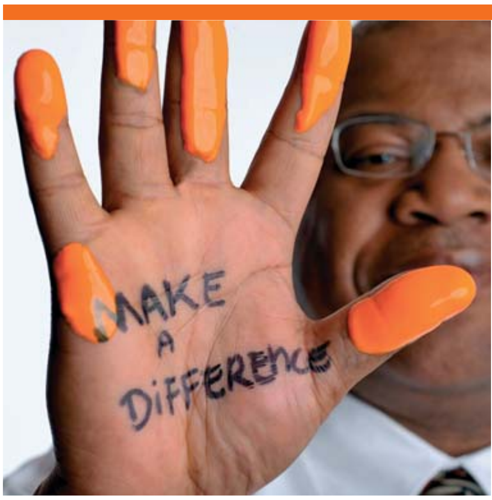
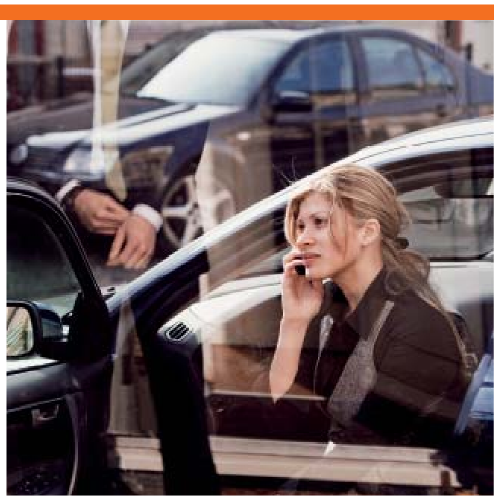
ING GROUP





Condensed consolidated interim financial information for the period ended 30 June 2010

In this report

Interim Report

Condensed consolidated interim accounts

ING GROEP N.V.

Introduction

ING Group evaluates the results of its banking operations and insurance operations using the financial measures of underlying result before tax. The breakdown of underlying result before tax by business line for the banking and insurance activities can be found on page 27 and page 28, respectively. The reconciliation between IFRS-EU and underlying income, expenses and net result can be found on page 30.

Consolidated results

ING Group's net result in the first 6 months of 2010 totalled EUR 2,416 million including EUR 404 million net gain on divestments, a EUR 6 million net loss from divested units and EUR -202 million in restructuring costs. ING Group posted an underlying net result of EUR 2,220 million in the first six months of 2010, up from EUR -23 million in the same period last year as market conditions improved and the bank continued to benefit from attractive interest margins and lower loan loss provisions.

Volumes continued to increase for both Banking and Insurance, although demand remained muted for many products given the ongoing market volatility and fragile economic recovery. Funds entrusted at the Banking business grew by EUR 13.9 billion in the first six months, excluding currency impacts. Mortgage production picked up in the first six months, reaching EUR 9.5 billion, however demand for commercial lending remained muted as signs of economic recovery remained fragile.

Impairments and revaluations continued to diminish as market conditions improved, particularly at the Bank, while Insurance results were impacted by the sharp decline in equity markets in the second quarter of 2010. Credit losses and impairments on debt securities totalled EUR 372 million compared with EUR 913 million in the same period last year. Revaluations on real estate investments were reduced to EUR -110 million in the first six months of 2010 from EUR -945 million in the corresponding period last year. Impairments, mainly on real estate development projects, increased to EUR 236 million from EUR 132 million in the first six months of 2009. Equity market declines resulted in a DAC unlocking charge of EUR 568 million in the first six months, compared with a DAC unlocking charge of EUR 451 million in the first six months 2009.

Banking

ING Bank's results strongly improved, driven by volume growth at attractive margins, a decline in risk costs and strong cost containment following substantial cuts last year. The underlying result before tax increased to EUR 2,890 million from EUR 583 million in the first six months of last year, when market related impacts were substantial. The annualised underlying return on average IFRS equity increased to 13.0% from 4.3% in the first six months of 2009.

Total underlying income rose 28.5% compared with the first six months of 2009, driven by higher interest results, increased commission income and a sharp decline in negative market impacts as market conditions improved. Impairments on debt and equity securities and negative revaluations on real estate decreased to EUR 198 million from EUR 1,259 million in the first six months of last year. The other market impacts, including capital gains on the sale of bonds and equities, improved to a profit of EUR 265 million compared with a loss of EUR 73 million in same period last year.

The interest result increased 5.1%, mainly driven by higher margins and growth in client balances. The total interest margin was 1.39%, up 15 basis points compared with the first six months of 2009, supported by the deleveraging of the balance sheet in 2009 and despite substantial lower interest results in Financial Markets activities. Margins on lending and savings both improved.

Efficiency improved, reflecting ongoing cost containment following significant cuts last year. Underlying operating expenses rose 2.8% to EUR 4,708 million. However excluding currency effects and impairments on real estate development projects, expenses were down 2.7% from the first half last year.

Underlying risk costs declined towards more normalised levels, driven mainly by improvements in Structured Finance, Real Estate Finance and the US mortgage book, while provisions remained elevated for mid-corporate and SME clients in the Benelux. ING Bank added underlying EUR 962 million to the loan loss provisions, down from EUR 1,499 million in the first six months of 2009. Risk costs amounted to 57 basis points of average risk-weighted assets. In the coming periods ING expects net provisions to remain at around the level seen in the first half of 2010**.**

The underlying result before tax of Retail Banking more than tripled to EUR 1,810 million compared with EUR 511 million in the first six months of 2009, driven by strong income growth on higher margins as well as lower impairments at ING Direct USA. Retail Netherlands underlying result before tax increased 124.8% to EUR 715 million, reflecting an improved margin on savings and a decline in operating expenses following cost savings initiatives taken in 2009. Retail Belgium rose 3.0% to EUR 314 million, driven by cost containment and lower risk costs offsetting lower interest results as re-investment returns declined in the current low interest rate environment. ING Direct posted an underlying profit before tax of EUR 675 million, up from a loss of EUR 131 million in the first half of last year, driven by higher interest results, lower impairments on the US investment portfolio, and lower loan loss provisions on the US mortgage portfolio. Retail Central Europe posted a profit of EUR 72 million, up from EUR 21 million, mainly due to higher income and lower risk costs. Retail Asia posted an underlying profit before tax of EUR 34 million, up from a loss of EUR 2 million in the same period last year, driven by higher income at ING Vysya Bank and better results from TMB.

Commercial Banking excluding ING Real Estate posted an underlying profit before tax of EUR 1,251 million, up 9.8% from the first six months last year, despite lower income from Financial Markets due to reduced customer activity and less favourable trading conditions. Results were supported by higher margins in General Lending and Structured Finance and a sharp decline in risk costs compared with the same period last year. Expenses increased 4.2%, largely due to currency effects. ING Real Estate's loss narrowed to EUR 117 million from a loss of EUR 770 million in the first half of last year as negative revaluations diminished to EUR 69 million, down from EUR 676 million. Impairments, mainly on development projects, were EUR 236 million, up from EUR 132 million in the same period last year.

The Corporate Line Banking reported an underlying loss before tax of EUR 54 million compared with a loss of EUR 297 million in the first half of the previous year. The improvement was supported by the gain on the sale of an equity stake, while the first half of 2009 included a sizeable loss on a FX hedge.

Insurance
ING Insurance's underlying result before tax increased to EUR 154 million from EUR -711 million in the first six months of 2009. The underlying result of Insurance was impacted by a write-down of deferred acquisition costs as equity markets declined sharply in the second quarter. However, other market-related impacts, while elevated, continued to diminish. Revaluations improved from EUR -285 million last year to EUR 322 million in the first six months of 2010. The increase was due to positive revaluations on private equity and alternative assets as well as marked-to-market impact mainly related to CMOs and interest rate hedges in the US. Gains/losses and impairments on investments improved to EUR -343 million from EUR -435 million in the first six months of 2009. Capital losses and impairments on debt securities in the United States, the Benelux and Central & Rest of Europe and impairments on public equity were the primary drivers, with EUR 82 million of losses taken in the Benelux and Central & Rest of Europe on the sale of EUR 0.6 billion notional in Southern European government bonds in the second quarter of 2010.

Total underlying income from the insurance operations for the six months ended 30 June 2010 increased 14.4%, to EUR 20,864 million from EUR 18,233 million in the same period last year. Total premium income decreased by 6.0% to EUR 15,058 million most notably in the US and Asia/Pacific. Commission income increased by 5.2% to EUR 898 million from EUR 854 million in the first six months of 2009. Investment and other income increased by 262.7%, to EUR 4,908 million in the first six months of 2010 compared with EUR 1,353 million in the same period a year ago mainly driven by revaluations from non-trading derivatives hedging guarantees on and interest rate risk in the US and Japan closed block variable annuity businesses .

Underwriting expenditure increased in the first six months of 2010 to EUR 18,304 million up 11.2% from the EUR 16,455 million in the same period last year, driven by increased guaranteed benefit reserves in the US and Japan, as well as negative DAC unlocking and DAC amortisation in the US. Operating expenses over the first six months of 2010 slightly increased 1.3% to EUR 1,938 million from EUR 1,914 million in the first six months of 2009.

ING analyses the underlying result before tax of its Insurance operations through the operating result. Operating result is underlying result before tax excluding capital gains and losses and impairments, revaluations and market and other impacts. The operating result is analysed through the margin analysis.

See the table below for an analysis of the Insurance underlying result before tax:

	Six months ended 30 June	
(amounts in EUR billion)	2010	2009
Investment margin	696	654
Fees and premium based revenues	2,412	2,136
Technical margin	360	473
Income non-modelled life business	62	52
Life & ING IM operating income	**3,530**	**3,315**
Administrative expenses	1,555	1,464
DAC amortisation and trail commissions	861	799
Life & ING IM expenses	**2,417**	**2,262**
Life & ING IM operating result	**1,114**	**1,053**

(amounts in EUR billion)	Six months ended 30 June 2010	2009
Non-life operating result	117	104
Corporate line operating result	-397	-420
Operating result	**834**	**737**
Gains/losses and impairments	-343	-435
Revaluations	322	-285
Market and other impacts	-660	-729
Underlying result before tax	**154**	**-711**

Operating results from ING's Insurance operations increased in the first six months of 2010 to EUR 834 million, reflecting increased fees and premium based revenues, partly offset by a lower technical margin, higher administrative expenses and DAC amortisation in the Life business.

The operating result from life insurance and investment management increased to EUR 1,114 million from EUR 1,053 million in the first six months of 2009. The investment margin improved 6.4% compared with the last year.

Fees and premium-based revenues increased 12.9% to EUR 2,412 million driven by higher premium-based revenues in Asia following higher sales of corporate-owned life (COLI) products in Japan and of endowment products in Hong Kong. In the US, higher gross fees were offset by higher costs of variable annuity guaranteed benefits. Fees on assets under management increased, most notably at ING IM, as fund values increased.

The technical margin of EUR 360 million decreased from EUR 473 million in the first six months of 2009. This decline was largely attributable to lower mortality results in the US, lower surrender results in Central & Rest of Europe, and a EUR 54 million one-off release of a morbidity provision in the Benelux in the second quarter of 2009.

Life and ING IM administrative expenses rose 6.2% to EUR 1,555 million in the first six months of 2010, following one-time accrual adjustments, the roll-out of the wealth management strategy in Latin America, and the reinvigoration of the Nationale-Nederlanden brand.

The Non-life operating result of EUR 117 million improved by 12.5% compared with the first six months of 2009 due to higher investment income and lower expenses.

The EUR -397 million operating result for the Corporate Line Insurance was slightly better compared to the EUR -420 million in the first six months of 2009 mainly due to lower interests on hybrids.

Insurance Benelux posted an operating result of EUR 361 million, up from EUR 337 million in the first six months last year, driven by higher investment margins as well as higher fees and premium based revenues.

Insurance Central & Rest of Europe posted an operating result of EUR 150 million in the first six months of 2010, slightly up from EUR 146 million in the same period last year. The increase was driven by lower expenses.

Operating profit from Insurance US declined to EUR 269 million from EUR 327 million a year earlier, primarily due to an increase in fees and premium based revenues partly offset by increased administrative expenses.

Insurance Latin America's operating result improved to EUR 138 million from EUR 102 million in the first six months last year, supported by higher fee income from pension funds and an improvement in the investment margin.

Operating profit from Insurance Asia/Pacific increased to EUR 235 million from EUR 164 million in the first six months of 2009 driven by higher fees and premium-based revenues and an improvement in the investment margin.

ING Investment Management's operating profit declined to EUR 78 million from EUR 80 million in the first six months 2009. Investments to support the growth of the business more than offset an increase in fees as assets under management increased.

Balance sheet

Compared with the end of December 2009, ING Group's balance sheet increased by EUR 109 billion to EUR 1,273 billion at the end of the June 2010. Foreign exchange movements caused EUR 69 billion of this increase. Shareholders' equity increased EUR 7.8 billion to EUR 41.6 billion mainly due to currency effects, net profit and unrealised revaluations debt securities.

Assets
Amounts due from banks increased by EUR 13 billion in the first six months of 2010, mainly due to higher unsettled balances from securities transactions and a EUR 7 billion increase in short-term deposits held with banks.
Financial assets at fair value through P&L increased EUR 41 billion in the first six months of 2010 to EUR 274 billion. At ING Bank, the increase was EUR 27 billion due to higher trading and non-trading derivatives of EUR 21 billion, securities borrowing and reverse repos and EUR 4 billion currency impacts. Financial assets at fair value through P&L at ING Insurance increased by EUR 15 billion, mainly as a result of EUR 12 billion increase of investments for risk of policyholders of which EUR 14 billion currency effects and EUR 2 billion negative revaluation due to lower market values.
Investments rose by EUR 25 billion in the first six months of 2010 to EUR 237 billion. EUR 6 billion increase is realised within ING Bank, mostly due to the continued investments of deposits in debt securities, mainly at ING Direct. ING Insurance's higher investments are driven by an increase of debt securities of EUR 18 billion, consisting of additions of EUR 3 billion, unrealised revaluations of EUR 4 billion and EUR 11 billion currency effects. Loans and advances to customers increased EUR 34 billion compared with the end of December 2009 almost entirely at ING Bank, due to higher balances in residential mortgages mainly at ING Direct and Retail Benelux. Foreign exchange impacts contributed EUR 22 billion to this increase.

Liabilities
Debt securities in issue increased EUR 4 billion compared with the end of December 2009, mainly attributable to the issuance of senior debt and covered bonds extending the funding profile of the Bank, partly offset by lower balances in certificates of deposits/commercial papers. Insurance and investment contracts increased by EUR 31 billion to EUR 272 billion as a result of currency effects of EUR 28 billion, EUR 5 billion increase in life insurance provisions and a decrease of EUR 2 billion in the provision for risk of policyholders. Customer deposits and other funds on deposits increased EUR 42 billion to EUR 511 billion at the end of June 2010. The increase in ING Bank's customer deposits and other funds on deposits was caused by EUR 18 billion currency exchange rate variances, individual savings grew by EUR 13 billion, current accounts by EUR 10 billion (Benelux) and corporate savings by EUR 6 billion. Financial liabilities at fair value through P&L increased EUR 23 billion, mainly due to EUR 17 billion higher trading and non-trading derivatives at ING Bank due to market impacts.

Shareholders' equity
Shareholders' equity increased EUR 7.7 billion, or 23%, to EUR 41.6 billion from EUR 33.9 billion at December 2009. The increase was, to a large extent, driven by EUR 4.5 billion foreign exchange movements and EUR 2.4 billion net profit.

Capital management
ING's capital position further strengthened in the first six months of 2010, supported by strong organic capital generation and currency effects. All capital ratios improved. ING Group's debt/equity ratio decreased from 12.4% to 11.3%. This was driven by a strong increase in the adjusted equity of ING Group which rose EUR 6.3 billion, mainly due to the net result (EUR 2.4 billion) and (positive) foreign exchange movements (EUR 4.5 billion). Group core debt was stable as there were no capital flows between ING Group, ING Insurance and ING Bank. The Financial Conglomerates Directive (FiCo) ratio for ING Group increased to 167% at the end of June 2010 from 157% at the end of December 2009. The core Tier 1 ratio of ING Bank increased from 7.8% to 8.6%, well above the 7.5% target. ING's core Tier 1 available capital increased by EUR 3.7 billion during the first six months mainly due to retained earnings and positive foreign exchange movements.
The Insurance Groups Directive (IGD) ratio for Insurance improved from 251% at the end of December 2009 to 267% at the end of June 2010. Required capital increased slightly by EUR 0.5 billion to EUR 8.3 billion. During the first six months, ING Bank issued EUR 10.2 billion in the capital markets, including both covered bonds and unsecured debt.

Risk Management

Banking
ING Bank's total loan book increased to EUR 585.8 billion at the end of the first six months from EUR 551.8 billion at the end of December 2009, mainly due to foreign currency effects, and an increase in residential mortgages. ING Bank added underlying EUR 962 million to the loan loss provisions compared with EUR 1,499 million in the first six months of 2009 (adjusted for divestments). Gross additions to the loan loss provisions in the first six months of 2010 were EUR 1,319 million, while releases amounted to EUR 357 million. This translated into (annualised) 57 basis points of average risk weighted assets (RWA) versus 88 basis points in the first six months 2009. In the coming quarters risk costs are expected to remain around the 1H 2010 level.

The value of the securities portfolio (excluding trading positions and including securities booked under loans & receivables) was EUR 151.3 billion at the end of June 2010, of which EUR 148.2 billion was debt-related and EUR 3.1 billion equity-related. The EUR 4.3 billion increase in the debt securities portfolio since 31 December 2009 is largely due to an increase in government bonds and US agency RMBS partly offset by sales or maturing of securities. The total revaluation reserve after tax on the debt portfolio rose from a negative EUR 123 million in the fourth quarter of 2009 to a positive EUR 353 million at the end of the second quarter of 2010. During the first six months of 2010, the exposure to Southern European countries has been reduced, reinvesting the proceeds in other government bonds primarily from

Germany and the Netherlands.

The direct real estate exposure of ING Bank was reduced from EUR 7.0 billion at the end of December 2009 to EUR 6.7 billion at the end of June 2010. The real estate investments that are subject to revaluation through the P&L decreased 0.1 billion to EUR 3.2 billion at 30 June 2010. The total fair value changes of real estate investment through the P&L were limited to a negative EUR 69 million in the first six months of 2010, reflecting the stabilising real estate markets. ING Bank has investments of EUR 2.1 billion in real estate development projects, for which an impairment of EUR 235 million was taken in the first six months. Impairments were mainly taken on the Dutch portfolio following management decisions to scale down projects.

Total risk weighted assets (RWA) were EUR 343.9 billion at 30 June 2010, compared with EUR 332.4 billion at the end of December 2009. Credit RWA increased by EUR 18 billion compared with the end of December 2009, of which EUR 16 billion driven by currency effects. Credit rating migration decreased RWA by EUR 2 billion, whereas volume impacts added EUR 3 billion. Market RWA was remained stable. Operational RWA declined EUR 6 billion due mainly to model updates.

Insurance

Credit risk

The general account increased EUR 27.5 billion from EUR 153.6 billion at the end of December 2009 to EUR 181.1 billion at the end of June 2010. The main driver of this increase is the further appreciation of the USD and Asian currencies against the euro. Sovereign debt of Southern European countries was actively reduced in the first half of 2010 to EUR 4.8 billion, 65% of which is related to Italian sovereigns. In the first six months, the balance sheet value of Financial Institutions exposures stayed flat at EUR 14.1 billion. Reduced positions and market value losses were offset by an appreciation of the USD and Asian currencies against the euro. In particular, financial exposures in hybrid securities have been actively reduced by sales. Market stabilisation and progress on restructuring agreements with the European Commission have helped reduce the underlying impairment risk for these securities. Exposure to RMBS and other ABS increased by EUR 2.3 billion, driven by currency effects and market value increases. Despite a reduction in the underlying notional, exposure to CMBS increased in the first six months of 2010 due to currency effects and improving valuations. While, CMBS impairments in the first six months of 2010 remain high, but manageable at EUR 45 million, the impairment risk remains significant, particularly in the lower quality classes (subs and junior).

Market risk

Interest rate earnings sensitivities are dominated by the Dutch separate account business where a notional amount of EUR 3.3 billion of swaps and swaptions hedge on an economic basis a liability that is not marked-to-market, resulting in a mismatch for earnings due to asymmetric accounting. Earnings sensitivity to a downwards/upwards shock of 100bp equals EUR 318 million/EUR -260 million. The value of existing swap and swaption hedges increased due to lower euro zone interest rates. These gains have been partially locked in July by unwinding swap transactions with a 2 billion notional, which reduce the interest rate earnings sensitivity by EUR 230 million. Going forward this has increased the economic exposure to changing interest rates. In the US, there is an exposure on an economic basis, which could impact longer-term earnings. Equity-related earnings sensitivities reflect direct equity exposure, primarily in the Benelux, and indirect equity exposure that arises primarily from US DAC unlocking. In the first six months, direct equity related exposure slightly increased to 3.6 billion as lower markets where offset by new positions. Option hedges with a notional of 2.1 billion in July are in place to partially hedge this exposure to lower markets. Total earnings sensitivity to a -15% equity shock equals EUR -899 million. Real Estate exposure relates to direct holdings plus real estate investment funds, which combined were stable at EUR 5.6 billion in the first six months of 2010. Foreign exchange exposure mainly relates to translation risk on earnings from outside the euro zone. During the first six months of 2010, the euro depreciated against most currencies, resulting in an increased earnings sensitivity of EUR -269 million.

Insurance Risks

Insurance risks such as mortality, longevity, morbidity and adverse P&C claims result from the pricing and acceptance of insurance contracts. Through scenario analyses, ING Insurance measures the sensitivity of pre-tax earnings of the insurance operations to an adverse change of the insurance risk factors over a one-year period. Earnings sensitivities in this section are defined at the 90% confidence level, measuring the impact of a 1 in 10-year shock on pre-tax IFRS earnings one year forward from the calculation date. Earnings sensitivity to mortality risk of EUR -47 million mainly arises in Asia/Pacific with smaller contributions from the remaining regions. Earnings sensitivity to morbidity risk (sickness, disability, accidental death, workers compensation, medical insurance and long-term care Insurance) of EUR -128 million is more evenly spread over the regions, with the largest impact from the Benelux. Earnings sensitivity to P&C risk of EUR -42 million is highly concentrated in the Benelux. Overall exposure to insurance risks did not change during the first six months of 2010 other than through currency effects. Another cause of earnings sensitivity is policyholder behaviour; recently we have seen trends in policyholder behaviour patterns that more directly reflects economic circumstances. Actual experience continues to go through the P&L but a review of assumptions can result in one-off impacts. When selling policies we need to make long-term assumptions about policyholder behaviour often with very limited experience, as we review and set assumptions our practice is to strike a balance between long term expectations and emerging experience.

Reserve adequacy testing
In the first quarter of 2010, an initial step under the ING Group IFRS reserve adequacy testing policy was implemented to begin addressing the reserve inadequacy on the closed block Legacy Variable Annuity business. This step limits increases to the DAC balance for this closed block when stock markets increase, thereby helping to reduce the DAC balance over time and improving reserve adequacy.

When US equity markets decline, as they did in the second quarter of 2010, the DAC balance is written down. In the second quarter, the US Legacy VA DAC balance declined by EUR 946 million, excluding currency effects, to EUR 1.8 billion. However, there is little impact on the reserve adequacy because the reduction in DAC approximately offsets the change in expected future profitability. By limiting increases to the DAC balance, equity market gains in the future will have a positive impact on reserve adequacy because the improvement in future expected profitability will not be offset by an equivalent increase in DAC.

At the end of the second quarter, ING Insurance US continued to be adequate at the 50% confidence level by EUR 2.2 billion and insufficient at the 90% confidence level by EUR 1.6 billion. ING Insurance remains adequate at the 90% confidence interval by EUR 5.5 billion.

Dividends
It is ING's policy to pay dividends in relation to the long-term underlying development of cash earnings. Given the uncertain financial environment, ING has decided not to pay an interim dividend on ordinary shares over the first half of 2010.

Other
Reference is made to Note 13 'Important events and transactions' in the Condensed consolidated interim accounts for information on the most important events in the first half year of 2010, other than the information disclosed in this Interim Report. In Note 15 'Related party transactions' in the Condensed consolidated interim accounts information is provided on related party relationships and transactions." Both disclosures are deemed to be incorporated by reference here.

Looking ahead
The measures taken over the past six quarters to strengthen our balance sheet have reduced vulnerability to market shocks. ING Bank comfortably passed the European Union's stress test last month, and we are pleased that the increased disclosure from the industry appears to have helped stabilise markets and restore confidence in the sector. We also welcome the increased clarity around changes under Basel III, and the bank is well positioned for this new regulatory environment, with a healthy liquidity position and funding mix.
We continue to work towards the operational separation of our Banking and Insurance operations, with the aim to have the businesses operating on an arm's-length, stand-alone basis by the end of this year. Good progress was made in the first half of 2010. At the same time we are working to improve the performance of the Insurance business, while reviewing our options so we will be ready to act when markets are favourable.

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

The Executive 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 Executive 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 Groep N.V. Interim Accounts for the period ended 30 June 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Groep N.V. and the enterprises included in the consolidation taken as a whole;
- the ING Groep N.V. Interim Report for the period ended 30 June 2010 gives a true and fair view of the information required pursuant to article 5:25d, subsections 8 and 9 of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)* regarding ING Groep N.V. and the enterprises included in the consolidation taken as a whole.

AMSTERDAM, 10 AUGUST 2010

Jan Hommen
Chairman of the Executive Board

Patrick Flynn
CFO, member of the Executive Board

Koos Timmermans
CRO, member of the Executive Board

Condensed consolidated balance sheet of ING Group

as at

amounts in millions of euros	30 June 2010	31 December 2009
ASSETS		
Cash and balances with central banks	**13,365**	15,390
Amounts due from banks	**56,109**	43,397
Financial assets at fair value through profit and loss 2	**274,374**	233,190
Investments 3	**237,113**	212,112
Loans and advances to customers 4	**612,753**	578,946
Reinsurance contracts	**6,394**	5,480
Investments in associates	**3,829**	3,699
Real estate investments	**3,709**	3,638
Property and equipment	**6,160**	6,119
Intangible assets 5	**6,295**	6,021
Deferred acquisition costs	**11,944**	11,398
Assets held for sale 6	**313**	5,024
Other assets	**40,237**	39,229
Total assets	**1,272,595**	1,163,643
EQUITY		
Shareholders' equity (parent)	**41,623**	33,863
Non-voting equity securities	**5,000**	5,000
	46,623	38,863
Minority interests	**1,011**	915
Total equity	**47,634**	39,778
LIABILITIES		
Subordinated loans	**11,332**	10,099
Debt securities in issue	**124,020**	119,981
Other borrowed funds	**27,050**	23,151
Insurance and investment contracts	**271,592**	240,858
Amounts due to banks	**85,542**	84,235
Customer deposits and other funds on deposit	**511,263**	469,508
Financial liabilities at fair value through profit and loss 7	**152,919**	129,789
Liabilities held for sale 6	**253**	4,890
Other liabilities	**40,990**	41,354
Total liabilities	**1,224,961**	1,123,865
Total equity and liabilities	**1,272,595**	1,163,643

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 Group

for the three and six month period ended

amounts in millions of euros	3 month period 1 April to 30 June 2010	2009	6 month period 1 January to 30 June 2010	2009
Interest income banking operations	**15,992**	20,381	**32,310**	44,462
Interest expense banking operations	**-12,774**	-17,238	**-25,874**	-38,282
Interest result banking operations	**3,218**	3,143	**6,436**	6,180
Gross premium income	**6,796**	7,269	**15,058**	16,183
Investment income **8**	**1,907**	1,331	**3,483**	2,460
Commission income	**1,123**	1,160	**2,222**	2,243
Other income **9**	**2,212**	-2,636	**2,539**	-1,937
Total income	**15,256**	10,267	**29,738**	25,129
Underwriting expenditure	**9,817**	5,808	**18,304**	16,664
Addition to loan loss provision	**465**	853	**962**	1,625
Intangible amortisation and other impairments	**135**	84	**320**	135
Staff expenses	**1,893**	1,809	**3,775**	3,884
Other interest expenses	**158**	177	**316**	370
Other operating expenses	**1,440**	1,683	**2,879**	3,472
Total expenses	**13,908**	10,414	**26,556**	26,150
Result before tax	**1,348**	-147	**3,182**	-1,021
Taxation	**239**	-135	**729**	-196
Net result (before minority interests)	**1,109**	-12	**2,453**	-825
Attributable to:				
Equityholders of the parent	**1,090**	71	**2,416**	-722
Minority interests	**19**	-83	**37**	-103
	1,109	-12	**2,453**	-825

amounts in euros	3 month period 1 April to 30 June 2010	2009	6 month period 1 January to 30 June 2010	2009
Basic earnings per ordinary share **10**	**0.29**	-0.30	**0.53**	-0.27
Diluted earnings per ordinary share **10**	**0.29**	-0.30	**0.53**	-0.27

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 Group
for the three and six month period ended

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009
Result for the period	**1,109**	-12	**2,453**	-825
Unrealised revaluations after taxation	**276**	4,687	**1,823**	6,002
Realised gains/losses transferred to profit and loss	**-24**	92	**164**	725
Changes in cash flow hedge reserve	**490**	-631	**695**	-1,146
Transfer to insurance liabilities/DAC	**-842**	-869	**-1,869**	-276
Exchange rate differences	**2,448**	-566	**4,552**	240
Total amount recognised directly in equity (other comprehensive income)	**2,348**	2,713	**5,365**	5,545
Total comprehensive income	**3,457**	2,701	**7,818**	4,720
Comprehensive income attributable to:				
Equityholders of the parent	**3,422**	2,763	**7,780**	4,808
Minority interests	**35**	-62	**38**	-88
	3,457	2,701	**7,818**	4,720

For the three month period 1 April 2010 to 30 June 2010 the Unrealised revaluations after taxation comprises EUR -14 million (1 April 2009 to 30 June 2009: EUR 32 million) related to the share of other comprehensive income of associates.

For the six month period 1 January 2010 to 30 June 2010 the Unrealised revaluations after taxation comprises EUR -20 million (1 January 2009 to 30 June 2009: EUR 26 million) related to the share of other comprehensive income of associates.

For the three month period 1 April 2010 to 30 June 2010 the Exchange rate differences comprises EUR 189 million (1 April 2009 to 30 June 2009: EUR 27 million) related to the share of other comprehensive income of associates.

For the six month period 1 January 2010 to 30 June 2010 the Exchange rate differences comprises EUR 315 million (1 January 2009 to 30 June 2009: EUR 113 million) related to the share of other comprehensive income of associates.

Condensed consolidated statement of cash flows of ING Group

for the six month period ended

amounts in millions of euros		30 June 2010	30 June 2009
Result before tax		**3,182**	-1,021
Adjusted for	– depreciation	**840**	811
	– deferred acquisition costs and value of business acquired	**633**	-339
	– increase in provisions for insurance and investment contracts	**3,495**	1,715
	– addition to loan loss provisions	**962**	1,625
	– other	**254**	1,149
Taxation paid		**-144**	-31
Changes in	– amounts due from banks, not available on demand	**-5,814**	4,105
	– trading assets	**-22,612**	44,757
	– non-trading derivatives	**-3,557**	35
	– other financial assets at fair value through profit and loss	**693**	261
	– loans and advances to customers	**-11,019**	2,050
	– other assets	**399**	4,574
	– amounts due to banks, not payable on demand	**709**	-51,172
	– customer deposits and other funds on deposit	**15,064**	10,698
	– trading liabilities	**19,470**	-35,083
	– other financial liabilities at fair value through profit and loss	**4,452**	-3,638
	– other liabilities	**-1,194**	-5,833
Net cash flow from (used in) operating activities		**5,813**	-25,337
Investments and advances	– available-for-sale investments	**-79,947**	-91,310
	– investments for risk of policyholders	**-26,407**	-31,217
	– other investments	**-1,128**	-1,264
Disposals and redemptions	– available-for-sale investments	**76,059**	94,706
	– investments for risk of policyholders	**27,388**	30,294
	– other investments	**4,415**	3,113
Net cash flow from (used in) investing activities		**380**	4,322
Proceeds from borrowed funds and debt securities		**219,097**	234,324
Repayments of borrowed funds and debt securities		**-221,666**	-215,021
Dividend paid			-425
Other net cash flow from financing activities		**-55**	17
Net cash flow from financing activities		**-2,624**	18,895
Net cash flow		**3,569**	-2,120
Cash and cash equivalents at beginning of period		**20,959**	31,271
Effect of exchange rate changes on cash and cash equivalents		**429**	-36
Cash and cash equivalents at end of period		**24,957**	29,115
Cash and cash equivalents comprises the following items:			
Treasury bills and other eligible bills		**6,083**	6,997
Amounts due from/to banks		**5,509**	1,324
Cash and balances with central banks		**13,365**	20,794
Cash and cash equivalents at end of period		**24,957**	29,115

Condensed consolidated statement of changes in equity of ING Group

for the six month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2010	**919**	**16,034**	**16,910**	**33,863**	**5,000**	**915**	**39,778**
Unrealised revaluations after taxation			**1,828**	**1,828**		**-5**	**1,823**
Realised gains/losses transferred to profit and loss			**164**	**164**			**164**
Changes in cash flow hedge reserve			**695**	**695**			**695**
Transfer to insurance liabilities/DAC			**-1,869**	**-1,869**			**-1,869**
Exchange rate differences			**4,546**	**4,546**		**6**	**4,552**
Total amount recognised directly in equity			**5,364**	**5,364**		**1**	**5,365**
Net result for the period			**2,416**	**2,416**		**37**	**2,453**
			7,780	**7,780**		**38**	**7,818**
Changes in the composition of the group						**62**	**62**
Dividends						**-4**	**-4**
Purchase/sale of treasury shares			**-32**	**-32**			**-32**
Employee stock option and share plans			**12**	**12**			**12**
Balance at 30 June 2010	**919**	**16,034**	**24,670**	**41,623**	**5,000**	**1,011**	**47,634**

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2009	495	9,182	7,657	17,334	10,000	1,594	28,928
Unrealised revaluations after taxation			6,002	6,002			6,002
Realised gains/losses transferred to profit and loss			725	725			725
Changes in cash flow hedge reserve			-1,146	-1,146			-1,146
Transfer to insurance liabilities/DAC			-276	-276			-276
Exchange rate differences			225	225		15	240
Total amount recognised directly in equity			5,530	5,530		15	5,545
Net result for the period			-722	-722		-103	-825
			4,808	4,808		-88	4,720
Changes in the composition of the group						-430	-430
Dividends						-1	-1
Purchase/sale of treasury shares			111	111			111
Employee stock option and share plans			23	23			23
Balance at 30 June 2009	495	9,182	12,599	22,276	10,000	1,075	33,351

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 2009 Consolidated Annual Accounts of ING Group, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with ING Group’s 2009 Annual Accounts.

The following standards, interpretations and amendments to standards and interpretations became effective in 2010:

- 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’
- 2009 Annual improvements to IFRS
- Amendment to IFRS 2 ‘Group Cash-settled Share-based Payment Transactions’

None of these new or revised standards and interpretations had a significant effect on the condensed consolidated interim accounts for the period ended 30 June 2010.

The following new or revised standards and interpretations were issued by the IASB, which become effective for ING Group as of 2011, unless otherwise indicated, if and when endorsed by the EU:

- Classification of Rights Issues (Amendment to IAS 32)
- Amendment to IAS 24 ‘Related Party Disclosures’
- Amendment to IFRIC 14 ’Prepayments of a Minimum Funding Requirement’
- IFRIC 19 ‘Extinguishing Financial Liabilities with Equity Instruments’
- Amendment to IFRS 1 ‘Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters’
- 2010 Annual improvements to IFRS

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

Furthermore, in 2009 IFRS 9 ‘Financial Instruments’ was issued, which is effective as of 2013. However, this standard was not yet endorsed by the EU and, therefore, is not yet part of IFRS-EU. Implementation of IFRS 9 – if and when endorsed by the EU – may have a significant impact on equity and/or result of ING Group.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Group'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 2009 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.

Adequacy test

The adequacy of the Provision for life insurance, net of unamortised interest rate rebates, DAC and VOBA (the net insurance liabilities), is evaluated regularly by each business unit for the business originated in that business unit. The test considers current estimates of all contractual and related cash flows, and future developments. It includes investment income on the same basis as it is included in the profit and loss account.

If, for any business unit, it is determined, using a best estimate (50%) confidence level, that a shortfall exists, and there are no offsetting amounts within other business units in the Business Line, the shortfall is recognised immediately in the profit and loss account.

If, for any business unit, the net insurance liabilities are not adequate using a prudent 90% confidence level, but there are offsetting amounts within other Group business units, then the business unit is allowed to take measures to strengthen the net insurance liabilities over a period no longer than the expected life of the policies. To the extent that there are no offsetting amounts within other Group business units, any shortfall at the 90% confidence level is recognised immediately in the profit and loss account.

If the net insurance liabilities are determined to be adequate at above the 90% confidence level, no reduction in the net insurance liabilities is recognised.

As at 31 December 2009, the Legacy Variable Annuity business in the US was inadequate at the 90% confidence level. As there were offsetting amounts within other Group business units, the Group remained adequate at the 90% confidence level. In line with the above policy, specific measures were defined to mitigate the inadequacy in the Legacy Variable Annuity business in the US. These specific measures are effective as of 2010 and disallow recognising additions to DAC that would otherwise result from negative amortisation and unlocking. Interest and new deferrals, as well as amortisation/unlocking that reduce DAC, continue to be recognised unchanged. This cap on DAC is applied on a quarterly basis and in any year if and when a reserve inadequacy exists at the start of the year. The impact on the six month period ended 30 June 2010 was EUR 105 million lower DAC and consequently lower result before tax.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets at fair value through profit and loss

amounts in millions of euros	30 June 2010	31 December 2009
Trading assets	**135,627**	111,444
Investment for risk of policyholders	**116,521**	104,597
Non-trading derivatives	**15,895**	11,632
Designated as at fair value through profit and loss	**6,331**	5,517
	274,374	233,190

3. INVESTMENTS

Investments

amounts in millions of euros	30 June 2010	31 December 2009
Available-for-sale		
– equity securities	**9,402**	8,853
– debt securities	**214,989**	188,850
	224,391	197,703
Held-to-maturity		
– debt securities	**12,722**	14,409
	12,722	14,409
	237,113	212,112

Held-to-maturity debt securities – sale and reclassification to available-for-sale investments
In the second quarter of 2010, EUR 51 million of Greek government bonds that were classified as held-to-maturity investments were sold. Furthermore, EUR 282 million of Greek government bonds were reclassified from held-to-maturity to available-for-sale investments. As the decisions to sell and reclassify were based on the significant deterioration in the issuer's creditworthiness compared to the credit rating at initial recognition, this sale and reclassification does not impact the intent for the remainder of the held-to-maturity investment portfolio.

Reclassifications to investments held to maturity (2009)
During the second quarter of 2009 the Group reclassified EUR 0.7 billion of available-for-sale investments to held-to-maturity. The reclassification resulted from reduction in market liquidity for these assets; the Group has the intent and ability to hold these assets until maturity.

Reclassifications to Loans and advances to customers and Amounts due from banks (2009 and 2008)
Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS as of the third quarter of 2008. In the second and first quarter of 2009 and in the fourth quarter of 2008 ING Group reclassified certain financial assets from Investments available-for-sale to Loans and advances to customers and Amounts due from banks. The Group identified assets, eligible for reclassification, for which at the reclassification date it had an intent to hold for the foreseeable future. The table below provides information on the three reclassifications made in the first and second quarter of 2009 and the fourth quarter of 2008. Information is provided for each of the three reclassifications (see columns) as at the date of reclassification and as at the end of the subsequent reporting periods (see rows). This information is disclosed under IFRS as long as the reclassified assets continue to be recognised in the balance sheet.

Reclassifications to Loans and advances to customers and Amounts due from banks			
amounts in millions of euros	Q2 2009	Q1 2009	Q4 2008
As per reclassification date			
Fair value	6,135	22,828	1,594
Effective interest rate (weighted average)	1.4%–24.8%	2.1%–11.7%	4.1%–21%
Expected recoverable cash flows	7,118	24,052	1,646
Unrealised fair value losses in shareholders' equity (before tax)	-896	-1,224	-69
Recognised fair value gains (losses) in shareholders' equity (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	173	nil	-79
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	nil	nil	nil
2010			
Carrying value as at 30 June	6,230	18,872	996
Fair value as at 30 June	6,441	18,287	995
Unrealised fair value losses in shareholders' equity (before tax) as at 30 June	-604	-774	-72
Effect on shareholders' equity (before tax) for the six month period ended 30 June if reclassification had not been made	211	-585	-1
Effect on result (before tax) for the six month period ended 30 June if reclassification had not been made	nil	nil	nil
Effect on result (before tax) for the six month period ended 30 June (mainly interest income)	56	255	19
Recognised impairments (before tax) for the six month period ended 30 June	1	nil	nil
Recognised provision for credit losses (before tax) for the six month period ended 30 June	1	nil	nil
2009			
Carrying value as at 31 December	6,147	20,551	1,189
Fair value as at 31 December	6,472	20,175	1,184
Unrealised fair value losses in shareholders' equity (before tax) as at 31 December	-734	-902	-67
Effect on shareholders' equity (before tax) if reclassification had not been made	325	-376	-5
Effect on result (before tax) if reclassification had not been made	nil	nil	nil
Effect on result (before tax) after the reclassification till 31 December (mainly interest income)	54	629	47
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	nil	nil	nil
2008			
Carrying value as at 31 December			1,592
Fair value as at 31 December			1,565
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	-971	-192	-79
Effect on shareholders' equity (before tax) if reclassification had not been made	n/a	n/a	-28
Effect on result (before tax) if reclassification had not been made	n/a	n/a	nil
Effect on result (before tax) after the reclassification till 31 December (mainly interest income)	n/a	n/a	9
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	n/a	n/a	nil
2007			
Unrealised fair value losses recognised in shareholders' equity (before tax) during the year			-20
Recognised impairments (before tax)			nil

4. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers by banking and insurance operations

amounts in millions of euros	30 June 2010	31 December 2009
Banking operations	**589,137**	554,682
Insurance operations	**34,179**	29,060
	623,316	583,742
Eliminations	**-10,563**	-4,796
	612,753	578,946

Loans and advances to customers by type – banking operations

amounts in millions of euros	30 June 2010	31 December 2009
Loans to, or guaranteed by, public authorities	**56,340**	51,082
Loans secured by mortgages	**330,227**	306,526
Loans guaranteed by credit institutions	**8,801**	10,229
Personal lending	**19,626**	19,960
Mortgage backed securities	**16,973**	17,814
Corporate loans	**162,295**	153,424
	594,262	559,035
Loan loss provisions	**-5,125**	-4,353
	589,137	554,682

Changes in loan loss provisions

	Banking		Insurance		Total	
amounts in millions of euros	6 month period ended 30 June 2010	year ended 31 December 2009	6 month period ended 30 June 2010	year ended 31 December 2009	6 month period ended 30 June 2010	year ended 31 December 2009
Opening balance	**4,399**	2,611	**111**	59	**4,510**	2,670
Changes in the composition of the group		-3		-3		-6
Write-offs	**-491**	-1,217	**-21**	-13	**-512**	-1,230
Recoveries	**50**	148	**-2**	1	**48**	149
Increase in loan loss provisions	**962**	2,973	**14**	67	**976**	3,040
Exchange rate differences	**273**	-47	**9**		**282**	-47
Other changes	**-23**	-66	**-1**		**-24**	-66
Closing balance	**5,170**	4,399	**110**	111	**5,280**	4,510

Changes in loan loss provisions relating to insurance operations are presented under Investment income. Changes in the loan loss provisions relating to banking operations are presented on the face of the profit and loss account.

The loan loss provision relating to banking operations at 30 June 2010 of EUR 5,170 million (31 December 2009: EUR 4,399 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for EUR 5,125 million (31 December 2009: EUR 4,353 million) and EUR 45 million (31 December 2009: EUR 46 million) respectively.

5. INTANGIBLE ASSETS

Intangible assets		
amounts in millions of euros	**30 June 2010**	31 December 2009
Value of business acquired	**1,463**	1,502
Goodwill	**3,405**	3,071
Software	**780**	803
Other	**647**	645
	6,295	6,021

The goodwill has increased as a result of foreign exchange rate differences.

6. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale include disposal groups whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This relates to businesses for which a sale is agreed or highly probable at balance sheet date but for which the transaction has not yet fully closed. For 30 June 2010 this relates to Pacific Antai Life Insurance Company Ltd. (PALIC) in China and the non-life insurance operations in Greece. These were also held for sale at 31 December 2009 but have not yet been closed. Transactions closed during the first half year but included in Assets and liabilities held for sale at 31 December 2009 included Swiss and Asian Private Banking business and three U.S. independent retail broker-dealer units. Reference is made to Note 12 ‘Acquisitions and disposals’.

Assets held for sale		
amounts in millions of euros	**30 June 2010**	31 December 2009
Cash and balances with central banks	**19**	264
Amounts due from banks		474
Financial assets at fair value through profit and loss	**9**	389
Available-for-sale investments	**180**	458
Loans and advances to customers	**47**	3,242
Reinsurance contracts	**3**	3
Property and equipment	**1**	37
Intangible assets		3
Deferred acquisition costs	**44**	35
Other assets	**10**	119
	313	5,024

Liabilities held for sale		
amounts in millions of euros	**30 June 2010**	31 December 2009
Insurance and investments contracts	**237**	191
Amounts due to banks		31
Customer deposits and other funds on deposit		4,480
Financial liabilities at fair value through profit and loss		36
Other liabilities	**16**	152
	253	4,890

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial liabilities at fair value through profit and loss		
amounts in millions of euros	**30 June 2010**	31 December 2009
Trading liabilities	**117,713**	98,245
Non-trading derivatives	**22,140**	20,070
Designated as at fair value through profit and loss	**13,066**	11,474
	152,919	129,789

8. INVESTMENT INCOME

Investment income

3 month period	Banking		Insurance		Total	
	1 April to 30 June		1 April to 30 June		1 April to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Income from real estate investments	**34**	42	**21**	15	**55**	57
Dividend income	**14**	15	**88**	86	**102**	101
Income from investments in debt securities			**1,448**	1,424	**1,448**	1,424
Income from loans			**361**	305	**361**	305
Realised gains/losses on disposal of debt securities	**20**	22	**-34**	163	**-14**	185
Reversals/Impairments of available-for-sale debt securities	**-31**	-376	**-124**	-58	**-155**	-434
Realised gains/losses on disposal of equity securities	**112**	1	**48**	72	**160**	73
Impairments of available-for-sale equity securities	**-14**	-7	**-6**	-60	**-20**	-67
Change in fair value of real estate investments	**-14**	-290	**-16**	-23	**-30**	-313
	121	-593	**1,786**	1,924	**1,907**	1,331

Investment income

6 month period	Banking		Insurance		Total	
	1 January to 30 June		1 January to 30 June		1 January to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Income from real estate investments	**75**	83	**38**	30	**113**	113
Dividend income	**17**	15	**112**	108	**129**	123
Income from investments in debt securities			**2,774**	2,905	**2,774**	2,905
Income from loans			**737**	680	**737**	680
Realised gains/losses on disposal of debt securities	**125**	199	**-89**	-149	**36**	50
Reversals/Impairments of available-for-sale debt securities	**-107**	-555	**-285**	-255	**-392**	-810
Realised gains/losses on disposal of equity securities	**115**	4	**72**	106	**187**	110
Impairments of available-for-sale equity securities	**-22**	-28	**-10**	-246	**-32**	-274
Change in fair value of real estate investments	**-35**	-370	**-34**	-67	**-69**	-437
	168	-652	**3,315**	3,112	**3,483**	2,460

9. OTHER INCOME

Other income

3 month period	Banking		Insurance		Total	
	1 April to 30 June		1 April to 30 June		1 April to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Net result on disposal of group companies	**-10**	-9		-5	**-10**	-14
Valuation results on non-trading derivatives	**118**	-483	**2,123**	-2,631	**2,241**	-3,114
Net trading income	**152**	404	**-428**	205	**-276**	609
Result from associates	**5**	-185	**23**	-10	**28**	-195
Other income	**96**	-1	**133**	79	**229**	78
	361	-274	**1,851**	-2,362	**2,212**	-2,636

Valuation results on non-trading derivatives in Insurance is mainly a result of positive fair value changes on derivatives used to hedge direct and indirect equity exposures and foreign exchange exposures without applying hedge accounting. Indirect equity exposures relate to certain guaranteed benefits in insurance liabilities in the US, Japan, and the Netherlands. In the second quarter of 2010 the fair value changes on these derivatives were positive, as stock market returns became negative. In the second quarter of 2009 the impact was the opposite as fair value changes on these derivatives were negative as stock market returns became positive. Foreign exchange derivatives are used to offset foreign exchange results that are recognised in Net trading income.

Result from associates

3 month period	Banking		Insurance		Total	
	1 April to 30 June		1 April to 30 June		1 April to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Share of results from associates	**6**	-184	**23**	-10	**29**	-194
Impairments	**-1**	-1			**-1**	-1
	5	-185	**23**	-10	**28**	-195

Other income

6 month period	Banking		Insurance		Total	
	1 January to 30 June		1 January to 30 June		1 January to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Net result on disposal of group companies	**385**	-9	**2**	-47	**387**	-56
Valuation results on non-trading derivatives	**-231**	-484	**1,696**	-2,093	**1,465**	-2,577
Net trading income	**667**	665	**-518**	156	**149**	821
Result from associates	**15**	-280	**75**	-111	**90**	-391
Other income	**160**	148	**288**	118	**448**	266
	996	40	**1,543**	-1,977	**2,539**	-1,937

Valuation results on non-trading derivatives in Insurance is mainly a result of positive fair value changes on derivatives used to hedge direct and indirect equity exposures and foreign exchange exposures without applying hedge accounting. Indirect equity exposures relate to certain guaranteed benefits in insurance liabilities in the US, Japan, and the Netherlands. In the first half year of 2010 the fair value changes on these derivatives were positive, as stock market returns became negative. In the first half year of 2009 the impact was the opposite as fair value changes on these derivatives were negative as stock market returns became positive. Foreign exchange derivatives are used to offset foreign exchange results that are recognised in Net trading income.

Result from associates

6 month period	Banking		Insurance		Total	
	1 January to 30 June		1 January to 30 June		1 January to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009	**2010**	2009
Share of results from associates	**17**	-279	**75**	-111	**92**	-390
Impairments	**-2**	-1			**-2**	-1
	15	-280	**75**	-111	**90**	-391

10. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share

3 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 April to 30 June		1 April to 30 June		1 April to 30 June	
	2010	2009	**2010**	2009	**2010**	2009
Net result	**1,090**	71	**3,780.5**	2,022.6		
Attribution to non-voting equity securities (1)		-850				
Impact of rights issue (2)				611.4		
Basic earnings	**1,090**	-779	**3,780.5**	2,634.0	**0.29**	-0.30
Dilutive securities:						
Stock option and share plans			**5.4**	2.5		
			5.4	2.5		
Diluted earnings	**1,090**	-779	**3,785.9**	2,636.5	**0.29**	-0.30

(1) As a net profit has already been reported in the first quarter of 2010 an attribution to non-voting equity securities was included in that period. This attribution represents the amount that would be payable to the holders of the non-voting equity securities if and when the entire net profit for the first profit-making quarter of the year would be distributed as dividend. As ING Group did not report a profit in the first quarter of 2009, but did report a profit in the second quarter, the attribution is included in the 2009 comparatives in the second quarter. This amount is only included for the purpose of determining earnings per share under IFRS and does not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

(2) The rights issue, which was finalised on 15 December 2009 has an effect on the basic earnings per share and the diluted earnings per share, as defined in IFRS. All weighted average number of shares outstanding before the rights issue are restated with an adjustment factor of approximately 1.3 that reflects the fact that the exercise price of the rights issue was less than the fair value of the shares. The effect of the rights issue on the dilutive securities is adjusted as well.

Earnings per ordinary share

6 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 January to 30 June		1 January to 30 June		1 January to 30 June	
	2010	2009	**2010**	2009	**2010**	2009
Net result	**2,416**	-722	**3,782.5**	2,024.0		
Attribution to non-voting equity securities (1)	**-425**					
Impact of rights issue (2)				611.8		
Basic earnings	**1,991**	-722	**3,782.5**	2.635.8	**0.53**	-0.27
Dilutive securities:						
Stock option and share plans			**5.4**	2.5		
			5.4	2.5		
Diluted earnings	**1,991**	-722	**3,787.9**	2,638.3	**0.53**	-0.27

(1) As a net profit is reported in the first half year of 2010 an attribution to non-voting equity securities is included. As a loss was reported in the first half year of 2009 no attribution to non-voting equity securities was included. This attribution represents the amount that would be payable to the holders of the non-voting equity securities if and when the entire net profit for the first half year of 2010 would be distributed as dividend. This amount is only included for the purpose of determining earnings per share under IFRS and does not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

(2) The rights issue, which was finalised on 15 December 2009 has an effect on the basic earnings per share and the diluted earnings per share, as defined in IFRS. All weighted average number of shares outstanding before the rights issue are restated with an adjustment factor of approximately 1.3 that reflects the fact that the exercise price of the rights issue was less than the fair value of the shares. The effect of the rights issue on the dilutive securities is adjusted as well.

Diluted earnings per share data are calculated as if the stock options and share plans outstanding at the end of the period had been exercised at the beginning of the period. It is also assumed that ING Group uses the cash received from exercised stock options and share plans or converted non-voting equity securities to buy its own shares against the average market price in the financial year. The net increase in the number of shares resulting from exercising stock options and share plans or converting non-voting equity securities is added to the average number of shares used for the calculation of diluted earnings per share. The potential conversion of the non-voting equity securities has an antidilutive effect on the earnings per share calculation in 2010 and 2009 (the diluted earnings per share becoming higher than the basic earnings per share). Therefore, the potential conversion is not taken into account in determining the weighted average number of shares for the calculation of diluted earnings per share for these years.

11. SEGMENT REPORTING

ING Group's operating segments relate to the internal segmentation by business lines; segments include the thirteen business lines and two corporate lines. As a result of changes in the internal management and reporting structure the operating segments have changed as from 1 January 2010. ING Group identifies the following operating segments:

Operating segments of ING Group	
Banking	Insurance
Retail Netherlands	Insurance Benelux
Retail Belgium	Insurance Central and Rest of Europe (CRE)
ING Direct	Insurance US
Retail Central Europe (CE)	Insurance Latin America
Retail Asia	Insurance Asia/Pacific
Commercial Banking (excluding ING Real Estate)	ING Investment Management (IM)
ING Real Estate	Corporate Line Insurance
Corporate Line Banking	

In 2009 ING Group consisted of the following business lines: Retail Banking, ING Direct, Commercial Banking, Insurance Europe, Insurance Americas and Insurance Asia/Pacific.

The Executive Board of ING Group, the Management Board Banking and the Management Board Insurance set the performance targets and approve and monitor 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 Executive Board, the Management Board Banking and the Management Board Insurance.

The accounting policies of the operating segments are the same as those described in the Annual Accounts 2009. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income and/or assets of the segment.

ING Group 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.

As of 2010:

- Capital gains on public equity securities (net of impairments) are reported in the relevant business line. Until 2009 capital gains on public equity securities in Insurance were reported in the Corporate Line Insurance, whereas a notional return was allocated to the Insurance business lines.
- An arms' length fee is charged by ING IM to the relevant business line. Until 2009 a cost-based fee was charged.
- The Corporate Line Insurance includes reinsurance to ING Re of ING Life Japan guaranteed benefits associated with SPVA contracts, along with the corresponding SPVA hedging results. Until 2009 these were reported under Insurance Asia/Pacific.

The comparative figures were adjusted accordingly.

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

Specification of the main sources of income in each of the segments

Segment	Main source of income
Retail Netherlands	Income from retail and private banking activities in the Netherlands. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending.
Retail Belgium	Income from retail and private banking activities in Belgium. The main products offered are similar to those in the Netherlands.
Retail CE	Income from retail and private banking activities in Central Europe. The main products offered are similar to those in the Netherlands.
Retail Asia	Income from retail activities in Asia. The main products offered are similar to those in the Netherlands.
ING Direct	Income from direct retail banking activities. The main products offered are savings accounts and mortgages.
Commercial Banking (ex-cluding ING Real Estate)	Income from wholesale banking activities. A full range of products is offered from cash management to corporate finance.
ING Real Estate	Income from real estate activities.
Insurance Benelux	Income from life insurance, non-life insurance and retirement services in the Benelux.
Insurance CRE	Income from life insurance, non-life insurance and retirement services in Central and Rest of Europe.
Insurance US	Income from life insurance and retirement services in the US.
Insurance Latin America	Income from life insurance and retirement services in Latin America.
Insurance Asia/Pacific	Income from life insurance and retirement services in Asia/Pacific.
ING IM	Income from investment management activities.
Corporate Line Banking	Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses. ING Group applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the business units' book equity and the currency they operate in.
Corporate Line Insurance	The Corporate Line Insurance mainly includes items related to capital management, run-off portfolios and ING Re.

Operating segments Banking

3 month period 1 April to 30 June 2010 amounts in millions of euros	Retail Nether-lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer-cial Banking	Real Estate	Cor-porate Line Banking	Total Banking segments	Elimi-nations	Total Banking
Underlying income:											
– Net interest result	937	392	948	177	44	723	96	-70	3,247		3,247
– Commission income	123	92	41	73	13	226	92	-3	657		657
– Total investment and other income	-2	29	-59	-6	8	301	19	190	480		480
Total underlying income	1,058	513	930	244	65	1,250	207	117	4,384		4,384
Underlying expenditure:											
– Operating expenses	569	329	433	196	43	514	112	4	2,200		2,200
– Additions to loan loss provision	123	44	88	21	7	168	14		465		465
-Other impairments*	10		3				85	8	106		106
Total underlying expenses	702	373	524	217	50	682	211	12	2,771		2,771
Underlying result before taxation	356	140	406	27	15	568	-4	105	1,613		1,613
Taxation	94	22	136	6	2	135	3	29	427		427
Minority interests		-7		5	5	9	5		17		17
Underlying net result	262	125	270	16	8	424	-12	76	1,169		1,169

*analysed as a part of operating expenses

Operating segments Insurance

3 month period 1 April to 30 June 2010 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi-nations	Total Insurance
Underlying income:										
– Gross premium income	1,600	522	3,020	37	1,610		89	6,878	-82	6,796
– Commission income	-5	41	117	94	3	215	1	466		466
– Total investment and other income	976	60	1,390	77	223	17	1,101	3,844	-172	3,672
Total underlying income	2,571	623	4,527	208	1,836	232	1,191	11,188	-254	10,934
Underlying expenditure:										
– Underwriting expenditure	2,055	517	4,669	53	1,584	1	1,020	9,899	-82	9,817
– Operating expenses	217	63	312	56	134	189	24	995		995
– Other interest expenses	31	-13	18	26	1	1	328	392	-172	220
– Other impairments							17	17		17
Total underlying expenses	2,303	567	4,999	135	1,719	191	1,389	11,303	-254	11,049
Underlying result before taxation	268	56	-472	73	117	41	-198	-115		-115
Taxation	45	9	-212	10	33	18	-53	-150		-150
Minority interests	1	3		1			-3	2		2
Underlying net result	222	44	-260	62	84	23	-142	33		33

While the reserves for the segment Insurance US are adequate at the 50% confidence level, a net reserve inadequacy exists using a prudent (90%) confidence level. In line with Group Policy, Insurance US is taking measures to improve adequacy in that region. This inadequacy was offset by reserve adequacies in other segments, such that at the Group level there is a net adequacy at the prudent (90%) confidence level.

Underwriting expenditure includes an equity market related DAC unlocking charge of EUR 530 million in the second quarter of 2010, compared with a DAC unlocking benefit of EUR 176 million in the second quarter of 2009.

Operating segments Total

3 month period 1 April to 30 June 2010 amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi-nations	Total
Underlying income:					
– Gross premium income		6,796	6,796		6,796
– Net interest result - banking operations	3,247		3,247	-29	3,218
– Commission income	657	466	1,123		1,123
– Total investment and other income	480	3,672	4,152	-32	4,120
Total underlying income	4,384	10,934	15,318	-61	15,257
Underlying expenditure:					
– Underwriting expenditure		9,817	9,817		9,817
– Operating expenses	2,200	995	3,195		3,195
– Other interest expenses		220	220	-61	159
– Additions to loan loss provision	465		465		465
– Other impairments*	106	17	123		123
Total underlying expenses	2,771	11,049	13,820	-61	13,759
Underlying result before taxation	1,613	-115	1,498		1,498
Taxation	427	-150	277		277
Minority interests	17	2	19		19
Underlying net result	1,169	33	1,202		1,202

*for Banking analysed as a part of operating expenses

Operating segments Banking

3 month period 1 April to 30 June 2009 amounts in millions of euros	Retail Nether-lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer-cial Banking	Real Estate	Cor-porate Line Banking	Total Banking segments	Elimi-nations	Total Banking
Underlying income:											
– Net interest result	769	428	813	172	27	932	88	-63	3,166		3,166
– Commission income	123	98	43	64	8	214	79	1	630		630
– Total investment and other income	36	28	-431	-11	10	189	-508	-208	-895		-895
Total underlying income	928	554	425	225	45	1,335	-341	-270	2,901		2,901
Underlying expenditure:											
– Operating expenses	618	323	428	167	35	491	113	28	2,203		2,203
– Additions to loan loss provision	109	42	169	12	8	407	71	-1	817		817
-Other impairments*			3				55	8	66		66
Total underlying expenses	727	365	600	179	43	898	239	35	3,086		3,086
Underlying result before taxation	201	189	-175	46	2	437	-580	-305	-185		-185
Taxation	49	50	-89	9	2	67	-94	-79	-85		-85
Minority interests				3	2	10	-103	3	-85		-85
Underlying net result	152	139	-86	34	-2	360	-383	-229	-15		-15

*analysed as a part of operating expenses

Operating segments Insurance

3 month period 1 April to 30 June 2009 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi-nations	Total Insurance
Underlying income:										
– Gross premium income	1,680	486	3,342	52	1,625		78	7,263	-71	7,192
– Commission income	23	41	92	95	5	180	-4	432		432
– Total investment and other income	124	79	-272	76	186	-25	-322	-154	-293	-447
Total underlying income	1,827	606	3,162	223	1,816	155	-248	7,541	-364	7,177
Underlying expenditure:										
– Underwriting expenditure	1,461	457	2,665	85	1,587	1	-460	5,796	-71	5,725
– Operating expenses	250	62	284	44	129	143	22	934		934
– Other interest expenses	72	9	30	25	4	2	410	552	-293	259
– Other impairments							17	17		17
Total underlying expenses	1,783	528	2,979	154	1,720	146	-11	7,299	-364	6,935
Underlying result before taxation	44	78	183	69	96	9	-237	242		242
Taxation	-15	19	41	15	22	12	-81	13		13
Minority interests	1	4		1			-4	2		2
Underlying net result	58	55	142	53	74	-3	-152	227		227

Operating segments Total

3 month period 1 April to 30 June 2009 amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi-nations	Total
Underlying income:					
– Gross premium income		7,192	7,192		7,192
– Net interest result - banking operations	3,166		3,166	-41	3,125
– Commission income	630	432	1,062		1,062
– Total investment and other income	-895	-447	-1,342	-42	-1,384
Total underlying income	2,901	7,177	10,078	-83	9,995
Underlying expenditure:					
– Underwriting expenditure		5,725	5,725		5,725
– Operating expenses	2,203	934	3,137		3,137
– Other interest expenses		259	259	-83	176
– Additions to loan loss provision	817		817		817
– Other impairments*	66	17	83		83
Total underlying expenses	3,086	6,935	10,021	-83	9,938
Underlying result before taxation	-185	242	57		57
Taxation	-85	13	-72		-72
Minority interests	-85	2	-83		-83
Underlying net result	-15	227	212		212

*for Banking analysed as a part of operating expenses

Reconciliation between IFRS-EU and Underlying income, expenses and net result

3 month period	**1 April to 30 June 2010**			1 April to 30 June 2009		
amounts in millions of euros	**Income**	**Expenses**	**Net result**	Income	Expenses	Net result
Underlying	**15,257**	**13,759**	**1,202**	9,995	9,938	212
Divestments		**6**	**-6**	253	231	20
Special items	**-1**	**143**	**-106**	19	245	-161
IFRS-EU	**15,256**	**13,908**	**1,090**	10,267	10,414	71

Operating segments Banking

6 month period 1 January to 30 June 2010 amounts in millions of euros	**Retail Nether-lands**	**Retail Belgium**	**ING Direct**	**Retail CE**	**Retail Asia**	**Commer-cial Banking**	**Real Estate**	**Cor-porate Line Banking**	**Total Banking segments**	**Elimi-nations**	**Total Banking**
Underlying income:											
– Net interest result	**1,849**	**783**	**1,815**	**352**	**86**	**1,537**	**195**	**-116**	**6,501**		**6,501**
– Commission income	**265**	**188**	**79**	**144**	**26**	**430**	**187**	**-6**	**1,313**		**1,313**
– Total investment and other income	**-2**	**65**	**-108**	**-8**	**18**	**611**	**42**	**128**	**746**		**746**
Total underlying income	**2,112**	**1,036**	**1,786**	**488**	**130**	**2,578**	**424**	**6**	**8,560**		**8,560**
Underlying expenditure:											
– Operating expenses	**1,116**	**639**	**888**	**379**	**80**	**1,054**	**232**	**44**	**4,432**		**4,432**
– Additions to loan loss provision	**265**	**83**	**217**	**37**	**16**	**272**	**72**		**962**		**962**
-Other impairments*	**16**		**6**			**1**	**237**	**16**	**276**		**276**
Total underlying expenses	**1,397**	**722**	**1,111**	**416**	**96**	**1,327**	**541**	**60**	**5,670**		**5,670**
Underlying result before taxation	**715**	**314**	**675**	**72**	**34**	**1,251**	**-117**	**-54**	**2,890**		**2,890**
Taxation	**183**	**68**	**218**	**13**	**9**	**309**	**-5**	**-17**	**778**		**778**
Minority interests		**-8**		**9**	**11**	**18**	**4**		**34**		**34**
Underlying net result	**532**	**254**	**457**	**50**	**14**	**924**	**-116**	**-37**	**2,078**		**2,078**

*analysed as a part of operating expenses

Operating segments Insurance

6 month period
1 January to 30 June 2010

amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi-nations	Total Insurance
Underlying income:										
– Gross premium income	4,597	1,065	6,086	69	3,228		188	15,233	-175	15,058
– Commission income	-8	77	220	182	7	419	1	898		898
– Total investment and other income	1,778	160	1,767	153	425	23	1,083	5,389	-481	4,908
Total underlying income	6,367	1,302	8,073	404	3,660	442	1,272	21,520	-656	20,864
Underlying expenditure:										
– Underwriting expenditure	5,384	1,049	7,928	103	3,153	2	860	18,479	-175	18,304
– Operating expenses	457	126	606	101	253	349	47	1,939		1,939
– Other interest expenses	72		37	48	1	1	756	915	-481	434
– Other impairments							33	33		33
Total underlying expenses	5,913	1,175	8,571	252	3,407	352	1,696	21,366	-656	20,710
Underlying result before taxation	454	127	-498	152	253	90	-424	154		154
Taxation	90	26	-134	23	71	30	-97	9		9
Minority interests		5		2		1	-5	3		3
Underlying net result	364	96	-364	127	182	59	-322	142		142

While the reserves for the segment Insurance US are adequate at the 50% confidence level, a net reserve inadequacy exists using a prudent (90%) confidence level. In line with Group Policy, Insurance US is taking measures to improve adequacy in that region. This inadequacy was offset by reserve adequacies in other segments, such that at the Group level there is a net adequacy at the prudent (90%) confidence level.

Underwriting expenditure includes an equity market related DAC unlocking charge of EUR 568 million in the first six months of 2010, compared with a DAC unlocking charge of EUR 451 million in the first six months of 2009.

Operating segments Total

6 month period
1 January to 30 June 2010

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi-nations	Total
Underlying income:					
– Gross premium income		15,058	15,058		15,058
– Net interest result - banking operations	6,501		6,501	-67	6,434
– Commission income	1,313	898	2,211		2,211
– Total investment and other income	746	4,908	5,654	-52	5,602
Total underlying income	8,560	20,864	29,424	-119	29,305
Underlying expenditure:					
– Underwriting expenditure		18,304	18,304		18,304
– Operating expenses	4,432	1,939	6,371		6,371
– Other interest expenses		434	434	-119	315
– Additions to loan loss provision	962		962		962
– Other impairments*	276	33	309		309
Total underlying expenses	5,670	20,710	26,380	-119	26,261
Underlying result before taxation	2,890	154	3,044		3,044
Taxation	778	9	787		787
Minority interests	34	3	37		37
Underlying net result	2,078	142	2,220		2,220

*for Banking analysed as a part of operating expenses

Operating segments Banking

6 month period 1 January to 30 June 2009 amounts in millions of euros	Retail Nether-lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer-cial Banking	Real Estate	Cor-porate Line Banking	Total Banking segments	Elimi-nations	Total Banking
Underlying income:											
– Net interest result	1,565	836	1,518	330	49	1,836	167	-113	6,188		6,188
– Commission income	265	174	75	122	17	383	168		1,204		1,204
– Total investment and other income	44	51	-553	-49	15	538	-653	-122	-729		-729
Total underlying income	1,874	1,061	1,040	403	81	2,757	-318	-235	6,663		6,663
Underlying expenditure:											
– Operating expenses	1,321	661	838	318	67	1,012	221	44	4,482		4,482
– Additions to loan loss provision	236	95	327	64	16	606	153	2	1,499		1,499
-Other impairments*	-1		6				78	16	99		99
Total underlying expenses	1,556	756	1,171	382	83	1,618	452	62	6,080		6,080
Underlying result before taxation	318	305	-131	21	-2	1,139	-770	-297	583		583
Taxation	79	77	-63	5	2	261	-148	-77	136		136
Minority interests		1			5	15	-130		-109		-109
Underlying net result	239	227	-68	16	-9	863	-492	-220	556		556

*analysed as a part of operating expenses

Operating segments Insurance

6 month period 1 January to 30 June 2009 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi-nations	Total Insurance
Underlying income:										
– Gross premium income	4,112	1,005	7,251	107	3,536		172	16,183	-156	16,027
– Commission income	38	73	191	189	10	360	-7	854		854
– Total investment and other income	912	198	510	153	330	-37	-76	1,990	-637	1,353
Total underlying income	5,062	1,276	7,952	449	3,876	323	89	19,027	-793	18,234
Underlying expenditure:										
– Underwriting expenditure	4,459	984	7,764	169	3,443	1	-209	16,611	-156	16,455
– Operating expenses	534	131	572	83	266	277	51	1,914		1,914
– Other interest expenses	175	19	65	65	8	8	838	1,178	-637	541
– Other impairments							35	35		35
Total underlying expenses	5,168	1,134	8,401	317	3,717	286	715	19,738	-793	18,945
Underlying result before taxation	-106	142	-449	132	159	37	-626	-711		-711
Taxation	28	32	-101	27	47	21	-192	-138		-138
Minority interests	2	6		3		1	-6	6		6
Underlying net result	-136	104	-348	102	112	15	-428	-579		-579

Operating segments Total

6 month period
1 January to 30 June 2009

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Eliminations	Total
Underlying income:					
– Gross premium income		16,027	16,027		16,027
– Net interest result - banking operations	6,188		6,188	-44	6,144
– Commission income	1,204	854	2,058		2,058
– Total investment and other income	-729	1,353	624	-127	497
Total underlying income	6,663	18,234	24,897	-171	24,726
Underlying expenditure:					
– Underwriting expenditure		16,455	16,455		16,455
– Operating expenses	4,482	1,914	6,396		6,396
– Other interest expenses		541	541	-171	370
– Additions to loan loss provision	1,499		1,499		1,499
– Other impairments*	99	35	134		134
Total underlying expenses	6,080	18,945	25,025	-171	24,854
Underlying result before taxation	583	-711	-128		-128
Taxation	136	-138	-2		-2
Minority interests	-109	6	-103		-103
Underlying net result	556	-579	-23		-23

*for Banking analysed as a part of operating expenses

Reconciliation between IFRS-EU and Underlying income, expenses and net result

6 month period	1 January to 30 June 2010			1 January to 30 June 2009		
amounts in millions of euros	**Income**	**Expenses**	**Net result**	Income	Expenses	Net result
Underlying	**29,305**	**26,261**	**2,220**	24,726	24,854	-23
Divestments	**434**	**25**	**398**	418	551	-101
Special items	**-1**	**270**	**-202**	-15	745	-598
IFRS-EU	**29,738**	**26,556**	**2,416**	25,129	26,150	-722

Divestments in 2010 mainly include the impact of the sale of Private Banking businesses in Asia and Switzerland.

Special items 2010 reflects restructuring costs of EUR 202 million.

Impairments on investments are presented within Investment income, which is part of Total income. This can be specified for each segment as follows:

Impairments/ reversals of impairments on investments per operating segment

	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2010**	2009	**2010**	2009
ING Direct	**27**	362	**78**	491
Commercial Banking (excluding ING Real Estate)	**18**	21	**49**	80
Insurance Benelux	**16**	54	**22**	62
Insurance CRE	**7**	1	**11**	3
Insurance US	**110**	59	**267**	231
Insurance Asia/Pacific	**-2**	-2	**-1**	4
ING IM	**-5**		**-8**	23
Corporate Line Banking			**1**	12
Corporate Line Insurance	**4**	4	**4**	179
	175	499	**423**	1,085

12. ACQUISITIONS AND DISPOSALS

Acquistions

There were no acquisitions in the first half year of 2010.

Disposals

In October 2009 ING reached an agreement to sell its Swiss Private Banking business to Julius Baer for a consideration of EUR 344 million (CHF 520 million) in cash. The sale was completed in January 2010. The transaction generates a profit for ING of EUR 73 million in the first half year of 2010.

In October 2009 ING reached an agreement to sell its Asian Private Banking business for a consideration of USD 1,463 million (approximately EUR 1,000 million). The Asia franchise offers private banking services in 11 markets, including Hong Kong, the Philippines and Singapore. The sale was completed in January and June 2010 for Private Banking business in Korea. The transaction generated a profit for ING of EUR 332 million in the first half year of 2010.

In November 2009 ING reached an agreement to sell three of its U.S. independent retail broker-dealer units to Lightyear Capital LLC. The transaction concerns Financial Network Investment Corporation, based in El Segundo, California., Multi-Financial Securities Corporation, based in Denver, Colorado., PrimeVest Financial Services, Inc., based in St. Cloud, Minnesota, and ING Brokers Network LLC, the holding company and back-office shared services supporting those broker dealers, which collectively do business as ING Advisors Network. The sale was completed in February 2010.

In December 2009 ING announced it will sell its entire stake in China's Pacific Antai Life Insurance Company Ltd. (PALIC) to China Construction Bank. This is the outcome of a strategic review announced in April 2009 as part of ING's Back to Basics program. The stake in PALIC is included in the segment Insurance Asia/Pacific. The transaction is expected to be closed in the second half of 2010. PALIC will be deconsolidated in 2010 when ING loses control. It qualifies as a disposal group held for sale at 30 June 2010 as ING expects to recover the carrying amount principally through the sale transactions. It is available for sale in its immediate condition subject to terms that are usual and customary for sales of such assets and the sale is highly probable.

In 2009 ING reached an agreement to sell the non-life insurance operations in Greece. The transaction resulted in a loss of EUR 6 million in 2009. It qualifies as a disposal group held for sale at 30 June 2010 as ING expects to recover the carrying amount principally through the sale transactions. It is available for sale in its immediate condition subject to terms that are usual and customary for sales of such assets and the sale is highly probable.

13. IMPORTANT EVENTS AND TRANSACTIONS

ING Group transferred its U.S. group reinsurance business to Reinsurance Group America Inc. in 2010 by means of a reinsurance agreement. The transaction resulted in a EUR 70.4 million ceding commission which is required to be recorded as a deferred gain and amortised over the life of the underlying business. EUR 26 million of the gain was amortised into income during the first half year of 2010.

14. FAIR VALUE OF FINANCIAL ASSETS

The methods used to determine fair value of financial assets and liabilities are disclosed in the 2009 Annual Accounts, including a breakdown of fair value determined by Reference to published price quotations in active markets (Level 1), by using Valuation techniques supported by observable inputs (Level 2) and by using Valuation techniques supported by unobservable inputs (Level 3). The classification by Levels was impacted in the first quarter of 2010 by a transfer of available-for-sale investments (ABS) of EUR 3.3 billion from Level 3 to Level 2. Previously these were classified in Level 3 because of the dispersion between prices obtained for the same security from different price sources. In 2010 prices supported by market observable inputs became available and were used in determining fair value.

15. RELATED PARTY TRANSACTIONS

In the normal course of business, the Group enters into various transactions with related companies. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Transactions have taken place on an arm's length basis and include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral.

Transactions with related parties (Joint ventures and associates) and Key management personnel compensation are disclosed in Note 33 'Related Parties' in the ING Group 2009 Annual Accounts. Following the transactions as disclosed in Note 33 'Related Parties' the Dutch State is also a related party of ING Group. All other transactions between ING Group and the Dutch State are of a normal business nature and on an at arm's length basis. No other material changes in related party disclosures occurred.

16. DIVIDEND PAID

No dividend was paid in the first half year of 2010.

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

Delta hedge portfolio for employee options
On 6 April 2010 ING Groep N.V. announced that it has bought 13,670,000 (depositary receipts for) ordinary shares for its delta hedge portfolio, which is used to hedge employee options and facilitate employee share programmes. The shares were bought in the open market between 23 March and 6 April 2010 at an average price of EUR 7.47 per share.

On 2 June 2010 ING Groep N.V. announced that it has bought 2,080,000 (depositary receipts for) ordinary shares for its delta hedge portfolio, which is used to hedge employee options and facilitate employee share programmes. The shares were bought in the open market on 1 and 2 June 2010 at an average price of EUR 6.33 per share.

Issue of debt securities in issue
In total ING Bank issued EUR 10.2 billion in the capital markets (including both unsecured debt and covered bonds) during the first 6 months of 2010. All issues are part of ING's regular medium term funding operations.

To the Shareholders, the Supervisory Board and the Executive Board of ING Groep N.V.

REVIEW REPORT

Introduction

We have reviewed the accompanying condensed consolidated interim accounts for the six month period ended 30 June 2010, of ING Groep N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2010 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the related notes for the six month period then ended. 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 2010 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

AMSTERDAM, 10 AUGUST 2010

Ernst & Young Accountants LLP
Signed by C.B. Boogaart

Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, the same accounting principles are applied as in the 2009 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) the implementation of ING's restructuring plan to separate banking and insurance operations, (4) 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, 5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, and (15) ING's ability to achieve projected operational synergies. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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