Dated 23 February 2010

ING BANK 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 Bank N.V. (the "Issuer" or the "Global Issuer") which, according to the particular nature of the Issuer and the securities which it may offer to the public within a member state ("Member State") of the European Economic Area (the "EEA") or apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

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

This Registration Document was approved by the Netherlands Authority for the Financial Markets (the "AFM") for the purposes of the Prospectus Directive on 23 February 2010.

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 financial statements of the Issuer in respect of the years ended 31 December 2007 and 2008, including the auditors' reports in respect of such years, which are contained in the annual reports of the Issuer for the relevant periods;

(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) the press release entitled "ING announces preliminary third quarter 2009 results" (the "Q3 Preliminary Results Release") published by ING Groep N.V. on 26 October 2009;

(i) the press release entitled "ING to separate banking and insurance operations" (the "Separation of Banking and Insurance Operations Release") published by ING Groep N.V. on 26 October 2009;

(j) the press release entitled "ING to revise Management Boards in line with strategic direction" (the "Revised Management Boards Release") published by ING Groep N.V. on 26 October 2009;

(k) the press release entitled "ING to launch rights issue to repay half of State capital injection" (the "Rights Issue and Capital Repayment Release") published by ING Groep N.V. on 26 October 2009;

(l) the press release entitled "ING completes rights issue and State repayment" (the "Rights Issue and State Repayment Release") published by ING Groep N.V. on 21 December 2009;

(m) the press release entitled "ING posts underlying net profit of EUR 748 million in 2009" (the "2009 Preliminary Results Release") published by ING Groep N.V. on 17 February 2010;

(n) the Issuer's Interim Financial Report containing its consolidated unaudited results as at, and for the six month period ended, 30 June 2009 (the "ING Bank Interim Financial Report") published by the Issuer on 12 August 2009;

(o) pages 1 to 35 (inclusive) 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 2009 Report"), pages 1 to 35 (inclusive) of the unaudited ING Group 2009 quarterly report for the second quarter of 2009, as published by ING Groep N.V. on 12 August 2009 (the "Q2 2009 Report"), pages 1 to 37 (inclusive) of the unaudited ING Group 2009 quarterly report for the third quarter of 2009, as published by ING Groep N.V. on 11 November 2009 (the "Q3 2009 Report") and pages 1 to 38 (inclusive) of the unaudited ING Group 2009 quarterly report for the fourth quarter of 2009, as published by ING Groep N.V. on 17 February 2010 (the "Q4 2009 Report" and, together with the Q1 2009 Report, the Q2 2009 Report and the Q3 2009 Report, the "2009 Quarterly Reports"). The 2009 Quarterly Reports contain, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three month periods ended 31 March 2009, 30 June 2009, 30 September 2009 and 31 December 2009, respectively, as well as information about recent developments during these periods in the banking business of ING Groep N.V., which is conducted substantially through the Issuer and its consolidated group;

(p) the following selected information from the ING Groep N.V. Annual Report 2008 as filed on Form 20-F (the "Form 20-F 2008") with the U.S. Securities and Exchange Commission (the "SEC") on 19 March 2009, which Form 20-F 2008 contains, among other things, financial and statistical information on the banking business of ING Groep N.V. for the year ended 31 December 2008:

(i) in Part I, Item 4 of the Form 20-F 2008, the section entitled "Information on the Company – Regulation and Supervision" on pages 35-36;

(ii) in Part I, Item 4 of the Form 20-F 2008, the section entitled "Information on the Company – Banking" on pages 39-41;

(iii) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Consolidated Results of Operations" on pages 49-50;

(iv) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Banking Operations" on pages 52-53;

(v) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Segment Reporting – Wholesale Banking – Year ended December 31, 2008 compared to year ended December 31, 2007" on pages 69-70;

(vi) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Segment Reporting – Retail Banking – Year ended December 31, 2008 compared to year ended December 31, 2007" on pages 73-74;

(vii) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Segment Reporting – ING Direct – Year ended December 31, 2008 compared to year ended December 31, 2007" on pages 75-76;

(viii) in Part I, Item 5 of the Form 20-F 2008, the section entitled "Operating and financial review and prospects – Liquidity and Capital Resources – ING Bank Cash Flows" on pages 81-84; and

(ix) the section entitled "Additional Information – Selected Statistical Information on Banking Operations" on pages 127-142 of the Form 20-F 2008; and

(p) the following selected information relating to the results of ING Groep N.V. for the third quarter of 2009 as filed on Form 6-K (the "Form 6-K Q3 2009") with the SEC on 27 November 2009, which Form 6-K Q3 2009 contains, among other things, financial and statistical information on the banking business of ING Groep N.V. for the nine month period ended 30 September 2009:

(i) the section entitled “Factors Affecting Results of Operations – Impact of financial crisis” on pages 5-10 of the Form 6-K Q3 2009; and

(ii) the section entitled “Liquidity and Capital Resources for the Period Ended September 30, 2009 – Capital Adequacy” on pages 28-29 (excluding the caption entitled “Adjusted Equity”) of the Form 6-K Q3 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 2009 Preliminary Results Release, the 2009 Quarterly Reports, the Form 20-F 2008 and the Form 6-K Q3 2009, 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 banking business of ING Groep N.V. as described in the 2009 Preliminary Results Release, the 2009 Quarterly Reports, the Form 20-F 2008 and the Form 6-K Q3 2009. In addition, ING Groep N.V. is not responsible for production of this Registration Document.

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 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 Bank") 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 Bank'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.

Because ING Bank is part of an integrated financial services group conducting business on a global basis, the financial performance of ING Bank is affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the financial condition of ING Bank

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 ING Bank conducts in a specific geographic region. For example, in an economic downturn, such as the one that has affected world economies since mid-2007, 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 banking products is adversely affected and ING Bank'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. In particular, a downturn in the equity markets causes a reduction in commission income ING Bank earns from managing portfolios for third parties, income generated from its own proprietary portfolios and its capital base. ING Bank also offers a number of 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 ING Bank's business this might also result, among other things, in the following:

- the write down of tax assets impacting net results; and/or
- impairment expenses related to goodwill and other intangible assets, impacting net results.

ING Bank believes that if ongoing market volatility adversely impacts the performance of the reporting unit Retail Banking - Central Europe, compared with what was assumed in the year-end 2008 goodwill impairment test, the book value (including goodwill) of this reporting unit may exceed the related fair value, which would result in an impairment.

In 2008 and 2009, shareholders' equity and net result of ING Bank were significantly impacted by the turmoil and the extreme volatility in the worldwide financial markets. Further negative developments in financial markets and/or economies may have a material adverse impact on ING Bank's shareholders' equity and net result in future periods, including as a result of the potential consequences listed above. ING Bank is currently recalibrating its economic capital models to reflect the extreme market conditions experienced over recent quarters in order to align them more closely with regulatory measures. This may have a material impact on ING Bank's economic capital for credit risk.

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

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

ING Bank needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt and any dividends on its capital stock; maintain its securities lending activities; and replace certain of its maturing liabilities. The principal sources of liquidity of ING Bank are deposit funds and 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 that current resources do not satisfy ING Bank's needs, it may need 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, ING Bank's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If ING Bank's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available on unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit ING Bank's access to capital required to operate its business. Such market conditions may limit the ability of ING Bank to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force ING Bank to (1) delay raising capital, (2) reduce, cancel or postpone payment of dividends on its shares, (3) reduce, cancel or postpone interest payments on other securities, (4) issue capital of different types or under different terms than ING Bank would otherwise, or (5) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both ING Bank's profitability and its financial flexibility. ING Bank's financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

In the course of 2008 and 2009, governments around the world, including the Dutch government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments nationalised companies or parts thereof. The measures adopted in The Netherlands consist of both liquidity provision and capital reinforcement, and a Dutch Credit Guarantee Scheme. The liquidity and capital reinforcement measures expired on 10 October 2009, while the Credit Guarantee Scheme of the Netherlands is now scheduled to run through 30 June 2010. To date, ING Bank has been able to benefit from these measures, but ING Bank's participation in these measures has resulted in certain material restrictions on it, including those agreed to with the EC as part of ING's Restructuring Plan. The Restructuring Plan as well as any potential future transactions with the Dutch State or any other government, if any, or actions by such government regarding ING Bank or ING generally could adversely impact the position or rights of ING Bank's shareholder, bondholders, customers or creditors and ING Bank's results, operations, solvency, liquidity and governance.

In addition, ING Bank has built its liquidity risk framework on the premise that its liquidity is most efficiently and effectively managed by a centralized group function. However, ING Bank is subject to the jurisdiction of a variety of banking regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder ING Bank's ability to manage its liquidity in such a centralized manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which ING Bank operates are generally becoming more stringent, undermining ING Bank's efforts to maintain this centralized management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing ING Bank's liquidity, and hinder its efforts to integrate its balance sheet, which is an essential element of ING's Back to Basics program and its Restructuring Plan.

The default of a major market participant could disrupt the markets

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

The manner in which AIG suffered in the aftermath of the bankruptcy of Lehman Brothers in September 2008 is an example of this type of risk. ING Bank believes that despite increased attention recently, systemic risk to the markets in which it operates continues to exist, and dislocations caused by the interdependency of financial market participants continue to be a potential source of material adverse changes to ING Bank's business and financial condition.

Because ING Bank's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, ING Bank may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition

Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities and ING Bank's business 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 ING Bank's business continuity plans are not able to be put into action or do not take such events into account, such events could adversely affect ING Bank's financial condition.

ING Bank operates in a highly regulated industry. There could be an adverse change or increase in the financial services laws and/or regulations governing ING Bank's business

ING Bank is subject to detailed banking, insurance and other financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, anti-money laundering, privacy, record keeping, and marketing and selling practices. Banking and other financial services laws, regulations and policies currently governing ING Bank may also change at any time in ways which have an adverse effect on ING Bank'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 ING Bank operates, often requiring additional resources of ING Bank. These regulations can serve to limit ING Bank's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which ING Bank can operate or invest. If ING Bank fails to address, or appears to fail to address, appropriately any of these matters, ING Bank's reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against ING Bank or subject it 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 ING Bank 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 other areas. For example, the EC is considering increasing the capital requirements for banks. In addition, the International Accounting Standards Board ("IASB") is considering changes to several IFRS standards, including significant changes to the standard on financial instruments (IAS 39) and to the standard on pensions (IAS 19). These changes could have a material impact on ING Bank's financial condition.

Governments in The Netherlands and abroad have also intervened on an unprecedented scale, responding to stresses experienced in the global financial markets. Some of the measures adopted subject ING Bank and other institutions for which they were designed to additional restrictions, oversight or costs. As a result of having received state aid through the Core Tier-1 Securities and the Illiquid Assets Back-Up Facility (together, the "Dutch State Transactions"), ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions. The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank. ING Bank 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 and financial condition.

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

Ongoing turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so

ING Bank's financial performance is materially impacted by conditions in the global capital markets and the economy generally. The stress experienced in the global capital markets that started in the second half of 2007 continued and substantially increased throughout 2008 and, although market conditions have improved, volatility continued in 2009, particularly the early part of the year. The crisis in the mortgage market in the United States, triggered by a serious deterioration of credit quality, led to a revaluation of credit risks. 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 ING Bank, that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on ING Bank's financial performance, in part because it has a large investment portfolio and extensive real estate activities around the world. In addition, the confidence of customers in financial institutions is being tested. Consumer confidence in financial institutions may, for example, decrease due to ING Bank's or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on ING Bank's financial condition, including, in particular, through a withdrawal of deposits. Because a significant percentage of ING Bank's customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007, 2008 and, to a lesser extent, the first nine months of 2009, ING Bank has incurred substantial negative revaluations on its investment portfolio, which have impacted its earnings and shareholders' equity. Furthermore, ING Bank has incurred impairments and other losses, which have impacted its profit and loss accounts.

Such impacts have arisen primarily as a result of valuation issues arising in connection with ING Bank's investments in real estate (both in and outside the US) and private equity, exposures to US mortgage-related structured investment products, including sub-prime and Alt-A Residential and Commercial Mortgage-Backed Securities ("RMBS" and "CMBS", respectively), Collateralized Debt Obligations ("CDOs") and Collateralized Loan Obligations ("CLOs"), monoline insurer guarantees, Structured Investment Vehicles ("SIVs") and other investments. In many cases, the markets for such investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. While ING Bank 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 ING Bank will not experience further negative impacts to its shareholders' equity or profit and loss accounts from such assets in future periods.

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

In November 2008 the Dutch State purchased the Core Tier-1 Securities, and in the first quarter of 2009 ING and the Dutch State entered into the Illiquid Assets Back-Up Facility (the "Illiquid Assets Back-Up Facility") pursuant to which ING transferred to the Dutch State the economic risks and rewards of 80% of the approximately EUR 30 billion par value Alt-A residential mortgage-backed securities portfolios of ING Direct US and Insurance Americas.

As a result of having received state aid through the Dutch State Transactions, ING was required to submit a restructuring plan (the "Restructuring Plan") to the EC in connection with obtaining final approval for the Dutch State Transactions under the EC state aid rules. On 26 October 2009, ING announced its Restructuring Plan, pursuant to which it is required to divest by the end of 2013 all of its insurance business, including the investment management business, as well as ING Direct US, which operates ING Bank's direct banking business in the United States, and certain portions of ING Bank's retail banking business in The Netherlands. The EC's approval of the Restructuring Plan was issued on 18 November 2009. In addition, in order to obtain approval of the Restructuring Plan, ING committed to make a series of additional payments to the Dutch State, corresponding to adjustments to the net fees payable under the Illiquid Assets Back-Up Facility. These payments will significantly increase the cost of the Illiquid Assets Back-Up Facility to ING and have resulted in a one-time, pre-tax charge of EUR 1.3 billion to be recorded in the fourth quarter of 2009 which has in turn adversely affected ING's financial condition.

In connection with the Restructuring Plan, ING has also agreed to not be a price leader in certain EU markets with respect to certain retail, private and direct banking products and to refrain from acquisitions of financial institutions and of businesses that would delay its repurchase of the Core Tier-1 Securities not purchased with the proceeds of its rights issue announced in October 2009. Those limitations may last until 18 November 2012 and could adversely affect ING Bank's ability to maintain or grow market share in key markets as well as its financial condition.

ING has announced that it will consider making its required divestments by means of initial public offerings, sales, spin-offs, combinations of the foregoing or other means. There can be no assurance that ING will be able to implement the Restructuring Plan successfully or complete the announced divestments on favourable terms or at all, particularly in light of both the plan's 2013 deadline and expected challenging market conditions in which other financial institutions may place similar assets for sale during the same time period and may seek to dispose of assets in the same manner. Any failure to successfully implement the Restructuring Plan may result in EC enforcement actions and may have a material adverse impact on the assets, profitability, capital adequacy and business operations of ING Bank. Moreover, in connection with the implementation of the Restructuring Plan, including any proposed divestments, ING or potential buyers may need to obtain various approvals, including of shareholders, works councils and regulatory and competition authorities, and ING and potential buyers may face difficulties in obtaining these approvals in a timely manner or at all. In addition, the implementation of the Restructuring Plan may strain relations with ING Bank's employees, and specific proposals in connection with the implementation may be opposed by labour unions or works councils. Furthermore, following the announcement of the Restructuring Plan, several of ING's subsidiaries have been downgraded or put on credit watch by rating agencies.

Other factors that may impede ING's ability to implement the Restructuring Plan successfully include an inability of prospective purchasers to obtain funding due to the deterioration of the credit markets, insufficient access to equity capital markets, a general unwillingness of prospective purchasers to commit capital in the current market environment, antitrust concerns, any adverse changes in market interest rates or other borrowing costs and any declines in the value of the assets to be divested. Although equity capital markets have improved over the past few months, it may also be difficult to divest all or part of ING's insurance or investment management business through one or more initial public offerings. There can also be no assurance that ING could obtain favourable pricing for a sale of all or part of its insurance or investment management business in the public markets or succeed in turning the relevant subsidiaries into viable standalone businesses. A divestment may also release less regulatory capital than ING would otherwise expect. Any failure to complete the divestments on favourable terms, whether by sale, through an initial public offering, a spin-off or otherwise, could have a material adverse impact on ING Bank's assets, profitability, capital adequacy and business operations. If ING is unable to complete the announced divestments in a timely manner, it would be required to find alternative ways to reduce its leverage, and it could be subject to enforcement actions or proceedings by the EC. In particular, if ING does not succeed in completing divestitures contemplated by the Restructuring Plan within the timelines set out therein, the EC may request the Dutch State to appoint a divestiture trustee with a mandate to complete the relevant divestiture with no minimum price.

In addition, it is possible that a third party will challenge the EC decision to approve the Restructuring Plan in the European Courts. ING does not believe that any such challenge would be likely to succeed, but if it were to succeed the EC would need to reconsider its decision which may have an adverse impact on ING Bank's financial condition.

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

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

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

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

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

ING's Back to Basics program and its Restructuring Plan may not yield intended reductions in costs, risk and leverage

In April 2009, ING announced its Back to Basics program to reduce its costs, risk and leverage. In addition to restructuring the ING banking and insurance businesses so that they are operated separately under the ING umbrella, the Back to Basics program includes cost-reduction measures, as well as plans for divestments. On 26 October 2009, ING announced that it had reached an agreement with the EC on its Restructuring Plan, pursuant to which it announced further divestments. Projected cost savings and impact on ING Bank's risk profile and capital associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- divestments planned in connection with the Restructuring Plan may not yield the level of net proceeds expected;

- initiatives ING is contemplating may require consultation with various regulators as well as employees and labour representatives, and such consultations may influence the timing, costs and extent of expected savings;
- the loss of skilled employees in connection with the initiatives; and
- projected savings contemplated under the Back to Basics program may fall short of targets.

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

Because ING Bank operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its financial performance

There is substantial competition in The Netherlands and the other countries in which ING Bank does business for the types of commercial banking, investment banking, insurance and other products and services ING Bank 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 ING Bank 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 ING Bank's financial condition. Such competition is most pronounced in ING Bank's more mature markets of The Netherlands, Belgium, other parts of Western Europe, the United States, Canada and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with ING Bank's competitors. The Netherlands and the United States are ING Bank's largest markets. ING Bank's main competitors in the banking sector in The Netherlands are ABN AMRO Bank/Fortis and Rabobank. Increasing competition in these or any of ING Bank's other markets may significantly impact ING Bank's financial performance if ING Bank is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. In 2008 and 2009, this trend accelerated considerably, as several major financial institutions consolidated, were forced to merge or received substantial government assistance, and this trend may continue in light of the EC's scrutiny of state aid transactions. These developments could result in ING Bank's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity. ING Bank may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices. In addition, under the Restructuring Plan ING has agreed to certain restrictions imposed by the EC, including with respect to its price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

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-1 Securities issued by ING Groep N.V. on 12 November 2008, for so long as the Illiquid Assets Back-Up Facility is in place, or for so long as any of the government guaranteed senior unsecured bonds issued by ING Bank N.V. under the Credit Guarantee Scheme of the Netherlands (the "Government Guaranteed Bonds") are outstanding, ING Bank N.V. is required to institute certain restrictions on the compensation of the members of its Management Board and senior management, including incentives or performance-based compensation. These restrictions could hinder or prevent ING Bank from attracting or retaining the most qualified management with the talent and experience to manage its business effectively. In connection with these transactions, the Dutch State was granted the right to nominate two candidates for appointment to the Supervisory Board of ING Groep N.V. The Dutch State's nominees have veto rights over certain material transactions. ING's agreements with the Dutch State have also led to certain restrictions imposed by the EC as part of the Restructuring Plan, including with respect to ING's price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

Because ING Bank does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on ING Bank's financial condition

Third-parties that owe ING Bank money, securities or other assets may not pay or perform under their obligations. These parties include issuers whose securities ING Bank 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 ING Bank due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, etc., or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for ING Bank, and defaults by other institutions. In light of the significant constraints on liquidity and high cost of funds in the interbank lending market, which arose in 2008 and early 2009, particularly following the collapse of Lehman Brothers in September 2008, and given the high level of interdependence between financial institutions, ING Bank is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to ING Bank's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk.

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

With respect to secured transactions, ING Bank'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. ING Bank may also have exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, ING Bank holds certain hybrid regulatory capital instruments issued by financial institutions which permit the issuer to defer coupon payments on the occurrence of certain events or at their option. The EC has indicated that, in certain circumstances, it may require these financial institutions to defer payment. If this were to happen, ING Bank expects that such instruments may experience ratings downgrades and/or a drop in value and ING Bank may need to treat them as impaired, which could result in significant losses. There is no assurance that losses on, or impairments to the carrying value of, these assets would not materially and adversely affect ING Bank's business or financial condition.

In addition, ING Bank is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations ING Bank holds could result in losses and/or adversely affect ING Bank's ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of ING Bank's counterparties could also have a negative impact on ING Bank's income and risk weighting, leading to increased capital requirements. While in many cases ING Bank is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral ING Bank is entitled to receive and the value of pledged assets.

ING Bank's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to ING Bank, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those currently experienced. The termination of contracts and the foreclosure on collateral may subject ING Bank to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect ING Bank's business, financial condition and/or prospects.

Current market conditions have increased the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending

ING Bank is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. ING Bank may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This trend has led and may lead to further impairment charges on loans and other assets, higher costs and additions to loan loss provisions. The volume of impaired loans may continue if unfavourable economic conditions persist.

Furthermore, a significant increase in the size of ING Bank's provision for loan losses could have a material adverse effect on its financial condition. Due to worsening economic conditions in the past two years, ING Bank has experienced an increase of impaired loans.

The fall of commercial and residential real estate prices and lack of market liquidity during the past two years has had an adverse effect on the value of the collateral ING Bank holds. Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

Interest rate volatility may adversely affect ING Bank's financial condition

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

ING Bank may incur losses due to failures of banks falling under the scope of state compensation schemes

In The Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("Compensation Schemes") have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which ING Bank operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, ING Bank expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, ING Bank is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Dutch Deposit Guarantee Scheme are allocated among the participating banks by the Dutch Central Bank, *De Nederlandsche Bank N.V.* (the "Dutch Central Bank"), based on an allocation key related to their market shares with respect to the deposits protected by the Dutch Deposit Guarantee Schemes. Given ING Bank's size, it may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme, which it may be unable to recover from the bankrupt estate. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remains uncertain, although they may be significant and these and the associated costs to ING Bank may have a material adverse effect on its financial condition. As a result of the recent failure of DSB Bank N.V. in The Netherlands, ING Bank has taken a provision in the fourth quarter of 2009, as a result of liabilities under the Dutch Deposit Guarantee Scheme.

ING Bank may be unable to manage its risks successfully through derivatives

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

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

Because ING Bank 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 financial performance

ING Bank uses assumptions in order to model client behaviour for the risk calculations in its banking books. Assumptions are used to determine 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 a material adverse effect on the calculated risk figures and ultimately future financial performance.

ING Bank's risk management policies and guidelines may prove inadequate for the risks it faces

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

ING Bank may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations

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

ING Bank is subject to a variety of regulatory risks as a result of its operations in less developed markets

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

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

Because ING Bank is comprised of financial services companies and continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and financial performance 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 ING Bank 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 ING Bank. Such claims could have an adverse effect on ING Bank's operations and financial performance.

Ratings are important to ING Bank'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 ING Bank's operations and financial condition

ING Bank has credit ratings from Standard & Poor's Ratings Services ("Standard & Poor's"), a division of the McGraw-Hill Companies, Inc., Moody's Investor Service Limited ("Moody's") and Fitch Ratings Ltd. ("Fitch"). Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits from ING Bank following a downgrade, which could have an adverse effect on ING Bank's liquidity. Following the announcement of the Restructuring Plan, several of ING's subsidiaries have been downgraded or put on credit watch by rating agencies.

In particular, ING Bank's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on ING Bank's competitive position.

ING Bank's businesses may be negatively affected by a sustained increase in inflation

A sustained increase in the inflation rate in ING Bank's principal markets would have multiple impacts on ING Bank and may negatively affect ING Bank's business, solvency position and financial performance. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may (1) decrease the value of certain fixed income securities it holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact its financial condition and (2) require ING Bank, 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 ING Bank's interest expenses and adversely affect ING Bank's financial condition. 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 (1) result in impairment charges to equity securities that it holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would adversely affect its financial performance and negatively impact its solvency position and (2) negatively impact performance, future sales and surrenders of its unit-linked products where underlying investments are often allocated to equity funds.

Operational risks are inherent in ING Bank's businesses

ING Bank's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud, or from external events that interrupt normal business operations. ING Bank depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in ING Bank's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of ING Bank's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardize ING Bank's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to ING Bank's reputation and hinder its operational effectiveness. ING Bank also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. ING Bank 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. Furthermore, while recent widespread outbreaks of communicable diseases, such as the outbreak of the H1N1 influenza virus, also known as "swine flu," experienced world-wide in 2009, have not adversely affected ING Bank thus far, a worsening of this outbreak, or the occurrence of another outbreak of a different communicable disease, may impact the health of ING Bank's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact ING Bank's businesses.

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

Adverse publicity and damage to ING Bank'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 and banking industries, and litigation that arises from the failure or perceived failure by ING Bank to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputation harm, lead to increased regulatory supervision, affect ING Bank'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 ING Bank in ways that are not predictable.

DESCRIPTION OF ING BANK N.V.

PROFILE

ING Bank N.V. ("ING Bank") is part of ING Groep N.V., also called 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 almost 109,000 people worldwide. ING Group holds all shares of ING Bank, which is a non-listed 100% subsidiary of ING Group. On 26 October 2009, ING announced a new strategic direction. It will separate its banking and insurance operations and develop towards a mid-sized international Bank, anchored in the Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. On the same date, ING announced that all Insurance operations (including Investment Management) would be divested over the following four years.

ING Bank is represented in about 40 countries around the world through a large network of subsidiaries, offices and agencies. It offers its commercial and retail customers a full range of banking and financial services, including lending, stock-broking, insurance broking, fund management, leasing, factoring, investment banking and the provision of funds for venture capital purposes.

With almost 71,000 employees, ING Bank is active through three Business Lines: Retail Banking, ING Direct and Commercial Banking (formerly Wholesale Banking).

Retail Banking offers retail banking services in the mature markets of The Netherlands, Belgium and Luxembourg, and in the growth markets of Poland, Romania, Turkey, India, Thailand and China. Private Banking is offered in The Netherlands, Belgium, Luxembourg and various countries in Central Europe.

ING Direct operates direct retail banking activities for customers in Australia, Canada, France, Germany and Austria, Italy, Spain, the United Kingdom and the United States. The main products offered are savings accounts and mortgages, and also mutual funds and payment accounts.

Commercial Banking conducts operations for corporations and other institutions with a primary focus on The Netherlands, Belgium, Poland and Romania, where it offers a full range of products. Commercial Banking also manages ING Real Estate, a real estate investment manager.

As announced in April 2009, ING will integrate its banking operations into one bank, with one management team and one balance sheet, as part of its strategy to become predominantly a European retail and commercial bank with selective growth options elsewhere. ING announced on 26 October 2009 that it had also decided to bring together all its retail banking activities, including ING Direct. Furthermore, the insurance business would focus on its long-term structural leadership positions in life and retirement services. Key building blocks would include the insurance operations in the Benelux, US, Central Europe, Latin America and Asia/Pacific as well as the global Investment Management operations. Under the new structure which was announced on 9 April 2009, the asset-management activities which were part of Insurance Europe, Insurance Americas and Insurance Asia/Pacific, would be centralised in due course in a separate global division under the name Investment Management. ING Investment Management will continue to be part of Insurance, consisting of three regional organisations and Real Estate Investment Management.

INCORPORATION AND HISTORY

ING Bank was incorporated under Dutch law in The Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company as Nederlandsche Middenstandsbank N.V. (“NMB Bank”).

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

The registered office of ING Bank N.V. is at Bijlmerplein 888, 1102 MG Amsterdam Zuidoost, The Netherlands (telephone number: +31 20 501 3209). ING Bank N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33031431 and its corporate seat is in Amsterdam, The Netherlands. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 30 December 2009. According to its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the broadest sense of the word, including insurance brokerage, to acquire, construct and operate immovable properties, and furthermore 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 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 Bank is not bound by the Dutch Corporate Governance Code. ING Group, as the listed holding company of ING Bank is in compliance with the Dutch Corporate Governance Code.

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

SUPERVISORY BOARD AND MANAGEMENT BOARD BANKING

ING Bank has a two-tier board system, consisting of a Supervisory Board and a Management Board Banking. 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 to be not independent, because of his position with Deloitte Touche Tohmatsu until 1 June 2007, 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 Banking and the general course of events in the company and to assist the Management Board Banking by providing advice. The Management Board Banking is responsible for the daily management of the company.

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

- Supervisory Board: Peter A.F.W. Elverding (chairman), Jeroen van der Veer (vice-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, Karel Vuursteen and Lodewijk J. de Waal.
- Management Board Banking: Jan H.M. Hommen (chairman), Patrick G. Flynn (CFO), J.V. (Koos) Timmermans (CRO), Eric F.C. Boyer de la Giroday, C.P.A. J. (Eli) Leenaars and Hans van der Noordaa.

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

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

Details of relationships that members of the Management Board Banking 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. None of the members of the Supervisory Board have any conflict between their duties to ING 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 FrieslandCampina N.V., The Netherlands.

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

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

Veer, J. van der

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

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

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

Member of the Supervisory Board of Het Concertgebouw N.V., The Netherlands.

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

Bahlmann, J.P.

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

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

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

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

Chairman of Stichting Max Havelaar, The Netherlands.

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

Member of the Board of 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.

Member of the Supervisory Board of C.A. Leuze GmbH & Co. KG., Germany.

Chairman of the Charlottenklinik Foundation (hospital), Germany.

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

Hoogendoorn, P.

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

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

Chairman of the Supervisory Board of De Zevenster (nursing and care), The Netherlands.

Member of the Supervisory Board of Groene Hart Ziekenhuis Gouda, The Netherlands.

Former chairman of the Board of Directors of Deloitte Touche Tohmatsu and former 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 Financial Services B.V., 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 Emaar MGF Land Ltd.

Non-executive director of Max India Ltd.

Member of the governing board of Indian School of Business.

Member of the International Advisory Council of INSEAD.

Spero, J.E.

Non-executive director of IBM Corporation.

Trustee of 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.

Non-executive director of Cassis International.

Non-executive chairman of the Board of Directors of Brookstone, Inc.

Member of the Bloomberg Asia Pacific Advisory Board.

Trustee of Rensselaer Polytechnic Institute.

Vuursteen, K.

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.

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.

President of the Hay Group Vision Society, The Netherlands.

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

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four standing committees: the Audit Committee, the Risk Committee (as of 1 June 2009), the Remuneration Committee and the Nomination Committee (created from the split of the Remuneration and Nomination Committee on 1 January 2009).

The organisation, powers and modus operandi of the Supervisory Board are detailed in the Supervisory Board Charter. Separate charters have been drawn up for the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee. A short description of the duties for the four Committees follows below.

The Audit Committee assists the Supervisory Board in monitoring the integrity of the financial statements of ING Bank, 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 and advises the Supervisory Board in monitoring the risk profile of the company as well as the structure and operation of the internal risk management and control systems.

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

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

FIVE YEAR KEY CONSOLIDATED FIGURES ING BANK N.V. (4)

(amounts in millions of euros)	**2008**	2007	2006	2005	2004
Balance sheet[(1)]					
Total assets	**1,034,689**	994,113	894,985	834,035	620,035
Total equity	**24,121**	27,195	22,502	21,813	15,402
Deposits and funds borrowed[(2)]	**774,220**	751,159	685,078	661,683	517,504
Loans and advances	**598,328**	526,323	437,774	403,059	298,643
Results[(3)]					
Total income	**12,177**	14,592	14,190	13,819	12,663
Operating expenses	**10,364**	10,013	9,063	8,855	8,796
Additions to the provision for loan losses	**1,280**	125	103	88	465
Result before taxation	**533**	4,454	5,024	4,876	3,402
Taxation	**–170**	753	1,211	876	898
Net result (before minority interests)	**703**	3,701	3,813	4,000	2,504
Attributable to Shareholders of the parent	**772**	3,589	3,753	3,950	2,482
Ratios (in %)					
BIS ratio	**12.78**	10.32	11.02	10.86	11.07
Tier-1 ratio	**9.32**	7.39	7.63	7.32	7.30

(1) As at 31 December.
(2) Figures including Banks and Debt securities.
(3) For the year ended 31 December.
(4) These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2004 to 2008, respectively.

CHANGES IN ACCOUNTING POLICIES

ING Bank has applied IFRS-EU since 2004. However, as permitted by IFRS 1, ING Bank 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 Bank's previous accounting policies (Dutch GAAP).

SHARE CAPITAL AND PREFERENCE SHARES

The authorised share capital of ING Bank N.V. amounts to EUR 1,808 million, consisting of 1,600 million ordinary shares with a nominal value of EUR 1.13 each and 50 preference shares, with a nominal value of EUR 1.13 each. The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and 7 preference shares as at 31 December 2008.

TRANSACTIONS WITH THE DUTCH STATE

In October 2008, the Dutch State announced measures to protect the financial sector. ING benefited from such measures as described below.

On 12 November 2008, ING Group issued one billion core Tier 1 securities to the Dutch State against payment of EUR 10 per core Tier 1 security, resulting in an increase of ING Group's core tier 1 capital of EUR 10 billion. The core Tier 1 securities do not form part of ING Group's share capital; accordingly they do not carry voting rights in the General Meeting. A coupon on the core Tier 1 securities is payable at the higher of: (1) EUR 0.85 per security, payable annually in arrears (a first coupon of EUR 0.425 per security paid on 12 May 2009); and (2) 110% of the dividend paid on each ordinary share over 2009 (payable in 2010); 120% of the dividend paid on each ordinary share over 2010 (payable in 2011); and (3) 125% of the dividend paid on each ordinary share over 2011 onwards (payable from 2012 onwards). Since ING had already paid an interim dividend of EUR 0.74 in August 2008, ING recognized a dividend payable of EUR 425 million to the Dutch State as of 31 December 2008. This dividend was paid out on 12 May 2009. ING Group has the right to repurchase all or some of the core Tier 1 securities at EUR 15 per security at any time together with the pro-rata coupon, if due, accrued to such date. ING and the

Dutch State have agreed, however, that up to EUR 5 billion of the EUR 10 billion core Tier 1 securities may be repurchased at any time until 31 January 2010 at the original issue price of EUR 10 per core Tier 1 security, plus a repurchase premium and accrued interest. The Dutch State also has the right to convert all or some of the core Tier 1 securities into ordinary shares on a one-for-one basis from three years after the issue date onwards, subject to certain conditions. In addition, in connection with the issue of the core Tier 1 securities, it was agreed between ING Group and the Dutch State that the Dutch State could recommend candidates for appointment to the Supervisory Board in such a way that upon appointment of all recommended candidates by the General Meeting, the Supervisory Board would have two State nominees among its members. The State nominees have approval rights in respect of certain matters.

In addition, ING Group and the Dutch State reached an agreement on the Illiquid Assets Back-Up Facility on 26 January 2009. The transaction closed on 31 March 2009. The Illiquid Assets Back-Up Facility covers the Alt-A RMBS portfolios of both ING Direct US and Insurance Americas, with a par value of approximately EUR 30 billion. Under the Illiquid Assets Back-Up Facility, ING transferred 80% of the economic ownership of its Alt-A portfolio to the Dutch State. As a result, an undivided 80% interest in the risk and rewards on the portfolio was transferred to the Dutch State. ING retained 100% of the legal ownership of its Alt-A portfolio. The transaction price was 90% of the par value with respect to the 80% proportion of the portfolio of which the Dutch State has become the economic owner. The transaction price remains payable by the Dutch State to ING and will be redeemed over the remaining life. Furthermore, under the Illiquid Assets Back-Up Facility, ING pays a guarantee fee to the State and receives a funding fee and a management fee. As a result of the transaction, ING derecognized 80% of the Alt-A portfolio from its balance sheet and recognized a receivable from the Dutch State. In connection with entering into the Illiquid Assets Back-Up Facility, ING committed, among other things, to support the growth of the Dutch lending business for an amount of EUR 25 billion on market conforming conditions. The Dutch State also acquired 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.

The overall sales proceeds from the Illiquid Assets Back-Up Facility amounted to EUR 22.4 billion. The amortized cost (after prior impairments) at the date of the transaction was also approximately EUR 22.4 billion. The transaction (the difference between the sales proceeds and amortized cost) resulted in a loss of EUR 109 million after tax. The fair value under IFRS-EU at the date of the transaction was EUR 15.2 billion. The difference between the sales proceeds and the fair value under IFRS-EU is an integral part of the transaction and therefore accounted for as part of the result on the transaction. The transaction resulted in a reduction of the negative revaluation — and therefore an increase of equity — by approximately EUR 5 billion (after tax).

The valuation method of the 20% Alt-A securities in the balance sheet is not impacted by the Illiquid Asset Back-Up Facility.

In order to obtain the approval of the EC for the Restructuring Plan, ING committed to make a series of additional payments to the Dutch State, corresponding to adjustments to the net fees payable under the Illiquid Assets Back-Up Facility.

As part of the measures adopted to protect the financial sector, the Dutch State implemented a EUR 200 billion guarantee scheme for the issuance of medium term bank debt (the "Credit Guarantee Scheme"). The program is scheduled to run through 31 December 2009. The Credit Guarantee Scheme targets (1) certificates of deposit or commercial paper which carry (i) no interest (zero coupon), or (ii) interest at a fixed interest rate; and (2) medium term notes which by their terms are expressed to be redeemed in one single payment (bullet) and which carry (i) no interest (zero coupon), or (ii) interest at a fixed interest rate or a floating interest rate, with maturities ranging from three to 60 months. Fees depend on creditworthiness of the banks involved and are based on historical credit default swap spreads (or an approximation if necessary), with an addition of 50 basis points. Maturities of less than a year will have a fixed fee of 50 basis points. The Credit Guarantee Scheme includes loans denominated in euros, US Dollars and British Pounds, covers both principal and interest and is executed by the Dutch State Treasury Agency.

On 30 January 2009, ING Bank N.V. announced that it had issued under the Credit Guarantee Scheme three-year USD 6 billion government guaranteed senior unsecured bonds. In February 2009, it issued a 5 year EUR 4 billion fixed rate government-guaranteed senior unsecured bond, and in March 2009 it issued a 5 year USD 2 billion government guaranteed senior unsecured bond (the “Government Guaranteed Bonds” or the “Bonds”).

MAIN DEVELOPMENTS IN 2008 (AS OF 19 OCTOBER)

On 19 October 2008 ING Groep N.V. (ING) published a press release titled "ING to strengthen core capital by EUR 10 billion" (the Core Capital Release), which press release is incorporated by reference herein - see the section “Documents Incorporated by Reference” in this Registration Document. The Core Capital Release contained, amongst other things, details of ING's agreement with the Dutch government regarding the issue to the Dutch State of non-voting core Tier-1 securities for a total consideration of EUR 10 billion. 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 EUR 0.74 per share, which had already been paid as an interim dividend.

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 are to be represented on the Audit Committee, Corporate Governance Committee and Remuneration and Nomination Committee of the Supervisory Board and are to 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.

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 would step 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 appointment was confirmed by the AGM 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 has appointed Peter Elverding as successor to Jan Hommen as chairman of the Supervisory Board, which appointment is now effective following the AGM in April 2009. In light of this appointment, the Dutch State has nominated another member for the Supervisory Board.

On 26 January 2009, ING Groep N.V. issued a press release entitled “ING update on results and measures to reduce risks and costs” (the Results and Measures Release) with preliminary and unaudited figures on the 2008 results and measures to reduce risk and costs, which press release is incorporated by reference herein - see the section “Documents Incorporated by Reference” in this Registration Document.

On 30 January 2009, ING Bank announced that it had successfully placed 3-year USD denominated government guaranteed senior unsecured bonds. The issue of USD 6 billion was made under the Credit Guarantee Scheme of The Netherlands and is part of ING Group’s regular medium-term funding operations. The issue follows the announcement of 26 January 2009 that under the terms of the Illiquid Assets Back-up Facility agreement with the Dutch State, ING will pro-actively issue EUR 10 billion in government guaranteed bonds. ING priced USD 5 billion of fixed rate bonds at 80 basis points over mid-swaps and USD 1 billion of floating rate bonds at 80 basis points over 3-month Libor. ING placed the issue among central banks, agencies and fund managers across Europe, the US, the Middle East and Asia.

On 10 February 2009, ING Bank and Postbank jointly announced that the merger of Postbank and ING Bank was formally concluded on that day.

On 20 February 2009, ING Bank announced that it had placed a 5-year EUR 4 billion government guaranteed senior unsecured bond issue. The issue of EUR 4 billion was made under the Credit Guarantee Scheme of the Dutch State and was part of ING Bank’s regular medium-term funding operations. The issue followed the announcement of 26 January 2009 that under the terms of the Illiquid Assets Back-up Facility agreement with the Dutch State, ING would pro-actively issue EUR 10 billion in government guaranteed bonds.

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 has become the new chief financial officer of ING. The appointment has been approved by the Dutch central bank (“DNB”), Patrick Flynn has succeeded John Hele who, as announced in October 2008, left ING to 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 12 March 2009, ING Bank announced that it had placed a 5-year USD denominated government guaranteed senior unsecured bond issue. The issue of USD 2 billion was made under the Credit Guarantee Scheme of the State of The Netherlands and is part of ING Bank's regular medium-term funding operations. The issue followed the announcement of 26 January 2009 that under the terms of the Illiquid Assets Back-up Facility agreement with the Dutch State, ING would pro-actively issue EUR 10 billion in government guaranteed bonds. For further information see the Results and Measures Release which is incorporated by reference herein. Since then, ING announced on 30 January and 20 February the issuance of government guaranteed bonds for a total amount equal to EUR 8.7 billion.

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 annual General Meeting of 27 April 2009, Mrs. Bahlmann was appointed effective as of that date and Mr. van der Veer was appointed effective 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 has replaced 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 annual General Meeting.

On 1 April 2009, ING Group announced that it had finalised the transaction with the Dutch government on an Illiquid Assets Back-up Facility as announced on 26 January 2009. The transaction was booked and closed in the first quarter and has a limited impact on the profit and loss account for the quarter. For further information see the Illiquid Assets Back-up Facility Finalization Release which is incorporated by reference herein.

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

In a press release published on 9 April 2009, ING Group announced a strategic update: Taking ING back to basics, which press release is incorporated by reference herein - see the section “Documents Incorporated by Reference” in this Registration Document. To reduce complexity, ING announced that it will operate the banking and insurance operations separately under the ING 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 its April 2009 strategy announcement, ING is taking measures to simplify its governance. To increase the business focus of ING Group’s leadership, Banking and Insurance would each have its own Management Board consisting of the ING Group CEO, CFO and CRO and the heads of the respective business lines currently serving on ING Group’s Executive Board. Strategic, operational and business decisions that do not affect ING Group’s direction or regulatory and government issues would be taken by the Banking or Insurance Management Board. Within the Insurance Board, Jacques de Vaucleroy would be responsible for Global Asset Management. Hans van der Noordaa would take up responsibility for Insurance Europe in addition to his current responsibility for Insurance Asia/Pacific. These organisational changes became effective as of 1 June 2009, and were approved by the Dutch Central Bank (“DNB”).

In addition, on 13 May 2009, ING Group announced, among other things, a decline in market values of available-for-sale debt securities and balance sheet reductions in respect of ING Bank N.V. for the first three months of 2009, as disclosed in the Q1 Report of 13 May 2009 which is incorporated by reference herein - see the section “Documents Incorporated by Reference” in this Registration Document.

ING announced on 7 October 2009 that it had reached an agreement to sell its Swiss Private Banking business to Julius Baer Group Ltd. for a consideration of CHF 520 million (EUR 344 million) in cash. The agreement of ING and Julius Baer is subject to regulatory approval and is expected to close in the first quarter of 2010.

On 15 October 2009, ING announced that it had reached an agreement to sell its Asian Private Banking business to Overseas-Chinese Banking Corporation Limited (“OCBC Bank”) for a consideration of USD 1,463 million (approximately EUR 1 billion) in cash. Completion of the transaction between ING and OCBC Bank was subject to a number of regulatory approvals.

ING announced on 26 October 2009 that it had reached an agreement with the Dutch State to alter the repayment terms of the core Tier 1 securities issued in November 2008, in order to facilitate early repayment. This early repayment option was valid until the end of January 2010. ING used this opportunity to repurchase EUR 5 billion of the core Tier 1 securities in December 2009.

The original terms of the core Tier-1 securities allowed ING to repurchase some or all of the one billion core Tier-1 securities at any time at a price of EUR 15 per core Tier-1 security plus accrued interest to the date of repurchase or convert the core Tier-1 securities into ING shares on a one-to-one basis in 2011. ING and the Dutch State agreed, however, that up to EUR 5 billion of the EUR 10 billion core Tier-1 securities may be repurchased at any time until 31 January 2010 at the original issue price of EUR 10 per core Tier-1 security, plus a repurchase premium and accrued interest. The repurchase premium would be at least EUR 346 million and would increase if the average of the daily volume-weighted average price of ING's ordinary shares on the Bloomberg page INGA NA Equity VWAP over the five trading days preceding the repurchase date would be more than EUR 11.20 per ordinary share. A maximum amount of EUR 705 million, corresponding to a share price of EUR 12.45 or higher, would be payable as a repurchase premium. The repurchase premium for one-half of the core Tier-1 securities would therefore range from approximately 6.5% to approximately 13% of the original issue price on an annualized basis, compared to the 50% premium built into the original repurchase price. Accrued interest at a rate of 8.5% to the December 2009 repurchase date was estimated to be approximately EUR 260 million. Under these terms, the Dutch State was expected to receive a 15% to 21.5% annualized return on its investment in the repurchased core Tier-1 securities. In addition, if ING pays in 2010 a dividend on its ordinary shares in respect of the 2009 financial year, then ING will be required to pay to the Dutch State any difference between the 8.5% interest paid upon repurchase and 110% of the dividend paid on 500 million ordinary shares. The Dutch State indicated that, if ING were to repurchase the first EUR 5 billion in issue amount of the core Tier-1 securities before 31 January 2010, it would be open to discussing modification of the repayment terms for the remaining EUR 5 billion in issue amount of the core Tier-1 securities. Any modification to the repayment terms would need to comply with EC State aid rules.

ING announced on 26 October 2009 that it will move towards a complete separation of its banking and insurance operations as part of its ongoing review of the Group's strategy and as a logical next step in its Back to Basics programme. This will be achieved over the next four years by a divestment of all Insurance operations (including Investment Management). ING will explore all options, including initial public offerings, sales or combinations thereof.

A key goal of the Back to Basics programme was to reduce complexity by operating the Bank and Insurer separately under one Group umbrella. Negotiations with the European Commission on the Restructuring Plan have acted as a catalyst to accelerate the strategic decision to completely separate banking and insurance operations. These negotiations have been finalised and the extraordinary General meeting on 25 November 2009 formally approved the Restructuring Plan.

In order to get approval from the EC on ING's Restructuring Plan, ING needs to divest ING Direct USA by the end of 2013.

Also as part of the Restructuring Plan, ING will create a new company in the Dutch retail market out of part of its current operations, by combining the Interadvies banking division (including Westland Utrecht and the mortgage activities of Nationale-Nederlanden) and the existing consumer lending portfolio of ING Retail. This business, once separated, will be divested.

ING announced on 26 October 2009 that it will move towards a separation of its banking and insurance operations, clarifying the strategic direction for the bank and the insurance company going forward. This also leads to changes in the structure and composition of the respective Management Boards.

ING has decided to bring together all its retail banking activities, including ING Direct. While maintaining their status as individual businesses, this structure will allow them to increase cooperation and take full advantage of each other's strengths and expertise. ING will adapt the structure of the Management Board Banking to these changes. The governance structure announced on 26 October 2009 will help further drive this strategy.

In addition to his role as CEO of Commercial Banking, Eric Boyer de la Giroday will become vice-chairman of the Management Board Banking with day-to-day responsibility for managing all aspects of the banking business. The Management Board Banking will include the newly created positions of CEO Retail Banking Benelux and CEO Retail Banking Direct and International. Hans van der Noordaa, currently responsible for Insurance Europe and Asia/Pacific will take up the position of CEO Retail Banking Benelux. Eli Leenaars, currently responsible for Retail Banking, will take up the position of CEO Retail Banking Direct and International. These changes recognise both the importance and size of our home markets and the strategic direction to bring ING Direct and the retail bank closer to each other.

In light of these changes Dick Harryvan decided to take early retirement as CEO of ING Direct and member of the Management Board Banking as of 1 January 2010.

The insurance business will focus on its long-term structural leadership positions in life and retirement services. Key building blocks will include the insurance operations in the Benelux, US, Central Europe, Latin America and Asia/pacific as well as the global Investment Management operations.

ING Investment Management will continue to be part of Insurance, consisting of three regional organisations and Real Estate Investment Management.

Jacques de Vaucleroy decided to leave ING to pursue other interests. He stepped down from the Management Board Insurance but remained an advisor to the Management Board through 1 January 2010 to ensure a smooth transition.

Tom McInerney will take up the role of chief operating officer Insurance on the Management Board Insurance. Matt Rider will join the Management Board Insurance and become chief administrative officer. The appointments announced on 26 October were approved by the Dutch Central Bank.

In connection with the other announcements made that day, ING released on 26 October 2009 a limited set of preliminary and unaudited figures for the third quarter of 2009. ING expected to post an underlying net result of approximately EUR 750 million for the quarter, compared to EUR 229 million in the second quarter of 2009 and an underlying net result of EUR -568 million in the third quarter of 2008. A net result after divestments and special items was expected of EUR 500 million for the third quarter, or approximately EUR 0.24 per share. Result per share was EUR 0.03 in the second quarter of 2009, and EUR -0.22 in the third quarter of 2008.

On 18 November 2009, ING announced that the European Commission had formally approved the restructuring plan submitted by ING. With this decision the Commission has also given final clearance for the issuance of core Tier 1 securities to the Dutch State and for the Illiquid Assets Back-up Facility. As announced on 26 October 2009, in line with ING's Back to Basics programme to reduce complexity, key elements of ING's restructuring plan include a complete separation of banking and insurance (including ING Investment Management). Under the plan, ING will also divest ING Direct USA and a new company comprising selected mortgage and consumer lending activities in the Netherlands. In order to get approval for the restructuring plan, ING has agreed to make a series of additional payments to the Dutch State corresponding to an adjustment of the fees for the Illiquid Assets Back-up Facility amounting to a net present value of EUR 1.3 billion before tax.

On 25 November 2009, ING announced the following:

- The extraordinary General Meeting (EGM) of ING Groep N.V. of 25 November 2009 voted in favour of all proposals put forward to the meeting. The EGM approved the decision to separate banking and insurance (including investment management) and authorized a rights issue of up to EUR 7.5 billion.
- As announced on 26 October 2009, ING had reached an agreement with the Dutch State to facilitate early repayment of 50% (EUR 5 billion) of the core Tier 1 securities issued to the Dutch State in 2008 at the issue price of EUR 10 plus a premium of up to a maximum of approximately EUR 950 million, consisting of the accrued coupon and a repayment premium.
- In order to get approval for the restructuring plan from the European Commission, ING also agreed to make a series of additional payments to the Dutch State corresponding to an adjustment of the fees for the Illiquid Assets Back-up Facility (IABF). In total, these extra payments will amount to a net present value of EUR 1.3 billion, which has been booked as a one-off pre-tax charge in the fourth quarter of 2009.
- At the EGM, shareholders authorised a capital increase with preferential subscription rights for holders of (depositary receipts for) ordinary shares of up to EUR 7.5 billion (the right issue). ING intends to use the proceeds of the underwritten issue to repurchase 50% (EUR 5 billion) of the core Tier 1 securities and to mitigate the impact on capital of additional payments to the Dutch State in respect of the IABF.

On 27 November 2009, ING announced the detailed terms of the rights issue, as a result of which the share capital of ING was expected to be increased by EUR 7.5 billion through the issue of 1,768,412,544 new (depositary receipts for) shares. The rights issue was expected to close on or about 21 December 2009**.**

On 11 December 2009, ING announced that it had notified the Dutch State that it would exercise its option to early repurchase EUR 5 billion of the core Tier 1 securities. The repayment, for which the Dutch central bank had given its consent, was expected to take place on 21 December 2009.

On 16 December 2009, ING announced that it had received subscriptions for 1,715,046,546 new (depositary receipts for) shares through the valid exercise of rights related to its EUR 7.5 billion rights issue. In the rights issue ING issued 1,768,412,544 (depositary receipts for) shares (the offer shares); therefore the take up represented approximately 97.0% of the offer shares. The subscription period for the rights ended on 15 December 2009 at 15:00 hours (CET). On 16 December, 53,365,998 offer shares for which subscriptions had not been received during the subscription period (the rump shares) were offered for sale by Goldman Sachs, ING Bank and J.P. Morgan as joint global coordinators and joint bookrunners, on behalf of a syndicate of banks (the underwriters) by way of private placements to certain institutional investors outside the United States and through a public offering in the United States. The price was determined following a bookbuilding exercise (the rump offering). The rump offering was expected to end no later than 17:30 hours (CET) on 16 December.

On 16 December 2009, after 17:30 hours (CET), ING announced, that in connection with its EUR 7.5 billion rights issue 53,365,998 new (depositary receipts for) shares had been sold at a price of EUR 6.68 per share. This sale was in relation to new (depositary receipts for) shares in ING's rights issue that were not subscribed for during the subscription period (the rump shares). Since the aggregate proceeds for the rump offering, after deduction of selling expenses (including any value added tax) exceeded the aggregate subscription price for such offer shares by EUR 2.09 per rump right (equivalent to EUR 2.44 per rump share), each holder of a right that was not exercised was entitled to receive a part of the excess amount in cash, in respect of the number of unexercised rights reflected in such holder's account as a proportion of the total number of unexercised rights.

On 21 December 2009, ING announced that it had completed its planned repurchase of EUR 5 billion of the core Tier 1 securities issued in November 2008 to the Dutch State and its EUR 7.5 billion rights issue. As announced on 26 October 2009, ING and the Dutch State agreed to alter the repayment terms of half of the Core Tier 1 securities in order to facilitate early repayment. The total payment amounted to EUR 5,606 million, consisting of the EUR 5 billion principal amount, plus accrued coupon from 12 May 2009 to 20 December 2009 of EUR 259 million and a repayment premium of EUR 347 million. ING has funded the State repayment with part of the proceeds of the rights issue that it had completed and settled that day. A total of 1,768,412,544 (depositary receipts for) shares were offered and sold, of which 97% through the exercise of rights and the remainder through placements to institutional investors. As a result, ING received on 21 December approximately EUR 7.3 billion in proceeds, net of fees and expenses. The proceeds of the rights issue in excess of the State repayment will be used to mitigate the capital impact of the additional payments for the Illiquid Assets Back-up Facility which ING agreed upon in order to get approval from the European Commission on ING's Restructuring Plan, as announced on 26 October 2009. In total, these extra payments will amount to a net present value of EUR 1.3 billion, which has been booked as a one-off pre-tax special item in the fourth quarter of 2009. Further excess proceeds of the rights issue will be used to strengthen ING's capital position. ING anticipates that it will finance the repurchase of the remaining core Tier-1 securities from internal resources, including retained earnings and supplemented by potential proceeds from the divestment of the insurance operations described above. The other terms of the core Tier-1 securities, including restrictions on remuneration and corporate governance, will remain unchanged.

MAIN DEVELOPMENTS IN 2010

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

On 28 January 2010, ING announced that it will file an appeal with the General Court of the European Union against specific elements of the European Commission's decision regarding ING's restructuring plan. ING stands firmly behind its strategic decision to separate the Banking and Insurance operations and divest the latter. These processes are on track and will continue as planned. In its appeal, ING will contest the way the Commission has calculated the amount of State aid ING received. ING and the State agreed upon a reduction of the repayment premium for the first EUR 5 billion tranche of core Tier 1 securities which provided the Dutch State with an early repayment and at an attractive return. The Commission views this reduction as additional State aid of approximately EUR 2 billion. Both ING and the Dutch State contest this point as it could hamper discussions between ING and the State on repayment terms of the remaining core Tier 1 securities. The repayment of the first tranche of the core Tier 1 securities was executed in December 2009 and the terms of this transaction will remain unaltered. In light of the need to maintain a level playing field in the European financial sector, ING is also appealing against the disproportionality of the price leadership restrictions. ING believes it is in the interest of all its stakeholders to use the opportunities provided by law to let the General Court assess elements of the European Commission's decision. During the course of the appeal before the General Court, ING is committed to executing its restructuring plan as announced on 26 October 2009.

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

RESULTS 2008

OVERVIEW

ING Bank N.V., together with ING Verzekeringen N.V., is part of ING Groep N.V. The business lines for the banking activities are Retail Banking, ING Direct and Wholesale Banking (currently referred to as “Commercial Banking”).

ING manages its banking activities on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 41 ‘Primary reporting format – Business segments’ of the published Annual Report 2008 of ING Bank N.V.

FINANCIAL DEVELOPMENT IN 2008

Despite the unprecedented impact of the financial crisis and challenging commercial environment, ING’s banking businesses reported commercial growth across all three business lines. Total result before tax declined 88.0% to EUR 533 million, driven by impairments and fair value changes due to the extreme market volatility and sharp decline in asset prices combined with higher risk costs. Underlying result before tax (excluding the impact of divestments and special items) declined by 83.0% to EUR 834 million. Retail Banking and Wholesale Banking remained profitable, while ING Direct reported a loss of EUR 1,891 million due to impairments on pressurised assets. Risk costs increased significantly due to worsening economic conditions.

Underlying income decreased 16.6% to EUR 11,286 million. The interest result, however, rose 24.6%, driven by higher margins at ING Direct and Wholesale Banking, the inclusion of ING Bank Turkey (formerly Oyak Bank) and an increase in volumes. Loans and advances to customers increased by EUR 72.0 billion, or 13.7%, to EUR 598.3 billion. Customer deposits and other funds on deposits increased by EUR 9.5 billion, or 1.8%, to EUR 537.7 billion. The total interest margin rose to 1.09% from 0.94% in 2007. Commission income decreased 1.1%, driven by lower asset management fees and lower income from the securities business. Underlying Investment income (including net gains/losses on disposals of group companies) fell from EUR 891 million in 2007 to EUR –2,224 million in 2008, mainly due to impairments on bonds and equities, and negative revaluations on real estate. Underlying other income dropped 87.3% as a result of negative trading income and losses from associates.

Underlying operating expenses increased 5.2% to EUR 10,063 million mainly at Retail Banking due to the inclusion of ING Bank Turkey, and at ING Direct. The underlying cost/income ratio increased to 82.6% from 65.5% in 2007 driven by the sharp decline in income. The underlying net addition to the provision for loan losses increased to EUR 1,280 million from EUR 125 million in 2007. Risk costs in 2008 were 48 basis points of average credit-risk-weighted assets, as gross additions to loan loss provisions of 62 basis points were offset by 14 basis points in releases.

The underlying risk-adjusted return on capital (RAROC) after tax fell to 2.6% from 22.3% in 2007, reflecting the impact of the market turmoil and a 31.6% increase in Economic Capital.

WHOLESALE BANKING

Wholesale Banking achieved a solid commercial performance in what was an extremely challenging year for the industry. Income remained fairly resilient, with good income growth in many businesses. However, overall results were negatively affected by the global financial crisis, especially in the second half of 2008 due to the unprecedented market turmoil.

Wholesale Banking's underlying result before tax declined 70.4% to EUR 609 million, driven by impairments, negative fair value changes and higher risk costs. Underlying result before tax from Financial Markets increased 18.3% to EUR 355 million thanks to the strong performance in the first half of the year. The results of General Lending & PCM and Structured Finance declined by 39.9% and 18.2% respectively, entirely because of higher risk costs. Leasing & Factoring profit declined 22.2% to EUR 119 million. ING Real Estate recorded a loss before tax of EUR 297 million due mainly to negative revaluations caused by declining property values.. Total underlying income fell 14.5% to EUR 4,107 million driven by ING Real Estate and Other Wholesale Products, while income from General Lending & PCM and Structured Finance increased by 24.5% and 30.2% respectively. Underlying operating expenses remained under control, rising 0.6% to EUR 2,902 million. The underlying cost/income ratio increased to 70.7% from 60.1% in 2007. Risk costs increased significantly to EUR 596 million compared with a net release of EUR 142 million in 2007. The underlying risk-adjusted return on capital (RAROC) after tax declined to 4.9% from 19.8% in 2007.

Important role within ING Group

Wholesale Banking plays a fundamentally important role within ING Group. The essence of ING Group's business is to collect customer deposits and redeploy them as investments. Wholesale Banking complements ING Group's business model in three ways: as a contributor of capital, as an important generator of assets, and as a source of skills and expertise. The business line generates capital that can be redeployed efficiently to high-growth businesses. It also generates high-quality assets into which ING can invest retail deposits, and provides ING Group with many relevant skills in financial markets, risk and specialist finance, as well as access to the financial markets.

Focused strategy

Wholesale Banking in 2008 launched a - 'Fitter, Focused, Further' strategy for 2008-2010, with the aim of becoming a leader in several key markets and products. The strategy includes becoming the market leader in the Benelux, a top-5 wholesale bank in Central Europe, and a global or regional leader in a number of key product areas, including Structured Finance, Financial Markets, PCM and Leasing.

Volume growth in General Lending & PCM

General Lending is used as an entry product across all regions to attract customers and to cross-sell other high-value products. Volumes increased in General Lending over the course of the year as the turbulent market circumstances offered the possibility to pursue selective asset growth, at higher margins and fee levels. General Lending results were particularly strong in The Netherlands and in Central Europe.

Strong demand for Structured Finance

In 2008, Structured Finance held up well due to strong demand from customers in a market where credit was reduced significantly. Both margins and the relative market position of Structured Finance continue to improve. ING continued to support clients' funding needs during 2008. The scarcity of available financing further increased margins, especially benefiting Structured Finance in the US, but also in Western Europe and Asia.

Growth in Leasing & Factoring

Leasing & Factoring saw increases in portfolio size and income levels throughout 2008. ING also continued to seek out opportunities to cross-sell services to corporate clients. Leasing growth was driven by higher volumes in Belgium, Italy, The Netherlands, Poland, Hungary and Russia. Volumes in Factoring grew in all markets, with ING strengthening its leadership position in The Netherlands and Poland.

Strong Financial Markets operational performance

Financial Markets had an exceptionally strong first half and continued to show robust operational performance during the rest of 2008. Nevertheless, credit related markdowns and impairments in the second half negatively impacted 2008's overall performance. The client and product businesses held up well, in line with the aim to diversify away from proprietary risk businesses, including proprietary trading. Financial Markets continues to seek cross-selling opportunities across product areas and client groups, including a new strategy to target emerging markets, home markets, strategic clients and global clients.

ING Real Estate

As a result of the financial market crisis, 2008 was a tough year for ING Real Estate. While maintaining the size of its total portfolio (including assets under management) at EUR 106 billion, it incurred a loss before tax of EUR 297 million. This was largely a result of the impact of EUR 712 million of unrealised fair value losses on its investment portfolio, from a total exposure of approximately EUR 5 billion. The fair value losses were somewhat compensated by EUR 49 million of positive revaluations in ING Real Estate's development activities. Excluding the revaluation changes, profit before tax was slightly lower than the previous year at EUR 366 million.

Looking forward

ING continues to secure important mandates and transactions. It is managing expenses carefully, in part to compensate for higher risk costs and impairments, and has adjusted its strategic focus to key markets and product areas where it already has a competitive advantage. Wholesale Banking is an essential part of ING Group, and has a clearly defined focus and ambition to be a full-service Benelux bank and a specialist products provider globally.

RETAIL BANKING

The retail banking market became increasingly challenging in 2008. Against this backdrop, Retail Banking remained a steady performer with a high return on capital. Further progress was made in improving the customer experience, efficiency and reducing costs in the Benelux and the preparing of new service models. In Central Europe and Asia, ING continued to grow its activities.

Underlying result before tax declined 29.6% to EUR 1,691 million in 2008, mainly due to an increase in underlying expenses and risk costs, while income declined slightly. Total result before tax declined 31.7% to EUR 1,420 million, as 2008 included EUR 271 million of charges recognised as special items related to the implementation of the Retail Netherlands Strategy. Total underlying income declined slightly, by 0.8%, to EUR 7,399 million. Underlying operating expenses increased 9.3% to EUR 5,307 million, predominantly in Central Europe due to the inclusion of ING Bank Turkey and investments in distribution channels and advertising campaigns. The underlying risk-adjusted return on capital (RAROC) after tax from Retail Banking decreased to 21.7% in 2008 from 37.0% in 2007.

New service models in the Benelux

In this increasingly competitive environment, ING is consolidating its branch networks in the Benelux and moving them towards the 'internet-first model' with its focus on low-cost, easy transactions and strong branding.

In 2007, ING announced a substantial investment in its retail banking direct channels and branch network in The Netherlands by combining the successful direct banking model of Postbank with the professional advice capabilities of ING Bank. Preparations were finalised to combine ING Bank and Postbank in the first quarter of 2009. All post offices, Postbank service shops, ATMs and branch interiors have been rebranded. As of January 2009, all branches started working according to ING's new 'bankshop' formula. The new bank will improve services and maintain a strong focus on cost-effective execution. It serves more than 8 million retail clients and 600,000 business customers. Improvements in operating efficiencies and an expected reduction of 2,500 full-time equivalents will significantly reduce operating costs.

ING Belgium continued the roll-out of a new service and distribution model in which traditional branches are being transformed into outlets with self-service cash functions and online banking access. In Belgium, ING attracted substantial inflows and new clients by introducing a range of online savings products for different target groups.

Mortgage production in The Netherlands fell significantly, as demand for mortgage financing dropped sharply. ING's focus is to keep volumes and market share stable without sacrificing margins.

Continued volume growth in Central Europe and Asia

Retail Banking is well positioned in Poland, Romania, Turkey and the important Asian markets of India and China. In 2008, ING invested in its distribution network with a focus on Poland, Romania, Turkey and India. Towards the end of the year, Retail Banking adapted its growth plans given the overall economic climate. ING remains committed to growth in emerging markets but will slow down the expansion. Given the current environment, ING will put more emphasis on cost reduction and de-risking in all markets.

In addition to full-service branches, ING Bank Turkey opened 15 express branches, which are cost-efficient with fewer staff and efficient operations.

In India, ING Bank has a 43.8% stake in ING Vysya Bank, which has opened new branches and ATMs.

In Thailand, ING Bank has a 25.2% stake in TMB Bank, a universal banking platform with a nationwide network.

In China, ING Bank holds a 16.1% stake in the Bank of Beijing. Bank of Beijing continued its expansion within and outside its home city.

Expansion of mid corporate clients

Mid Corporate Clients expanded in its home markets of The Netherlands and Belgium, as well as in Poland, Romania and Turkey.

Private Banking

ING Private Banking suffered from the ongoing market turmoil. Assets under management remained stable during the first nine months of 2008 but due to market events assets under management decreased by 9%. The crisis motivated many investors to move their assets into more conservative products, like deposits and savings. Provisioning in Asia was quite high given the exceptional market circumstances in 2008.

Looking forward

Given the current market upheaval ING's priorities are more than ever to be customer-oriented and to exceed customer expectations. Next to that, maintaining liquidity, increasing margins, controlling costs and managing risk are key. Across all regions steps have been taken to respond to the challenging conditions while remaining open to new opportunities.

ING DIRECT

ING Direct continued to show positive commercial results, despite an increasingly competitive marketplace and against the backdrop of the continuing crisis in the financial sector. Results were heavily impacted by fair value impairments on its investment portfolio due to the financial crisis. Client retail balances production was up EUR 24.4 billion to EUR 322.7 billion at year-end.

Although commercial performance remained positive, ING Direct posted an underlying loss before tax of EUR 1,125 million compared with a profit of EUR 530 million in 2007. Rising delinquencies, falls in house prices and a revision to the ultimate loss outlook led to an estimated credit loss of EUR 384 million, primarily on ING Direct's Alt-A RMBS portfolio. This triggered a EUR 1,891 million impairment through the profit and loss account as IFRS requires a write-down to market value at reporting date. The Illiquid Assets Back-up Facility arrangement in early 2009 with the Dutch State has reduced the uncertainty of the impact of any future losses on 80% of the Alt-A RMBS portfolio. Total underlying income declined by 60% in 2008 to EUR 878 million as a result of impairments, primarily on the Alt-A RMBS portfolio in the US. The total interest margin widened to 0.94% in 2008 from 0.75% in 2007 following rate reductions by central banks across the globe. Underlying operating expenses increased 7.6% to EUR 1,719 million due to higher expenses related in part to retention and win-back campaigns, as well as the inclusion of Interhyp from August 2008. The underlying risk-adjusted return on capital (RAROC) after tax fell to –18.2% from 14.3% in 2007 due to the impairments of the investment portfolio.

Leading direct bank

ING Direct is a direct banking business which is an important part of ING Bank's international retail strategy. It sells a limited number of simple banking products at very low cost to retail customers in nine major developed countries. ING Direct's vision is to become the world's most preferred consumer bank by being our customers' primary bank. ING Direct will therefore continue to put customers first and gradually expand its product offering while maintaining outstanding customer satisfaction levels.

Growth strategy

ING Direct is focusing on different sources of future growth. First, it aims at continued growth in customer numbers and savings deposits in countries where it is already present. Another source of growth is via an expansion of the product range. ING Direct aims to address the five major consumer needs: savings, mortgages, payment accounts, investment products and consumer lending. These products will only be introduced in a country if it is economically viable.

In 2008, ING Direct continued to invest in building the business and expanding its product offering, with investment costs amounting to EUR 331 million.

Developing the major product categories

Savings: ING Direct refined its savings products in all countries in which it is present to win new customers and new funds from existing customers in a more competitive market. Overall, production of funds entrusted was EUR 6.7 billion, mainly driven by strong growth in the United States. Including the impact of negative currency effects, total funds entrusted balances declined by EUR 0.5 billion to EUR 191.0 billion at year-end.

Mortgages: The own-originated mortgages portfolio grew by EUR 17.2 billion (up 18.6% from 2007), bringing the total residential mortgages portfolio to EUR 113.7 billion at year-end. ING Direct sharply monitors the quality of the new mortgage portfolio and has tightened its underwriting criteria accordingly.

Payment accounts: The performance of payment accounts was encouraging in 2008: 431,000 new accounts were opened in Spain, the United States, Germany and Italy, bringing the total to 1.3 million accounts over 2008. Payment accounts were launched in Italy in October and 8,000 accounts had been opened by year-end.

Investment products: Despite the ongoing financial crisis, ING Direct reported substantial net inflows of customers and funds in investment products, primarily in the US and Germany. Total balances of off-balance funds, however, declined by EUR 3.6 billion to EUR 15.1 billion as a result of lower asset prices.

Looking forward

Given the current priorities of preserving ING's capital position and the worsening economy, ING Direct will reduce expenses by about EUR 150 million in 2009, through lower operating and marketing expenses, and a head count reduction of around 600 FTEs.

In 2009, ING Direct will continue to gradually expand the product range.

RISK MANAGEMENT

Risk management in 2008

Taking measured risks is part of ING Bank's business. As a financial services company active in banking and investments, ING Bank is naturally exposed to a variety of risks. To ensure measured risk-taking ING Bank 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 the Bank on risk-related issues. The main financial risks ING Bank is exposed to are credit risk (including transfer risk), market risk (including interest rate, equity, real estate, and foreign exchange risks), and liquidity risk. In addition, ING Bank is exposed to non-financial risks, e.g. operational and compliance risks. The way ING Bank 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 31 December 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 stepped in with 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:

- *Deleveraging*

  ING is working to reduce the bank's balance sheet by 10% by decreasing the non-lending part by 25%. ING intends to reduce the available for sale portfolio over time as proceeds from maturing securities will be used to fund ING-originated loans. Reducing trading activities, deposits at other banks and reverse-repos are expected to make up most of the remaining reduction. At the same time, lending activities will be maintained with focus on the Corporate and Retail business.

- *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 was closed in the first quarter of 2009, the Dutch State became 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 became the economic owner. Par value of the portfolio is approximately EUR 26 billion. Following the deteriorated economic outlook in the third and fourth quarter market prices for these securities had become depressed as liquidity dried up, which 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 a 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 also acquired 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)*

  ING Bank's direct public equity exposure was reduced from EUR 3.6 billion at the end of 2007 to EUR 1.9 billion at year-end 2008. The reduction in exposure was due to negative revaluations, and sales.

Impact of financial crisis

Impact on pressurised asset classes

As a result of the deteriorating market conditions throughout 2008 ING Bank incurred negative revaluations on its investment portfolio, which impacted shareholders' equity. Furthermore, ING Bank 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 residential mortgage backed securities (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 euros)	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	**104**	**–78**	**–81**	**3**	260	–53
US Alt-A RMBS	**16,726**	**–5,444**	**–1,823**	**290**	23,703	–826
CDOs/CLOs	**50**	**–26**	**–122**	**–1,126**	1,324	–67
Total	**16,880**	**–5,548**	**–2,026**	**–833**	25,287	–946

– ING Bank's total EUR 104 million exposure to US sub-prime assets relates to non originated loans acquired as investments in RMBS and represents some 0.01% of total ING Bank assets. At 31 December 2008 approximately 45% of ING Bank's US sub-prime portfolio was rated AA or higher. ING Bank does not originate sub-prime mortgages. The vast majority of the total mortgage backed securities (MBS) are (residential) mortgages that are not classified as sub-prime.

– ING Bank's total US Alt-A RMBS exposure at 31 December 2008 was EUR 16.7 billion. About 62% 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 approximately 0.005% of total ING Bank assets. The vast majority of the CDOs/CLOs has investment grade corporate credit as underlying assets, only EUR 0.6 million has US subprime mortgages underlying. Other changes includes purchases and sales of CDOs/CLOs, as well as foreign currency effects.

EUR 16.5 billion of the EUR 16.9 billion exposure on US Subprime RMBS, US Alt-A RMBS and CDOs/CLOs is 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 2008 of ING Bank N.V. 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 (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		**26**	**78**	**104**
US Alt-A RMBS		**234**	**16,133**	**16,367**
CDOs/CLOs	**–93**	**109**	**34**	**50**
Total	**–93**	**369**	**16,245**	**16,521**

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

2007 **(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	107	153		260
US Alt-A RMBS	19,547	4,156		23,703
CDOs/CLOs	28	1,279	17	1,324
Total	19,682	5,588	17	25,287

An amount of EUR 20 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 2008 of ING Bank N.V.

Impact on Real Estate

By the end of 2008 ING Bank's total exposure to real estate was EUR 8.9 billion of which EUR 4.9 billion was subject to revaluation through the profit and loss account. In 2008, ING recorded EUR 732 million pre-tax negative revaluations and impairments. ING's real estate portfolio has 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 1.9 billion (public). During 2008 ING booked EUR 258 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 2008 (pre-tax) from debt securities other than mentioned above amounted to EUR 63 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 192 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.

Impact on Liquidity profile

Due to the financial crisis liquidity became scarce and central banks around the world provided funding to prevent the interbank market from drying up. ING's liquidity position remained within internally set limits. ING Bank has a favourable funding profile as the majority of the funding stems from client deposits. For further information on the steps ING has taken to reinforce its liquidity position, see the discussion under "Main Developments 2008" and "Main Developments 2009" in this Registration Document.

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 Bank'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 we continue to monitor our exposures in this area, in the light of the ongoing market environment and the resulting uncertainties concerning valuations, there can be no assurances that we will not experience further negative impacts on our 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 Bank 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 Bank's financial strength is safeguarded.

The mission of ING Bank'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 Bank'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 Bank's risk profile is transparent, 'no surprises', and 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 a ‘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 Group (including ING Bank). 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, such as 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.

Economic Capital

One of the main risk management tools for ING Bank is Economic Capital which is used to determine the amount of capital that a transaction or business unit requires to support the economic risks it faces. ING Bank implemented Economic Capital for internal use in 1998. Since 1999 ING Bank has been disclosing Economic Capital information externally. The tables below provide ING Bank’s Economic Capital by risk type and business line. Figures shown reflect all diversification effects within ING Bank, including risk reduction between the risk categories. Diversification effects that arise as a result of combining ING Bank and ING Insurance activities are not taken into account. Business risk is included in the other risks category to cover unexpected losses that may arise as a result of changes in volumes, margins and costs.

Economic Capital is defined as the amount of capital that a transaction or business unit requires in order to support the economic risks it originates. In general Economic Capital is measured as the unexpected loss above the expected loss at a given confidence level. Specific measurement by risk type is described in greater detail in the separate risk type sections; i.e. credit and transfer and operational risk as well as market and business risk bank.

This Economic Capital definition is in line with the net market value (or surplus) definition. The process of Economic Capital modelling enables ING Bank to allocate Economic Capital to the business units and support risk-adjusted performance measurement (RAROC). By comparing Economic Capital figures with ING’s available financial resources, adequate capital buffers can be ensured.

The following table provides the Economic Capital break down by risk category including diversification benefits proportionally allocated to the risk types:

Economic Capital (Bank diversified only) by risk category

(amounts in millions of euros)	**2008**	2007
Credit risk (including Transfer risk)	**8,686**	7,503
Market risk	**10,349**	7,407
Other risks *	**3,372**	3,017
Total banking operations	**22,407**	17,927

* Other risks includes operational risk as well as business risk.

Credit risk

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. Corporate Credit Risk Management (CCRM) is responsible for the measurement and management of credit risk incurred by all ING Bank entities, including country-related risks. CCRM is organised along the three business lines of ING Bank (e.g. Retail Banking, Wholesale Banking and ING Direct) and ING Insurance. 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.

ING Bank's credit policy is to maintain an internationally diversified loan and bond portfolio, while avoiding large risk concentrations. 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 aim within the banking sector is to expand relationship-banking activities, while maintaining stringent internal risk/return guidelines and controls.

Economic Capital for credit risk and for transfer risk is the portion of Economic Capital 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. The same methodology is used for both the banking and the insurance operations.

Economic Capital for credit risk and for transfer risk are calculated using internally developed models with a 99.95% confidence level and a time horizon of one year, which represents ING's desired credit rating.

ING Bank's credit exposure is mainly related to traditional lending to individuals and businesses followed by investments in bonds and other securitised assets. Loans to individuals are mainly mortgage loans secured by residential property. Loans (including guarantees issued) to businesses are often collateralised, but can be unsecured based on internal analysis of the borrowers' creditworthiness. Bonds in the investment portfolio are generally unsecured. Securitised assets such as Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS) are secured by the pro rata portion of the underlying diversified pool of assets (commercial or residential mortgages, car loans and other assets) held by the issuer of the security. The last major area of credit risk involves pre-settlement credit exposures which arise from trading activities, including derivatives, repurchase transactions and securities lending/borrowing and foreign exchange transactions.

For the banking operations, ING uses various market pricing and measurement techniques to determine the amount of credit risk on pre-settlement activities. These techniques estimate ING's potential future exposure on individual and portfolios of trades. Master agreements and collateral agreements are frequently entered into to reduce these credit risks.

Risk classes are defined based upon the quality of the exposures in terms of creditworthiness, varying from investment grade to problem grade expressed in S&P equivalents.

Risk classes ING Bank portfolio by business line, as % of total outstandings [1]

		2008	2007
1	(AAA)	**12.6%**	12.8%
2-4	(AA)	**14.5%**	18.6%
5-7	(A)	**12.5%**	11.8%
8-10	(BBB)	**26.2%**	24.7%
11-13	(BB)	**26.6%**	25.8%
14-16	(B)	**4.8%**	4.3%
17-22	(CCC & Problem Grade)	**2.8%**	2.0%
		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 Bank lending portfolio, by country [1,2]

(amounts in billions of euros)	2008	2007
Netherlands	**229.1**	211.4
United States	**99.1**	87.3
Belgium	**79.3**	73.3
Germany	**74.2**	64.4
Spain	**55.7**	51.3
United Kingdom	**29.5**	36.8
France	**28.3**	21.7
Italy	**28.0**	25.3
Australia	**27.3**	30.4
Canada	**18.8**	17.5
Poland	**11.8**	9.5
Turkey	**9.4**	8.9

(1) Only covers total exposures in excess of EUR 9 billion, including intercompany exposure with ING Insurance.

(2) Country is based on the country of residence of the obligor.

Market risk

Market risk is the risk that movements in market variables, such as interest rates, equity prices, foreign exchange rates and real estate prices, negatively impact the bank's earnings, market value or liquidity position. Market risk either arises through positions in trading books or through the banking book positions. The trading positions are held for the purpose of benefiting from short-term price movements, while the banking book positions are intended to be held in the long-term (or until maturity) or for the purpose of hedging other banking book positions.

CMRM uses the Value-at-Risk (VaR) methodology as its primary risk measure. The VaR for market risk quantifies, with a one-sided confidence level of 99%, the maximum overnight loss that could occur due to changes in risk factors (e.g. interest rates, foreign exchange rates, equity prices, credit spreads, implied volatilities) if positions remain unchanged for a time period of one day. The impact of historical market movements on today's portfolio is estimated, based on equally weighted observed market movements of the previous year. ING uses VaR with a 1-day horizon for internal risk measurement, control and backtesting, and VaR with a 10-day horizon for determining regulatory capital. ING's VaR model has been approved by the Dutch Central Bank to be used for the regulatory capital calculation of its most important trading activities.

Consolidated trading VaR: ING Wholesale Banking

(amounts in millions of euros)	Minimum		Maximum		Average		Year-end	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Foreign exchange	**4**	2	**9**	7	**5**	4	**7**	4
Equities	**5**	5	**13**	13	**8**	9	**7**	6
Interest rates	**33**	22	**58**	43	**45**	27	**43**	43
Diversification [1]					**–5**	–6	**–3**	–5
Total VaR					**53**	34	**54**	48

[1] The total VaR for the columns Minimum and Maximum can not be calculated by taking the sum of the individual components since the observations for both the individual markets as well as total VaR may occur on different dates.

Note: the above captions are consistent with those used for internal risk management purposes and do not relate to financial statement captions.

Non-trading risk- interest rate risk

In the following sections, the risk figures for interest rate risk in the banking books are presented. ING Bank uses several risk measures to manage interest rate risk both from an earnings and a value perspective. Earnings-at-Risk (EaR) is used to provide the earnings perspective and the Net Present Value (NPV)-at-Risk and Basis Point Value (BPV) figures provide the value perspective.

Earnings at Risk (EaR)

EaR measures the impact on (pre tax) IFRS earnings resulting from changes of market rates over a time period of one year. Changes in balance sheet dynamics and management interventions are not incorporated in these calculations. The EaR figures in the table below are determined on the basis of an instantaneous upward 1% parallel shock in market rates. This shock is assumed to take place at the beginning of the year and the market rates are assumed to remain stable for the remainder of the year. For the Asset and Liability Management (ALM) books EaR measures the potential loss of earnings due to the structural mismatch in interest rate positions. The calculations for the ALM books capture the EaR resulting from the current positions. For the commercial banking books the EaR captures the interest rate risks resulting from savings, current accounts and the main mortgage portfolios. The impact of new business is included in the EaR calculations for the savings and demand deposits portfolios, as it is most relevant for these portfolios. The EaR of the Corporate Line, i.e. the investment of ING Bank's own funds, reflects the interest risk profile of the investments only. This is in line with the accounting based definition of (pre tax) EaR.

Earnings at Risk (1% instantaneous upward shock to interest rates)

(amounts in millions of euros)	**2008**	2007
By Business Line		
ING Wholesale Banking	**–91**	–87
ING Retail Banking	**–102**	–121
ING Direct	**5**	–5
ING Bank Corporate Line	**46**	26
ING Bank Total	**–142**	–187
By Currency		
Euro	**–220**	–125
US dollar	**80**	9
Pound sterling	**5**	–13
Other	**–7**	–58
Total	**–142**	–187

Net Present Value (NPV)

The Net Present Value (NPV) at Risk figures represent the full value impact (i.e. including convexity) to the banking books resulting from changing interest rates. This full value impact cannot be linked directly to the balance sheet or profit and loss account as the fair value movements in banking books are generally not reported through the profit and loss account or through equity. The largest part, namely the value mutations of the amortised cost balances, is neither recognised in the balance sheet nor directly in the profit and loss account. These mutations would be expected to materialise over time in e.g. the profit and loss account, if interest rates develop according to forward rates throughout the remaining maturity of the portfolio. The NPV at Risk figures in the table below are determined on the basis of an instantaneous upward 1% parallel shock of market rates in line with the EaR calculations. For the ALM books the NPV at Risk figures again capture the potential change of value due to the structural mismatch in interest rate positions. For the commercial banking books the NPV-at-Risk calculations capture the convexity resulting from the optionality in the main mortgage portfolios, e.g. the option for clients to prepay in case of moving house. In these calculations it is assumed that savings and other demand deposits of Retail and Wholesale Banking are perfectly represented via the replicating methods and therefore are fully hedged. The NPV at Risk of the Corporate Line again only reflects the interest risk profile of the investments of the bank's own funds.

NPV-at-risk (1% instantaneous upward shock to interest rates)

(amounts in millions of euros)	**2008**	2007
By Business Line		
ING Wholesale Banking	**–674**	–442
ING Retail Banking	**–100**	–222
ING Direct	**–232**	–234
ING Bank Corporate Line	**–1,388**	–892
ING Bank Total	**–2,394**	–1,790
By Currency		
Euro	**–2,105**	–1,498
US dollar	**–238**	–439
Pound sterling	**–40**	74
Other	**–11**	73
Total	**–2,394**	–1,790

Basis Point Values (BPV)

The Basis Point Value (BPV) figures below represent the value impact to the banking books resulting from a change in interest rates of 1 basis point. The BPV figures represent the directional position under a small upward shift in interest rates and do not capture the convexity resulting from the optionality in mortgages under larger interest rate movements.

BPV's per currency

(amounts in thousands of euros)	**2008**	2007
By Currency		
Euro	**–19,176**	–15,165
US dollar	**337**	–2,055
Pound sterling	**–582**	778
Other	**–373**	706
Total	**–19,794**	–15,736

Equity price risk in the banking books

Equity price risk arises from the possibility that equity security prices will fluctuate, affecting the value of equity securities and other instruments whose price reacts similarly to a particular security, a defined basket of securities, or a securities index. ING Bank maintains a strategic portfolio with substantial equity exposure in its banking books. This equity exposure mainly consists of the investments in associates of EUR 1,813 million (2007: EUR 2,010 million) and equity securities held in the available-for-sale portfolio of EUR 1,863 million (2007: EUR 3,627 million). The value of equity securities held in the available-for-sale portfolio is directly linked to equity security prices with increases/decreases being recognised (except in the case of impairment) in the revaluation reserve. During the year ended 31 December 2008 the revaluation reserve relating to equity securities held in the available-for-sale portfolio fluctuated between a month-end low amount of EUR 776 million (2007: EUR 518 million) and a high amount of EUR 1,969 million (2007: EUR 2,580 million). Investments in associates are measured in accordance with the equity method of accounting and the balance sheet value is therefore not directly linked to equity security prices.

Liquidity risk

Liquidity risk is the risk that ING Bank or one of its subsidiaries cannot meet its financial liabilities when they come due, at reasonable cost and in a timely manner. Liquidity risk can materialise both through trading and non-trading positions. Within ING Bank the liquidity risk framework has been determined by Asset and Liability Committee (ALCO) Bank, which bears the overall responsibility for liquidity risk. The liquidity risk framework is further cascaded down the organisation under the responsibility of the regional and local ALCOs. The main objective of ING's liquidity risk framework is to maintain sufficient liquidity in order to ensure safe and sound operations. For this purpose liquidity risk is considered from three different angles namely from a structural, tactical and a contingency point of view.

Structural liquidity risk

Structural liquidity risk is the risk that the structural, long term balance sheet can not be financed timely or at a reasonable cost. In this view of liquidity risk the total on and off balance sheet positions are considered from a structural asset and liability management perspective.

Tactical liquidity risk

From a tactical, short-term perspective the liquidity risk resulting from the short term cash and collateral positions is managed. ALCO Bank has delegated day-to-day liquidity management to Financial Markets Amsterdam, which is responsible for managing the overall liquidity risk position of ING Bank, while regional and local Financial Markets departments are responsible for managing liquidity in their respective regions and locations.

Contingency liquidity risk

Contingency liquidity risk relates to the organisation and planning for liquidity management in times of stress. Within ING a specific crisis team is responsible for the liquidity management in times of crisis. This crisis team consists of the CRO, the CFO, the Executive Board member responsible for Wholesale Banking, the Directors of CMRM and Capital Management and all the main treasurers of both ING Bank and ING Insurance. Within ING it is policy to have adequate and up-to-date contingency funding plans in place throughout the organisation. The main objective of ING's contingency funding plans is to enable senior management to act effectively and efficiently at times of crisis. The contingency funding plans are established for addressing temporary and long-term liquidity disruptions caused by a general event in the market or an ING specific event. These plans ensure that all roles and responsibilities are clearly defined and all necessary management information is in place. The contingency funding plans are regularly tested both on consolidated and local level in order to be best prepared for potential liquidity risk issues.

NON-FINANCIAL RISKS

Operational Risk

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 Bank Annual Report 2008.

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

Income

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

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

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

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

Expenses

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

Addition to the provision for loan losses

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

Result before tax and net result

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

Underlying result before tax and net result

ING manages its banking activities on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 9 “Segment reporting” of the interim accounts of the period ended 30 June 2009, which are incorporated by reference herein.

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

Total assets

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

The decrease is largely attributable to the change in product features for current accounts that allows netting in the balance sheet under IFRS (effect approximately EUR 80 billion, mainly at loans and advances to customers) and the reducing of financial assets at fair value by EUR 42 billion, of which EUR 23 billion trading derivatives and EUR 18 billion in securities borrowing and reverse repos. The composition of the balance sheet was effected by a reclassification at ING Direct from investments to loans and advances (EUR 17 billion) and to amounts due from banks

(EUR 6 billion). As a consequence of the Illiquid Assets Back-up Facility EUR 14 billion of Alt-A RMBS was derecognised from investments and replaced by a receivable of EUR 20 billion from the Dutch government, under loans and advances, as part of the agreement.

Loans and advances to customers

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

Total liabilities

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

Customer deposits and other funds on deposit

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

Liquidity

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

Key capital and leverage ratios

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

Risk management

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

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

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

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

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

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

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

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

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

Looking ahead

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

SECOND QUARTER CONSOLIDATED BALANCE SHEET OF ING BANK N.V.*

(amounts in millions of euros)	**30 June 2009**	31 December 2008
Assets		
Cash and balances with central banks	**17,222**	18,169
Amounts due from banks	**51,355**	48,447
Financial assets at fair value through profit and loss	**133,313**	175,022

Investments	**105,893**	148,805
Loans and advances to customers	**561,249**	598,328
Investments in associates	**1,559**	1,813
Real estate investments	**2,709**	2,884
Property and equipment	**5,777**	5,686
Intangible assets	**2,441**	2,415
Other assets	**30,454**	33,120
Total assets	**911,972**	1,034,689
Equity		
Shareholders' equity (parent)	**27,653**	22,889
Minority interests	**1,150**	1,232
Total equity	**28,803**	24,121
Liabilities		
Subordinated loans	**20,929**	21,657
Debt securities in issue	**111,265**	84,272
Amounts due to banks	**104,135**	152,265
Customer deposits and other funds on deposit	**471,368**	537,683
Financial liabilities at fair value through profit and loss	**146,350**	183,670
Other liabilities	**29,122**	31,021
Total liabilities	**883,169**	1,010,568
Total equity and liabilities	**911,972**	1,034,689

* 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 BANK N.V. *

	1 January to 30 June	6 month period 1 January to 30 June
amounts in millions of euros	**2009**	2008
Interest income banking operations	**44,737**	46,721
Interest expense banking operations	**38,388**	41,400
Interest result banking operations	**6,349**	5,321
Investment income	**-652**	-102
Commission income	**1,274**	1,472
Other income	**54**	1,107
Total income	**7,025**	7,798
Addition to loan loss provision	**1,625**	331
Intangible amortisation and other impairments	**99**	23
Staff expenses	**2,794**	3,015
Other operating expenses	**2,282**	2,014
Total expenses	**6,800**	5,383
Result before tax	**225**	2,415
Taxation	**19**	628
Net result (before minority interests)	**206**	1,787
Attributable to:		
Shareholders of the parent	**315**	1,820
Minority interests	**-109**	-33
	206	1,787

* 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 BANK N.V.*

(amounts in millions of euros)	**31 December 2008**	31 December 2007
Assets		
Cash and balances with central banks	**18,169**	9,829
Amounts due from banks	**48,447**	48,875
Financial assets at fair value through profit and loss:		
- trading assets	**159,843**	192,215
- non-trading derivatives	**10,631**	6,784
- designated as at fair value through profit and loss	**4,548**	9,146
Investments:		
- available-for-sale	**133,365**	143,632
- held-to-maturity	**15,440**	16,753
Loans and advances to customers	**598,328**	526,323
Investments in associates	**1,813**	2,010
Real estate investments	**2,884**	3,527
Property and equipment	**5,686**	5,330
Intangible assets	**2,415**	1,883
Other assets	**33,120**	27,806
Total assets	**1,034,689**	994,113
Equity		
Shareholders' equity (parent)	**22,889**	25,511
Minority interests	**1,232**	1,684
Total equity	**24,121**	27,195
Liabilities		
Subordinated loans	**21,657**	18,786
Debt securities is issue	**84,272**	55,990
Amounts due to banks	**152,265**	166,972
Customer deposits and other funds on deposit	**537,683**	528,197
Financial liabilities at fair value through profit and loss:		
- trading liabilities	**152,611**	148,887
- non-trading derivatives	**17,050**	5,569
- designated as at fair value through profit and loss	**14,009**	13,882
Other liabilities	**31,021**	28,635
Total liabilities	**1,010,568**	966,918
Total liabilities and equity	**1,034,689**	994,113

BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING BANK N.V.*

(amounts in millions of euros)	**31 December 2008**	31 December 2007
Share capital	**525**	525
Share premium	**16,392**	9,192
Revaluation reserve	**-3,857**	2,105
Currency translation reserve	**-475**	-18
Other reserves	**10,304**	13,707
Shareholders' equity (parent)	**22,889**	25,511

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING BANK N.V.*

(amounts in millions of euros)		**2008**		2007
Interest income	**97,578**		76,765	
Interest expense	**-86,292**		-67,730	
Interest result		**11,286**		9,035
Investment income		**-2,386**		809
Net gains/losses on disposal of group companies		**162**		138
Gross commission income	**3,994**		4,166	
Commission expense	**-1,099**		-1,240	
Commission income		**2,895**		2,926

Valuation results on non-trading derivatives	**343**	126
Net trading income	**-405**	740
Share of profit from associates	**-210**	238
Other income	**492**	580
Total income	**12,177**	14,592
Addition to loan loss provisions	**1,280**	**125**
Intangible amortisation and other impairments	**154**	**-5**
Staff expenses	**5,988**	**5,421**
Other operating expenses	**4,222**	**4,597**
Total expenses	**11,644**	**10,138**
Result before tax	**533**	**4,454**
Taxation	**-170**	**753**
Net result (before minority interests)	**703**	**3,701**
Attributable to:		
Shareholders of the parent	**772**	**3,589**
Minority interests	**-69**	**112**
	703	**3,701**

*These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial year ended 31 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, Warrant Agents and Certificate Agents and, if applicable for Austrian investors from ING Bank N.V., Zweigniederlassung Wien, Ungargasse 64/3/305,1030 Wien. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209) or at the address of the Vienna ING branch indicated above.

(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 of A+, a senior debt rating from Moody's of Aa3 and a senior debt rating from 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 net result for the period, a decline in market values of real estate and balance sheet reductions as disclosed in the 2009 Quarterly Reports;

(ii) the assets reclassifications as disclosed in the 2009 Quarterly Reports;

(iii) the risk and leverage reductions and over time divestments of EUR 6 to 8 billion as announced in ING Group's Strategy Update Release of 9 April 2009;

(iv) the developments described under the section entitled "Risk Factors" in the second and third paragraphs of "Ongoing turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so" (except for the last sentence);

(v) the developments described under the section entitled "Risk Factors" in "Current market conditions have increased the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending" without giving effect to forward looking statements therein;

(vi) the effects of the failure of DSB Bank N.V. described under the section entitled "Risk Factors" in "ING Bank may incur losses due to failures of banks falling under the scope of state compensation schemes"; and

(vii) the adoption, approval and implementation of the Restructuring Plan and the Back to Basics program including the following:

(A) the strategic decision to separate ING Group's banking and insurance operations and the divestment of all Insurance and Investment Management activities over time. This decision is part of the Restructuring Plan;

(B) the need to divest ING Direct USA by the end of 2013;

(C) the need to create and divest a new company in the Dutch retail market composed of Interadvies (including Westland Utrecht and the mortgage activities of Nationale-Nederlanden) and the existing consumer lending portfolio of ING Retail in the Netherlands; and

(D) the restrictions on ING Group's ability to compete and acquire new businesses described in the Separation of Banking and Insurance Operations Release of 26 October 2009,

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

Litigation

ING Bank N.V. and its consolidated subsidiaries are involved in litigation and arbitration proceedings in The Netherlands and in a number of foreign jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of their businesses, including in connection with their activities as 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, ING Bank N.V. is of the opinion that neither it nor any of its consolidated subsidiaries is aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ING Bank N.V. 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 ING Bank N.V. and/or its consolidated subsidiaries.

Auditors

The financial statements of the Issuer for the financial year ended 31 December 2007 have been audited by KPMG Accountants N.V. KPMG Accountants N.V. is a member of the Koninklijk Nederlands Instituut van Registeraccountants (*NIVRA*). KPMG Accountants N.V. has issued an unqualified auditors' report on these financial statements dated 17 March 2008.

The auditors' report in respect of the financial year ended 31 December 2007 incorporated by reference herein is included in the form and content in which it appears with the consent of KPMG Accountants N.V., who have authorised the contents of this auditors' report.

The financial statements of the Issuer for the financial year ended 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 year ended 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 Bank 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 Bank N.V., Amsterdam, as included in this Registration Document on page 56, page 57, page 58 and page 59, have been derived consistently from the audited annual accounts of ING Bank 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 Bank 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, 23 February 2010

Ernst & Young Accountants LLP

Signed by C.B. Boogaart

THE ISSUER

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INDEPENDENT PUBLIC ACCOUNTANTS

To the Issuer in respect of 2007

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The Netherlands

To the Issuer in respect of 2008 and 2009

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