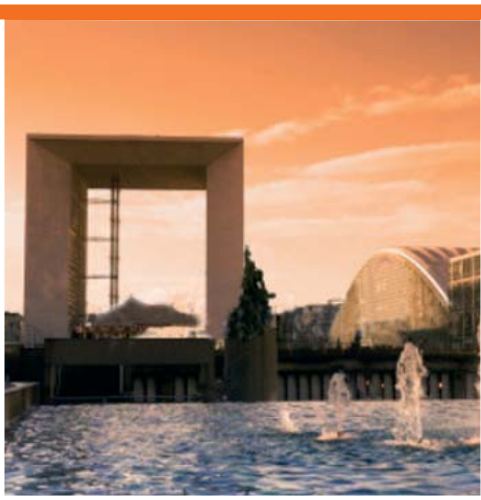
ING INSURANCE



Condensed consolidated interim financial information for the period ended 30 June 2011

Contents

Interim Report

ING VERZEKERINGEN N.V.

Introduction

ING evaluates the results of its insurance operations using the financial measures of underlying result before tax. The breakdown of underlying result before tax by business line for the insurance activities can be found in Note 10 'Segment reporting'.

With regard to insurance activities, ING analyses, as of 2011, the underlying result through a margin analysis, which includes the following components:

- Operating result
- Non-operating items.

Both are analysed through various sub-components. The total of Operating result and Non-operating items equals underlying result before tax.

To determine the Operating result, the following Non-operating items are adjusted in the reported Underlying result before tax:

- Realised capital gains/losses and impairments on debt and equity securities;
- Revaluations on assets marked to market through the profit and loss; and
- Other non-operating impacts, e.g. provision for guarantees on separate account pension contracts, equity related and other DAC unlocking, VA/FIA Guaranteed benefit Reserve Unlocking and DAC offset on gains/losses on debt securities.

The Operating result for the Life insurance business is broken down in expenses and the following sources of income:

- Investment margin which includes the spread between investment income earned and interest credited to insurance liabilities (excluding market impacts, including dividends and coupons);
- Fees and premium-based revenues which includes the portion of life insurance premiums available to cover expenses and profit, fees on deposits and fee income on assets under management (net of guaranteed benefit costs in the US);
- Technical margin which includes the margin between costs charged for benefits and incurred benefit costs; it includes mortality, morbidity and surrender results;
- Non-modelled which is immaterial and includes parts of the business for which no margins are provided.

The reconciliation between IFRS-EU and underlying income, expenses and net result can be found in Note 10 'Segment reporting'.

The first six months of 2010 figures have been restated for the move towards fair value accounting on reserves for Guaranteed Minimum Withdrawal Benefits for life as of 1 January 2011 for the US Closed Block VA.

Consolidated results

Total underlying income from the insurance operations for the six months ending 30 June 2011 decreased to EUR 18,875 million from EUR 20,543 million in the same period last year. Total premium income decreased by EUR 483 million to EUR 14,506 million in the first half year of 2011 from EUR 14,989 million in the same period last year. Decreases in US (EUR 336 million), US VA business (EUR 222 million) and Benelux (EUR 177 million) were partly offset by increases in Asia (EUR 190 million) and Central & Rest of Europe (EUR 61 million). Commission income increased by 13.2% to EUR 794 million from EUR 702 million in the first half of 2010. Investment and other income decreased by 26.3%, to EUR 3,575 million in the first six months of 2011 compared with EUR 4,852 million in the same period a year ago. The underlying result before tax in the first half year of 2011 rose to EUR 1,121 million from EUR 142 million a year ago owing to favourable market impacts.

Following the announcement of the sale of the Latin American pension, life insurance and investment management operations, actual and historical results previously included under Insurance Latin America as well as ING Investment Management Latin America have been restated and are excluded from underlying net result. The operations are now presented as discontinued operations. Net result from discontinued operations for the six months ending 30 June 2011 includes EUR 67 million, compared with EUR 93 million a year ago.

Underwriting expenditure decreased in the first six months of 2011 by EUR 2,769 million to EUR 15,394 million down 15.2% from the EUR 18,163 million in the same period last year, mainly driven by US VA business (EUR –1,434 million), Corporate Line (EUR –828 million), Benelux (EUR –418 million) and US (EUR –334 million). Operating expenses over the first six months of 2011 slightly increased 1.1% from EUR 1,843 million a year ago to EUR 1,863 million as per 30 June 2011.

Interim report continued

Insurance results continued to improve in the first half year of 2011. The operating result of EUR 1,220 million increased 50.4% from the same period last year as a result of higher investment margin, fees and premium based revenues and technical margin. This effect was partly offset by higher DAC amortisation.

Life insurance and investment management

The operating result from Life Insurance and Investment Management was EUR 1,337 million, or 32.8% higher than the first half year of 2010. This improvement was driven by an increase of EUR 182 million in the investment margin as well as a EUR 109 million higher technical margin. Fees and premium based revenues increased by EUR 149 million but were partly offset by an increase of EUR 113 million in DAC amortisation and trail commissions.

The investment margin increased to EUR 835 million from EUR 653 million in the first half year of 2010. This increase from the same period last year is mainly attributable to increased dividend income in the Netherlands and the US (excluding US Closed Block VA).

Fees and premium-based revenues grew 6.9% from the same period last year to EUR 2,357 million, primarily driven by increases in US Closed Block VA, Asia and ING IM, partly offset by adverse developments in the Benelux, US and Central and Rest of Europe. At ING IM the increase reflected higher Assets under Management and the introduction of fixed service fees in the second half year of 2010.

The technical margin amounted to EUR 455 million and improved by EUR 109 million (or 31.5%) compared to the first half year of 2010, mainly due to EUR 70 million positive impact from an early surrender of a contract with a large pension fund in the Netherlands.

Life & ING IM administrative expenses were EUR 1,443 million, just EUR 4 million or 0.3% lower than the first half year of 2010. This was caused by positive one-offs in the second quarter of 2010 in the Benelux, increased expenses in 2011 due to the implementation of a new IT organisation in CRE and the fixed service fee at ING IM, largely offset by lower expenses in US following a reduction in staff.

DAC amortisation and trail commissions increased to EUR 940 million from EUR 827 million in the first half year of 2010, or up 13.7%. This is mainly driven by US Closed Block VA business that significantly reduced the DAC balance in the second quarter of 2010 as well as the growth in fees and premium based revenues in US Closed Block and Asia.

The non-life operating result increased by 31.0% to EUR 110 million compared to EUR 84 million in the first six months of 2010 mainly due to lower claims, commissions and operating expenses in the Netherlands.

The operating result for the Corporate Line was EUR –227 million versus EUR –279 million in the first half year of 2010. The improvement resulted from lower interest paid on hybrids since December 2010 and the discontinuation by ING Group of allocating interest on ING Group core debt to the Insurance Corporate Line as of 1 January 2011.

Total operating result increased by 50.4% to EUR 1,220 million for the first half year of 2011 as compared to EUR 812 million a year ago.

The underlying result before tax improved to EUR 1,121 million from EUR 142 million in the first six months of 2010. The increase was mainly driven by higher operating result and improved market impacts as the first half of 2010 included the negative effect of DAC unlocking for the US, where the first half of 2011 included negative effects of impairments on Irish financials and Greek government bonds.

Gains/losses and impairments on investments came out at EUR –236 million from EUR –343 million in the first half of 2010. Impairments on subordinated debt from Irish banks (EUR 180 million) and Greek government bonds that are impacted by the restructuring proposals of July 2011, (EUR 123 million) were only partly offset by capital gains on public equities in the Benelux and favourable market conditions in the US and the Benelux.

Revaluations decreased to EUR 197 million in the first half year of 2011 versus EUR 201 million in the same period last year. Revaluations were exceptionally high in the first six months of 2010 due to a EUR 194 million marked-to-market impact related to CMOs and interest rate hedges in the US. In 2011 positive figures reflect the improved market sentiment.

Market and other impacts improved to EUR –60 million over the first half year of 2011 from EUR –528 million in the same period last year. The US showed negative DAC unlocking in individual retirement and individual life, where the prior year showed higher negative Equity related DAC unlocking related to equity. In the Benelux the result was negatively impacted by the change of provision for guarantees on separate account pension contracts (net of hedging).

INSURANCE BENELUX

Insurance Benelux posted a strong performance in the first six month of 2011, driven by higher investment returns and a higher technical margin. The operating result rose 63.0% to EUR 603 million from EUR 370 million in the first half of 2010.

Life investment margin climbed to EUR 322 million versus EUR 234 million in the first half year of 2010. This was partly attributable to reinvestment into fixed income securities and higher dividends on equity. Furthermore, an incidental dividend on a fixed income fund was received in the second quarter of 2011.

Fees and premium-based revenues remained stable at EUR 306 million compared with EUR 307 million in the first half of 2010.

Technical margin increased 123% to EUR 223 million from EUR 100 million in the same period last year, mainly due to EUR 70 million positive impact from an early surrender of a contract with a large pension fund.

Life administrative expenses increased to EUR 281 million from EUR 270 million in the first six months of 2010, driven by EUR 25 million incidental releases of provisions in payroll expenses in the second quarter of 2010.

DAC amortisation & trail commissions remained flat at EUR 115 million compared with the first half of 2010.

The non-life operating result increased 32.5% to EUR 106 million from EUR 80 million in the first half of 2010, mainly driven by lower claims, lower commission expenses and lower operating expenses.

The underlying result before tax in the first six months of 2011 decreased by EUR 157 million or 34.8% to EUR 306 million from EUR 463 million in the first half year of 2010. Underlying result was impacted by the change of the provision for guarantees on separate account pension contracts net of hedging (EUR –202 million) and impairments on subordinated debt from Irish banks (EUR –171 million) and Greek government bonds that are impacted by the restructuring proposals of July 2011 (EUR –16 million). These negative impacts were partly offset by higher capital gains on public equities.

INSURANCE CENTRAL AND REST OF EUROPE

The operating result before tax for Insurance Central and Rest of Europe declined 22.8% to EUR 115 million from EUR 149 million in the same period last year. This decline was mainly caused by higher administrative expenses as a result of higher project expenses for Solvency II and other new regionally shared costs.

The investment margin for the first half year of 2011 was flat at EUR 35 million.

Fees and premium-based revenues declined to EUR 241 million from EUR 254 million in the first six months of 2010. This was mainly due to the nationalisation of pension funds in Hungary and reallocation of health insurance premiums in Greece from fees and premium based revenues to the technical margin.

The technical margin increased by EUR 22 million from EUR 67 million in the first half year of 2010 to EUR 89 million at the end of June 2011. EUR 16 million of this increase was caused by the reallocation of health insurance premiums in Greece from fees and premium-based revenues to the technical margin and EUR 3 million due to lower claims in Spain.

Life administrative expenses increased to EUR 156 million from EUR 122 million in the same period a year ago. This increase was mostly due to higher project expenses for Solvency II and shared IT expenses.

DAC amortisation and trail commissions increased by EUR 5 million compared with the same period last year to EUR 100 million. This is mainly due to higher commissions in Poland.

The underlying result before tax was EUR –2 million, which is EUR 128 million lower than in the same period last year. In addition to a decrease in operating result of EUR 34 million, the deterioration of underlying result was driven by EUR 117 million of impairments on Greek government bonds that are impacted by the restructuring proposals of July 2011 and subordinated debt from Irish banks, whereas the first six months of 2010 included EUR 23 million impairments.

INSURANCE UNITED STATES

The operating result for Insurance US increased 34.3% to EUR 325 million from EUR 242 million in the first half year of 2010. The increase from the prior year is due to higher investment margin and lower administrative expenses. These effects are partly offset by lower technical margin mainly driven by lower amortisation of the gain related to the transfer of the US group reinsurance business in the first quarter of 2010.

The investment margin of EUR 428 million is a 11.1% increase from the first half year of 2010, primarily driven by lower interest rate swap expense, a reduction in average credited rates, and higher accretion of income on previously impaired securities due to improved market values.

Fees and premium-based revenues rose to EUR 528 million, a 1.3% increase from the first half year of 2010.

The technical margin of EUR 44 million decreased 53.7% from the first half of 2010. The decrease from the first half year of 2010 is due to the lower amortisation of the gain related to the transfer of the US group reinsurance business in the first quarter of 2010, strong claim results in employee benefits in the prior year, as well as a large volume of Individual Life claims in the first quarter of 2011.

The total operating income remained flat at EUR 1,000 million as compared to EUR 1,003 million a year ago.

Administrative expenses were EUR 375 million, down 19.0% from the first half year of 2010, reflecting expense reductions initiated in late 2010, including the reduction of more than 700 positions since 30 June 2010.

DAC amortisation & trail commissions of EUR 300 million increased 1.0% over the first half year of 2011. The change was primarily due to a change in operating income that drives DAC amortisation and higher AUM-based trail commissions.

The underlying result before tax increased to EUR 428 million in the first half year of 2011 as compared to EUR 99 million in the first half year of 2010. The increase is driven by expense reductions in late 2010 reflected in the operating result, improved impairment results, partly offset by lower revaluations and higher market impacts.

Gains/losses and impairments narrowed to EUR –43 million from EUR –304 million in the first half year of 2010 as market conditions continue to improve. Losses in the first six months of 2011 reflect EUR –79 million of impairments and credit related losses, partially offset by EUR 36 million in trading gains.

Revaluations were EUR 161 million compared with EUR 289 million in the first half year of 2010. The decrease is primarily due to the second quarter of 2010 showing highly positive revaluations on CMOs.

Market and other impacts were EUR –15 million compared with EUR –128 million in the first half year of 2010. The prior year reflected higher DAC amortisation, due to the strong revaluation results, and more negative DAC unlocking partially due to equity related DAC unlocking. Application of a new methodology for DAC calculation leads to reduced volatility in market and other impacts in the first half year of 2011.

INSURANCE US CLOSED BLOCK VA

The operating result for the US Closed Block VA increased to EUR 31 million in the first half year of 2011 compared to EUR 28 million in the first half year of 2010. The increase of 10.7% is driven by improved operating income being largely negated by increased DAC amortisation.

Investment margin of EUR 15 million increased from EUR –25 million in the first six months of 2010. The increase from previous year reflects reinvestment of short-term investments and government bonds into longer-duration fixed income securities.

Fees and premium-based revenues increased to EUR 118 million from EUR 59 million in the first half year of 2010, reflecting higher fee income and lower hedging costs due to improving market conditions, as well as the impact related to the move towards fair value accounting on reserves for Guaranteed Minimum Withdrawal Benefits for life (‘GMWB’).

The technical margin decreased EUR 3 million compared with the first half year of 2010 to EUR 13 million.

Administrative expenses of EUR 41 million are flat as compared to the first half year of 2010.

DAC amortisation & trail commissions increased to EUR 74 million over the first 6 months of 2011 from EUR –19 million in the same period previous year, driven by higher operating income as well as lower interest on DAC. DAC amortisation is reported net of interest, which declined by EUR 46 million from a year earlier due to the significant reductions in the DAC balance during 2010.

The underlying result before tax increased to a profit of EUR 122 million compared to a loss of EUR 558 million in the same period. The loss in the previous year was driven by a reduction in the DAC balance of EUR 946 million and was partially offset by hedging gains that were greater than reserve changes.

Gains/losses and impairments of EUR 1 million in the half year ended 30 June 2011 compared to EUR 14 million in the same period previous year. Revaluations of EUR 3 million compared to EUR –2 million in the first half year of 2011.

Interim report continued

Market and other impacts of EUR 87 million improved substantially from EUR –598 million in the first half year of 2010. The previous year reflected a EUR 946 million reduction in the DAC balance, partially offset by hedging gains. A methodology change in DAC calculation reduced volatility of market and other impact in the first half year 2011.

INSURANCE ASIA/PACIFIC

The operating result for Insurance Asia/Pacific amounted to EUR 281 million, compared with EUR 234 million in the first half year of 2010. The operating result increased by 20.1%, compared with the prior year on higher investment margin, fees and premium based revenues and technical margin.

The investment margin rose 57.1% to EUR 33 million, compared with EUR 20 million a year ago.

Fees and premium-based revenues rose 8.2% to EUR 710 million, mainly driven by growth in the Japan COLI business and modelling of the Malaysian Employee Benefits business in 2011. The increase was partly offset by a decline in ING Life Korea and lower fee income on the non-core Japan SPVA.

The technical margin was EUR 86 million as compared to EUR 68 million a year ago, mainly driven by higher surrender results in ING Life Korea being partly offset by a decline in mortality result in Japan.

Life administrative expenses increased 9.7% to EUR 227 million in line with business growth.

DAC amortisation & trail commissions were EUR 351 million compared with EUR 337 million in the first half of 2010 following increased fees and premium based revenues.

The underlying result before tax increased to EUR 313 million from EUR 253 million in the first half year of 2010 on strong first quarter performance in Japan as well as surrender profits in Korea being partly offset by higher operating expenses following business growth and positive market and other impacts.

ING INVESTMENT MANAGEMENT

The operating result increased by 33.3% to EUR 92 million from EUR 68 million a year ago owing to higher fee and premium-based revenues that were partly offset by higher operating expenses.

Fees and premium-based revenues increased by 10.5% from EUR 411 million to EUR 454 million. Higher revenues from the introduction of a fixed service fee in Luxemburg and higher fee base were partly offset by adverse currency impacts.

Administrative Expenses increased 5.2% from EUR 343 million to EUR 363 million on the introduction of a Fixed Service Fee in Luxemburg and adverse currency impact.

Non-operating income was higher primarily owing to an increase in revaluations following positive market impacts partly offset by lower gains/losses and impairments.

The underlying result before tax increased 38.8% to EUR 111 million from EUR 80 million in the first half year of 2010 due to higher operating income as well as improved results from non-operating items.

Balance sheet

Total assets decreased by EUR 14.5 billion, or 4.5%, to EUR 311 billion compared to December 2010, this decrease was mainly caused by negative currency impacts. Shareholders' equity declined by EUR 699 million or 3.5%, to EUR 19.4 billion.

Assets

Financial assets at fair value through P&L decreased by EUR 8 billion of which EUR 7 billion due to currency effects and EUR 1 billion due a decrease in Non trading derivatives caused by an increase in the EURO yield curve.

Investments were EUR 4 billion lower due to a decrease of Debt securities available-for-sale of which EUR 5 billion currency effects, EUR 0.6 million negative revaluation, transfer of EUR 0.7 million to Assets held for sale offset by EUR 2.3 billion additions.

Intangible assets decreased by EUR 1 billion to EUR 2 billion. The decrease is mainly due to the transfer of intangible assets of the Latin America operations to the balance item asset held for sale.

Assets held for sale increased by EUR 3 billion due to the transfer of assets of the Insurance Latin America pensions, life insurance and investment management operations.

Interim report continued

Liabilities
Insurance and investment contracts decreased by EUR 11.5 billion to EUR 260 billion due to negative currency effects and EUR 0.7 million transfer of Latin America activities to Liabilities held for sale.

Liabilities held for sale increased by EUR 1 billion mainly due to the transfer of assets of the Insurance Latin America pensions, life insurance and investment management operations.

Shareholders' equity
Shareholders' equity decreased by EUR 699 million, amongst others driven by unrealised revaluations debt and equity securities of EUR –407 million, currency effects of EUR –1 billion and EUR 772 million net result.

Risk Management
Credit risk
In the first half-year 2011, the general account decreased by EUR 7.5 billion from EUR 174.2 billion at 31 December 2010 to EUR 166.7 billion at 30 June 2011, largely driven by currency and interest rate movements which more than offset positive net flows. The depreciation of the euro against the US dollar, Japanese yen and the Korean won and negative revaluations due to increased credit spreads and lower equity values had a negative impact. Government bonds exposure stabilised at EUR 48.3 billion at the end of June 2011 compared to EUR 48.5 billion at the end of December 2010. In the first six months 2011 credit spreads widened for the southern European region, causing negative revaluations on that part of the sovereign exposure.

Greece, Ireland and Portugal
Greece, Ireland and Portugal have applied for support from the European Financial Stability Fund ('EFSF'). At 30 June 2011, ING Insurance's combined balance sheet value of 'Government bonds' and unsecured 'Financial institutions' bonds to Greece, Ireland and Portugal was EUR 0.6 billion. This amount was fully classified as available-for-sale (at fair value). This amount includes EUR 0.3 billion of Greek government bonds, EUR 0.1 billion of Irish government and financial institutions bonds, EUR 0.1 billion of Portuguese government bonds and EUR 0.1 billion of Portuguese financial institutions bonds. The total pre-tax revaluation reserve in equity for the abovementioned available-for-sale securities amounted to EUR -0.3 billion at the end of the second quarter of 2011.

On 21 July 2011 a Private Sector Initiative to support Greece was announced. This initiative involves a voluntary exchange of existing Greek government bonds together with a Buyback Facility. The initiative relates to Greek Government Bonds maturing up to 2020. ING is currently assessing the alternative exchange options in this initiative. Based on this Private Sector Initiative, it was concluded that bonds that are in scope of the initiative (i.e. Greek government bonds maturing up to 2020) are impaired in the second quarter of 2011. As a result, ING Insurance recognised EUR 123 million of impairments (pre tax) on Greek government bonds in the second quarter of 2011. The entire amount relates to bonds classified as available-for-sale and is based on the 30 June 2011 market values of these bonds. After this impairment, ING Insurance's remaining exposure to Greece at 30 June 2011 was EUR 0.3 billion, which was fully classified as available-for-sale. The related pre-tax revaluation reserve in equity amounted to EUR -0.1 billion.

In the first quarter of 2011 ING Insurance recognised an impairment of EUR 180 million on subordinated debt from Irish banks.

Market risk
Interest rate risk affecting the IFRS P&L mainly arises in the Benelux and the US. Interest rate risk is hedged at portfolio level, resulting in a non-linear interest rate risk profile. Equity risk is mainly present in the Benelux and the US. For the Benelux the sensitivities reflect the risk of impairments on direct exposures which is partially hedged. The equity risk on the separate account pension contracts is fully hedged. In both cases there is still a significant amount of basis risk. For the US, the sensitivities include the unhedged part of equity risk related to future margins embedded in client funds. Equity risk of VA business in Japan and Europe is delta hedged. Real Estate exposure relates to direct holdings and real estate investment funds, mainly in the Benelux. Foreign exchange exposure mainly relates to translation risk on earnings from outside the euro zone.

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 analysis, 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 sensitivity to mortality risk 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) is more evenly spread over the regions, with the largest impact from the Benelux. Earnings sensitivity to P&C risk is highly concentrated in the Benelux. Overall exposure to insurance risks did not change significantly during the first six months of 2011 and sensitivities mainly changed as a result of modelling updates.

Interim report continued

Other

Reference is made to Note 12 ‘Important events and transactions’ in the Condensed consolidated interim accounts for information on the most important events in the first half year of 2011, other than the information disclosed in this Interim Report. This disclosure is deemed to be incorporated by reference here.

Looking ahead

ING reached important milestones in the second quarter as we work towards the separation of the Group and the establishment of a strong stand-alone insurance company. The US and European & Asian insurance businesses are making good progress on their performance improvement initiatives as they prepare for separate IPOs. As the economic environment and financial markets remain uncertain, we will reinforce our vigilance on costs by focusing on structural improvements in our processes and organisation, while continuing to invest responsibly in the growth of our franchise for the long-term benefit of our customers.

Conformity statement

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

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

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

- the ING Verzekeringen N.V. Interim Accounts for the period ended 30 June 2011 give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Verzekeringen N.V. and the entities included in the consolidation taken as a whole;
- the ING Verzekeringen N.V. Interim Report for the period ended 30 June 2011 gives a true and fair view of the information required pursuant to article 5:25d, paragraph 8 of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)* regarding ING Verzekeringen N.V. and the entities included in the consolidation taken as a whole.

AMSTERDAM, 2 AUGUST 2011

Jan H.M. Hommen
CEO, chairman of the Management Board

Patrick G. Flynn
CFO, member of the Management Board

J.V. (Koos) Timmermans
CRO, member of the Management Board

Matthew J. Rider
CAO, member of the Management Board

E. (Lard) Friese
member of the Management Board

Gilbert O.J.M. Van Hassel
member of the Management Board

Condensed consolidated balance sheet of ING Insurance

as at

amounts in millions of euros	30 June 2011	31 December 2010
ASSETS		
Cash and balances with central banks	**7,273**	8,646
Financial assets at fair value through profit and loss 2	**120,125**	128,503
Available-for-sale investments 3	**119,330**	123,347
Loans and advances to customers	**30,380**	31,020
Reinsurance contracts	**5,447**	5,789
Investments in associates	**2,375**	2,428
Real estate investments	**961**	1,063
Property and equipment	**455**	517
Intangible assets 4	**2,226**	3,256
Deferred acquisition costs	**10,021**	10,499
Assets held for sale 5	**3,174**	381
Other assets	**9,316**	10,210
Total assets	**311,083**	325,659
EQUITY		
Shareholders' equity (parent)	**19,461**	20,160
Minority interests	**95**	111
Total equity	**19,556**	20,271
LIABILITIES		
Subordinated loans	**4,266**	4,407
Debt securities in issue	**3,895**	3,967
Other borrowed funds	**7,555**	8,588
Insurance and investment contracts	**259,599**	271,128
Financial liabilities at fair value through profit and loss 6	**3,240**	3,677
Liabilities held for sale 5	**1,488**	279
Other liabilities	**11,484**	13,342
Total liabilities	**291,527**	305,388
Total equity and liabilities	**311,083**	325,659

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 Insurance

for the three and six month period ended

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2011	2010	**2011**	2010
Continuing operations				
Gross premium income	**6,299**	6,760	**14,506**	14,990
Investment income 7	**2,007**	1,793	**3,782**	3,314
Commission income	**408**	364	**794**	709
Other income 8	**363**	1,853	**–180**	1,540
Total income	**9,077**	10,770	**18,902**	20,553
Underwriting expenditure 9	**7,190**	9,578	**15,394**	18,163
Intangible amortisation and other impairments	**5**	6	**32**	12
Staff expenses	**532**	543	**1,039**	1,061
Other interest expenses	**270**	192	**520**	384
Other operating expenses	**485**	462	**964**	888
Total expenses	**8,482**	10,781	**17,949**	20,508
Result before tax from continuing operations	**595**	–11	**953**	45
Taxation	**97**	–102	**231**	–6
Net result from continuing operations	**498**	91	**722**	51
Discontinued operations				
Net result from discontinued operations 15	**39**	43	**68**	95
Net result from continuing and discontinued operations (before minority interests)	**537**	134	**790**	146
Net result attributable to:				
Equityholders of the parent	**532**	128	**772**	138
Minority interests	**5**	6	**18**	8
	537	134	**790**	146
Net result from continuing operations attributable to:				
Equityholders of the parent	**494**	86	**706**	45
Minority interests	**4**	5	**16**	6
	498	91	**722**	51
Net result from discontinued operations attributable to:				
Equityholders of the parent	**38**	42	**66**	93
Minority interests	**1**	1	**2**	2
	39	43	**68**	95

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 Insurance

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	**2011**	2010	**2011**	2010
Result for the period	**537**	134	**790**	146
Unrealised revaluations after taxation	**297**	721	**–338**	2,341
Realised gains/losses transferred to profit and loss	**57**	69	**141**	275
Changes in cash flow hedge reserve	**56**	692	**–362**	990
Transfer to insurance liabilities/DAC	**–308**	–842	**91**	–1,869
Exchange rate differences	**–143**	1,535	**–1,030**	2,839
Total amount recognised directly in equity (other comprehensive income)	**–41**	2,175	**–1,498**	4,576
Total comprehensive income	**496**	2,309	**–708**	4,722
Comprehensive income attributable to:				
Shareholders of the parent	**491**	2,303	**–722**	4,710
Minority interests	**5**	6	**14**	12
	496	2,309	**–708**	4,722

For the three month period 1 April 2011 to 30 June 2011 the Unrealised revaluations after taxation comprises EUR –7 million (1 April 2010 to 30 June 2010: EUR –5 million) related to the share of other comprehensive income of associates.

For the six month period 1 January 2011 to 30 June 2011 the Unrealised revaluations after taxation comprises EUR 7 million (1 January 2010 to 30 June 2010: EUR –14 million) related to the share of other comprehensive income of associates.

For the three month period 1 April 2011 to 30 June 2011 the Exchange rate differences comprises EUR 1 million (1 April 2010 to 30 June 2010: EUR 78 million) related to the share of other comprehensive income of associates.

For the six month period 1 January 2011 to 30 June 2011 the Exchange rate differences comprises EUR –31 million (1 January 2010 to 30 June 2010: EUR 113 million) related to the share of other comprehensive income of associates.

Condensed consolidated statement of cash flows of ING Insurance

for the six month period ended

amounts in millions of euros		30 June 2011	30 June 2010
Result before tax		**1,039**	161
Adjusted for	– depreciation	**95**	93
	– deferred acquisition costs and value of business acquired	**–213**	42
	– increase in provisions for insurance and investment contracts	**555**	4,047
	– other	**–383**	76
Taxation paid		**–124**	–153
Changes in	– trading assets	**–21**	–19
	– non-trading derivatives	**–160**	–133
	– other financial assets at fair value through profit and loss	**21**	–91
	– loans and advances to customers	**–156**	–2,771
	– other assets	**795**	–593
	– other financial liabilities at fair value through profit and loss	**–478**	–147
	– other liabilities	**–1,862**	–333
Net cash flow from (used in) operating activities		**–892**	179
Investments and advances	– available-for-sale investments	**–27,740**	–35,412
	– investments for risk of policyholders	**–27,704**	–26,407
	– other investments	**–117**	–128
Disposals and redemptions	– available-for-sale investments	**25,347**	31,326
	– investments for risk of policyholders	**30,054**	27,388
	– other investments	**144**	124
Net cash flow from (used in) investing activities		**–16**	–3,109
Proceeds from borrowed funds and debt securities		**15,342**	54,501
Repayments of borrowed funds and debt securities		**–16,001**	–51,085
Other net cash flow from financing activities		**6**	5
Net cash flow from financing activities		**–653**	3,421
Net cash flow		**–1,561**	491
Cash and cash equivalents at beginning of period		**8,646**	9,425
Effect of exchange rate changes on cash and cash equivalents		**188**	–452
Cash and cash equivalents at end of period		**7,273**	9,464

Condensed consolidated statement of changes in equity of ING Insurance

for the six month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
Balance at 1 January 2011	**174**	**11,874**	**8,111**	**20,159**	**111**	**20,270**
Unrealised revaluations after taxation			**–338**	**–338**		**–338**
Realised gains/losses transferred to profit and loss			**141**	**141**		**141**
Changes in cash flow hedge reserve			**–362**	**–362**		**–362**
Transfer to insurance liabilities/DAC			**91**	**91**		**91**
Exchange rate differences			**–1,026**	**–1,026**	**–4**	**–1,030**
Total amount recognised directly in equity			**–1,494**	**–1,494**	**–4**	**–1,498**
Net result for the period			**772**	**772**	**18**	**790**
			–722	**–722**	**14**	**–708**
Changes in the composition of the group					**–1**	**–1**
Dividends					**–29**	**–29**
Employee stock option and share plans			**24**	**24**		**24**
Balance at 30 June 2011	**174**	**11,874**	**7,413**	**19,461**	**95**	**19,556**

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
Balance at 1 January 2010	174	10,374	5,119	15,667	80	15,747
Unrealised revaluations after taxation			2,343	2,343	–2	2,341
Realised gains/losses transferred to profit and loss			275	275		275
Changes in cash flow hedge reserve			990	990		990
Transfer to insurance liabilities/DAC			–1,869	–1,869		–1,869
Exchange rate differences			2,833	2,833	6	2,839
Total amount recognised directly in equity			4,572	4,572	4	4,576
Net result for the period			138	138	8	146
			4,710	4,710	12	4,722
Changes in the composition of the group					–1	–1
Dividends					–4	–4
Employee stock option and share plans			20	20		20
Balance at 30 June 2010	174	10,374	9,849	20,397	87	20,484

Condensed consolidated statement of changes in equity of ING Insurance
continued

for the six month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
Balance at 1 January 2009 (before change in accounting policy)	174	9,824	1,895	11,893	520	12,413
Effect of change in accounting policy			–145	–145		–145
Balance at 1 January 2009 (restated)	174	9,824	1,750	11,748	520	12,268
Unrealised revaluations after taxation			1,865	1,865		1,865
Realised gains/losses transferred to profit and loss			477	477		477
Changes in cash flow hedge reserve			–810	–810		–810
Transfer to insurance liabilities/DAC			–276	–276		–276
Exchange rate differences			11	11	16	27
Total amount recognised directly in equity			1,267	1,267	16	1,283
Net result for the period			–781	–781	12	–769
			486	486	28	514
Changes in the composition of the group					–463	–463
Dividends					–11	–11
Employee stock option and share plans			20	20		20
Balance at 30 June 2009	174	9,824	2,256	12,254	74	12,328

The change in accounting policy for the insurance provisions for Guaranteed Minimum Withdrawal Benefits for Life is disclosed in Note 1 'Basis of presentation'.

Notes to the condensed consolidated interim accounts

1 BASIS OF PRESENTATION

These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The accounting principles used to prepare these condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union and are consistent with those set out in the notes to the 2010 Consolidated Annual Accounts of ING Insurance, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with ING Insurance's 2010 Annual Accounts.

The following standards, interpretations and amendments to standards and interpretations became effective in 2011:

- 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.

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 2011.

The following new or revised standards and interpretations were issued by the IASB, which become effective for ING Insurance as of 2012, unless otherwise indicated, if and when endorsed by the EU:

- Amendments to IFRS 7 'Disclosures – Transfers of Financial Assets';
- Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments to IFRS 1);
- Deferred tax: Recovery of Underlying Assets (Amendments to IAS 12);
- IFRS 10 'Consolidated Financial Statements', effective as of 2013;
- IFRS 11 'Joint Arrangements', effective as of 2013;
- IFRS 12 'Disclosure of Interests in Other Entities', effective as of 2013;
- IFRS 13 'Fair Value Measurement', effective as of 2013;
- IAS 27 'Separate Financial Statements', effective as of 2013;
- IAS 28 'Investments in Associates and Joint Ventures' effective as of 2013; and
- Amendments to IFRS 1 'Presentation of Financial Statements – Presentation of Items of Other Income', effective as of 2013.

Although these new requirements are still being analysed and the final impact is not yet known, ING Insurance does not expect the adoption of these new or revised standards and interpretations to have a significant effect on the condensed consolidated interim accounts.

Furthermore, in 2010 IFRS 9 'Financial Instruments' was issued, which was initially effective as of 2013. However, in July 2011 the International Accounting Standards Board tentatively decided to postpone the mandatory application if IFRS 9 until 2015. 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 Insurance.

In June 2011 the revised IAS 19 'Employee Benefits' was issued, which will become effective as of 2013 if endorsed by the EU. At this moment, the revised standard is being analysed and the full impact is not yet known. One of the changes in the revised standard results in immediate recognition in equity of 'unrecognised actuarial gains and losses' as of the effective date. Unrecognised actuarial gains and losses as at 31 December 2010 are disclosed in Note 18 'Other liabilities' in the 2010 Annual Accounts and amount to EUR –737 million. The impact of the revised standard will be impacted by movements in the unrecognised actuarial gains and losses until the effective date and the impact of other changes in the revised standard.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Insurance'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 2010 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.

Notes to the condensed consolidated interim accounts continued

The presentation of, and certain terms used in, the consolidated balance sheet, the consolidated profit and loss account, consolidated statement of cash flows, consolidated statement of changes in equity and certain notes has been changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the relevant notes when significant.

The comparison of balance sheet items between 31 December 201 and 30 June 2011 is impacted by the held for sale classification as disclosed in Note 5 'Assets and liabilities held for sale'.

Change in accounting policy for the insurance provisions for Guaranteed Minimum Withdrawal Benefits for Life
ING changed its accounting policy for the insurance provisions for Guaranteed Minimum Withdrawal Benefits for Life (GMWBL) on the Insurance US Closed Block VA book as of 1 January 2011. The revised accounting will better reflect the economic value of these guarantees and more closely align accounting practice with United States peers. Under the revised accounting, the insurance provisions will reflect current market interest rates and current estimates for other assumptions, except for volatility and correlation (which remain unchanged). ING substantially increased hedging of interest rate risk in the Insurance US Closed Block VA book; the results from these hedging derivatives are expected to largely mirror the effect of interest changes on the guarantees in future periods. Implementation of the revised accounting for GMWBL represents a change in accounting policy under IFRS, with a transitional impact being reflected in shareholders' equity. Comparative periods' results have been restated. The combined impact on shareholders' equity as at 1 January 2011 is EUR 651 million (lower equity).

The impact on individual balance sheet line items and previous reporting periods can be specified as follows:

Impact on balance sheet

amounts in millions of euros	1 January 2009	30 June 2009	31 December 2009	30 June 2010	31 December 2010
Deferred acquisition costs	1,146	392	–190	383	–105
Insurance and investment contracts	1,369	314	148	751	546
	–223	78	–338	–368	–651
Tax effect	78	–27	118	129	
Shareholders' equity	–145	51	–220	–239	–651

The impact on the consolidated profit and loss account can be specified as follows:

Impact on profit and loss account

amounts in millions of euros	2009	2010	1 April 2010 to 30 June 2010	1 January 2010 to 30 June 2010
Underwriting expenditure	–109	–281	186	39
Taxation	–38	128	65	14
Result after taxation	–71	–409	121	25

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 2011	31 December 2010
Trading assets	**643**	622
Investment for risk of policyholders	**113,486**	120,481
Non-trading derivatives	**3,554**	4,440
Designated as at fair value through profit and loss	**2,442**	2,960
	120,125	128,503

3 AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments

amounts in millions of euros	30 June 2011	31 December 2010
Equity securities	**6,925**	7,013
Debt securities	**112,405**	116,334
	119,330	123,347

Notes to the condensed consolidated interim accounts continued

Exposure to debt securities

ING Insurance's total exposure to debt securities included in available-for-sale investments and assets at amortised cost of EUR 118,907 million (31 December 2010: EUR 122,719 million) is specified as follows by type of exposure:

Debt securities included in available-for-sale investments and assets at amortised cost by type

amounts in millions of euros	30 June 2011	31 December 2010
Government bonds	**48,276**	48,455
Covered bonds	**1,124**	1,327
Corporate bonds	**37,777**	38,404
Financial institution bonds	**12,186**	13,047
Bond portfolio (excluding ABS)	**99,363**	101,233
US agency RMBS	**4,286**	4,799
US prime RMBS	**1,315**	1,625
US Alt-A RMBS	**304**	358
US subprime RMBS	**1,095**	1,560
Non-US RMBS	**4,991**	5,174
CDO/CLO	**810**	731
Other ABS	**2,482**	2,429
CMBS	**4,261**	4,810
ABS portfolio	**19,544**	21,486
	118,907	122,719

Greece, Ireland and Portugal

Greece, Ireland and Portugal have applied for support from the European Financial Stability Fund ('EFSF'). At 30 June 2011, ING Insurance's balance sheet value of 'Government bonds' and unsecured 'Financial institutions' bonds to Greece, Ireland and Portugal and the related pre-tax revaluation reserve in equity was as follows:

	30 June 2011		
amounts in millions of euros	Balance sheet value	Pre-tax revaluation reserve	Pre-tax impairments in the first half of 2011
Greece			
Goverment bonds – available-for-sale	**323**	**-103**	**-123**
Ireland			
Goverment bonds – available-for-sale	**35**	**-19**	
Financial institutions – available-for-sale	**12**		**-180**
Portugal			
Goverment bonds – available-for-sale	**109**	**-73**	
Financial institutions – available-for-sale	**94**	**-81**	
Total	**573**	**-276**	**-303**

On 21 July 2011 a Private Sector Initiative to support Greece was announced. This initiative involves a voluntary exchange of existing Greek government bonds together with a Buyback Facility. The initiative relates to Greek Government Bonds maturing up to 2020. ING is currently assessing the alternative exchange options in this initiative. Based on this Private Sector Initiative, it was concluded that bonds that are in scope of the initiative (i.e. Greek government bonds maturing up to 2020) are impaired in the second quarter of 2011. The impairment relates to bonds classified as available-for-sale and is based on the 30 June 2011 market values of these bonds.

In the first quarter of 2011 ING Insurance recognised impairment on subordinated debt from Irish banks.

Reference is made to Note 7 'Investment income' for impairments on available-for-sale debt securities.

Notes to the condensed consolidated interim accounts continued

Reclassifications to Loans and advances to customers (2009)

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

Reclassifications to Loans and advances to customers

amounts in millions of euros	Q2 2009
As per reclassification date	
Fair value	6,135
Effective interest rate (weighted average)	1.4%–24.8%
Expected recoverable cash flows	7,118
Unrealised fair value losses in shareholders' equity (before tax)	–896
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
Recognised fair value gains (losses) in shareholders' equity (before tax) in the year prior to reclassification	–971
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	nil
Recognised impairment (before tax) in the year prior to reclassification	nil
2011	
Carrying value as at 30 June	**6,563**
Fair value as at 30 June	**6,644**
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 30 June	**–386**
Effect on shareholders' equity (before tax) as at 30 June if reclassification had not been made	**82**
Effect on result (before tax) for as at 30 June if reclassification had not been made	**nil**
Effect on result (before tax) for the six month period ended 30 June (mainly interest income)	**54**
Recognised impairments (before tax) for the six month period ended 30 June	**2**
Recognised provision for credit losses (before tax) for the six month period ended 30 June	**2**
2010	
Carrying value as at 31 December	6,418
Fair value as at 31 December	6,546
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	–491
Effect on shareholders' equity (before tax) if reclassification had not been made	128
Effect on result (before tax) as at 31 December if reclassification had not been made	nil
Effect on result (before tax) for the year (mainly interest income)	78
Recognised impairments (before tax)	nil
Recognised provision for credit losses (before tax)	nil
2009	
Carrying value as at 31 December	6,147
Fair value as at 31 December	6,472
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	–734
Effect on shareholders' equity (before tax) if reclassification had not been made	325
Effect on result (before tax) as at 31 December if reclassification had not been made	nil
Effect on result (before tax) after the reclassification until 31 December (mainly interest income)	54
Effect on result (before tax) for the year (mainly interest income)	n/a
Recognised impairments (before tax)	nil
Recognised provision for credit losses (before tax)	nil

Notes to the condensed consolidated interim accounts continued

4 INTANGIBLE ASSETS

Intangible assets		
amounts in millions of euros	30 June 2011	31 December 2010
Value of business acquired	1,115	1,320
Goodwill	777	1,425
Software	146	166
Other	188	345
	2,226	3,256

The decrease in Goodwill mainly relates to the Latin American pensions, life insurance and investment management operations that classify as discontinued operations, reference is made to Note 15 'Discontinued operations'.

Goodwill impairment testing
Goodwill is tested for impairment at the lowest level at which it is monitored for internal management purposes. This level is defined as the so called 'reporting units' as set out in the 2010 ING Insurance Annual Accounts. Goodwill is tested for impairment by comparing the book value of the reporting unit to the best estimate of the recoverable amount of that reporting unit. The book value is determined as the IFRS-EU net asset value including goodwill. The recoverable amount is estimated as the higher of fair value less cost to sell and value in use. Several methodologies are applied to arrive at the best estimate of the recoverable amount.

As a first step of the impairment test, the best estimate of the recoverable amount of reporting units to which goodwill is determined separately for each relevant reporting unit based on Price to Earnings, Price to Book, and Price to Assets under management ratios. The main assumptions in this valuation are the multiples for Price to Earnings, Price to Book and Price to Assets under management; these are developed internally but are either derived from or corroborated against market information that is related to observable transaction in the market for comparable businesses. Earnings and book values are equal to or derived from the relevant measure under IFRS-EU. If the outcome of this first step indicates that the difference between recoverable amount and book value may not be sufficient to support the amount of goodwill allocated to the reporting unit, an additional analysis is performed in order to determine a recoverable amount in a manner that better addresses the specific characteristics of the relevant reporting unit.

No goodwill impairment was recognised in the first half year of 2011 (first half year of 2010: nil).

5 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 upon or a sale is highly probable at the balance sheet date but for which the transaction has not yet fully closed. As at 30 June 2011 this relates mainly to the Latin American pensions, life insurance and investment management operations, ING Investment Management Australia ING Arrendadora, S.A. de C.V. in Mexico. As at 31 December 2010 this related to PALIC and ING Arrendadora S.A. and de C.V in Mexico. Reference is made to Note 11 'Acquisitions and disposals'.

Assets held for sale		
amounts in millions of euros	30 June 2011	31 December 2010
Cash and balances with central banks	134	28
Financial assets at fair value through profit and loss	736	11
Available-for-sale investments	683	144
Loans and advances to customers	98	144
Reinsurance contracts Investments in associates	3	
Investments in associates	22	
Real estate investments	102	
Property and equipment	35	3
Intangible assets	769	
Deferred acquisition costs	9	43
Other assets	583	8
	3,174	381

Notes to the condensed consolidated interim accounts continued

Liabilities held for sale		
amounts in millions of euros	**30 June 2011**	31 December 2010
Other borrowed funds	**196**	35
Insurance and investments contracts	**716**	217
Other liabilities	**576**	27
	1,488	279

Cumulative other comprehensive income includes EUR 71 million (2010 EUR 6 million) related to Assets held for sale.

In addition to the entities presented as Held for sale above, ING is considering potential divestments, including those that are listed under the European Commission Restructuring plan in Note 30 ‘Related Parties’ in the ING Insurance 2010 Annual Accounts. However, none of these businesses qualify as held for sale as at 30 June 2011 as the potential divestments are not yet available for immediate sale in their present condition and/or a sale is not yet highly probable to occur.

6 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 2011**	31 December 2010
Non-trading derivatives	**3,240**	3,677
	3,240	3,677

7 INVESTMENT INCOME

Investment income				
	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Income from real estate investments	**16**	18	**28**	32
Dividend income	**105**	89	**140**	112
Income from investments in debt securities	**1,447**	1,427	**2,778**	2,729
Income from loans	**524**	390	**1,020**	787
Realised gains/losses on disposal of debt securities	**28**	–34	**59**	–89
Impairments of available-for-sale debt securities	**–172**	–131	**–392**	–296
Reversal of impairments of available-for-sale debt securities		7	**4**	11
Realised gains/losses on disposal of equity securities	**78**	49	**175**	72
Impairments of available-for-sale equity securities	**–18**	–6	**–29**	–10
Change in fair value of real estate investments	**–1**	–16	**–1**	–34
	2,007	1,793	**3,782**	3,314

Impairments of available-for-sale debt securities include EUR 123 million in the second quarter of 2011 (second quarter of 2010: nil) of impairments on Greek government bonds that are impacted by the restructuring proposals of July 2011.

Impairments of available-for-sale debt securities include EUR 303 million in the first half year of 2011 (first half year of 2010: nil) of impairments on subordinated debt from Irish banks and Greek government bonds that are impacted by the restructuring proposals of July 2011.

Impairments/ reversals of impairments on investments per operating segment				
3 month period	Impairments		Reversal of impairments	
	1 April to 30 June		1 April to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Insurance Benelux	**39**	19		
Insurance CRE	**110**	7		

Notes to the condensed consolidated interim accounts continued

Insurance US *	**38**	110		
Insurance Asia/Pacific	**2**	1		–2
ING IM				–5
Corporate Line Insurance	**1**			
	190	137		–7

*Excluding US Closed Block VA

Impairments/ reversals of impairments on investments per operating segment

6 month period	Impairments		Reversal of impairments	
	1 January to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Insurance Benelux	**219**	25		
Insurance CRE	**120**	11		
Insurance US *	**76**	268	**–4**	
Insurance Asia/Pacific	**5**	2		–2
ING IM				–9
Corporate Line Insurance	**1**			
	421	306	**–4**	–11

*Excluding US Closed Block VA

8 OTHER INCOME

Other income

	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Net result on disposal of group companies	**27**		**27**	2
Valuation results on non-trading derivatives	**288**	2,107	**–707**	1,660
Net trading income	**–12**	–412	**332**	–489
Result from associates	**53**	25	**113**	79
Other income	**7**	133	**55**	288
	363	1,853	**–180**	1,540

In the second quarter of 2010, higher valuation results on non-trading derivatives were driven by revaluations of derivatives hedging guarantees on and interest rate risk in the United States and Japan closed block variable annuity business as well as the separate account pension contracts in the Netherlands. These valuation results on non trading derivatives related to the indirect equity exposures were more than offset by an opposite amount in underwriting expenditure (reference is made to Note 10 ‘Underwriting expenditure’).

Result from associates

	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Share of results from associates	**53**	25	**113**	79
	53	25	**113**	79

Notes to the condensed consolidated interim accounts continued

9 UNDERWRITING EXPENDITURE

Underwriting expenditure				
	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Gross underwriting expenditure				
– before effect of investment result for risk of policyholders	**7,638**	9,941	**16,283**	19,003
– effect of investment result risk of policyholders	**41**	–6,089	**2,693**	–2,035
	7,679	3,852	**18,976**	16,968
Investment result for risk of policyholders	**–41**	6,089	**–2,693**	2,035
Reinsurance recoveries	**–448**	–363	**–889**	–840
Underwriting expenditure	**7,190**	9,578	**15,394**	18,163

Underwriting expenditure by class				
	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Expenditure from life underwriting				
Reinsurance and retrocession premiums	**415**	514	**874**	1,027
Gross benefits	**6,416**	6,051	**13,229**	12,163
Reinsurance recoveries	**–446**	–361	**–885**	–837
Change in life insurance provisions for risk of company	**–52**	2,179	**93**	2,752
Costs of acquiring insurance business	**303**	440	**529**	778
Other underwriting expenditure	**138**	121	**276**	235
Profit sharing and rebates	**147**	466	**242**	1,066
	6,921	9,410	**14,358**	17,184
Expenditure from non-life underwriting				
Reinsurance and retrocession premiums	**7**	8	**32**	50
Gross claims	**262**	264	**532**	516
Reinsurance recoveries	**–2**	–1	**–4**	–3
Change in provision for unearned premiums	**–96**	–106	**246**	236
Change in claims provision	**–4**	7	**12**	33
Costs of acquiring insurance business	**65**	74	**134**	141
Other underwriting expenditure	**–1**		**–2**	
	231	246	**950**	973
Expenditure from investment contracts				
Costs of acquiring investment contracts	**1**	1	**2**	2
Profit sharing and rebates				11
Other changes in investment contract liabilities	**37**	–79	**84**	–7
	38	–78	**86**	6
	7,190	9,578	**15,394**	18,163

10 SEGMENT REPORTING

ING Insurance's operating segments relate to the internal segmentation by business lines. ING Insurance identifies the following operating segments:

Operating segments of ING Insurance
Insurance Benelux
Insurance Central & Rest of Europe (CRE)
Insurance United States (US) *
Insurance US Closed Block VA
Insurance Asia/Pacific
ING Investment Management (IM)
Corporate Line Insurance

*Excluding US Closed Block VA

Notes to the condensed consolidated interim accounts continued

As per the second quarter of 2011 the operating segment Insurance Latin America is not included in the segment reporting anymore as those activities classify mainly as discontinued operations. Reference is made to Note 15 'Discontinued operations'. Activities reported previously in the segment Insurance Latin America and that are not classified as discontinued operations are now reported in the Corporate Line Insurance.

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

The accounting policies of the operating segments are the same as those described in the Annual Accounts 2010 except for the changes described in Note 1 'Basis of presentation'. 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, and/or on the basis of income/assets of the segment.

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

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
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 US Closed Block VA	Consists of ING's Closed Block Variable Annuity business in the US, which has been closed to new business since early 2010 and which is now being managed in run-off.
Insurance Asia/Pacific	Income from life insurance and retirement services in Asia/Pacific.
ING IM	Income from investment management activities.
Corporate Line Insurance	The Corporate Line Insurance mainly includes items related to capital management, run-off portfolios ING Re and remaining activities in Latin America.

*Excluding US Closed Block VA

Operating segments Insurance

	3 month period		6 month period	
	1 April to 30 June		1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Underlying income				
– Gross premium income	**6,298**	6,759	**14,506**	14,989
– Commission income	**408**	364	**794**	702
– Total investment and other income	**2,343**	3,647	**3,575**	4,852
Total underlying income	**9,049**	10,770	**18,875**	20,543
Underlying expenditure				
– Underwriting expenditure	**7,189**	9,578	**15,394**	18,163
– Operating expenses	**937**	940	**1,863**	1,843
– Other interest expenses	**236**	192	**486**	383
– Other impairments	**6**	6	**11**	12
Total underlying expenses	**8,368**	10,716	**17,754**	20,401
Underlying result before taxation	**681**	54	**1,121**	142
Taxation	**130**	–87	**278**	18
Minority interests	**4**	5	**15**	6
Underlying net result	**547**	136	**828**	118

Notes to the condensed consolidated interim accounts continued

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

3 month period

1 April to 30 June amounts in millions of euros	Income 2011	 2010	Expenses 2011	 2010	Net result 2011	 2010
Underlying	**9,049**	10,770	**8,368**	10,716	**547**	136
Divestments	**28**		**1**	6	**27**	–6
Discontinued operations					**38**	42
Special items			**113**	59	**–80**	–44
IFRS-EU	**9,077**	10,770	**8,482**	10,781	**532**	128

Divestments in the second quarter of 2011 mainly included the impact of the disposal of PALIC. Reference is made to Note 15 'Discontinued operations' for information on Discontinued operations. Special items in the second quarter of 2011 and 2010 mainly reflects restructuring costs.

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

6 month period

1 January to 30 June amounts in millions of euros	Income 2011	 2010	Expenses 2011	 2010	Net result 2011	 2010
Underlying	**18,875**	20,543	**17,754**	20,401	**828**	118
Divestments	**27**	11	**4**	19	**23**	–8
Discontinued operations					**66**	93
Special items		–1	**191**	88	**–145**	–65
IFRS-EU	**18,902**	20,553	**17,949**	20,508	**772**	138

Divestments in the first half year of 2011 mainly included the impact of the disposal of PALIC. Reference is made to Note 15 'Discontinued operations' for information on Discontinued operations. Special items in the first half year of 2011 and 2010 mainly reflects restructuring costs.

ING Insurance analyses, as of 2011, the underlying result through a margin analysis, which includes the following components:

- Operating result;
- Non-operating items.

Both are analysed into various sub-components. The total of Operating result and Non-operating items equals underlying result before tax.

To determine the Operating result the following Non-operating items are adjusted in the reported Underlying result before tax:

- Realised capital gains/losses and impairments on debt and equity securities;
- Revaluations on assets marked to market through the P&L; and
- Other non-operating impacts, e.g. provision for guarantees on separate account pension contracts, equity related and other DAC unlocking, VA/FIA Guaranteed benefit Reserve Unlocking and DAC offset on gains/losses on debt securities.

The Operating result for the Life insurance business is also broken down in expenses and the following sources of income:

- Investment margin which includes the spread between investment income earned and interest credited to insurance liabilities (excluding market impacts, including dividends and coupons);
- Fees and premium-based revenues which includes the portion of life insurance premiums available to cover expenses and profit, fees on deposits and fee income on assets under management (net of guaranteed benefit costs in the United States);
- Technical margin which includes the margin between costs charged for benefits and incurred benefit costs; it includes mortality, morbidity and surrender results;
- Non-modelled which is immaterial and includes parts of the business for which no margins are provided.

Notes to the condensed consolidated interim accounts continued

Operating segments Insurance

3 month period 1 April to 30 June 2011 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	Insurance Asia/ Pacific	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	212	21	213	7	18	1		472
Fees and premium based revenues	141	123	260	61	335	228		1,148
Technical margin	145	48	22	6	39			260
Income non-modelled life business	17	1			15			33
Life & ING IM operating income	515	193	495	74	407	229		1,913
Administrative expenses	142	75	194	19	113	180		723
DAC amortisation and trail commissions	49	52	149	38	170	1		459
Life & ING IM expenses	191	127	343	57	283	181		1,182
Life & ING IM operating result	324	66	152	17	124	48		731
Non-life operating result	66	1			1			68
Corporate Line operating result							–100	–100
Operating result	390	67	152	17	125	48	–100	699
Gains/losses and impairments		–109	–4	–5	6		2	–110
Revaluations	7		119		–1	8	–23	110
Market & other impacts	–109		–22	49	4		60	–18
Underlying result before tax	288	–42	245	61	134	56	–61	681
Taxation	34	4	42	–16	32	22	12	130
Minority interests	1	3						4
Underlying net result	253	–49	203	77	102	34	–73	547

Notes to the condensed consolidated interim accounts continued

Operating segments Insurance

3 month period 1 April to 30 June 2010 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	Insurance Asia/ Pacific	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	142	18	185	–12	12	1		346
Fees and premium based revenues	140	132	269	17	335	214		1,107
Technical margin	46	31	44	8	41			170
Income non-modelled life business	13	4			18			35
Life & ING IM operating income	341	185	498	13	406	215		1,658
Administrative expenses	118	61	239	20	112	186		736
DAC amortisation and trail commissions	50	50	157	–25	175	1		408
Life & ING IM expenses	168	111	396	–5	287	187		1,144
Life & ING IM operating result	173	74	102	18	119	28		514
Non-life operating result	48	1			1			50
Corporate Line operating result							–146	–146
Operating result	221	75	102	18	120	28	–146	418
Gains/losses and impairments	–59	–19	–83		13	5		–143
Revaluations	2		207	–3	–4	3	–34	171
Market & other impacts	110		–108	–419	–12		37	–392
Underlying result before tax	274	56	118	–404	117	36	–143	54
Taxation	46	9	–81	–66	33	17	–45	–87
Minority interests	2	3						5
Underlying net result	226	44	199	–338	84	19	–98	136

Notes to the condensed consolidated interim accounts continued

Operating segments Insurance

6 month period 1 January to 30 June 2011 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	Insurance Asia/ Pacific	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	322	35	428	15	33	2		835
Fees and premium based revenues	306	241	528	118	710	454		2,357
Technical margin	223	89	44	13	86			455
Income non-modelled life business	41	4			28			73
Life & ING IM operating income	892	369	1,000	146	857	456		3,720
Administrative expenses	281	156	375	41	227	363		1,443
DAC amortisation and trail commissions	114	100	300	74	351	1		940
Life & ING IM expenses	395	256	675	115	578	364		2,383
Life & ING IM operating result	497	113	325	31	279	92		1,337
Non-life operating result	106	2			2			110
Corporate Line operating result							–227	–227
Operating result	603	115	325	31	281	92	–227	1,220
Gains/losses and impairments	–111	–117	–43	1	27	5	2	–236
Revaluations	16		161	3	–2	14	5	197
Market & other impacts	–202		–15	87	7		63	–60
Underlying result before tax	306	–2	428	122	313	111	–157	1,121
Taxation	8	16	126	14	82	40	–8	278
Minority interests	9	6						15
Underlying net result	289	–24	302	108	231	71	–149	828

Notes to the condensed consolidated interim accounts continued

Operating segments Insurance

6 month period 1 January to 30 June 2010 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	Insurance Asia/ Pacific	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	234	35	387	–25	20	2		653
Fees and premium based revenues	307	254	521	59	656	411		2,208
Technical margin	100	67	95	16	68			346
Income non-modelled life business	34	8			32			74
Life & ING IM operating income	675	364	1,003	50	776	413		3,281
Administrative expenses	270	122	464	41	207	343		1,447
DAC amortisation and trail commissions	115	95	297	–19	337	2		827
Life & ING IM expenses	385	217	761	22	544	345		2,274
Life & ING IM operating result	290	147	242	28	232	68		1,007
Non-life operating result	80	2			2			84
Corporate Line operating result							–279	–279
Operating result	370	149	242	28	234	68	–279	812
Gains/losses and impairments	–69	–23	–304	14	29	10		–343
Revaluations	–14		289	–2	–4	2	–70	201
Market & other impacts	176		–128	–598	–6		28	–528
Underlying result before tax	463	126	99	–558	253	80	–321	142
Taxation	93	24	–58	–61	72	28	–80	18
Minority interests		6						6
Underlying net result	370	96	157	–497	181	52	–241	118

While the reserves for the segment Insurance US Closed Block VA are adequate at the 50% confidence level, a net reserve inadequacy exists using a prudent (90%) confidence level. This inadequacy existed in the second quarter of 2011 and 2010 and in the first half year of 2011 and 2010. In line with Group Policy, Insurance US Closed Block VA 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.

Effective as of 2011, the estimate for the short-term equity growth assumption used to calculate the amortisation of DAC in the United States (Insurance US) was changed to a mean reversion assumption. The impact of this change in estimate in the second quarter of 2011 was approximately EUR 11 million higher result before tax and the impact in the first half year of 2011 was approximately EUR 18 million lower result before tax.

Notes to the condensed consolidated interim accounts continued

11 ACQUISITIONS AND DISPOSALS

Acquisitions

There were no acquisitions in the first half year of 2011.

Disposals and expected disposals

Pacific Antai Life Insurance Company Ltd.

In December 2009 ING announced the sale of 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 was previously included in the segment Insurance Asia/Pacific. The transaction was closed in June 2011.

ING IM Australia, ING Arrendadora S.A. de C.V. and the Latin American pensions, life insurance and investment management operations qualify as disposal groups held for sale at 30 June 2011 as ING expects to recover the carrying amount principally through the sale transactions. They are available for sale in their immediate condition subject to terms that are usual and customary for sales of such assets and the sales are considered to be highly probable.

ING Investment Management Australia

In June 2011 ING announced that it reached an agreement to sell ING Investment Management (ING IM) Australia to UBS AG. ING IM Australia's business provides a number of investment strategies and products directly to the Australian institutional and wholesale markets. This transaction supports ING's objective to actively manage its capital and portfolio of businesses to ensure an attractive and coherent combination for the announced potential IPOs of its insurance and investment management activities. ING IM Australia is included in the segment ING Investment Management. The transaction is subject to regulatory approval and is expected to close in the fourth quarter of 2011.

Latin American pensions, life insurance and investment management operations

In July 2011 ING announced that it has reached an agreement to sell its Latin American pensions, life insurance and investment management operations for a total consideration of approximately EUR 2,680 million to Grupo de Inversiones Suramericana ('GRUPOSURA'). The sale is the first major step in the divestment of ING's insurance and investment management activities. Under the terms of the agreement, ING will receive approximately EUR 2,615 million in cash and GRUPOSURA will assume EUR 65 million in debt.

ING expects the sale to deliver a net transaction result of approximately EUR 1 billion. The transaction is subject to regulatory approvals and is expected to close by year-end. The transaction, including cash proceeds, debt reduction in Latin America, and the extraction of excess capital prior to closing, is expected to reduce the leverage in ING Insurance by approximately EUR 2.8 billion.

Included in the transaction are the mandatory pension and voluntary savings businesses in Chile, Colombia, Mexico, Uruguay and ING's 80% stake in AFP Integra S.A. in Peru; the life insurance businesses in Chile and Peru; including ING's 33.7% stake in InVita Seguros de Vida S.A. in Peru. The transaction also includes the local investment management capabilities in these five countries. Not included in the transaction is ING's 36% in leading Brazilian insurer Sul America SA. ING's Commercial Banking activities in Mexico, Brazil and Argentina are not affected by the announcement. ING's Mortgage and ING's Leasing businesses in Mexico are also not part of the transaction.

As per 30 June 2011, the Latin American pensions, life insurance and investment management operations classify as discontinued operations. In the condensed consolidated profit and loss account, for the current period but also for the comparative periods, the income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of result after tax. The Latin American pensions, life insurance and investment management operations used to be included in the segments Insurance Latin America and ING Investment Management before they classified as discontinued operations. The net result from discontinued operations is presented separately in the condensed consolidated profit and loss account. Reference is made to Note 15 'Discontinued operations' for more detailed disclosures.

12 IMPORTANT EVENTS AND TRANSACTIONS

On 11 March 2011 a severe earthquake and tsunami struck Japan. While ING does not have any non-life operations in Japan, ING has life insurance, asset management and banking businesses in Japan. The life insurance business sold primarily two product types: Single Premium Variable Annuities (SPVA, closed for new business in 2009) and Corporate Owned Life Insurance (COLI). ING's financial position may be impacted by these events and any related developments, including through (but not limited to) death and health-related claims, policyholder behaviour, re-insurance coverage, investment losses and impact from general market developments. The direct financial impact of the earthquake and subsequent tsunami in Japan were relatively limited although indirect impacts are possible during the remainder of the year. The technical margin reflects EUR 4 million of additional reserves (IBNR) in anticipation of mortality claims related to the disaster.

Notes to the condensed consolidated interim accounts continued

13 FAIR VALUE OF FINANCIAL ASSETS

The methods used to determine fair value of financial assets and liabilities are disclosed in the 2010 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 half year of 2011 by a transfer of available-for-sale investments of EUR 2.1 billion from Level 3 to Level 2, relating to mortgage backed securities in the United States. Previously these were classified in Level 3 because of the dispersion between prices obtained for the same security from different price sources. In 2011 prices supported by market observable inputs became available and were used in determining fair value.

14 DIVIDEND PAID

No dividend was paid in the first half year of 2011.

15 DISCONTINUED OPERATIONS

As at 30 June 2011 the Latin American pensions, life insurance and investment management operations are classified as a disposal groups held for sale and as discontinued operations. The results of the Latin American pensions, life insurance and investment management operations for the period are presented below:

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
amounts in millions of euros	**2011**	2010	**2011**	2010
Total income	**219**	171	**384**	338
Total expenses	**164**	118	**298**	222
Gross result	**55**	53	**86**	116
Result before tax from discontinued operations	**55**	53	**86**	116
Tax related to current pre-tax gross result	**16**	10	**18**	21
Net result from discontinued operations	**39**	43	**68**	95

Reference is made to Note 5 ‘Assets and liabilities held for sale’ for information on the assets and liabilities of the discontinued operations.

The net cash flow incurred by the Latin American pensions, life insurance and investment management operations are as follows:

6 month period		
amounts in millions of euros	**30 June 2011**	30 June 2010
Operating cash flow	**33**	24
Investing cash flow	**–37**	35
Financing cash flow		–5
Net cash flow	**–4**	54

Cash flows with regard to Assets and liabilities that classify as held for sale are presented in the condensed consolidated cash flow statement as an operating cash flow.

Review report

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

REVIEW REPORT

Introduction
We have reviewed the accompanying condensed consolidated interim accounts for the six month period ended 30 June 2011, of ING Verzekeringen N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2011 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 2011 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

AMSTERDAM, 2 AUGUST 2011

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

This page was intentionally left blank

Disclaimer

ING Insurance'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 2010 ING Insurance Annual Accounts, except for the changes described in Note 1 'Basis of presentation'. 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.

ING Verzekeringen N.V.
Amstelveenseweg 500
1081 KL Amsterdam
P.O. Box 810, 1000 AV Amsterdam
The Netherlands
Telephone: +31 20 5415411
Fax: +31 20 5415444
Internet: www.ing.com
Commercial Register of Amsterdam, no. 33260659