Dated 11 May 2011

ING GROEP N.V.

REGISTRATION DOCUMENT

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INTRODUCTION

This document constitutes a registration document ("Registration Document") for the purposes of Article 5 of Directive 2003/71/EC (the "Prospectus Directive") and has been prepared for the purpose of giving information with respect to ING Groep N.V. (the "Issuer") which, according to the particular nature of the Issuer and the securities which it may offer to the public within a member state ("Member State") of the European Economic Area (the "EEA") or apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document was approved by the Netherlands Authority for the Financial Markets (the "AFM") for the purposes of the Prospectus Directive on 11 May 2011.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

This Registration Document should not be considered as a recommendation by the Issuer that any recipient of this Registration Document should purchase any securities of the Issuer. Each investor contemplating purchasing any securities of the Issuer should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Registration Document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any securities of the Issuer.

The delivery of this Registration Document shall not in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should carefully review and evaluate, *inter alia*, the most recent financial disclosure of the Issuer from time to time incorporated by reference herein when deciding whether or not to purchase any securities of the Issuer.

The distribution of this Registration Document and the offer or sale of any securities of the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any securities of the Issuer come must inform themselves about, and observe, any such restrictions.

Any securities to be issued by the Issuer in connection with this Registration Document have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, any such securities may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

Any securities to be issued by the Issuer in connection with this Registration Document have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of any such securities or the accuracy or the adequacy of this Registration Document. Any representation to the contrary is a criminal offence in the United States.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Registration Document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934. All statements other than statements of historical fact included in this Registration Document, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Registration Document or as of such earlier date at which such statements are expressed to be given. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Registration Document and have been approved by AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Registration Document; this Registration Document should be read and construed in conjunction with such documents:

(a) the Articles of Association (*statuten*) of the Issuer;

(b) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2009 and 2010, including the audited consolidated financial statements and auditors' reports in respect of such years;

(c) the ING Group 2011 quarterly report for the first quarter of 2011, as published by the Issuer on 5 May 2011 (the "Q1 Report"). The Q1 Report contains, among other things, the consolidated unaudited interim results of the Issuer as at, and for the three month period ended, 31 March 2011; and

(d) the press release (the "Early Repurchase Press Release") published by the Issuer on 7 March 2011 entitled "ING to repurchase EUR 2 bn Core Tier 1 Securities from Dutch State on 13 May",

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Registration Document shall not form part of this Registration Document, except where such information or other documents are specifically incorporated by reference into this Registration Document.

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer, c/o ING Bank N.V. at Foppingadreef 7, Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3477). In addition, this Registration Document and all of the documents which are incorporated herein by reference will be made available on the website of ING (www.ing.com).

RISK FACTORS

Set out below are certain risk factors which could affect the future financial performance of the Issuer and its subsidiaries ("ING") and thereby potentially affect the Issuer's ability to fulfil its obligations in respect of securities issued or guaranteed by it. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties ING's businesses face. The Issuer has described only those risks relating to its operations of which it is aware and that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware and any of these risks could have the effects set forth above. Investors should note that they bear the Issuer's solvency risk. The term Issuer, for purposes of this section (but not others) also refers, where the context so permits, to any group company of the Issuer.

Risks Related to Financial Conditions, Market Environment and General Economic Trends.

Because the Issuer is a financial services company conducting business on a global basis, its revenues and earnings are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect, the profitability of the Issuer's insurance, banking and asset management business.

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, political events and trends, and terrorism all impact the business and economic environment and, ultimately, the amount and profitability of business the Issuer conducts in a specific geographic region. In an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investments, and lower consumer spending, the demand for banking and insurance products is usually adversely affected and the Issuer's reserves and provisions typically would increase, resulting in overall lower earnings. Securities prices, real estate values and private equity valuations may also be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. Some insurance products contain minimum return or accumulation guarantees. If returns do not meet or exceed the guarantee levels the Issuer may need to set up additional reserves to fund these future guaranteed benefits. In addition, the Issuer may experience an elevated incidence of claims and lapses or surrenders of policies. The Issuer's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Similarly, a downturn in the equity markets causes a reduction in commission income the Issuer earns from managing portfolios for third parties, income generated from its own proprietary portfolios, asset-based fee income on certain insurance products, and its capital base. The Issuer also offers a number of insurance and financial products that exposes it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads. See also "Interest rate volatility may adversely affect the Issuer's profitability", "Turbulence and volatility in the financial markets have adversely affected the Issuer, and may continue to do so", and "Current market conditions have increased the risk of loans being impaired. The Issuer is exposed to declining property values on the collateral supporting residential and commercial real estate lending" below.

In case one or more of the factors mentioned above adversely affects the profitability of the Issuer's business this might also result, among others, in the following:

- the unlocking of deferred acquisition costs impacting earnings; and/or

- reserve inadequacies which could ultimately be realised through profit and loss and shareholders' equity; and/or
- the write down of tax assets impacting net results; and/or
- impairment expenses related to goodwill and other intangible assets, impacting net results; and/or
- movements in Risk Weighted Assets for the determination of required capital.

Shareholders' equity and the Issuer's net result may significantly be impacted by turmoil and volatility in the worldwide financial markets. Negative developments in financial markets and/or economies may have a material adverse impact on shareholders' equity and net result in future periods, including as a result of the potential consequences listed above. The recalibration the Issuer has conducted of its economic capital models to reflect difficult market conditions experienced over recent years may have a material impact on the Issuer's economic capital for credit risk. See "Turbulence and volatility in the financial markets have adversely affected the Issuer, and may continue to do so".

Adverse capital and credit market conditions may impact the Issuer's ability to access liquidity and capital, as well as the cost of credit and capital.

The capital and credit markets have been experiencing extreme volatility and disruption for more than two years. In the second half of 2008, the volatility and disruption reached unprecedented levels. In some cases, market developments have resulted in restrictions on the availability of liquidity and credit capacity for certain issuers.

The Issuer needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt and dividends on its capital stock; maintain its securities lending activities; and replace certain maturing liabilities. The principal sources of the Issuer's liquidity are deposit funds, insurance premiums, annuity considerations, cash flow from its investment portfolio and assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium-and long-term debt, junior subordinated debt securities, capital securities and stockholders' equity.

In the event current resources do not satisfy its needs, the Issuer may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, the Issuer's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects. Similarly, the Issuer's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If the Issuer's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available at unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets, such as that experienced over the past few years and in the second half of 2008 in particular, may also limit the Issuer's access to capital required to operate its business. Such market conditions may in the future limit the Issuer's ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force the Issuer to (1) delay raising capital, (2) reduce, cancel or postpone payment of dividends on its shares, (3) reduce, cancel or postpone interest payments on other securities, (4) issue capital of different types or under different terms than the Issuer would otherwise, or (5) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both the

Issuer's profitability and its financial flexibility. The Issuer's results of operations, financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

In the course of 2008 and 2009, governments around the world, including the Dutch government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments nationalised companies or parts thereof. The measures adopted in the Netherlands include both liquidity provision and capital reinforcement, and a Dutch Credit Guarantee Scheme. The liquidity and capital reinforcement measures expired on 10 October 2009, and the Credit Guarantee Scheme of the Netherlands expired on 31 December 2010. The Issuer's participation in these measures has resulted in certain material restrictions on it, including those agreed to with the European Commission ("EC") as part of the Issuer's Restructuring Plan. See "The Issuer's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions" and "The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of the Issuer and involve significant costs and uncertainties that could materially impact the Issuer". The Restructuring Plan as well as any potential future transactions with the Dutch State or any other government, if any, or actions by such government regarding the Issuer could adversely impact the position or rights of the Issuer's shareholders, bondholders, customers or creditors and the Issuer's results, operations, solvency, liquidity and governance.

The Issuer is subject to the jurisdiction of a variety of banking and insurance regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder its ability to manage its liquidity in a centralised manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which the Issuer operates are generally becoming more stringent, including those forming part of the "Basel III" requirements discussed further below under "The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business", undermining the Issuer's efforts to maintain this centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing the Issuer's liquidity, and hinder its efforts to integrate its balance sheet, which is an essential element of ING's Restructuring Plan.

The default of a major market participant could disrupt the markets.

Within the financial services industry the default of any one institution could lead to defaults by other institutions. The failure of a sufficiently large and influential institution could disrupt securities markets or clearance and settlement systems in the Issuer's markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect the Issuer and its contract counterparties. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis. Systemic risk could have a material adverse effect on the Issuer's ability to raise new funding and on the Issuer's business, financial condition, results of operations, liquidity and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

The Issuer believes that despite increased attention recently, systemic risk to the markets in which it operates continues to exist, and dislocations caused by the interdependency of financial market participants continues to be a potential source of material adverse changes to the Issuer’s business, results of operations and financial condition.

Because the Issuer’s life and non-life insurance and reinsurance businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the actual claims amount may exceed the Issuer’s established reserves or the Issuer may experience an abrupt interruption of activities, each of which could result in lower net results and have an adverse effect on its results of operations.

In its life and non-life insurance and reinsurance businesses, the Issuer is subject to losses from natural and man-made catastrophic events. Such events include, without limitation, weather and other natural catastrophes such as hurricanes, floods, earthquakes and epidemics that may be more severe or difficult to predict as a result of increasingly variable climate conditions, as well as events such as terrorist attacks and political and social unrest.

The frequency and severity of such events, and the losses associated with them, are inherently unpredictable and cannot always be adequately reserved for. Furthermore, the Issuer is subject to actuarial and underwriting risks such as, for instance, mortality, longevity, morbidity, and adverse claims development which result from the pricing and acceptance of insurance contracts. In accordance with industry practices, modelling of natural catastrophes is performed and risk mitigation measures are taken. In case claims occur, reserves are established based on estimates using actuarial projection techniques. The process of estimating is based on information available at the time the reserves are originally established and includes updates when more information becomes available. Although the Issuer continually reviews the adequacy of the established claim reserves, there can be no assurances that its actual claims experience will not exceed its estimated claim reserves. If actual claim amounts exceed the estimated claim reserves, the Issuer’s earnings may be reduced and its net results may be adversely affected.

In addition, and as discussed further below under “Operational risks are inherent in the Issuer’s business”, because unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, the Issuer’s banking and insurance operations may be subject to losses resulting from such disruptions. Losses can relate to property, financial assets, trading positions, insurance and pension benefits to employees and also to key personnel. If the Issuer’s business continuity plans are not able to be put into action or do not take such events into account, losses may further increase.

The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business.

The Issuer is subject to detailed banking, insurance, asset management and other financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, money laundering, privacy, record keeping, and marketing and sales practices. Banking, insurance and other financial services laws, regulations and policies currently governing the Issuer and its subsidiaries may also change at any time and in ways which have an adverse effect on the Issuer’s business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, bank regulators and other supervisory authorities in the EU, the US and elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulation is becoming increasingly more extensive and complex and regulators are focusing increased scrutiny on the industries in which the Issuer operates, often requiring additional resources of the Issuer. These regulations can serve to limit the Issuer's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which the Issuer can operate or invest. If the Issuer fails to address, or appears to fail to address, appropriately any of these matters, the Issuer's reputation could be harmed and the Issuer could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against the Issuer or subject the Issuer to enforcement actions, fines and penalties.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most of the principal markets where the Issuer conducts its business have adopted, or are currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. In particular, governmental and regulatory authorities in the Netherlands, the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation, crisis and contingency management, bank levies and financial reporting, among others. For example, the EC has agreed upon a full scale revision of the solvency framework and prudential regime applicable to insurance and reinsurance companies known as "Solvency II", which was adopted on 25 November 2009. Each member state of the EEA, including the Netherlands, is required to implement Solvency II by 1 January 2013. Significant efforts towards establishing a more cohesive and streamlined European supervisory framework, including establishing a European Systemic Risk Board and a European Insurance and Occupational Pensions Authority, may also affect the Issuer's operations.

In addition, the Basel Committee on Banking Supervision has announced higher global minimum capital standards for banks, introduced a new global liquidity standard and called for a new leverage ratio. The Committee's package of reforms, collectively referred to as the "Basel III" rules, will, among other requirements, increase amount of common equity required to be held by subject banking institutions, prescribe the amount of liquid assets a subject banking institution must hold at a given moment, and limit leverage . Banks will be required to hold a "capital conservation buffer" to withstand future periods of stress such that the total Tier 1 common equity ratio, when fully phased in on 1 January 2019, will rise to 7%. Further, Basel III calls for stricter definitions of capital that will have the effect of disqualifying many hybrid securities, potentially including those issued by the Issuer, from inclusion in regulatory capital, as well as the higher capital requirements for trading, derivative and securitisation activities to be introduced at the end of 2011 as part of a number of reforms to the Basel II framework. In addition, the Basel Committee and Financial Stability Board (FSB) are currently considering measures that may have the effect of requiring higher loss absorbency capacity, liquidity surcharges, exposure limits and special resolution regimes for "systemically important financial institutions" (SIFIs) and so-called "Global" SIFIs (G-SIFI), in addition to the Basel III requirements otherwise applicable to most financial institutions. While the full impact of the new Basel III rules, and any additional requirements for SIFIs or G-SIFIs if and as applicable to the Issuer, will depend on how they are implemented by national regulators, including the extent to which regulators and supervisors can set more stringent limits and additional capital requirements or surcharges, as well as on the economic and financial environment at the time of implementation and beyond, the Issuer expects these rules can have a material impact on ING's operations and financial condition and may require the Issuer to seek additional capital. Further, the International Accounting Standards Board ("IASB") is considering changes to several IFRS standards, which changes could also have a material impact on the Issuer's reported results and financial condition.

Furthermore, in the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank" or the "Dodd-Frank Act") has imposed comprehensive changes to the regulation of financial services in the United States and has implications for non-US financial institutions with a US presence, such as ING. Dodd-Frank directs existing and newly-created government agencies and bodies to promulgate regulations implementing the law, a process anticipated to occur over the next few years. The Issuer cannot predict with any certainty the requirements of the regulations ultimately adopted or how Dodd-Frank and such regulations will affect the financial markets generally, impact the Issuer's business, credit or financial strength ratings, results of operations, cash flows or financial condition or advise or require the Issuer to raise additional capital. Key risks associated with the Dodd-Frank Act that may have an impact on the Issuer include:

- The newly created risk regulator — the Financial Stability Oversight Council (the "FSOC") — may designate the Issuer as a company whose material financial distress, or whose nature, scope, size, scale, concentration, interconnectedness or mix of activities, could pose a threat to the financial stability of the United States. In such an instance, the Issuer would become subject to the oversight of the Federal Reserve. If the Issuer becomes subject to the examination, enforcement and supervisory authority of the Federal Reserve, the Federal Reserve would have authority to impose capital requirements on the Issuer. The Issuer cannot predict what capital regulations the Federal Reserve will promulgate under these authorisations, either generally or as applicable to organisations with the Issuer's operations, nor can management predict how the Federal Reserve will exercise potential general supervisory authority over the Issuer as to its business practices. If designated as systemically important by the FSOC, the Issuer would become subject to unspecified stricter prudential standards, including stricter requirements and limitations relating to risk-based capital, leverage, liquidity and credit exposure, as well as overall risk management requirements, management interlock prohibitions and a requirement to maintain a plan for rapid and orderly dissolution in the event of severe financial distress. The Issuer may become subject to stress tests to be promulgated by the Federal Reserve in consultation with the newly created Federal Insurance Office (discussed below) to determine whether, on a consolidated basis, the Issuer has the capital necessary to absorb losses as a result of adverse economic conditions. The Issuer cannot predict how the stress tests will be designed or conducted or whether the results thereof will cause the Issuer to alter its business practices or affect the perceptions of regulators, rating agencies, customers, counterparties or investors about the Issuer's financial strength. The FSOC may also recommend that state insurance regulators or other regulators apply new or heightened standards and safeguards for activities or practices that the Issuer and other insurers or other financial services companies engage in.

- Title II of Dodd-Frank provides that a financial company may be subject to a special orderly liquidation process outside the federal bankruptcy code, administered by the Federal Deposit Insurance Corporation as receiver, upon a determination that the company is in default or in danger of default and presents a systemic risk to US financial stability.

- Dodd-Frank creates a new framework for regulation of the over-the-counter (OTC) derivatives markets and certain market participants which could affect various activities of the Issuer.

- Dodd-Frank establishes a Federal Insurance Office ("FIO") within the Department of the Treasury to be headed by a director appointed by the Secretary of the Treasury. While not having a general supervisory or regulatory authority over the business of insurance, the director of this office would perform various functions with respect to insurance (other than health insurance), including participating in the FSOC's decisions regarding insurers (potentially including the Issuer), to be designated for stricter regulation. The FIO may recommend enhanced regulations to the states. As of this writing, a director for FIO has not been named.

- Dodd-Frank establishes the Bureau of Consumer Financial Protection ("BCFP") as an independent agency within the Federal Reserve to regulate consumer financial products and services offered primarily for personal, family or household purposes. The BCFP will have significant authority to implement and enforce federal consumer financial laws, including the new protections established under Dodd-Frank, as well as the authority to identify and prohibit unfair and deceptive acts and practices. In addition, the BCFP will have broad supervisory, examination and enforcement authority over certain consumer products, such as mortgage lending. Insurance products and services are not within the BCFP's general jurisdiction, and broker-dealers and investment advisers are not subject to the BCFP's jurisdiction when acting in their registered capacity.

- Dodd-Frank also includes various securities law reforms that may affect the Issuer's business practices and the liabilities and/or exposures associated therewith, including a provision intended to authorize the SEC to impose on broker-dealers fiduciary duties to their customers, as applies to investment advisers under existing law, which new standard could potentially expose certain of ING's US broker-dealers to increased risk of SEC enforcement actions and liability. The SEC staff recently released a study on this issue.

In addition to the adoption of these measures, regulators and lawmakers around the world are actively reviewing the causes of the financial crisis and exploring steps to avoid similar problems in the future. In many respects, this work is being led by the Financial Stability Board ("FSB"), consisting of representatives of national financial authorities of the G20 nations. The G20 and the FSB have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The lawmakers and regulatory authorities in a number of jurisdictions in which the Issuer's subsidiaries conduct business have already begun introducing legislative and regulatory changes consistent with G20 and FSB recommendations, including proposals governing consolidated regulation of insurance holdings companies by the Financial Services Agency (FSA) in Japan, proposals governing executive compensation by the financial regulators in Germany (BaFIN) and the United Kingdom (FSA).

Governments in the Netherlands and abroad have also intervened over the past few years on an unprecedented scale, responding to stresses experienced in the global financial markets. Some of the measures adopted subject the Issuer and other institutions for which they were designed to additional restrictions, oversight or costs. For restrictions related to the Core Tier 1 Securities and the IABF, (together, the "Dutch State Transactions"), see "The Issuer's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of the Issuer's shares and the compensation of certain senior management positions". As a result of having received state aid through the Dutch State Transactions, the Issuer was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions. See "Risks Related to the Issuer — The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of the Issuer and involve significant costs and uncertainties that could materially impact the Issuer".

On 1 March 2011, the European Court of Justice issued its judgment in the widely-followed Test Achats case. The Test Achats decision, in effect, provides that the use of gender as a factor in the pricing of or benefits under life and non-life insurance coverage is incompatible with the principles of equal treatment of men and women under the EU Charter. The Test Achat decision provides for a transition period, however, until 21 December 2012, after which the use of such gender-based factors will no longer be permissible. It is unclear whether this prohibition also applies to existing insurance contracts. While it is too early to assess the impacts of the Test Achats case on ING's insurance business, it is expected that the industry generally will incur potentially significant compliance-related costs as policy forms, underwriting and pricing criteria, and related systems undergo required modifications. ING is unable at this stage to quantify the extent of any such costs or other impacts on its business, and intends to follow closely the implementation of the Test Achats decision during the above-referenced transition period.

The Issuer cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have on its business, results of operations and financial condition.

Despite the Issuer's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, there are a number of risks in areas where applicable regulations may be unclear, subject to multiple interpretation or under development or may conflict with one another, where regulators revise their previous guidance or courts overturn previous rulings, or the Issuer fails to meet applicable standards. Regulators and other authorities have the power to bring administrative or judicial proceedings against the Issuer, which could result, amongst other things, in suspension or revocation of its licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm the Issuer's results of operations and financial condition.

Turbulence and volatility in the financial markets have adversely affected the Issuer, and may continue to do so.

The Issuer's results of operations are materially impacted by conditions in the global capital markets and the economy generally. The stress experienced in the global capital markets that started in the second half of 2007 continued and substantially increased throughout 2008 and, although market conditions have improved, volatility continued in 2009, particularly the early part of the year. The crisis in the mortgage market in the United States, triggered by a serious deterioration of credit quality, led to a revaluation of credit risks. While certain conditions have improved over 2009 and 2010, these conditions have generally resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities ("ABS") and other structured products have significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities, including those rated investment grade, sovereign debt, the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. As a result of these and other factors, sovereign governments across the globe, including in regions where the Issuer operates, have also experienced budgetary and other financial difficulties, which have resulted in austerity measures, downgrades in credit rating by credit agencies, planned or implemented bail-out measures and, on occasion, civil unrest. As a result, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. In addition, the confluence of these and other factors has resulted in volatile foreign exchange markets. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets have also been experiencing heightened volatility and turmoil, with issuers, including the Issuer, that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on the Issuer's revenues and results of operations, in part because the Issuer has a large investment portfolio and extensive real estate activities around the world. In addition, the confidence of customers in financial institutions is being tested. Consumer confidence in financial institutions may, for example, decrease due to the Issuer's or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on the Issuer's revenues and results of operations, including through an increase of lapses or surrenders of policies and withdrawal of deposits. Because a significant percentage of the Issuer's customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007 and 2008, the Issuer has incurred substantial negative revaluations on its investment portfolio, which have impacted the Issuer's shareholders' equity and earnings. During 2009 and 2010, the revaluation reserve position improved substantially, positively impacting shareholders' equity. Although the Issuer believes that its reserves for insurance liabilities are generally adequate, inadequacies in certain product areas have developed.

Such impacts have arisen primarily as a result of valuation issues arising in connection with the Issuer's investments in real estate (both in and outside the US) and private equity, exposures to US mortgage-related structured investment products, including sub-prime and Alt-A Residential and Commercial Mortgage-Backed Securities ("RMBS" and "CMBS", respectively), Collateralized Debt Obligations ("CDOs") and Collateralized Loan Obligations ("CLOs"), monoline insurer guarantees and other investments. In many cases, the markets for investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. The Issuer continues to monitor its exposures, however there can be no assurances that it will not experience further negative impacts to its shareholders' equity or profit and loss accounts in future periods.

Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results of operations.

There is substantial competition in the Netherlands and the other countries in which the Issuer does business for the types of insurance, commercial banking, investment banking, asset management and other products and services it provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If the Issuer is not able to match or compete with the products and services offered by its competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect its results of operations. Such competition is most pronounced in the Issuer's more mature markets of the Netherlands, Belgium, the Rest of Western Europe, the United States, Canada and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large insurance and banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with the Issuer's competitors. The Netherlands and the United States are its largest markets for both its banking and insurance operations. The Issuer's main competitors in the banking sector in the Netherlands are ABN AMRO Bank and Rabobank. The Issuer's main competitors in the insurance sector in the Netherlands are Achmea, ASR and Aegon. The Issuer's main competitors in the United States are insurance companies such as Lincoln National, Hartford, Aegon Americas, AXA, Met Life, Prudential, Nationwide and Principal Financial. Increasing competition in these or any of the Issuer's other markets may significantly impact the Issuer's results if it is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in the Issuer's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity.

The Issuer may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices. In addition, under the Restructuring Plan the Issuer has agreed to certain restrictions imposed by the EC, including with respect to its price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses. See "The limitations agreed with the EC on the Issuer's ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer".

Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on its results of operations.

General

Third-parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include the issuers whose securities the Issuer holds, borrowers under loans originated, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, etc., or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for the Issuer, and defaults by other institutions. In light of experiences with significant constraints on liquidity and high cost of funds in the interbank lending market, and given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to the Issuer's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk.

The Issuer routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, the Issuer faces concentration risk with respect to specific counterparties and customers. The Issuer is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

With respect to secured transactions, its credit risk may be exacerbated when the collateral held by the Issuer cannot be realised, or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it. The Issuer also has exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, the Issuer holds certain hybrid regulatory capital instruments issued by financial institutions which permit such issuers to defer coupon payments on the occurrence of certain events or at their option. The EC has indicated that, in certain circumstances, it may require these financial institutions to defer payment. If this were to happen, the Issuer expects that such instruments may experience ratings downgrades and/or a drop in value and it may have to treat them as impaired, which could result in significant losses. There is no assurance that losses on, or impairments to the carrying value of, these assets would not materially and adversely affect the Issuer's business or results of operations.

In addition, the Issuer is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Issuer holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of the Issuer's counterparties could also have a negative impact on its income and risk weighting, leading to increased capital requirements. While in many cases the Issuer is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral it is entitled to receive and the value of pledged assets. The Issuer's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to the Issuer, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those currently experienced. The termination of contracts and the foreclosure on collateral may subject the Issuer to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect the Issuer's business, financial condition, results of operations, liquidity and/or prospects.

Reinsurers

The Issuer's insurance operations have bought protection for risks that exceed certain risk tolerance levels set for both the Issuer's life and non-life businesses. This protection is bought through reinsurance arrangements in order to reduce possible losses. Because in most cases the Issuer must pay the policyholders first, and then collect from the reinsurer, it is subject to credit risk with respect to each reinsurer for all such amounts. As a percentage of the Issuer's reinsurance as of 31 December 2010, the greatest exposure after collateral to an individual external reinsurer was approximately 24%, approximately 40% related to four other external reinsurers and the remainder of the reinsurance exposure related to various other reinsurers. The inability or unwillingness of any one of these reinsurers to meet its financial obligations to the Issuer, or the insolvency of the Issuer's reinsurers, could have a material adverse effect on the Issuer's net results and its financial results.

Improving market conditions observed over the last year, may not persist and increase the risk of loans being impaired. The Issuer is exposed to declining property values on the collateral supporting residential and commercial real estate lending.

The Issuer is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient.

The Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to further impairment charges on loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the size of the Issuer’s provision for loan losses could have a material adverse effect on its financial position and results of operations.

Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

Interest rate volatility may adversely affect the Issuer’s profitability.

Changes in prevailing interest rates may negatively affect the Issuer’s business including the level of net interest revenue the Issuer earns, and for its banking business the levels of deposits and the demand for loans. In a period of changing interest rates, interest expense may increase at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in the interest rates may negatively affect the value of the Issuer’s assets and its ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In addition, an increase in interest rates may decrease the demand for loans.

In addition, during periods of declining interest rates, life insurance and annuity products may be relatively more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year-to-year, creating asset liability duration mismatches. A decrease in interest rates may also require an addition to provisions for guarantees included in life policies, as the guarantees become more valuable to policy holders. During a low interest rate period, the Issuer’s investment earnings may be lower because the interest earnings on its fixed income investments will likely have declined in parallel with market interest rates on its assets recorded at fair value. Declining interest rates may also affect the results of the Issuer’s reserve adequacy testing which may in turn result in reserve strengthening. In addition, mortgages and fixed maturity securities in the Issuer’s investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, the Issuer may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, the Issuer’s profitability may suffer as the result of a decrease in the spread between interest rates charged to policyholders and returns on its investment portfolios.

Conversely, in periods of rapidly increasing interest rates, policy loans, and withdrawals and surrenders of life insurance policies and fixed annuity contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns. Obtaining cash to satisfy these obligations may require the Issuer to liquidate fixed maturity investments at a time when market prices for those assets are depressed because of increases in interest rates. This may result in realised investment losses. Regardless of whether the Issuer realises an investment loss, these cash payments would result in a decrease in total invested assets, and may decrease its net income. Premature withdrawals may also cause the Issuer to accelerate amortization of deferred policy acquisition costs, which would also reduce its net income.

The Issuer may incur losses due to failures of banks falling under the scope of state compensation schemes.

In the Netherlands and other jurisdictions deposit guarantee schemes and similar funds (“Compensation Schemes”) have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which the Issuer operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, the Issuer expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, the Issuer is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Dutch Deposit Guarantee Scheme are allocated among the participating banks by the Dutch Central Bank, *De Nederlandsche Bank N.V.* (the "Dutch Central Bank"), based on an allocation key related to their market shares with respect to the deposits protected by the Dutch Deposit Guarantee Schemes. Given its size the Issuer may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme, which it may be unable to recover from the bankrupt estate. The ultimate costs to the industry of payments which may become due under the Compensation Schemes, remains uncertain, although they may be significant and these and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition. Going forward the Dutch Deposit Guarantee Scheme may change from an ex-post scheme, where the Issuer contributes after the failure of a firm, to an ex-ante scheme where the Issuer pays yearly contributions to ensure the scheme holds a target level of fund regardless of whether any failures occur. The costs associated with potential future yearly contributions are today unknown, but given the Issuer's size, may be significant.

Risks Related to the Issuer's Business, Operations, and Regulatory Environment

The Issuer may be unable to manage its risks successfully through derivatives.

The Issuer employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rate, equity markets and credit spread changes and changes in mortality and longevity. The Issuer seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts including from time to time macro hedges for parts of its business.

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate the Issuer from risks associated with those fluctuations. The Issuer's hedging strategies also rely on assumptions and projections regarding the Issuer's assets, general market factors and the credit worthiness of the Issuer's counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, the Issuer's hedging activities may not have the desired beneficial impact on its results of operations or financial condition. Poorly designed strategies or improperly executed transactions could actually increase its risks and losses. If the Issuer terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. There have been periods in the past, and it is likely that there will be periods in the future, during which the Issuer has incurred or may incur losses on transactions, perhaps significant, after taking into account its hedging strategies. Further, the nature and timing of the Issuer's hedging transactions could actually increase the Issuer's risk and losses. In addition, hedging strategies involve transaction costs and other costs. The Issuer's hedging strategies and the derivatives that the Issuer uses and may use may not adequately mitigate or offset the risk of interest rate volatility, and the Issuer's hedging transactions may result in losses.

Because the Issuer uses assumptions about factors, the use of different assumptions about these factors may have an adverse impact on its results of operations.

The establishment of insurance provisions, including the impact of minimum guarantees which are contained within certain variable annuity products, the adequacy test performed on the provisions for life policies and the establishment of Deferred Acquisition Costs (DAC) and Value of Business Acquired (VOBA) are inherently uncertain processes involving assumptions about factors such as court decisions, changes in laws, social, economic and demographic trends, inflation, investment returns, policyholder behaviour (e.g., lapses, persistency, etc.) and other factors, and, in the life insurance business, assumptions concerning mortality, longevity and morbidity trends. The use of different assumptions about these factors could have a material effect on insurance provisions and underwriting expense. Changes in assumptions may lead to changes in the insurance provisions over time. Furthermore, some of these assumptions can be volatile.

Because the Issuer uses assumptions to model client behaviour for the purpose of its market risk calculations, the difference between the realisation and the assumptions may have an adverse impact on the risk figures and future results.

The Issuer uses assumptions in order to model client behaviour for the risk calculations in its banking and insurance books. Assumptions are used to determine insurance liabilities, the price sensitivity of savings and current accounts and to estimate the embedded optional risk in the mortgage and investment portfolios. The realisation or use of assumptions to determine the client behaviour different from those originally used could have a material adverse effect on the calculated risk figures and ultimately future results. ING Insurance has a significant exposure to the take up of policy options by policyholders. The exposure is greatest for variable annuity business with guarantees deeply in-the-money, policyholder behaviour is difficult to predict and small changes in the proportion of policyholders taking up an option can have a significant financial impact. Furthermore, assumptions about policyholder behaviour are sometimes made for new insurance business without a substantial amount of experiential data. These assumptions may prove imperfect, which can have a material impact on results.

The Issuer may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between results and underlying actuarial assumptions and models.

The Issuer's group companies operate various defined benefit retirement plans covering a significant number of their employees. The liability recognised in the Issuer's consolidated balance sheet in respect of the Issuer's defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of each plan's assets, together with adjustments for unrecognised actuarial gains and losses and unrecognised past service costs. The Issuer determines its defined benefit plan obligations based on internal and external actuarial models and calculations using the projected unit credit method. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, trend rates in health care costs, consumer price index, and the expected return on plan assets. These assumptions are based on available market data and the historical performance of plan assets, and are updated annually. Nevertheless, the actuarial assumptions may differ significantly from actual results due to changes in market conditions, economic and mortality trends and other assumptions. Any changes in these assumptions could have a significant impact on the Issuer's present and future liabilities to and costs associated with the Issuer's defined benefit retirement plans.

The Issuer's risk management policies and guidelines may prove inadequate for the risks it faces.

The methods the Issuer uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods did not predict the losses seen in the stressed conditions in recent periods, and may also not adequately allow prediction of circumstances arising due to the government interventions and stimulus packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information may not always be correct, updated or correctly evaluated.

The Issuer is subject to a variety of regulatory risks as a result of its operations in certain countries.

In certain countries in which the Issuer operates, judiciary and dispute resolution systems may be less developed. As a result in case of a breach of contract the Issuer may have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against the Issuer, it might encounter difficulties in mounting a defence against such allegations. If the Issuer becomes party to legal proceedings in a market with an insufficiently developed judiciary system, it could have an adverse effect on its operations and net result.

In addition, as a result of the Issuer's operations in certain countries, it is subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities, in these markets. In addition, the current economic environment in certain of these countries in which the Issuer operates may increase the likelihood for regulatory initiatives to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on the Issuer's ability to protect its economic interest in the event of defaults on residential mortgages.

Because the Issuer is continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and net result if clients' expectations are not met.

When new financial products are brought to the market, communication and marketing aims to present a balanced view of the product (however there is a focus on potential advantages for the customers). Whilst the Issuer engages in a due diligence process when it develops products, if the products do not generate the expected profit, or result in a loss, or otherwise do not meet expectations, customers may file claims against the Issuer. Such claims could have an adverse effect on the Issuer's operations and net result.

Ratings are important to the Issuer's business for a number of reasons. Downgrades could have an adverse impact on its operations and net results.

The Issuer has credit ratings from Standard & Poor's, Moody's and Fitch. Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits from ING following a downgrade, which could have an adverse effect on its liquidity.

Claims paying ability, at the Issuer or subsidiary level, and financial strength ratings are factors in establishing the competitive position of insurers. A rating downgrade could elevate lapses or surrenders of policies requiring cash payments, which might force the Issuer to sell assets at a price that may result in realised investment losses. Among others, total invested assets decreases and deferred acquisition costs might need to be accelerated, adversely impacting earnings. A downgrade may adversely impact relationships with distributors of the Issuer's products and services and customers, which may affect new sales and its competitive position.

Furthermore, ING Bank N.V.'s assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on the Issuer's competitive position. For ING's insurance businesses in a number of jurisdictions, such as the US and the EU, downgrades of assets will similarly affect the capital requirements for ING in those jurisdictions.

The Issuer's business may be negatively affected by a sustained increase in inflation.

A sustained increase in the inflation rate in the Issuer's principal markets would have multiple impacts on the Issuer and may negatively affect its business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may:

- decrease the value of certain fixed income securities it holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact its solvency position and net income,
- result in increased surrenders of certain life & savings products, particularly, those with fixed rates below market rates, and
- require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase the Issuer's interest expenses and reduce the Issuer's results of operations.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may:

- result in impairment charges to equity securities that the Issuer holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would reduce its net income and negatively impact its solvency position,
- negatively impact performance, future sales and surrenders of the Issuer's unit-linked products where underlying investments are often allocated to equity funds, and
- negatively impact the ability of the Issuer's asset management subsidiaries to retain and attract assets under management, as well as the value of assets they do manage, which may negatively impact their results of operations.

In addition, in the context of certain property & casualty risks underwritten by the Issuer's insurance subsidiaries (particularly "long-tail" risks), a sustained increase in inflation with a resulting increase in market interest rates may:

- result in claims inflation (i.e., an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim),
- coupled with an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders, and,
- consequently, actual claims payments significantly exceeding associated insurance reserves which would negatively impact the Issuer's results of operations.

In addition, a failure to accurately anticipate higher inflation and factor it into the Issuer's product pricing assumptions may result in a systemic mispricing of its products resulting in underwriting losses which would negatively impact its results of operations.

Operational risks are inherent in the Issuer's business.

The Issuer's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate trained or skilled personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud, or from external events that interrupt normal business operations. The Issuer depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in the Issuer's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of the Issuer's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardise the Issuer's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to the Issuer's reputation and hinder its operational effectiveness. The Issuer also faces the risk that the design and operating effectiveness of its controls and procedures prove to be inadequate or are circumvented. Furthermore, widespread outbreaks of communicable diseases, such as the outbreak of the H1N1 influenza virus, may impact the health of the Issuer's employees, increasing absenteeism, or may cause a significant increase in the utilization of health benefits offered to its employees, either or both of which could adversely impact its business. Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and the Issuer's operations may be subject to losses resulting from such disruptions. Losses can result from destruction or impairment of property, financial assets, trading positions, the payment of insurance and pension benefits to employees and the loss of key personnel. If the Issuer's business continuity plans are not able to be implemented or do not take such events into account, losses may increase further.

The Issuer has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future.

Reinsurance may not be available, affordable or adequate to protect the Issuer against losses. The Issuer may also decide to reduce, eliminate or decline primary insurance or reinsurance coverage.

As part of the Issuer's overall risk and capacity management strategy it purchases reinsurance for certain risks underwritten by its various insurance business segments. Market conditions beyond the Issuer's control determine the availability and cost of the reinsurance protection it purchases. Accordingly, the Issuer may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect its ability to write future business.

In addition, the Issuer determines the appropriate level of primary insurance and reinsurance coverage based on a number of factors and from time to time decide to reduce, eliminate or decline coverage based on its assessment of the costs and benefits involved. In such cases, the uninsured risk remains with the Issuer.

The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general.

Adverse publicity and damage to the Issuer's reputation arising from its failure or perceived failure to comply with legal and regulatory requirements, financial reporting irregularities involving other large and well known companies, increasing regulatory and law enforcement scrutiny of "know your customer” anti-money laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the mutual fund, banking and insurance industries, and litigation that arises from the failure or perceived failure by the Issuer to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputation harm, lead to increased regulatory supervision, affect the Issuer’s ability to attract and retain customers, maintain access to the capital markets, result in cease and desist orders, suits, enforcement actions, fines and civil and criminal penalties, other disciplinary action or have other material adverse effects on the Issuer in ways that are not predictable.

Risks related to the Restructuring Plan

The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of the Issuer and involve significant costs and uncertainties that could materially impact the Issuer.

In November 2008 the Dutch State purchased the Core Tier 1 Securities (the “Core Tier 1 Securities”), and in the first quarter of 2009 the Issuer entered into the Illiquid Asset Back-up Facility (IABF) with the Dutch State. As a result of having received state aid through the Dutch State Transactions, the Issuer was required to submit a restructuring plan (the “Restructuring Plan”) to the EC in connection with obtaining final approval for the Dutch State Transactions under the EC state aid rules. On 26 October 2009, the Issuer announced its Restructuring Plan, pursuant to which it is required to divest by the end of 2013 all of its insurance business, including the investment management business, as well as ING Direct US, which operates the Issuer’s direct banking business in the United States, and certain portions of its retail banking business in the Netherlands. The EC’s approval of the Restructuring Plan was issued on 18 November 2009. On 28 January 2010 ING lodged an appeal with the General Court of the European Union (the “General Court”) against specific elements of the EC’s decision regarding the Restructuring Plan. Although the Issuer believes in the merit of its appeal lodged with the General Court of the European Union, there can be no assurance as to its success or as to any consequences resulting from its rejection. Notwithstanding this appeal, the Issuer is committed executing the Restructuring Plan as announced on 26 October 2009.

In connection with the Restructuring Plan, the Issuer has also agreed to not be a price leader in certain EU markets with respect to certain retail, private and direct banking products and to refrain from (i) acquisitions of financial institutions and (ii) acquisitions of other businesses if this would delay the Issuer’s repurchase of the remaining Core Tier 1 Securities. Those limitations may last until 18 November 2012 and could adversely affect the Issuer’s ability to maintain or grow market share in key markets as well as the Issuer’s results of operations. See “Risks Related to the Issuer — The limitations agreed with the EC on the Issuer’s ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer”.

There can be no assurance that the Issuer will be able to implement the Restructuring Plan successfully or complete the announced divestments on favourable terms or at all, particularly in light of both the plan’s 2013 deadline and expected challenging market conditions in which other financial institutions may place similar assets for sale during the same time period and may seek to dispose of assets in the same manner. Any failure to successfully implement the Restructuring Plan may result in EC enforcement actions and may have a material adverse impact on the assets, profitability, capital adequacy and business operations of the Issuer. Moreover, in connection with the implementation of the Restructuring Plan, including any proposed divestments, the Issuer or potential buyers may need to obtain various approvals, including of shareholders, works councils and regulatory and competition authorities, and the Issuer and potential buyers may face difficulties in obtaining these approvals in a timely manner or at all. In addition, the implementation of the Restructuring Plan may strain relations with the Issuer's employees, and specific proposals in connection with the implementation may be opposed by labour unions or works councils. Furthermore, following the announcement of the Restructuring Plan, several of the Issuer's subsidiaries have been downgraded or put on credit watch by rating agencies. See "Ratings are important to the Issuer's business for a number of reasons. Downgrades could have an adverse impact on the Issuer's operations and net results".

Other factors that may impede the Issuer's ability to implement the Restructuring Plan successfully include an inability of prospective purchasers to obtain funding due to the deterioration of the credit markets, insufficient access to equity capital markets, a general unwillingness of prospective purchasers to commit capital in the current market environment, antitrust concerns, any adverse changes in market interest rates or other borrowing costs and any declines in the value of the assets to be divested. Similarly, it may also be difficult to divest all or part of the Issuer's insurance or investment management business through one or more initial public offerings. There can also be no assurance that the Issuer could obtain favourable pricing for a sale of all or part of its insurance or investment management business in the public markets or succeed in turning the relevant subsidiaries into viable standalone businesses. A divestment may also release less regulatory capital than the Issuer would otherwise expect.

Any failure to complete the divestments on favourable terms, could have a material adverse impact on the Issuer's assets, profitability, capital adequacy and business operations. If the Issuer is unable to complete the announced divestments in a timely manner, it would be required to find alternative ways to reduce its leverage, and it could be subject to enforcement actions or proceedings by the EC. In particular, if the Issuer does not succeed in completing divestitures as described in the Restructuring Plan within the timelines set out therein, the EC may request the Dutch State to appoint a divestiture trustee with a mandate to complete the relevant divestiture with no minimum price.

The implementation of the divestments announced in connection with the Restructuring Plan, including the separation of the insurance and most of the investment management operations from the banking operations, will also give rise to additional costs related to the legal and financial assessment of potential transactions. The implementation may also result in increased operating and administrative costs. The process of completing the steps contemplated by the Restructuring Plan may be disruptive to the Issuer's business and the businesses it is trying to sell and may cause an interruption or reduction of the Issuer's business and the businesses to be sold as a result of, among other factors, the loss of key employees or customers and the diversion of management's attention from the Issuer's day-to-day business as a result of the need to manage the divestment process as well as any disruptions or difficulties that arise during the course of the divestment process. The Issuer may face other difficulties in implementing the Restructuring Plan and completing the planned divestments. For instance, the divestments, individually or in the aggregate, may trigger provisions in various contractual obligations, including debt instruments, which could require the Issuer to modify, restructure or refinance the related obligations. The Issuer may not be able to effect any such restructuring or refinancing on similar terms as the current contractual obligations or at all. In addition, the announced divestments could be the subject of challenges or litigation, and a court could delay any of the divestment transactions or prohibit them from occurring on their proposed terms, or from occurring at all, which could adversely affect the Issuer's ability to use the funds of the divestments to repurchase the Core Tier 1 Securities, reduce or eliminate its double leverage and strengthen its capital ratios as anticipated and eliminate the constraints on competition imposed by the EC.

The limitations agreed with the EC on the Issuer's ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer.

As part of its Restructuring Plan, the Issuer has undertaken with the EC to accept certain limitations on its ability to compete in certain retail, private and direct banking markets in the European Union and on its ability to acquire (i) financial institutions and (ii) businesses insofar this would delay its repurchase of the remaining Core Tier 1 Securities held by the Dutch State. These restrictions apply until the earlier of (1) 18 November, 2012, and (2) the date upon which the Issuer repurchases all remaining Core Tier 1 Securities held by the Dutch State. The Issuer has also agreed to limitations on its ability to call Tier-2 capital and Tier 1 hybrid debt instruments. If the EC does not approve the calling of Tier-2 capital and Tier 1 hybrid debt instruments in the future, this may have adverse consequences for the Issuer, result in additional payments on these instruments and limit the Issuer's ability to seek refinancing on more favourable terms. The limitations described above will impose significant restrictions on the Issuer's banking business operations and on the Issuer's ability to take advantage of market conditions and growth opportunities. Such restrictions could adversely affect the Issuer's ability to maintain or grow market share in key markets, as well as its results of operations.

Upon the implementation of the Restructuring Plan, the Issuer will be less diversified and may experience competitive and other disadvantages.

Following completion of the planned divestments under the Restructuring Plan, the Issuer expects to become a significantly smaller, regional financial institution focused on retail, direct and commercial banking in the Benelux region and certain other parts of Europe, as well as selected markets outside Europe. Although the Issuer will remain focused on banking operations, it may become a smaller bank than that represented by its current banking operations. In the highly competitive Benelux market and the other markets in which the Issuer operates, the Issuer's competitors may be larger, more diversified and better capitalised and have greater geographical reach than the Issuer, which could have a material adverse effect on the Issuer's ability to compete, as well as on its profitability. The divested businesses may also compete with the retained businesses, on their own or as part of the purchasers' enlarged businesses. In addition, the restrictions on the Issuer's ability to be a price leader and make acquisitions and on its compensation policies could further hinder its capacity to compete with competitors not burdened with such restrictions, which could have a material adverse effect on the Issuer's results of operations. There can be no assurance that the implementation of the Restructuring Plan will not have a material adverse effect on the market share, business and growth opportunities and results of operations for the Issuer's remaining core banking businesses.

The Issuer's Restructuring Programs may not yield intended reductions in costs, risk and leverage.

On 26 October 2009, the Issuer announced that it had reached an agreement with the EC on the Restructuring Plan. Projected cost savings and impact on the Issuer's risk profile and capital associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- divestments planned in connection with the Restructuring Plan may not yield the level of net proceeds expected, as described under "The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of the Issuer and involve significant costs and uncertainties that could materially impact the Issuer";
- initiatives the Issuer is contemplating may require consultation with various regulators as well as employees and labour representatives, and such consultations may influence the timing, costs and extent of expected savings;

- the loss of skilled employees in connection with the initiatives; and
- projected savings may fall short of targets.

While the Issuer has begun and expects to continue to implement these strategies, there can be no assurance that it will be able to do so successfully or that it will realise the projected benefits of these and other restructuring and cost saving initiatives. If the Issuer is unable to realize these anticipated cost reductions, its business may be adversely affected. Moreover, the Issuer's continued implementation of restructuring and cost saving initiatives may have a material adverse effect on the Issuer's business, financial condition, results of operations and cash flows.

The Issuer's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions.

For so long as the Dutch State holds at least 25% of the Core Tier 1 Securities, for so long as the IABF is in place, or for so long as any of the government guaranteed senior unsecured bonds issued by ING Bank N.V. under the Credit Guarantee Scheme of the Netherlands (the "Government Guaranteed Bonds") are outstanding, the Issuer is prohibited from issuing or repurchasing any of its own shares (other than as part of regular hedging operations and the issuance of shares according to employment schemes) without the consent of the Dutch State's nominees on the Supervisory Board. In addition, under the terms of the Core Tier 1 Securities and IABF, the Issuer has agreed to institute certain restrictions on the compensation of the members of the Executive Board and senior management, including incentives or performance-based compensation. These restrictions could hinder or prevent the Issuer from attracting or retaining the most qualified management with the talent and experience to manage its business effectively. In connection with these transactions, the Dutch State was granted the right to nominate two candidates for appointment to the Supervisory Board. The Dutch State's nominees have veto rights over certain material transactions. The Issuer's agreements with the Dutch State have also led to certain restrictions imposed by the EC as part of the Restructuring Plan, including with respect to the Issuer's price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses. See "Risks Related to the Issuer — The limitations agreed with the EC on the Issuer's ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer".

Whenever the overall return on the (remaining) Core Tier 1 Securities issued to the Dutch State is expected to be lower than 10% p.a., the European Commission may consider the imposition of additional behavioural constraints.

As stated in the decision of the European Commission of 12 November 2008 (in State aid N 528/2008 — The Netherlands), the core Tier 1 state-aid measure must be (re)notified to the European Commission by the Dutch authorities whenever the overall return on the Core Tier 1 Securities is expected to be lower than 10% p.a. Such (re)notification by the Dutch authorities is particularly required (i) when ING abstains from paying dividend on its shares for a period of two consecutive years or for three years in the five years following the date of the aforementioned decision or (ii) if after a transition period of one year following the date of the aforementioned decision, the share price over a period of two consecutive years remains on average below EUR 13. In such cases, the European Commission may require additional behavioural constraints as a condition of the compatibility of the measure.

DESCRIPTION OF ING GROEP N.V.

Profile

ING Groep N.V., also called ING Group, is the holding company of a broad spectrum of companies (together called "ING"), offering banking, investments, life insurance and retirement services to about 85 million private, corporate and institutional clients in Europe, the United States, Canada, Latin America, Asia and Australia. Originating from The Netherlands, ING has a workforce of more than 107,000 people worldwide. Based on market capitalisation, ING Groep N.V. is one of the 20 largest financial institutions in Europe (source: MSCI, Bloomberg, 31 December 2010). ING Groep N.V. is a listed company and holds all shares of ING Bank N.V. and ING Verzekeringen N.V., which are non-listed 100% subsidiaries of ING Groep N.V.

On 26 October 2009 ING announced a new strategic direction. It will separate its banking operations and insurance operations (including investment management operations) and develop towards a mid-sized international bank, anchored in The Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. On the same date, ING announced that all insurance operations (including investment management operations) would be divested over the following four years. ING conducts its banking operations principally through ING Bank N.V. ("ING Bank") and its insurance operations (including investment management operations) principally through ING Verzekeringen N.V. and its subsidiaries ("ING Insurance").

ING Bank

ING Bank is a large international player with an extensive global network in over 40 countries. It has strong established positions in The Netherlands, Belgium and Luxembourg and key positions in Poland, Romania and Turkey, the largest Central and Eastern Europe markets. ING Bank holds strong positions in Germany, France, Italy, Spain, the United Kingdom and the United States. ING Bank also has profitable businesses in Canada and Asia/Pacific. It has an extensive international network to service and support its corporate clients. From 1 January 2011, ING Bank began operating as a stand-alone company.

With more than 72,000 employees, ING Bank is active through the following business lines: Retail Banking, including ING Direct, and Commercial Banking.

Retail Banking provides retail and private banking services to individuals and small and medium-sized enterprises in The Netherlands, Belgium, Luxembourg, Poland, Romania, Turkey, India, Thailand and China (through a stake in Bank of Beijing) with a multi-product, multi-channel distribution approach. In mature markets, Retail Banking focuses on wealth accumulation, savings and mortgages, with an emphasis on operational excellence, cost leadership and customer satisfaction. In developing markets, Retail Banking aims to become a prominent local player by offering simple but high quality products. ING Direct offers direct banking services in Canada, Spain, Australia, France, the United States, Italy, Germany, the United Kingdom and Austria. ING Direct's focus is on offering five simple and transparent retail banking products at very low cost: savings, mortgages, payment accounts, investment products and consumer lending.

Commercial Banking offers core banking services such as lending, payments and cash management in more than 40 countries. It provides clients with tailored solutions in areas including corporate finance, structured finance, commercial finance, equity markets, financial markets and leasing. Clients are corporations – ranging from medium-sized and large companies to major multinationals – as well as governments and financial institutions.

ING Insurance

ING Insurance is represented in almost 30 countries around the world through a variety of insurance companies, offering life insurance, retirement services and investment and asset management products and services. In a selected number of countries non-life insurance is offered. In approximately 20 countries ING Insurance started life insurance companies from scratch in the 1980s, in Europe, in Asia and in Latin America.

Since 1 January 2010, ING Insurance is active through the following business lines: Insurance Benelux, Insurance Central & Rest of Europe, Insurance US (excluding US Closed Block VA), US Closed Block VA, Insurance Latin America, Insurance Asia/Pacific, and ING Investment Management. Over 34,000 people are active in these business lines. This reporting structure has been applied in respect of the ING Group insurance business disclosure included in the ING Group quarterly reports as from Q1 2010. Listed below are the main activities of the ING Insurance business lines:

- Insurance Benelux includes ING's life and non-life insurance, investment and pension businesses in the Netherlands, Belgium and Luxembourg.
- Insurance Central & Rest of Europe consists of ING's life insurance and pensions operations in nine countries which include Poland, the Czech Republic, Slovakia, Hungary, Romania, Greece and Spain as well as greenfield operations in Bulgaria and Turkey.
- Insurance US includes ING's retirement services and life insurance operations in the US. In the US, ING is a large provider of defined contribution retirement plans in terms of assets under management and administration.
- 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 Latin America includes ING's pension, insurance and investment businesses in the region and is present in six countries including Mexico, Chile, Peru, Colombia, Uruguay, and Brazil through a joint venture in SulAmérica, a wealth management and insurance company in the country.
- Insurance Asia/Pacific is present in seven countries including Japan, Malaysia, South Korea, Thailand, China, Hong Kong and India. It offers life insurance, investment and retirement services products and services to a broad range of retail, corporate and institutional clients.

ING Investment Management is a global asset manager and is the principal investment manager of ING Group. It has operations in 33 countries across the Americas, Asia-Pacific, Europe and the Middle East. ING IM provides retail and institutional clients with access to domestic, regional and global investment solutions.

Incorporation and history

ING Groep N.V. was incorporated under Dutch law in The Netherlands on 21 January 1991 for an indefinite duration in the form of a public limited company (*naamloze vennootschap*) as Internationale Nederlanden Groep N.V., also known as ING Group.

ING Group is the result of the merger between NMB Postbank Group and Nationale-Nederlanden in 1991. NMB Bank and Postbank, two leading Dutch banks, merged in 1989. The legal name of NMB Bank as holding company for the merged entities was changed into NMB Postbank Groep N.V. On 4 March 1991 NMB Postbank Groep N.V. merged with Nationale-Nederlanden N.V., the largest Dutch insurance group. On that date the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange the shares of NMB Postbank Groep N.V. and of Nationale-Nederlanden N.V. NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. continued as sub-holding companies of Internationale Nederlanden Groep N.V. An operational management structure ensured a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies remained legally separate. After interim changes of names the statutory names of the above-mentioned companies have been changed into ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. on 1 December 1995.

On 13 May 2009, ING announced that – in line with the April 2009 strategy announcement – it is taking measures to simplify its governance. These measures have been implemented. On 26 October 2009 ING announced that it would move towards a separation of its banking and insurance operations, clarifying the strategic direction for ING Bank and ING Insurance going forward. This has also lead to changes in the structure and composition of the respective Management Boards. ING Bank and ING Insurance now each have their own Management Board, consisting of the Group CEO, CFO and CRO and positions for three other members.

The registered office is at Amstelveenseweg 500 (ING House), 1081 KL Amsterdam, The Netherlands, telephone number +31 20 541 5411. ING Groep N.V. is registered at the Chamber of Commerce and Industry of Amsterdam under no. 33231073 and its corporate seat is in Amsterdam, the Netherlands. In connection with the cancellation of all preference A shares in the capital of ING Groep N.V., the Articles of Association of ING Groep N.V. were amended by notarial deed executed on 8 October 2008. According to article 3 of the Articles of Association, the object of ING Groep N.V. is to participate in, manage, finance, furnish personal or real security for the obligations of and provide services to other enterprises and institutions of any kind, but in particular enterprises and institutions which are active in the field of insurance, lending, investment and/or other financial services, and to engage in any activity which may be related or conducive to the foregoing.

ING’s implementation of the Dutch Corporate Governance Code (the ‘Code’) was approved at the General Meeting of Shareholders on 26 April 2005. Given this approval, ING is deemed to be in full compliance with the Code. In December 2008, the Monitoring Committee of the Dutch Corporate Governance Code (the ‘Frijns Committee’) published an updated version of the Code. The revised Code became effective on 1 January 2009. ING has considered the revised Code and to what extent it could be implemented. As recommended by the Frijns Committee, the implementation of the revised Code was discussed at the 2010 General Meeting as a separate agenda item. On 27 April 2010 the General Meeting approved the implementation by ING Groep N.V. of the revised Dutch Corporate Governance Code.

Supervisory Board and Executive Board

ING Group has a two-tier board system, consisting of a Supervisory Board and an Executive Board. The Supervisory Board consists solely of independent non-executives. The task of the Supervisory Board is to supervise the policy of the Executive Board and the general course of events in the company and to assist the Executive Board by providing advice. The Executive Board is responsible for the daily management of the company.

The composition of the Supervisory Board and the Executive Board of ING Groep N.V. is as follows:

Supervisory Board:	Jeroen van der Veer (chairman), Peter A.F.W. Elverding (vice-chairman), J.P. (Tineke) Bahlmann, Henk W. Breukink, Sjoerd van Keulen, Piet C. Klaver, Joost Ch.L. Kuiper, Aman Mehta, Joan E. Spero, Luc A.C.P. Vandewalle and Lodewijk J. de Waal.

Executive Board:	Jan H.M. Hommen (chairman), Patrick G. Flynn (CFO) and J.V. (Koos) Timmermans (CRO).

The business address of all members of the Supervisory Board and the Executive Board is: ING Groep N.V., Amstelveenseweg 500 (ING House), P.O. Box 810, 1000 AV Amsterdam, The Netherlands.

In order to avoid potential conflicts of interest, ING has a policy that members of its Executive Board do not accept corporate directorships with listed companies outside ING. As a result, and given the different fields of business of each company, ING believes that there is no potential conflict of interests.

Details of relationships that members of the Executive Board may have with ING Group subsidiaries as ordinary, private individuals are not reported, with the exception of information on any loans that may have been granted to them. In all these cases, the company complies with the best-practice provisions of the Dutch Corporate Governance Code.

There are no potential conflicts of interest between any duties owed by the members of the Supervisory Board or the Executive Board to the Issuer and any private interests or other duties which such persons may have.

Listed below are the principal activities performed by members of the Supervisory Board outside ING.

Veer, J. van der

Vice-chairman and senior independent director of Unilever N.V., The Netherlands.

Non-executive director of Royal Dutch Shell plc, The Netherlands/United Kingdom.

Member of the Supervisory Board of Koninklijke Philips Electronics, The Netherlands.

Chairman of Platform Bètatechniek, The Netherlands.

Chairman of the Supervisory Council of Nederlands Openluchtmuseum, The Netherlands.

Member of the Board of Nationale Toneel (theatre), The Netherlands.

Elverding, P.A.F.W.

Chairman of the Supervisory Board of Océ N.V., The Netherlands.

Member of the Supervisory Board of SHV Holdings N.V., The Netherlands.

Chairman of the Supervisory Board of Q-Park N.V., The Netherlands.

Member of the Supervisory Board of Koninklijke FrieslandCampina N.V., The Netherlands.

Chairman of the Supervisory Board of Oostwegel Holding BV, The Netherlands.

Member of the Board of Stichting Instituut GAK, The Netherlands.

Bahlmann, J.P.

Chairman of the Dutch Media Authority (Commissariaat voor de Media), The Netherlands.

Professor in Business Administration, University of Utrecht, The Netherlands.

Vice-chairman of the Supervisory Board of N.V. Nederlandsche Apparatenfabriek “Nedap”, The Netherlands.

Member of the Board of Maatschappelijk Verantwoord Ondernemen Nederland (CSR), The Netherlands.

Chairman of Stichting Max Havelaar, The Netherlands.

Member of the Board of De Baak, Management Centre VNO-NCW, The Netherlands.

Member of the Board of Toneelgroep Amsterdam (theatre), The Netherlands.

Breukink, H.W.

Non-executive/vice-chairman of VastNed Offices/Industrial (real estate fund), The Netherlands.

Non-executive director of F&C hedge funds, Ireland.

Non-executive director of Brink Groep BV, The Netherlands.

Non-executive chairman of Heembouw Holding B.V., The Netherlands.

Chairman of the Supervisory Board of Omring (health care institution), Hoorn, The Netherlands.

Member of the Supervisory Board of HaagWonen (housing corporation), The Netherlands.

Keulen, S. van

Chairman of Holland Financial Centre, The Netherlands.

Member of the Supervisory Board of Heijmans N.V., The Netherlands.

Member of the Supervisory Board of APG Groep N.V., The Netherlands.

Chairman of the Supervisory Board of Mediq N.V., The Netherlands.

Chairman of the Supervisory Board of Musoni.

Member of the Supervisory Committee of World Wildlife Fund.

Chairman of the Board of Investment Fund for Health in Africa.

Member of the Supervisory Board of Stichting PharmAccess International, The Netherlands.

Member of the Board of Stichting Health Insurance Fund, The Netherlands.

Klaver, P.C.

Chairman of the Supervisory Board of TNT N.V., The Netherlands.

Chairman of the Supervisory Board of Dekker Hout Groep B.V., The Netherlands.

Chairman of the Supervisory Board of Jaarbeurs Holding B.V., The Netherlands.

Chairman of the Supervisory Board of Credit Yard Group B.V., The Netherlands.

Chairman of the Supervisory Board of Dura Vermeer Groep N.V., The Netherlands.

Chairman of the Supervisory Board of Blokker Holdings B.V., The Netherlands.

Member of the Supervisory Board of SHV Holdings N.V., The Netherlands.

Member of the Board of the African Parks Foundation, The Netherlands.

Chairman of the Supervisory Board of the Utrecht School of the Arts, The Netherlands.

Kuiper, J.Ch.L.

Member of the Supervisory Board of Hespri Holding B.V., The Netherlands.

Member of the Supervisory Board of AutoBinck Holding N.V., The Netherlands.

Member of the Supervisory Board of IMC B.V., The Netherlands.

Member of the Supervisory Board of Nexus Institute, The Netherlands.

Member of the Board of Stichting voor Ooglijders, The Netherlands.

Member of the Board of Prins Bernhard Cultuurfonds, The Netherlands.

Treasurer of Mondriaan Stichting, The Netherlands.

Member of the Board of Stichting Democratie en Media, The Netherlands.

Mehta, A.

Non-executive director of Tata Consultancy Services.

Non-executive director of Jet Airways Ltd.

Non-executive director of PCCW Ltd.

Non-executive director of Vedanta Resources Plc.

Non-executive director of Wockhardt Ltd.

Non-executive director of Godrej Consumer Products Ltd.

Non-executive director of Cairn India Ltd.

Non-executive director of Emaar MGF Land Ltd.

Non-executive director of Max India Ltd.

Member of the governing board of Indian School of Business.

Member of the International Advisory Council of INSEAD.

Spero, J.E.

Non-executive director of IBM Corporation.

Trustee of Council of Foreign Relations, Wisconsin Alumni Research Foundation, Morgridge Institute for Research.

Trustee Emerita of Columbia University and Amherst College.

Vandewalle, L.A.C.P.

Member of the Supervisory Board of Allia Insurance Brokers, Roeselare, Belgium.

Member of the Supervisory Board of Arseus, Waregem, Belgium.

Chairman of the Supervisory Board of Bakker Hillegom B.V., Lisse, The Netherlands.

Member of the Supervisory Board of Besix Groep, Sint-Lambrechts-Woluwe, Belgium.

Chairman of the Supervisory Board of Domo Real Estate, Waasmunster, Belgium.

Member of the Supervisory Board of Galloo, Menen, Belgium.

Member of the Supervisory Board of Masureel Veredeling, Wevelgem, Belgium.

Chairman of the Supervisory Board of Matexi Groep, Waregem, Belgium.

Chairman of the Supervisory Board of Plu Holding, Baillarges, France.

Member of the Supervisory Board of Sea-Invest, Gent, Belgium.

Member of the Supervisory Board of Sioen Industries, Ardooie, Belgium.

Chairman of the Supervisory Board of Transics International, Ieper, Belgium.

Member of the Supervisory Board of Vergroup, Kontich, Belgium.

Member of the Supervisory Board of Veritas, Kontich, Belgium.

Member of the Supervisory Board of Willy Naessens Industriebouw, Wortegem-Petegem, Belgium.

Waal, L.J. de

Member of the Supervisory Board of PGGM N.V., The Netherlands.

Member of the Advisory Board of Zorgverzekeraars Nederland, The Netherlands.

Chairman of the Advisory Board of Stichting Nationaal Fonds Kunstbezit, The Netherlands.

Chairman of the National Contact Point (NCP) of the OECD, The Netherlands.

Chairman of the Supervisory Council of Museum Volkenkunde, The Netherlands.

Supervisory Board committees

The Supervisory Board has five standing committees: the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. The organisation, powers and modus operandi of the Supervisory Board are detailed in the Supervisory Board Charter. Separate charters have been drawn up for the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. These charters are available on the ING website (www.ing.com). A short description of the duties for the Committees follows below.

The Audit Committee assists the Supervisory Board in monitoring the integrity of the financial statements of ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V., in monitoring the compliance with legal and regulatory requirements, and in monitoring the independence and performance of ING's internal and external auditors. The current members of the Audit Committee are Jeroen van der Veer (chairman ad interim), Tineke Bahlmann, Henk Breukink and Aman Mehta.

The Risk Committee assists and advises the Supervisory Board in monitoring the risk profile of the company as well as the structure and operation of the internal risk management and control systems.

The Remuneration Committee advises the Supervisory Board, among other things, on the terms and conditions of employment (including their remuneration) of Executive Board members and the policies and general principles on which the terms and conditions of employment of Executive Board members and of senior managers of ING and its subsidiaries are based.

The Nomination Committee, among other things, advises the Supervisory Board on the composition of the Supervisory Board and Executive Board.

The Corporate Governance Committee assists the Supervisory Board in monitoring and evaluating the corporate governance of ING as a whole and the reporting on this in the Annual Report and to the General Meeting, and advises the Supervisory Board on improvements.

FIVE YEAR KEY CONSOLIDATED FIGURES ING GROEP N.V.*:

	2010	2009	2008	2007	2006
Income (in EUR million)					
Banking operations	**17,734**	12,293	11,662	14,602	14,195
Insurance operations	**37,488**	35,808	54,920	62,208	59,642
Intercompany eliminations	**335**	336	291	223	216
Total income	**54,887**	47,765	66,291	76,586	73,621
Staff expenses and operating expenses (in EUR million)					
Banking operations	**10,153**	10,158	10,122	9,970	9,070
Insurance operations	**4,341**	4,387	5,449	5,498	5,269
Total operating expenses	**14,494**	14,545	15,571	15,468	14,339
Additions to loan loss provision Banking operations (in EUR million)	**1,751**	2,973	1,280	125	103
Result (in EUR million)					
Banking result before taxation	**5,830**	-838	106	4,510	5,005
Insurance result before taxation	**-1,353**	-687	-1,593	6,533	4,935
Result before taxation	**4,477**	-1,525	-1,487	11,043	9,940
Taxation	**1,152**	-472	-721	1,535	1,907
Minority interests	**105**	-118	-37	267	341
Net result	**3,220**	-935	-729	9,242	7,692
Figures per ordinary share (in EUR)					
Basic earnings	**0.73**	-0.57	-0.27	3.31	2.74
Dividend			0.74	1.48	1.32
Shareholders' equity (in parent)	**10.99**	8.95	8.55	17.73	17.78
Balance sheet (in EUR billion)					
Total assets per 31 December	**1,247**	1,164	1,332	1,313	1,226
Total equity per 31 December	**47**	40	29	40	41
Shareholders' equity (in parent) per 31 December	**42**	34	17	37	38
Core Tier 1 Securities per 31 December	**5**	5	10		
Employees (FTEs, per 31 December)	**107,106**	107,173	124,661	124,634	119,801

Note: small differences are possible in the tables due to rounding.

* These figures were derived from the annual report of ING Group N.V., which include the audited annual

accounts, for the years ended 31 December 2006 to 2010, respectively.

Share capital and preference shares

The authorised share capital of ING Groep N.V. amounts to EUR 2,160 million, consisting of 4,500 million ordinary shares with a nominal value of EUR 0.24 each and 4,500 million cumulative preference shares, with a nominal value of EUR 0.24 each. A proposal to increase the authorised share capital of ING Groep N.V. to EUR 4,560 million, consisting of 14,560 million ordinary shares with a nominal value of EUR 0.24 each and 4,500 million cumulative preference shares, with a nominal value of EUR 0.24 each, was approved by the annual General Meeting held on 9 May 2011. The issued and paid-up capital amounted to EUR 919 million, consisting of 3,832 million ordinary shares as at 31 December 2010. No cumulative preference shares have been issued.

Non-voting equity securities

On 12 November 2008, ING Groep N.V. issued EUR 10 billion non-voting equity securities to the Dutch government. This was effected by issuing one billion securities with an issue price of EUR 10 each. The nominal value of each security is EUR 0.24. Following the repurchase of 500 million non-voting equity securities in December 2009, another 500 million of non-voting equity securities representing EUR 5 billion remain outstanding. These securities do not have voting rights.

However as a holder of the non-voting equity securities, the Dutch government has the right to, subject to applicable law and to corporate governance practices, generally accepted under applicable stock listing regimes, recommend two candidates for appointment to the Supervisory Board. Certain Supervisory Board approval items require approval by these nominees. The Dutch State recommended Lodewijk de Waal and Tineke Bahlmann for appointment to the Supervisory Board, who were both appointed by the General Meeting of Shareholders on 27 April 2009. The non-voting equity securities are deeply subordinated and rank pari-passu with ordinary shares in a winding up of ING Group. For a further description of the arrangements with the Dutch State and its implications on the corporate governance of ING Groep N.V. see “Risk Factors – The Issuer’s agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions.”.

SIGNIFICANT DEVELOPMENTS IN 2010 and 2011

Divestments

On 5 January 2010 ING announced that it had closed the transaction to transfer its US group reinsurance business, ING Reinsurance US, to Reinsurance Group of America, Inc (RGA). ING did not disclose terms of the agreement, which was previously announced on 16 October 2009 and effectively closed on 1 January 2010.

On 15 January 2010 ING announced that it had completed the sale of its Swiss Private Banking business (part of ING Bank) to Julius Baer Group Limited, the leading pure-play Swiss Private Banking group, for a consideration of CHF 520 million (EUR 344 million) in cash. As originally announced on 7 October 2009, the divestment is in line with ING's Back to Basics strategy to focus on fewer franchises and reduce the complexity of ING. ING Private Banking in the Benelux and Central Eastern Europe remains part of the core business of ING Bank.

On 29 January 2010 ING announced that it had completed the sale of its Asian Private Banking business to Overseas-Chinese Banking Corporation Limited (“OCBC Bank”) for a consideration of USD 1,463 million (approximately EUR 1 billion) in cash. OCBC Bank is Singapore's longest established local bank and offers a wide range of specialist financial services. As originally announced on 15 October 2009, the divestment is in line with ING's Back to Basics strategy to focus on fewer franchises and reduce the complexity of ING.

On 1 February 2010 ING announced that it had closed the sale of three of its U.S. independent retail broker-dealer units, which comprised three-quarters of ING Advisors Network, to Lightyear Capital LLC. ING did not disclose the terms of the agreement, which was previously announced on 3 November 2009. The divested units included Financial Network Investment Corporation, based in El Segundo, CA, Multi-Financial Securities Corporation, based in Denver, CO, PrimeVest Financial Services, Inc., based in St. Cloud, MI, as well as ING Brokers Network LLC, the holding company and back-office shared services supporting those broker-dealers, which collectively did business as ING Advisors Network.

On 27 August 2010 ING announced that it had agreed to sell its 50% stake in ING Summit Industrial Fund LP ("Summit"), a Canadian light industrial property portfolio to a joint venture between KingSett Capital and Alberta Investment Management Corporation (“AIMCo”).

On 1 November 2010, ING announced that it had closed the sale of its 50% stake in Summit to AIMCo. The transaction was in line with ING’s stated objective of reducing its exposure to real estate and did not affect the earlier announced evaluation of the position of ING Real Estate Investment Management within ING Bank. This separate process is ongoing. The transaction value for 100% of Summit was approximately CAD 2.0 billion and included assumed debt. The transaction did not have a material impact on ING Group’s 2010 results and capital ratios. The sale of the 50% stake owned by ING Industrial Fund, ING Group’s co-investor in Summit, was also closed in the same transaction.

On 8 December 2010 ING announced that it had sold its 5% stake in Fubon Financial Holding to institutional investors for a total amount equal to EUR 395 million. This sale is in line with ING’s stated objective to reduce complexity and divest non-core assets. ING obtained its stake in Fubon as part of the transaction to sell its Taiwanese life insurance business to Fubon, which was announced in October 2008 and closed in February 2009.

On 17 January 2011, ING announced that it is conducting an evaluation of the position of ING Real Estate Investment Management within the Banking business, which was previously announced. Within the context of this evaluation, ING confirmed that it is in discussions with several parties on a possible sale of parts of the ING Real Estate Investment Management business.

On 15 February 2011, ING announced that it had reached agreement to sell the majority of its ING Real Estate Investment Management business in two separate transactions with CB Richard Ellis Group, Inc and Clarion Partners management in partnership with Lightyear Capital LLC for a combined price of approximately USD 1.0 billion (EUR 770 million). In addition, as part of the overall transactions, ING also agreed to sell up to approximately USD 100 million of its equity interest in existing ING Real Estate Investment Management funds.

Repaying the Dutch State

In October 2008 and January 2009 ING entered into transactions with the Dutch State: the first time to strengthen its capital position and the second time to mitigate risk. In the fourth quarter of 2009 ING took action to start repaying this support. Through its rights issue ING successfully raised EUR 7.5 billion of new capital, which enabled it to repay EUR 5 billion of the Core Tier 1 Securities, representing half of the Core Tier 1 Securities, plus accrued coupon from 12 May 2009 to 20 December 2009 of EUR 259 million and a repayment premium of EUR 346 million. In addition, the capital raised provided ING with sufficient buffer to offset the negative capital impact of the additional payments to be made for the Illiquid Assets Back-up Facility.

ING announced on 7 March 2011 that it has informed the Dutch State of its intention to exercise its option for early repurchase of a further EUR 2 billion of the Core Tier 1 Securities at the next coupon reset date on 13 May 2011. The repurchase of 200,000,000 Core Tier 1 Securities - for which the Dutch Central Bank has given its approval - has a nominal value of EUR 2 billion. The total payment will amount to EUR 3 billion and includes a 50% repurchase premium. ING will fund this repurchase from retained earnings. Provided that the strong capital generation continues, ING intends to repurchase the remaining EUR 3 billion of the Core Tier 1 Securities ultimately by May 2012 from retained earnings. The final decision on repurchase of these Core Tier 1 Securities will be made before the envisaged repayment date and will be conditional upon there having been no material changes regarding ING's capital requirements and/or ING's outlook on external market conditions.

Other significant developments

On 19 April 2010 ING held its semi-annual Investor Day in London. 'ING Insurance: improving performance' was the main theme. At the Investor Day, ING announced a change in the structure of its financial disclosures to better reflect the management structure announced in October 2009. While ING used to report the underlying results in its Insurance business in Europe, Americas and Asia, starting the first quarter of 2010, it would report ING Insurance' results for the Benelux, Central & Rest of Europe, United States, Latin America, Asia/Pacific and ING Investment Management. In anticipation of the publication of the first quarter 2010 results on 12 May, ING provided the results over the last eight quarters following the new reporting structure including the regrouping of business lines and allocation changes.

On 10 November 2010, ING announced that it continued to make good progress towards creating strong stand-alone companies for banking and insurance. In line with this process, ING announced a number of changes in the structure and composition of the Management Boards for ING Bank and ING Insurance:

- For the separation and divestment of the insurance operations, ING has started preparing for a base case of two IPOs. One Europe-led IPO with solid cashflow combined with strong growth positions in developing markets, and one separate US-focused IPO with a leading franchise in retirement services. For that reason, ING is taking action to bring the hedging and accounting for its US business more into line with its US peers.

- With respect to ING Insurance, ING has adjusted the structure and composition of the Management Board Insurance, creating a position responsible for the operations in Europe and Asia/Pacific. As of 1 January 2011, Lard Friese was appointed to the Management Board Insurance with responsibility for the Benelux, Central and Rest of Europe and Asia/Pacific. Lard Friese (1962, Dutch) previously was CEO of ING Insurance Benelux. Gilbert Van Hassel was appointed to the Management Board Insurance as of 1 January 2011 with responsibility for ING Investment Management. Gilbert Van Hassel (1957, Belgian) previously was CEO of ING Investment Management. In light of the developments described above, Tom McInerney stepped down from his positions as Chief Operating Officer Insurance and member of the Management Board Insurance per 1 January 2011. The appointments were approved by the Dutch Central Bank and the applicable Works Councils.

- With respect to ING Bank, ING has adjusted the structure and composition of the Management Board Banking, which have been in line with the further development of the bank. As of 1 January 2011, William Connelly has been appointed CEO of Commercial Banking and member of the Management Board Banking, succeeding Eric Boyer de la Giroday. Until 1 January 2011, William Connelly (1958, French) combined the roles of

Global Head of Commercial Banking Services and CEO of ING Real Estate Investment Management. From 1 January 2011, Eric Boyer de la Giroday has solely concentrated on his role as vice-chairman of the Management Board Banking. The announced appointment has been formally approved by the Dutch Central Bank and the applicable works councils.

ING announced on 6 January 2011 that Jackson Tai resigned as of that day from the Supervisory Board of ING Group in order to avoid any conflicts of interests. This decision was taken in the context of the proposal by Bank of China to appoint Jackson Tai as one of its non-executive directors.

ING announced on 24 January 2011 that Godfried van der Lugt resigned as of that day from the Supervisory Board of ING Group for personal reasons.

ING announced on 15 March 2011 that it will propose to the 2011 annual General Meeting (AGM) the appointment of three new members to the Supervisory Board: Sjoerd van Keulen (1946, Dutch), Joost Kuiper (1947, Dutch) and Luc Vandewalle (1944, Belgian). On 9 May 2011, the AGM confirmed the appointment of the new members effective as of that date. The proposed appointments have been approved by the Dutch Central Bank. In addition, Peter Elverding has decided to no longer act as chairman of the Supervisory Board. However, he will remain as member and vice-chairman of the Supervisory Board. As his successor, the Supervisory Board has appointed Jeroen van der Veer as the new chairman of the Supervisory Board. Claus Dieter Hoffmann has retired from the Supervisory Board.

ING announced on 28 March 2011 that it would appoint Rodney (Rod) O. Martin, Jr. as Chief Executive Officer of ING Insurance U.S. The appointment is an important step in preparation for a successful IPO of ING's U.S.-based insurance and investment management operations. Rod Martin, former chairman of the International Life and Retirement Services operations at American International Group (AIG), would be responsible for strategy and performance of ING Insurance U.S., as well as the corporate staff functions.

RESULTS 2010

Overall development in 2010

Although economic conditions broadly improved, risks remained significant due to eurozone sovereign risk fears and a continued weak performance of the US economy. The financial sector was also confronted with proposed changes in the regulatory environment, as authorities launched proposals to increase capital, liquidity and risk requirements for banks and insurers.

Throughout 2010, work continued on the operational separation, which was successfully effectuated by the end of the year. A new governance structure was successfully put in place in order to ensure that the to-be separated units operate at arm's-length. In July, the CEBS stress test confirmed ING's ability to endure a stressful economic scenario. ING's commercial results further improved in 2010, as it continued along the path of reducing complexity and increasing focus, by divesting a number of non-core activities.

Economic recovery remains fragile

Macroeconomic conditions broadly improved in 2010, but the downside risks in the markets remained considerable. Manufacturing and global trade rose significantly, supported by increased stock building and a surge in fixed investments. However, in many advanced economies, household consumption remained low, reflecting continuously weak levels of consumer confidence due to a prolonged decline in household incomes and private wealth accumulation. In contrast, in many emerging economies, household spending and corporate investments remained at elevated levels and thus fuelled job creation. This was not enough, however, to quell fears of a further widening of global imbalances.

The continued weak performance of the US economy in particular contrasted sharply with economic growth rates achieved in developing markets like China, India and Brazil. Moreover, rising concerns on eurozone sovereign risks caused renewed distress in financial markets. As a result, market volatility remained high and, across the board, investor confidence did not significantly improve. In the second half of the year, however, financial conditions started to slightly improve, partly thanks to unprecedented European policy initiatives and unconventional monetary easing in the US.

Looking ahead, most developed economies and a few emerging markets continue to face challenging economic circumstances, in addition to which underlying sovereign risks and financial system vulnerabilities remain a significant concern. The outlook for the global economy in 2011 therefore continues to be uncertain.

Developments in supervision and regulation

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board (ESRB) and the following three European Authorities: Banking (EBA), Insurance and Occupational Pensions (EIOPA) and Securities and Markets (ESMA). These institutions are in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

In September 2010, the Basel Committee on Banking Supervision announced a substantial strengthening of existing capital requirements and the introduction of two international liquidity standards. The proposed Basel III framework covers both micro-prudential and macro-prudential elements. The framework sets out rules for higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee's package of reforms will gradually increase the minimum common equity requirement from 2% to 4.5% as from 1 January 2013 (transition period from 1 January 2013 until 1 January 2017). In addition, banks will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirements to a minimum of 7%.

Furthermore, to avoid periods of excess aggregate credit growth, a countercyclical buffer within a range of 0% – 2.5% of common equity or other fully loss-absorbing capital, according to national circumstances, has been proposed. These capital requirements are supplemented by a non-risk-based minimum Tier 1 leverage ratio of 3%.

The Basel Committee's reforms have introduced two international minimum standards for liquidity risk supervision with the aim of ensuring banks have an adequate liquidity buffer to absorb liquidity shocks. The first one is the liquidity coverage ratio (LCR; to be introduced on 1 January 2015), which is a test to promote shortterm resilience of a bank's liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is a net stable funding ratio (NSFR; to be introduced on 1 January 2018), which is a test to promote resilience over a longer period by creating additional incentives for banks to fund their activities with more stable funding on an ongoing basis. The NSFR test is similar to the LCR except the period over which it is tested is one year.

Furthermore, in parallel to the workstream at international level, the European Commission is proposing a European Crisis Management Framework. In this framework different issues will be addressed, such as prevention tools and early intervention and final resolution mechanisms.

ING generally supports the Basel Committee and European Commission reform programmes to strengthen the global capital and liquidity regulations and reduce market volatility. Notwithstanding, a number of proposals may hamper traditional retail-oriented institutions in their intermediary function, and thus reduce their ability to play their important role in the European economy. Further, the new rules still allow national regulators a measure of autonomy. For instance, the liquidity requirements assign relatively large powers to national regulators, which may affect the level playing field in the European Internal Market. Hence, the biggest challenge for policy makers and supervisors is to take a coordinated and unified approach. It is essential that supervisors and regulators across the globe adopt a more consistent and coordinated approach (e.g. while Europe is already introducing Basel III, Basel II is not yet fully applied in the US).

The regulatory agenda for insurance companies was dominated by the further development of Solvency II, which aims to introduce a modernised risk framework for insurance companies. Solvency II adopts a broad three pillar supervisory structure similar to Basel II, but with a fundamental difference in that a full Market Value Balance Sheet (MVBS) approach and a full economic risk approach to measuring required capital (Economic Capital) have been proposed.

Solvency II may require fundamental shifts in product offerings, pricing and investment portfolio allocation, e.g. by making it far less advantageous to offer long-term investment guarantees. Whereas ING has always been, and remains supportive of the Solvency II framework, a number of issues have arisen during 2010 with regard to the development of the detailed implementing measures. To safeguard the (financial) stability of the insurance industry, the volatility of the Market Value Balance Sheet needs to be sufficiently recognised and addressed. Also, to ensure an international level-playing field, differences between solvency regimes need to be taken into account, e.g. by finding a solution for the treatment of third countries in Solvency II. Finally, rules originally designed for banking should not be automatically applied to the insurance industry.

What is more, in a white paper published in July 2010, the European Commission concluded that the existing differences between national Insurance Guarantee Schemes across the EU create insufficient and uneven levels of protection for insurance policyholders. Therefore, the Commission has suggested a minimum harmonisation directive requiring the establishment of an Insurance Guarantee Scheme as a last-resort mechanism in each Member State. Legislative proposals are expected in the second half of 2011.

Moreover, it is noted that a number of relevant changes in accounting regulations are being considered by the accounting standards bodies. These include proposed changes to accounting for financial instruments, loan loss provisions, hedges, insurance contracts, leasing and others. These changes may, both individually and collectively, be very important to banking and insurance companies, including ING. ING generally supports the efforts to improve and simplify the accounting regulations as well as the objective of international convergence.

Appeal against EC decision

In January 2010, ING lodged an appeal with the General Court of the European Union against specific elements of the European Commission’s decision of 18 November 2009. ING has requested the General Court to annul the decision of the European Commission, insofar as it qualifies the core Tier 1 amendment (i.e. the agreement between ING and the Dutch State concerning a reduction of the repayment premium for the first EUR 5 billion tranche of Core Tier 1 Securities) as additional state aid (of EUR 2 billion), requires price leadership bans and imposes disproportional restructuring measures. The Dutch State also lodged an appeal with the General

Court to contest the EC decision insofar as it qualifies the core Tier 1 amendment as additional state aid.

ING believes it is in the interest of all its stakeholders to use the opportunities provided by law to let the General Court review these elements of the EC's decision. However, the appeal does not alter ING's commitment to execute Restructuring Plan and ING stands firmly behind its strategic decision to separate its banking and insurance operations and divest the latter. A decision by the General Court is expected in 2011.

ING passes stress test CEBS

Together with 90 other EU-based financial institutions, ING was subject to the 2010 EU-wide stress testing exercise coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank, and the Dutch Central Bank. The objective of the 2010 EU-wide stress test was to assess the overall resilience of the EU banking sector and the banks' ability to absorb further possible shocks from credit and market risks, including sovereign risks.

The stress test complemented the risk management procedures and regular stress testing programmes set up in ING under the Pillar 2 framework of the Basel II and Capital Requirements Directive (CRD) requirements. The results, announced in July 2010, confirmed that ING's focus on the strengthening of its Bank's balance sheet since the spring of 2009 has given it sufficient resilience to endure a stressful economic scenario.

Operational separation of ING Bank and ING Insurance

Throughout 2009 and 2010, ING worked towards a self-imposed deadline to separate its banking and insurance/investment management businesses at an operational level before the end of 2010. Project teams around the world were established to ensure an orderly separation process. The total separation costs incurred in 2010 amounted to EUR 85 million after tax. For 2011, these costs are estimated at around EUR 200 million after tax (excluding costs for rebranding).

In the first quarter of 2010, the separation process was kicked-off with a global inventory exercise. During this phase it was confirmed that the most challenges lay in Europe, in particular in the Netherlands. The most complicated issues related to IT, human resources, distribution and commercial agreements, as well as ING's capital structure. To facilitate the disentanglement process, all shared services, contracts, arrangements, co-ownerships, cross-directorships, and all services provided and received (including those delivered by third parties) had to be analysed and either fully separated or covered in temporary or long-term service agreements.

By the end of 2010 a solution was created for most of the disentanglement projects. Consequently, from 1 January 2011, ING's bank and insurance/investment management businesses became operationally separate under the ING umbrella. Where an interim solution has been put in place, such as critical IT or HR services, a degree of interrelationship remains, which is mitigated through (signed) contracts and ring-fencing measures. In a limited number of instances, where these measures were not feasible due to high costs or time constraints, a documented exception was formalised. By the end of 2011, most interim solutions and documented exceptions that enabled operational separation will be replaced by permanent solutions; thus turning the operational separation into a full separation.

Where the resolution of a specific disentanglement project is expected after 2011 a long-term service agreement will be put in place. The outcome of a small number of projects depends on the details of the actual transaction(s). Hence, the implementation of these projects will be delayed until such details are available. The implementation of local end-state solutions as well as both the local temporary and long-term service agreements will be managed by the respective business units. Throughout ING, a new governance structure has been inaugurated to ensure that the to-be separated units operate at arm's-length.

ING Bank and ING Insurance will continue to work together for commercial purposes. The bank will continue to sell insurance/investment management products, and the insurer/investment manager will continue to use bank services. Terms and conditions of this cooperation have been formalised and brought at arm's length.

Over the course of 2010, the vast majority of support functions were moved to the bank and the insurer/investment manager respectively. The activities that will remain at the ING Group level until the completion of the separation process are those that relate to ING Group's responsibilities to shareholders. These include support functions which are vital to comply with material legal and regulatory requirements, and/or to ensure effective and efficient execution of ING Group control. Consequently, both businesses have their own head office, with their own corporate support functions from 1 January 2011.

With the operational separation thus formalised, ING's attention has shifted to the next step: how to actually separate its businesses and execute the divestment process. Building on an analysis of market and regulatory conditions, ING formulated a base case scenario. While the option of one initial public offering (IPO) remains open, ING will prepare itself for a base case of two IPOs: one Europe-led IPO (including ING's activities in Asia) and one separate US-focused IPO. Hence, ING will in 2011 proceed with the operational disentanglement of its US and European/Asian Insurance/Investment Management operations.

Strong performance despite challenging operating environment

Overall, ING Group's business performance in 2010 was satisfactory, thanks to a strong performance of the Bank, which more than offset the effects of impairments, write-downs and assumption changes in the Insurer. Throughout the entire organisation – i.e. in both ING Group's banking and insurance businesses – concerted efforts were made to enhance customer centricity. This included initiatives to more pro-actively and systematically measure and monitor customer satisfaction. ING Group also started an evaluation of its entire product portfolio and product approval procedures based on sharpened criteria for good customer care.

Divested businesses and strategic stakes in 2010

Throughout 2010, ING continued along the path set out in its Back to Basics programme launched in 2009 – the aim of which was to reduce complexity and increase focus, by divesting a number of non-core activities. In the first quarter of 2010, ING closed the sale of three of its U.S. independent retail broker-dealer units, which comprised three-quarters of ING Advisors Network, to Lightyear Capital LLC.

Also in the first quarter of 2010, ING completed the sale of its Asian Private Banking business to Oversea-Chinese Banking Corporation Limited (OCBC Bank). This transaction was in line with the objective to focus on fewer franchises and reduce the complexity of the Group. It generated a net profit for ING of a EUR 332 million. Accordingly, ING completed the sale of its Swiss Private Banking business to Julius Baer. This transaction generated an estimated net profit for ING of EUR 73 million.

Furthermore, ING sold its 5% stake in Fubon Financial Holding to institutional investors, in line with ING's stated objective to reduce complexity and divest non-core assets, for an amount equal to EUR 395 million. The transaction resulted in a pre-tax profit of EUR 189 million at ING Bank. In addition, to reduce ING's exposure to real estate, it sold its 50% stake in ING Summit Industrial Fund LP, a Canadian light industrial property portfolio, to a joint venture between KingSett Capital Inc. and its affiliates and certain clients of Alberta Investment Management Corporation. The transaction value for 100% of Summit was approximately CAD 2.0 billion and included assumed debt. In the third quarter of 2010, ING decided to sell its 3% financial investment stake in Kotak Mahindra Bank in India. The sale was in line with the strategic objective to increase focus and divest non-core activities.

Lastly, in December 2010, we announced the sale of ING Investment Management Philippines to the Bank of the Philippine Islands (BPI). This decision resulted from the strategic decision to split the bank and the insurer/investment manager. For in the Philippines, trust and investment management businesses must operate under a trust licence. As a consequence of the strategic split, ING can no longer conduct investment management activities in the Philippines through ING Bank Manila, as it did in the past. The Philippine investment management activities were therefore divested to another licensed bank (BPI).

Financial developments in 2010

The operating environment continued to improve gradually during the year, although the global economic recovery remained fragile and market volatility persisted. Nevertheless, ING Group's results showed a strong improvement compared with the previous year. ING Group's net result for the full-year 2010 was EUR 3,220 million compared to a net loss in 2009 of EUR 935 million. The 2010 net result includes a EUR 513 million goodwill write-down in the US in the third quarter of 2010 and a EUR 634 million write-down of deferred acquisition costs (DAC) in the fourth quarter as part of the measures to improve transparency and address the reserve adequacy of the US Closed Block Variable Annuity (VA) business in the US.

Underlying net result was EUR 3,893 million for the full-year 2010, up 300% from EUR 974 million a year earlier. Underlying net result is derived from total net result by excluding the impact from divestments and special items. Divestments recorded in 2010 totalled EUR 394 million, mainly reflecting the EUR 405 million profit on the sale of Private Banking Switzerland and Asia. Special items in 2010 were EUR –1,068 million, reflecting expenses for various restructuring programmes, separation costs and the already mentioned EUR 513 million goodwill write-down in the US. The separation costs were EUR 85 million for the full-year 2010. Divestments recorded in 2009 totalled EUR –150 million. Special items were EUR –1,759 million and included a one-time charge due to an accrual for additional future payments to the Dutch State of EUR 930 million and a EUR 554 million restructuring provision, which was predominantly related to headcount reduction for ING's Back to Basics programme.

ING's capital position remained strong, supported by the EUR 5.9 billion of core Tier 1 capital surplus generation from the bank in 2010. ING Bank's core Tier 1 ratio increased to 9.6% at year-end 2010 from 7.8% at year-end 2009.

Shareholders' equity increased EUR 7.7 billion from EUR 33.9 billion at the end of 2009 to EUR 41.6 billion at year-end 2010. This increase was caused by a positive change in revaluation reserves, positive exchange rate differences and the addition of the net profit.

Shareholders' equity per share was EUR 10.99 at year-end 2010 versus EUR 8.95 at year-end 2009.

ING Bank's underlying result before tax was robust in 2010 at EUR 5,862 million, a fourfold increase from the previous year. This strong improvement was driven by volume growth, strengthening of the interest margin, significant lower negative market-related impacts and a more normalised level of risk costs. Banking's commercial performance, i.e. underlying result before tax excluding market-related impacts and risk costs, was up 8% to EUR 7,814 million from EUR 7,266 million in 2009.

At ING Insurance, the 2010 underlying loss before tax of EUR 519 million was heavily impacted by adverse market and other impacts totalling EUR 2,262 million in 2010, an increase of EUR 626 million from EUR 1,636 million in 2009. The operating profit of ING Insurance, i.e. underlying result before tax excluding market and other impacts, improved 22% from EUR 1,434 million in 2009 to EUR 1,743 million in 2010. This improvement was driven by a significant improvement of the investment margin as well as higher fee and premium-based revenues. These factors were in part offset by rising administrative expenses.

FIRST QUARTER 2011 RESULTS AND FINANCIAL DEVELOPMENTS

In respect of selected historical information regarding the Issuer for the first quarter of 2011 investors are referred to the following sections in the Q1 Report: the section entitled “CHAIRMAN’S STATEMENT” on page 5; the section entitled “KEY FIGURES” on page 6; the section entitled “CONSOLIDATED RESULTS” on pages 7, 8 and 9; the section entitled “CONSOLIDATED BALANCE SHEET” on pages 10 and 11; and the section entitled “CAPITAL MANAGEMENT” on page 12.

CONSOLIDATED BALANCE SHEET OF ING GROEP N.V. *

(amounts in millions of euros)	31 December 2010	31 December 2009
Assets		
Cash and balances with central banks	**13,072**	15,390
Amounts due from banks	**51,828**	43,397
Financial assets at fair value through profit and loss		
- trading assets	**125,675**	111,444
- investments for risk of policyholders	**120,481**	104,597
- non-trading derivatives	**11,722**	11,632
- designated as at fair value through profit and loss	**6,016**	5,517
Investments		
- available-for-sale	**222,547**	197,703
- held-to-maturity	**11,693**	14,409
Loans and advances to customers	**613,204**	578,946
Reinsurance contracts	**5,789**	5,480
Investments in associates	**3,925**	3,699
Real estate investments	**1,900**	3,638
Property and equipment	**6,132**	6,119
Intangible assets	**5,372**	6,021
Deferred acquisition costs	**10,604**	11,398
Assets held for sale	**681**	5,024
Other assets	**36,469**	39,229
Total assets	**1,247,110**	1,163,643
Equity		
Shareholders' equity (parent)	**41,555**	33,863
Non-voting equity securities	**5,000**	5,000
	46,555	38,863
Minority interests	**729**	915
Total equity	**47,284**	39,778
Liabilities		
Subordinated loans	**10,645**	10,099
Debt securities in issue	**135,604**	119,981
Other borrowed funds	**22,291**	23,151
Insurance and investment contracts	**270,582**	240,858
Amounts due to banks	**72,852**	84,235
Customer deposits and other funds on deposit	**511,362**	469,508
Financial liabilities at fair value through profit and loss		

- trading liabilities	**108,050**	98,245
- non-trading derivatives	**17,782**	20,070
- designated as at fair value through profit and loss	**12,707**	11,474
Liabilities held for sale	**424**	4,890
Other liabilities	**37,527**	41,354
Total liabilities	**1,199,826**	1,123,865
Total equity and liabilities	**1,247,110**	1,163,643

* These figures have been derived from the audited annual accounts of ING Groep N.V. in respect of the financial year ended 31 December 2010.

CONSOLIDATED PROFIT & LOSS ACCOUNT OF ING GROEP N.V. *

(amounts in millions of euros)	2010	2010	2009	2009	2008	2008
Interest income banking operations	68,334		79,850		97,011	
Interest expense banking operations	-55,011		-67,475		-85,969	
Interest result banking operations		13,323		12,375		11,042
Gross premium income		27,947		30,492		43,812
Investment income		7,563		3,342		4,664
Net result on disposals of group		310		264		17
Gross commission income	6,303		6,790		7,504	
Commission expense	-1,725		-2,177		-2,539	
Commission income		4,578		4,613		4,965
Valuation results on non-trading derivatives		-410		-4,676		2,300
Net trading income		627		1,125		-749
Share of profit from associates		314		-461		-404
Other income		635		691		644
Total income		54,887		47,765		66,291
Gross underwriting expenditure	44,998		50,440		18,831	
Investment result for risk of policyholders	-10,492		-17,742		32,408	
Reinsurance recoveries	-1,741		-1,714		-1,754	
Underwriting expenditure		32,765		30,984		49,485
Additions to loan loss provisions		1,751		2,973		1,280
Intangible amortisation and other impairments		1,112		568		464
Staff expenses		7,771		7,338		8,764
Other interest expenses		792		716		978
Other operating expenses		6,219		6,711		6,807
Total expenses		50,410		49,290		67,778
Result before tax		4,477		-1,525		-1,487
Taxation		1,152		-472		-721
Net result (before minority interests)		3,325		-1,053		-766

Attributable to:			
Equityholders of the parent	3,220	-935	-729
Minority interests	105	-118	-37
	3,325	-1,053	-766

* These figures have been derived from the audited annual accounts of ING Groep N.V. in respect of the financial year ended 31 December 2010.

GENERAL INFORMATION

Documents Available for Inspection or Collection

So long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of the following documents will, when published, be available free of charge from the Issuer and from the specified office of the Paying Agents. Written or oral requests for such documents should be directed to the Issuer, c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3477).

(i) the English translation of the Articles of Association of the Issuer;

(ii) the annual reports of the Issuer (in English) in respect of the financial years ended 31 December 2010 and 31 December 2009, including the auditors' reports in respect of such financial years;

(iii) the most recently available annual report of the Issuer and its consolidated subsidiaries and the most recently available published interim financial statements of the Issuer (in English and if any);

(iv) a copy of the Registration Document; and

(v) any future supplements to the Registration Document and any other documents incorporated herein or therein by reference.

Ratings

The Issuer has a senior debt rating from Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") of A, a senior debt rating from Moody's France SAS ("Moody's") of A1 and a senior debt rating from Fitch Ratings Ltd. ("Fitch") of A. A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. Over the course of the past year, the Issuer has from time to time been subject to its ratings being lowered.

Significant or Material Adverse Change

At the date hereof, there has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 March 2011 and no material adverse change in the prospects of the Issuer since 31 December 2010.

Litigation

The Issuer and its consolidated subsidiaries are involved in litigation and arbitration proceedings in the Netherlands and in a number of foreign jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of their businesses, including in connection with their activities as insurers, lenders, employers, investors and taxpayers, certain examples of which are described immediately below. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, the Issuer is of the opinion that neither it nor any of its consolidated subsidiaries is aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and/or the Issuer and its consolidated subsidiaries.

Because of the geographic spread of its business, the Issuer may be subject to tax audits in numerous jurisdictions at any point in time. Although the Issuer believes that it has adequately provided for all its tax positions, the ultimate resolution of these audits may result in liabilities which are different from the amounts recognised.

Proceedings in which the Issuer is involved, include complaints and lawsuits concerning the performance of certain interest sensitive products that were sold by a former subsidiary of the Issuer in Mexico. Proceedings also include lawsuits that have been filed by former employees of an Argentinean subsidiary, whose employment was terminated as a result the Republic of Argentina's nationalisation of the mandatory pension business. Litigation has been filed by the purchaser of certain ING Mexican subsidiaries who claims that the financial condition of the subsidiaries was not accurately depicted. Further, purported class litigation has been filed in the United States District Court for the Southern District of New York alleging violations of the federal securities laws with respect to disclosures made in connection with the 2007 and 2008 offerings of ING's Perpetual Hybrid Capital Securities. The Court has determined that the claims relating to the 2007 offerings were without merit and has dismissed them. The challenged disclosures that survived the Court's ruling relate solely to the June 2008 offering, and primarily to the Issuer's investments in certain residential mortgage-backed securities. Additional purported class litigation challenges the operation of the ING Americas Savings Plan and ESOP and the ING 401(k) Plan for ILIAC Agents. Recently, an administrator of an ERISA plan filed a lawsuit seeking to represent a class of ERISA plan administrators claiming that an ING subsidiary had breached certain of its ERISA duties. These matters are being defended vigorously; however, at this time, the Issuer is unable to assess their final outcome. Subject to court approval, litigation involving the interest crediting methodology used in connection with certain annuity products and disclosures about that methodology, in which a state court of appeals determined a nationwide class could be maintained, has been resolved.

In November 2006, the issue of amongst others the transparency of unit-linked products (commonly referred to as '*beleggingsverzekeringen*') has received attention both in the Dutch public media and from the Dutch regulator for the insurance industry and consumer protection organisations. In mid-November 2008 ING reached an outline agreement with consumer organisations in the Netherlands to resolve a dispute regarding individual unit-linked products sold to customers in the Netherlands by ING Dutch insurance subsidiaries. It was agreed that ING's Dutch insurance subsidiaries would offer compensation to policyholders where individual unit-linked policies have a cost charge in excess of an agreed maximum. The costs of the settlement have been valued at EUR 365 million. Although the agreement is not binding for policyholders, the Issuer believes a significant step was made towards resolving the issue. Implementation will start in 2011. However, no agreement about implementation could be reached with one consumer protection organisation.

In January 2010 ING lodged an appeal with the General Court of the European Union against specific elements of the European Commission's decision regarding ING's restructuring plan. In its appeal, ING contests the way the Commission has calculated the amount of state aid ING received and the disproportionality of the price leadership restrictions specifically and the disproportionality of restructuring requirements in general.

In January 2011 the Association of Stockholders (*Vereniging van Effectenbezitters*, "VEB") has issued a writ alleging that investors were misled by the prospectus that was issued with respect to the September 2007 rights issue of Fortis N.V. (now: Ageas N.V.) against Ageas N.V., the underwriters of such rights issue, including ING Bank N.V., and former directors of Fortis N.V. According to the VEB the prospectus shows substantive incorrect and misleading information. The VEB states that the impact and the risks of the subprime crisis for Fortis and Fortis' liquidity position have been reflected incorrectly in the prospectus. The VEB requests a declaratory decision stating that the summoned parties have acted wrongfully and are therefore responsible for the damages suffered by the investors in Fortis. The amount of damages of EUR 18 billion has not been substantiated yet. ING will defend itself against this claim; at this time ING is not able to assess the future outcome.

In March 2011, the Issuer was informed of the decision of the board of Stichting Pensioenfonds ING (the Dutch ING Pension Fund) to institute arbitration against ING's decision not to provide funding for indexing pensions. While it is not feasible to predict the ultimate outcome of these arbitration proceedings, the Issuer is of the opinion that these will not have a significant effect on the financial position or profitability of the Issuer.

Auditors

The financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2009, respectively, have been audited by Ernst &Young Accountants LLP. The auditors of Ernst & Young Accountants LLP are members of the *Koninklijk Nederlands Instituut van Registeraccountants* (*NIVRA*), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for the financial year ended 31 December 2010 dated 14 March 2011 and an unqualified auditors' report on the financial statements for the financial year ended 31 December 2009 dated 15 March 2010.

The auditors' reports in respect of the financial years ended 31 December 2010 and 31 December 2009, respectively, incorporated by reference herein are included in the form and context in which they appear with the consent of Ernst & Young Accountants LLP, who have authorised the contents of these auditors' reports.

Market Information

This Registration Document cites market share information published by third parties, including from the following sources: MSCI - Bloomberg.

The Issuer has accurately reproduced such third-party information in the Registration Document and, as far as the Issuer is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the information reproduced herein to be inaccurate or misleading. Nevertheless, investors should take into consideration that the Issuer has not verified the information published by third parties. Therefore, the Issuer does not guarantee or assume any responsibility for the accuracy of the data, estimates or other information taken from sources in the public domain. This Registration Document also contains assessments of market data and information derived therefrom which could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of ING or future statistics by independent sources.

THE ISSUER

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