Dated 19 August 2009

ING VERZEKERINGEN 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 Verzekeringen N.V. (the "Issuer" or "ING Insurance") 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 19 August 2009.

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, as amended (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, as amended. 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 audited consolidated annual accounts of the Issuer in respect of the financial years ended 31 December 2007 and 2008, including the auditors' reports in respect of such financial years, which are contained in the annual reports of the Issuer for the relevant periods, and the publicly available unaudited condensed consolidated interim accounts of the Issuer for the period ended 30 June 2009, which are contained in the 'Condensed consolidated interim financial information for the period ended 30 June 2009' of the Issuer;

(c) a press release entitled "ING to strengthen core capital by EUR 10 billion" (the "Core Capital Release") published by ING Groep N.V. on 19 October 2008;

(d) a press release entitled "ING update on results and measures to reduce risks and costs" (the "Results and Measures Release") published by ING Groep N.V. on 26 January 2009;

(e) the press release entitled "ING posts full year underlying net loss of EUR 171 million" (the "2008 Results Release") published by ING Groep N.V. on 18 February 2009;

(f) the press release entitled "ING and Dutch State finalize Illiquid Assets Back-up Facility" (the "Illiquid Assets Back-up Facility Finalization Release") published by ING Groep N.V. on 1 April 2009;

(g) the press release entitled "Update on strategy: Taking ING back to basics" (the "Strategy Update Release") published by ING Groep N.V. on 9 April 2009;

(h) pages 1-19 and 36-50 of the unaudited ING Group 2009 quarterly report for the first quarter of 2009, as published by ING Groep N.V. on 13 May 2009 (the "Q1 Report"). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three month period ended, 31 March 2009;

(i) the press release entitled "ING to strengthen Dutch insurance organisation" (the "Insurance Organisation Release") published by ING Groep N.V. on 1 July 2009; and

(j) pages 1-17 and 38-53 of the unaudited ING Group 2009 quarterly report for the second quarter of 2009 (the "Q2 Report"), as published by ING Groep N.V. on 12 August 2009. The Q2 Report contains, amongst other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three and six month period ended, 30 June 2009.

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).

With respect to the Q1 Report and the Q2 Report, prospective investors should note that the Issuer's consolidated operations are not identical with the reported financial and statistical information on a segment basis for the insurance business of ING Groep N.V. as described in the Q1 Report and the Q2 Report. In addition, ING Groep N.V. is not responsible for production of this Registration Document or for any other information furnished to purchasers of Notes issued by ING Insurance, and is not a guarantor of Notes issued by ING Insurance.

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, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209). In addition, this Registration Document and all of the documents which are incorporated herein by reference will be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 subsidiary of the Issuer.

Because the Issuer is part of an integrated financial services group conducting business on a global basis, the revenues and earnings of the Issuer are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which the Issuer 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 and asset management businesses.

Factors such as interest rates, securities prices, credit (including 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, 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. For example, in an economic downturn, such as the one currently taking place, characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investment and consumer spending, the demand for insurance products is adversely affected and the Issuer's reserves and provisions are likely to increase, resulting in lower earnings. Securities prices, real estate valuations and private equity valuations may 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, such as the one currently taking place, 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.

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.

The Issuer believes that if ongoing market volatility adversely impacts the performance of the reporting units Retail Banking - Central Europe and Insurance Americas - United States, compared with what was assumed in the year-end 2008 goodwill impairment test, the book value (including goodwill) of these reporting units may exceed the related fair values, which would result in impairments.

Shareholders' equity and net result of ING in 2008 were significantly impacted by the turmoil and the extreme volatility in the worldwide financial markets. The financial markets and worldwide economies have deteriorated further in the first months of 2009 in several areas, especially the equity markets. Current levels continuing or a further negative development in financial markets and/or economies in 2009 may have a material adverse impact on the Issuer's shareholders' equity and net result in future periods, including as a result of the potential consequences listed above.

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 eighteen months. 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 shareholders' equity.

In the event current resources do not satisfy the Issuer's needs, it 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, its 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 may also limit the Issuer's access to capital required to operate its business. Such market conditions may 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, as applicable, delay raising capital, reduce or postpone payment of dividends on its shares or interest payments on other securities, issue capital of different types or under different terms than the Issuer would otherwise, or 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, governments around the world, including the Dutch government, have implemented measures providing assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments have even nationalised companies or parts thereof. The measures adopted in the Netherlands consist of both liquidity provision and capital reinforcement, and a Dutch Capital Guarantee Scheme. The liquidity and capital reinforcement measures apply for a period of one year as of 10 October 2008, while the Credit Guarantee Scheme of the Netherlands is scheduled to run through 31 December 2009. So far the Issuer has been able to benefit from these measures. Going forward, the Dutch authorities will look at each application individually. Potential future transactions with the Dutch government or any other government or actions by such government regarding ING could adversely impact the position or rights of the Issuer's shareholders, bondholders, customers, creditors, or the Issuer's results, operations, solvency, liquidity and governance.

Because life and non-life insurance and reinsurance businesses of the Issuer are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the actual claims amount of the Issuer 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, as well as events such as terrorist attacks. The frequency and severity of such events, and the losses associated with them, are inherently unpredictable and can not always be adequately reserved for. Furthermore, the Issuer is subject to actuarial and underwriting risks such as, for instance, mortality, morbidity, and adverse home 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 made. 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, and based on current information, the Issuer believes its claim reserves are sufficient, 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, 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.

Because the Issuer operates in highly regulated industries, laws, regulations and regulatory policies or the enforcement thereof that govern activities in its various business lines could have an effect on its reputation, operations and net results.

The Issuer is subject to detailed insurance, asset management and other financial services laws and government regulation in each of the jurisdictions in which the Issuer 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 selling practices. Insurance and other financial services laws, regulations and policies currently governing the Issuer may also change at any time 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, as the case may be, 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 and financial reporting, among others. Most recently, governments in the Netherlands and abroad have intervened 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. 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 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.

Ongoing turbulence and volatility in the financial markets have adversely affected the Issuer, and may continue to do so. The Issuer currently does not expect these conditions to improve in the short term.

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 continues in 2009. 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. These conditions have 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, 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, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. 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 the continuing 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. 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.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007 and 2008, the Issuer has incurred negative revaluations on its investment portfolio, which have impacted its earnings and shareholders' equity. Furthermore, the Issuer has incurred impairments and other losses, which have impacted its profit and loss accounts. Reserves for insurance liabilities are overall adequate at the Issuer and Business Line level. 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 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), Collateralised Debt Obligations (CDOs) and Collateralised Loan Obligations (CLOs), monoline insurer guarantees, Structured Investment Vehicles (SIVs) and other investments. In many cases, the markets for such investments and instruments have become 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. While the Issuer continues to monitor its exposures in this area, in light of the ongoing market environment and the resulting uncertainties concerning valuations, there can be no assurances that the Issuer will not experience further negative impacts to its shareholders' equity or profit and loss accounts from such assets in future periods.

Because the Issuer operates in highly competitive markets, including in its home market, the Issuer 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, asset management and other products and services the Issuer 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 the Issuer's results of operations. Such competition is most pronounced in the Issuer's more mature markets of the Netherlands, Belgium, the rest of 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 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 the Issuer's largest markets for its operations.. The Issuer's main competitors in the insurance sector in the Netherlands are Achmea, Fortis 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 the Issuer 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. In 2008, this trend accelerated considerably, as several major financial institutions consolidated, were forced to merge or received substantial government assistance. 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.

Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have an adverse effect on the Issuer's 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 house and other financial intermediaries. Defaults by one or more of these parties on their obligations to the Issuer due to, amongst other things, bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure 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 addition, with respect to secured transactions, the Issuer's credit risk may be exacerbated when the collateral held by it 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. 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.

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, the Issuer is subject to credit risk with respect to each reinsurer for all such amounts. As a percentage of the Issuer's (potential) reinsurance receivables as of 31 December 2008, the greatest exposure after collateral to an individual reinsurer was approximately 32%, approximately 68% related to four other reinsurers and the remainder of the reinsurance receivables balance 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 the Issuer's financial results.

Because the Issuer uses assumptions about factors to determine the insurance provisions, deferred acquisition costs (DAC) and value of business added (VOBA), the use of different assumptions about these factors may have an adverse impact on the Issuer's 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 DAC and 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 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 different assumptions to determine the client behaviour could have material adverse effect on the calculated risk figures and ultimately future results.

Because the Issuer also operates in markets with less developed judiciary and dispute resolution systems, in the event of disputes in these markets, the quality and the effectiveness of such systems could have an adverse effect on the Issuer's operations and net results.

In the less developed markets 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 the Issuer's operations and net result.

Because the Issuer is a financial services company and it is continually developing new financial products, the Issuer 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. Among these are the issuance of debt, the sale of certain products and the risk weighting of bank assets. Downgrades could have an adverse impact on the Issuer's operations and net results.

The Issuer obtains credit ratings from Standard & Poor's, Moody's and Fitch. While the Issuer aims for a senior unsecured rating of AA, 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.

Claims paying ability, at the ING 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 the Issuer's competitive position.

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 ING and may negatively affect the Issuer's 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 (i) decrease the value of certain fixed income securities the Issuer holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact the Issuer's solvency position and net income, (ii) result in increased surrenders of certain life & savings products, particularly, those with fixed rates below market rates, and (iii) 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 (i) 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 the Issuer's net income and negatively impact the Issuer's solvency position, (ii) negatively impact performance, future sales and surrenders of the Issuer's unit-linked products where underlying investments are often allocated to equity funds, and (iii) 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 (i) 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 (ii) 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, (iii) 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 mis-pricing of the Issuer's products resulting in underwriting losses which would negatively impact the Issuer's 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 personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. The Issuer also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. 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.

The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to the Issuer, 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.

ING's agreements with the Dutch State impose certain restrictions regarding the compensation of certain senior management positions.

For so long as the Dutch State holds at least 25% of the Core Tier-I Securities issued by the ING on 12 November 2008 or for so long as the Illiquid Assets Back-up Facility between ING and the Dutch State agreed upon in the terms sheet of 26 January 2009 is in place, or 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, whichever expires last, the Issuer is required to institute certain restrictions on the compensation of the members of its 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 Issuer's Supervisory Board. The Dutch State's nominees have veto rights over certain material transactions.

The issuance of the Core Tier-I Securities to the Dutch State has increased the cumulative change of ownership for United States tax purposes to approximately 42% as per 12 November 2008. Future increases of capital or other ownership changes may bring ING over the 50% threshold; in which case limitations to the future use of tax loss carry forwards as well as certain so-called built-in-losses may adversely affect net result and equity.

Section 382 of the United States Internal Revenue Code contains a so-called loss limitation rule, the general purpose of which is to prevent trafficking in tax losses (i.e. it is an anti-abuse rule). The rule is triggered when the ownership of a company changes by more than 50% (measured by value) on a cumulative basis in any three year period. If triggered, restrictions may be imposed on the future use of realised tax losses as well as certain losses that are built into the assets of the company at the time of the ownership change and that are realised within the next five years. The issuance of EUR 10 billion of securities by ING to the Dutch State on 12 November 2008 brought ING's (cumulative) change of ownership as per that date to approximately 42%. As a result, future increases in capital or other changes of ownership may adversely affect the net result or equity of ING, unless relief from the loss limitation rules is obtained, which may or may not be possible.

The European Commission may impose conditions and/or obligations in the context of applying the EC State aid rules to the transactions entered into by the Dutch State and ING.

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

DESCRIPTION OF ING VERZEKERINGEN N.V.

Profile

ING Verzekeringen N.V. (“ING Insurance”) is part of ING Groep N.V., also called ING Group (“ING Group”). 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 111,000 people worldwide. ING Group is a listed company and holds all shares of ING Insurance, which is a non-listed 100% subsidiary of ING Group.

ING Insurance is represented in more than 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.

ING Insurance has over 39,000 people active in three Business Lines: Insurance Europe, Insurance Americas and Insurance Asia/Pacific. Insurance Europe operates the insurance and asset management activities in Europe. The main insurance activities are in The Netherlands, Belgium, Spain, Greece, Turkey and Central Europe, where ING offers life insurance with a particular focus on retirement services. In The Netherlands and Belgium, ING also offers non-life insurance. Insurance Americas provides insurance, investment, retirement and asset management products and services in the region. The United States is an important insurance market for retirement services. ING is a leading insurance company in a number of Latin American countries, including Mexico, Chile and Peru. Insurance Asia/Pacific conducts life insurance and asset/wealth management activities in the region and is well-established in Australia, New Zealand, Japan, Hong Kong, Malaysia and South Korea. ING is of the opinion that the activities in China, India and Thailand are high-growth markets.

Under the new structure which was announced on 9 April 2009, the asset-management activities which are now part of Insurance Europe, Insurance Americas and Insurance Asia/Pacific, will be centralised in due course in a separate global division under the name Investment Management. Furthermore, ING Real Estate Investment Management, currently part of the Commercial Banking division (formerly Wholesale Banking), will also be integrated in the Investment Management division.

Incorporation and history

ING Insurance was established on 3 April 1963 as a public limited company in The Netherlands under the name Nationale-Nederlanden N.V. as a result of the merger of Nationale-Levensverzekering-Bank N.V., established in 1863 and N.V. Assurantie Maatschappij De Nederlanden van 1845. ING Insurance operates under Dutch law.

ING Insurance became the holding company for the insurance activities of ING, following the merger of NMB Postbank Group and Nationale-Nederlanden on 4 March 1991. On that date the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange its shares for 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 ensures a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies continue to be separate legal entities. After interim changes of names the statutory names of the above mentioned companies were changed in 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 now been implemented. To increase the business focus of the Group's leadership, Banking and Insurance now each have their own Management Board, consisting of the heads of the respective business lines and the Group CEO, CFO and CRO.

The registered office of ING Verzekeringen N.V. is at Amstelveenseweg 500 (ING House), 1081 KL Amsterdam, The Netherlands, telephone number: +31 20 5415411. ING Verzekeringen N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33260659 and its corporate seat is in The Hague, the Netherlands. The Articles of Association of ING Verzekeringen N.V. were last amended by notarial deed executed on 6 February 2009. According to article 2 of the Articles of Association, the objects of ING Verzekeringen N.V. are to participate in, conduct the management of, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of whatever kind, but in particular enterprises and institutions active in the insurance business, the credit business, investments and/or other financial services, as well as to perform all that which is related or may be conducive to the foregoing.

As a non-listed company ING Insurance is not bound by the Dutch Corporate Governance Code. ING Group, as the listed holding company of ING Insurance, is in compliance with the Dutch Corporate Governance Code.

Supervisory Board and Management Board Insurance

ING Insurance has a two-tier board system, consisting of a Supervisory Board and a Management Board Insurance. The Supervisory Board consists of all but one independent non-executives. Piet Hoogendoorn qualifies as 'non-independent' as defined in best practice provision III.2.1 of the Dutch Corporate Governance Code. Mr. Hoogendoorn is considered not to be independent, because he held a position with Deloitte Touche Tohmatsu until 1 June 2007 and considering the important relationship between Deloitte Touche Thomatsu and ING. The task of the Supervisory Board is to supervise the policy of the Management Board Insurance and the general course of events in the company and to assist the Management Board Insurance by providing advice. The Management Board Insurance is responsible for the daily management of the company.

The composition of the Supervisory Board and the Management Board Insurance* is as follows:

- Supervisory Board: Peter A.F.W. Elverding (chairman), J.P. (Tineke) Bahlmann, Henk W. Breukink, Claus Dieter Hoffmann, Piet Hoogendoorn, Piet C. Klaver, Godfried J.A. van der Lugt, Harish Manwani, Aman Mehta, Joan E. Spero, Jackson P. Tai, Jeroen van der Veer, Karel Vuursteen and Lodewijk J. de Waal.
- Management Board Insurance: Jan H.M. Hommen (chairman), Patrick G. Flynn (CFO), J.V. (Koos) Timmermans (CRO), Tom J. McInerney, Hans van der Noordaa and Jacques M.G.J. de Vaucleroy.

*) In line with the envisaged new organisational structure, the following members have stepped down from the former Executive Board ING Insurance: Eric F.C. Boyer de la Giroday, C.P.A.J. (Eli) Leenaars and Dick H. Harryvan.

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

In order to avoid potential conflicts of interest, ING Insurance has a policy that members of its Management Board Insurance do not accept corporate directorships with listed companies outside ING.

Details of relationships that members of the Management Board Insurance may have with ING Group subsidiaries as ordinary, private individuals are not reported.

Listed below are the principal activities performed by members of the Supervisory Board outside ING Insurance. None of the members of the Supervisory Board have any conflict between their duties to ING Insurance and their other principal activities as listed below.

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.

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

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

Chairman of the Supervisory Board of Maastricht University, The Netherlands.

Member of the Supervisory Board of the cross-border University of Limburg, The Netherlands.

Bahlmann, J.P.

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

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

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

Chairman of Stichting Max Havelaar, The Netherlands.

Chairman of the audit committee of De Baak Management Centre VNO-NCW, The Netherlands.

Member of the Board of Trustees of Canisius-Wilhelmina Ziekenhuis (hospital), The Netherlands.

Member of the Board of Toneelgroep Amsterdam, 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 Heembouw Holding B.V., The Netherlands.

Chairman of the Supervisory Board of Modulus VastGoed Ontwikkelingen, The Netherlands.

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

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

Associated as coach with TEC (Top Executive Coaching), The Netherlands.

Hoffmann, C.D.

Managing partner of H+H Senior Advisors, Stuttgart, Germany.

Chairman of the Supervisory Board of EnBW AG, Germany.

Member of the Supervisory Board of de Boer Structures Holding B.V, The Netherlands.

Chairman of the Charlottenklinik Foundation (hospital), Germany.

Chairman of the Board of Trustees (Vereinigung der Freunde) of Stuttgart University, Germany.

Hoogendoorn, P.

Former chairman of the Board of Directors of Deloitte Touche Tohmatsu and CEO of Deloitte in The Netherlands.

Former chairman of Royal NIVRA (Netherlands Institute of Chartered Accountants), 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 BV, The Netherlands.

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

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

Member of the African Parks Foundation, The Netherlands.

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

Lugt, G.J.A. van der

Chairman of the Supervisory Board of Stadsherstel Amsterdam NV, The Netherlands.

Chairman of the Advisory Board of Kasteel De Haar, The Netherlands.

Chairman of the Advisory Board of R.C. Oude Armenkantoor, The Netherlands.

Member of the Investment Advisory Committee of Stichting Instituut GAK, The Netherlands.

Manwani, H.

President Unilever Asia, Africa, Central & Eastern Europe.

Non-executive chairman of Hindustan Unilever Ltd.

Member of the Executive Board of Indian School of Business.

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 Max Healthcare Institute Ltd.

Non-executive director of Emaar MGF Land Ltd.

Member of the governing board of Indian School of Business.

Member of the governing board of Centre for International Economic Relations.

Member of the International Advisory Council of INSEAD.

Spero, J.E.

Non-executive director of IBM Corporation.

President of Doris Duke Charitable Foundation.

Member of the International Advisory Board of Toyota Motor Corporation.

Trustee of Columbia University, Council on Foreign Relations.

Trustee of Wisconsin Alumni Research Foundation.

Tai, J.P.

Non-executive director of MasterCard Incorporated.

Non-executive director of CapitaLand.

Chairman of the Board of Directors of Brookstone, Inc.

Member of the Bloomberg Asia Pacific Advisory Board.

Member of the Harvard Business School Asia Pacific Advisory Board.

Trustee of Rensselaer Polytechnic Institute.

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.

Non-executive director of Royal Philips Electronics, The Netherlands.

Chairman of the Energy and Climate Change Working Group of the European Round Table of Industrialists.

Vice-chairman of a NATO Expert Group to work on NATO's new strategic concept.

Vuursteen, K.

Vice-chairman of the Supervisory Board of Akzo Nobel N.V., The Netherlands.

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

Member of the Supervisory Board of Henkel KGaA., Germany.

Member of the Board of Directors of Heineken Holding N.V., The Netherlands.

Member of the Advisory Board of CVC Capital Partners.

Chairman of World Wild Life Fund Netherlands, The Netherlands.

Chairman of the Concertgebouw Fund Foundation, The Netherlands.

Member of the Supervisory Board of Nyenrode Foundation, The Netherlands.

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 Supervisory Council of SNV, The Netherlands.

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

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

Supervisory Board committees

On 31 December 2008, the Supervisory Board had three committees: the Audit Committee, the Remuneration and Nomination Committee and the Corporate Governance Committee. On 1 January 2009, the Remuneration and Nomination Committee was split into a separate Remuneration Committee and a separate Nomination Committee. Furthermore, a fifth committee, the Risk Committee was established. 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 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 Verzekeringen N.V. and ING Bank 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 Jackson Tai (chairman), Tineke Bahlmann, Henk Breukink, Piet Hoogendoorn, Godfried van der Lugt and Jeroen van der Veer.

The Risk Committee assists 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, among other things, advises the Supervisory Board on the compensation packages of the members of the Management Board Insurance and on stock-based compensation programmes for top senior management, including the Management Board Insurance.

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

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 VERZEKERINGEN N.V.*

(amounts in millions of euros)	**2008**	2007	2006	2005	2004
Balance sheet[(1)]					
Group Equity	**12,413**	18,801	23,687	21,854	14,987
Capital base/Available capital	**22,010**	22,965	25,505	22,541	17,710
Investments	**244,999**	285,158	299,178	293,004	233,037
Insurance and investment contracts[(2)]	**234,993**	259,838	262,154	255,202	210,107
Total assets	**312,220**	322,083	333,771	328,810	263,249
Results[(3)]					
Total income	**54,664**	62,352	59,668	57,406	55,593
Premium income	**43,812**	46,818	46,835	45,758	43,617
Expenses	**56,390**	55,737	54,711	53,398	51,247
Result before taxation	**-1,726**	6,615	4,957	4,008	4,346
Taxation	**-499**	782	706	455	857
Result after taxation	**-1,227**	5,833	4,251	3,553	3,489
Net result for the period	**-1,265**	5,650	3,960	3,291	3,361
Ratios (in %)					
Life premiums as % of total premiums	**88.7**	87.0	86.5	85.5	84.8
Combined ratio non-life insurance	**96.5**	97.1	90.4	94.6	93.6

(1) As at 31 December.
(2) Insurance and investments, net of reinsurance contracts.
(3) For the year ended 31 December.

* These figures have been derived from the audited annual accounts of ING Insurance in respect of the financial years ended 31st December, 2004 – 2008.

Changes in Accounting Policies

ING Insurance applies IFRS-EU since 2004. However, as permitted by IFRS 1, ING Insurance implemented IAS 32, IAS 39 and IFRS 4 as of 1 January 2005. Accordingly, comparative information for 2004 with respect to financial instruments is prepared under ING Insurance's previous accounting policies (Dutch GAAP).

Share capital

The authorised share capital of ING Insurance amounts to EUR 768 million, divided into 680 million ordinary shares with a nominal value of EUR 1.13 each. The issued and paid-up capital as at 31st December, 2008 amounted to EUR 174 million and consisted of 154 million ordinary shares with a nominal value of EUR 1.13.

MAIN DEVELOPMENTS IN 2008 AS OF 19 OCTOBER

On 19 October 2008, ING announced that it had reached an agreement with the Dutch government to strengthen its capital position. ING would issue non-voting core Tier-1 securities for a total consideration of EUR 10 billion to the Dutch State. ING also announced that it, given the exceptional circumstances, had decided to pass over the final dividend for 2008, leaving the total 2008 dividend at the EUR 0.74 per share, which had already been paid as interim dividend.

On 20 October 2008, ING announced that it had reached an agreement with Fubon Financial Holding Co. Ltd. (“Fubon Financial Holding”), a leading diversified Taiwanese financial services company, to sell its Taiwanese life insurance business for a consideration equivalent to USD 600 million (EUR 447 million). The transaction is subject to regulatory approval and is expected to close by the end of the first quarter of 2009.

ING announced on 22 October 2008 that Lodewijk de Waal and Peter Elverding had been nominated by the Dutch government for the Supervisory Board of ING Group. ING announced on 19 October that it had reached an agreement with the Dutch government to strengthen its capital position. Under the terms of the agreement the Dutch state obtained the right to nominate two members for the ING Group Supervisory Board, to be appointed at the annual General Meeting (AGM) in 2009. They would be represented on the Audit Committee, Corporate Governance Committee and Remuneration and Nomination Committee of the Supervisory Board and would have approval rights for decisions concerning equity issuance or buyback, strategic transactions with a value equalling more than one quarter of ING's share capital and reserves and proposals to shareholders regarding the remuneration policy.

On 23 October 2008, ING announced that John Hele, chief financial officer, would leave ING as of 31 March 2009. John Hele remained a member of the Executive Board and chief financial officer of ING Group until the end of March 2009 in order to complete the annual accounts and filings for the financial year 2008.

ING announced on 21 November 2008 that Nationale-Nederlanden and its other Dutch insurance subsidiaries had reached agreements with the Stichting Verliespolis and Stichting WPC and their related consumer organisations to resolve a dispute regarding the cost charges related to individual universal life insurance products (“particuliere beleggingsverzekeringen”) sold to customers in The Netherlands. The agreement is in line with an arrangement that was previously reached by another company in the Dutch insurance sector. Under the terms of the agreement, ING’s Dutch insurance subsidiaries will offer compensation to policyholders where individual universal life policies have a cost charge in excess of an agreed maximum.

On 4 December 2008, ING announced that it had closed the transaction to acquire Oyak Emeklilik. As previously announced on 17 June 2008, ING will acquire Turkey’s sixth largest pension company for a total cash consideration of EUR 110 million, entirely financed from existing internal resources.

MAIN DEVELOPMENTS IN 2009

On 26 January 2009, ING announced that in light of the extraordinary developments over the previous few months and given his personal condition, Michel Tilmant stepped down from the Executive Board as of 26 January 2009. Michel Tilmant will be an advisor to the company until his retirement from ING on 1 August 2009. The Supervisory Board appointed Jan Hommen – who was chairman of the Supervisory Board – as chairman of the Executive Board of ING Group, subject to his appointment as a member of the Executive Board by the annual General Meeting (AGM). This meeting took place on 27 April 2009. Prior to the AGM, Jan Hommen was closely involved in the day-to-day operations of ING and worked alongside the Executive Board in anticipation of his official appointment as chairman of the Executive Board. As of 26 January 2009, Eric Boyer, a member of the Executive Board since 2004, was appointed acting CEO until Jan Hommen could formally take over after the AGM. The Supervisory Board appointed Peter Elverding as successor to Jan Hommen as chairman of the Supervisory Board effective following the AGM in April 2009. In light of this appointment, the Dutch State nominated another member for the Supervisory Board.

On 26 January 2009, ING issued a press release with preliminary and unaudited figures on the 2008 results and measures to reduce risk and costs.

On 3 February 2009, ING announced that it had entered into several agreements to sell most of its stake in ING Canada, the largest provider of property and casualty insurance products and services in Canada. ING owned approximately 70% of the outstanding common shares in ING Canada. The transaction is part of the announced intention to increase focus on core franchises. Under the terms of these agreements, ING Group would sell in a private placement an aggregate of 36.02 million common shares to a group of institutional investors at a price of CAD 25.00 per common share. ING would also sell an aggregate of 34.16 million common shares to a syndicate of underwriters at a price of CAD 26.35 per common share through a concurrent 'bought deal' public offering in Canada. ING had also granted the underwriters an overallotment option, exercisable until 30 days after closing, to purchase up to an additional 5.12 million common shares at the public offering price. Gross proceeds from these sales would total approximately CAD 1.9 billion, assuming exercise in full of the overallotment option. Following completion of the transaction, assuming exercise in full of the overallotment option, ING would continue to own approximately 8.6 million shares of ING Canada, representing an approximately 7% shareholding in ING Canada.

In the context of ING Group's press release of 3 February 2009, in which ING announced that it had sold the majority of its stake in ING Canada, ING announced on 4 February 2009 that it had entered into an additional agreement with a syndicate of underwriters to sell the remaining approximate 10% of its shareholding in ING Canada. As a result, ING divested its total stake in ING Canada, totalling 70% of the company.

On 11 February 2009, ING announced that it had closed the sale of its Taiwanese life insurance business to Fubon Financial Holding Co. Ltd. ('Fubon Financial Holding'), a leading diversified Taiwanese financial services company. As announced on 20 October 2008, the divestment was in line with ING's strategy to actively manage its portfolio of businesses, allocating capital to those businesses that generate the highest return. Under the terms of the agreement, ING sold its Taiwanese life insurance business for a consideration equivalent to USD 600 million. The transaction has significantly reduced the economic capital attributed to insurance. The transaction resulted in a loss of EUR 292 million which was booked in the fourth quarter of 2008.

On 23 February 2009, ING announced that the Supervisory Board intended to nominate Patrick Flynn (1960, Irish) for appointment to the Executive Board at the annual General Meeting of Shareholders of 27 April 2009. Upon appointment, Patrick Flynn will become the new chief financial officer of ING. Subject to approval by the Dutch central bank (DNB), Patrick Flynn will succeed John Hele who, as announced in October 2008, would leave ING and relocate to the United States for family reasons. Until the end of March, John Hele completed the annual accounts and filings for the financial year 2008 and worked with Patrick Flynn on the transition of duties.

On 19 March 2009, ING Group announced the appointment of two new members to the Supervisory Board: Mrs. Tineke Bahlmann and Mr. Jeroen van der Veer. At the General Meeting of 27 April 2009, Mrs. Bahlmann was appointed as of 27 April 2009 and Mr. van der Veer was appointed as of 1 July 2009. The appointments have been approved by the Dutch central bank (DNB). Tineke Bahlmann was recommended for nomination by the Dutch government. As a State nominee, Tineke Bahlmann will replace Peter Elverding who succeeded Jan Hommen as chairman of the Supervisory Board. Eric Bourdais de Charbonnière and Wim Kok retired from the Supervisory Board after the 2009 AGM.

On 2 April 2009, ING Group announced that it had published the 2008 Annual Report for ING Insurance.

In a press release published on 9 April 2009, ING announced a strategic update: Taking ING back to basics. To reduce complexity, ING announced that it will operate the banking and insurance operations separately under the Group umbrella. It further announced that measures to reduce cost, risk and leverage were on track.

On 27 April 2009, ING announced that the annual General Meeting (AGM) of ING Groep N.V. approved the appointment of Jan Hommen and Patrick Flynn as new Executive Board members. The AGM also appointed Tineke Bahlmann, Jeroen van der Veer and Lodewijk de Waal to the Supervisory Board. The required approvals were obtained from DNB, the Dutch central bank, at an earlier stage. In addition, Godfried van der Lugt was reappointed to the Supervisory Board.

On 13 May 2009, ING announced that in line with the April 2009 strategy announcement, ING is taking measures to simplify the governance. To increase the business focus of the Group's leadership, Banking and Insurance will each have its own Management Board consisting of the Group CEO, CFO and CRO and the heads of the respective business lines currently serving on the Group's Executive Board. Strategic, operational and business decisions that do not affect the Group's direction or regulatory and government issues will be taken by the Banking or Insurance Management Board. Within the Insurance Board, Jacques de Vaucleroy will be responsible for Global Asset Management. Hans van der Noordaa will take up responsibility for Insurance Europe in addition to his current responsibility for Insurance Asia/Pacific. These organisational changes were scheduled to become effective as of 1 June 2009, pending approval of DNB, the Dutch central bank. In the meantime the implementation of these organisational changes was finalised.

On 1 July 2009, ING announced that Nationale-Nederlanden, RVS and ING Verzekeren Retail (formerly Postbank Verzekeren) will be combined into one organisation under the brand name Nationale-Nederlanden. The decision is in line with the ‘Back to Basics’ strategy to simplify the organisation, reduce costs and improve customer focus. The new insurance organisation will have dedicated business units for retail customers, small and medium-sized enterprises and corporate clients.

On 31 July 2009, ING Group announced that it had reached an agreement to sell its non-core Annuity and Mortgage businesses in Chile to Corp Group Vida Chile, S.A. Terms of the agreement were not disclosed. This transaction is subject to various national regulatory approvals. The sale does not impact ING’s Pension, Life Insurance, and Investment Management businesses in Chile where ING remains committed to developing leadership positions.

RESULTS 2008

Overview

ING Verzekeringen N.V., together with ING Bank N.V., is part of ING Groep N.V. The business lines for the insurance activities are Insurance Europe, Insurance Americas and Insurance Asia/Pacific.

ING manages its business on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 42 ‘Primary reporting format – Business segments’ of the published Annual Report ING Insurance 2008.

Financial development in 2008

Total result before tax from Insurance operations declined by EUR 8,341 million from a profit of EUR 6,615 million in 2007 to a loss of EUR 1,726 million in 2008. The underlying result before tax (excluding the impact of divestments and special items) decreased from a profit of EUR 6,195 million in 2007 to a loss of EUR 1,326 million in 2008. The sharp decline in results was due mainly to the deterioration of the financial markets in the second half of 2008. Additionally 2007 results included gains of EUR 2,087 million in 2007 on the sale of ING's stakes in ABN AMRO and Numico.

The underlying result from life insurance fell by EUR 6,748 million from a profit of EUR 4,913 million last year to a loss of EUR 1,835 million in 2008. Investment income was adversely impacted by capital losses and impairments on equity and debt securities as well as negative fair value changes on real estate and private equity investments. The result was also adversely affected by deferred acquisition costs (DAC) unlocking in the US and hedge losses on the Single Premium Variable Annuity (SPVA) business in Japan. Underlying profit before tax on non-life insurance declined 60.3% to EUR 509 million from EUR 1,282 million last year, due primarily to capital losses and impairments of equities, and disappointing underwriting results in Canada.

Underlying gross premium income from life insurance decreased 3.7% to EUR 38,748 million, but once ING Life Taiwan and currency effects are excluded, this figure actually rose 3.3%, driven mainly by the US, Australia, and much of Asia. Underlying gross premium income from non-life insurance decreased 8.1%, or 4.1% excluding currency effects, to EUR 4,402 million, largely because of the sale of the Chile health business.

Underlying operating expenses for insurance operations increased 1.4% (up 2.7% excluding ING Life Taiwan) to EUR 5,242 million as cost containment helped offset most of the costs of supporting business growth in Asia/Pacific and Central Europe. In 2007, operating expenses also included a EUR 89 million non-recurring net release of employee benefits provisions in The Netherlands.

Insurance Europe

Insurance Europe delivered a resilient performance in 2008, especially in Central Europe. However, Insurance Europe was affected by the global financial turmoil. The lower net result was mainly due to negative revaluation of real estate and private equity investments. The business responded by managing the business more efficiently and prudently, and by de-risking its balance sheet.

Insurance Europe's underlying result before tax fell 76.7% to EUR 456 million in 2008, as most European investment portfolios were negatively impacted by the financial market turmoil. Of the EUR 1,504 million decline in underlying result before tax, EUR 667 million was primarily caused by lower income from real estate and EUR 456 million was due to lower private equity income, caused by impairments and revaluations. Life insurance results declined EUR 1,381 million to EUR 151 million in 2008. Underlying profit before tax from non-life insurance declined 28.7% to EUR 305 million, primarily as a result of a decline of EUR 120 million in investment income. Corporate income tax fell 61.1% to EUR 110 million.

Underlying premium income decreased by 0.6% to EUR 10,194 million, as both life and non-life premiums fell marginally in the deteriorating economic environment. Premium growth in Central and the rest of Europe clearly slowed down in the course of the year, as the effects of the credit crisis were increasingly felt in the emerging economies in the region. The successful introduction of a single premium investment product in Poland, which generated

EUR 542 million in sales, is not reflected in gross premiums. Pension inflows in Central Europe totalled EUR 2.0 billion in 2008, up 29.1% from 2007. In Belgium, life premiums declined 8.3% to EUR 1,064 million as the outlook for single premium products with profit participation worsened and bank deposits offered increasingly attractive rates. Life premiums in The Netherlands were flat at EUR 5.0 billion.

In 2008, Insurance Europe received EUR 2.3 billion in (net) capital contributions from the Corporate Line Insurance. These capital contributions were needed to meet regulatory and/or internal solvency requirements, as available solvency was adversely affected by declining market values of the investment portfolios.

The value of new business was virtually flat at EUR 397 million although new sales increased by 4.2% to EUR 1,010 million, due in particular to higher sales in The Netherlands after inclusion of group contract renewals in the definition of new sales. The Romanian second-pillar pension fund, which was launched in September 2007, contributed EUR 73 million in value of new business and EUR 40 million in new sales in 2008.

Overall strategic approach

Insurance Europe operates in the mature Benelux market and the emerging markets of Central Europe, Spain, Greece and Turkey with a focus on life insurance and retirement services. Within the Benelux, Insurance Europe maintains its focus on the pension and life insurance business while continuing to enhance cost and capital efficiency. Insurance Europe has the long-term ambition to grow bancassurance in Central Europe. For the longer term, Insurance Europe will focus on growth in pension and life insurance client balances driven by economic growth and growth in retirement services.

Business developments

ING Insurance Europe operates in the mature Benelux market and the emerging markets of Central Europe, with a focus on life insurance and retirement services. It is the leading life insurer and pension provider in both The Netherlands and Central Europe. In addition, Insurance Europe operates life insurance businesses in Spain, Greece, Russia, and has a growing presence in Turkey. Commercial performance was resilient in 2008, especially in Central Europe, which continued to see strong net pension inflows and traditional life sales. However, Insurance Europe was negatively affected by the global financial turmoil. The lower net result is mainly attributable to negative fair value changes on real estate and private equity investments.

Developments in mature markets

Within the Benelux, ING Insurance maintains its focus on the pension and life insurance business while continuing to enhance cost and capital efficiency. Cost containment in The Netherlands was reflected in lower staffing levels and increased operational efficiency. Life insurance operations in Belgium are continuing their operational efficiency efforts. The life insurance market in the Benelux remains highly competitive. ING Insurance is focused on maintaining profitability and returns by enhancing its multi-channel distribution platform, reducing costs and reinforcing its market position as the specialist in retirement services.

In mid November 2008 ING Insurance reached an outline agreement with consumer organisations in The Netherlands to resolve a dispute regarding individual universal life insurance products sold to customers in The Netherlands by ING's Dutch insurance subsidiaries. The costs of the settlement have been valued at EUR 365 million. Nationale-Nederlanden demonstrated its commitment to improve customer confidence and transparency by ceasing production of its individual unit-linked life insurance policies, and by launching a new generation of fully transparent variable annuity products in the course of 2008.

Stable growth in Central Europe

Markets in Central Europe tend to be sizable, with a growing middle-class: demographic conditions that are conducive to growth in life insurance and retirement services. In 2008, ING Insurance in Central and the rest of Europe showed solid financial results and sales in general were up. Overall, the number of customers increased from 7 million to 8.6 million. A growing number of customers as well as wage increases resulted in a solid performance in the pensions business in Central Europe. ING Insurance is implementing a multi-channel distribution approach, with a blend of channels such as tied agents, bancassurance and brokers. In December 2008, ING Insurance completed the acquisition of the Turkish voluntary pension company Oyak Emeklilik, providing the opportunity to enter the growing Turkish pension market. In July 2008, ING Insurance received approval from the relevant authorities to start life insurance operations in Ukraine.

However, circumstances in Ukraine have deteriorated drastically due to the global financial turmoil. As a result of this instability, ING Insurance decided to postpone its greenfield life insurance operation there.

Looking ahead

Insurance Europe will reinforce its position as the specialist in investments and retirement services across Europe. Although economic prospects are muted due to the global economic climate, long-term growth prospects remain favourable. Insurance Europe will re-base the business to respond to market conditions, through a focus on expense reduction and capital management. In Central and the rest of Europe, ING Insurance will build on its leading position and focus on broadening the distribution base and increasing its operating efficiency.

Insurance Americas

Insurance Americas' results were significantly affected by the global financial turmoil. This resulted in substantial credit and investment-related losses together with lower sales of equity-linked products. The CitiStreet acquisition has given Retirement Services in the US a robust platform for further growth. Sales in Latin America remained constant, although returns were lower and Canada produced firm results given the challenging market circumstances.

Underlying result before tax declined to a loss of EUR 534 million. The US recorded a loss of EUR 1,117 million following the severe impact of the turbulent financial environment. This result included investment losses of EUR 965 million, of which EUR 811 million related to credit losses. In addition, deferred acquisition costs unlocking had a negative impact of EUR 1,180 million. Underlying profit before tax in Canada decreased 22.6%, or 17.7% excluding currency effects, to EUR 364 million. Underlying profit before tax in Latin America decreased by 6.8%, or 12.2% excluding currencies, to EUR 220 million.

Premium income decreased by 1.1% to EUR 21,887 million, although when currency effects are excused, this value rose 6.9%. In the US, premiums increased by 8.7% excluding currency impact, as sales of retirement services, variable and fixed annuities and insurance were higher than 2007 levels. Premium income in Canada decreased 4.2% to EUR 2,671 million, but increased by 1.7% excluding currency impact, reflecting rate increases in personal lines but a lower number of new insured risks. Premiums in Latin America decreased 20.6%

excluding currency effects, reflecting the sale of Chilean health insurance business in the first quarter of 2008, which was partly offset by higher annuity sales.

The value of new business (VNB) increased by 12.6%, driven by higher pension fund sales and better quality of business in Latin America. VNB in the US fell 7.9% due to reduced spread-related products sales and pressure on variable annuity margins and sales.

Developments in the United States

Insurance Americas' most critical priorities in 2009 are customer retention, cost containment and reducing risk to preserve capital and to improve profitability. The acquisition of CitiStreet for EUR 570 million boosted ING Insurance's leading position in retirement services in the US. Variable annuity sales were well supported by ING LifePay Plus, a withdrawal benefit launched in 2007, but sales began to slow in the third quarter as equity markets became more volatile and dipped further in the fourth quarter. Sales of fixed annuities improved 35% as customers sought fixed-rate products in the volatile market environment. The US Individual Life business generated a 11% increase in sales in 2008. More than 156,000 new policies were issued during 2008, up 87% from 2007.

Lower returns in Latin America mask solid sales

ING Insurance's strong market positions in life and pension businesses across Latin America allowed the company to post solid top-line growth, but investment returns declined due to the financial market crisis. The sale of the Mexican insurance business, completed in July 2008, allowed ING Insurance in Mexico to concentrate on its growing Afore pension, annuities and investment management businesses. In November 2008, the Argentine government nationalised the country's private pension system, which includes ING Insurance's pension fund business. ING Insurance is the second largest pension provider in Latin America. It holds strong positions in Peru, Mexico, Chile, Uruguay and Colombia. In Peru, ING Insurance increased its stake in AFP Integra to 80%, and also increased its shareholding in ING Fondos, a Peruvian mutual fund provider, under the holding company of ING Wealth Management.

Canada

In February 2009, ING Insurance completed the sale of its entire 70% stake in property & casualty insurer ING Canada.

Looking ahead

ING Insurance will focus on aggressive capital management and de-risking in 2009 to ensure the company is well-positioned for the rebound in markets. Over the longer term, Insurance Americas will balance profit, growth, value creation and capital management with a continued focus on retirement services, life insurance and investments in the Americas. Insurance Americas remains committed to building and strengthening customer and distributor relationships, and making it easier for people to do business with ING Insurance.

Insurance Asia/Pacific

Growth in the Asia/Pacific region was adversely affected by global economic developments in 2008. However, as one of the leading international insurance and asset management companies in the region with a strong and diversified distribution network, ING Insurance remains well-positioned to maintain its franchise. Based on annual premium equivalent, ING Insurance maintained or improved its market positions across the region in 2008, a sign of its sound product portfolio and distribution capabilities. Active repositioning of its product portfolio was at the core of ING Insurance's response to changing customer needs due to the economic downturn.

Underlying result before tax decreased by 79.9% to EUR 116 million. Japan recorded a loss of EUR 167 million. Excluding Japan and currency effects, underlying result before tax declined 3.0%.

Gross premium income decreased 12.6%, or 3.3% excluding Taiwan and currency effects, to EUR 11,040 million. Double-digit growth was recorded in local currency terms in Australia, South Korea and Rest of Asia, but this was more than offset by a sharp decline in single premium variable annuity premiums in Japan.

Assets under management decreased by 22.6% to EUR 82 billion at year-end 2008. Underlying operating expenses fell 6.7%, but were up 6.9% excluding Taiwan and currency impacts, to EUR 1,040 million as cost containment helped to offset most of the increased expenses from a higher in-force base in some countries and continued investment in greenfield operations, to support the growth in premium income in these markets.

VNB decreased 27.4%, or 14.6%, excluding Taiwan, to EUR 321 million, broadly consistent with the decline in sales.

Continued strengthening of distribution channels

Broadening distribution methods and increasing the efficiency of existing channels continues to be a strategic priority for ING Insurance in Asia. Traditionally, the tied agent channel has been the largest, but distribution through banks is on the rise. The number of tied agents grew from 75,000 in 2007 to over 100,000. This growth took place mainly in India, South Korea and Thailand. Insurance Asia/Pacific's bank distribution takes place through partnerships with other banks as well as through ING's retail banking presence in the region.

Bank distribution was further reinforced through an exclusive agreement with the Royal Bank of Scotland in Hong Kong and by sales expansion to TMB Bank's entire branch network in Thailand.

Products

In several countries ING Insurance introduced new products. For instance, in Japan, a new single premium variable annuity product with guaranteed income benefits was introduced. In Malaysia, ING Insurance further expanded its unit-linked product offering in response to government deregulation. In South Korea, ING Insurance launched retirement services. In Australia, a flexible term-deposit option was added to the wealth management platform to compete against higher deposit rates offered by banks. In South Korea, a product was launched that allows customers a choice between asset-linked performance (with a capital guarantee) or a fixed interest rate every six months.

Organisational and operational efficiency

Insurance Asia/Pacific's regional structure was strengthened and simplified by the establishment of a new regional governance structure. ING Insurance continues to focus on talent management, managing the inflow of new talent as well as local leadership development.

Brand awareness

Brand awareness in the region has risen as a result of the global advertising campaign and sponsorship activation of the Shanghai, Tokyo, Melbourne and Singapore Formula 1 Grand

Prix, as well as Insurance Asia/Pacific's sponsorships of the national and league competitions under the purview of the Asian Football Confederation. Together with local advertising and sponsorships, brand awareness increased throughout the region.

Looking ahead

In the year ahead, ING Insurance will continue to focus on maintaining its market share and managing for value rather than growth. In addition to initiatives for cost containment and repositioning of product portfolios, new measures to strengthen capital and risk management, as well as compliance are underway. Throughout the business line, efficiency will be increased through the standardisation of key operational processes. Insurance Asia/Pacific will continue to strengthen the bancassurance model.

RISK MANAGEMENT

Risk management in 2008

Taking measured risks is part of ING Insurance's business. As a financial services company active in investments, life insurance and retirement services, ING Insurance is naturally exposed to a variety of risks. To ensure measured risk taking ING Insurance has integrated risk management in its daily business activities and strategic planning. Risk Management assists with the formulation of risk appetite, strategies, policies and limits and provides a review, oversight and support function throughout ING Insurance on risk-related issues. The main financial risks ING Insurance is exposed to are credit risk (including transfer risk), market risk (including interest rate, equity, real estate, and foreign exchange risks), insurance risk and liquidity risk. In addition, ING Insurance is exposed to non-financial risks, e.g. operational and compliance risks. The way ING Insurance manages these risks on a day-to-day basis is described in this risk management section.

Despite the fact that the ongoing crisis claims most of the management attention on a daily basis throughout risk management organisation, ING continued its long-term investments in risk management, including investments in people, governance, processes, measurement tools and systems. The Non-Financial Risk Dashboard, which was introduced internally and piloted in 2007 was implemented and presented to the Executive Board and the Audit Committee for the first time in November 2008.

Market developments 2008

Although the whole of 2008 was characterised by significant turmoil, it was in the second half of the year, after the default of Lehman Brothers, Washington Mutual and three Icelandic banks, that volatility in financial markets intensified. Throughout the world the prices of most major asset classes fell sharply. Equity markets came down significantly: year on year the S&P 500 declined 38% and the Dutch Amsterdam Exchange Index (AEX) declined 52%. Real estate prices were also under pressure. At December 31 2008 the most prominent real estate index in the United States, the S&P Case-Shiller Index, was 18.6% lower than at the end of 2007. Moreover, credit spreads in the financial and corporate sector widened materially, both in the US and in Europe. The second half of 2008 showed a steep increase in corporate credit spreads which was for a major part driven by the auto and industrial sectors. Both short and long term interest rates dropped in Europe and more profoundly in the United States.

In response to these movements governments all over the world introduced rescue plans to buy pressurised assets, deposit guarantee programmes, capital injections or full nationalisations. In October 2008 ING Group and the Dutch State announced that an agreement had been reached on a EUR 10 billion capital injection from the Dutch State.

Risk mitigation

To counter the implications of the financial crisis ING decided to take several measures over the course of the year to reduce risk:

Reduction of credit risk

- In January 2009, ING Group entered into an illiquid Assets Back-up Facility term sheet with the Dutch State covering ING's Alt-A residential mortgage backed securities (RMBS) portfolio. Through this agreement, which is expected to close in the first quarter of 2009, subject to final documentation and regulatory approval, the Dutch State has become the economic owner of 80% of the Alt-A RMBS portfolio. This transaction was concluded at 90% of the par value with respect to the 80% portion of the portfolio of which the Dutch State will become the economic owner. Par value of the portfolio is approximately EUR 4 billion. Following the deteriorated economic outlook in the third and fourth quarter, market prices for these securities had become depressed as liquidity dried up. This had an impact on ING's results and equity far in excess of estimated credit losses. The transaction with the Dutch State is expected to significantly reduce the uncertainty regarding the impact on ING of any future losses in the portfolio. As condition to the Facility, ING will commit to support the growth of the Dutch lending business for an amount of EUR 25 billion at market-conforming conditions. The Dutch State will also acquire certain consent rights with respect to the sale or transfer of the 20% proportion of the Alt-A RMBS portfolio that is retained by ING.

Reduction of equity exposure (available-for-sale)

- Direct public equity exposure was reduced from EUR 12.2 billion at the end of 2007 to EUR 3.9 billion at year-end 2008. The reduction in exposure was due to negative revaluations, and sales. The remaining exposure was partially hedged against further market losses. In addition a temporary hedging programme was put in place to reduce earnings volatility resulting from potential DAC unlocking.

Reduction of interest rate risk

- ING Insurance sold ING Life Taiwan which resulted into a significant reduction of its interest rate risk exposure. This divestment was in line with the strategy to allocate capital to those businesses that generate the highest return. In addition, ING Insurance lengthened its asset duration in order to mitigate the impact of declining interest rates, herewith further reducing its interest rate risk exposure.

Impact of financial crisis

Impact on pressurised asset classes

As a result of the deteriorating market conditions throughout 2008 ING Insurance incurred negative revaluations on its investment portfolio, which impacted shareholders' equity. Furthermore, ING Insurance incurred impairments, fair value changes and trading losses, which impacted its profit and loss account (P&L).

The table below shows the exposures and negative revaluations and losses taken on US sub-prime and US Alt-A (RMBS), Collateralised Debt Obligations (CDOs) and Collateralised Loan Obligations (CLOs) during 2008.

US Subprime RMBS, US Alt-A RMBS, CDOs/CLOs exposures, revaluations and losses

(amounts in millions of euro)	31 December 2008	Change in 2008			31 December 2007	
	Market Value	Revaluation through Equity (pre-tax)	Writedown through P&L (pretax)	Other changes	Market value	Revaluation through Equity (pre-tax)
US Subprime RMBS	**1,674**	**–761**	**–39**	**–55**	2,529	–254
Alt-A RMBS	**2,121**	**–1,094**	**–241**	**–323**	3,779	–110
CDOs/CLOs	**3,419**	**–192**	**–272**	**3,312**	571	–67
Total	**7,214**	**–2,047**	**–552**	**2,934**	6,879	–431

- ING Insurance's total EUR 1.7 billion exposure to US sub-prime assets relates to non originated loans acquired as investments in RMBS and represents approximately 0.5% of total ING Insurance assets. At 31 December 2008 approximately 86% of ING's US sub-prime portfolio was rated AA or higher. ING Insurance does not originate sub-prime mortgages. The vast majority of the total mortgage backed securities are (residential) mortgages that are not classified as sub-prime.
- ING Insurance's total US Alt-A exposure at 31 December 2008 was EUR 2.1 billion. About 83% of this portfolio was AAA rated. ING's available-for-sale Alt-A investments are measured at fair value in the balance sheet. The substantial amount of negative pre-tax revaluation and impairments on this portfolio are mainly caused by the illiquid market.
- Net investments in CDOs/CLOs at 31 December 2008 were 1.1% of total ING Insurance assets. The vast majority of the CDOs/CLOs has investment grade corporate credit as underlying assets, only EUR 0.1 million has US subprime mortgages underlying. Other changes includes purchases and sales of CDOs/CLOs, as well as foreign currency effects.

The US Subprime RMBS, US Alt-A RMBS and CDOs/CLOs held by ING Insurance are booked at fair value. An analysis of the method applied in determining the fair values of financial assets and liabilities, is provided in Note 29 'Fair value of Financial Assets and Liabilities' of the published Annual Report ING Insurance 2008. At 31 December 2008 the fair value of US Subprime RMBS, US Alt-A RMBS and CDOs/CLOs was as follows:

Fair value of US subprime RMBS, US Alt-A RMBS and CDOs/CLOs

2008 (amounts in millions of euros)	Reference to published price quotations in active markets	Valuation technique supported by market inputs	Valuation technique not supported by market inputs	Total
US Subprime RMBS	**20**		**1,654**	**1,674**
US Alt-A RMBS		**10**	**2,111**	**2,121**
CDOs/CLOs	**3,366**	**53**		**3,419**
Total	**3,386**	**63**	**3,765**	**7,214**

Fair value of US subprime RMBS, US Alt-A RMBS and CDOs/CLOs

2007 (amounts in millions of euros)	Reference to published price quotations in active markets	Valuation technique supported by market inputs	Valuation technique not supported by market inputs	Total
US Subprime RMBS	2,529			2,529
US Alt-A RMBS	3,765	14		3,779
CDOs/CLOs	253	318		571
Total	6,547	332		6,879

An amount of EUR 5 billion of mortgage backed securities in the United States was reclassified from reference to published price quotations in active markets to valuation technique not supported by market inputs in the third quarter of 2008. Reference is made to Note 29 'Fair value of financial assets and liabilities' of the published Annual Report ING Insurance 2008.

Impact on Real Estate
By the end of 2008 ING Insurance's total exposure to real estate was EUR 6.6 billion of which EUR 4.9 billion was subject to revaluation through the profit and loss account. In 2008, ING recorded EUR 452 million pre-tax negative revaluations and impairments. ING's real estate portfolio benefits from high occupancy rates and is diversified over sectors and regions but is clearly affected by the negative real estate markets throughout the world.

Impact on Equity securities – available-for-sale
Direct equity exposure at 31 December 2008 in this caption was EUR 3.9 billion (public) and EUR 0.4 billion (private). During 2008, ING booked EUR 1,376 million of pre-tax impairments on this direct public equity exposure. ING generally decides to impair a listed equity security based on two broad guidelines: when the fair value of the security is below 75% of the cost price or when the market price of the security is below the cost price for longer than six months.

Impact on other asset classes
Negative impact on results for 2008 (pre-tax) from private equity and alternative assets amounted to EUR 399 million. Negative impact on results for 2008 (pre-tax) from debt securities other than mentioned above amounted to EUR 229 million.

Impact on counterparty risk
In the third quarter, a number of financial institutions were no longer expected to fulfil their obligations. ING incurred EUR 291 million pre-tax losses (excluding loan losses) on Lehman Brothers, Washington Mutual and the Icelandic banks. The loss included impairments of debt securities, trading losses and derivative positions, including the costs to replace derivatives on which the banks were counterparty.

Ongoing volatility in the financial markets
The impacts have arisen primarily as a result of the deterioration of the US housing market which caused real estate prices to decline. This caused valuation issues in connection with ING Insurance's exposure to US mortgage-related structured investment products, including sub-prime and Alt-A RMBS, CDOs and CLOs. In many cases, the markets for such instruments have become highly illiquid and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such instruments is a complex process involving the consideration of market transactions, pricing models, management judgement and other factors and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations.

While ING continues to monitor its exposures in this area, in the light of the ongoing market environment and the resulting uncertainties concerning valuations, there can be no assurances that ING will not experience further negative impacts on its shareholders' equity or profit and loss accounts from such assets in future periods.

The financial crisis has demonstrated the importance of having a robust risk management organisation in place.

Although ING's risk management organisation and liquidity profile have helped it to limit the impact and manage the company through the turmoil, ING will continue to further strengthen its risk management organisation. The lessons learned in this crisis will contribute to this continuous process.

Introduction
To ensure measured risk taking throughout the organisation, ING Insurance operates through a comprehensive risk management framework. This ensures the identification, measurement and control of risks at all levels of the organisation so that ING Insurance's financial strength is safeguarded.

The mission of ING Insurance's risk management function is to build a sustainable competitive advantage by fully integrating risk management into daily business activities and strategic planning. This mission is fully embedded in ING Insurance's business processes.

The following principles support this objective:

- Products and portfolios are structured, underwritten, priced, approved and managed appropriately and compliance with internal and external rules and guidelines is monitored;
- ING Insurance's risk profile is transparent, has 'no surprises', and is consistent with delegated authorities;
- Delegated authorities are consistent with the overall strategy and risk appetite;

- Transparent communication to internal and external stakeholders on risk management and value creation.

Risk governance

ING's risk management framework is based on the 'three lines of defence' concept which ensures that risk is managed in line with the risk appetite as defined by the Executive Board and is cascaded throughout ING Insurance. This concept provides a clear allocation of responsibilities for the ownership and management of risk, to avoid overlaps and/or gaps in risk governance. Business line management and the regional and local managers have primary responsibility for the day-to-day management of risk and form the first line of defence. The risk management function, both at corporate and regional/local level, belongs to the second line of defence and has the primary responsibility to align risk taking with strategic planning e.g. in limit setting. Risk managers in the business lines have a functional reporting line to the Corporate Risk General Managers described below. The internal audit function provides an ongoing independent (i.e. outside of the risk organisation) and objective assessment of the effectiveness of internal controls, including financial and operational risk management and forms the third line of defence.

Risk profile

Economic Capital

The objective of the ING Insurance Economic Capital framework is to achieve an advanced risk and capital measurement and management structure that:

- Covers all the risks in the business units and is applied consistently across all risks and business units;
- Facilitates and encourages adequate risk and capital management, including the proper pricing of products and sound capital allocation decisions.

The ING Insurance Economic Capital model is based on a 99.95% one-year Value at Risk framework. It is important to note that since industry practice relating to Economic Capital (EC) (as defined below) is still evolving and moreover Solvency II standards are still under discussion, ING Insurance models are expected to evolve as a result. Solvency II currently calls for a 99.5% Value at Risk standard for internal models which is a lower risk threshold than used in ING's model.

EC for credit risk and for transfer risk is the portion of EC held to withstand unexpected losses inherent in the credit portfolios related to (unexpected) changes in the underlying creditworthiness of debtors, or the recovery value of underlying collateral (if any). Credit risk and transfer risk capital are calculated on all portfolios which contain credit or transfer risk, including investment portfolios.

EC is defined by ING as the amount of assets that needs to be held in addition to the market value of liabilities to assure a non-negative surplus at a 99.95% level of confidence on a 1 year time horizon. ING measures EC by quantifying the impact on the market value surplus (MVS) as a result of adverse events that occur with a specified probability related to the AA rating. Therefore ING's EC model is based on a 'Surplus-at-Risk' concept. The confidence level consistent with an AA rating has been defined as the 99.95% one-sided confidence level over a one-year horizon. The change in market value surplus (MVS) is the combined effect of changes in Market Value of Assets (MVA) minus market value of liabilities (MVL) and an adjustment for illiquidity spreads due to current dislocated asset markets. The MVS is adjusted to correct this asymmetry by applying an illiquidity spread to the insurance liability cash flows.

EC disclosures relating to ING Insurance include diversification benefits that arise within ING Insurance. The following table provides an EC break down by risk category with diversification benefits proportionally allocated to the risk types:

Economic Capital break-down ING Insurance by risk category [(1)]

(amounts in millions of euros)	**2008**	2007
Credit risk (including Transfer risk)	**891**	1,021
Market risk	**8,455**	15,258
Insurance risk	**1,557**	3,293
Other risks [(2)]	**2,779**	3,627
Total insurance operations	**13,682**	23,199

(1) The EC outcomes do not reflect any potential tax benefit resulting from the loss that occurs under the specified circumstances.
(2) Other risk includes operational risk as well as business risk (covering expense risk and lapse risk).

Market risks

ING Insurance is exposed to market risk to the extent to which the market value of surplus can be adversely impacted due to movements in financial markets; these include interest rates, equity prices, implied volatilities of options, foreign exchange rates and real estate prices. Changes in financial market prices impact the market value of ING's current asset portfolio and hedging derivatives directly as well as the calculated market value of ING's insurance liabilities. The following table provides information on EC split by risk category:

Economic capital insurance market risks

(amounts in millions of euros)	**2008**	2007
Interest rate risk	**2,739**	6,021
Credit spread risk	**880**	1,012
Equity risk	**1,293**	3,357
Real estate risk	**252**	669
Implied volatility risk	**1,857**	2,108
Foreign exchange risk	**1,434**	2,091
Total	**8,455**	15,258

Earnings at Risk (EaR)

Complementing EC, which is based on a market value analysis, ING Insurance also measures risk based on IFRS earnings. More specifically, using scenario analysis, ING Insurance measures the potential sensitivity of realised pre tax earnings of the insurance operations to an increase/decrease of different risk factors over a full year. These earnings sensitivities are used as input into the ING Group Earnings at Risk measure, where these sensitivities are fully diversified with the Bank. Interpretation of the underlying earnings sensitivities must be done individually as ING does not assume that all of the scenarios presented below will happen concurrently.

Earnings sensitivities are defined on a shock scenario at the 90% confidence level on pre tax IFRS earnings, projected one year forward from the calculation date. Therefore the table below provides earnings sensitivities to an instantaneous shock at the 90% confidence level projected through to 31 December 2009. The EaR information does not include ING Canada which was divested in January.

Earnings sensitivities for insurance market risks

(amounts in millions of euros)	**2008**	2007
Interest rate (1% up)	**-67**	-161
Interest rate (1% down)	**82**	125
Equity (15% down)	**-795**	-613
Real Estate (8% down)	**-525**	-570
Foreign Exchange (10% worst case)	**-224**	-338

The table presents figures before diversification between risks. For interest rate risk, ING presents the effect of a parallel shock of 1% across all regions and take the sum of the shocks. For the Japan business, a shock of 0.5% is applied since this business operates in a lower interest rate environment. Foreign exchange risk includes the sum of both local business currency risk plus translation risk for earnings of non-Euro business units.

The table shows that real estate fluctuations can have a relatively large impact on earnings since all price volatility is fully reflected in earnings for real estate investments. The impact on earnings of interest rates and equity price changes are normally lower than the economic and shareholder's equity impact given current accounting rules. The sensitivity results do reflect the impacts of asymmetric accounting whereby the hedges must be marked-to-market through the earnings while the liability value is not.

EaR is an indicator of future earnings at risk in case markets deteriorate. Earnings can deteriorate significantly when certain thresholds have been reached for impairment and DAC unlocking. At the moment the significant increase in equity EaR despite de-risking is driven by DAC unlocking and negative revaluations being close to or at hitting impairment triggers. Offset from the hedging programs existing at year end is taken into account. Further hedges have been put in place since 31 December 2008.

Insurance risks

General

Actuarial and underwriting risks are risks such as mortality, longevity, morbidity, adverse motor or home claims development, etc., which result from the pricing and acceptance of insurance contracts. In general, these risks cannot be hedged directly in the financial markets and tend to be mitigated by diversification across large portfolios. They are therefore primarily managed at the contract level through standard underwriting policies, product design requirements as set by ING's Insurance Risk Management (IRM) function, independent product approval processes and risk limitations related to insurance policy terms and conditions agreed with the client.

Measurement

For portfolio risks which are not mitigated by diversification, the risks are managed primarily through concentration and exposure limits and through reinsurance and/or securitisation. Aggregate portfolio level limits and risk tolerance levels are set in reference to potential losses stemming from adverse claims in ING's insurance portfolios which are reviewed annually by the ING Group Executive Board. ING Group has established actuarial and underwriting risk tolerance levels in specific areas of its insurance operations as described below. For non-life insurance, risk tolerance levels are set by line of business for catastrophic events (e.g. natural perils such as storms, earthquakes and floods) and for individual risks.

Economic Capital Insurance risks

(amounts in millions of euros)	**2008**	2007
Mortality	**781**	803
Morbidity	**483**	2,141
P&C	**293**	349
Total	**1,557**	3,293

Credit risks

Credit risk is the risk of loss from default by debtors (including bond issuers) or trading counterparties. Credit risks are split into five principal risk categories: a) lending (including guarantees and letters of credit); b) investments; c) pre-settlement (derivatives, securities financing and foreign exchange trades); d) money markets and e) settlement. The credit risks are measured and monitored by Corporate Credit Risk Management (CCRM) as well as local credit risk managers within the various locations were credit risk is taken within ING Insurance and ING Investment Management. The CCRM General Manager is functionally responsible for the global network of credit risk staff, while the heads of the credit risk management functions for the business lines report directly to him.

Within ING Insurance, the goal is to maintain a low risk, well diversified credit risk portfolio that meets or exceeds market based benchmark returns. The emphasis is on managing business developments within the business lines by means of top-down concentration limits for countries, individual borrowers and borrower groups.

The credit risk classification of issuers, debtors and counterparties within the ING Insurance's credit risk portfolios continues its transition to the methodology used by the banking operations. Similar to ING Bank, ING Insurance uses risk classes which are calibrated to the probability of default of the underlying issuer, debtor or counterparty. These ratings are defined based upon the quality of the issuer in terms of creditworthiness, varying from investment grade to problem grade expressed in S&P equivalents.

Risk classes ING Insurance portfolio, as % of total outstandings [1]

		2008	2007
1	(AAA)	**27.2%**	25.5%
2-4	(AA)	**21.1%**	24.6%
5-7	(A)	**23.7%**	23.8%
8-10	(BBB)	**14.8%**	13.9%
11-13	(BB)	**6.6%**	5.5%
14-16	(B)	**4.2%**	3.7%
17-22	(CCC & Problem Grade)	**2.4%**	3.0%
		100.0%	100.0%

(1) Based on credit risk measurement contained in lending, pre-settlement, money market and investment activities.
The ratings reflect probabilities of default and do not take collateral into consideration.

Largest economic exposures: ING Insurance lending portfolio, by country (1,2)

(amounts in billions of euros)	**2008**	2007

United States	**61.7**	60.2
Netherlands	**15.6**	23.0
France	**7.2**	6.8
Italy	**6.4**	6.9
South Korea	**6.3**	6.7
United Kingdom	**5.7**	5.4
Germany	**5.7**	6.7
Canada	**5.6**	6.1

(1) Only covers total exposures in excess of EUR 5 billion, including intercompany exposure with ING Bank.
(2) Country is based on the country of residence of the obligor.

Non Financial risks

Operational risks

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes the related risk of reputation loss, as well as legal risk whereas strategic risks are not included. Effective operational risk management leads to more stable business processes (including IT systems) and lower operational risk costs.

ING recognises the following operational risk areas:

- *Control risk* is the risk of loss due to non-adherence to business policies or guidelines. Control risks can lead to losses incurred due to non-compliance with controls established in connection with items such as governance procedures, new product approval procedures, and/or project management methods. Control risk can stem from improper or insufficient monitoring of entities or activities.
- The risk of a loss caused by unauthorised employee activities, including but not limited to unauthorised approvals or overstepping of authority are considered *unauthorised activity risk*.
- *Processing risk* deals with the risk of losses due to failed transaction processing or process management. These events are normally not intentional and usually involve documenting or completing current business transactions.
- *Employment practice risk* is the risk of loss due to actions which are consistent with employment, health or safety laws, or agreements, from payment of personal injury claims or from diversity /discrimination events. Managing this risk means: meeting health and workplace regulations; preventing discrimination and harassment; and in case this does happen, taking adequate counter measures.
- *Personal and physical security risk* is the risk of criminal and environmental threats that might endanger the security of ING personnel (within and outside ING locations, while travelling or being expatriated) and ING assets or might have an impact on the ING organisation.
- *Information (Technology) risk* is the risk of loss due to inadequate information security, resulting in a loss of information confidentiality and/or integrity and/or availability. Aspects of information (technology) risks are user access controls, platform security controls, change management controls, sourcing controls, security monitoring controls and fundamental information security controls.
- *Continuity risk* is the risk of events (e.g. natural disasters, power outages, terrorism) leading to a situation that threatens the continuation of business (including people and assets).

- *Internal and external fraud risk* is the risk of loss due to deliberate abuse of procedures, systems, assets, products and/or services of ING by those who intend to deceitfully or unlawfully benefit themselves or others.

Compliance risk

Compliance Risk is defined as the risk of damage to ING's integrity as a result of failure (or perceived failure) to comply with relevant laws, regulations, internal policies and procedures or ethical standards. In addition to reputational damage, failure to effectively manage Compliance Risk can expose financial institutions to fines, civil and criminal penalties, payment of damages, court orders and suspension or revocation of licenses. A failure (or perceived failure) can adversely impact customers, staff and shareholders of ING.

ING believes that fully embedded Compliance Risk Management preserves the trust its customers, shareholders and staff have in ING and is important for the way ING does business. Managing Compliance Risk is fundamental to driving value. The pursuit of long term business sustainability requires proper conduct of business activities in accordance with the high ethical standards of ING's Business Principles. These principles not only reflect laws and regulations, but are also based on ING's core values: integrity, entrepreneurship, professionalism, responsiveness and teamwork.

Clear and accessible policies and procedures are required to be implemented in ING business processes in all Business Lines. An infrastructure is in place to enable management to track current and emerging Compliance Risk issues, to communicate these to internal and external stakeholders, and to drive continuous improvement. ING understands that good Compliance Risk Management involves understanding and delivering on the expectations of customers and other stakeholders, thereby improving the quality of key relationships based on honesty, integrity and fairness.
For more information about Risk management see "Risk management" section in the ING Verzekeringen N.V. Annual Report 2008.

SECOND QUARTER RESULTS, AS PUBLISHED ON 12 AUGUST 2009 (UNAUDITED)

Income

Total income from insurance operations for the six months ended 30 June 2009 decreased by EUR 11,466 million, or 38.4% to EUR 18,394 million from EUR 29,860 million for the six months ended 30 June 2008. Total premium income decreased by 31.8%, or EUR 7,546 million, most notably in the United States and Asia/Pacific caused by lower sales of single premium investment-oriented products and the divestment of ING Canada.

Commission income decreased by EUR 37 million or 3.7% to EUR 971 million in the first six months of 2009 as compared to EUR 1,008 million in the first six months of 2008 mainly due to lower asset balances in Asia/Pacific and Europe.

Investment and other income decreased by EUR 3,883 million or 75.8% to EUR 1,240 million in the first six months of 2009 as compared to EUR 5,123 million in the first six months of 2008 due to negative revaluations of real estate, impairments and capital losses on equity and debt securities as well as negative fair value changes on hedge positions in all business lines. Losses on the hedges related to variable annuity guarantees were largely offset by favourable developments in the variable annuity guaranteed benefit reserves, DAC amortisation and DAC unlocking, which are reflected in underwriting expenditure.

Expenses
Operating expenses of the insurance operations over the first six months of 2009 decreased by EUR 372 million, or –13.9%, to EUR 2,307 million, from EUR 2,679 million for the first six months of 2008.

All business lines contributed to this result through cost-containment measures; sales-related expenses were also down on lower production.

Result before tax and net result
The result before tax for the six months ended 30 June 2009 decreased by EUR 3,076 million, or 155.5%, to EUR –1,098 million, from EUR 1,978 million for the six months ended 30 June 2008. Net result before minority interests for the six months ended 30 June 2009 decreased by EUR 2,747 million, or 154.6%, to EUR –970 million, from EUR 1,777 million for the six months ended 30 June 2008.

Underlying result before tax
ING manages its business on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 8 'Segment reporting' of the Interim Account of the period ended 30 June 2009, which is incorporate by reference herein.

Underlying result before tax decreased by 137.1% or EUR 2,462 million to EUR –666 million from EUR 1,796 million in the first six months of 2008. Underlying result of Insurance Europe decreased by EUR 677 million, or 90.8%, to EUR 69 million due to lower direct investment income, negative revaluations on equity options to hedge equity investments, higher non-life claims and an addition to the provision for guaranteed pension contracts, partly offset by lower operating expenses. Underlying result before tax of Insurance Americas decreased by 159.2% from EUR 471 million in the first six months of 2008 to EUR –279 million in the first six months of 2009 due to investment losses, DAC unlocking, lower fee income and higher guaranteed benefit costs. Underlying result of Insurance Asia/Pacific decreased by 83.0%% to EUR 52 million mainly due to a negative swing on SPVAs in Japan due to intense market volatility, a provision on a buyback guarantee in New Zealand and an impairment on debt holdings in India. Corporate Line decreased by 286.1% from EUR 273 million to EUR –508 million mainly due to lower gains and higher impairments on public equity, and lower fair value changes on equity derivatives.

Key capital and leverage ratios
ING Insurance's debt/equity (D/E) ratio increased from 8.8% to 12.4%.

RISK MANAGEMENT
ING Insurance is taking de-risking measures to preserve shareholders' equity and limit earnings volatility. Key measures in place to support both are the Illiquid Assets Back-up Facility with the Dutch State on the Alt-A RMBS portfolio and equity hedges on ING Insurance direct and indirect equity exposure.

ING Insurance's exposure to Asset Backed Securities (ABS) declined to EUR 24 billion at 30 June 2009 from EUR 29 billion at the end of December 2008. ABS in the available for sale (AFS) investment portfolio declined from EUR 29 billion at the end of December 2008 to EUR

14 billion at the end of June. Pre-tax impairments on ABS were EUR 109 million in the first six months 2009, of which EUR 90 million in the Alt-A RMBS portfolio.

ING Insurance's Alt-A RMBS portfolio declined from EUR 2.1 billion at the end of December 2008 to EUR 0.3 billion at the end of June 2009 largely due to the Iliquid Assets Back-up Facility which was agreed during the first quarter with the Dutch State.

ING's CDO/CLO portfolio was EUR 3.6 billion at the end of June 2009. The CDOs in ING's portfolio generally reference to investment-grade corporate credit. Insurance Americas recorded a EUR 49 million positive fair value adjustment through the P&L on (synthetic) CDOs. This was mainly driven by corporate credit spread tightening in the second quarter.

The impact of equity hedges on P&L was a loss of EUR 318 million. ING Insurance is exposed to equity risk directly through its AFS equity portfolio and indirectly through equity-related DAC unlocking in the insurance business. The favourable stock market performance led to EUR 439 million negative equity-related DAC unlocking in the US insurance business in the first six months of 2009. Hedges to protect Insurance US regulatory capital positions had an impact of EUR 280 million. ING Insurance holds put options on the Eurostoxx 50 to hedge ING Insurance's listed equity portfolio. The nominal hedge amount was EUR 3.9 billion at the end of June 2009. The impact of these hedges on P&L was a loss of EUR 38 million. Despite rising equity markets, impairments on equity securities were EUR 230 million in the first six months of 2009 due to the fact that for several securities the market value remained below the purchase value for more than six months, triggering the impairment.

ING Insurance's direct real estate exposure at 30 June 2009 was EUR 6.4 billion, of which EUR 4.7 billion is subject to revaluation through the P&L. In the first six months of 2009 ING took a EUR 270 million pre-tax negative revaluation through the P&L on this portfolio.

LOOKING AHEAD

ING has made strides to reduce risk, stabilise the capital base and simplify its organisation in the first half. The programme to integrate ING's Dutch insurance operations has been announced with positive earnings contribution in 2010. In line with ING's Back to Basics strategy, ING has also agreed to sell several non-core or sub-scale businesses in its efforts to streamline the Group and sharpen its strategic focus. ING is currently reviewing additional strategic options to facilitate its continued transformation and realise its ambition to repay the Dutch State. The process will also support ING's efforts to meet the restructuring requirements set out by the European Commission for financial institutions that received state aid in the context of the financial crisis. In the meantime, ING continues to focus on providing first-rate service to its customers and providing them with simpler and more transparent products.

SECOND QUARTER CONSOLIDATED BALANCE SHEET OF ING VERZEKERINGEN N.V. as at *

amounts in millions of euros	30 June 2009	31 December 2008
ASSETS		
Cash and balances with central banks	**11,245**	14,440
Financial assets at fair value through profit and loss	**106,231**	106,036
Available-for-sale investments	**101,624**	109,487
Loans and advances to customers	**30,924**	25,635
Reinsurance contracts	**5,656**	5,797
Investments in associates	**2,567**	2,723
Real estate investments	**1,140**	1,118
Property and equipment	**592**	710
Intangible assets	**4,384**	4,731
Deferred acquisition costs	**11,393**	11,843
Other assets	**11,285**	29,700
Total assets	**287,041**	312,220
EQUITY		
Shareholders' equity (parent)	**12,203**	11,893
Minority interests	**74**	520
Total equity	**12,277**	12,413
LIABILITIES		
Subordinated loans	**6,868**	6,928
Debt securities in issue	**4,094**	4,728
Other borrowed funds	**9,555**	13,153
Insurance and investment contracts	**238,015**	240,790
Financial liabilities at fair value through profit and loss	**3,547**	5,217
Other liabilities	**12,685**	28,991
Total liabilities	**274,764**	299,807
Total equity and liabilities	**287,041**	312,220

* These figures have been derived from the unaudited six-month figures in respect of the second quarter of the financial year ended 30 June 2009.

SECOND QUARTER CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING VERZEKERINGEN N.V. for the six months period ended *

	6 month period	
	1 January to 30 June	
amounts in millions of euros	2009	2008
Gross premium income	**16,183**	23,729
Investment income	**3,206**	4,999
Commission income	**971**	1,008
Other income	**-1,966**	124
Total income	**18,394**	29,860
Underwriting expenditure	**16,664**	24,645
Intangible amortisation and other impairments	**36**	37
Staff expenses	**1,121**	1,431
Other interest expenses	**485**	521
Other operating expenses	**1,186**	1,248
Total expenses	**19,492**	27,882
Result before tax	**-1,098**	1,978
Taxation	**-128**	201
Net result (before minority interests)	**-970**	1,777
Attributable to:		
Shareholders of the parent	**-982**	1,737
Minority interests	**12**	40
	-970	1,777

* These figures have been derived from the unaudited six-month figures in respect of the second quarter of the financial year ended 30 June 2009.

CONSOLIDATED BALANCE SHEET OF ING VERZEKERINGEN N.V. *
As at 31 December

amounts in millions of euros	**2008**	2007
ASSETS		
Cash and cash equivalents	**14,440**	3,115
Financial assets at fair value through profit and loss:		
– trading assets	**537**	1,008
– investments for risk of policyholders	**95,366**	114,827
– non-trading derivatives	**6,344**	1,232
– designated as at fair value through profit and loss	**3,789**	3,805
Available-for-sale investments	**109,487**	132,266
Loans and advances to customers	**25,635**	27,529
Reinsurance contracts	**5,797**	5,874
Investments in associates	**2,723**	3,189
Real estate investments	**1,118**	1,302
Property and equipment	**710**	907
Intangible assets	**4,731**	3,942
Deferred acquisition costs	**11,843**	10,692
Other assets	**29,700**	12,395
Total assets	**312,220**	322,083
EQUITY		
Shareholders' equity (parent)	**11,893**	17,911
Minority interests	**520**	890
Total equity	**12,413**	18,801
LIABILITIES		
Subordinated loans	**6,928**	4,493
Debt securities in issue	**4,728**	4,636
Other borrowed funds	**13,153**	11,355
Insurance and investment contracts	**240,790**	265,712
Financial liabilities at fair value through profit and loss:		
– trading liabilities	**4**	101
– non-trading derivatives	**5,213**	1,704
Other liabilities	**28,991**	15,281
Total liabilities	**299,807**	303,282
Total equity and liabilities	**312,220**	322,083

Breakdown of equity attributable to equity holders of ING Verzekeringen N.V.

amounts in millions of euros	**2008**	2007
Share capital	**174**	174
Share premium	**9,824**	4,374
Revaluation reserve	**-4,645**	2,834
Currency translation reserve	**-1,191**	-1,086
Other reserves	**7,731**	11,615
Equity attributable to equity holders of the Company	**11,893**	17,911

* These figures have been derived from the audited annual accounts of ING Insurance in respect of the financial year ended 31st December 2008.

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING VERZEKERINGEN N.V. *
For the years ended 31 December

amounts in millions of euros	**2008**	**2008**	2007	2007
Gross premium income		**43,812**		46,818
Investment income		**7,177**		12,827
Net gains/losses on disposals of group companies		**15**		299
Gross commission income	**3,510**		3,527	
Commission expense	**–1,440**		–1,626	
Commission income		**2,070**		1,901
Valuation results on non-trading derivatives		**1,977**		–687
Net trading income		**–350**		370
Share of profit from associates		**–187**		530
Other income		**150**		294
Total income		**54,664**		62,352
Gross underwriting expenditure	**18,831**		51,818	
Investment income for risk of policyholders	**32,408**		–1,079	
Reinsurance recoveries	**–1,754**		–1,906	
Underwriting expenditure		**49,485**		48,833
Intangible amortisation and other impairments		**310**		14
Staff expenses		**2,896**		2,836
Interest expenses		**1,121**		1,445
Other operating expenses		**2,578**		2,609
Total expenses		**56,390**		55,737
Result before tax		**–1,726**		6,615
Taxation		**–499**		782
Net result (before minority interests)		**–1,227**		5,833
Attributable to:				
Shareholders of the parent		**–1,265**		5,650
Minority interests		**38**		183
		–1,227		5,833

* These figures have been derived from the audited annual accounts of ING Insurance in respect of the financial year ended 31st December 2008.

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 3209).

(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 2007 and 31 December 2008, 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 Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"), of A+, a senior debt rating from Moody's Investors Service Limited ("Moody's") of A2 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, other than in respect of:

(i) the outcome of discussions regarding final approval of the Illiquid Asset Back-up Facility with the Dutch State and a restructuring plan that needs to be drafted according to guidelines published by the European Commission on 22 July 2009, following the temporarily approved ING Core Tier 1 securities issuance to and the Illiquid Assets Back-up Facility with the Dutch State, which outcome cannot be predicted, but could lead to significant changes for ING Group going forward;

(ii) the net result for the period, a decline in market values of available-for-sale debt securities and real estate and balance sheet reductions as disclosed in the Q1 Report of 13 May 2009 and the Q2 Report of 12 August 2009;

(iii) the assets reclassifications as disclosed in the ING Insurance Interim accounts for the period ended 30 June 2009; and

(iii) the risk and leverage reductions and over time divestments of EUR 6 to 8 billion as announced in the Strategy Update Release of 9 April 2009 and the review of additional strategic options to facilitate ING Group's transformation and to realize ING Group's ambition to repay the Dutch State,

there has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries and no material adverse change in the prospects of the Issuer since 31 December 2008.

Litigation

ING Group companies 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. 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's management is of the opinion that neither it nor any of its 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 or the Issuer and its subsidiaries taken as a whole.

These proceedings include complaints and lawsuits concerning the performance of certain interest sensitive products that were sold by a former subsidiary of ING in Mexico. Further, purported class litigation has been filed challenging the operation of the ING American Savings, ESOP and 401(k) Plans. Litigation also includes a case involving the interest crediting methodology that is used in connection with annuity products, and disclosures about the methodology, in which a state court of appeals has determined that the case can be maintained as a nation-wide class action. A higher appellate court has been asked to review and reverse this decision. These matters are being defended vigorously; however, at this time, the Issuer is unable to assess their final outcome. In addition, a subsidiary is a garnishee in proceedings in the United States brought by judgement creditors of the Republic of Argentina who seek to levy on assets that were managed by that subsidiary before the Republic nationalised the private pension business in Argentina. Appropriate steps are being taken to address this matter.

In November 2006, the issue of amongst others, the costs charged by the insurance industry to customers in respect 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. Mid November 2008 Nationale-Nederlanden and the Issuer's other Dutch insurance subsidiaries 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's Dutch insurance subsidiaries. It was agreed that ING's Dutch insurance subsidiaries will offer compensation to policy holders 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, ING believes a significant step was set towards resolving the issue.

Like many other companies in the mutual funds, brokerage, investment, and insurance industries, several of ING's companies have received informal and formal requests for information from various governmental and self-regulatory agencies or have otherwise identified issues arising in connection with fund trading, compensation, conflicts of interest, anti-competitive practices, insurance risk transfer and sales practices. ING is responding to the requests and working to resolve issues with regulators. ING believes that any issues that have been identified thus far do not represent a systemic problem in the ING businesses involved and in addition that the outcome of the investigations will not have a material effect on the Issuer.

Because of the geographic spread of its business, ING may be subject to tax audits in numerous jurisdictions at any point in time. Although ING Insurance 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.

Auditors

The financial statements of the Issuer for the financial years ended 31 December 2007 and 31 December 2008 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).

The auditors' report in respect of the financial years ended 31 December 2007 and 31 December 2008 incorporated by reference herein and the following auditors' report 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.

Auditors' Report

To the Executive Board of ING Verzekeringen N.V.

Auditor's Report

Introduction

We have audited whether the consolidated balance sheet as at 31 December 2008 and the consolidated profit and loss account for the year then ended of ING Verzekeringen N.V., Amsterdam, as included in this Registration Document on page 46 and page 47, have been derived consistently from the audited annual accounts of ING Verzekeringen N.V. for the year ended 31 December 2008. In our auditors' report dated 16 March 2009 we expressed an unqualified opinion on these annual accounts. Management of the company is responsible for the preparation of the consolidated balance sheet and the consolidated profit and loss account in accordance with the accounting policies as applied in the 2008 annual accounts of ING Verzekeringen N.V. Our responsibility is to express an opinion on the consolidated balance sheet and the consolidated profit and loss account.

Scope

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the consolidated balance sheet and the consolidated profit and loss account have been derived consistently from the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the consolidated balance sheet and the consolidated profit and loss account have been derived consistently, in all material respects, from the 2008 annual accounts.

Emphasis of matter

For a better understanding of the company's financial position and results and the scope of our audit, we emphasize that the consolidated balance sheet and the consolidated profit and loss account should be read in conjunction with the annual accounts, from which the consolidated balance sheet and the consolidated profit and loss account were derived and our unqualified auditors' report thereon dated 16 March 2009. Our opinion is not qualified in respect of this matter.

Amsterdam, 19 August 2009

Ernst & Young Accountants LLP

Signed by C.B. Boogaart

THE ISSUER

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