,350**	183,670
Other liabilities	**29,122**	31,021
Total liabilities	**883,169**	1,010,568
Total equity and liabilities	**911,972**	1,034,689

*Unaudited

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated profit and loss account* of ING Bank for the three and six month period ended

amounts in millions of euros	3 month period 1 April to 30 June 2009	 2008	6 month period 1 January to 30 June 2009	 2008
Interest income banking operations	**20,528**	22,714	**44,737**	46,721
Interest expense banking operations	**17,281**	19,997	**38,388**	41,400
Interest result banking operations	**3,247**	2,717	**6,349**	5,321
Investment income 7	**-593**	-187	**-652**	-102
Commission income	**664**	753	**1,274**	1,472
Other income 8	**-255**	552	**54**	1,107
Total income	**3,063**	3,835	**7,025**	7,798
Addition to loan loss provision	**853**	234	**1,625**	331
Intangible amortisation and other impairments	**66**	3	**99**	23
Staff expenses	**1,325**	1,548	**2,794**	3,015
Other operating expenses	**1,077**	950	**2,282**	2,014
Total expenses	**3,321**	2,735	**6,800**	5,383
Result before tax	**-258**	1,100	**225**	2,415
Taxation	**-110**	249	**19**	628
Net result (before minority interests)	**-148**	851	**206**	1,787
Attributable to:				
Shareholders of the parent	**-62**	896	**315**	1,820
Minority interests	**-86**	-45	**-109**	-33
	-148	851	**206**	1,787

*Unaudited

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated statement of comprehensive income* of ING Bank for the three and six month period ended

	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	2009	2008	2009	2008
Result for the period	**-148**	851	**206**	1,787
Unrealised revaluations after taxation	**1,025**	-1,073	**4,241**	-4,155
Realised gains/losses transferred to profit and loss	**234**	41	**249**	19
Changes in cash flow hedge reserve	**-15**	58	**-311**	-17
Exchange rate differences	**-37**	-32	**217**	-426
Other revaluations	**23**	-25	**23**	-34
Total amount recognised directly in equity	**1,230**	-1,031	**4,419**	-4,613
Total comprehensive income	**1,082**	-180	**4,625**	-2,826
Comprehensive income attributable to:				
Shareholders of the parent	**1,168**	-135	**4,734**	-2,793
Minority interests	**-86**	-45	**-109**	-33
	1,082	-180	**4,625**	-2,826

For the three month period of 1 April 2009 to 30 June 2009 the Exchange rate differences comprises EUR 32 million (1 April 2008 to 30 June 2008: EUR 51 million) related to the share of other comprehensive income of associates.

For the six month period of 1 January 2009 to 30 June 2009 the Exchange rate differences comprises EUR 53 million (1 January 2008 to 30 June 2008: EUR 66 million) related to the share of other comprehensive income of associates.

*Unaudited

Condensed consolidated statement of cash flows* of ING Bank for the six month period ended

amounts in millions of euros		6 month period 30 June 2009	30 June 2008
Result before tax		**225**	2,415
Adjusted for	– depreciation	**703**	607
	– addition to loan loss provisions	**1,625**	331
	– other	**1,458**	352
Taxation paid		**-108**	-389
Changes in	– amounts due from banks, not available on demand	**4,105**	-22,006
	– trading assets	**44,665**	-18,521
	– non-trading derivatives	**327**	-1,427
	– other financial assets at fair value through profit and loss	**147**	2,246
	– loans and advances to customers	**490**	-45,074
	– other assets	**736**	3,669
	– amounts due to banks, not payable on demand	**-51,172**	5,664
	– customer deposits and other funds on deposit	**5,369**	18,523
	– trading liabilities	**-35,084**	44,688
	– other financial liabilities at fair value through profit and loss	**-2,240**	175
	– other liabilities	**-2,336**	-5,090
Net cash flow from (used in) operating activities		**-31,090**	-13,837
Investment and advances	– available-for-sale investments	**-36,272**	-45,622
	– other investments and advances	**-1,093**	-2,284
Disposals and redemptions	– available-for-sale investments	**41,036**	44,630
	– other disposals and redemptions	**1,713**	1,358
Net cash flow from (used in) investing activities		**5,384**	-1,918
Proceeds from issuance of subordinated loans		**383**	3,058
Proceeds from borrowed funds and debt securities		**225,441**	174,444
Repayments of borrowed funds and debt securities		**-201,913**	-147,086
Dividends paid		**-**	-3,400
Net cash flow from financing activities		**23,911**	27,016
Net cash flow		**-1,795**	11,261
Cash and cash equivalents at beginning of period		**27,395**	-19,389
Effect of exchange rate changes on cash and cash equivalents		**-57**	12
Cash and cash equivalents at end of period		**25,543**	-8,116
Cash and cash equivalents comprises the following items			
Treasury bills and other eligible bills		**6,997**	6,088
Amounts due from/to banks		**1,324**	-23,603
Cash and balances with central banks		**17,222**	9,399
Cash and cash equivalents at end of period		**25,543**	-8,116

*Unaudited

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated statement of changes in equity* of ING Bank for the six month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
						6 months ending 30 June 2009
Balance at beginning of period	525	16,392	5,972	22,889	1,232	24,121
Unrealised revaluations after taxation	-	-	4,241	4,241	-	4,241
Realised gains/losses transferred to profit and loss	-	-	249	249	-	249
Changes in cash flow hedge reserve	-	-	-311	-311	-	-311
Exchange rate differences	-	-	217	217	-	217
Other revaluations	-	-	23	23	-	23
Total amount recognised directly in equity	-	-	4,419	4,419	-	4,419
Net result for the period	-	-	315	315	-109	206
	-	-	4,734	4,734	-109	4,625
Changes in the composition of the group	-	-	-	-	27	27
Employee stock option and share plans	-	-	30	30	-	30
Balance at end of period	525	16,392	10,736	27,653	1,150	28,803

Unrealised revaluations after taxation are positively affected by EUR 3,919 million as a result of the Illiquid Asset Back-up Facility which effectively transferred 80% of ING Bank's Alt-A' RMBS portfolios to the Dutch state.

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
						6 months ending 30 June 2008
Balance at beginning of period	525	9,192	15,794	25,511	1,684	27,195
Unrealised revaluations after taxation	-	-	-4,155	-4,511	-	-4,155
Realised gains/losses transferred to profit and loss	-	-	19	19	-	19
Changes in cash flow hedge reserve	-	-	-17	-17	-	-17
Exchange rate differences	-	-	-426	-426	-	-426
Other revaluations	-	-	-34	-34	-	-34
Total amount recognised directly in equity	-	-	-4,613	-4,613	-	-4,613
	-	-				
Net result for the period	-	-	1,820	1,820	-33	1,787
			-2,793	-2,793	-33	-2,826
Changes in the composition of the group	-	-	-	-	-351	-351
Dividends	-	-	-3,400	-3,400	-	-3,400
Employee stock option and share plans	-	-	30	30	-	30
Balance at end of period	525	9,192	9,631	19,348	1,300	20,648

*Unaudited

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Notes to the condensed consolidated interim accounts*

1. BASIS OF PRESENTATION
These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting principles used to prepare these condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union and are consistent with those set out in the notes to the 2008 Consolidated Annual Accounts of ING Bank, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with ING Bank's 2008 Annual Accounts.

The following standards, interpretations and amendments to standards and interpretations become effective in 2009 if and when endorsed by the EU:
- Amendment to IFRS 2 'Share-based Payments' – 'Vesting Conditions and Cancellations'
- IFRS 8 'Operating Segments'
- IAS 1 'Presentation of Financial Statements'
- IAS 23 'Borrowing Costs'
- Amendments to IAS 32 'Financial Instruments: Presentation' and IAS 1 'Presentation of Financial Statements' – 'Puttable Financial Instruments and Obligations Arising on Liquidation'
- Amendments to IFRS 1 'First-time Adoption of IFRS' and IAS 27 'Consolidated and Separate Financial Statements' – Determining the cost of an Investment in the Separate Financial Statements'
- IFRIC 13 'Customer Loyalty Programmes'
- IFRIC 15 'Agreements for the Construction of Real Estate'
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'
- 2008 Annual Improvements to IFRS
- Amendment to IFRS 7 'Improving Disclosures about Financial Instruments'
- Amendment to IFRIC 9 and IAS 39 – 'Embedded Derivatives'

The following new and revised standards and interpretations were issued by the IASB, which become effective for ING Bank as of 2010 if and when endorsed by the EU:

- Amendment to IFRS 1 'First-time adoption of IFRS'
- IFRS 3 'Business Combinations' (revised) and IAS 27 'Consolidated and Separate Financial Statements' (amended)
- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' – 'Eligible Hedged Items'
- IFRIC 17 'Distributions of Non-cash Assets to Owners'
- IFRIC 18 'Transfers of Assets from Customers'
- Improvements to IFRSs (several small amendments to different Standards and Interpretations)
- Amendment to IFRS 2 'Group Cash-settled Share-based Payment Transactions'

ING Bank does not expect the adoption of these new or revised standards and interpretations to have a significant effect on the consolidated financial statements.

On 14 July 2009 the IASB issued the Exposure draft (ED) "Financial instruments: Classification and measurement". The objective of this Exposure Draft is to replace the current IAS 39 'Financial Instruments: Recognition and Measurement'. It focusses on classification and measurement only. Impairments of financial instruments, hedge accounting and derecognition are not addressed. ING is currently assessing the contents of this Exposure Draft. Mandatory implementation is not expected before 2012.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Bank's accounting principles under International Financial Reporting Standards as adopted by the EU and its decision on the options available are set out in the section "Principles of valuation and determination of results" in the 2008 Annual Accounts.

Certain amounts recorded in the condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

*Unaudited

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

amounts in millions of euros	30 June 2009	31 December 2008
Trading assets	**118,626**	159,843
Non-trading derivatives	**9,717**	10,631
Designated as at fair value through profit and loss	**4,970**	4,548
	133,313	175,022

3. INVESTMENTS

amounts in millions of euros	30 June 2009	31 December 2008
Available-for-sale		
– equity securities	**3,003**	1,863
– debt securities	**88,028**	131,502
	91,031	133,365
Held-to-maturity		
– debt securities	**14,862**	15,440
	14,862	15,440
	105,893	148,805

During the second quarter 2009, ING Bank reclassified EUR 0.8 billion of available-for-sale financial assets to held to maturity. As a result of the reclassification, the presentation is better aligned with the nature of the portfolios.

Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS as of the third quarter of 2008. During the first quarter of 2009 ING Bank reclassified certain financial assets from Investments to Loans and advances to customers and Amounts due from banks. ING Bank identified assets, eligible for reclassification, for which at the reclassification date it had an intent to hold for the foreseeable future. At the reclassification date the fair value of the reclassified assets amounted to EUR 22.8 billion.

Reclassifications in first quarter

As of reclassification date (12 January 2009), for assets reclassified during the first quarter 2009, the (weighted average) effective interest rates were in the range from 2.1% to 11.7% and expected recoverable cash flows were EUR 24 billion. Unrealised fair value losses recognised in shareholders' equity amounted to EUR 1.2 billion. This amount will be released from equity and amortised to the profit and loss account over the remaining life of the assets on an effective interest rate basis. From 1 January 2009 until the reclassification date no unrealised fair value losses were recognised in shareholders' equity, no impairment was recognised.

As at 30 June 2009 the carrying value in the balance sheet and the fair value of the reclassified financial assets amounted to EUR 21.7 billion and EUR 20.1 billion respectively.

If the reclassification had not been made, profit before tax would have been unchanged and shareholders' equity as per 30 June 2009 would have been EUR 1.0 billion after tax lower due to unrealised fair value losses.

After the reclassification, the reclassified financial assets contributed EUR 303 million to result before tax for the period ended 30 June 2009, which fully consisted of Interest income. No provision for credit losses was recognised.

In the year ended 31 December 2008 no impairment on reclassified financial assets available-for-sale was recognised. Unrealised fair value losses of EUR 0.3 billion were recognised directly in shareholders' equity.

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Reclassifications in second quarter

During the second quarter of 2009 ING Bank reclassified EUR 0.8 billion of available-for-sale financial assets to held to maturity. The reclassification resulted from reduction in market liquidity for these assets. ING Bank has the intent and ability to hold these assets until maturity.

Derecognition of available-for-sale debt securities

See note 11 for the derecognition of certain available-for-sale debt securities as a result of the transaction with the Dutch Government.

4. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are specified by type as follows:

amounts in millions of euros	30 June 2009	31 December 2008
Loans to, or guaranteed by, public authorities	**50,824**	26,387
Loans secured by mortgages	**304,751**	303,951
Loans guaranteed by credit institutions	**2,267**	548
Personal lending	**24,530**	27,547
Corporate loans	**182,598**	242,421
	564,970	600,854
Loan loss provisions	**-3,721**	-2,526
	561,249	598,328

Changes in loan loss provisions were as follows:

amounts in millions of euros	6 month period ended 30 June 2009	year ended 31 December 2008
Opening balance	**2,611**	2,001
Changes in the composition of the group	**-**	2
Write-offs	**-421**	-728
Recoveries	**69**	91
Increase in loan loss provisions	**1,625**	1,280
Exchange rate differences	**-36**	-50
Other changes	**-25**	15
Closing balance	**3,823**	2,611

The loan loss provision at 30 June 2009 of 3,823 million (31 December 2008: EUR 2,611 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for respectively EUR 3,721 million (31 December 2008: EUR 2,526 million) and EUR 102 million (31 December 2008: EUR 85 million).

5. INTANGIBLE ASSETS

amounts in millions of euros	30 June 2009	31 December 2008
Goodwill	**1,440**	1,432
Software	**725**	681
Other	**276**	302
	2,441	2,415

*Unaudited

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

amounts in millions of euros	30 June 2009	31 December 2008
Trading liabilities	**117,528**	152,611
Non-trading derivatives	**16,931**	17,050
Designated as at fair value through profit and loss	**11,891**	14,009
	146,350	183,670

7. INVESTMENT INCOME

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Income from real estate investments	**42**	51
Dividend income	**15**	9
Realised gains/losses on disposal of debt securities	**22**	-10
Reversals/Impairments of available-for-sale debt securities	**-376**	-6
Realised gains/losses on disposal of equity securities	**1**	54
Impairments of available-for-sale equity securities	**-7**	-97
Change in fair value of real estate investments	**-290**	-188
	-593	-187

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Income from real estate investments	**83**	103
Dividend income	**15**	53
Realised gains/losses on disposal of debt securities	**199**	16
Reversals/Impairments of available-for-sale debt securities	**-555**	-31
Realised gains/losses on disposal of equity securities	**4**	83
Impairments of available-for-sale equity securities	**-28**	-105
Change in fair value of real estate investments	**-370**	-221
	-652	-102

8. OTHER INCOME

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Net gains/losses on disposal of group companies	**-9**	2
Valuation results on non-trading derivatives	**-467**	205
Net trading income	**407**	243
Result from associates	**-185**	-8
Other income	**-1**	110
	-255	552

*Unaudited

Result from associates includes:

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Share of results from associates	**-184**	-4
Impairments	**-1**	-4
	-185	-8

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Net gains/losses on disposal of group companies	**-9**	6
Valuation results on non-trading derivatives	**-468**	292
Net trading income	**662**	473
Result from associates	**-280**	-23
Other income	**149**	359
	54	1,107

Result from associates includes:

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Share of results from associates	**-279**	-2
Impairments	**-1**	-21
	-280	-23

9. SEGMENT REPORTING

ING Bank’s operating segments relate to the internal segmentation by business lines. These include the business lines: Retail Banking, ING Direct and Commercial Banking. Other mainly includes items not directly attributable to the business lines. Each business line is headed by a member of the Management Board.

The Corporate Line Banking is included in Other. This is not a separate reportable segment as it does not qualify as an operating segment that engages in business activities from which it may earn revenue and incur expenses.

Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses. ING applies a system of capital charging that makes the results of the banking business units globally comparable, irrespective of the book equity they have and the currency they operate in.

The Management Board sets the performance targets and approves and monitors the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategy and performance targets set by the Management Board.

ING Bank evaluates the results of its operating segments using a financial performance measure called underlying result. Underlying result is defined as result under IFRS excluding the impact of divestments and special items.

The following table specifies the main sources of income of each of the segments.

Segment	Main source of income
Retail Banking	Income from retail and private banking activities. The main products offered are savings accounts and mortgages.
ING Direct	Income from direct retail banking activities. The main products offered are savings accounts and mortgages.
Commercial Banking	Income from Wholesale Banking activities. A full range of products is offered from cash management to corporate finance. Commercial Banking also includes ING Real Estate.

* Unaudited

Notes to the condensed consolidated interim accounts*

3 month period
1 April to 30 June 2009

amounts in millions of euros	Retail Banking	ING Direct	Commercial Banking	Other	Total segments	Elimi-nations	Total
Underlying income:							
– Net interest result	**1,412**	**813**	**1,020**	**2**	**3,247**	**-**	**3,247**
– Commission income	**332**	**44**	**289**	**-1**	**664**	**-**	**664**
– Total investment and other income	**71**	**-431**	**-318**	**-190**	**-868**	**-**	**-868**
Total underlying income	**1,815**	**426**	**991**	**-189**	**3,043**	**-**	**3,043**
Underlying expenditure:							
– Operating expenses	**1,183**	**431**	**661**	**43**	**2,318**	**-**	**2,318**
– Additions to loan loss provision	**205**	**170**	**478**	**-**	**853**	**-**	**853**
Total underlying expenses	**1,388**	**601**	**1,139**	**43**	**3,171**	**-**	**3,171**
Underlying result before taxation	**427**	**-175**	**-148**	**-232**	**-128**	**-**	**-128**
Taxation	**103**	**-89**	**-29**	**-59**	**-74**	**-**	**-74**
Minority interest	**6**	**-**	**-92**	**-**	**-86**	**-**	**-86**
Underlying net result	**318**	**-86**	**-27**	**-173**	**32**	**-**	**32**

3 month period
1 April to 30 June 2008

amounts in millions of euros	Retail Banking	ING Direct	Commercial Banking	Other	Total segments	Elimi-nations	Total
Underlying income:							
– Net interest result	1,368	608	746	-5	2,717	-	2,717
– Commission income	408	10	335	-	753	-	753
– Total investment and other income	163	31	97	74	365	-	365
Total underlying income	1,939	649	1,178	69	3,835		3,835
Underlying expenditure:							
– Operating expenses	1,314	421	695	33	2463	-	2,463
– Additions to loan loss provision	66	50	118	-	234	-	234
Total underlying expenses	1,380	471	813	33	2,697	-	2,697
Underlying result before taxation	559	178	365	36	1,138	-	1,138
Taxation	114	65	106	-27	258	-	258
Minority interest	13	2	-60	-	-45	-	-45
Underlying net result	432	111	319	63	925	-	925

3 month period

amounts in millions of euros	1 April to 30 June 2009		1 April to 30 June 2008	
	Income	Net result	Income	Net result
Underlying	**3,043**	**31**	3,835	924
Special items	**20**	**-93**	-	-28
IFRS as applied by ING Bank	**3,063**	**-62**	3,835	896

Impairments on investments are presented within Investment income, which is part of Total income. In the second quarter of 2009, total impairments of EUR 383 million (second quarter of 2008: EUR 103 million) are included in the following segments: EUR 361 million (second quarter of 2008: EUR 0 million) in ING Direct, EUR 21 million (second quarter of 2008: EUR 6 million) in Commercial Banking and EUR 0 million (second quarter of 2008: EUR 97 million) in Other.

Special items includes EUR 93 million (second quarter of 2008: EUR 28 million) relating to restructuring costs.

* Unaudited

Notes to the condensed consolidated interim accounts*

6 month period
1 January to 30 June
2009

amounts in millions of euros	Retail Banking	ING Direct	Commercial Banking	Other	Total segments	Elimi-nations	Total
Underlying income:							
– Net interest result	**2,814**	**1,518**	**2,004**	**13**	**6,349**	**-**	**6,349**
– Commission income	**656**	**75**	**544**	**-1**	**1,274**	**-**	**1,274**
– Total investment and other income	**77**	**-553**	**-116**	**-109**	**-701**	**-**	**-701**
Total underlying income	**3,547**	**1,040**	**2,432**	**-97**	**6,922**	**-**	**6,922**
Underlying expenditure:							
– Operating expenses	**2,444**	**844**	**1,314**	**84**	**4,686**	**-**	**4,686**
– Additions to loan loss provision	**539**	**327**	**759**	**-**	**1,625**	**-**	**1,625**
Total underlying expenses	**2,983**	**1,171**	**2,073**	**84**	**6,311**	**-**	**6,311**
Underlying result before taxation	**564**	**-131**	**359**	**-181**	**611**	**-**	**611**
Taxation	**138**	**-63**	**111**	**-44**	**142**	**-**	**142**
Minority interest	**6**	**-**	**-115**	**-**	**-109**	**-**	**-109**
Underlying net result	**420**	**-68**	**363**	**-137**	**578**	**-**	**578**

6 month period
1 January to 30 June
2008

amounts in millions of euros	Retail Banking	ING Direct	Commercial Banking	Other	Total segments	Elimi-nations	Total
Underlying income:							
– Net interest result	2,779	1,175	1,357	10	5,321	-	5,321
– Commission income	824	25	623	-	1,472	-	1,472
– Total investment and other income	280	59	506	160	1,005	-	1,005
Total underlying income	3,883	1,259	2,486	170	7,798	-	7,798
Underlying expenditure:							
– Operating expenses	2.587	842	1,403	56	4,888	-	4,888
– Additions to loan loss provision	101	83	147	-	331	-	331
Total underlying expenses	2,688	925	1,550	56	5,219	-	5,219
Underlying result before taxation	1,195	334	936	114	2,579	-	2,579
Taxation	252	124	292	3	671	-	671
Minority interest	25	2	-60	-	-33	-	-33
Underlying net result	918	208	704	111	1,941	-	1,941

6 month period

amounts in millions of euros	1 January to 30 June 2009		1 January to 30 June 2008	
	Income	Net result	Income	Net result
Underlying	**6,922**	**578**	7,798	1,941
Special items	**103**	**-263**	-	-122
IFRS as applied by ING Bank	**7,025**	**315**	7,798	1,820

*Unaudited

Impairments on investments are presented within Investment income, which is part of Total income. In the first half year of 2009, total impairments of EUR 583 million (first half year of 2008: EUR 136 million) are included in the following segments: EUR 0 million (first half year of 2008: EUR 8 million) in Retail Banking, EUR 491 million (first half year of 2008: EUR 4 million) in ING Direct, EUR 80 million (first half year of 2008: EUR 27 million) in Commercial Banking and EUR 12 million (first half year of 2008: EUR 97 million) in Other.

Special items includes EUR 307 million (first half year of 2008: EUR 122 million) in restructuring costs and the one-time EUR 45 million (first half year of 2008: EUR 0 million) transaction result on the Illiquid Asset Back-up Facility.

10. ISSUANCES, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES IN ISSUE

Issue of debt securities in issue

ING Bank issued 3 year government guaranteed senior unsecured bonds amounting to USD 6 billion, in January 2009. ING Bank issued a 5 year EUR 4 billion fixed rate government guaranteed senior unsecured bond in February 2009, and ING Bank issued a 5 year USD 2 billion fixed rate government guaranteed senior unsecured bond in March 2009. All were issued under the Credit Guarantee Scheme of the State of the Netherlands and are part of ING's regular medium-term funding operations.

11. IMPORTANT EVENTS AND TRANSACTIONS

ING Group and the Dutch government ('State') reached an agreement on an Illiquid Assets Back-Up Facility ('Facility') on 26 January 2009; the transaction closed on 31 March 2009. The Facility covers amongst others the Alt-A portfolios of ING Bank with a par value of EUR 26 billion. Under the Facility, ING Bank has transferred 80% of the economic ownership of their Alt-A portfolio to the Dutch State. As a result, an undivided 80% interest in the risk and rewards on the portfolio was transferred to the Dutch State. ING Bank retained the legal ownership of their Alt-A portfolio. The transaction price was 90% of the par value with respect to the 80% proportion of the portfolio of which the Dutch State has become the economic owner. The transaction price remains payable by the State to ING and will be redeemed over the remaining life. Furthermore, under the Facility other fees will have to be paid by both ING and the State. As a result of the transaction 80% of the Alt-A portfolio has been derecognised from the balance sheet and a receivable has been recognised on the Dutch State.

The overall sales proceeds amounts to EUR 19.8 billion. The amortised cost (after prior impairments) at the date of the transaction was also approximately EUR 19.7 billion. The profit after tax, on the transaction (the difference between the sales proceeds and amortised cost), amounts to EUR 45 million. The fair value under IFRS at the date of the transaction was EUR 13.5 billion. The difference between the sales proceeds and the fair value under IFRS is an integral part of the transaction and therefore accounted for as part of the result on the transaction. The transaction resulted in a reduction of the negative revaluation -and therefore increase equity- by approximately EUR 3.9 billion (after tax).

The valuation method of the 20% Alt-A securities in the IFRS balance sheet is not impacted by this transaction. The methodology used to determine the fair value for these assets in the balance sheet under IFRS is disclosed in the 2008 Consolidated annual accounts of ING Bank.

The European Commission has temporarily approved ING Groep N.V.'s Core Tier 1 securities and the Illiquid Assets Back-up Facility with the Dutch State. Final approval requires ING Groep N.V. to submit a restructuring plan in accordance with guidelines published by the Commission on 22 July 2009 for financial institutions that received aid in the context of the financial crisis. ING Groep N.V. is currently reviewing strategic options to facilitate its continued transformation and realise its ambition to repay the Dutch State. The process will also support ING Groep N.V.'s efforts to meet the restructuring requirements set out in the guidelines published by the European Commission. The state aid process is formally one between the Dutch Ministry of Finance and the Commission, and ING Groep N.V. is working constructively with both parties to come to a resolution in the interest of all stakeholders. In-depth discussions will soon commence, the outcome of which can not be predicted, but could lead to significant changes for ING Group going forward.

*Unaudited

12. FAIR VALUE OF FINANCIAL ASSETS

The methods used to determine fair value of financial assets is disclosed in the 2008 Annual Accounts. The breakdown of assets by Reference to published price quotations in active markets, assets valued using Valuation techniques supported by market inputs and Assets valued using Valuation techniques not supported by market inputs was impacted in the first quarter of 2009 by the following:

- The derecognition of Alt-A securities as disclosed in Note 11 resulted in a reduction in Valuation techniques not supported by market inputs of EUR 13.9 billion.
- The reclassification from available-for-sale to Loans as disclosed in Note 3 resulted in a reduction in Valuation techniques supported by market inputs of EUR 22.8 billion.
- Certain Asset Backed Securities for an amount of approximately EUR 2.4 billion were reclassified from Reference to published price quotations in active markets to Valuation techniques not supported by market inputs because the relevant markets have become inactive in the first half year of 2009.

*Unaudited

Review report

To the Shareholders, the Supervisory Board and the Management Board of ING Bank N.V.

REVIEW REPORT
Introduction

We have reviewed the accompanying condensed consolidated interim accounts for the six months period ended 30 June 2009, of ING Bank N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2009, the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six months period then ended and the related notes. Management is responsible for the preparation and presentation of these condensed consolidated interim accounts in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on these interim accounts based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including Standard 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim accounts as at 30 June 2009 are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”, as adopted by the European Union.

Amsterdam, 12 August 2009

signed by C.B. Boogaart
for Ernst & Young Accountants LLP

Disclaimer

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