2008

ING Group

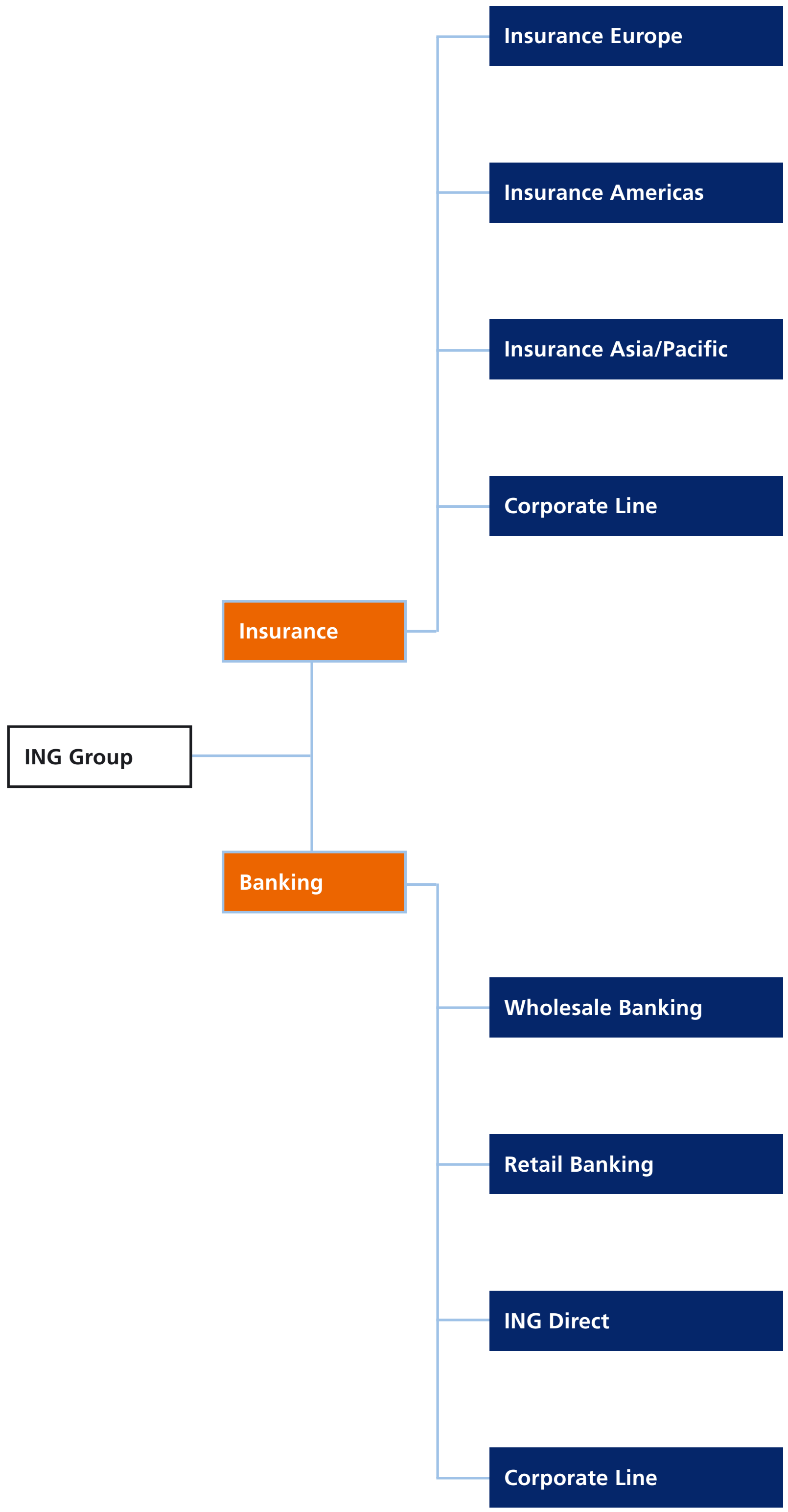
Quarterly report



Quarterly report
First quarter 2008

REPORTING STRUCTURE

ING Group



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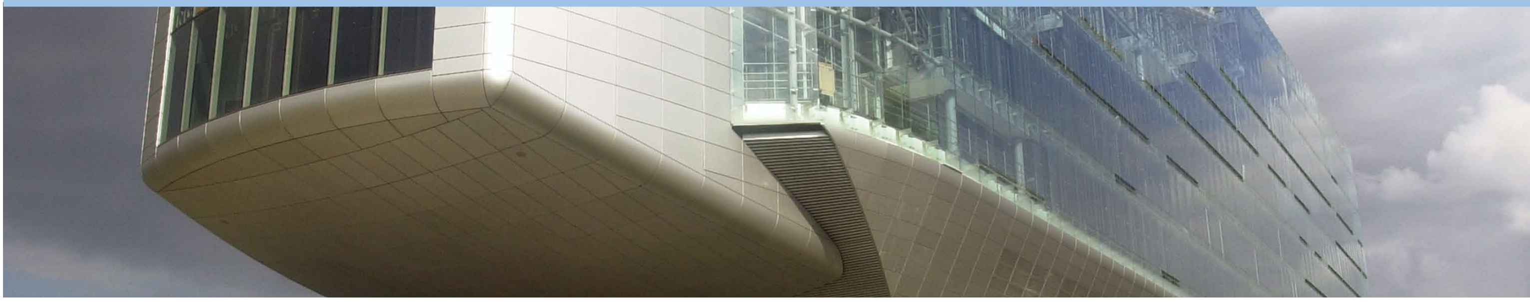
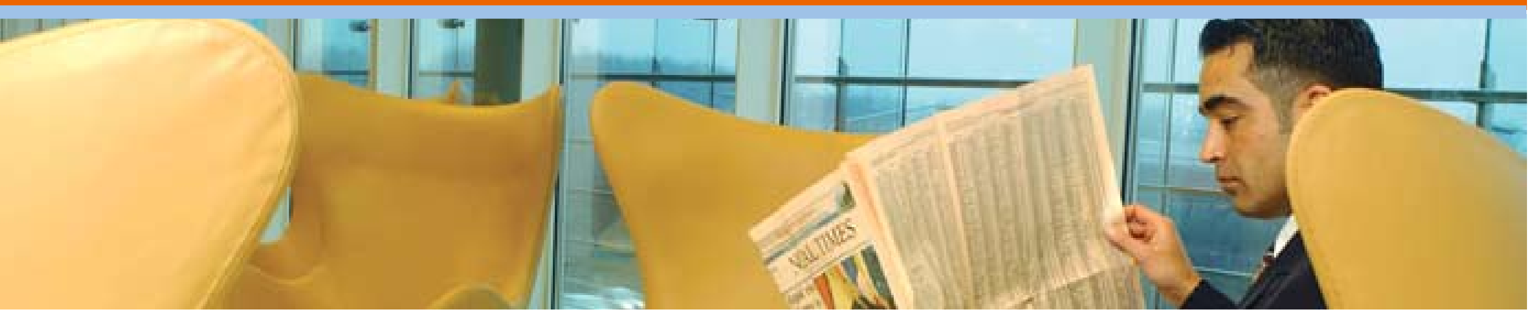
Note

ING's management structure is organised around 6 Lines of Business (the 'business segments'). To better understand the performance of these segments this report also provides additional information such as per region or per type of product.

ING Group





Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this Quarterly Report, the same accounting principles are applied as in the 2007 ING Group Annual Accounts. All figures in this Quarterly Report are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained in this release are statements of future expectations and other forwardlooking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

GROUP

Chairman's Statement

'The downturn in financial markets in the first quarter led to a decline in earnings, despite strong commercial growth momentum across the Group,' said Michel Tilmant, CEO of ING. 'Market declines reduced investment income at the insurance businesses, particularly compared with the first quarter last year when investment returns were above long-term assumptions. That led to a 15.2% decline in underlying net profit for the quarter. Lower real estate and private equity valuations and lower realised gains on equities had a negative impact of EUR 436 million after tax compared with the first quarter last year. The decline in most currencies against the euro reduced earnings by EUR 55 million.'

'While the credit and liquidity crisis deepened in the first quarter, extending the disruption of global financial markets, ING's impairments on pressurised asset classes remained limited to EUR 55 million after tax. Market prices for these assets were inevitably impacted, with fluctuations in valuation reflected in shareholders' equity. ING's capital position remained strong, with key ratios within target and a spare leverage capacity of EUR 6.2 billion at the end of March.'

'Commercial growth momentum was maintained across the group despite competitive and turbulent markets. The group generated a net inflow of EUR 34 billion in client balances in the quarter, with total client balances of EUR 1,456 billion at the end of March. Customer deposits at the banking businesses increased by EUR 14 billion excluding currency effects despite intense competition for savings as many banks face tight liquidity and higher wholesale funding costs. Higher volumes and an improvement in the interest margin drove the interest result on the banking side up 17.2%. Sales of life insurance and investment products remained robust despite the stock market volatility. New life sales were up 23.1% excluding currencies and the value of new business reached EUR 320 million.'

'As we saw in the first quarter, earnings and shareholders' equity are affected by movements in fixed-income securities, equity and real estate markets. Although we have perceived some improvement in equity markets and credit spreads since the close of the first quarter, investment returns and asset values will likely remain under pressure with the correlated impact on earnings. However, with ING's broad client access and product range, strong capital base and solid liquidity position we remain confident that ING is well positioned to help our customers manage their financial future while generating long-term profitable growth for our shareholders.'

GROUP

Main events this period

NRG
On 28 December 2007, ING reached an agreement with Berkshire Hathaway Group to sell its reinsurance unit NRG N.V. for EUR 300 million. The sale is part of ING's strategy to focus on its core activities: banking, life insurance, investments and retirement services. The sale resulted in net capital losses for ING of EUR 129 million in 4Q2007 and EUR 17 million, mainly FX-impact, in 1Q2008.

Chile Health Business
On 10 January 2008, ING, consistent with its increasing focus on wealth management, completed the sale of its health business in Chile, ING Salud, to Said Group and Linzor Capital Partners. The sale resulted in a net capital gain of EUR 62 million in 1Q2008.

Latin American Pension business
On 17 January 2008, ING closed the final transaction to acquire 100 percent of Banco Santander's pension and annuity businesses in Mexico, Chile, Colombia, Uruguay and Argentina. On 27 July and on 14 November 2007, ING signed agreements with Banco Santander to acquire these five mandatory pension fund management companies and an annuity company in Argentina for a total consideration of EUR 1.1 billion.

Mexican Insurance Business
On 12 February 2008, ING announced that it reached an agreement with AXA to sell part of its Mexican business, Seguros ING SA de CV and subsidiaries, for a total consideration of EUR 1.0 billion. This sale will allow ING to focus on growing its existing Mexican pension (Afore) and Annuities businesses. Based on the purchase price, ING expects to realise a capital gain on the sale of between EUR 150 and 200 million, depending upon the final balance sheet and closing adjustments.

Retail Netherlands
On 5 March 2008, ING announced it will make a substantial investment in its retail banking branch network in the Netherlands to further raise ING's potential for future growth. The investment is in line with the strategy in the Netherlands to combine Postbank and ING Bank under one single brand. In conjunction, both ING and TNT have agreed to gradually unwind their joint venture Postkantoren B.V. over the next five years. ING took a provision of EUR 94 million for the restructuring costs in the first quarter of 2008 and expects to generate additional pre-tax profits of EUR 68 million per year as of 2012. In addition, ING plans to make an investment of EUR 175 million to expand and enhance its full-service branches over a period of five years.

Preference shares A
On 5 March 2008, ING announced the tender offer for the six million issued and outstanding (depositary receipts of) preference shares A of ING Groep N.V., with a nominal value of EUR 1.20 each. The purchase price for each share offered in accordance with the Tender Offer is EUR 3.60, or EUR 22 million in total. The purchase has no significant impact on ING Group's earnings or key ratios and will not impact the ongoing share buyback programme for ordinary ING shares. All preference shares A not held by ING will be cancelled.

ING Perpetuals IV
On 3 April 2008, ING announced that it intends to issue euro-denominated perpetual subordinated bonds, called ING Perpetuals IV. On 10 April ING announced it had raised EUR 1.5 billion; the coupon rate was fixed at 8% with issue price par. An application has been made for trading of the ING Perpetuals IV on Euronext Amsterdam by NYSE Euronext. The issue qualifies as hybrid Tier-1 capital for ING Group, and the proceeds from the sale will be used to finance organic growth.

Buyback
On 16 May 2007, ING announced a plan to buy back EUR 5 billion in shares starting in June 2007 and continuing for approximately 12 months. At the end of March 2008 154.3 million shares were bought for approximately EUR 4.2 billion.

CitiStreet
On 2 May 2008, ING Group announced that it reached an agreement with Citigroup, Inc. and State Street Corporation, to acquire CitiStreet, one of the premier retirement plan and benefit service and administration organizations in the US defined contribution marketplace. ING will acquire 100 percent of CitiStreet for a total consideration of EUR 578 million. The combined operations will make ING the third-largest defined contribution business in the US based on assets under management and assets under administration. The transaction is subject to customary closing conditions and is expected to close in the third quarter of 2008.

Consolidated income statement

ING Group: Consolidated Income Statement					
in EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	12,574	11,426	10.0%	12,215	2.9%
Interest result banking operations	2,539	2,142	18.5%	2,298	10.5%
Commission income	1,237	1,209	2.3%	1,177	5.1%
Total investment & other income	3,602	3,455	4.3%	4,414	-18.4%
Total underlying income	**19,953**	**18,233**	**9.4%**	**20,105**	**-0.8%**
Underwriting expenditure	13,680	11,830	15.6%	12,956	5.6%
Operating expenses	3,766	3,716	1.3%	3,915	-3.8%
Other interest expenses	265	252	5.2%	232	14.2%
Addition to loan loss provisions / impairments	115	1		32	
Total underlying expenditure	**17,825**	**15,799**	**12.8%**	**17,134**	**4.0%**
Underlying profit before tax	**2,127**	**2,434**	**-12.6%**	**2,970**	**-28.4%**
Taxation	514	495	3.9%	301	70.8%
Underlying profit before minority interests	1,613	1,939	-16.8%	2,669	-39.6%
Minority interests	24	65	-63.1%	53	-54.7%
Underlying net profit	**1,589**	**1,874**	**-15.2%**	**2,617**	**-39.3%**
Net gains/losses on divestments	45			-37	
Net profit from divested units		20			
Special items after tax	-94			-98	
Net profit (attributable to shareholders)	**1,540**	**1,894**	**-18.7%**	**2,482**	**-38.0%**
Earnings per share (in EUR)	**0.74**	**0.88**	**-15.9%**	**1.18**	**-37.3%**

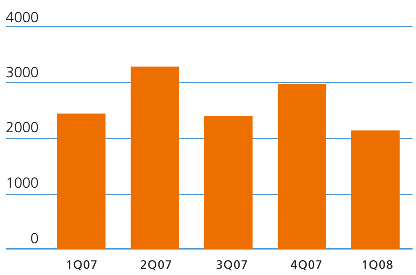
Earnings analysis: first quarter

The deterioration of financial markets continued through the first quarter as concerns about the US housing market deepened and the credit and liquidity crisis persisted.

ING continued to manage its business well in this challenging environment. There was limited direct impact from the credit and liquidity crisis in the first quarter. Losses on ING's investments in pressurised asset classes were limited to EUR 55 million after tax, reflecting the high structural credit protection the of securities in ING's subprime and Alt-A RMBS portfolios.

ING GROUP

Underlying profit before tax (EUR million)



The business environment continued to become more challenging as equity markets declined and investment returns on real estate and private equity came down sharply compared with the first quarter of 2007. Competition for savings intensified as many banks faced tighter liquidity and increased funding costs on wholesale markets. However, credit issues in the US housing market have not yet led to contagion in the corporate mortgage market or significant losses in the corporate bond markets. Tighter liquidity has led to wider spreads on corporate lending. The reduction of short-term interest rates, particularly in the US, has led to an improvement in the interest margin of the banking operations, notably at ING Direct. Loan losses increased from previous quarters but remain well below expected over-the-cycle levels.

Despite the turmoil in financial markets, ING Group continued to show strong commercial momentum. Customer deposits of the banking business increased by EUR 14 billion excluding currency effects despite increased competition for savings. Lending grew by EUR 23.9 billion excluding currency impacts, driven by corporate lending and mortgages. Life insurance generated a net inflow of EUR 6.4 billion.

Sales of life insurance remained robust. New life sales were up 23.1% excluding currencies and the value of new business rose to EUR 320 million.

While commercial growth remained robust, the downturn in financial markets impacted investment returns. Underlying net profit declined 15.2% to EUR 1,589 million.

Lower equity capital gains were realised due to market declines, resulting in a negative swing of EUR 232 million after

ING Group: Key Figures					
in EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Underlying[1] profit before tax					
Insurance Europe	339	442	-23.3%	358	-5.3%
Insurance Americas	317	533	-40.5%	453	-30.0%
Insurance Asia/Pacific	182	159	14.5%	113	61.1%
Corporate Line Insurance	-117	-84		896	
Underlying profit before tax from Insurance	**722**	**1,050**	**-31.2%**	**1,819**	**-60.3%**
Wholesale Banking	570	665	-14.3%	512	11.3%
Retail Banking	638	610	4.6%	522	22.2%
ING Direct	155	165	-6.1%	73	112.3%
Corporate Line Banking	43	-56		45	
Underlying profit before tax from Banking	**1,405**	**1,384**	**1.5%**	**1,151**	**22.1%**
Underlying profit before tax	**2,127**	**2,434**	**-12.6%**	**2,970**	**-28.4%**
Taxation	514	495	3.8%	301	70.8%
Profit before minority interests	1,613	1,939	-16.8%	2,669	-39.6%
Minority interests	24	65	-63.1%	53	-54.7%
Underlying net profit	**1,589**	**1,874**	**-15.2%**	**2,617**	**-39.3%**
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Net profit per share (in EUR)	**0.74**	**0.88**	**-15.9%**	**1.18**	**-37.3%**
KEY FIGURES					
Net return on equity[2]	16.5%	20.8%		24.2%	
Economic capital (average over period)	34,940	32,681	6.7%	34,680	0.5%
Assets under management (end of period)	620,800	619,400	0.2%	642,700	-3.4%
Total staff (FTEs end of period)	129,546	118,592	9.2%	124,634	3.9%

[1] Underlying profit before tax and underlying net profit are non-GAAP measures for profit excluding divestments and special items
[2] Year to date
Note: small differences are possible in the tables due to rounding

tax compared with the first quarter last year. That was partially offset by EUR 115 million from hedges on the equity portfolio. Pressure on property prices led to negative revaluations of real estate investments in some markets, resulting in a negative swing of EUR 182 million after tax compared with a year ago. Negative revaluations of private equity and alternative assets resulted in a swing of EUR 137 million. Currency fluctuations had a negative impact of EUR 55 million. Excluding those items, and EUR 55 million after tax from the impairments on pressurised assets, profit increased 20.7%.

Operating expenses remained under control with mature businesses showing a decline of 3.2% from a year ago, while expenses at the growth businesses have been allowed to increase 16.7% to support expansion.
The effective tax rate rose from 20.3% in the first quarter of 2007 to 24.2% this quarter. For the full-year, the effective tax rate is expected to be at the low end of the normal 20-25% range.

Net profit declined 18.7% to EUR 1,540 million. This includes a EUR 62 million gain on the sale of the Chilean health business, an additional loss of EUR 17 million on the sale of NRG and EUR 94 million restructuring provisions for the Dutch retail transformation. Net earnings per share were EUR 0.74, down from EUR 0.88 in the same quarter last year.

PROFIT BY BUSINESS LINE
% based on 1Q2008

- Insurance Europe (15%)
- Insurance Americas (14%)
- Insurance Asia/Pacific (8%)
- Wholesale Banking (26%)
- Retail Banking (30%)
- ING Direct (7%)

Insurance

The underlying profit before tax from insurance decreased 31.2% to EUR 722 million, reflecting much lower capital gains on public equities and a further deterioration of private equity and real estate markets. Furthermore, results declined following equity-related DAC unlocking in the US, which was partly mitigated by a positive swing in SPVA results in Japan.The underlying profit before tax from Insurance Europe fell 23.3%, mainly due to lower investment income arising from the negative revaluations on private equity and real estate markets. Profit from Central & Rest of Europe was up 17.1%, despite higher start-up investments in new operations in Russia and Romania. Insurance Americas' profit before tax declined 40.5%, triggered by poor equity and credit market conditions in the US, the expected weakening of underwriting results in Canada and a negative currency impact. Underlying profit from Insurance Asia/ Pacific increased 14.5%, mainly due to a positive swing in results from the SPVA business in Japan. Excluding Japan, underlying profit was down 28.7%, or 19.4% excluding currency, resulting from lower results from Korea.

Gross premiums increased 10.0% (18.5% excluding the currency impact) on the back of solid commercial performance, especially in Asia and the Americas. Operating expenses were flat, but increased 6.1% on a constant currency basis due to business growth in the Americas and Asia/Pacific and the inclusion of the Santander pension business.

Excluding the currency impact, sales increased 23.1% and VNB more than doubled. VNB tripled in Central & Rest of Europe, supported by the second-pillar pension fund In Romania, while Latin America's VNB quadrupled benefiting from the acquisition of Santander.

Margins also improved: the internal rate of return increased to 15.3% in the first quarter of 2008 from 12.2% in the previous-year quarter.

Banking

Underlying profit before tax from Banking increased 1.5% to EUR 1,405 million as banking business continued to show robust results, supported by continued volume growth and an improved interest margin. Risk costs were higher, but remained well below normalised levels. The market turmoil had a limited impact on Banking in the first quarter, while expenses showed a very modest increase.

Mid-corporate clients in the home markets Netherlands, Belgium, Poland and Romania have been transferred from Wholesale Banking to Retail Banking.

Underlying profit before tax from Wholesale Banking declined 14.3%, mainly due to negative revaluations in the real estate investment portfolio and higher risk costs, which were partly mitigated by a record quarter pre-tax profit for Financial Markets. Profit from Retail Banking was 4.6% higher thanks to a solid performance amid the challenging market circumstances. Excluding the acquired Oyak Bank, underlying profit before tax of Retail Banking increased 1.6% driven by lower operating expenses. Profit from ING Direct declined 6.1% compared with the previous-year quarter, but more than doubled from previous quarter, driven by an improved interest rate environment in the US.

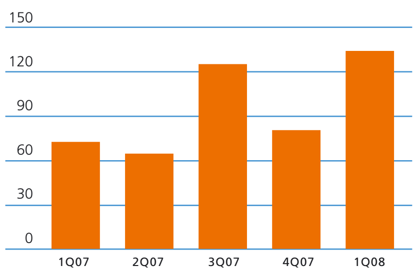
Total underlying income from Banking rose 4.3% to EUR 3,920 million, driven by volume growth and an improved interest result. The interest margin increased to 1.02%, up 7 basis points compared with the first quarter of 2007 resulting from the inclusion of Oyak Bank and a higher margin at ING Direct. The interest margin was up 8 basis points compared with the fourth quarter of 2007. Commission income was down 3.4%, mainly due to lower fees from the securities business and brokerage and advisory activities. Investment income also declined following lower capital gains and revaluations on equities, bonds and real estate.

Underlying operating expenses were up 1.9%. Excluding the impact of the acquisition of Oyak Bank and exchange-rate changes, operating expenses were flat. Higher expenses due to investments to support business growth were offset by lower expenses in the mature businesses.

Despite the ongoing turmoil in credit markets, net risk costs remained relatively low. In total, ING added EUR 98 million to the provision for loan losses, compared with nil in the first quarter of 2007. Risk costs are expected to return gradually to a normalised level of 40-45 basis points expected under Basel II over the economic cycle as potential releases diminish. Net additions to loan loss provisions amounted to 16 basis points of average credit-risk-weighted assets under Basel II. The overall loan portfolio remained healthy with a limited inflow of new impaired files.

Underlying risk-adjusted return on capital (RAROC) after tax declined to 17.8% from 23.4% in the first quarter last year, reflecting higher tax charges and a strong increase in economic capital. The strong increase in economic capital stemmed from the acquisition of Oyak Bank, the increased value of the Bank of Beijing and higher credit and market risk capitals (especially in Wholesale Banking) partly due to model refinements.

MID-CORPORATES
Underlying profit before tax (EUR million)



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Consolidated balance sheet

ING Group: Consolidated Balance Sheet

	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	31 Mar. 08	31 Dec. 07	31 Mar. 08	31 Dec. 07	31 Mar. 08	31 Dec. 07	31 Mar. 08	31 Dec. 07
Cash and balances with central banks	14,456	12,406	4,122	3,115	10,898	9,829	-563	-538
Amounts due from banks	52,796	48,875			52,796	48,875		
Financial assets at fair value through P&L	313,828	327,131	111,492	120,872	203,928	208,145	-1,593	-1,887
Investments	276,124	292,650	124,893	132,266	151,233	160,384	-2	
Loans and advances to customers	568,606	552,964	29,848	27,529	542,656	526,323	-3,898	-887
Reinsurance contracts	5,582	5,874	5,582	5,874				
Investment in associates	5,400	5,014	3,444	3,190	2,084	2,010	-128	-186
Investment property	4,631	4,829	1,407	1,302	3,224	3,527		
Property and equipment	6,117	6,237	793	907	5,324	5,330		
Intangible assets	5,838	5,740	4,215	3,942	1,702	1,883	-79	-85
Deferred acquisition costs	10,968	10,692	10,968	10,692				
Other assets	38,857	40,099	11,865	12,395	26,915	27,807	77	-103
Total assets	**1,303,203**	**1,312,510**	**308,630**	**322,083**	**1,000,760**	**994,113**	**-6,187**	**-3,685**
Shareholders' equity (in parent)	31,584	37,208	16,999	17,911	20,367	25,511	-5,782	-6,214
Minority interests	2,001	2,323	823	891	1,369	1,684	-191	-251
Total equity	**33,584**	**39,531**	**17,822**	**18,801**	**21,736**	**27,195**	**-5,973**	**-6,465**
Preference shares	21	21					21	21
Subordinated loans	6,978	7,325	5,311	4,493	17,183	18,786	-15,516	-15,954
Debt securities in issue	81,403	66,995	4,659	4,636	70,333	55,990	6,411	6,369
Other borrowed funds	25,252	27,058	9,966	11,355			15,285	15,703
Insurance and investment contracts	254,105	265,712	254,105	265,712				
Amounts due to banks	149,340	166,972			149,340	166,972		
Customer deposits and other funds on deposits	527,483	525,216			533,450	528,197	-5,967	-2,981
Financial liabilities at fair value through P&L	183,509	169,822	2,378	1,805	181,410	168,338	-280	-321
Other liabilities	41,529	43,859	14,389	15,281	27,307	28,635	-166	-57
Total liabilities	**1,269,619**	**1,272,979**	**290,809**	**303,282**	**979,024**	**966,918**	**-214**	**2,779**
Total equity and liabilities	**1,303,203**	**1,312,510**	**308,630**	**322,083**	**1,000,760**	**994,113**	**-6,187**	**-3,685**

Balance sheet

The balance sheet of ING Group decreased by EUR 9 billion, or 0.7%, to EUR 1,303 billion compared with the end of 2007. This was mainly caused by an adverse FX impact (decrease in US dollar and Pound sterling) and negative revaluations, exceeding the increase in lending, in the banking operations.

Asset growth

'Investments' decreased by EUR 9 billion, at constant FX-rates, mainly due to a decrease in market value (EUR 6 billion).

'Financial assets at fair value through P&L' decreased by EUR 7 billion, at constant FX-rates. The decrease in the Insurance operations was caused by a EUR 5 billion decline in market values. This decline is mirrored on the liability side, where insurance provisions for the risk of policyholders decreased by the same amount. Banking operations showed a decrease of EUR 2 billion mainly due to a decline in trading volumes of reverse repo contracts in line with developments since August 2007.

'Loans and advances to customers' increased by EUR 16 billion, or 3%, to EUR 569 billion. The increase was driven by robust commercial growth in the banking operations in the Netherlands (EUR 12 billion), Germany (EUR 2 billion) and Belgium (EUR 2 billion).

Liability growth

On the liability side, interbank funding ('Amounts due to banks') came down by EUR 18 billion, or 11%, from its high level in December 2007, which was directly related to the turmoil in the financial and money markets.

'Customer deposits and other funds on deposit' in the banking operations increased by EUR 14 billion at constant FX-rates.

The growth of 'Financial liabilities at fair value through P&L' by EUR 14 billion mainly stems from short-term deposits which are held as collateral for securities lending at the banking operations.

'Debt securities in issue' in the banking operations increased by EUR 14 billion, or 26%, as Wholesale Banking has issued short-term debt securities to fund the commercial growth of loans and advances to its customers.

GROUP

Group shareholders' equity

ING Group: Change in Shareholders' Equity								
	ING Group*		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	1Q2008	FY2007	1Q2008	FY2007	1Q2008	FY2007	1Q2008	FY2007
Shareholders' equity beginning of period	**37,208**	**38,266**	**17,911**	**21,917**	**25,511**	**21,298**	**-6,214**	**-4,949**
Net profit for the period	1,540	9,241	669	5,650	924	3,589	-53	2
Unrealised revaluations of equity securities	-2,061	2,997	-1,251	1,117	-810	1,935		-55
Unrealised revaluations of debt securities	-3,248	-4,725	-969	-3,135	-2,279	-1,590		
Deferred interest crediting to life policyholders	293	1,132	293	1,132				
Realised gains equity securities released to P&L	-95	-3,044	-73	-2,771	-22	-273		
Realised gains debt securities released to P&L	-37	-10	-36	56	-1	-66		
Change in cashflow hedge reserve	-79	-925	29	-692	-76	-227	-32	-6
Other revaluations	52	49	47	17	5	30		2
Change in treasury shares	-1,398	-2,304					-1,398	-2,304
Exchange rate differences	-1,014	-881	-621	-829	-394	-61	1	9
Issue of shares / capital injection	448	395	1,000			2,200	-552	-1,805
Cash dividend		-2,999		-4,600	-2,500	-1,300	2,500	2,901
Employee stock option and share plans	26	104	11	49	15	61		-6
Other	-51	-88	-11		-6	-85	-34	-3
Total changes	**-5,624**	**-1,058**	**-912**	**-4,006**	**-5,144**	**4,213**	**432**	**-1,265**
Shareholders' equity end of period	**31,584**	**37,208**	**16,999**	**17,911**	**20,367**	**25,511**	**-5,782**	**-6,214**

* For the revaluation reserve components of Shareholders' equity we refer to the Group Statistical Supplement: 1.3 Shareholders' equity.

Shareholders' equity

Shareholders' equity decreased by EUR 5.6 billion, or 15%, in the first quarter of 2008. The decrease is due to a lower unrealised revaluation of equity and debt securities, an increase in treasury shares following the buyback programme and the depreciation of major currencies against the euro. The EUR 1.5 billion net profit in the first quarter only partly offset these factors.

The unrealised revaluation of equity securities in the first quarter was negatively impacted by lower stock markets. At the end of March 2008, unrealised revaluations of equity securities amounted to EUR 3.7 billion. This is EUR 2.1 billion down from EUR 5.8 billion at the end of 2007; including EUR 0.6 billion negative revaluation of ING's share in Bank of Beijing.

During the first quarter, the revaluation reserve of debt securities declined by EUR 3.2 billion to EUR - 5.2 billion, as credit spreads widened further and credit markets became less liquid. The negative unrealised revaluation reserve of debt securities has no impact on regulatory solvency or on the leverage ratios of ING.

Number of shares

The total number of 'shares outstanding in the market', declined from 2,098 million at the end of 2007 to 2,057 million at the end of the first quarter. The total number of shares outstanding in the market is defined as the total number of 'shares outstanding' minus the treasury shares. ING holds treasury shares as a result of the buyback programme and the hedging programme for employee share options. The number of treasury shares increased from 128.4 million at year-end 2007 to 189.0 million at the end of March 2008. On 22 April, 2008, the General Meeting of Shareholders approved the cancellation of shares bought back and no longer needed for the purpose of hedging employee stock options or, as the case may be, performance shares.

The average number of 'shares outstanding in the market' used for the calculation of first quarter 2008 Earnings per share, is 2,080.2 million.

The total number of 'shares outstanding', which is the number of 'outstanding shares in the market' plus the number of treasury shares, increased from 2,226 million at year-end 2007 to 2,246 million in the first quarter. This increase is mainly driven by the exercise of warrants B, which lifted the number of shares outstanding by approximately 18 million. The warrants expired on 8 January, 2008 and were all exchanged.

Shareholders' equity per share decreased from EUR 17.73 at the end of December 2007 to EUR 15.35 at the end of March 2008.

Number of outstanding shares in the market	
in million	
Balance 31 December 2007	**2,098**
Exercised warrants B	18
Issued for share awards	2
Delta hedge portfolio	2
Share buyback programme	-63
Balance 31 March 2008	**2,057**
Average (for EPS calculation)	**2,080**

GROUP

Key figures

ING Group: Key Figures						
			Annual Figures			
	1Q2008	1Q2007	FY2007	FY2006	FY2005	FY2004
Income (in EUR millon)						
Insurance operations	16,132	14,821	62,208	59,642	57,403	55,614
Banking operations	3,920	3,757	14,602	14,195	13,848	12,678
Total income [1]	**19,998**	**18,516**	**76,587**	**73,621**	**71,120**	**68,171**
Operating expenses						
Insurance operations	1,349	1,370	5,515	5,275	5,195	4,746
Banking operations	2,542	2,373	9,967	9,087	8,844	8,795
Total operating expenses	**3,891**	**3,743**	**15,481**	**14,362**	**14,039**	**13,541**
Addition to loan loss provision Banking operations	98	0	125	103	88	465
Insurance profit before tax	767	1,076	6,533	4,935	3,978	4,322
Banking profit before tax	1,280	1,384	4,510	5,005	4,916	3,418
Total profit before tax	**2,047**	**2,460**	**11,043**	**9,940**	**8,894**	**7,740**
Taxation	482	502	1,534	1,907	1,379	1,709
Minority interests	24	65	267	341	305	276
Net profit	**1,540**	**1,894**	**9,241**	**7,692**	**7,210**	**5,755**
Figures per Ordinary share (EUR)						
Net profit	0.74	0.88	4.32	3.57	3.32	2.71
Distributable net profit	0.74	0.88	4.32	3.57	3.32	2.71
Dividend			1.48	1.32	1.18	1.07
Shareholders' equity (in parent)	15.35	18.56	17.73	17.78	16.96	12.95
Balance Sheet (in EUR billion)						
Total assets	1,303	1,282	1,312	1,226	1,159	964
Shareholders' equity (in parent)	32	40	37	38	37	28
Capital Ratios (%)						
ING Group debt/equity ratio	9.7%	8.5%	9.5%	9.0%	9.4%	12.6%
Insurance capital coverage ratio	254%	277%	244%	274%	255%	204%
Insurance debt/equity ratio	12.3%	15.5%	13.6%	14.2%	13.4%	14.4%
Bank Tier-1 ratio	8.27%	7.86%	7.39%	7.63%	7.32%	6.92%
Market capitalisation (in EUR billion)	**53**	**70**	**60**	**74**	**65**	**49**
Ordinary shares outstanding (million)	2,246	2,211	2,226	2,205	2,205	2,205
Preference shares outstanding (million)	6	63	16	63	87	87
Warrants B in issue until 5 January 2008 (million)	-	17	9	17	17	17
Key Performance Indicators						
- Net return on equity (ROE)	16.5%	20.8%	24.2%	23.5%	26.6%	25.4%
- Net profit growth	-19%	-6%	20%	7%	25%	n.a.
Insurance						
- Value of new life business	320	168	1,113	807	805	632
- Internal rate of return	15.3%	12.2%	14.3%	13.3%	13.2%	12.1%
- Combined ratio (non-life)	94%	97%	97%	91%	95%	94%
Banking						
- Cost/income ratio (total)	64.9%	63.2%	68.3%	64.0%	63.9%	69.4%
- RAROC after tax (total)	17.3%	23.4%	19.9%	19.7%	22.6%	14.5%
Assets under management (in EUR billion)	**621**	**619**	**643**	**600**	**547**	**492**
Staff (FTEs end of period)	**129,546**	**118,592**	**124,634**	**119,801**	**116,614**	**112,195**

1. Including inter-company eliminations

Risk Management

- **Direct impact of credit and liquidity crisis limited to EUR 80 million pre-tax P&L loss (EUR 55 million after tax)**
- **Credit losses are limited as cash flows from subprime RMBS and Alt-A RMBS continue to perform**
- **EUR 3.6 billion negative pre-tax revaluation (EUR 2.3 billion after tax) on subprime RMBS, Alt-A RMBS and CDO/CLO through shareholders' equity**

ING's risk and investment approach

ING has integrated risk management into its daily business activities and strategic planning. ING has systematically invested in its risk management capabilities in recent years and ING's approach to risk is reflected in the diversified business mix and the prudent composition of the balance sheet. ING applies strict standards in mortgage underwriting and has not originated US subprime mortgages. Moreover, ING is not in the business of manufacturing subprime residential mortgage-backed securities (RMBS) or collateralised debt obligations (CDOs) nor has it purchased a material amount of CDOs that are backed by US subprime mortgages.

ING's exposure to the US housing market is predominantly through highly rated RMBS. The US subprime RMBS and US Alt-A RMBS on ING's balance sheet were selected by ING's portfolio and risk managers after a thorough internal credit analysis. The RMBS in which ING has invested generally have a substantial amount of structural credit protection. In the RMBS structure, various tranches are subordinated to the AAA tranches in which ING has generally invested. This subordination level, or attachment point, is the buffer to absorb losses in the underlying mortgage pool before the specific RMBS tranche starts to incur principal losses.

ING holds its RMBS generally in its Available for Sale (AfS) investment portfolio. The amount of RMBS in the trading book is not significant.

ING's direct P&L impact from the ongoing credit and liquidity crisis remains limited. The pre-tax P&L impact is a EUR 80 million loss in the first quarter of 2008. The direct impact refers to exposures to US subprime RMBS, US Alt-A RMBS, CDOs/CLOs, leveraged finance, Structured Investment Vehicles (SIVs), asset-backed commercial paper (ABCP) and monoline insurers.

IFRS impairment rules

Under IFRS, loans and debt securities are considered impaired if, due to a credit event, it is probable that the principal and/or interest may not be fully recovered. Temporary declines in fair value, due to market fluctuations in interest rates, credit spreads or liquidity, do not result in an impairment. If a debt security is fair valued substantially below par for a prolonged period of time, this would by itself not trigger an impairment on this security. For impaired loans and held-to-maturity investments, the difference between book value and recoverable amount is charged to the P&L as risk costs. For impaired debt securities within available-for-sale, the difference between fair value and amortised cost is charged to the P&L as an impairment as part of investment income. Trading assets and derivatives are recorded at fair value, with changes in fair value reflected directly in the P&L.

Pre-tax P&L impact directly related to credit and liquidity crisis in 1Q2008

EUR million	Impairment	Fair value changes	Trading loss	Total loss
US subprime RMBS	26	0	7	33
US Alt-A RMBS	17	0	0	17
CDOs/CLOs	3	13	0	16
Monolines	0	4	0	4
Investments in SIVs, ABCP	10	0	0	10
Total	56	17	7	80

Credit and market risk

US subprime RMBS

At the end of the first quarter of 2008, ING's US subprime RMBS portfolio was EUR 2.3 billion, of which EUR 2.1 billion in Insurance Americas and EUR 0.2 billion in ING Bank.

Impairments and trading losses combined were EUR 33 million in the first quarter. Wholesale Banking recorded a pre-tax loss of EUR 26 million on its subprime exposure, comprising EUR 19 million impairments and EUR 7 million trading losses. Insurance Americas took a EUR 7 million impairment on its subprime RMBS portfolio. The quality of the US subprime RMBS portfolio is illustrated by the high average attachment point (or structural subordination level) of 30% for ING Insurance Americas' subprime RMBS.

Changes in revaluation reserves, which on an after-tax basis run through shareholders' equity in the balance sheet, were limited. ING's US subprime RMBS portfolio was fair valued at 81.4% of the amortised cost value, against 90.1% at the end of 2007. The pre-tax revaluation reserve for subprime RMBS was EUR - 0.5 billion at the end of the first quarter, compared to EUR - 0.3 billion at the end of 2007. The decline was limited to EUR - 0.2 billion as the general widening of credit spreads was partly offset by lower US interest rates.

During the first quarter the rating agencies downgraded EUR 0.5 billion of ING's US subprime RMBS. EUR 0.5 billion of ING's EUR 2.3 billion subprime RMBS portfolio is on rating agency creditwatch.

US Alt-A RMBS

ING's US Alt-A RMBS portfolio declined from EUR 27.5 billion at year-end 2007 to EUR 22.8 billion in the first quarter of 2008. The EUR 4.7 billion decline is due to EUR 3.3 billion pre-tax negative revaluations and EUR 1.7 billion due to the depreciation of the US dollar vis-à-vis the euro. The negative revaluation is driven by credit spread widening and market illiquidity. At the end of the first quarter the Alt-A RMBS portfolio was fair valued at 84.3% of amortised costs, against 96.7% at year-end 2007.

ING's Alt-A RMBS portfolio benefits from high attachments points (or structural subordination) of on average 15%. The portfolio has an average LTV of 71% and an average FICO score of 724.
Rating agencies downgraded EUR 73 million of ING's Alt-A RMBS portfolio in the first quarter of 2008, over 99% of ING's Alt-A RMBS book is rated AAA.

ING closely monitors the performance of the Alt-A RMBS and the underlying US mortgages. ING has taken impairments on those Alt-A RMBS for which the cash flows from interest rate or principal repayments are uncertain. In the first quarter of 2008 this applied to 9 bonds in the Insurance Americas portfolio, which were impaired by EUR 17 million. There are no impairments in ING Direct's Alt-A RMBS portfolio as the cash flows from the RMBS continue to perform.

CDOs and CLOs

ING's net exposure to CDO/CLO increased from EUR 1.9 billion at year-end 2007 to EUR 2.1 billion at the end of the first quarter. Insurance Americas wrote credit protection on EUR 1.1 billion of super senior tranches of investment grade corporate credit indices. These corporate credit positions offered attractive value due to dislocations in the credit markets. Wholesale Banking reduced its net exposure to CDOs by EUR 0.9 billion as it closed and hedged several positions. ING's CDO/CLO portfolio was valued at 90.3% at 31 March 2008. Only EUR 6 million of ING's CDO/CLO exposure is backed by US subprime mortgages. ING recorded a EUR 16 million loss on CDO/CLO exposure in the first quarter. Insurance Asia/Pacific took a EUR 13 million fair value loss in Korea, while Wholesale Banking recorded EUR 3 million impairments on its CDO exposure.

Other exposures directly impacted by credit crisis

ING's direct exposure to monoline insurers is negligible. However, ING has some indirect exposure to monolines as it insured EUR 3.2 billion of assets with monoline insurers, either through financial guarantees (wraps) or credit derivatives. Underlying wrapped transactions are monitored through the regular credit review process and continue to perform. Exposures to monoline insurers hit ING's P&L by EUR 4 million in the first quarter as Wholesale Banking took a EUR 4 million fair value loss on credit derivatives bought from a monoline insurer, which was downgraded by multiple notches at the end of last year.

ING reduced its leveraged finance pipeline in the first quarter and transactions are in various stages of syndication and negotiation. For some transactions, ING decided to maintain the exposure on its book, moving the assets from the leveraged finance pipeline to the hold book. At the end of the first quarter ING had a leveraged finance pipeline of EUR 0.6 billion, down from EUR 2.3 billion at the end of 2007. The total leveraged finance exposure, combining hold book and pipeline, is now EUR 7.7 billion, against EUR 7.5 billion at year-end 2007.

On a pre-tax basis, ING impaired EUR 4 million on investments by ING Direct Canada in third-party asset backed commercial paper and EUR 6 million on investments by ING Insurance Canada in a third-party SIV.

Risk costs under Basel II

Total risk costs for the banking operations remain below historical long-term average, but have increased compared with last year. In the first quarter of 2008, additions to loan loss provisions were EUR 98 million, against zero additions in the first quarter of 2007 and EUR 31 million in the fourth quarter of 2007. The increase is driven by diminishing releases of provisions, while gross additions remain relatively stable.

The introduction of Basel II has reduced average credit risk-weighted assets (CRWA) by 34%. As a result, the expected over-the-cycle risk costs have, in terms of basis points over CRWA, increased from 25-30 basis points to 40-45 basis points. However, in euro terms the expected loss under Basel II remains more or less equal to the expected loss under Basel I.

Liquidity

ING's liquidity position remained sound during the first quarter. ING is regarded as a safe haven with a well diversified funding base as 60% of the funding base stems from customer deposits. As a result, ING Bank's funding costs in the money market remain well below LIBOR. In the first quarter of 2008, ING Bank further enhanced its funding profile via the inaugural issuance of a EUR 1 billion covered bond with a five year maturity.

Subprime RMBS, Alt-A RMBS and CDO/CLO at 31 March 2008

	amortised costs* EUR billion	market value EUR billion	fair value in %	pre-tax revaluation via equity, EUR billion
US subprime RMBS	2.8	2.3	81%	-0.5
US Alt-A RMBS	27.1	22.8	84%	-4.3
CDO/CLO	2.3	2.1	90%	-0.2

* purchase price +/- amortisations - cumulative impairments

Impact on P&L and equity in 1Q 2008

pre-tax P&L loss** EUR million	pre-tax revaluation via equity, EUR billion
33	-0.2
17	-3.3
16	-0.1

** sum of impairments, fair value changes and trading losses recorded in the P&L

Capital Management

ING's Capital Base						
in EUR million	ING Group		Total Insurance		Banking	
	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07
Shareholders' equity	31,584	37,208	16,999	17,911	20,367	25,511
Group hybrid capital	8,180	8,620	2,959	2,202	5,201	6,397
Core debt	4,521	4,728				
Total capitalisation	**44,285**	**50,556**	**19,958**	**20,113**	**25,568**	**31,909**
Revaluation reserves fixed income securities etc.	2,103	-963	207	-288	1,811	-760
Revaluation reserves excluded from Tier-1					-2,126	-2,952
Insurance hybrid capital			2,250	2,250		
Minorities			823	891	1,360	1,668
Deductions tier-1 (as of 2007)					-1,066	-93
Regulatory capital			**23,238**	**22,965**	**25,547**	**29,772**
Other qualifying capital					10,027	11,792
DAC/Vif adjustment (50%)			3,851	4,071		
Group leverage (core debt)	-4,521	-4,728				
Adjusted equity	**41,867**	**44,865**	**27,090**	**27,036**	**35,574**	**41,564**

- **ING's key ratios weakened but remained within target**
- **Share buyback 84% completed at first quarter end**
- **ING Bank launches successful inaugural covered bond**

Key capital and leverage ratios

The capitalisation of ING Group weakened during the first quarter due to spread widening, lower equity markets and interest rates changes. However, the spare leverage, defined as cash that can be generated at Group level if all ratios are brought to target, rose from EUR 4.9 billion at the end of 2007 to EUR 6.2 billion at the end of the first quarter due to the implementation of Basel II (EUR 4.7 billion) and the impact of profits (EUR 1.8 billion), offset by the share buyback, autonomous growth, acquisitions and lower equity markets. The Debt/Equity (D/E) ratio for ING Group can potentially be extended from 10% to 15% if needed for acquisitions or exceptional market circumstances. This would add potential spare leverage of EUR 2.8 billion.

The D/E-ratio of ING Group increased marginally to 9.7% at the end of the first quarter, up from 9.5% at year-end. A special upstream of dividends from ING Bank of EUR 2.5 billion was offset by a capital injection into ING Insurance from ING Group of EUR 1.0 billion and the ongoing share buyback program.

The D/E-ratio of ING Insurance decreased from 13.6% at year-end to 12.3% at the end of the first quarter, partly due to the strengthening of the euro against most other currencies. The equity of ING Insurance was bolstered by the capital injection from ING Group and also by the transfer of US 1.4 billion of dollar-denominated hybrids from ING Bank to ING Insurance. Although capital was also injected into a number of operating subsidiaries, on balance core debt decreased (core debt is equal to equity investments in subsidiaries minus equity of the unconsolidated holding of ING Insurance).

ING Bank's Tier-1 ratio increased significantly from 7.39% at the end of 2007 under Basel I to 9.9% under Basel II at the start of 2008 based on preliminary data. The Basel II Tier-1 ratio ended the first quarter at 8.27%. Basel II risk weighted assets showed strong growth to EUR 309 billion at the end of the first quarter from EUR 293 billion at the start of the year (based on preliminary data). First quarter profitability only partly compensated the special dividend upstream to ING Group and the transfer of the hybrids from ING Bank to ING Insurance, on balance reducing Tier-1 equity. The Basel II BIS ratio declined from 13.8% at the start of the year (based on preliminary data) to 11.52% at the end of the first quarter.

Available financial resources and economic capital

ING's policy is that available financial resources (AFR) should exceed economic capital (EC) for Group, Bank and Insurance. AFR equals the market value of assets minus market value of liabilities, excluding hybrids, which are counted as equity. In absence of a full market value balance sheet at ING Bank, the proxy for AFR at ING Bank is Tier-1 equity plus the revaluation reserve equities and real estate less the difference between expected losses and loan loss provisions. Free surplus is AFR minus EC. An AFR/EC-ratio of 100% is consistent with our AA rating target. ING has a target of a 120% to maintain a 20% buffer for ING Group as this ratio can be volatile quarter to quarter.

AFR Bank decreased from EUR 31.7 billion at year-end to EUR 27.4 billion at the end of the first quarter. EC Bank increased from EUR 17.9 billion to EUR 18.1 billion

Capital base: ING Group		
In EUR million	31 Mar. 08	31 Dec. 07
Shareholders' equity (in parent)	31,584	37,208
+ Group hybrid capital	8,180	8,620
+ Group leverage (core debt)	4,521	4,728
Total capitalisation (Bank + Insurance)	**44,285**	**50,556**
-/- Revaluation reserves fixed income & other	-2,103	963
-/- Group leverage (core debt) (d)	4,521	4,728
Adjusted equity (e)	**41,867**	**44,865**
Debt/equity ratio (d/(d+e))	**9.7%**	**9.5%**
Economic Capital		
EC ING Group	34,847	35,958
AFR ING Group	39,788	49,715
AFR/EC ratio	114%	138%

Capital ratios: ING Insurance		
In EUR million	31 Mar. 08	31 Dec. 07
Adjusted equity (e)	27,090	27,036
Core debt (d)	3,798	4,267
Debt/equity ratio (d/(d+e))	**12.3%**	**13.6%**
Available regulatory capital (a)	23,238	22,965
EU required regulatory capital (b)	9,151	9,405
Capital coverage ratio (a/b)	**254%**	**244%**
Economic Capital		
EC ING Insurance	21,764	23,200
AFR ING Insurance	16,915	22,710

Capital ratios: ING Bank		
In EUR million	31 Mar. 08	31 Dec. 07
Core Tier-1	20,346	23,374
Hybrid Tier-1	5,201	6,397
Total Tier-1 capital	**25,547**	**29,772**
Other capital	10,027	11,792
BIS Capital	**35,574**	**41,564**
Risk-weighted assets (d)	308,734	402,727
Required capital Basel II	24,699	
Required capital floor based on Basel I	29,937	
Tier-1 ratio	**8.27%**	**7.39%**
BIS ratio	**11.52%**	**10.32%**
Economic Capital		
EC ING Bank	18,056	17,927
AFR ING Bank	27,393	31,734

in the same period. Free surplus at Bank thus declined from EUR 13.8 billion to EUR 9.3 billion due to dividend upstream, transfer of hybrids and business growth and was only partly compensated by profit. AFR Insurance declined from EUR 22.7 billion at the end of last year to EUR 16.9 billion at the end of the first quarter. This significant decline is mainly due to deteriorating equity markets, widening of credit spreads, lower interest rates and the strength of the euro. EC also declined, but by less than AFR, from EUR 23.2 billion at year-end 2007 to EUR 21.8 billion at the end of the first quarter. On balance the capital deficit of ING Insurance increased from EUR 0.5 billion at year-end to EUR 4.8 billion at the end of the first quarter. However, the AFR/EC methodology values insurance liabilities flat to the swap curve while asset valuations fully reflect the spread widening in the market.

AFR Group equals AFR Bank (EUR 27.4 billion) plus AFR Insurance (EUR 16.9 billion) minus the core debt of the Group (EUR 4.5 billion), thus equal to EUR 39.8 billion at the end of the first quarter, down from EUR 49.7 billion at the end of last year. EC Group equals EC Bank (EUR 18.1 billion) plus EC Insurance (EUR 21.8 billion) less 15% diversification (EUR 6.0 billion) plus EC specifically allocated to Group (EUR 1.0 billion), thus equal to EUR 34.8 billion at the end of the first quarter, down from EUR 36.0 billion at the end of last year. Free surplus declined from EUR 13.8 billion at the end of last year to EUR 4.9 billion. At the end of the first quarter, the Group capital buffer is below the 20% target. However, changes in market conditions in April have resulted in a significant improvement in AFR. ING continues to evaluate further steps to improve the AFR/EC ratio over 2008.

Capital market operations

ING proceeded on schedule with its EUR 5 billion share buyback programme. At the end of the first quarter, 84.1% of the programme was completed and 154.3 million shares of ING Group had been repurchased for a total consideration of EUR 4.2 billion. All remaining warrants B were exercised in early January, leading to the issuance of more than 18 million ING Group shares. At the end of the first quarter 2,246 million ING Group shares were outstanding, of which 189 million were held by ING Group (buyback and delta hedge of employee options). ING Bank raised USD 1.25 billion senior unsecured debt in February through a US domestic extendible issue. This was followed by ING Bank's inaugural covered bond issue in March. This EUR 1 billion five year transaction rated AAA was issued in difficult market circumstances, but was well received by investors. ING Group issued a successful EUR 1.5 billion hybrid Tier-1 retail perpetual bond in early April. In the first quarter the acquisition of Santander's pension business in Chile, the acquisition of FSP in Australia and the sale of the health business in Chile were closed.

Assets under Management

Assets under Management distributed per Business Line

	Total		AUM by Business Line, 31 March 2008					
In EUR billion	31 Mar 08	31 Dec 07 *	Insurance Europe	Insurance Americas	Insurance Asia/Pacfic	Wholesale Banking	Retail Banking	ING Direct
Third-party AUM								
- for insurance policyholders	119.9	124.4	24.1	59.4	36.5	0.0	0.0	0.0
- for institutional clients	151.7	153.3	48.9	26.1	14.8	59.4	2.5	0.0
- for retail clients	112.2	122.3	9.0	51.0	24.4	0.2	19.7	8.0
- for private banking clients	67.2	68.0	0.0	0.0	0.0	0.0	67.2	0.0
Total third-party AUM	**451.0**	**467.9**	**82.0**	**136.4**	**75.7**	**59.5**	**89.4**	**8.0**
Proprietary assets	169.8	174.8	67.0	69.3	26.1	7.5	0.0	0.0
Total assets under management	**620.8**	**642.7**	**149.0**	**205.7**	**101.8**	**67.0**	**89.4**	**8.0**
Net inflow (in quarter)	**11.0**	**7.5**	**0.3**	**2.6**	**3.7**	**0.9**	**3.5**	**0.0**

* Restated as a result of full inclusion (instead of partially) of joint ventures in Asia/Pacific where ING has management control

Assets under Management by Manager

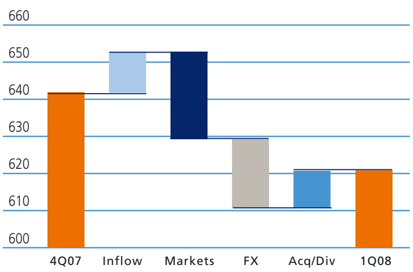
	Total		Third-party Assets		Proprietary Assets	
In EUR billion	31 Mar 08	31 Dec 07 *	31 Mar 08	31 Dec 07 *	31 Mar 08	31 Dec 07 *
ING Investment Management Europe	145.6	153.0	94.8	100.6	50.8	52.3
ING Investment Management Americas	148.2	152.3	82.3	80.4	65.9	71.9
ING Investment Management Asia/Pacific	81.7	84.9	56.7	60.1	24.9	24.8
ING Investment Management	**375.4**	**390.2**	**233.8**	**241.1**	**141.6**	**149.1**
ING Real Estate	74.5	75.0	61.0	61.4	13.5	13.6
ING Private Banking	57.4	58.0	57.4	58.0	0.0	0.0
Other	25.3	23.1	11.1	11.4	14.2	11.7
Assets managed internally	**532.6**	**546.4**	**363.3**	**372.0**	**169.3**	**174.4**
Funds managed externally	88.2	96.3	87.7	95.9	0.5	0.4
Total assets under management	**620.8**	**642.7**	**451.0**	**467.9**	**169.8**	**174.8**

* Restated as a result of full inclusion (instead of partially) of joint ventures in Asia/Pacific where ING has management control

- **Net inflow EUR 11.0 billion despite market turmoil**
- **Total AUM down EUR 21.9 billion to EUR 620.8 billion**
- **Lower markets and FX reduced AUM by EUR 43.1 billion**

ASSETS UNDER MANAGEMENT

Movement in AUM (EUR billion)



Assets under Management

Assets under Management (AUM) declined by EUR 21.9 billion, or 3.4%, in the first quarter of 2008. The weakness in the US subprime markets combined with the credit and liquidity crisis had a severe impact on market sentiment. Nonetheless, ING achieved a strong net inflow of EUR 11.0 billion in the quarter that was offset by declining asset prices of equity and fixed income securities which had a negative impact of EUR 23.6 billion. Exchange rates had a negative impact of EUR 19.5 billion, mainly due to the weaker US dollar. Acquisitions of the Santander pension business at Insurance Americas and the KFN portfolio at ING Real Estate contributed EUR 10.1 billion to AUM.

The beginning-year-positions for AUM have been restated as a result of full inclusion (instead of partially) of joint ventures where ING has management control.

Inflow

Net inflow reached EUR 11.0 billion, or 1.7% of AUM, in the first quarter, despite continuing turbulent financial markets. Insurance Asia/Pacific led the net inflow and recorded EUR 3.7 billion, driven by sound inflows in Taiwan, South Korea and

Japan (SPVA). ING Retail Banking contributed EUR 3.5 billion, driven by strong inflows at ING Private Banking. Insurance Americas raised EUR 2.6 billion, mainly as a result of strong variable annuity sales.

Assets under Management by Manager

Of the EUR 620.8 billion total in AUM accumulated by ING's distribution channels, EUR 88.2 billion are managed by external asset managers. The balance, EUR 532.6 billion, reflects the assets managed by ING's various investment management units.

ING Investment Management

ING Investment Management (ING IM) oversees both third-party assets and proprietary assets of ING Group. At the end of March 2008, ING IM managed EUR 375.4 billion in total assets. Total third-party assets at ING IM decreased 2.9% in the first quarter to EUR 233.8 billion, as a net inflow of EUR 2.6 billion was offset by lower stock markets and the appreciation of the euro against the US dollar.

At ING IM Europe, third-party AUM decreased by EUR 5.8 billion to EUR 94.8 billion. The decline was driven by lower asset prices. Turbulent financial markets also had an impact on overall flows and the risk appetite of clients. Many investors, especially in the retail segment, fled to lower-risk products or products with a capital guarantee. The net outflow in the retail segment was more than offset by new institutional mandates in Europe and a EUR 0.7 billion net inflow in a Global Currency strategy in Japan. During the first quarter ING IM Europe won a management services mandate to manage EUR 0.5 billion for an international insurer.

ING IM Americas increased its third-party AUM by EUR 1.9 billion to EUR 82.3 billion. The weakened US dollar had a negative impact of EUR 2.8 billion and declining asset prices lowered AUM by EUR 3.2 billion. Despite the difficult market conditions, EUR 0.8 billion was raised in the institutional segment through the following investment strategies: US Institutional Stable Value, Portable Alpha and Core/Core Plus. Furthermore, the acquired pension and annuities business from Santander in Argentina, Colombia and Uruguay contributed EUR 7.0 billion.

At ING IM Asia/Pacific, third-party assets decreased by EUR 3.1 billion to EUR 56.7 billion, mainly due to currency exchange rates and financial markets. Net inflows were recorded in both the institutional segment and retail. In Taiwan, the newly-launched Global Climate Change Fund raised EUR 0.1 billion.

ING Real Estate

The total business portfolio grew to EUR 107.8 billion, up 0.6% compared with the fourth quarter of 2007. Assets under Management at ING Real Estate, excluding real estate lending, declined marginally by 0.7% to EUR 74.5 billion.

At ING Real Estate Investment Management AUM were EUR 71.6 billion, 0.7% lower than at the end of the fourth quarter of 2007. The net inflow of EUR 1.0 billion in the first quarter of 2008 was offset by the impact of sliding exchange rates and the lower value of real estate securities.
ING Real Estate closed the largest real estate acquisition to date in the Netherlands during the first quarter. The company acquired the EUR 1.6 billion KFN real estate portfolio from Dutch pension fund ABP, comprising prime office properties across the Netherlands. Part of the portfolio will be included in the ING Dutch Office Fund, creating additional investment opportunities for clients.

In Italy, ING Real Estate and GIC Real Estate bought Roma Est Shopping Centre from the leading Italian food retailer Gruppo PAM, for EUR 0.4 billion. Both companies have equal stakes in the property, which has been added to the ING Retail Property Partnership Southern Europe.

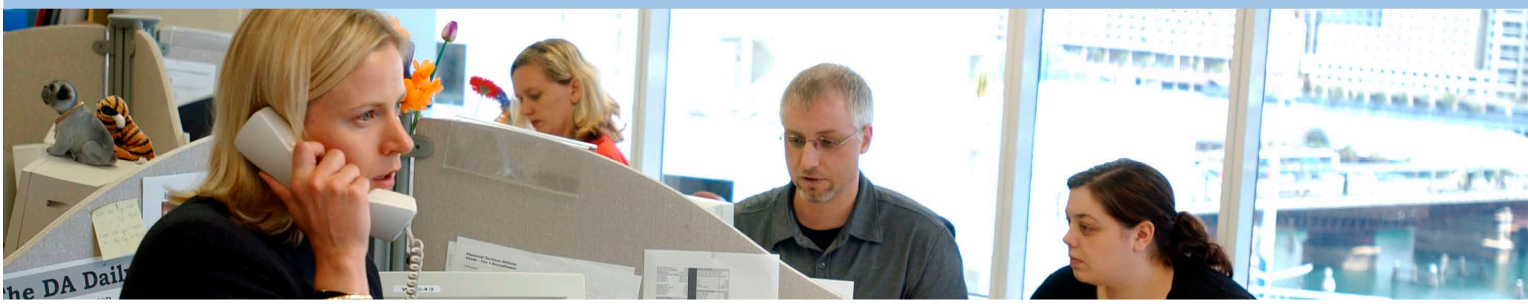
At ING Real Estate Development, AUM remained stable at EUR 3.0 billion, with a total project value of EUR 9.9 billion (EUR 0.2 billion lower than the previous quarter). Total project value includes the expected commercial results of projects in the construction and development phases which have already been committed, as well as the value of assets held for sale and investment. The slightly lower total project value can be attributed to the sale of a number of projects in the first quarter of 2008.

In France, ING Real Estate Development completed the acquisition of Geo-de, a French property developer with a focus on mixed-use, inner-city projects in the Lyon area. In Northern Ireland, an agreement was reached between the Northern Ireland government and a consortium of developers, including ING Real Estate, to develop the Royal Exchange mixed-use scheme in the Belfast city centre by 2013. In the UK, ING Real Estate Development acquired Maidenhead, a town centre redevelopment project.

ING Private Banking

ING Private Banking administers EUR 67.2 billion of client assets, of which EUR 6.8 billion are invested in ING mutual funds and EUR 3.7 billion in externally managed funds. Total administered assets decreased by EUR 0.8 billion in the first quarter. A strong net inflow of EUR 3.4 billion was offset by a negative market performance of EUR 2.9 billion and a negative exchange rate impact of EUR 1.3 billion, due to the strong euro. Net inflow was raised in Belgium (EUR 1.4 billion), the Netherlands (EUR 1.5 billion), Luxembourg (EUR 0.3 billion) and Asia (EUR 0.3 billion). At the end of the first quarter, the assets within Private Banking were spread geographically as follows: the Netherlands (EUR 20.2 billion), Belgium (EUR 15.0 billion), Asia (EUR 13.2 billion), Switzerland (EUR 11.4 billion) and Luxembourg (EUR 7.4 billion).

Insurance



Despite challenging market circumstances, ING's commercial performance remained robust, underpinned by its product expertise and distribution reach. Profits declined due to lower capital gains on equities and negative revaluations on private equity and real estate, reflecting the deteriorating equity and real estate markets.

Insurance Total

Insurance: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	12,574	11,426	10.0%	12,215	2.9%
Commission income	518	465	11.4%	489	5.9%
Direct investment income	2,404	2,450	-1.9%	2,726	-11.8%
Realised gains and fair value changes on inv.	591	197	200.0%	1,052	-43.8%
Total investment and other income	2,995	2,647	13.1%	3,778	-20.7%
Total underlying income	**16,087**	**14,538**	**10.7%**	**16,482**	**-2.4%**
Underwriting expenditure	13,680	11,830	15.6%	12,956	5.6%
Operating expenses	1,349	1,344	0.4%	1,405	-4.0%
Other interest expenses	319	314	1.6%	301	6.0%
Other impairments	17	1	n.a.	1	n.a.
Total underlying expenditure	**15,365**	**13,488**	**13.9%**	**14,663**	**4.8%**
Underlying profit before tax	**722**	**1,050**	**-31.2%**	**1,819**	**-60.3%**
of which profit before tax life insurance	529	832	-36.4%	1,451	-63.5%
of which profit before tax non-life insurance	193	217	-11.1%	368	-47.6%
Taxation	112	182	-38.5%	151	-25.8%
Profit before minority interests	610	868	-29.7%	1,669	-63.5%
Minority interests	12	39	-69.2%	27	-55.6%
Underlying net profit	**598**	**828**	**-27.8%**	**1,642**	**-63.6%**
Net gains/losses on divestments	45	-		-37	n.a.
Net profit from divestments	-	20	n.a.	-	
Special items after tax	-	-		-	
Total net profit	**643**	**848**	**-24.2%**	**1,605**	**-59.9%**
KEY FIGURES					
Economic capital (average)	22,531	22,416	0.4%	22,660	-0.7%
Value of new life business	320	168	90.5%	440	-27.3%
Internal rate of return (YTD)	15.3%	12.2%		14.3%	
Single premiums	7,038	6,311	11.5%	8,221	-14.4%
Annual premiums	1,167	1,046	11.6%	1,196	-2.4%
New Sales (APE)	1,871	1,677	11.6%	2,018	-7.3%
Investment in new business	463	481	-3.7%	603	-23.2%
Assets under Management (in € bln)	457	465	-1.7%	474	-3.6%
Expenses as % of AUM (YTD)	0.75%	0.76%		0.76%	
Expenses as % of gross premiums (YTD)	14.4%	13.9%		14.3%	
Expense ratio (YTD)	27.0%	27.9%		31.8%	
Claims ratio (YTD)	66.9%	68.6%		65.2%	
Combined ratio (YTD)	94.0%	96.5%		97.1%	
Gross life reserves	245,042	261,897	-6.4%	256,353	-4.4%
Gross non-life reserves	9,063	9,623	-5.8%	9,345	-3.0%
Tax ratio	15.5%	17.3%		8.3%	
Staff (FTEs end of period)	56,743	53,825	5.4%	58,451	-2.9%

The 4Q2007 split of Underlying profit Insurance into Life and Non-life has been amended to adjust for an incorrect elimination of Result on divestments. Non-life profit is EUR 129 million higher and Life profit is EUR 129 million lower than reported earlier. Total (underlying) Insurance profit is not impacted.

- **VNB up 90.5% on strong commercial performance**
- **Sales in developing markets +30.4%**
- **Underlying net profit down 27.8% in a challenging financial market environment**

Business update

Robust commercial performance across Central & Rest of Europe, Asia/Pacific and the US led to significant growth in value of new business (VNB), which more than doubled excluding the impact of currencies. Sales related to the introduction of the second-pillar pension fund in Romania accentuated the strong growth in VNB in Central & Rest of Europe. In Latin America, VNB quadrupled, benefiting from the pension business in Mexico and the acquisition of the Santander pension business.

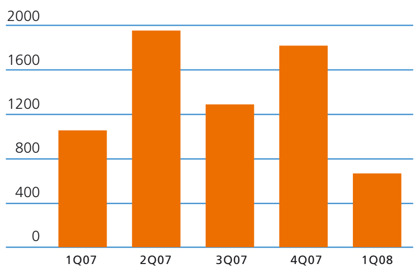
Despite a challenging financial market environment, the shift from traditional to investment-linked products continued, although consumer appetite for these products was lower than fourth quarter due to faltering equity markets. ING continued to capitalise on this long-term trend by leveraging its product expertise and international scope to roll out new products. In the first quarter, variable annuity sales in the US were up 83%, driven by the continued success of LifePay Plus, a variable annuity product introduced in August 2007. In addition, ING rolled out single premium variable annuity products in Poland and launched its first unit-linked product in Bulgaria.

This shift in the product mix has gone hand in hand with a shift in distribution. In particular, most markets have seen rapid growth in bank distribution. ING has been expanding its reach through bank channels via distribution agreements and partnerships. Sales through Public Bank in Malaysia and TMB in Thailand commenced in the first quarter.

In the first quarter, ING agreed to sell its non-core businesses in Mexico and Chile, in line with its strategy to focus on life insurance and retirement services.

INSURANCE TOTAL

Underlying profit before tax (EUR million)



Profit

Underlying net profit from Insurance fell 27.8% to EUR 598 million reflecting lower gains on equities, and negative revaluations on real estate and private equity investments. Capital gains on equities were EUR 56 million in the first quarter of 2008 including EUR 37 million in impairments, versus gains of EUR 237 million in the first quarter of 2007.

The further deterioration of private equity and real estate markets, resulted in negative revaluations in the Netherlands and the US. Moreover, results in the US were under pressure due to EUR 101 million in negative equity-related DAC unlocking as a result of poor equity market performance in the first quarter.

In the developing markets, profit continued to grow. In Latin America, underlying profit before tax grew 97.5% on a constant currency basis due to the inclusion of Santander, while reserve strengthening in the Mexican non-life business negatively impacted results in the previous-year quarter. Underlying profit before tax in Central & Rest of Europe grew 9.8%, excluding the impact of currencies, despite higher investments in greenfield operations across the region to support their robust business growth.

Underlying profit before tax in Asia/Pacific increased 29.1% on a constant currency basis due to a positive swing in Japan's SPVA business. Excluding Japan, results were down 19.4%; this was caused by South Korea, which declined 24.7% excluding currency impact due to a negative revaluation of a CDO in 2008 versus a one-off positive item related to reinsurance provisions in 2007.

The total net profit from Insurance was EUR 643 million. This amount includes a EUR 62 million capital gain on the sale of Chile health, partly offset by an additional EUR 17 million capital loss on the sale of ING's reinsurance unit, NRG.

Income

Gross premiums increased 10.0% (18.5% excluding currency effects), reflecting ING's solid commercial performance. Life premiums saw a 22.4% increase at constant currencies, mainly coming from Asia/Pacific and Americas. Non-life premiums decreased 4.0% due to the sale of the Chile health business and rate pressure in disability insurance in the Netherlands.

Commission income increased 11.4%, or 18.0% excluding currency effects, largely due to Latin America (+152%), following the inclusion of Santander.

Investment & other income increased 13.1%. The 200% increase in realised gains and fair value changes was mainly caused by a revaluation of derivatives used to hedge Japan's SPVA guarantees, which was largely offset in underwriting expenditure. In Europe, investment income declined as real estate and private equity revaluations turned negative.

Expenses

Operating expenses were flat, but increased 6.1% on a constant currency basis due to business growth and acquisitions in the Americas and Asia/Pacific. In Europe, expenses declined by 7.1%, with increases in Central and Rest of Europe being more than offset by an 11.5% reduction in the Netherlands.

Life & Non-life Insurance

Life Insurance: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	10,974	9,758	12.5%	10,840	1.2%
Commission income	486	423	14.9%	463	5.0%
Direct investment income	2,206	2,253	-2.1%	2,540	-13.1%
Realised gains and fair value changes on inv.	602	148	306.8%	886	-32.1%
Total investment and other income	2,808	2,400	17.0%	3,426	-18.0%
Total underlying income	**14,269**	**12,582**	**13.4%**	**14,728**	**-3.1%**
Underwriting expenditure	12,365	10,431	18.5%	11,913	3.8%
Operating expenses	1,044	1,007	3.7%	1,062	-1.7%
Other interest expenses	315	311	1.3%	301	4.7%
Other impairments	16	1	1500.0%	1	1500.0%
Total underlying expenditure	**13,740**	**11,750**	**16.9%**	**13,277**	**3.5%**
Underlying profit before tax	**529**	**832**	**-36.4%**	**1,451**	**-63.5%**
Taxation	78	143	-45.5%	118	-33.9%
Profit before minority interests	451	689	-34.5%	1,333	-66.2%
Minority interests	8	15	-46.7%	10	-20.0%
Underlying net profit	**443**	**675**	**-34.4%**	**1,323**	**-66.5%**
KEY FIGURES					
Value of new life business	320	168	90.5%	440	-27.3%
Internal rate of return (YTD)	15.3%	12.2%		14.3%	
Single premiums	7,038	6,311	11.5%	8,221	-14.4%
Annual premiums	1,167	1,046	11.6%	1,196	-2.4%
New Sales (APE)	1,871	1,677	11.6%	2,018	-7.3%
Investment in new business	463	481	-3.7%	603	-23.2%
Assets under Management (in € bln)	457	458	-0.2%	474	-3.6%
Expenses as % of AUM (YTD)	0.75%	0.76%		0.76%	
Expenses as % of gross premiums (YTD)	14.4%	13.9%		14.3%	
Gross life reserves	245,042	261,897	-6.4%	256,353	-4.4%

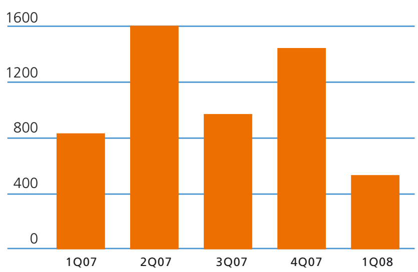
Life Insurance

Underlying profit before tax from life insurance declined 36.4%, or 32.2% excluding currency effects, to EUR 529 million. Although the result was negatively impacted by EUR 131 million in lower capital gains on equities, this was more than offset by EUR 153 million in higher revaluations of derivatives to hedge ING's equity portfolio; both items are reflected on the Corporate Line.

Profits in Europe were down 31.0%, largely caused by negative revaluations on real estate and private equity investments. In the Americas, results declined 42.7% on a constant currency basis, due to EUR 101 million in negative equity-related DAC unlocking in the US and lower private equity and alternative asset income. Results in Asia/Pacific were up 14.6% (29.3%, excluding currency effects), due to a positive swing in Japan's SPVA business. Excluding Japan, profits were down 19.4% as South Korea's profit declined 24.7% (excluding currency impact) mainly due to a negative revaluation of a CDO in 2008 versus a positive one-off item related to reinsurance provisions in 2007.

Gross life premiums increased 12.5%, or 22.4% at constant currencies, mainly due to Asia/Pacific (+33.9%) and the US (+28.5%), where variable annuity and life

LIFE INSURANCE
Underlying profit before tax (EUR million)



LIFE INSURANCE
% based on VNB 1Q2008

- Asia/Pacific (33%)
- Americas (28%)
- Europe (39%)

The 4Q2007 split of Underlying profit Insurance into Life and Non-life has been amended to adjust for an incorrect elimination of Result on divestments. Non-life profit is EUR 129 million higher and Life profit is EUR 129 million lower than reported earlier. Total (underlying) Insurance profit is not impacted.

Non-life Insurance: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	1,600	1,667	-4.0%	1,376	16.3%
Commission income	32	42	-23.8%	26	23.1%
Direct investment income	198	197	0.5%	186	6.5%
Realised gains and fair value changes on inv.	-11	50	n.a.	166	n.a.
Total investment and other income	187	247	-24.3%	352	-46.9%
Total underlying income	**1,818**	**1,956**	**-7.1%**	**1,754**	**3.6%**
Underwriting expenditure	1,315	1,399	-6.0%	1,043	26.1%
Operating expenses	305	337	-9.5%	343	-11.1%
Other interest expenses	3	3	0.0%	-0	n.a.
Other impairments	1	0		-0	n.a.
Total underlying expenditure	**1,625**	**1,739**	**-6.6%**	**1,386**	**17.2%**
Underlying profit before tax	**193**	**217**	**-11.1%**	**368**	**-47.6%**
Taxation	33	39	-15.4%	33	0.0%
Profit before minority interests	159	178	-10.7%	335	-52.5%
Minority interests	4	25	-84.0%	17	-76.5%
Underlying net profit	**155**	**153**	**1.3%**	**319**	**-51.4%**
KEY FIGURES					
Expense ratio (YTD)	27.0%	27.9%		31.8%	
Claims ratio (YTD)	66.9%	68.6%		65.2%	
Combined ratio (YTD)	94.0%	96.5%		97.1%	
Gross non-life reserves	9,063	9,623	-5.8%	9,345	-3.0%

sales were strong.

Operating expenses increased 3.7%, or 11.2% on a constant currency basis, following business growth and acquisitions in the Americas, Asia, and Central Europe. In the Netherlands, expenses declined 7.0%, reflecting ING's ongoing expense discipline.

Excluding currency effects, sales increased 23.1% and VNB more than doubled with increases in all business lines. Beginning this quarter, certain corporate and strategic IT and restructuring expenses as well as start-up costs of greenfield operations have been excluded in calculating VNB, increasing VNB in the first quarter by EUR 20 million. Growth in Central & Rest of Europe, where VNB tripled, was supported by the second-pillar pension fund in Romania which added EUR 47 million in VNB. In Latin America, VNB quadrupled, benefiting from the acquisition of Santander's pension business.

Compared to the fourth quarter of 2007, both sales and VNB were down in all lines of business. In Central & Rest of Europe, the VNB decreased due to a EUR 69 million lower contribution from the Romanian pension fund since the sales window was concentrated in the fourth quarter of 2007.

Non-Life Insurance

Underlying profit before tax from non-life insurance declined 11.1% to EUR 193 million due to EUR 50 million in lower capital gains. Canada declined (-36.4%) due to impairments, higher claims and less favourable results on prior underwriting years. Despite the sale of Chile health, non-life results in Latin America almost tripled on a constant currency basis; especially in Mexico, as last year's results were unfavourably impacted by reserve strengthening.

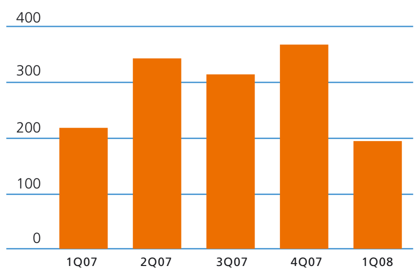
Non-life premiums declined 4.0% (2.9% excluding currency effects) due to the sale of Chile health, as well rate pressure in disability insurance in the Netherlands.

Operating expenses declined 8.4% on a constant currency basis. This was partly due to the divestment of Chile health as well as ongoing efficiency improvements in the Netherlands.

The combined ratio improved 2.5 percentage points due to Benelux and Mexico, offset by Canada. In the Benelux, both the claims and expense ratios decreased due to cost discipline and high storm-related claims in 2007. In Mexico, the claims ratio improved following reserve strengthening that occurred in 2007. In Canada, the combined ratio deteriorated caused by higher claims and changes in interest rates.

NON-LIFE INSURANCE

Underlying profit before tax (EUR million)



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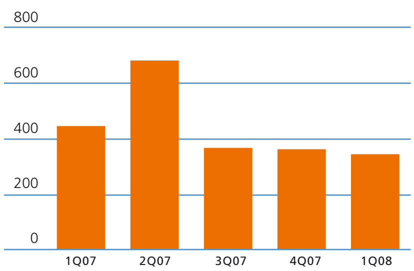
INSURANCE

Insurance Europe

Insurance Europe: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	3,269	3,241	0.9%	2,383	37.2%
Commission income	123	120	2.5%	116	6.0%
Direct investment income	944	1,009	-6.4%	930	1.5%
Realised gains and fair value changes on inv.	70	187	-62.6%	79	-11.4%
Total investment and other income	1,015	1,196	-15.1%	1,008	0.7%
Total underlying income	**4,407**	**4,557**	**-3.3%**	**3,507**	**25.7%**
Underwriting expenditure	3,534	3,475	1.7%	2,661	32.8%
Operating expenses	417	449	-7.1%	390	6.9%
Other interest expenses	117	191	-38.7%	99	18.2%
Other impairments	-	1	n.a.	1	n.a.
Total underlying expenditure	**4,067**	**4,116**	**-1.2%**	**3,150**	**29.1%**
Underlying profit before tax	**339**	**442**	**-23.3%**	**358**	**-5.3%**
of which profit before tax life insurance	236	342	-31.0%	278	-15.1%
of which profit before tax non-life insurance	104	100	4.0%	80	30.0%
Taxation	56	56	0.0%	56	0.0%
Profit before minority interests	283	386	-26.7%	302	-6.3%
Minority interests	3	5	-40.0%	5	-40.0%
Underlying net profit	**280**	**380**	**-26.3%**	**296**	**-5.4%**
Net gains/losses on divestments	-	-		-0	n.a.
Net profit from divestments	-	20	n.a.	-	
Special items after tax	-	-		-	
Total net profit	**280**	**401**	**-30.2%**	**296**	**-5.4%**
KEY FIGURES					
Economic capital (average)	5,916	5,979	-1.1%	6,172	-4.1%
Value of new life business	123	53	132.1%	200	-38.5%
Internal rate of return (YTD)	17.6%	14.3%		15.8%	
Single premiums	926	970	-4.5%	871	6.3%
Annual premiums	179	126	42.1%	220	-18.6%
New Sales (APE)	271	224	21.0%	307	-11.7%
Investment in new business	93	81	14.8%	128	-27.3%
Assets under Management (in € bln)	149	164	-9.1%	155	-3.9%
Expenses as % of AUM (YTD)	0.74%	0.73%		0.76%	
Expenses as % of gross premiums (YTD)	19.2%	20.5%		22.4%	
Expense ratio (YTD)	19.2%	22.3%		40.2%	
Claims ratio (YTD)	57.8%	58.8%		52.1%	
Combined ratio (YTD)	76.9%	81.1%		92.3%	
Gross life reserves	78,219	84,182	-7.1%	78,640	-0.5%
Gross non-life reserves	3,767	4,760	-20.9%	3,409	10.5%
Tax ratio	16.6%	12.7%		15.6%	
Staff (FTEs end of period)	14,256	14,853	-4.0%	14,452	-1.4%

INSURANCE EUROPE

Underlying profit before tax (EUR million)



- **Double-digit business growth in Central Europe**
- **Expenses in Benelux decline**
- **Benelux earnings impacted by real estate and private equity revaluations**

Business update

Business fundamentals continued to develop favourably in Central & Rest of Europe. The new second-pillar pension fund in Romania extended its strong commercial performance during the last two weeks of the official registration period, contributing EUR 27 million to sales (APE) and EUR 47 million to value of new business in the first quarter. ING's fund signed up almost 1.4 million clients during the four-month application period, gaining a market share of 33%. Excluding the Romanian pension fund, sales in Central & Rest of Europe increased 10.0% to EUR 121 million, and value of new business increased 57.1% to EUR 55 million. The region's 15.4% profit growth was especially strong given EUR 5 million of higher investments in greenfields.

Insurance results in Belgium and the Netherlands were affected by the investment environment in the first quarter, with negative revaluations of both real estate and private equity investments. The upstream of EUR 5.0 billion in surplus capital by the Dutch insurance companies in 2007 contributed to the decline in investment income. Following the successful launch of a new car insurance product, which is being distributed through the proprietary bank channel in Belgium, Postbank introduced a similar product in the Netherlands in March 2008. The car insurance product is being manufactured by ING Insurance Services through a shared product manufacturing service centre for the Benelux, which further complements ING's existing distribution strategy.

Profit

Underlying profit before tax at Insurance Europe declined 23.3% to EUR 339 million. Insurance Europe's life result declined EUR 106 million due to EUR 168 million lower investment income. This was partly offset by EUR 73 million lower interest expenses after the intercompany transfer to Retail Banking of Nationale-Nederlanden's mortgage company in the second quarter of 2007. The non-life result was virtually unchanged at EUR 104 million. Lower disability results in the Netherlands were compensated by an improvement in property casualty results which were impacted by a large wind storm in January 2007.

Income

Premium income was flat at EUR 3.3 billion as EUR 67 million higher life premiums in Central & Rest of Europe were largely offset by EUR 39 million lower premiums in the Benelux. Life sales in the Netherlands were affected by the weak equity environment, rate increases for immediate annuities and ongoing public scrutiny of cost-loadings in unit-linked products. Premiums in the first quarter of 2007 were comparatively high as they included EUR 111 million in single premiums related to the acquisition of a group contract. Life premiums in Belgium were spurred by the success of investment products with profit participation.

Investment income declined 15.1% to EUR 1,015 million, due to reduced direct investment income and lower revaluations of real estate and private equity investments. Direct investment income was impacted by the upstream of EUR 5.0 billion in surplus capital to the Corporate Line Insurance during 2007 and the intercompany transfer to Retail Banking of Nationale-Nederlanden's mortgage company in the second quarter of 2007. This was partly offset by a EUR 80 million superdividend on an equity investment in the first quarter of 2008.

Expenses

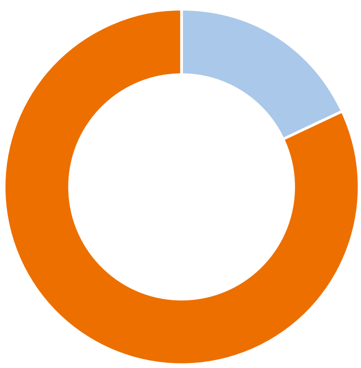
Operating expenses were reduced by EUR 32 million, or 7.1%, mainly due to lower external staffing and technology expenses in the Netherlands and lower accruals for performance pay. Expense reductions were concentrated in non-life insurance in the Netherlands, following the successful implementation of ING Insurance Services' integrated insurance administration platform in December 2007. Greenfield investments in Central Europe increased by EUR 5 million; these investments were related to the Romanian pension fund and the Russian life insurance company.

Key figures

Total new sales (APE) in Europe increased 21.0% to EUR 271 million. The value of new life business in Europe more than doubled to EUR 123 million. Both of these metrics were driven largely by growth in Central Europe. In addition, Benelux APE increased by 7.9% to EUR 123 million, reflecting higher sales of more profitable traditional life insurance business.

In the Benelux, the value of new business increased 22.2% to EUR 22 million, following more active rate-setting for immediate annuities at Nationale-Nederlanden, changes in the expense assumptions, and a change in the way that the group business reflects contract renewals.

The overall internal rate of return for Insurance Europe increased from 14.3% to 17.6%. The increase was driven by improved returns on immediate annuities at Nationale-Nederlanden, as well as a shift in sales to more profitable products and repricing in Central Europe.



INSURANCE THE BENELUX
% based on VNB 1Q2008

The Benelux (18%)
Central & Rest of Europe (82%)

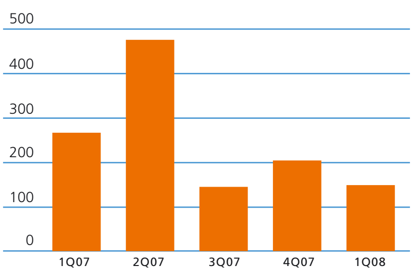
Life Insurance The Benelux*

Life Insurance The Benelux: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	1,897	1,931	-1.8%	1,360	39.5%
Commission income	48	44	9.1%	43	11.6%
Direct investment income	793	858	-7.6%	764	3.8%
Realised gains and fair value changes on inv.	40	158	-74.7%	70	-42.9%
Total investment and other income	833	1,016	-18.0%	834	-0.1%
Total underlying income	**2,778**	**2,990**	**-7.1%**	**2,237**	**24.2%**
Underwriting expenditure	2,296	2,299	-0.1%	1,790	28.3%
Operating expenses	222	237	-6.3%	149	49.0%
Other interest expenses	113	188	-39.9%	94	20.2%
Other impairments	-	1	n.a.	1	n.a.
Total underlying expenditure	**2,631**	**2,724**	**-3.4%**	**2,034**	**29.4%**
Underlying profit before tax	**147**	**266**	**-44.7%**	**203**	**-27.6%**
Taxation	13	24	-45.8%	22	-40.9%
Profit before minority interests	134	242	-44.6%	181	-26.0%
Minority interests	-0	2	n.a.	2	n.a.
Underlying net profit	**134**	**240**	**-44.2%**	**179**	**-25.1%**
KEY FIGURES					
Value of new life business	22	18	22.2%	30	-26.7%
Internal rate of return (YTD)	12.3%	11.4%		12.4%	
Single premiums	714	725	-1.5%	482	48.1%
Annual premiums	52	41	26.8%	51	2.0%
New Sales (APE)	123	114	7.9%	99	24.2%
Investment in new business	50	48	4.2%	41	22.0%
Expenses as % of AUM (YTD)	0.80%	0.75%		0.74%	
Expenses as % of gross premiums (YTD)	21.9%	22.6%		26.2%	
Gross life reserves	68,400	75,086	-8.9%	68,806	

- **Strong sales of investment products in Belgium**
- **Operating expense decline 6.3%**
- **Profit impacted by real estate and private equity revaluations**

LIFE INSURANCE THE BENELUX

Underlying profit before tax (EUR million)



Business update

ING's life insurance businesses in the Benelux continue to focus on reducing expenses and optimising capital management, particularly given the increasingly competitive market place and turbulence in financial markets.

Insurance Europe introduced several new products and initiatives in the first quarter. Nationale-Nederlanden became the first insurer in the Dutch market to introduce a term life insurance product that differentiates premiums on the basis of Body Mass Index. In addition, AZL has been successfully incorporated into the group life business and is now operating as an integrated pension service provider, supporting ING's fiduciary management capabilities. Nationale-Nederlanden continues to implement new initiatives, including the advancement of straight-through processing and the consolidation and standardisation of IT platforms.

Balance sheet optimisation continues to be a priority for ING's life insurance businesses in the Netherlands. In the first quarter, ING Group down-streamed EUR 700 million to support the capital position

* As of this quarter the additional information on The Netherlands and Belgium is combined into The Benelux

of Nationale-Nederlanden Life. The contribution was made as Nationale-Nederlanden Life's capital fell temporarily below an internal requirement due to the adverse movement in equity markets. At all times the capital remained well in excess of the legal requirement.

At the same time, RVS, Postbank Insurance and Movir upstreamed EUR 500 million, EUR 75 million and EUR 109 million, respectively, of surplus capital to the Corporate Line Insurance.

All life business units are in a very strong financial condition. The transfer of capital between business units and the Corporate Line illustrates ING's active capital management process, which enables the efficient use of capital within the ING Group.

Profit

Underlying pre-tax profit from the life insurance operations in the Benelux declined 44.7% to EUR 147 million. This decline was due to EUR 183 million of lower investment income, which was partly offset by EUR 75 million lower interest expenses after the intercompany transfer to Retail Banking of Nationale-Nederlanden's mortgage company in the second quarter of 2007.

Income

Life insurance premiums were flat at EUR 1.9 billion for the quarter as EUR 53 million (+14.5%) in higher premiums in Belgium were more than offset by EUR 87 million (-5.6%) in lower premiums in the Netherlands. Life sales in the Netherlands were impacted by the weak equity climate, rate increases for immediate annuities and ongoing public scrutiny of cost-loadings in unit-linked products. Also, premiums in the first quarter of 2007 were comparatively high because they included EUR 111 million in single premiums related to the acquisition of a group contract. Despite the overall lower sales in the first quarter, sales of the more profitable traditional life business showed a substantial increase.

Life premiums in Belgium benefited from the success of investment products with profit participation (Optima and Optima Invest), supported by a marketing campaign highlighting the attractiveness of these products in the year 2007.

Investment income declined 18.0% to EUR 833 million through the combination of a decline in direct investment income combined with significantly lower revaluations of real estate and private equity investments. In the Netherlands, direct investment income was impacted by lower asset balances following the upstream of EUR 4.4 billion in surplus capital to the Corporate Line Insurance during 2007 and the intercompany transfer of Nationale-Nederlanden's mortgage company to Retail Banking. This was partly offset by a 80 million superdividend on an equity investment. In Belgium, negative revaluations of non-trading derivatives were largely compensated by lower policyholder profit participation.

Expenses

Operating expenses were reduced by EUR 15 million, or 6.3%, mainly due to lower external staffing and technology expenses in the Netherlands and lower accruals for performance pay.

Key figures

The value of new business increased 22.2% to EUR 22 million following improved returns caused by more active rate-setting for immediate annuities at Nationale-Nederlanden as well as changes in the expense assumptions. Unit-linked sales (APE) declined whereas sales of more profitable traditional life insurance increased significantly. The internal rate of return increased from 11.4% to 12.3%, mainly thanks to improved returns on immediate annuities at Nationale-Nederlanden.

'Several new products and initiatives were introduced during the quarter'

Non-life Insurance The Benelux*

Non-life Insurance The Benelux: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	751	756	-0.7%	268	180.2%
Commission income	19	26	-26.9%	13	46.2%
Direct investment income	56	61	-8.2%	59	-5.1%
Realised gains and fair value changes on inv.	16	24	-33.3%	6	166.7%
Total investment and other income	72	85	-15.3%	65	10.8%
Total underlying income	**842**	**867**	**-2.9%**	**346**	**143.4%**
Underwriting expenditure	624	629	-0.8%	124	403.2%
Operating expenses	114	138	-17.4%	142	-19.7%
Other interest expenses	1	2	-50.0%	3	-66.7%
Other impairments	-	0	n.a.	-0	n.a.
Total underlying expenditure	**739**	**769**	**-3.9%**	**269**	**174.7%**
Underlying profit before tax	**103**	**98**	**5.1%**	**77**	**33.8%**
Taxation	24	17	41.2%	15	60.0%
Profit before minority interests	78	81	-3.7%	62	25.8%
Minority interests	-	-		-	
Underlying net profit	**78**	**81**	**-3.7%**	**62**	**25.8%**
KEY FIGURES					
Expense ratio (YTD)	19.1%	23.2%		42.3%	
Claims ratio (YTD)	57.8%	58.6%		50.9%	
Combined ratio (YTD)	76.9%	81.8%		93.2%	
Gross non-life reserves	3,717	4,708	-21.0%	3,361	10.6%

- **Progress on straight-through processing leads to cost reduction**
- **New car insurance product introduced via Postbank**

Business update

In the Benelux, ING has a multi-channel distribution approach, consisting of a strong and valued intermediary sales force complemented by new and innovative distribution and product solutions. In the P&C market, ING distinguishes itself through its excellent knowledge of the market and improving performance thanks to client-focused initiatives such as straight-through processing.

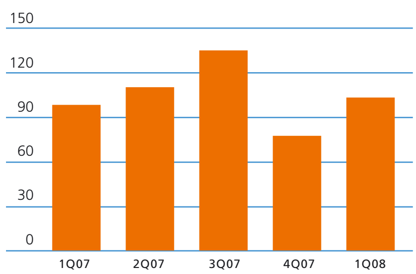
A good example of ING's innovative distribution power in the P&C market is the creation of ING Insurance Services. This operating unit was created to deliver price-competitive P&C insurance products for ING Bank units. Strong sales of the car insurance product in Belgium laid the foundation for the entry of Postbank into the Dutch car insurance market.

Further evidence of the success of ING's multi-channel approach is the fact that RVS recently started selling car insurance directly through the internet. It also expanded its call centres' selling capabilities. In addition, Insurance Europe is adding significant new business through its online initiatives in Belgium, including the car insurance product which has generated strong sales.

Despite the efforts of competitors to gain market share, Nationale-Nederlanden maintained its position in the first quarter as the market leader for income and disability insurance. The insurance products for both corporate and individual clients generated strong sales in the first quarter of 2008 thanks to competitive pricing, a strong distribution strategy and favourable product features.

NON-LIFE INSURANCE THE BENELUX

Underlying profit before tax (EUR million)



* As of this quarter the additional information on The Netherlands and Belgium is combined into The Benelux

Profit
Non-life underlying profit before tax in the Benelux improved 5.1% to EUR 105 million, despite lower investment income and commission income, as operating expenses declined. Results in the first quarter last year included EUR 44 million in claims from windstorms, however that was partly off-set by EUR 25 million in one-off claims provision releases. In the first quarter of 2008, the disability result in the Netherlands decreased due to EUR 18 million in lower run-off results from previous underwriting years.

Income
Non-life premiums in the Benelux were constant at EUR 751 million for the quarter. EUR 2 million (+11.8%) higher premiums in Belgium were offset by EUR 6 million (-0.8%) lower premiums in the Netherlands due to rate reductions on income and disability products in the wake of competitive pressure. This was partly compensated for by higher premiums from mandated brokers and strong sales of other insurance products through the internet.

Investment income declined 15.3% to EUR 72 million. This was due to the combination of a decline in direct investment income and lower revaluations on real estate and private equity investments. In the Netherlands, direct investment income was affected by lower asset balances following the upstream of EUR 0.6 billion in surplus capital to the Corporate Line Insurance in the second half of 2007. This was partly offset by a superdividend on an equity investment. In Belgium, investment income was in line with last year.

Expenses
Operating expenses were reduced by EUR 24 million, or 17.4%, mainly as a result of lower external staffing and technology expenses in the Netherlands and lower accruals for performance pay. This expense reduction was partly related to the successful implementation of ING Insurance Services - an integrated insurance administration platform in December 2007. Also, the non-life expenses of ING's captive brokers organisation declined by EUR 6 million after last year's restructuring and downsizing.

Key figures
The combined ratio in the Benelux improved 4.9 percentage points to 76.9%, mainly because of a 4.1% percentage points decline in the expense ratio. The improvement in the expense ratio was fully attributable to the Netherlands, whereas the marginal decrease in the claims ratio was concentrated in Belgium.

'Strong sales of the car insurance product in Belgium have laid the foundation for the entry of Postbank into the Dutch car insurance market'

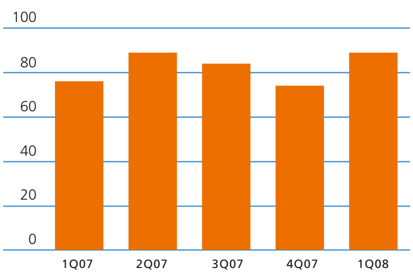
Life Insurance Central & Rest of Europe

Life Insurance Central & Rest of Europe: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	609	542	12.4%	744	-18.1%
Commission income	56	50	12.0%	61	-8.2%
Direct investment income	94	90	4.4%	106	-11.3%
Realised gains and fair value changes on inv.	15	5	200.0%	2	650.0%
Total investment and other income	109	94	16.0%	108	0.9%
Total underlying income	**774**	**687**	**12.7%**	**912**	**-15.1%**
Underwriting expenditure	604	539	12.1%	740	-18.4%
Operating expenses	79	71	11.3%	96	-17.7%
Other interest expenses	3	1	200.0%	2	50.0%
Other impairments	-	-		-	
Total underlying expenditure	**685**	**611**	**12.1%**	**838**	**-18.3%**
Underlying profit before tax	**89**	**76**	**17.1%**	**74**	**20.3%**
Taxation	19	15	26.7%	19	0.0%
Profit before minority interests	70	61	14.8%	56	25.0%
Minority interests	3	3	0.0%	3	0.0%
Underlying net profit	**67**	**58**	**15.5%**	**53**	**26.4%**
KEY FIGURES					
Value of new life business	102	35	191.4%	170	-40.0%
Internal rate of return (YTD)	22.4%	18.5%		18.4%	
Single premiums	212	245	-13.5%	389	-45.5%
Annual premiums	127	85	49.4%	169	-24.9%
New Sales (APE)	148	110	34.5%	208	-28.8%
Investment in new business	44	33	33.3%	88	-50.0%
Expenses as % of AUM (YTD)	0.6%	0.7%		0.8%	
Expenses as % of gross premiums (YTD)	13.6%	14.6%		15.0%	
Gross life reserves	9,819	9,096	7.9%	9,834	-0.2%

- **Double-digit growth in premiums, profit and value metrics**
- **Launch of new products in Bulgaria and Greece**
- **Pension fund inflows continue to be strong**

LIFE INSURANCE CENTRAL & REST OF EUROPE

Underlying profit before tax (EUR million)



Business update

Central Europe continues to be a source of strong commercial growth for ING. This was again evident during the first quarter with robust growth in the value of new business thanks to increased sales throughout the region. This growth can be traced in large part to the success of the Romanian pension fund.

Within Central Europe there is an ongoing emphasis on creating efficiencies by standardising IT systems, centralising product development and investing in staff development, improved processes and innovation. The strategy will create far greater cross-border synergies, more scale benefits and ultimately take business growth to a new level.

Insurance Central Europe is expanding its tied agency force, but it is also broadening its distribution base. For example, it has increased sales via the internet and independent insurance brokers.

In the first quarter of 2008, ING Greece launched a new product to respond to the need for shorter-term guaranteed investment solutions. In Bulgaria, ING introduced the first unit-linked life insurance product.

Profit

Central & Rest of Europe delivered strong financial performance in the first quarter of 2008. Underlying life profit before tax was 17.1% higher at EUR 89 million compared to last year, despite EUR 5 million in higher start-up investments for new operations in Russia and Romania. Excluding these start-up investments, pre-tax profit increased 21.8%, driven by higher sales and investment income as well as the impact of currency.

Income

Both life premiums and pension fund inflows showed double-digit increases in the first quarter of 2008. Despite lower sales of unit-linked products in Hungary, total premiums rose by 12.4% to EUR 609 million, mainly as a result of higher sales in Spain and the Czech Republic. In Spain, the premium growth included single premiums related to the acquisition of a group contract. The second-pillar pension fund in Poland was the main contributor to the 28.8% growth in pension fund net inflows and related commission income.

Investment income in Central & Rest of Europe increased 16.0% to EUR 109 million. A EUR 4 million increase in direct investment income was driven by higher asset balances related to the growth of the insurance portfolio. Other investment income grew EUR 10 million due to EUR 2 million in realised gains on debt securities and EUR 7 million in revaluations of non-trading derivatives. The latter was largely offset by increases in the provisions for guaranteed policyholder benefits.

Expenses

Life operating expenses increased 11.3% to EUR 79 million due to business growth across the region and EUR 5 million in higher start-up investments in the new operations in Russia and Romania. Excluding these greenfields, expense growth was only EUR 3 million (4.3%), clearly lagging the business growth and demonstrating increased cost efficiency.

Key figures

The value of new life business in Central & Rest of Europe grew strongly in the entire region to EUR 102 million. The second-pillar pension fund in Romania contributed EUR 47 million to the value of new business as the fund signed up some 290,000 new clients in the quarter, including the assignment of new customers through a lottery after the close of the official four-month application period.

Excluding the EUR 47 million generated by the second-pillar pension fund in Romania, Central & Rest of Europe’s value new business increased 57.1% compared to last year. New sales (APE) also showed double-digit growth, up 34.5%, or 10.0% excluding the Romanian pension fund. The internal rate of return was 22.4%, an increase of 3.9% points, which reflected a shift in sales to more profitable products and a repricing of products. Hungary was the only country where returns declined.

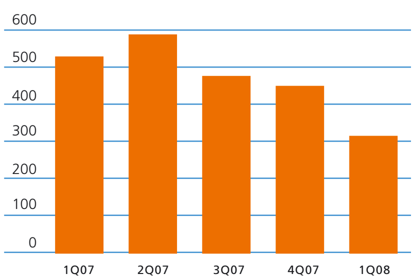
‘Central Europe continues to be a source of strong commercial growth for ING’

Insurance Americas

Insurance Americas: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	5,912	5,430	8.9%	6,726	-12.1%
Commission income	300	253	18.6%	271	10.7%
Direct investment income	1,273	1,218	4.5%	1,497	-15.0%
Realised gains and fair value changes on inv.	-53	-28	n.a.	-202	n.a.
Total investment and other income	1,220	1,190	2.5%	1,295	-5.8%
Total underlying income	**7,432**	**6,873**	**8.1%**	**8,293**	**-10.4%**
Underwriting expenditure	6,405	5,658	13.2%	7,077	-9.5%
Operating expenses	625	608	2.8%	675	-7.4%
Other interest expenses	83	74	12.2%	87	-4.6%
Other impairments	1	-		-	
Total underlying expenditure	**7,115**	**6,340**	**12.2%**	**7,839**	**-9.2%**
Underlying profit before tax	**317**	**533**	**-40.5%**	**453**	**-30.0%**
of which profit before tax life insurance	205	410	-50.0%	325	-36.9%
of which profit before tax non-life insurance	113	123	-8.1%	128	-11.7%
Taxation	60	146	-58.9%	127	-52.8%
Profit before minority interests	257	388	-33.8%	326	-21.2%
Minority interests	19	30	-36.7%	26	-26.9%
Underlying net profit	**238**	**358**	**-33.5%**	**300**	**-20.7%**
Net gains/losses on divestments	62	-		93	
Net profit from divestments	-	-		-	
Special items after tax	-	-		-	
Total net profit	**299**	**358**	**-16.5%**	**392**	**-23.7%**
KEY FIGURES					
Economic capital (average)	6,225	6,001	3.7%	6,199	0.4%
Value of new life business	90	33	172.7%	111	-18.9%
Internal rate of return (YTD)	13.7%	9.5%		11.8%	
Single premiums	3,984	3,682	8.2%	5,317	-25.1%
Annual premiums	543	518	4.8%	473	14.8%
New Sales (APE)	942	886	6.3%	1,004	-6.2%
Investment in new business	233	279	-16.5%	324	-28.1%
Assets under Management (in € bln)	206	204	1.0%	213	-3.3%
Expenses as % of AUM (YTD)	0.73%	0.73%		0.74%	
Expenses as % of gross premiums (YTD)	15.9%	15.2%		14.7%	
Expense ratio (YTD)	34.4%	33.3%		28.1%	
Claims ratio (YTD)	72.0%	71.1%		70.6%	
Combined ratio (YTD)	106.3%	104.4%		98.7%	
Gross life reserves	114,513	129,272	-11.4%	125,404	-8.7%
Gross non-life reserves	4,893	5,179	-5.5%	5,523	-11.4%
Tax ratio	19.0%	27.3%		28.1%	
Staff (FTEs end of period)	31,415	27,818	12.9%	33,276	-5.6%

INSURANCE AMERICAS

Underlying profit before tax (EUR million)



- **Underlying profit before tax down 40.5%, or 35.0% excluding currencies**
- **VNB nearly triples to EUR 90 million on strong sales and improving internal rate of return**
- **Latin America profit doubles on improved pension performance and positive results in non-life**

Business update

Insurance Americas' focus on faster-growing markets in the US and Latin America continued to be rewarded in the first quarter as sales, returns and the value of new business all increased substantially across the region.

Underlying profit before tax fell 35.0% excluding currencies, triggered by poor equity and credit market conditions in the US and the expected weakening of underwriting results in Canada.

Underlying profit before tax in Latin America more than doubled on improved results in both life and non-life businesses in Mexico as the pension transfer war slowed and underwriting results in auto and P&C improved substantially compared to a particularly weak first quarter of 2007. At ING Canada, the claims ratio deteriorated due to seasonal storms in central Canada and less favourable prior-year reserve development.

Operating expenses increased 2.8%, or 13.2% excluding currencies. Integration and operating expenses related to the acquired pension businesses in Latin America were responsible for approximately 6 percentage points of the increase. US expenses, including costs for higher sales volumes and investments in technology and distribution, were responsible for 6.9 percentage points of the increase.

Life insurance

Life underlying profit before tax declined 50.0% (42.7% excluding currencies) as a result of weaker financial market conditions. The US life insurance business posted earnings of EUR 160 million, down 51.1% excluding currencies. Negative equity-related DAC unlocking and lower alternative asset returns were responsible for EUR 147 million of the lower results. Credit-related impairments net of DAC reduced first quarter results by an additional EUR 38 million. Life profit in Latin America increased 37.5% excluding currencies, driven by strong performance in the pension business in Mexico. The acquired pension businesses in Argentina, Columbia and Uruguay also contributed earnings during the quarter. The pension businesses in Chile and Peru posted lower earnings as a result of adverse equity market performance. Life premium income rose 28.6% excluding currencies, led by the US. Variable annuity sales jumped 82.9%, propelled by strong sales of the LifePay Plus withdrawal benefit for life, introduced in August 2007. Sales of retirement services (corporate 401(k), education and IRA products) increased 5.5%, or 16.9% on a US basis, thanks to increased distribution capacity. Individual life sales jumped 61.0% with solid growth across all product lines and distribution channels. Premium income in Latin America increased 28.7% excluding currencies, supported by solid results in the annuity businesses in Chile and Argentina during the quarter.

Life operating expenses increased 4.5% (19.0% excluding currencies) due to the newly acquired businesses, costs of higher sales, and investments in technology and distribution in the US.

Insurance Americas posted EUR 90 million in value of new life business compared with EUR 33 million in first quarter of 2007. This increase was driven by EUR 63 million of value creation in the US from strong sales in most product lines as well as higher returns. The value of new business also benefited from the captive reinsurance solutions implemented in 2007 in the US individual life business. Latin America delivered EUR 27 million in value of new life business, more than four times higher compared with the first quarter of 2007. This strong increase can be traced to improved pension results, particularly in Mexico, and the contribution of the acquired businesses from Santander.

The internal rate of return in the Americas climbed 420 basis points to 13.7%. Returns were up 330 basis points to 13.5% in the US (on a US basis) and 690 basis points to 18.7% in Latin America.

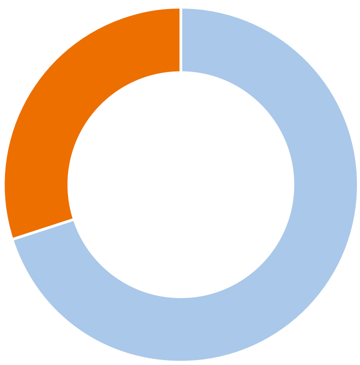
Non-life insurance

Non-life underlying profit before tax fell 8.1% (12.4% excluding currency effects) as the expected weakening of underwriting results and asset impairments in Canada more than offset the higher results in Mexico non-life businesses. Profit in Canada fell 36.4% excluding currencies to EUR 77 million due to the impact of winter storms in central Canada, less favourable prior-year reserve development and EUR 6 million in fixed-income impairments. The combined ratio deteriorated 890 basis points to 109.3%, mainly from increased frequency and severity in personal property results, as well as a 440 basis points increase related to changes in interest rate.

The EUR 26 million improvement in Latin America's underlying profit before tax compares favourably to the first quarter of 2007, which included reserve strengthening and the impact of three fire claims in Mexico.

Excluding currencies, non-life premiums in Latin America declined 17.1% due to the sale of the Chile health business. Premium income in Canada was flat excluding currencies, but overall sales increased 2.3% on higher average amounts insured and higher rates in personal lines.

On 10 January 2008, ING closed the sale of its health business in Chile for EUR 75 million in proceeds and recorded a gain of EUR 62 million in the first quarter of 2008, which is not reflected in the underlying profit before tax.



INSURANCE AMERICAS
% based on VNB 1Q2008

- United States (70%)
- Latin America (30%)

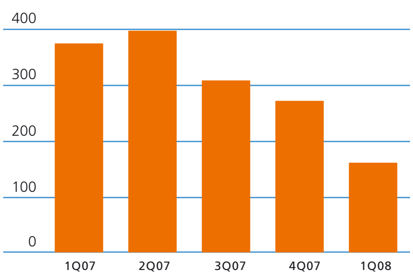
Life Insurance United States

Life Insurance United States: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	4,913	4,398	11.7%	5,477	-10.3%
Commission income	182	193	-5.7%	191	-4.7%
Direct investment income	1,026	1,017	0.9%	1,231	-16.7%
Realised gains and fair value changes on inv.	-81	-62	n.a.	-231	n.a.
Total investment and other income	945	955	-1.0%	1,000	-5.5%
Total underlying income	**6,040**	**5,547**	**8.9%**	**6,668**	**-9.4%**
Underwriting expenditure	5,460	4,742	15.1%	5,923	-7.8%
Operating expenses	357	367	-2.7%	399	-10.5%
Other interest expenses	63	63	0.0%	74	-14.9%
Other impairments	-	-		-	
Total underlying expenditure	**5,880**	**5,171**	**13.7%**	**6,396**	**-8.1%**
Underlying profit before tax	**160**	**376**	**-57.4%**	**272**	**-41.2%**
Taxation	25	114	-78.1%	49	-49.0%
Profit before minority interests	136	261	-47.9%	223	-39.0%
Minority interests	-	-		-	
Underlying net profit	**136**	**261**	**-47.9%**	**223**	**-39.0%**
KEY FIGURES					
Value of new life business	63	27	133.3%	77	-18.2%
Internal rate of return (YTD)	12.8%	9.3%		11.3%	
Single premiums	3,916	3,646	7.4%	5,270	-25.7%
Annual premiums	412	441	-6.6%	343	20.1%
New Sales (APE)	803	805	-0.2%	870	-7.7%
Investment in new business	204	253	-19.4%	286	-28.7%
Expenses as % of AUM (YTD)	0.73%	0.73%		0.74%	
Expenses as % of gross premiums (YTD)	15.1%	13.7%		14.1%	
Gross life reserves	110,708	126,288	-12.3%	121,725	-9.1%

- **US underlying profit before tax declines 57.4% on weak financial market conditions**
- **Value of new business more than doubles**
- **Strong sales of retirement services, variable annuity and individual life**

LIFE INSURANCE UNITED STATES

Underlying profit before tax (EUR million)



Business update

Despite challenging market conditions in the first quarter, top-line growth remained strong across the retirement, variable annuity and individual life businesses thanks to new product introductions in the second half of 2007 and enhanced distribution.

Earnings fell as the credit crisis persisted and the S&P 500 total return declined 9.5% in the first quarter — its steepest decline in more than five years. These market conditions led to lower alternative asset returns and negative equity-related DAC unlocking totaling EUR 147 million. Credit-related impairments amounted to EUR 38 million net of DAC.

On 31 March 2008, ING US had EUR 3.0 billion of Alt-A residential mortgage-backed securities, 99.4% of which were rated AAA. The market value of ING's US subprime residential mortgage-backed securities declined to EUR 2.1 billion, or 83% of book value, 96% of which is rated AA or better. The impairments on Alt-A and subprime residential mortgage-backed securities were EUR 24 million for the quarter. During the first quarter, ING US sold credit default protection on EUR 1.1 billion of notional exposure. This protection was sold exclusively on the super senior tranches of investment grade credit indices; the total position was profitable at quarter-end.

Wealth management

Wealth management posted strong top-line growth. Sales of retirement services (corporate 401(k), education and IRA products) increased 5.5%, or 16.9% on a US basis, compared with the first quarter

of 2007. This increase was led by the corporate 401(k) market which continued to benefit from the additional distribution capacity that was added in 2007.
IRA sales jumped 86.1%.
Returns on these products improved 350 basis points to 19.1% supported by a better business mix.

At year-end 2007, ING remained #1 in retirement services in kindergarten-through-12th-grade education market sales, and #2 in small corporate plan sales.

Variable annuity sales jumped 82.9% on continued strong market acceptance of the LifePay Plus product. ING is the market leader in this lifetime withdrawal product, but competitors are rapidly introducing similar products.

At year-end 2007, ING's variable annuity ranking improved to #8 from #11 in the third quarter of 2007.

Net flows into variable annuities and retirement services (corporate 401(k), education and IRA products) topped EUR 1.6 billion for the second straight quarter, led by the strong sales results.

Sales of fixed annuities declined 12.4% as alternative products, including certificates of deposit, are more attractive at current interest rate levels.

Insurance

Individual life continued to show strong sales, up 61.0% compared with the same quarter last year. There was solid growth across all product lines and distribution channels as a result of new products launched during the second half of 2007. This solid business growth helped mitigate the impact of difficult financial market conditions on other US segments.

The life business issued nearly 57,000 new policies in the quarter, more than double the number of policies it issued during the first quarter of 2007. This has enhanced per-unit cost efficiency.

At the end of 2007, ING was #12 in individual life sales and #18 in policy count, up substantially from the previous year, driven by higher term life sales.

Asset management

Retail mutual fund sales for the quarter were down 39.8% on concerns over market volatility and economic conditions.

Profit

Underlying profit before tax in the US declined 57.4% to EUR 160 million. Excluding negative currency movements of EUR 49 million, the underlying profit was down 51.1%. Adverse market conditions led to EUR 101 million negative equity-related DAC unlocking and EUR 46 million lower alternative asset returns. Credit-related impairments of EUR 38 million net of DAC and higher operating expenses contributed to the decline. Net interest/spread-related gains of EUR 88 million net of DAC, mainly from a positive revaluation of interest-only mortgage-backed securities, helped mitigate the decline. The wealth management segment bore the brunt of the market impacts during the quarter, including all of the EUR 101 million in negative equity-related DAC unlocking and lower alternative asset returns. Fee income was flat as increases in assets under management (AUM) from strong net flows were offset by decreases in AUM levels from negative equity returns. In the insurance segment, lower alternative asset returns and operating expenses contributed to the profit decline. However, individual life results are up on business growth, as well as improved net mortality during the quarter. Profit in the asset management segment was influenced by lower investment results, including a decline in private equity gains.

In the first quarter of 2008, the US recognised favourable developments on several tax items, which, along with lower pre-tax income, resulted in a lower effective tax rate.

Income

US gross premium income rose 28.5%, excluding currency effects, to EUR 4,913 million, as all core lines posted gains compared with the previous-year quarter.

Expenses

Excluding currency effects, operating expenses were up 11.9% compared with the first quarter of 2007. This increase reflects the cost of higher sales as well as investments in technology and distribution infrastructure.

Key figures

The value of new business for the US more than doubled to EUR 63 million. Higher sales volumes, the ongoing benefit of the reinsurance solutions for regulatory reserves implemented in the individual life business during 2007, and a better business mix contributed to this improvement. In the wealth management segment, higher sales in retirement services and variable annuities resulted in a 41.7% increase (excluding currency effects) in the value of new business. The value of new business in the insurance segment improved to EUR 16 million from a loss in the previous-year quarter due to the ongoing benefit of the reinsurance solutions implemented in 2007 as well as higher sales in individual life. Additionally, ING Financial Products, a spread lending business, quintupled the value of new business thanks to the favourable credit spread environment during the quarter.

The internal rate of return in the US improved 330 basis points to 13.5%, excluding currency and risk adjustments. This reflects improved margins in individual life from the captive reinsurance solutions implemented during 2007, and better returns from the spread lending business. Improved sales of higher-margin products in retirement services (corporate 401(k), education and IRA business) helped boost returns by 350 basis points to 19.1%. Variable annuity returns declined 50 basis points, due to a change in product mix and lower interest rate environment, but remained strong at 12.8%.

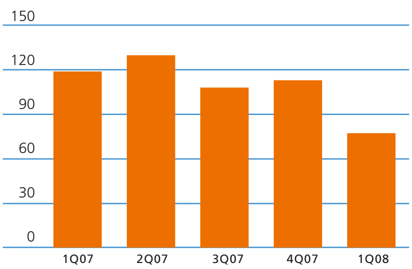
Non-life Insurance Canada

Non-life Insurance Canada: Income Statement

In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	571	557	2.5%	670	-14.8%
Commission income	13	15	-13.3%	14	-7.1%
Direct investment income	90	73	23.3%	84	7.1%
Realised gains and fair value changes on inv.	18	22	-18.2%	2	800.0%
Total investment and other income	108	94	14.9%	86	25.6%
Total underlying income	**692**	**667**	**3.7%**	**770**	**-10.1%**
Underwriting expenditure	476	418	13.9%	520	-8.5%
Operating expenses	138	129	7.0%	137	0.7%
Other interest expenses	-	-		-	
Other impairments	1	-		-	
Total underlying expenditure	**615**	**548**	**12.2%**	**657**	**-6.4%**
Underlying profit before tax	**77**	**119**	**-35.3%**	**113**	**-31.9%**
Taxation	19	29	-34.5%	30	-36.7%
Profit before minority interests	59	90	-34.4%	83	-28.9%
Minority interests	18	27	-33.3%	25	-28.0%
Underlying net profit	**41**	**63**	**-34.9%**	**58**	**-29.3%**
KEY FIGURES					
Expense ratio (YTD)	35.2%	35.0%		28.5%	
Claims ratio (YTD)	74.1%	65.4%		65.7%	
Combined ratio (YTD)	109.3%	100.4%		94.2%	
Gross non-life reserves	3,873	3,917	-1.1%	4,379	-11.6%

- **Underlying profit before tax down 35.3% due to winter storms and prior-year claims**
- **Marked improvement in underwriting profit in commercial lines**
- **Combined ratio increases to 109.3%**

NON-LIFE INSURANCE CANADA
Underlying profit before tax (EUR million)



Business update
ING Canada provides automobile, property and liability insurance to more than four million individuals and businesses across Canada. With an estimated 11% market share, ING Canada is the largest private-sector provider of property and casualty (P&C) insurance in Québec, Alberta and Nova Scotia and the second largest in Ontario. ING Canada also manages its own investment portfolio with more than EUR 5 billion in assets.

The sustainability of cost containment measures continues to be a key performance driver for the P&C industry in Canada. Automobile insurance reforms adopted by various provinces have been effective at containing and stabilising claims and making auto insurance products more affordable and available to consumers. However, accident benefit and bodily injury claims have risen in Ontario. In addition, the CAD 4,000 cap on pain and suffering awards for minor automobile accident injuries in Alberta has been challenged.
Industry participants will need to assess the potential impact of these developments on claims costs and premiums.

Profit
Profit before tax declined to EUR 77 million from EUR 119 million in the previous-year quarter. This reflects a decrease in underwriting income as well as lower investment results. The change in

underwriting profit was mainly due to severe winter storms, seasonal storms in central Canada which affected personal property results, as well as less favourable prior-year claims development. Underwriting profit in commercial lines was solid in the first quarter, increasing markedly year-over-year partly due to a decrease in large losses. The decline in investment gains reflects EUR 6 million impairment on fixed-income investments.

Income

Excluding currency effects, gross premium income increased by 0.9% due to a 1.8% increase in personal lines, which was driven by increases in average amounts insured and higher rates. Gross premium income in commercial lines was down 1.2%; solid unit growth was offset by single-digit rate decreases in a highly competitive market. Rates in personal auto and in personal property are rising in certain geographic areas to take into account inflation in medical and building reconstruction costs. Positive rating actions in certain areas have slowed unit growth in personal lines in the near term, but reflect ING Canada's underwriting discipline and an overall focus on growing the business profitably.

Expenses

Operating expenses increased 4.5% excluding currencies. Increased claims-handling expenses account for 1.5 percentage points of the change. The remaining increase reflects higher staffing levels, particularly in the western part of Canada, which was lower than normal in the first quarter of 2007 due to tight labor markets and higher technology and public relations spend.

Key figures

The year-to-date combined ratio is 109.3%, or 105.1% excluding the impact of changes in interest rates. This reflects an increase of 450 basis points, due to higher property severity and less favourable prior-year claims development.

Insurance Latin America

Life Insurance Latin America: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	175	142	23.2%	165	6.1%
Commission income	106	44	140.9%	67	58.2%
Direct investment income	122	83	47.0%	147	-17.0%
Realised gains and fair value changes on inv.	9	11	-18.2%	25	-64.0%
Total investment and other income	131	94	39.4%	172	-23.8%
Total underlying income	**413**	**281**	**47.0%**	**403**	**2.5%**
Underwriting expenditure	269	185	45.4%	256	5.1%
Operating expenses	81	53	52.8%	83	-2.4%
Other interest expenses	18	9	100.0%	12	50.0%
Other impairments	-	-		-	
Total underlying expenditure	**368**	**247**	**49.0%**	**350**	**5.1%**
Underlying profit before tax	**44**	**34**	**29.4%**	**53**	**-17.0%**
Taxation	12	7	71.4%	48	-75.0%
Profit before minority interests	32	27	18.5%	5	540.0%
Minority interests	2	3	-33.3%	1	100.0%
Underlying net profit	**30**	**25**	**20.0%**	**4**	**650.0%**
KEY FIGURES					
Value of new life business	27	6	350.0%	35	-22.9%
Internal rate of return (YTD)	18.7%	11.8%		15.8%	
Single premiums	69	36	91.7%	47	46.8%
Annual premiums	131	77	70.1%	129	1.6%
New Sales (APE)	138	81	70.4%	134	3.0%
Investment in new business	29	26	11.5%	38	-23.7%
Expenses as % of AUM (YTD)	0.73%	0.66%		0.76%	
Expenses as % of gross premiums (YTD)	22.2%	28.8%		19.6%	
Gross life reserves	3,805	2,984	27.5%	3,679	3.4%

- **Underlying profit before tax more than doubles**
- **VNB quadruples and IRR increases 690 bps to 18.7%**
- **Acquired pension and annuity businesses contributed EUR 12 million in underlying profit before tax**

Business update

During the first quarter, ING continued to transform its operations in Latin America to focus on pension, life insurance and investment businesses. In January, ING announced the sale of the Mexico insurance and Chile health businesses, while also completing the acquisitions of Santander's pension businesses in the region. The acquired businesses are almost completely integrated.

In Mexico, ING Afore is ranked #2 based on number of customers and # 3 by AUM. New pension regulations, which mandate fees based on AUM rather than contributions, favour players like ING with scale and strong investment performance.

In Peru, the pension transfer war appears to be ending, allowing ING to reduce its sales force by 40%. ING has emerged from the transfer war maintaining its leadership position with 32% market share.

In Chile, ING is the #3 pension provider. It is operating under the new name ING AFP Capital, which is being supported by a new brand campaign.

ING Colombia holds top-five rankings in mandatory and voluntary pension markets.

In Argentina, ING is the #2 player in both pension and annuity businesses.

Life Insurance

Profit

Excluding currency effects, life underlying profit before tax increased 37.5% to EUR 44 million. This was driven by strong results in Mexico and Chile life businesses, as well as EUR 12 million profit from the newly-acquired businesses, before integration costs. The increase was partially mitigated by adverse equity market performance resulting in a EUR 12 million decline in investment results for the pension businesses, as well as EUR 7 million of integration costs in Chile.

Non-Life Insurance Latin America: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	252	333	-24.3%	415	-39.3%
Commission income	-1	-0	n.a.	-1	n.a.
Direct investment income	35	45	-22.2%	36	-2.8%
Realised gains and fair value changes on inv.	1	1	0.0%	1	0.0%
Total investment and other income	36	46	-21.7%	37	-2.7%
Total underlying income	**287**	**379**	**-24.3%**	**451**	**-36.4%**
Underwriting expenditure	201	313	-35.8%	378	-46.8%
Operating expenses	49	59	-16.9%	56	-12.5%
Other interest expenses	2	2	0.0%	2	0.0%
Other impairments	-	-		-	
Total underlying expenditure	**252**	**374**	**-32.6%**	**436**	**-42.2%**
Underlying profit before tax	**35**	**5**	**600.0%**	**15**	**133.3%**
Taxation	4	-4	n.a.	1	300.0%
Profit before minority interests	31	9	244.4%	14	121.4%
Minority interests	-	0	n.a.	-0	n.a.
Underlying net profit	**31**	**9**	**244.4%**	**14**	**121.4%**
KEY FIGURES					
Expense ratio (YTD)	32.1%	30.2%		27.3%	
Claims ratio (YTD)	65.5%	83.1%		81.6%	
Combined ratio (YTD)	97.6%	113.3%		108.9%	
Gross non-life reserves	1,020	1,262	-19.2%	1,143	-10.8%

Income
Gross premium income increased 28.7%, excluding currency effects, driven by the annuity sales in Chile and Argentina. Commission income more than doubled with the integration of acquired pension businesses, which resulted in higher AUM balances and a larger customer base.

Expenses
Expenses increased 65.3%, excluding currency effects, reflecting the addition of Santander operating expenses across the region as well as integration costs in Chile. Excluding these effects, expenses were slightly lower than the first quarter of 2007 due to lower operating expenses in Mexico.

Key figures
The value of new business quadrupled to EUR 27 million, mainly due to higher sales volume and an improved quality of sales in the Mexico pension business. Peru also contributed to the increase with higher sales thanks to higher agent productivity and a competitive product offering.

Non-Life Insurance

Profit
Non-life profit increased to EUR 35 million, attributable mainly to improved results in Mexico. Underwriting results in the first quarter of 2008 reflect more typical claims experience, while the first quarter of 2007 included the impact of auto reserve strengthening and three large fire claims, which reduced results.

Income
Premium income fell 24.3%, reflecting the divestment of the Chile health business. Excluding this impact, premium income increased on higher sales in Mexico auto insurance.

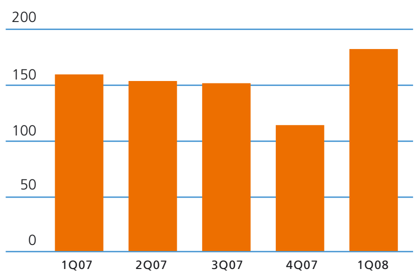
Expenses
Excluding currency effects, expenses decreased 7.5%, mainly due to the divestment of the Chile health business. On a normalised basis, expenses were slightly higher due to volume-related expenses in Mexico.

Key figures
The 16-point improvement in the combined ratio reflects better results in all Mexico businesses, whereas the previous-year quarter included reserve strengthening and catastrophe claims.

Insurance Asia/Pacific

Insurance Asia/Pacific: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	3,383	2,748	23.1%	3,095	9.3%
Commission income	93	90	3.3%	100	-7.0%
Direct investment income	318	360	-11.7%	430	-26.0%
Realised gains and fair value changes on inv.	533	-96	n.a.	86	519.8%
Total investment and other income	851	264	222.3%	516	64.9%
Total underlying income	**4,328**	**3,103**	**39.5%**	**3,711**	**16.6%**
Underwriting expenditure	3,740	2,671	40.0%	3,206	16.7%
Operating expenses	283	259	9.3%	310	-8.7%
Other interest expenses	123	14	778.6%	81	51.9%
Other impairments	-0	-0	n.a.	0	n.a.
Total underlying expenditure	**4,146**	**2,944**	**40.8%**	**3,598**	**15.2%**
Underlying profit before tax	**182**	**159**	**14.5%**	**113**	**61.1%**
of which profit before tax life insurance	181	158	14.6%	112	61.6%
of which profit before tax non-life insurance	1	1	0.0%	1	0.0%
Taxation	60	44	36.4%	7	757.1%
Profit before minority interests	121	115	5.2%	106	14.2%
Minority interests	6	11	-45.5%	12	-50.0%
Underlying net profit	**115**	**104**	**10.6%**	**94**	**22.3%**
KEY FIGURES					
Economic capital (average)	6,917	7,398	-6.5%	7,001	-1.2%
Value of new life business	106	82	29.3%	128	-17.2%
Internal rate of return (YTD)	16.7%	15.2%		16.8%	
Single premiums	2,128	1,659	28.3%	2,033	4.7%
Annual premiums	446	402	10.9%	503	-11.3%
New Sales (APE)	658	567	16.0%	706	-6.8%
Investment in new business	137	121	13.2%	151	-9.3%
Assets under Management (in € bln)	102	97	5.2%	106	-3.8%
Expenses as % of AUM (YTD)	0.76%	0.77%		0.81%	
Expenses as % of gross premiums (YTD)	10.0%	9.2%		9.4%	
Expense ratio (YTD)	38.9%	40.9%		42.6%	
Claims ratio (YTD)	49.9%	49.9%		50.1%	
Combined ratio (YTD)	88.8%	90.8%		92.8%	
Gross life reserves	52,314	48,439	8.0%	52,307	0.0%
Gross non-life reserves	21	22	-4.5%	22	-4.5%
Tax ratio	33.3%	27.6%		5.9%	
Staff (FTEs end of period)	11,003	11,090	-0.8%	10,655	3.3%

INSURANCE ASIA/PACIFIC
Underlying profit before tax (EUR million)



- **Sales and VNB up 16.0% and 29.3%, respectively (25.7% and 43.0% excluding currency impact)**
- **Underlying profit before tax up 14.5%, down 19.4% excluding Japan and currency effects**
- **ING Life Japan was selected as one of the principal product providers by the Japan Post Group**

Business update
In Asia Pacific, sales momentum remained robust in the first quarter despite the market turmoil. The value of new business increased by 29.3%, or 43.0% excluding currency effects. Strong commercial performance continued in the larger markets of Australia/New Zealand, Japan, Taiwan and South Korea, accompanied by exceptional growth in the Rest of Asia

where new sales jumped 59%. In particular, new sales in Hong Kong, India and China more than doubled.

ING continued to capitalise on the ongoing market shift from traditional life to investment-linked products, with the latter accounting for almost two-thirds of new sales through the end of March. At the same time, ING invested in distribution capabilities tailored to each local market environment. Furthermore, ING focused on strengthening its tied agency force through selective recruiting, ongoing training and support, and performance monitoring. As of February, ING had over 88,000 tied agents in the region, up 34.3% compared with the same period last year. While the tied agency force is currently the region's strongest channel, ING is progressively growing other distribution channels, in particular bank distribution. The recent exclusive agreements signed with Public Bank in Malaysia and TMB in Thailand demonstrate ING's commitment to growing bank distribution. These efforts are already reaping benefits: in the first quarter, new sales through banks grew 16.2% to EUR 176 million, up from EUR 151 million a year earlier. Bank channels now account for 26.7% of total sales in the Asia/Pacific region.

Profit

Underlying profit before tax increased 14.5% (29.1% excluding currency effects) to EUR 182 million, mainly due to a positive swing in results from Japan. Excluding Japan, underlying profit fell 28.7% (19.4% excluding currency effects) to EUR 104 million in the first quarter of 2008 compared with EUR 146 million in the first quarter of 2007. A significant part of this decline was due to one-off items in South Korea, where profit before tax declined to EUR 55 million, from EUR 85 million in the first quarter of 2007. This decrease was mainly driven by a EUR 13 million negative revaluation of a CDO in the first quarter, while the prior-year quarter benefited from a EUR 10 million one-off reinsurance item.

Income

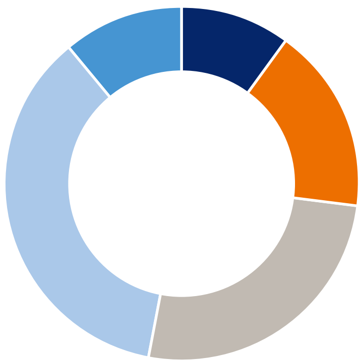
Gross premium income for the first quarter was EUR 3,383 million, an increase of 23.1% (33.9% excluding currencies) compared with the first quarter of 2007. In Japan, SPVA premiums increased 23.5% to EUR 740 million on strong sales. In Australia, premium income rose 13.6% to EUR 50 million, driven by favourable in-force business retention. Premium income also rose in South Korea and Taiwan to EUR 979 million and EUR 936 million, respectively, up 24.2% and 59.5%, respectively, from the previous-year quarter (excluding currency effects). Total investment and other income as well as other interest expenses include the fair value changes on SPVA derivative instruments.

Expenses

Operating expenses rose 9.3% (16.9% excluding currency effects) to EUR 283 million. The following factors contributed to this increase: growth in the underlying business, ongoing expansion of branch offices and the professional agency force and the inclusion of the Landmark acquisition in South Korea. Expenses also increased due to higher production-linked expenses in Japan, strategic projects in Australia & New Zealand, and the continued infrastructure investment and expansion in greenfield operations.

Key figures

Total new sales (APE) for the region increased 16.0% to EUR 658 million, consistent with the growing distribution of wealth accumulation products, SPVA in Japan and investment-linked products in Taiwan and South Korea. In the flagship operations of the larger markets of Australia, New Zealand, Japan, South Korea and Taiwain, new business sales were up 12.1% to EUR 584 million. Sales growth in China was up 134.3% to EUR 7 million, India was up 48.7% to EUR 25 million, Malaysia was up 46.3% to EUR 18 million and Hong Kong was up 139.4% to EUR 16 million. The value of new business was 29.3% higher at EUR 106 million, commensurate with new sales production. The overall internal rate of return remained highly attractive at 16.7% for the region as a whole, consistent with that achieved in the full-year 2007.



INSURANCE ASIA/PACIFIC
% based on VNB 1Q2008

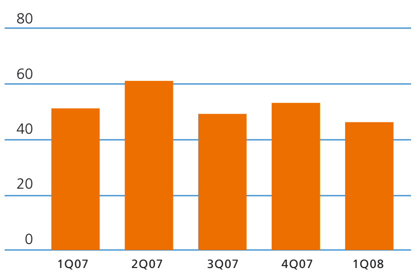
- Australia and New Zealand (10%)
- Japan (17%)
- South Korea (26%)
- Taiwan (36%)
- Rest of Asia (11%)

Life Insurance Australia & New Zealand

Life Insurance Australia & New Zealand: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	50	44	13.6%	82	-39.0%
Commission income	65	67	-3.0%	71	-8.5%
Direct investment income	30	21	42.9%	28	7.1%
Realised gains and fair value changes on inv.	2	4	-50.0%	2	0.0%
Total investment and other income	31	25	24.0%	29	6.9%
Total underlying income	**147**	**136**	**8.1%**	**183**	**-19.7%**
Underwriting expenditure	31	32	-3.1%	68	-54.4%
Operating expenses	55	53	3.8%	61	-9.8%
Other interest expenses	15	0		0	
Other impairments	-	-		-	
Total underlying expenditure	**101**	**86**	**17.4%**	**130**	**-22.3%**
Underlying profit before tax	**46**	**51**	**-9.8%**	**53**	**-13.2%**
Taxation	13	15	-13.3%	9	44.4%
Profit before minority interests	33	36	-8.3%	44	-25.0%
Minority interests	-	-		-	
Underlying net profit	**33**	**36**	**-8.3%**	**44**	**-25.0%**
KEY FIGURES					
Value of new life business	11	11	0.0%	14	-21.4%
Internal rate of return (YTD)	20.8%	21.3%		21.4%	
Single premiums	681	851	-20.0%	1,056	-35.5%
Annual premiums	24	22	9.1%	36	-33.3%
New Sales (APE)	92	107	-14.0%	142	-35.2%
Investment in new business	12	14	-14.3%	16	-25.0%
Expenses as % of AUM (YTD)	0.5%	0.6%		0.6%	
Expenses as % of gross premiums (YTD)	32.6%	27.7%		19.7%	
Gross life reserves	8,229	8,596	-4.3%	9,193	-10.5%

- **Premium income up 13.6% to EUR 50 million driven by higher insurance sales and strong retention**
- **AUM for ING Australia steady at EUR 13.9 billion despite challenging market environment**
- **ING New Zealand leads KiwiSaver growth, with 20% market share**

LIFE INSURANCE AUSTRALIA & NEW ZEALAND
Underlying profit before tax (EUR million)



Business update
In Australia, weakness in underlying investment and financial markets adversely impacted sales of equity funds in the first quarter of 2008, as consumers shifted away to defensive fund positions. This resulted in lower fee income but ING Australia successfully maintained its assets under management. Insurance production was higher than last year, driven by strong sales in mastertrust (i.e. insurance sold on an investment platform), and through ANZ, offsetting weaker fund management business. As a result, the value of new business was flat, despite a slight drop in new sales. At year-end 2007, ING Australia maintained its leading positions in its respective industry segments ranking #1 in new retail life risk business, #3 in risk in-force premium and #5 in retail funds under management.
ING Australia conducts business through

four main distribution channels, namely: bancassurance (with ANZ as partner bank), aligned dealer groups, open market advisers and direct-sold business. Growth of the aligned dealer group channel is one of ING Australia's key strategic priorities. At the end of the first quarter, ING Australia had the second largest number of aligned advisers with just under 1,500 advisers in four dealer groups, generating 21.0% of new sales, up by 5% compared to a year ago. In addition, ING continued to focus on open architecture investment platforms to support sales in line with its distribution strategy. OneAnswer, ING's investment platform offering retail investment services was recognised as the "Most Improved Platform" in the 2008 Investor Trends survey.

In New Zealand, ING continued to build on its position as the leading player in the 'KiwiSaver' market segment, a voluntary retirement savings plan subsidised by the government. ING's market share in this segment is 20%. Over 100,000 customers and 3,300 employers signed up for 'Kiwi Saver' through March 2008. Management fee revenue is anticipated to grow along with assets under management, which will increase in line with recurring annual contributions, including compulsory employer matching and an expanding customer base.

In mid-March ING (NZ) Limited announced the suspension of investor withdrawals (and thus fund manager earnings) in the ING Diversified Yield Fund and ING Regular Income Fund due to economic conditions affecting financial markets. This decision was taken to protect the interests of investors, who would have been disadvantaged by difficulties in obtaining reliable market prices, or would have been forced to sell assets in order to meet withdrawal requests.

Profit

Underlying profit before tax decreased 9.8% to EUR 46 million compared with the same quarter last year. The 7.3% increase in profit before tax for the life company ING Australia, was more than offset by declines in ING New Zealand (-29.5%) and ING Australia Holdings (-32.5%). ING Australia's growth is due to favourable experience in the insurance business, offset in part by lower profit from funds management business. Profit before tax decreased for ING New Zealand due to reduced fee income on fund sales. The decrease in profit before tax for ING Australia Holdings was as a result of lower interest income on loan arrangements.

Income

Gross premium income increased 13.6% from the first quarter last year to EUR 50 million this quarter, driven by favourable in-force business retention. Commission income decreased to EUR 65 million, down 3.0% from the first quarter of 2007. This was due to lower fund management sales arising from weakness in investment markets.

Expenses

Operating expenses rose 3.8%, in part due to investments in select strategic projects. These include business transformation projects which intend to improve the quality of customer service, extend straight-through processing and make technology platforms more agile.

Key figures

New business sales declined by 14.0% to EUR 92 million as fund management sales were negatively impacted by the ongoing weakness in the underlying investment and financial markets. The value of new business for the quarter was flat at EUR 11 million compared with the previous-year quarter, as the value generated through higher sales of more profitable regular premium products offset lower investment inflows and external market environment factors, which included higher risk-free rates.

'Market share retirement savings New Zealand 20%'

INSURANCE ASIA/PACIFIC - additional information

Life Insurance Japan

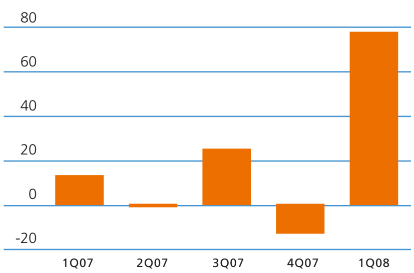
Life Insurance Japan: Income Statement

In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	1,075	913	17.7%	1,015	5.9%
Commission income	7	6	16.7%	6	16.7%
Direct investment income	114	46	147.8%	127	-10.2%
Realised gains and fair value changes on inv.	509	-38	n.a.	119	327.7%
Total investment and other income	623	8	7687.5%	246	153.3%
Total underlying income	**1,705**	**927**	**83.9%**	**1,267**	**34.6%**
Underwriting expenditure	1,472	861	71.0%	1,153	27.7%
Operating expenses	47	41	14.6%	47	0.0%
Other interest expenses	108	13	730.8%	80	35.0%
Other impairments	-	-		-	
Total underlying expenditure	**1,627**	**914**	**78.0%**	**1,279**	**27.2%**
Underlying profit before tax	**78**	**13**	**500.0%**	**-13**	**n.a.**
Taxation	32	7	357.1%	-1	n.a.
Profit before minority interests	46	6	666.7%	-12	n.a.
Minority interests	-	-		-	
Underlying net profit	**46**	**6**	**666.7%**	**-12**	**n.a.**
KEY FIGURES					
Value of new life business	18	8	125.0%	5	260.0%
Internal rate of return (YTD)	12.1%	10.1%		11.1%	
Single premiums	740	568	30.3%	709	4.4%
Annual premiums	90	63	42.9%	45	100.0%
New Sales (APE)	164	119	37.8%	116	41.4%
Investment in new business	55	39	41.0%	39	41.0%
Expenses as % of AUM (YTD)	0.5%	0.5%		0.6%	
Expenses as % of gross premiums (YTD)	5.9%	6.0%		6.8%	
Gross life reserves	18,968	16,196	17.1%	17,867	6.2%

- **Value of new business more than doubled on strong sales**
- **SPVA sales up 30.3% and COLI sales up 44.3%**
- **ING Life Japan was selected as one of the principal product providers by the Japan Post Group**

LIFE INSURANCE JAPAN

Underlying profit before tax (EUR million)



Business update

SPVA

The market for SPVA business recovered in the first quarter thanks to consumers and distributors gradually adapting to new regulatory requirements introduced in September 2007. The new rules have tightened the compliance procedures for financial products such as SPVA. Sales of SPVA products increased over 30.3% compared with the same period last year, and ING maintained its leading market position in the SPVA segment despite competitors introducing products with features similar to ING's Smart Design 1-2-3, ING's leading SPVA product in Japan. ING Life Japan also expanded its distribution network: it entered into new distribution relationships with four banks in the first quarter, widening the total count to 40 banks and 10 security houses at the end of the quarter.

COLI

The National Tax Authority (NTA) announced revised COLI tax regulations on 28 February 2008, with immediate effect. The tax deductibility for new premiums of Increasing-Term products was cut from 100% to 50%. In-force policies retain their 100% tax deductibility for renewal premiums. Sales in the COLI market were exceptionally high in the first quarter as consumers made significant purchases of the Increasing-Term products to beat the introduction of the new rules. In anticipation of the new tax rules, ING started diversifying away from Increasing-Term products in 2007, focusing instead on protection products which are not affected by this new regulation. In March 2008, 18% of COLI sales for ING Life Japan were generated from the COLI protection segment, up from 9% a year earlier. ING maintained its leading position in the COLI segment during the first quarter. We would expect sales to return to normal levels after the tax rules become effective.

ING Life Japan was selected as one of the principal product providers by the newly privatised Japan Post Group. Products include variable annuities, level term and increasing term COLI products, which will be distributed through the selected outlets of Japan Post Group's network. The launch through Japan Post Group for SPVA products is set for May 2008 and Corporate Owned Life Insurance (COLI) products for June 2008.

Profit

ING Life Japan reported an underlying profit before tax of EUR 78 million in the first quarter of 2008, a sharp recovery compared with the fourth quarter of 2007 when it posted a loss of EUR 13 million. This positive result was attributable to EUR 35 million from SPVA products and EUR 42 million from COLI products. The market risks associated with the survival and death benefit guarantees are managed via a comprehensive hedging program, whereby the derivatives underlying this program flow through the profit and loss account. The volatile elements had a positive impact on the result of EUR 28 million, primarily due to asymmetry in accounting, partly offset by the impact of strong market value changes on the hedge result. The pre-tax core earnings for the SPVA products (excluding the volatile elements) amounted to EUR 8 million, or approximately 30 basis points of assets under management on an annualised basis for the first quarter 2008.

Income

Gross premium income for the quarter was EUR 1,075 million, an increase of 17.7% compared with the first quarter of 2007. The increase can be traced to strong SPVA sales and COLI persistency, improved adaptation of the market to the recently introduced Financial Instruments Exchange Law (FIEL) guidelines and increased sales of protection-based COLI products. Total investment and other income as well as other interest expenses include the fair value changes on SPVA derivative instruments.

Expenses

Operating expenses increased by 14.6% to EUR 47 million compared with the same quarter last year. This is in line with the increased level and volume of new business.

Key figures

New sales during the quarter were EUR 164 million, up 37.8% compared with the first quarter of 2007. This growth was driven by the success of Smart Design 1-2-3, with SPVA sales up to EUR 740 million in single premiums, a 30.3% increase over the first quarter of 2007. The sales performance for the COLI business surged due to the last-minute opportunity for policyholders to sign up for an Increasing-Term policy before new tax deductibility rules went into effect. COLI sales were EUR 90 million in the first quarter, up 44.3% compared with the sales results from a year earlier. The value of new business in the first quarter was EUR 18 million, up 125.0% from the first quarter of 2007 due to strong sales, although lower than expected for SPVA due to the negative impact of the continued low risk-free rate environment.

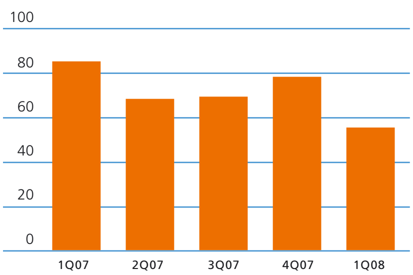
Life Insurance South Korea

Life Insurance South Korea: Income Statement

In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	979	918	6.6%	866	13.0%
Commission income	3	1	200.0%	3	0.0%
Direct investment income	88	81	8.6%	92	-4.3%
Realised gains and fair value changes on inv.	4	2	100.0%	8	-50.0%
Total investment and other income	93	83	12.0%	100	-7.0%
Total underlying income	**1,074**	**1,001**	**7.3%**	**969**	**10.8%**
Underwriting expenditure	956	859	11.3%	819	16.7%
Operating expenses	64	58	10.3%	71	-9.9%
Other interest expenses	0	0		0	
Other impairments	-	-		0	n.a.
Total underlying expenditure	**1,019**	**916**	**11.2%**	**891**	**14.4%**
Underlying profit before tax	**55**	**85**	**-35.3%**	**78**	**-29.5%**
Taxation	15	23	-34.8%	21	-28.6%
Profit before minority interests	40	62	-35.5%	57	-29.8%
Minority interests	6	12	-50.0%	9	-33.3%
Underlying net profit	**34**	**50**	**-32.0%**	**48**	**-29.2%**
KEY FIGURES					
Value of new life business	28	30	-6.7%	41	-31.7%
Internal rate of return (YTD)	17.2%	22.4%		22.8%	
Single premiums	180	131	37.4%	49	267.3%
Annual premiums	212	211	0.5%	226	-6.2%
New Sales (APE)	230	224	2.7%	231	-0.4%
Investment in new business	35	21	66.7%	36	-2.8%
Expenses as % of AUM (YTD)	1.7%	5.2%		4.4%	
Expenses as % of gross premiums (YTD)	10.0%	8.3%		9.3%	
Gross life reserves	8,132	7,941	2.4%	8,597	-5.4%

- **New sales (APE) and VNB up 19.5% and 7.9% respectively, excluding currency impact**
- **ING Life Korea maintains its position as largest foreign life insurer in South Korea**
- **Market leader in bank distribution with a market share of 11.3%**

LIFE INSURANCE SOUTH KOREA
Underlying profit before tax (EUR million)



Business update
South Korea recorded strong sales in the first quarter of 2008, despite the challenging financial environment. New sales increased 19.5% excluding the impact of currencies. The market share of ING Life Korea (based on written premiums) increased to 5.8%, up slightly from 5.7% a year earlier. ING Life Korea is the largest foreign life insurer in the country.

Product-mix returned towards investment related products, accounting for 61% of total sales from approximately 50% in the fourth quarter last year. In the first quarter, ING Life Korea further expanded its range of available funds for its best-selling unit-linked products and introduced new traditional products.

At the same time, ING continued to strengthen and expand its distribution reach. Productivity of tied agents increased to over four policies per tied agent per month. The number of professional tied agents now stands at over 8,700, up 33% from a year ago.

Growth in sales through the bank distribution channel, mainly through Kookmin Bank, continued to be strong, despite regulatory restrictions capping ING's combined sales (ING Life Korea and KB Life) at 33% of the bank's total annual sales. ING leads the market in new business production through banks with a market share of 11.3%. During the first quarter, ING Life Korea also launched a two-week sales campaign through the branches of its partner banks to stimulate sales and create a stronger platform for selling other investment products.

In addition to ING Life Korea, ING also owns a 49% stake in KB Life and a 20% financial stake in KB Asset Management, with Kookmin Bank holding the balance of shares in the two companies. The partnership is strengthened by ING's strategic 4% shareholding in Kookmin, South Korea's largest bank. ING also operates through the wholly-owned ING Investment Management Korea, which had assets under management of over EUR 7 billion at the end of February 2008 and a market share of approximately 2.7%.

Profit

Underlying profit before tax in the first quarter declined 35.3% to EUR 55 million, compared with the previous-year quarter. Underlying profit before tax in the first quarter of 2008 was driven by a combined negative impact of EUR 17 million from a negative revaluation of a CDO, adverse foreign-exchange movements and higher claims, whereas the underlying profit before tax in the first quarter of 2007 was driven by the recognition of positive one-off items of EUR 10 million related to reinsurance provisions.

Income

Gross premium income increased by 6.6% to EUR 979 million. Excluding currency effects, gross premium income grew 24.2% over the first quarter of 2007. Total investment and other income rose 12.0% to EUR 93 million, supported by a 5.4% increase in insurance assets under management to approximately EUR 8 billion.

Expenses

Operating expenses increased 10.3% to EUR 64 million. This was in line with the growth in the underlying business as well as the ongoing expansion of branch offices and the tied-agency force. Expenses as a percentage of assets under management improved from 5.2% in the first quarter of 2007 to 1.7% in the first quarter of 2008 thanks to growth in in-force investment-linked product assets and the Landmark acquisition during the second quarter of 2007.

Key figures

New sales rose 2.7%, (19.5% excluding currency effects). This was driven by strong growth in investment-linked products following the mid-quarter sales promotion, ongoing expansion of the tied-agency force and improved agent productivity. The value of new business, excluding currency effects, increased 7.9%, consistent with new business growth. Along with the bancassurance marketing campaign, a shift to lower margin variable and interest sensitive products resulted in lower margins, with the IRR falling from 22.4% to 17.2%.

'Market leader in bank distribution'

Life Insurance Taiwan

Life Insurance Taiwan: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	936	646	44.9%	795	17.7%
Commission income	-	-		-	
Direct investment income	37	154	-76.0%	121	-69.4%
Realised gains and fair value changes on inv.	19	-68	n.a.	-44	n.a.
Total investment and other income	56	86	-34.9%	77	-27.3%
Total underlying income	**991**	**731**	**35.6%**	**872**	**13.6%**
Underwriting expenditure	938	679	38.1%	816	15.0%
Operating expenses	53	52	1.9%	56	-5.4%
Other interest expenses	0	0		0	
Other impairments	-	-		-	
Total underlying expenditure	**991**	**731**	**35.6%**	**872**	**13.6%**
Underlying profit before tax	**0**	**0**	**n.a.**	**0**	**n.a.**
Taxation	-2	-		-15	n.a.
Profit before minority interests	2	0		15	-86.7%
Minority interests	-	-		-	
Underlying net profit	**2**	**0**		**15**	**-86.7%**
KEY FIGURES					
Value of new life business	38	33	15.2%	56	-32.1%
Internal rate of return (YTD)	31.3%	17.8%		20.0%	
Single premiums	419	87	381.6%	146	187.0%
Annual premiums	56	62	-9.7%	124	-54.8%
New Sales (APE)	98	71	38.0%	139	-29.5%
Investment in new business	14	28	-50.0%	32	-56.3%
Expenses as % of AUM (YTD)	5.3%	6.2%		6.5%	
Expenses as % of gross premiums (YTD)	8.9%	8.8%		7.7%	
Gross life reserves	13,362	12,342	8.3%	12,968	3.0%

- **New sales up 38.0% to EUR 98 million on success of structured investment-linked products**
- **VNB rises 15.2% to EUR 38 million, accounting for 35.8% of Asia/Pacific's VNB**
- **Market share grows to 8.2% from 3.5% a year ago**

Business update

In Taiwan, new sales growth was robust in spite of uncertainties in the market from both the turbulent global economic environment and the local presidential election in late March.

Anticipating market sentiment, ING Life Taiwan focused its sales mix on the less capital-intensive investment-linked products in the first quarter, launching a series of new structured notes targeted at the wealth accumulation segment. Through the end of February, sales of investment-linked products accounted for more than 90% of new business, significantly higher than the industry average of approximately 68%. This helped propel ING Life Taiwan to the number one position for new first-year premium sales in March, with a market share of approximately 15%. Overall, market share improved to 8.2%, up from 3.5% a year ago with ING continuing to be a top-four player in new business production.

Efforts continued to strengthen ING Life Taiwan's tied agency network, which numbered over 8,600 at the end of the first quarter of 2008. Agent productivity steadily improved by over 13% from a year earlier, to approximately three policies per agent per month. This improvement is a result of selective retention and training programs.

Starting 1 January 2008, insurance companies in Taiwan are required to provide discounts on investment-linked policies with large planned premiums. This change had no material impact on the IRR.

Profit
In line with the ING reserve strengthening policy, ING Taiwan reported a profit before tax of zero. As of 31 March, reserve adequacy at the 50% confidence level was EUR 878 million, equivalent to an adequacy position of 68%. This is down slightly from EUR 911 million reported in the fourth quarter of 2007 as the impact of higher swap rates was more than offset by unfavourable policyholder experience. The 10-year swap rate closed at 2.8% on 31 March.

Income
Gross premium income was up by 44.9%, or 59.5% excluding currency effects, driven by strong sales of investment-linked products and improving agent productivity.

Expenses
Operating expenses rose by 1.9% to EUR 53 million, in line with underlying business growth. Expenses as a percentage of premiums remained almost flat at 8.9% in the first quarter of 2008 compared with the same period last year. Assets under management for the investment-linked business, which more than doubled to EUR 1.6 billion from a year earlier, resulted in better economies of scale and lower expenses as a percentage of assets under management: from 6.2% in the first quarter of 2007 to 5.3% in the first quarter of 2008.

Key figures
New sales increased 38.0% to EUR 98 million, driven by strong growth in investment-linked products including the launch of several tranches of the structured investment-linked products. The value of new business rose by 15.2% to EUR 38 million, supported by new business sales growth with stable aggregate margins and an internal rate of return of 31.3%

'Strong sales and growing market share'

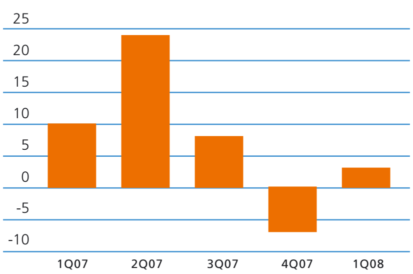
Life Insurance Rest of Asia

Life Insurance Rest of Asia: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Gross premium income	337	222	51.8%	331	1.8%
Commission income	19	17	11.8%	20	-5.0%
Direct investment income	49	57	-14.0%	62	-21.0%
Realised gains and fair value changes on inv.	-0	4	n.a.	1	n.a.
Total investment and other income	49	61	-19.7%	63	-22.2%
Total underlying income	**405**	**300**	**35.0%**	**415**	**-2.4%**
Underwriting expenditure	339	235	44.3%	346	-2.0%
Operating expenses	63	53	18.9%	75	-16.0%
Other interest expenses	-	1	n.a.	1	n.a.
Other impairments	-0	-0	n.a.	-0	n.a.
Total underlying expenditure	**402**	**290**	**38.6%**	**422**	**-4.7%**
Underlying profit before tax	**3**	**10**	**-70.0%**	**-7**	**n.a.**
Taxation	3	-1	n.a.	-8	n.a.
Profit before minority interests	0	10	-100.0%	1	-100.0%
Minority interests	1	-2	n.a.	3	-66.7%
Underlying net profit	**-0**	**12**	**n.a.**	**-2**	**n.a.**
KEY FIGURES					
Value of new life business	12	-		12	0.0%
Internal rate of return (YTD)	14.6%	7.5%		10.2%	
Single premiums	107	22	386.4%	73	46.6%
Annual premiums	63	44	43.2%	72	-12.5%
New Sales (APE)	73	46	58.7%	79	-7.6%
Investment in new business	21	19	10.5%	27	-22.2%
Expenses as % of AUM (YTD)	0.8%	0.8%		0.8%	
Expenses as % of gross premiums (YTD)	14.8%	14.2%		14.2%	
Gross life reserves	3,623	3,364	7.7%	3,682	-1.6%

- **Hong Kong & China deliver over 100% APE growth**
- **Distribution alliance with Public Bank in Malaysia generates over EUR 36 million in new premiums in opening quarter**
- **VNB improves to EUR 12 million on robust sales growth**

LIFE INSURANCE REST OF ASIA

Underlying profit before tax (EUR million)



Business update

In the Rest of Asia, ING is well-positioned to capitalise on long-term opportunities and strengthened its business presence in the first quarter. Sales through Public Bank in Malaysia commenced in January, with ING Life Malaysia and ING Life Hong Kong launching their first products, which generated EUR 36 million new premiums through the end of March. The shift from traditional life insurance to unit-linked products continued, accounting for almost half of new sales. This trend was strongest in China and Hong Kong where unit-linked sales generated 7.2% and 41.1% of new sales, up from 0% and 6.7%, respectively, a year earlier.

New sales through tied agents also grew by over 40%, driven by India, Malaysia and Thailand. In India, ING Vysya Life has established a broad, rapidly growing distribution platform which is supported by ongoing marketing and advertising campaigns. At the end of the first quarter, the number of sales offices in India exceeded 265, supporting over 52,000 tied agents, both more than doubling from a year earlier. In China, ING achieved a fifth ranking in new business sales among foreign insurers through the end of February. This is a tribute to successful bancassurance sales, the introduction of competitive universal life and unit-linked products, and sustained geographical expansion. ING is currently active in eight Chinese provinces, up from six provinces at the end of 2007. It has 19 offices, over 5,500 tied agents and 11 bank partnerships.

In the Middle East, ING has received a licence from the Dubai International Finance Centre in December 2007 and will soon commence its investment management business there. The six Gulf Co-operating Council (GCC) countries are estimated to be the world's 17th largest economy in terms of GDP, with a value of approximately EUR 700 billion.

Profit

Underlying profit before tax was EUR 3 million compared with a profit before tax of EUR 10 million in the first quarter of 2007. This decline is attributable to accelerated investments in greenfield businesses in India, China and Thailand (which led to higher operating costs) and new business strain from the tremendous growth in new business.

Income

Gross premium income jumped 51.8% to EUR 337 million compared with the first quarter of 2007. This increase was driven by new sales and a growing in-force portfolio across the Rest of Asia segment. Malaysia's growth was supported by higher renewal premium income on sales of its investment-linked products. Likewise, Hong Kong continued to benefit significantly from the success of its i-wealth product and the growth of the bancassurance channel. China, while small in absolute terms, more than doubled its growth.

Expenses

Operating expenses increased 18.9% to EUR 63 million compared with the first quarter of 2007. The increase in expenses was necessary to support the high growth in new businesses as well as continued infrastructure investment, including branch openings, agent recruitment and expansion activities for the bank distribution channels.

Key figures

New sales were up significantly compared with the first quarter of 2007 on the strength of distribution and the success of ING's strategic alliances. This growth came from all markets. Hong Kong was up 139.4% to EUR 16 million due to its ongoing expansion into the investment-linked segment and the success of its bank distribution partnerships, while Malaysia was up 46.3% to EUR 18 million, in part due to the success of the Public Bank distribution agreement. India was up 48.7% to EUR 25 million on branch office and agency expansion. China was up 134.3% to EUR 7 million on increased sales through bancassurance and the successful introduction of universal life and unit-linked products. Thailand was flat at EUR 7 million. The value of new business improved to EUR 12 million compared to nil million in the first quarter of 2007 on sales performance and lower allocations of expenses to greenfields.

Corporate Line Insurance

Corporate Line Insurance						
EUR million	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	1Q vs 1Q
Interest on hybrids	-70	-66	-54	-51	-50	-20
Interest on ING Group core debt / cost of preference shares	-33	-41	-55	-45	-27	-7
Interest on core debt Insurance	-62	-88	-48	-77	-84	22
Interest on hybrids and core debt	-165	-196	-157	-174	-160	-4
Fair value changes derivatives	83	-61	-38	2	-26	109
Amortisation intangible assets	-16	0	0	0	0	-16
Other results Capital Management	30	31	12	14	9	21
Capital Management	-68	-226	-184	-157	-178	110
Capital gains net of impairments	56	1,257	589	802	237	-182
Notional income	-113	-104	-103	-112	-114	1
Gains on equities after notional income	-58	1,154	486	690	123	-181
Results from reinsurance run-off portfolios	3	5	8	2	-20	22
Other	6	-36	-19	-4	-10	16
Underlying profit before tax	**-117**	**896**	**291**	**531**	**-84**	**-33**
Taxation	-65	-39	-67	-32	-64	-2
Minority interests	-17	-16	-2	2	-6	-11
Underlying net profit	**-35**	**951**	**361**	**561**	**-15**	**-20**
Net gains/losses on divestments	-17	-129				-17
Net profit from divestments						0
Special items after tax						0
Total net profit	**-52**	**822**	**361**	**561**	**-15**	**-37**

The Corporate Line Insurance includes items over which the business units have no direct control. These include capital management items, capital gains on equities, run-off portfolio's as well as Formula 1 sponsoring costs.

Profit

Underlying profit before tax was a loss of EUR 117 million compared to a loss of EUR 84 million in the same period last year.

The Capital Management result comprises interest on hybrids and core debt as well as fair value changes on derivatives, which mainly consist of top-down equity hedges and swaps on core debt. The interest on core debt includes the costs of equity leverage at ING Group which are passed on to both ING Bank and ING Insurance, as well as the costs of the core debt directly held by ING Insurance. As from this quarter the amortisation of the intangible assets are transferred from the business unit to the Corporate Line. The capital management result improved EUR 110 million thanks to a positive swing of EUR 109 million related to fair value changes on derivatives. This was caused by EUR 153 million in higher results from equity hedges, which, in turn, were partially offset by EUR 51 million in lower results on swaps related to the core debt Americas.

All capital gains and losses on equities as well as equity impairments realised in the lines of business are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the business units. The remainder is presented on the Corporate Line as 'Gains on equities after notional income'. The dividends received on the equity portfolio are not transferred to the Corporate Line but stay within the business units.

In the first quarter of 2008, EUR 92 million of capital gains on equities were realised within the business units and transferred to the Corporate Line versus EUR 246 million in the same period last year. The impairments on equities, which are also transferred to the Corporate Line, were EUR 37 million versus EUR 8 million in the first quarter of last year. Notional income of EUR 113 million was transferred back to the business units, no change relative to the first quarter of 2007. As the notional income transferred to the business units is higher than the net realised capital gains, 'Gains on equities after notional income' is negative for this quarter.

Furthermore, results from run-off reinsurance portfolios were up EUR 22 million as the first quarter of 2007 included a EUR 20 million loss following reserve strengthening.

Other results, which also include Formula 1 sponsoring costs, improved following higher underwriting results at ING Re which improved EUR 14 million following lower reinsurance claims.

The EUR 17 million net loss on divestments in the first quarter of 2008 relates to an additional loss on the sale of NRG from currency movements.

Banking

Limited impact of credit and market turmoil on ING's banking results. Profit before tax slightly up supported by higher volumes and improved interest margin offsetting higher risk costs and negative fair value changes on real estate.

Banking Total

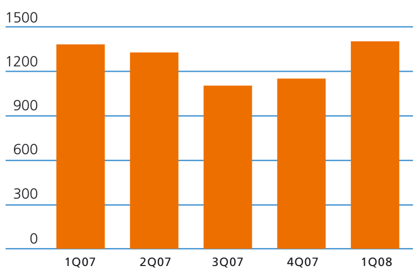
Banking: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	2,559	2,184	17.2%	2,308	10.9%
Commission income	719	744	-3.4%	688	4.5%
Investment income	89	320	-72.2%	148	-39.9%
Other income	552	508	8.7%	548	0.7%
Total underlying income	**3,920**	**3,757**	**4.3%**	**3,692**	**6.2%**
Operating expenses	2,417	2,373	1.9%	2,509	-3.7%
Gross result	1,503	1,384	8.6%	1,183	27.0%
Addition to loan loss provision	98	-0		31	216.1%
Underlying profit before tax	**1,405**	**1,384**	**1.5%**	**1,151**	**22.1%**
Taxation	402	313	28.4%	150	168.0%
Profit before minority interests	1,003	1,071	-6.3%	1,001	0.2%
Minority interest	12	26	-53.8%	26	-53.8%
Underlying net profit	**991**	**1,045**	**-5.2%**	**975**	**1.6%**
Net gains/losses on divestments	0	0		0	
Net profit from divested units	0	0		0	
Special items after tax	-94	0		-98	
Net profit from Banking	**897**	**1,045**	**-14.2%**	**877**	**2.3%**
KEY FIGURES					
Net return on equity	14.5%	20.7%		16.7%	
Interest margin	1.02%	0.95%		0.94%	
Underlying cost/income ratio	61.7%	63.2%		68.0%	
Risk costs in bp of average CRWA	16	0		3	
Risk-weighted assets (end of period)	308,734	333,722	-7.5%	402,727	-23.3%
Underlying RAROC before tax	25.1%	29.3%		21.5%	
Underlying RAROC after tax	17.8%	23.4%		19.2%	
Economic capital (average over period)	18,165	14,832	22.5%	16,416	10.7%
Underlying tax rate	28.6%	22.6%		13.0%	
Staff (FTEs end of period)	72,803	64,767	12.4%	66,182	10.0%

Note: Risk-weighted assets as from 2008 based on Basel II; 2007-figures based on Basel I.

- **Gross result up 8.6% despite continued market turmoil**
- **Risk costs increased, but remained well below normalised levels**
- **Underlying net profit down 5.2% due to higher taxes**

BANKING TOTAL

Underlying profit before tax (EUR million)



Business update

Results in ING's banking business showed resilience despite the market and credit turmoil. The subprime mortgage crisis in the US and related turmoil in credit markets had a limited direct impact of EUR 37 million on the P&L, reflecting the company's strong risk management and relatively conservative business mix. Wholesale Banking recorded a pre-tax P&L impact of EUR 33 million on subprime assets, CDOs and monoliners. ING Direct in the US took no impairments on its Alt-A residential mortgage-back securities portfolio, reflecting its relatively high quality. The negative revaluation of the portfolio was taken via equity (see chapter on Risk Management). ING Direct Canada booked a mark-to-market loss of EUR 4 million on investments in bank sponsored asset-backed commercial paper (ABCP). For the non-bank sponsored ABCP no further impairments were necessary on top of the EUR 29 million booked in the fourth quarter.

Wholesale Banking had an impairment of EUR 7 million on an equity stake in Belgium. At ING Real Estate, the market turmoil resulted in a EUR 58 million downward valuation of real estate assets and the associated value of listed funds.

Apart from this limited impact from the

market turmoil, ING's banking businesses showed robust results, thanks to continued volume growth and an improvement of the interest margin. In particular Financial Markets had a very strong first quarter. Risk costs remained well below normalised levels, while there was little indication of deterioration in the quality of the overall lending portfolio.

Profit

Underlying net profit declined 5.2%, due to a higher effective tax rate largely caused by lower tax-exempt results. Profit before tax rose 1.5% supported by an improvement of the interest margin partly offset by lower investment income. Risk costs are still relatively low, but increased to EUR 98 million from nil in the first quarter last year. Operating expenses rose 1.9%.

Total net profit declined 14.2%, including EUR 94 million of one-off charges booked as special items in the first quarter of 2008. The special items include EUR 24 million for combining ING Bank and Postbank in the Netherlands and EUR 70 million for the unwinding of the joint venture with Postkantoren BV.

Income

Total underlying income rose 4.3% to EUR 3,920 million. Excluding the acquisition of Oyak Bank and the impact of exchange rate changes, income was up 3.6%.

The interest result rose 17.2%, driven by a further increase in volumes and an improvement of the interest margin. The total interest margin increased to 1.02%, up 7 basis points compared with the first quarter of 2007, of which 2 basis points are due to the inclusion of Oyak Bank and 3 basis points to a higher margin at ING Direct. The interest margin of ING Direct improved 10 basis points to 0.86%, mainly thanks to the improved interest rate environment in the US.

Total loans and advances to customers of the banking operations increased by EUR 16.3 billion in the first quarter to EUR 542.7 billion at the end of March, while currencies had a negative impact of EUR 7.5 billion. Corporate lending increased 4.7%, or EUR 12.5 billion, mainly in the Netherlands. Residential mortgages increased by EUR 3.9 billion, of which EUR 2.0 billion was in the Netherlands and EUR 1.2 billion at ING Direct. Currencies had a negative impact of EUR 3.4 billion on ING Direct's mortgage portfolio. Compared with a year ago, total loans and advances are up 18.2%, or EUR 83.7 billion.

Customer deposits and other funds on deposit of the banking operations rose by EUR 5.3 billion in the first quarter to EUR 533.5 billion, with currencies having a negative impact of EUR 8.7 billion. Total savings decreased EUR 3.6 billion mainly at ING Direct, while current accounts were up EUR 8.6 billion. Compared with a year ago, customer deposits and other funds rose EUR 14.1 billion, or 2.7%.

Commission income declined 3.4% as lower fees from the securities business and brokerage & advisory activities offset higher fees from asset management and funds transfer. Investment income declined to EUR 89 million from EUR 320 million, reflecting EUR 165 million lower realised gains on bonds and equities as well as EUR 59 million lower fair-value changes on real estate. Other income rose 8.7%. Lower net trading income and lower profits from associates at ING Real Estate were more than offset by higher valuation results on non-trading derivatives not applying for hedge accounting and higher other revenues.

Expenses

Underlying operating expenses were up 1.9%, or EUR 44 million. Excluding the acquisition of Oyak Bank and the currency impact, operating expenses were flat as investments to support the growth of the business at ING Direct, ING Real Estate and the retail banking activities in developing markets were offset by lower expenses in the mature businesses. The underlying cost/income ratio improved to 61.7% from 63.2% in the first quarter last year. The number of employees rose to 72,803 from 64,767 at the end of March 2007, of which 6,072 come from to the acquisition of Oyak Bank.

Despite the turmoil in the credit markets and further growth in lending, net risk costs remained relatively low. ING added EUR 98 million to the provision for loan losses, compared with nil in the first quarter of 2007. Overall the loan portfolio remained healthy with limited inflow of new impaired files. Gross additions to the loan loss provisions were EUR 202 million, more or less the same level as in previous quarters. Releases, however, decreased to EUR 105 million, which is about 40% lower than the average quarterly release in the last two years.

Key figures

The underlying risk-adjusted return on capital (RAROC) after tax decreased to 17.8% from 23.4% in the first quarter last year, reflecting higher tax charges and a strong increase in economic capital. Average economic capital rose to EUR 18.2 billion from EUR 14.8 billion, of which EUR 1.3 billion was due to the acquisition of Oyak Bank and the increased value of ING's stake in the Bank of Beijing. Economic capital of Wholesale Banking rose by EUR 2.1 billion, including EUR 0.7 billion at ING Real Estate, partly due to methodology refinements. In the RAROC calculations, the actual risk costs of 16 basis points are replaced by 43 bps in expected losses reflecting average credit losses over the economic cycle.

Total risk-weighted assets declined 23.3% to EUR 308.7 billion at the end of March from EUR 402.7 billion at year-end 2007. The strong decline is fully caused by the implementation of Basel II due to the relatively low risk profile of ING Bank's balance sheet, while the 2007 figures were still based on Basel I. Compared with the Basel II risk-weighted assets at the beginning of 2008 (EUR 293.0 billion), total risk-weighted assets rose 5.4%.

Wholesale Banking

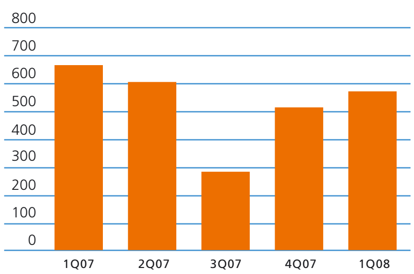
Wholesale Banking: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	611	409	49.4%	449	36.1%
Commission income	288	307	-6.2%	281	2.5%
Investment income	41	246	-83.3%	164	-75.0%
Other income	368	368	0.0%	305	20.7%
Total underlying income	**1,307**	**1,329**	**-1.7%**	**1,200**	**8.9%**
Operating expenses	708	713	-0.7%	778	-9.0%
Gross result	599	616	-2.8%	422	41.9%
Addition to loan loss provision	30	-48		-90	
Underlying profit before tax	**570**	**665**	**-14.3%**	**512**	**11.3%**
- of which General Lending & PCM	106	169	-37.3%	169	-37.3%
- of which Structured Finance	68	122	-44.3%	106	-35.8%
- of which Leasing & Factoring	41	36	13.9%	32	28.1%
- of which Financial Markets	267	223	19.7%	-12	
- of which Other Wholesale products	-20	-42		71	-128.2%
- of which ING Real Estate	107	158	-32.3%	145	-26.2%
Taxation	186	105	77.1%	102	82.4%
Profit before minority interests	384	560	-31.4%	410	-6.3%
Minority interest	1	17	-94.1%	15	-93.3%
Underlying net profit	**384**	**544**	**-29.4%**	**395**	**-2.8%**
KEY FIGURES					
Underlying cost/income ratio	54.2%	53.6%		64.8%	
Risk costs in bp of average CRWA	9	-15		-23	
Risk-weighted assets (end of period)	171,928	133,746	28.5%	165,921	3.6%
Underlying RAROC before tax	22.0%	27.8%		17.2%	
Underlying RAROC after tax	14.6%	25.2%		13.6%	
Economic capital (average over period)	8,999	6,949	29.5%	7,790	15.5%
Staff (FTEs end of period)	15,234	14,754	3.3%	15,014	1.5%

Note: Risk-weighted assets as from 2008 based on Basel II; 2007-figures based on Basel I.

- **Gross result back on pre-turmoil levels**
- **Strong performance of Financial Markets**
- **ING Real Estate affected by lower fair value changes**

WHOLESALE BANKING

Underlying profit before tax (EUR million)



Business update

ING Wholesale Banking is holding up well and the direct impact from distressed assets was limited. The business environment is still challenging and the turbulence on financial markets continued. The syndicated loan market remains quiet and the market turmoil also affected the investment property market. The latter resulted in negative revaluations of real estate assets. However, the turbulence also results in more conservative transaction multiples and better pricing on lending. Falling yields and increased volatility offer good opportunities for ING Financial Markets. Loan losses increased but remain low.

In the Benelux and Central Europe, Wholesale Banking aims to be a leading full-service bank. In the Netherlands, a new campaign was launched in the first quarter to position ING's capabilities and ambition. This is already paying off as a number of high-profile deals were completed in the first quarter of 2008. New clients were added both in the Netherlands and Belgium.

In Central Europe, Wholesale Banking aims to become a top-5 full-service bank in its home markets. It is investing in product capabilities and there is an increased focus on growth countries, such as Russia, Romania, Poland and Ukraine.

Wholesale Banking also continues to build its global franchises in Structured Finance, Financial Markets and Real Estate. Structured Finance is strengthening its position particularly in the Americas and Asia. In Financial Markets, hiring has started to reinforce its position in selected emerging markets.

Mid-corporate clients in the home markets Netherlands, Belgium, Poland and Romania have been transferred retroactively from Wholesale Banking to Retail Banking. This allows the domestic banking operations in these markets to operate under a single management, while Wholesale Banking is able to focus on delivering high value-added products.

Profit

Underlying profit before tax declined 14.3% on the first quarter of 2007. This was mainly due to EUR 58 million in negative fair value changes in the Investment Portfolio of ING Real Estate compared with EUR 58 million in positive revaluations in the first quarter of 2007. Net additions to the loan loss provision were limited; in the first quarter of 2007 there was a net release as well as a substantial gain on an equity stake.

Financial Markets benefited from a steepening of the yield curve, increased volatility and good trading results. Profit before tax improved 19.7% compared with an already strong first quarter in 2007. Pre-tax result for Financial Markets improved EUR 279 million on the fourth quarter. The latter quarter included EUR 106 million of losses related to subprime, CDOs and monoline insurers. In the first quarter of 2008, these losses for Financial Markets were limited to EUR 33 million.

ING Real Estate, excluding revaluations, continued to do well despite a slowdown in the investment management property market. Growth in assets under management is slowing down but inflows were still recorded. Excluding the fair value changes in the Investment Portfolio, profit before tax improved 65%.

Earnings for Structured Finance decreased 44.3%. Distribution revenue was down, while risk costs increased over the prior year.

Profit before tax for General Lending & PCM declined 37.3% compared with the first quarter of 2007, which included a sizeable investment gain on an equity stake related to a past debt refinancing. Excluding this gain, the gross result rose strongly.

Leasing & Factoring profit rose 13.9% driven by volume growth.

Income

In spite of the continued market turbulence, income almost matched the high level in the first quarter of 2007. Income improved 8.9% on the fourth quarter, with revenues for Financial Markets almost tripling.

General Lending & PCM continued the favourable trend in both interest and commission income, supported by higher volumes and a number of high-profile deals. This was partly offset by the one-off gain in the first quarter of 2007.

In Structured Finance, all products are affected by the reduction in distribution revenues as the market moved towards club deals. The first quarter last year included large distribution revenues particularly in the telecom sector. Despite this effect, both Natural Resources and Trade & Commodity finance posted higher revenues.

Financial Markets posted a record quarter. Both for the client-related business and for asset & liability management, the falling yields and increased volatility provided an excellent background to generate revenues.

ING Real Estate saw strong income growth at Development, following the sale of large projects. Investment Management increased its income by 34%, while Finance income was up 27%.

This was more than offset by negative revaluations in the Investment Portfolio. Income from Other Wholesale Products was in line with last year but sharply down on the fourth quarter, which was boosted by EUR 100 million in capital gains on the sale of stakes in the stock and derivatives exchange in Sao Paulo.

Expenses

Underlying operating expenses declined slightly from the first quarter of 2007. This mainly reflects lower compliance costs and favourable currency effects. The cost/income ratio was 54.2% compared with 53.6% in the same quarter last year, mainly due to fair value changes in ING Real Estate.
The net addition to loan loss provisions increased to EUR 30 million, but remained well below normalised levels. Both the first quarter of 2007 and the fourth quarter included net releases.

Key figures

The RAROC after tax declined to 14.6% from 25.2% due to higher tax charges and a 29.5% increase in average economic capital. Especially ING Real Estate and Structured Finance showed strong growth in economic capital, which was heavily impacted by model changes for credit and market risk due to the implementation of Basel II.

WHOLESALE BANKING
% based on underlying profit before tax 1Q2008

- General Lending & PCM (18%)
- Structured Finance (12%)
- Leasing & Factoring (7%)
- Financial Markets (45%)
- ING Real Estate (18%)

General Lending & PCM

Wholesale Banking General Lending & PCM: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	169	152	11.2%	169	0.0%
Commission income	54	30	80.0%	45	20.0%
Investment income	1	78	-98.7%	-4	
Other income	17	5	240.0%	-1	
Total underlying income	**242**	**265**	**-8.7%**	**208**	**16.3%**
Operating expenses	138	134	3.0%	140	-1.4%
Gross result	104	131	-20.6%	68	52.9%
Addition to loan loss provision	-2	-38		-101	
Underlying profit before tax	**106**	**169**	**-37.3%**	**169**	**-37.3%**
Taxation	26	-2		32	-18.8%
Profit before minority interests	80	171	-53.2%	137	-41.6%
Minority interest	0	2	-100.0%	-1	
Underlying net profit	**80**	**169**	**-52.7%**	**138**	**-42.0%**
KEY FIGURES					
Underlying cost/income ratio	57.1%	50.5%		67.3%	
Underlying RAROC before tax	9.3%	14.1%		5.1%	
Underlying RAROC after tax	7.4%	14.0%		3.3%	
Economic capital (average over period)	2,245	1,831	22.6%	1,774	26.6%

- **Higher volumes in General Lending and better margins in PCM**
- **Income significantly up excluding one-off investment gain in 2007**
- **Again net release in risk costs, but releases are drying up**

Business update

General Lending experienced continued growth in volumes driven by increased marketing and expanding client coverage. The volume growth was particularly strong in the Netherlands and Central Europe. A number of high-profile deals were completed in the Benelux.

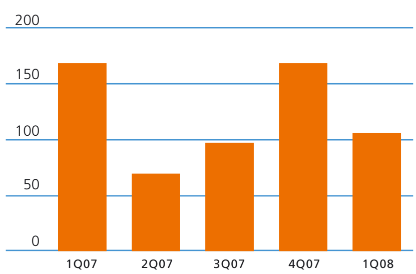
Margins increased in recent months while the liquidity situation in the market is making it necessary to reprice. ING introduced a programme to improve the business lending cost/income ratio, for both wholesale and retail business clients. A simplified product range, streamlined operational processes and improved IT should create a better overall client experience of lending services.

Payments & Cash Management continued to increase volumes and margins, especially in the growth area Central Europe. As the credit crisis deepens, ING has benefited since clients have become more selective in the financial institutions they use for their savings and deposit business. Financial institutions further increased the outsourcing of payment operations.

Payment volumes increased on the back of new marketing initiatives, and PCM successfully attracted new large clients. In Luxembourg a marketing campaign was launched aimed at the growing number of private equity firms that are locating their European offices there.

ING received the TMI award for PCM as the "Best Cash Management Bank in Central and Eastern Europe" for the eighth consecutive year and "Best Cash Management Bank in Europe" for the first time. Based on the Euromoney Cash Management Poll for 2007, ING was ranked tenth globally and in Western Europe, and fifth in Central & Eastern Europe.

WHOLESALE BANKING GENERAL LENDING AND PAYMENTS & CASH MANAGEMENT
Underlying profit before tax (EUR million)



General Lending & PCM is now excluding the result from Mid-corporate clients transferred retroactively to Retail Banking. The transfer reduced underlying profit before tax by EUR 86 million in the first quarter of 2008 compared with EUR 45 million in the first quarter last year.

Profit

Underlying profit before tax declined 37.3% compared with the first quarter of 2007, which included a sizeable investment gain on an equity stake related to a past debt refinancing. Excluding this gain, profit decreased modestly despite considerably smaller releases of risk costs. Compared with the previous quarter, profit before tax also declined 37.3% as the fourth quarter of 2007 included a recovery of a single provision of EUR 115 million from a debtor provision in the US. Excluding this release, profit almost doubled.

Income

Income rose strongly excluding the aforementioned one-off gain in the first quarter of 2007. Income from General Lending was up thanks to higher volumes and increased commissions following several high-profile deals in the Benelux. Higher margins in the Payments and Cash Management activities contributed to income growth.

Compared with the previous quarter income rose 16.3% driven by both General Lending and PCM. In General Lending this was mainly reflected in higher volumes, while PCM had higher margins.

Expenses

Operating expenses rose 3.0% compared with the first quarter of 2007, but declined 1.4% on the last quarter of 2007.

Risk costs showed a net release in the first quarter, however that was less than in the first quarter of 2007 as releases are drying up. The fourth quarter of 2007 included a release of EUR 115 million from a single debtor provision.

Key figures

After-tax RAROC declined to 7.4% from 14.0% as the first quarter of 2007 contained a sizeable tax-free gain on an equity stake. Compared with the fourth quarter of 2007, after-tax RAROC improved 4.1%-points supported by higher income. The 22.6% increase in economic capital is attributable to continued volume increases as well as model refinements due to the implementation of Basel II.

'Volume growth in General Lending continued, while PCM realised higher margins'

Structured Finance

Wholesale Banking Structured Finance: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	136	112	21.4%	136	0.0%
Commission income	57	94	-39.4%	71	-19.7%
Investment income	1	4	-75.0%	5	-80.0%
Other income	-23	9	-355.6%	-22	
Total underlying income	**171**	**220**	**-22.3%**	**190**	**-10.0%**
Operating expenses	83	85	-2.4%	86	-3.5%
Gross result	88	134	-34.3%	103	-14.6%
Addition to loan loss provision	21	13	61.5%	-2	
Underlying profit before tax	**68**	**122**	**-44.3%**	**106**	**-35.8%**
Taxation	6	27	-77.8%	17	-64.7%
Profit before minority interests	62	94	-34.0%	89	-30.3%
Minority interest	0	-0		0	
Underlying net profit	**62**	**94**	**-34.0%**	**89**	**-30.3%**
KEY FIGURES					
Underlying cost/income ratio	48.3%	38.8%		45.6%	
Underlying RAROC before tax	18.6%	57.2%		31.3%	
Underlying RAROC after tax	17.4%	46.3%		27.4%	
Economic capital (average over period)	1,241	788	57.5%	991	25.2%

- **Lower syndication income partly offset by higher margins on new lending**
- **Profit before tax down due to Leveraged Finance and Telecom**
- **Other business lines holding up well**

Business update

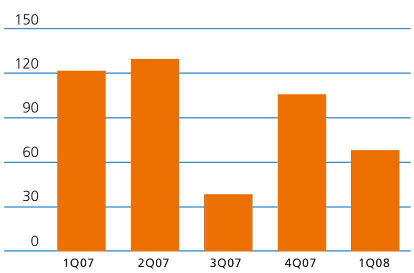
Financial market conditions continuously impact the loan market in which Structured Finance operates. Many loan market participants are refraining from taking on new commitments due to liquidity constraints. Consequently, the number of club deals has increased, leading to a reduction in syndication revenues. The first quarter last year included large syndication revenues, particularly in the telecom sector.

Against this background, lending margins for new bank loans increased in many Structured Finance products, reflecting the supply/demand balance. This has sharply reduced the number of refinancing transactions. Although the disruption to the markets is large, new transactions with more conservative multiples and higher pricing are being completed. The positive effects of higher margins on new lending and the expansion in resources are not yet sufficient to overcome the fall in syndication revenues.

New transactions continue to see good volume in many areas, particularly Natural Resources and Trade & Commodity Finance, and geographically in Russia. Volumes in the leveraged finance market are sharply down due to market conditions, although new transactions in the middle market in all regions (Europe, Americas and Asia) continue to be seen. In Infrastructure and other project finance markets pricing has increased and the market became more selective.

When credit markets became disrupted in August 2007, ING had in Leveraged Finance an underwriting pipeline of EUR 2.3 billion spread over 14 transactions. The pipeline is reduced to about EUR 0.7

WHOLESALE BANKING STRUCTURED FINANCE
Underlying profit before tax (EUR million)



billion, while the Leveraged Finance Group now holds EUR 1.4 billion of loans as a result of failed syndication processes. These positions are classified as loans and receivables and are valued against nominal value. Management confirmed its intent and ability to hold on to these assets on a longer term basis. As a result, these loans and receivables remain to be accounted for at amortised cost.

Structured Finance has received 39 deal awards for 2007 transactions, across a wide number of product lines. The Leveraged Finance business was awarded "Mezzanine House of the Year" by Acquisitions Monthly.

Profit

Underlying profit before tax declined 44.3% compared with the first quarter of 2007, when deal flow was still strong. This decline was entirely due to lower Leveraged Finance and Telecom income. Profit from the other business lines held up well. Compared with the previous quarter, profit before tax decreased 35.8% due to higher risk costs and a decrease in Leveraged Finance income.

Income

Income declined 22.3%. Most Structured Finance products are affected by the reduction in syndication revenues as the markets moved towards club deals. The first quarter last year included large syndication revenues, particularly in the telecommunications sector. Despite this effect, both Natural Resources Finance and Trade & Commodity Finance posted considerable income growth. Compared with the fourth quarter of 2007, interest result remained stable, but total income fell 10.0% as a result of lower commissions.

Expenses

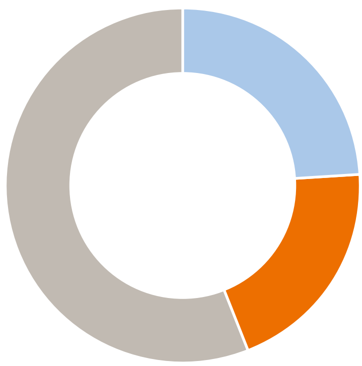
Operating expenses declined 2.4%, partly driven by currency effects, as a large part of the Structured Finance business is situated in non-euro countries. Compared with the fourth quarter of 2007, operating expenses were down 3.5%.

The net addition to loan loss provisions increased to EUR 21 million from EUR 13 million in the first quarter last year, but is still below the average expected losses over the cycle.

Key figures

After-tax RAROC declined to 17.4% as a result of lower income and a sharp increase in economic capital. Especially credit risk capital increased, partly reflecting higher volumes, but mainly caused by model refinements due to the implementation of Basel II.

'Income suffered from lower syndication revenues, partly offset by higher margins on new lending'



STRUCTURED FINANCE

Underlying profit before tax 1Q2008

- Leveraged Finance (24%)
- International Trade & Export Finance (20%)
- Other Structured Finance, including Sector Based SF (56%)

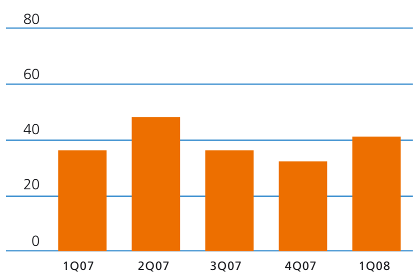
Leasing & Factoring

Wholesale Banking Leasing & Factoring: Income Statement

In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	41	35	17.1%	34	20.6%
Commission income	7	5	40.0%	9	-22.2%
Investment income	0	0		-3	
Other income	57	54	5.6%	61	-6.6%
Total underlying income	**106**	**94**	**12.8%**	**101**	**5.0%**
Operating expenses	60	55	9.1%	60	0.0%
Gross result	46	39	17.9%	42	9.5%
Addition to loan loss provision	5	3	66.7%	9	-44.4%
Underlying profit before tax	**41**	**36**	**13.9%**	**32**	**28.1%**
Taxation	12	15	-20.0%	6	100.0%
Profit before minority interests	29	20	45.0%	26	11.5%
Minority interest	-0	0		0	
Underlying net profit	**29**	**20**	**45.0%**	**26**	**11.5%**
KEY FIGURES					
Underlying cost/income ratio	56.5%	58.6%		59.0%	
Underlying RAROC before tax	26.9%	19.5%		25.3%	
Underlying RAROC after tax	19.0%	11.9%		19.9%	
Economic capital (average over period)	538	487	10.5%	536	0.4%

- **Strong volume growth in leasing portfolio**
- **Income up 12.8%**
- **After-tax RAROC improves to 19.0% from 11.9%**

WHOLESALE BANKING LEASING & FACTORING
Underlying profit before tax (EUR million)



Business update

The General Lease portfolio increased in the first quarter as a result of autonomous growth and acquisitions. The car fleet grew while also the factoring volume handled by Commercial Finance increased. The portfolio in Central & Eastern Europe (CEE) further increased thanks to continued investments in Central Europe to expand its lease activities. New business grew significantly in the Netherlands, following the launch of a web-enabled application called ‘e-Lease’ in 2007. This is a front-office sales tool that includes prompt online credit scoring. In Hungary, ING Lease made good progress in integrating the acquired business of Citileasing. A combined management team has been put in place and the organisation now operates from one office. Citileasing is in the process of re-branding. The two origination teams have been combined and client coverage has been agreed on.

ING continues to invest in its product offering. Structured Commercial Finance, which specialises in large trade receivables, was integrated into the lease business. In May 2008, ING Commercial Finance will introduce ‘Supply chain finance’, a web-enabled platform on which payment obligations can be tendered for financing by suppliers. Small offices for Commercial Finance are being set up in the fast-growing markets of Spain and Italy in order to complete ING’s European offering of Commercial Finance. These offices should be operational by the third quarter of 2008.

The transfer of Mid-corporate clients to Retail Banking reduced underlying profit before tax from Wholesale Banking Leasing & Factoring by EUR 12 million in the first quarter of 2008 compared with

EUR 15 million in the first quarter last year.

Including the transferred Mid-corporate clients, total underlying profit before tax of Leasing & Factoring within the bank was EUR 53 million in the first quarter of 2008, with EUR 142 million in total income.

Profit

Underlying profit before tax of Leasing & Factoring in Wholesale Banking increased 13.9% compared with the first quarter of 2007 as continued volume growth drove income higher. Compared with the fourth quarter of 2007, profit before tax rose 28.1%, fuelled by business growth and lower net additions to the loan loss provision.

Income

Income increased 12.8% driven by a significant increase of the portfolio, particularly in Belgium and Central & Eastern Europe. This was attributable to autonomous growth, the acquisition of Citileasing in Hungary at the end of 2007 and the broadening of the product range with structured commercial finance.

Compared with the fourth quarter of 2007, income in the first quarter rose 5.0%, thanks to volume growth. However, that was partly offset by lower income on the sale of leased assets.

Expenses

Operating expenses rose 9.1% compared with the first quarter of 2007, partly driven by the acquisition of Citileasing in Hungary and the integration of the structured commercial finance activities. Expenses remained stable compared with the previous quarter due to a litigation provision that was booked in the fourth quarter of 2007.

Risk costs were at a low level in the first quarter of 2008. The increase compared with the first quarter of 2007 reflects the growth of the portfolio.

Key figures

After-tax RAROC improved to 19.0% from 11.9% fuelled by increased income and a lower average tax rate. Economic capital rose 10.5% reflecting the growth of the business. Compared with the previous quarter after-tax RAROC slightly declined as higher returns were offset by higher taxes.

'Continued growth in volumes'

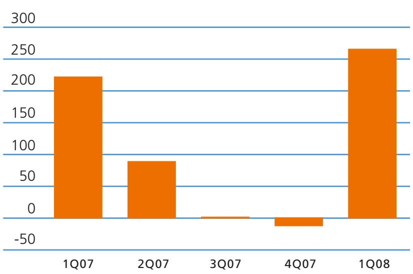
Financial Markets

Wholesale Banking Financial Markets: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	227	115	97.4%	94	141.5%
Commission income	-40	-12		-38	
Investment income	-3	61	-104.9%	-26	
Other income	262	234	12.0%	120	118.3%
Total underlying income	**447**	**399**	**12.0%**	**150**	**198.0%**
Operating expenses	179	176	1.7%	160	11.9%
Gross result	268	223	20.2%	-10	
Addition to loan loss provision	0	-0		2	-100.0%
Underlying profit before tax	**267**	**223**	**19.7%**	**-12**	
Taxation	125	23	443.5%	-26	
Profit before minority interests	142	199	-28.6%	14	914.3%
Minority interest	5	3	66.7%	1	400.0%
Underlying net profit	**138**	**197**	**-29.9%**	**13**	**961.5%**
KEY FIGURES					
Underlying cost/income ratio	40.1%	44.2%		106.4%	
Underlying RAROC before tax	38.8%	35.4%		-2.4%	
Underlying RAROC after tax	20.5%	33.0%		2.1%	
Economic capital (average over period)	2,698	2,315	16.5%	2,315	16.5%

- **Underlying profit before tax reaches record high, with only EUR 33 million of losses on distressed asset classes**
- **Net profit declines due to lower tax-exempt results**
- **RAROC after tax declines to 20.5% from 33.0%**

WHOLESALE BANKING FINANCIAL MARKETS

Underlying profit before tax (EUR million)



Business update

Conditions in Financial Markets remained challenging in the first quarter of 2008 as the disruption in international financial markets continued. The impact from pressurised asset classes was limited. Income from the ALCO book improved although revenues will remain under pressure for the remainder of the year in these market conditions. Still, falling yields, increased volatility and divergent correlations offer good opportunities to generate income. Client-related trading income was particularly strong.

At the same time, the decline in all asset classes created a challenging trading environment. In light of persisting turmoil and dried up liquidity in the inter-bank markets, counterparty risk has increased noticeably. As such, the quality of collateral has increased in importance. ING's strong risk management and conservative approach are reflected in the absence of material direct losses in the first quarter of 2008.

The overall result for the quarter was well above last year's performance. This is particularly the case in Asia, Central Europe and in the developing markets interest rate derivatives business. The latter underscores the strategy to reinforce ING's position in a number of developing markets in order to stimulate further top-line growth.

The transfer of the Mid-corporate clients in the home markets from Wholesale to Retail Banking reduced the pretax profit of Financial Markets by EUR 30 million in the first quarter of 2008 compared with a reduction of EUR 9 million in the first quarter last year and EUR 15 million in the fourth quarter.

Profit

Financial Markets had a strong quarter. Profit before tax improved 19.7% compared with a strong first quarter in 2007. ING's Financial Markets business benefited from a steepening of the yield curve and increased volatility and achieved good trading results. Underlying net profit declined 29.9% reflecting a higher tax rate, largely caused by substantially lower tax-exempt results from trading activities.

Profit before tax improved EUR 279 million on the fourth quarter as the latter quarter included EUR 106 million of losses related to subprime, CDOs and monoline insurers. In the first quarter of 2008, these losses for Financial Markets were limited to EUR 33 million of which EUR 26 million on subprime-related positions, EUR 3 million on CDOs and EUR 4 million on monoline insurers.

Income

Total income rose 12.0% compared with the first quarter last year, mainly driven by strong client-related trading results. Income from Asset & Liability Management improved as well. Proprietary trading revenues declined strongly mainly due to lower equity trading results.

Compared with the previous quarter income almost tripled, most notably as Financial Markets benefited from increased volatility and a favourable yield curve development.

Expenses

Operating expenses rose slightly by 1.7% as higher profit-related staff costs were offset by the strengthening of the euro against the US dollar and the British pound.
The 11.9% expense increase on the previous quarter was fully driven by higher performance-related costs reflecting the strong result this quarter compared with a limited loss in the fourth quarter of 2007.

Key figures

RAROC after tax declined to 20.5% from 33.0% in the first quarter of 2007. This was principally driven by higher taxes and increased economic capital. Market risk capital went up as a result of a higher average Value-at-Risk, while credit risk capital increased including the impact of model changes.
On a pre-tax basis, RAROC improved both on the previous quarter and on the first quarter of 2007.

'Strong income from client-related business and only limited impact of the market turmoil'

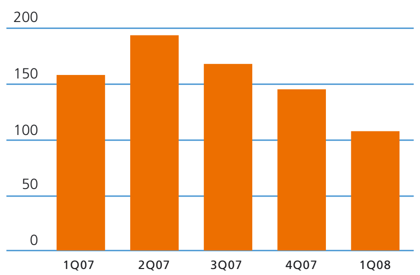
ING Real Estate

Wholesale Banking ING Real Estate: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	29	18	61.1%	18	61.1%
Commission income	126	92	37.0%	138	-8.7%
Investment income	22	89	-75.3%	89	-75.3%
Other income	84	73	15.1%	96	-12.5%
Total underlying income	**261**	**271**	**-3.7%**	**342**	**-23.7%**
Operating expenses	147	118	24.6%	193	-23.8%
Gross result	113	153	-26.1%	149	-24.2%
Addition to loan loss provision	6	-4		4	50.0%
Underlying profit before tax	**107**	**158**	**-32.3%**	**145**	**-26.2%**
- of which Investment Management	38	27	40.7%	39	-2.6%
- of which Investment Portfolio	-50	81	-161.7%	37	-235.1%
- of which Finance	57	53	7.5%	51	11.8%
- of which Development	62	-3		18	244.4%
Taxation	33	42	-21.4%	60	-45.0%
Profit before minority interests	75	115	-34.8%	84	-10.7%
Minority interest	-5	11	-145.5%	16	-131.3%
Underlying net profit	**79**	**104**	**-24.0%**	**69**	**14.5%**
KEY FIGURES					
Underlying cost/income ratio	56.5%	43.4%		56.5%	
Underlying RAROC before tax	22.0%	45.6%		30.7%	
Underlying RAROC after tax	15.3%	33.6%		17.8%	
Economic capital (average over period)	1,908	1,217	56.8%	1,845	3.4%
Staff (FTEs end of period)	2,723	2,197	23.9%	2,549	6.8%

- **Profit down due to fair value changes in Investment Portfolio, but strong results in other sectors**
- **Real Estate portfolio up EUR 0.6 bln to EUR 107.8 bln**
- **RAROC after tax declines to 15.3% partly due to model changes**

WHOLESALE BANKING ING REAL ESTATE

Underlying profit before tax (EUR million)



Business update

The ongoing turmoil in the international financial markets is putting pressure on property valuation in some markets and segments. This resulted in EUR 58 million negative revaluations on ING's Real Estate Investment Portfolio in the first quarter, compared with EUR 58 million positive revaluations in the first quarter last year. Specifically the markets in Australia and Canada were impacted.

In these difficult markets Investment Management, Finance and Development continue to do well. In spite of market conditions and the further weakening of the US dollar against the euro, the ING Real Estate portfolio ended the quarter at EUR 107.8 billion, up 14.2% from end March 2007 and slightly up from EUR 107.2 billion at year-end 2007.

Fee business at Investment Management was strong as assets under management increased despite a decline in the share value of listed funds. Investment Management realised net inflows in Asia, America and Europe although growth in AUM is slowing down. In light of equity market conditions Investment Management expects some investors to rebalance their portfolio allocations, including their allocation to real estate. ING Real Estate Investment Management entered into the largest single asset transaction in the Italian retail market to date: the acquisition of the Roma Est Shopping Center.

ING Real Estate's Finance business grew 3.4% in the first quarter of 2008 to a lending portfolio of EUR 33.2 billion. Interest margins have been under pressure due to liquidity spreads on the funding rates of the loans. Finance concluded several major transactions in the first quarter of 2008, including two loan facilities in Italy for a major UK institutional investor, five loans totalling over EUR 400 million in the US, and EUR 246 million of loan facilities in France.

Development realised substantial sales results on a number of large projects: Alcala Magna (ES), Appelaar (NL), Cakovice (CZ) and Kraanspoor (NL). The latter won the "Green Building of the Year" and the "Special Jury Award". The total Development portfolio remained stable at EUR 3.0 billion, with a total pipeline of EUR 9.9 billion. In France Development completed the acquisition of Geo-de, a French development company, and acquired a 50% share in Amphitheatre, Metz. In the UK, Development acquired Maidenhead, a town centre re-development project.

Profit

Underlying profit before tax declined 32.3% compared with the first quarter of last year. A significant increase in profits from Development and higher fee income from Investment Management were more than offset by negative revaluations in the Investment Portfolio. The Finance business recorded higher results despite a net release from the loan loss provision in the first quarter of 2007. Excluding the impact of revaluations at the Investment Portfolio, profit before tax increased 65%.

The EUR 50 million loss before tax in the Investment Portfolio in the first quarter is largely attributable to the market turmoil, particularly in Canada and Australia, which resulted in lower valuations of real estate assets and in the associated value of listed funds. Compared with the first quarter of 2007, profit before tax declined EUR 131 million, of which EUR 116 million is due to lower revaluations.

Profit before tax from the Investment Management business increased 40.7% to EUR 38 million, driven mainly by the 3.5% growth in assets under management compared with a year ago. Despite difficult market circumstances and the negative impact of further weakening of the US dollar, total assets under management decreased only marginally in the first quarter.

Real Estate Finance continued to show good results with profit up 7.5% to EUR 57 million compared with a year ago. This was driven by a 43.7% increase of the lending portfolio, which was partly offset by lower margins and an increase in risk costs.

The Real Estate Development business reported a profit before tax of EUR 62 million compared with a loss of EUR 3 million in the first quarter of 2007, mainly due to the sale of several large development projects.

Income

Income declined 3.7% compared with the first quarter of 2007. This was fully driven by EUR 58 million negative revaluations in the Investment Portfolio, particularly in Australia and Canada, compared with EUR 58 million positive revaluations in the first quarter last year.

This was offset by the good performance from Finance, which achieved a 27.3% increase in income as a result of EUR 10.1 billion growth in the loan portfolio compared with the first quarter last year. In addition, income in Investment Management increased 34.4% as a result of higher transaction and management fees, as well as out-performance fees. Assets under management grew 3.5% to EUR 71.6 billion compared with a year ago, despite the negative impact of currencies. Development income rose EUR 75 million to EUR 95 million due to the sale of several large projects in Spain, the Netherlands, and the Czech Republic.

Expenses

Operating expenses increased by EUR 29 million, or 24.6%, compared with the first quarter of 2007. The number of FTEs increased 23.9% to 2,723 compared with a year ago, reflecting the strong growth of activities across all business lines. Moving forward, growth programmes have been re-prioritised in order to closely monitor the cost/income ratio.

Risk costs in Real Estate Finance are still low given the strong growth of the portfolio, but increased to a net addition to the loan loss provision of EUR 6 million, compared with a release of EUR 4 million in the same period in 2007.

Key figures

After-tax RAROC declined to 15.3% from 33.6% in the first quarter of 2007. This was mainly due to the lower returns on the Investment Portfolio. Average economic capital increased 56.8% to EUR 1.9 billion. This is mainly caused by model changes for market risk and the growth of the business.

Retail Banking

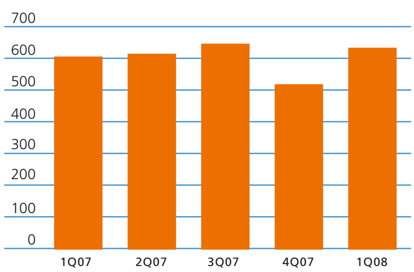
Retail Banking: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	1,411	1,328	6.3%	1,352	4.4%
Commission income	417	417	0.0%	383	8.9%
Investment income	45	36	25.0%	9	400.0%
Other income	72	96	-25.0%	116	-37.9%
Total underlying income	**1,946**	**1,877**	**3.7%**	**1,860**	**4.6%**
Operating expenses	1,274	1,231	3.5%	1,245	2.3%
Gross result	672	646	4.0%	615	9.3%
Addition to loan loss provision	35	36	-2.8%	93	-62.4%
Underlying profit before tax	**638**	**610**	**4.6%**	**522**	**22.2%**
Taxation	138	137	0.7%	103	34.0%
Profit before minority interests	499	474	5.3%	419	19.1%
Minority interest	12	9	33.3%	11	9.1%
Underlying net profit	**488**	**465**	**4.9%**	**408**	**19.6%**
KEY FIGURES					
Underlying cost/income ratio	65.5%	65.6%		66.9%	
Risk costs in bp of average CRWA	19	11		25	
Risk-weighted assets (end of period)	87,986	132,759	-33.7%	153,828	-42.8%
Underlying RAROC before tax	40.6%	47.0%		39.3%	
Underlying RAROC after tax	32.1%	36.9%		31.6%	
Economic capital (average over period)	5,607	4,681	19.8%	5,346	4.9%
Staff (FTEs end of period)	48,481	42,190	14.9%	42,285	14.7%

Note: Risk-weighted assets as from 2008 based on Basel II; 2007-figures based on Basel I.

- **Strong recovery of underlying profit from 4Q2007**
- **Improvement of cost/income ratio to 65.5%**
- **Risk costs well under control**

RETAIL BANKING

Underlying profit before tax (EUR million)



Business update

Market conditions became increasingly challenging in retail banking in the first quarter. The continuing inverse yield curve in Europe coupled with increased competition for savings - particularly in the Benelux - put margins under pressure. Against this backdrop, ING continues to focus on increasing efficiency in mature markets and expanding its operations in developing markets.

In the Benelux, two major reorganisations initiated in 2007 are proceeding according to plan. In the Netherlands, where ING is combining Postbank and ING Bank, the new head office has been operational since January and the new marketing organisation since 1 April 2008. In a move to further align to market developments and increase efficiency, Postbank announced that its services currently offered in 250 mainpost offices will be transferred to the 283 modern, full-service ING branches. As a result, the joint venture with TNT will be unwound. ING Belgium opened 10 additional new-style branches bringing the total to 35. Another 110 branches are planned for the end of 2008. In both countries the cost efficiency measures are being complemented by the development of new products and marketing campaigns to keep up volumes.

The retail banking activities in the developing markets grew rapidly despite the market turbulence. Poland continued to open new franchise outlets and increased its market share in deposits to

9.4%. Romania opened 9 new outlets in the first quarter and increased its market share in household lending from 2.1% to 2.6%. Oyak Bank showed strong growth across all products and segments and is preparing to open 50 new branches in 2008. India rolled out the first batch of the 56 approved new branches and grew faster than expected in low-cost deposits.

Mid-corporate clients in the home markets Netherlands, Belgium, Poland and Romania have been transferred retroactively to Retail Banking from Wholesale Banking. Profit before tax of the Mid-corporates rose to EUR 134 million in the first quarter of 2008 from EUR 72 million in the first quarter last year. This increase was due to 19% higher income, mainly driven by higher sales of Financial Markets products and lower risk costs. Operating expenses were flat.

Profit

Retail Banking continued to experience solid performance despite the further flattening of the yield curves and a volatile stock market performance. Underlying profit before tax was EUR 638 million, 4.6% higher than a year earlier. Excluding the acquisition of Oyak Bank at the end of the fourth quarter of 2007, underlying profit before tax increased 1.6%, driven by lower operating expenses reflecting the focus on cost efficiency in the mature markets.

Fierce competition continues to put pressure on margins due to the market shifts from variable savings to lower-margin fixed-term deposits, particularly in the Benelux. Underlying profit before tax in the Netherlands rose 8.0% reflecting the focus on cost efficiency as a result of the Retail Netherlands strategy. That more than compensated the 2.4% decline in income due to lower margins in almost all products as competition intensified. Average retail balances in the Netherlands grew 6% compared with the first quarter of 2007. Excluding the effects of the transfer of the mortgage portfolio from Insurance and the sale of the Regiobank in 2007, average retail balances were almost flat as growth in mortgages and consumer and business lending was offset by a decrease in savings and term deposits.

Despite a net release of loan loss provisions, Belgium reported a drop in profit before tax of 1.5% due to lower income on saving accounts following an increase of the client rates in July 2007, lower income on assets under management and higher expenses due to investments in the branch network. Average retail balances compared with the same quarter of 2007 grew 6%, driven by mortgages (+16%) and consumer and small business lending (+11%).

Excluding Oyak Bank, underlying profit before tax in Central Europe declined EUR 2 million compared to the first quarter of 2007, reflecting the investments in the franchise network in Poland as well as in the growth markets Ukraine and Romania. In Poland, average retail balances grew 30% from a year earlier despite the unfavourable stock market performance combined with intensified competition for savings.

In Asia, underlying profit before tax decreased 32.7% to EUR 37 million. This was mainly attributable to lower income at Private Banking Asia due to unfavourable stock market performance as well as a lower dividend received on ING's stake in Kookmin Bank.

Income

Total underlying income increased 3.7% to EUR 1,946 million in the first quarter 2008 driven by the acquisition of Oyak Bank and growth in Poland, where the average retail balances increased by 30%. Excluding Oyak Bank, income declined 1.5%, reflecting 2.4% lower income in the Netherlands and Belgium as a result of pressure on margins due to strong competition and the adverse interest environment. Dividend from ING's stake in Kookmin Bank was EUR 16 million lower compared with the previous year.

Commission income, excluding Oyak bank, declined 7.1%, mainly due to lower asset management fees and securities broking commissions as a result of lower stock market performance.

Expenses

Operating expenses increased 3.5% driven by the acquisition of Oyak Bank. Excluding Oyak Bank, operating expenses decreased 2.6% showing the cost efficiency improvements in the mature markets and despite substantial investments in the emerging countries. In the Benelux, expenses declined due to the focus on cost efficiency including cost reductions related to the Retail Netherlands strategy as well as lower compliance costs. Outside the Benelux underlying operating expenses grew 22.3% reflecting the investments to grow the franchise network in Poland as well as investments in Romania, India and Asia. The cost/income ratio remained almost flat at 65.5%. Excluding Oyak Bank, the cost/income ratio improved by 0.8%-points to 64.8%.

The addition to the loan loss provision declined slightly by EUR 1 million to EUR 35 million. A net release in Belgium and Poland due to an improvement of the credit portfolio was almost fully offset by higher risk costs in the Netherlands and Asia as well as the inclusion of Oyak Bank. The addition rose to 19 basis points of average credit risk-weighted assets compared with 11 basis points in the same quarter of 2007 due to the implementation of Basel II.

Key figures

The underlying RAROC after tax decreased to 32.1% from 36.9% in the first quarter of 2007, mainly due to a EUR 0.9 billion increase in economic capital. Oyak Bank added EUR 0.5 billion, while the increased value of Bank of Beijing resulted in an increase of EUR 0.8 billion. In the Netherlands economic capital was reduced by EUR 0.4 billion.

RETAIL BANKING - additional information

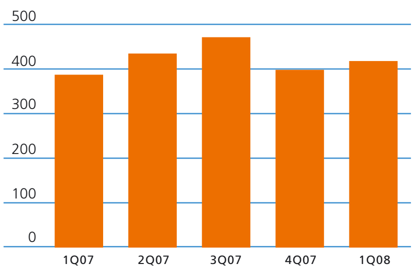
The Netherlands

Retail Banking The Netherlands: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	914	925	-1.2%	948	-3.6%
Commission income	188	190	-1.1%	181	3.9%
Investment income	21	0		5	320.0%
Other income	17	52	-67.3%	44	-61.4%
Total underlying income	**1,140**	**1,168**	**-2.4%**	**1,178**	**-3.2%**
Operating expenses	672	743	-9.6%	696	-3.4%
Gross result	468	425	10.1%	482	-2.9%
Addition to loan loss provision	47	36	30.6%	82	-42.7%
Underlying profit before tax	**420**	**389**	**8.0%**	**400**	**5.0%**
Taxation	92	93	-1.1%	88	4.5%
Profit before minority interests	328	297	10.4%	312	5.1%
Minority interest	0	0		0	
Underlying net profit	**328**	**297**	**10.4%**	**312**	**5.1%**
KEY FIGURES					
Underlying cost/income ratio	59.0%	63.6%		59.1%	
Underlying RAROC before tax	71.4%	55.0%		68.3%	
Underlying RAROC after tax	55.9%	42.1%		53.2%	
Economic capital (average over period)	2,269	2,656	-14.6%	2,495	-9.1%
Staff (FTEs end of period)	15,789	17,584	-10.2%	16,019	-1.4%

- **Strong growth in lending volumes**
- **Good cost control offsetting margin pressure on deposits**
- **RAROC after tax increases to 55.9%**

RETAIL BANKING THE NETERLANDS

Underlying profit before tax (EUR million)



Business update

The shift from high-margin variable savings to lower-margin term products was spurred on by the liquidity shortage. Consequently retail customers in the Dutch market responded to attractive offerings in the market for fixed-term savings. In reaction to this, ING Bank launched the “Toprekening” in the first quarter of 2008, which offers customers a competitive rate. Further assessment and development of ING’s savings products range is taking place to further increase volumes.

New mortgage production in the Dutch market was lower compared with the first quarter of 2007. Higher interest rates and an increase in housing prices put pressure on the new production. ING retained its market position and additionally launched a new mortgage campaign in the second quarter of 2008.

Progress continues in the process of combining ING Bank and Postbank. The new head office has been operational since January 2008. The new marketing organisation has been operating since April 2008, underscoring the strength of the combination and resulting in cost savings. The respective Works Councils advised positively for the domains Private Banking, Branches, and Operations & IT Banking to take the next step in the integration. The number of call centers will be reduced from four to three to realise economies of scale.

In order to further align with market developments and to increase efficiency, Postbank and TNT announced that their services currently offered in a joint venture through 250 main post offices will be transferred to each company’s own locations. Postbank clients will be serviced through 283 modern, open, full-service

ING branches. ING plans to make investments of EUR 175 million in the next five years to expand and enhance its full-service branches. During the quarter, three branches were already opened. Expected additional pre-tax earnings as a result of increased revenues and cost savings will amount to EUR 68 million per year starting 2012.

Profit

Underlying profit before tax grew 8.0% despite the current market conditions. This increase reflects the focus on cost efficiency and strong growth in the mid-corporates segment, which was transferred retroactively from Wholesale Banking. Average retail balances in the Netherlands grew 6%. Strong volume growth was achieved in mortgages (+16%) and business and consumer lending (+6%) while savings and term deposits declined 11% compared with the same quarter last year.

Margins continued to be under pressure as a result of clients switching from high-spreads savings to low-spread savings and term deposits as well as intensified competition in the market. In addition, lower securities and asset management fees reflected the unfavourable stock market performance. Compared with the previous quarter, underlying profit before tax increased 5.0% mainly due to lower risk costs, which were incidentally high in the fourth quarter of 2007.

Income

Compared with the first quarter of 2007, the average mortgage portfolio increased 16% supported by the transfer of a EUR 11.5 billion mortgage portfolio from Nationale-Nederlanden in 2007, partly offset by the sale of Regiobank. This quarter, the average mortgage portfolio grew 2%.
The Dutch savings market remained extremely competitive as a result of the liquidity crisis with competitors raising their client rates. The average retail balances for savings and deposits showed an outflow of 3% compared with the previous quarter. Furthermore clients continued to shift from variable savings accounts to term deposits with a substantially lower margin. Combined with lower asset management and securities fees, this resulted in a decrease in income of 2.4%.

Expenses

Expenses declined 9.6% compared with the same quarter last year due to efficiency improvements partly related to the Retail Netherlands strategy. Furthermore, the first quarter of 2007 included high compliance costs as well as costs for the OPS&IT sourcing programme. The cost/income ratio improved to 59.0% from 63.6%.

The addition to the loan loss provision increased 30.6% to EUR 47 million, but remained below expected losses. The addition to the loan loss provision in the fourth quarter of 2007 was incidentally high mainly due to a catch-up for a SME portfolio.

Key figures

The underlying RAROC after tax improved to 55.9% from 42.1% in the first quarter last year. The improvement was supported by lower operating expenses and a reduction in economic capital due to model refinements in line with Basel II.

Staff decreased by 1,795 FTEs compared with a year ago, mainly as a result of the Operations & IT outsourcing and restructuring programmes and the Retail Netherlands restructuring program.

'Good cost control offset margin pressure on savings and deposits'

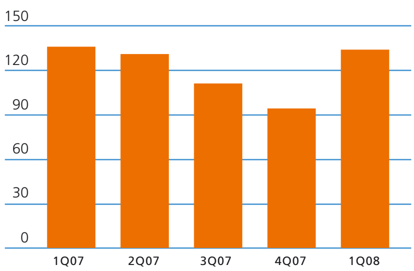
Belgium

Retail Banking Belgium: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	319	318	0.3%	303	5.3%
Commission income	130	148	-12.2%	137	-5.1%
Investment income	4	1	300.0%	-4	
Other income	22	18	22.2%	38	-42.1%
Total underlying income	**475**	**486**	**-2.3%**	**473**	**0.4%**
Operating expenses	357	349	2.3%	367	-2.7%
Gross result	118	137	-13.9%	106	11.3%
Addition to loan loss provision	-17	1		11	-254.5%
Underlying profit before tax	**134**	**136**	**-1.5%**	**94**	**42.6%**
Taxation	33	37	-10.8%	5	560.0%
Profit before minority interests	101	100	1.0%	89	13.5%
Minority interest	0	0		0	
Underlying net profit	**101**	**99**	**2.0%**	**89**	**13.5%**
KEY FIGURES					
Underlying cost/income ratio	75.2%	71.8%		77.6%	
Underlying RAROC before tax	45.1%	52.1%		43.1%	
Underlying RAROC after tax	35.4%	38.8%		41.3%	
Economic capital (average over period)	877	880	-0.3%	831	5.5%
Staff (FTEs end of period)	9,523	9,929	-4.1%	9,658	-1.4%

- **Average retail balances up 6% on 1Q2007**
- **Gross result up from 4Q2007 due to good cost control**
- **Net release from loan loss provision**

RETAIL BANKING BELGIUM

Underlying profit before tax (EUR million)



Business update

In Belgium the inverse yield curve and increased competition from niche players have led to a rapid shift to fixed-term deposits and a rise in client savings rates. Amid this competitive climate, ING Belgium's key priority is to maintain its profitability and cost discipline.

In October, ING launched the ING Lion Fidelity Account in answer to increasing competition in the deposit market. In 2007, subscriptions in ING Lion Fidelity Accounts amounted to more than EUR 500 million, and ING added another EUR 400 million in the first quarter of 2008. A campaign, launched in January, on the traditional savings account with a promotional, temporary 2% growth premium resulted in an additional volume of EUR 100 million.

Other recently developed products also performed well in the first quarter of 2008. Clients opened 11,500 new Lion accounts (a full internet current account), of which more than 50% were new clients. This offered ample cross-sell opportunities: almost 60% of these new customers opened a savings account as well.

Since efficiency is key in increasingly competitive markets, ING Belgium has developed a new service and distribution model that also addresses the changing behaviour of customers. A key element of the new model is the transformation of traditional branches into outlets with automated self-service cash functions. At the end of the first quarter of 2008, 35 of these branches were up and running. By the end of 2008 ING Belgium will operate through 145 of these branches.

A new website ING Auto.be was launched in November 2007, which allows car owners to subscribe to a car insurance online. ING is the first top-5 Belgian bank to offer this type of service. In the first quarter of 2008 more than 20,000 new policies were sold as a result of a nationwide marketing campaign.

Profit
Underlying profit before tax declined 1.5% reflecting the challenging market conditions and interest rate environment. Additionally, lower stock market performance put pressure on the asset under management fees and the sale of structured notes. Despite this, average retail balances grew 6% compared with the first quarter of last year. Average retail balances grew particularly in mortgages (+16%), consumer and small business lending (+11%) and term deposits (+25%), while savings showed an outflow of 7%. A net release from the provision for loan losses had a positive contribution to the profit and largely explains the profit growth compared to previous quarter.

Income
Income declined 2.3% as the 6% growth of the average retail balances could not compensate for the shift from variable savings to term deposits with lower margins combined with an increase of client rates for variable savings to respond to increased competition. Furthermore, lower stock market performance contributed to lower fee income on asset management and securities services (custody, stock markets orders, and structured notes).

Expenses
Expenses rose 2.3% compared with the first quarter of 2007 due to higher advertising expenses for the Lion Account and Auto.be campaigns in 2008 as well as the costs for outsourcing projects and branch network. Staff numbers were reduced by 406 FTEs as a result of branch network rationalisation and outsourcing initiatives. The cost/income ratio increased to 75.2% from 71.8% in the first quarter of 2007, but improved from 77.6% in the fourth quarter.

The EUR 17 million net release from the provision for loan losses in the first quarter is mainly caused by improved risk parameters following the strong quality of the credit portfolio.

Key figures
The underlying RAROC after tax declined to 35.4% from 38.8%. The economic capital usage remained flat despite growth in volumes, due to model refinements as a result of Basel II alignment.

‘Continuous growth of volumes supported by new developed products’

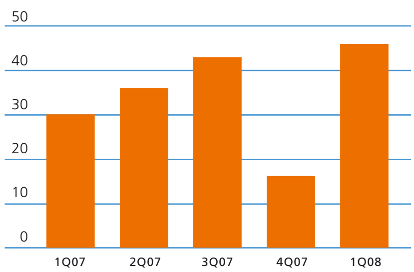
Central Europe

Retail Banking Central Europe: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	145	59	145.8%	71	104.2%
Commission income	72	43	67.4%	39	84.6%
Investment income	1	0		1	0.0%
Other income	14	15	-6.7%	14	0.0%
Total underlying income	**232**	**118**	**96.6%**	**126**	**84.1%**
Operating expenses	186	88	111.4%	111	67.6%
Gross result	46	29	58.6%	15	206.7%
Addition to loan loss provision	0	-0		-1	
Underlying profit before tax	**46**	**30**	**53.3%**	**16**	**187.5%**
- of which Poland	30	30	0.0%	30	0.0%
- of which Turkey	18	0		0	
- of which Rest of Central Europe	-2	-0		-14	
Taxation	10	6	66.7%	4	150.0%
Profit before minority interests	36	23	56.5%	12	200.0%
Minority interest	8	7	14.3%	7	14.3%
Underlying net profit	**28**	**17**	**64.7%**	**5**	**460.0%**
KEY FIGURES					
Underlying cost/income ratio	80.2%	75.1%		88.1%	
Underlying RAROC before tax	12.3%	54.9%		12.7%	
Underlying RAROC after tax	8.9%	43.4%		8.6%	
Economic capital (average over period)	741	186	298.4%	289	156.4%
Staff (FTEs end of period)	14,124	7,141	97.8%	7,739	82.5%

- **Strong volume growth in Poland with client balances up 30%**
- **Acquisition of Oyak Bank adds EUR 18 mln after capital charges**
- **RAROC after tax impacted by Oyak Bank**

RETAIL BANKING CENTRAL EUROPE

Underlying profit before tax (EUR million)



Business update

ING has a comprehensive coverage in Central Europe with a focus on the largest countries: Poland, Romania, Turkey and, starting in the coming months, Ukraine. These countries have a significant growth potential in retail banking fuelled by GDP growth, an increasing demand for financial products and rising savings and wages. ING continues to invest in its business in the region to capture this growth.

Poland

The priority remains continued profitable organic growth in Poland, supported by investments in distribution and product development. ING Bank Slaski added 11 franchise outlets in the first quarter of 2008, bringing the total to 86. The branch network now consists of 415 branches, including the franchise outlets.

ING Bank Slaski attracted 85,000 new retail clients in the first quarter bringing the total number of clients to 2.3 million. The volume in savings accounts went up by EUR 457 million to EUR 5.9 billion, representing a market share of 9.4%. A new current account product was launched called 'Direct Current Account'. It is a free-of-charge internet account. The number of current accounts increased by 43,000 in the first quarter of 2008 to a total of 1.34 million.

The decline in stock prices resulted in lower sales of mutual funds by ING Bank Slaski and lower fees on assets under management.

In total, the balance of funds entrusted and assets under management was comparable with the fourth quarter of 2007.

Romania

The Romanian greenfield is well on track to achieve its ambitious growth plan. It opened another nine outlets in the first quarter bringing the total to 157. Currently, ING operates through 182 sales points, including Wholesale Banking's full-service branches.

The number of clients increased during the quarter by 41,000 to 544,000. The client growth was 20% higher compared with the first quarter of 2007. Savings and current account balances grew 7% in the first quarter versus the end of December 2007, reaching a total volume of EUR 928 million at the end of March 2008. ING's market share in household savings remained stable at 4.8%.

Retail loans increased 19% over the fourth quarter, mainly in mortgages and personal loans, reaching a total volume of EUR 597 million at the end of March 2008.

In March, ING launched its credit card for private clients supported by a large marketing campaign. Internet banking penetration grew considerably from 7.5% at the end of December to 12.1% at the end of March after a successful marketing campaign in January and February.

Turkey

Since the Oyak Bank acquisition in Turkey, ING has moved quickly ahead to meet its ambitious targets. ING aims to double its market share in all segments by 2012. To achieve that, ING has initiated a series of key programmes in 2008, including a rebranding programme, a distribution network expansion programme, IT capability improvement initiatives and functional alignment.

Oyak Bank will rebrand into "ING Bank" Turkey, and, building on the strengths of Oyak Bank, will be positioned as "easiest and most convenient bank" in Turkey. An advertisement campaign has already been started. The rebranding is targeted to be finalised in the beginning of July.

Oyak Bank expects to open more than 50 new branches in 2008. In the first quarter of 2008 the Bank hired 39 new locations for new branches, and 19 of them will open shortly. In line with the business plan, intensive work on the new branch shop model has started and four pilot locations have been identified.

In spite of the turmoil in the international financial markets, Oyak Bank continued to grow strongly in the first quarter of 2008, with 16% underlying growth in lending, a 9% increase in deposits and a 13% rise in total assets in local currency terms as opposed to year-end.

The loan portfolio totalled EUR 4.7 billion, driven by sharp growth in local currencies. Retail loans increased 4% in the first quarter to EUR 1.8 billion. SME banking loans increased 21% to EUR 450 million in the same period. The bank's total deposits grew 9% in the first quarter and reached EUR 4.6 billion.

Profit

The underlying profit before tax in the region Central Europe rose 53.3%, helped by the acquisition of Oyak Bank at the end of 2007. Oyak Bank added EUR 18 million to profit before tax. This includes EUR 40 million of capital charges on book capital offset by a EUR 6 million capital benefit on economic capital. Excluding Oyak Bank, underlying profit before tax declined EUR 2 million, or 6.7%.

Income

Underlying income rose 96.6%. Excluding Oyak Bank, income rose 15.1% compared with the first quarter of 2007, reflecting higher income in Poland and Romania. Income in Poland increased 11% driven by strong volume growth in almost all products, despite the adverse interest environment and intensified competition. Lower income from mutual funds reflected the poor stock market performance. Average retail balances in Poland were up 30%, of which 27% were in savings, 83% in mortgages, 26% in current accounts and 33% in business lending.

Expenses

Operating expenses more than doubled compared with the same quarter last year. This was predominately a result of the acquisition of Oyak Bank. Excluding Oyak Bank, expenses rose 25.3% due to business growth, advertising and investments in the franchise network of Poland as well as investments for growth in Ukraine and Romania. Staff numbers rose by 6,983 FTEs of which 6,072 are due to the inclusion of Oyak Bank.
The cost/income ratio deteriorated to 80.2% compared to 75.1% in the first quarter 2007. This was fully caused by investments in franchises and the acquisition of the Oyak Bank.

Compared to the first quarter of 2007, the addition to the loan loss provision remained nil. This reflects the continued strengthening of credit risk management in Poland which has resulted in a substantial improvement of the quality of the loan book.

Key figures

The underlying RAROC after tax dropped significantly mainly due to the inclusion of Oyak Bank with an economic capital usage of EUR 0.5 billion. Excluding Oyak Bank, the RAROC after tax declined to 18.9% from 43.4%, reflecting a lower economic return partly caused by the investments in growth and the increased use of economic capital in these growth markets.

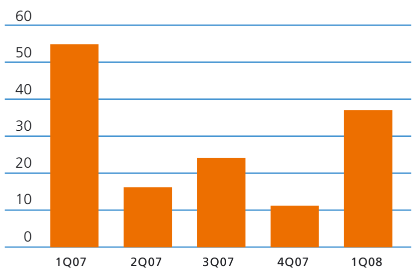
Asia

Retail Banking Asia: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	33	26	26.9%	30	10.0%
Commission income	28	35	-20.0%	25	12.0%
Investment income	19	34	-44.1%	8	137.5%
Other income	19	11	72.7%	20	-5.0%
Total underlying income	**99**	**106**	**-6.6%**	**83**	**19.3%**
Operating expenses	58	51	13.7%	71	-18.3%
Gross result	41	55	-25.5%	12	241.7%
Addition to loan loss provision	4	-1		1	300.0%
Underlying profit before tax	**37**	**55**	**-32.7%**	**11**	**236.4%**
- of which Private Banking Asia	16	22	-27.3%	14	14.3%
- of which ING Vysya Bank	5	4	25.0%	7	-28.6%
- of which Other	16	30	-46.7%	-10	
Taxation	3	1	200.0%	6	-50.0%
Profit before minority interests	34	54	-37.0%	5	580.0%
Minority interest	4	2	100.0%	4	0.0%
Underlying net profit	**30**	**52**	**-42.3%**	**2**	
KEY FIGURES					
Underlying cost/income ratio	59.0%	48.2%		85.1%	0.0%
Underlying RAROC before tax	9.7%	18.7%		0.0%	
Underlying RAROC after tax	9.1%	19.7%		-0.2%	
Economic capital (average over period)	1,720	960	79.2%	1,739	-1.1%
Staff (FTEs end of period)	9,045	7,536	20.0%	8,869	2.0%

- **Good results despite lower stock markets in Asia**
- **Profit down due to lower dividend Kookmin**
- **RAROC after tax affected by economic capital usage of TMB and Bank of Beijing**

RETAIL BANKING ASIA

Underlying profit before tax (EUR million)



Business update

Asia is an attractive market with a combination of mature and emerging economies. Low penetration levels present opportunities for future growth. ING has been selectively building its retail banking presence in Asia with a unique positioning in all its existing markets. ING has as steady presence in India through its 44% stake in ING Vysya Bank. ING is the only foreign bank with a controlling stake in a local bank. In China, ING has a 16% stake in Bank of Beijing, which offers a comprehensive range of retail and corporate banking products. In Thailand, ING is the only foreign bank with a 30% stake in a top-5 bank through TMB. TMB has a universal banking platform with a nationwide network.

ING Vysya Bank

ING Vysya Bank's strategic priority is to realise above-market growth in low-cost deposits by increasing the productivity of the existing branch network and the roll-out of new branches.

In the first quarter, a deposit mobilisation campaign was launched, offering customers a competitive time deposit for 365 days. This resulted in additional deposits of EUR 123 million. In the first quarter, 80,000 new savings accounts were opened (out of a total of 1.4 million savings accounts). ING Vysya Bank also successfully sold ING life products, with 15,000 new insurance policies committed in the first quarter.

At the end of 2007, ING Vysya obtained approval from regulators to open 56 new branches and 100 ATMs. In the first quarter, the first batch was rolled out. The growing number of active online customers, from 45,000 to more than 55,000 within three months reflects the growing importance of the internet as a distribution channel.

TMB

In December last year, ING acquired a 30% stake in TMB. TMB is one of the leading banks in Thailand with EUR 14 billion in total assets, over 5 million customers and 472 branches with a broad representation throughout Thailand. TMB offers a wide range of products and services with a large retail deposit base and a lending focus on the small-to-medium enterprise (SME) and corporate sectors. The transaction enables ING to extend its footprint in the fast-growing Asian market.

ING's current priority in Thailand is to assist TMB in further developing its risk management capabilities and improving its profitability. Several senior ING managers have been assigned to take up new management roles in TMB. Their presence will ensure a synergistic transfer of skills to local management. Increasing non-interest income and aligning interest margins to market benchmarks have been identified as primary drivers to improve profitability.

No results of TMB were included as there is no profit & loss account available yet based on IFRS.

Profit

Underlying profit before tax declined 32.7% mainly due to lower income at Private Banking Asia due to unfavourable stock market performance and a lower dividend from ING's stake in Kookmin Bank. Compared with the fourth quarter of 2007, underlying profit before tax grew substantially, reflecting lower operating expenses as well as the dividend received from Kookmin Bank.

Income

Total underlying income declined 6.6% as a result of lower income at Private Banking Asia due to current market turmoil as well as a EUR 16 million lower dividend from ING's stake in Kookmin Bank which paid a superdividend in the first quarter of 2007. In Private Banking Asia, assets under management (including), grew 21.8% compared with the same quarter last year despite the negative US-dollar impact. Income at ING Vysya Bank was up 23.1% supported by continued strong growth of the portfolio partly offset by exchange-rate effects.

Expenses

Operating expenses were up 13.7% due to continued investments for growth in India and Private Banking Asia.
The addition to the provision for loan losses increased to EUR 4 million, almost entirely due to ING Vysya Bank reflecting the growth of the portfolio.

Key figures

Average economic capital increased 79.2% to EUR 1.7 billion compared with the first quarter of 2007 due to a substantial increase in the value of ING's stake in the Bank of Beijing following the IPO and the acquisition of a stake in TMB in Thailand. RAROC after tax declined to 9.1% from 19.7% in the first quarter of 2007.

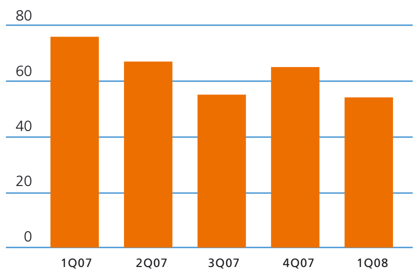
'Profit affected by lower stock markets'

Private Banking

Retail Banking - Private Banking segment: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	60	62	-3.2%	56	7.1%
Commission income	81	109	-25.7%	89	-9.0%
Investment income	-0	0		-0	
Other income	18	12	50.0%	26	-30.8%
Total underlying income	**160**	**182**	**-12.1%**	**170**	**-5.9%**
Operating expenses	103	107	-3.7%	105	-1.9%
Gross result	57	75	-24.0%	65	-12.3%
Addition to loan loss provision	2	-0		1	100.0%
Underlying profit before tax	**54**	**76**	**-28.9%**	**65**	**-16.9%**
- of which Netherlands	18	17	5.9%	16	12.5%
- of which Belgium	18	35	-48.6%	32	-43.8%
- of which Rest of World	18	24	-25.0%	17	5.9%
Taxation	9	15	-40.0%	12	-25.0%
Profit before minority interests	46	60	-23.3%	52	-11.5%
Minority interest	0	0		0	
Underlying net profit	**46**	**60**	**-23.3%**	**52**	**-11.5%**
KEY FIGURES					
Underlying cost/income ratio	64.4%	58.7%		61.8%	
Underlying RAROC before tax	98.1%	119.6%		130.5%	
Underlying RAROC after tax	80.3%	95.3%		105.3%	
Economic capital (average over period)	229	239	-4.2%	197	16.2%
Assets under Admin. (in € bln, end of period)	67.2	63.3	6.3%	68.0	-1.5%

PRIVATE BANKING

Underlying profit before tax (EUR million)



Business update

Despite adverse market conditions and volatile stock markets, ING Private Banking maintained its assets under management at EUR 67.2 billion.

The quarterly net inflow was EUR 3.4 billion, substantially higher than the EUR 2.0 billion in the fourth quarter of 2007, thanks to inflow of deposits in the Netherlands. The impact of the higher inflow was offset by the negative impact of lower securities brokerage and custody fees and the continued weakening of the US dollar against the euro.

Overall the assets under management of ING Private Banking are still concentrated in the Netherlands and Belgium. Despite the impact of the weakening US dollar, the contribution of the growth markets of Asia and Switzerland remained at 37%.

In the first quarter ING Private Banking Asia's banking license was upgraded. This will allow further consolidation and strengthening of the Asian operations.

Financial analysis

Underlying profit before tax of Private Banking declined 28.9% compared with the same quarter last year, reflecting the lower securities and asset management commissions due to the continued stock market turbulence.

Interest income held up and showed an improvement of 7.1% compared with the fourth quarter of 2007, while commission income declined following the unfavourable stock market performance. The assets under management rose 6.3% to EUR 67.2 billion compared with a year ago, partly mitigated by a negative exchange rate impact.

In the Netherlands, results improved compared to the fourth quarter and were stable compared with the first quarter of 2007, with volume increases mitigating the adverse interest rate environment. Lower securities brokerage and custody fees were compensated by lower expenses.

In Belgium, underlying profit before tax decreased by EUR 17 million compared with the first quarter of 2007. This was predominately a result of lower income on assets under management and transactional fees on securities, as well as pressure on margins.

Asia reported a EUR 6 million lower profit before tax, mainly attributable to lower fees on the client assets under management. The portfolio remained stable but was impacted by the weakening of the US dollar.

Compared with last year, operating expenses were contained, especially in mature markets. Total expenses declined 3.7%, despite the continued expansion in growth markets. The cost/income ratio deteriorated to 64.4% from 58.7% in the first quarter of 2007 due to 12.1% lower income.

The high value creation is underlined by the after-tax RAROC of 80.3%. It is lower than the previous year but continuously high. The lower RAROC is due to lower pre-tax results and a higher operational risk caused by changes in the risk drivers.

'High net inflow in asset base despite unfavourable stock markets'

BANKING

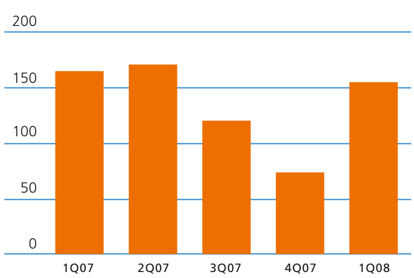
ING Direct

ING Direct: Income Statement					
In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Interest result	567	480	18.1%	487	16.4%
Commission income	15	27	-44.4%	26	-42.3%
Investment income	9	38	-76.3%	-24	
Other income	18	16	12.5%	40	-55.0%
Total underlying income	**609**	**561**	**8.6%**	**529**	**15.1%**
Operating expenses	421	383	9.9%	428	-1.6%
Gross result	188	178	5.6%	101	86.1%
Addition to loan loss provision	33	12	175.0%	28	17.9%
Underlying profit before tax	**155**	**165**	**-6.1%**	**73**	**112.3%**
Taxation	58	50	16.0%	11	427.3%
Profit before minority interests	97	115	-15.7%	62	56.5%
Minority interest	0	0		0	
Underlying net profit	**97**	**115**	**-15.7%**	**62**	**56.5%**
KEY FIGURES					
Interest margin	0.86%	0.76%		0.74%	
Cost/income ratio	69.1%	68.3%		80.9%	
Risk costs in bp of average CRWA	33	7		14	
Total risk-weighted assets (end of period)	47,126	72,082	-34.6%	79,674	-40.9%
Underlying RAROC before tax	21.0%	20.5%		11.2%	
Underlying RAROC after tax	13.1%	14.4%		9.5%	
Economic capital (average over period)	3,050	2,919	4.5%	2,559	19.2%
Staff (FTEs end of period)	9,088	7,823	16.2%	8,883	2.3%

Note: Risk-weighted assets as from 2008 based on Basel II; 2007-figures based on Basel I.

- **Earnings rebound in the US as rate environment improves**
- **Commercial growth remains robust despite increased competition for savings**
- **Losses in the UK narrowed**

ING DIRECT
Underlying profit before tax (EUR million)



Business update

ING Direct's results were driven by the recovery in the interest margin to 0.86%, particularly influenced by the more favourable interest rate environment in the US as the central bank reduced its rate by 200 bps during the first three months of 2008. ING Direct US reduced the variable savings rate by 110 basis points, tracking just over 50% of the central bank rate cuts, while improving its relative competitive positioning versus the last quarter. At comparable exchange rates, funds production of EUR 2.7 billion in the US was almost three times higher than in the fourth quarter. As asset yields have been repricing at a slower pace than liabilities, margins have widened and income has increased significantly.

The favourable developments in the US interest rate environment more than compensate for the difficult market conditions in the other countries, demonstrating the diversification benefits of operating in several currency zones. The environment remained particularly challenging in the eurozone and Australia, with a further flattening of yield curves compared with the previous quarter and increased competition for retail deposits as many banks faced tight liquidity and higher funding costs on the wholesale markets.

Nonetheless, ING Direct as a whole showed good commercial growth with a client retail balance production of EUR 6.8 billion. Including negative currency effects of EUR 9.9 billion, total client retail

ING Direct: Geographical Breakdown	Underlying profit before tax (in EUR million)		Number of Clients (x 1.000)		Funds Entrusted (in EUR billion)		Residential Mortgages (in EUR billion)		Off balance sheet funds (in EUR billion)	
	1Q2008	1Q2007	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07
Canada	0	8	1,534	1,526	13.0	13.9	12.1	13.2	0.2	0.2
Spain	9	15	1,688	1,624	13.8	12.9	6.9	6.5	1.8	1.9
Australia	17	21	1,329	1,316	11.4	12.0	18.4	18.3	0.0	
France	10	11	721	716	13.1	12.9	0.0	0.0	1.5	1.5
United States	80	12	6,883	6,524	41.2	41.3	17.5	17.9	1.7	1.8
Italy	6	14	1,005	937	15.2	14.2	3.8	3.3	0.4	0.4
DiBa (Germany/Austria)	70	84	6,542	6,481	61.8	62.0	37.8	35.9	11.6	12.9
United Kingdom	-31	-0	1,142	1,137	19.5	22.3	1.8	1.9		
Japan	-7	0								
Total	**155**	**165**	**20,843**	**20,262**	**189.0**	**191.5**	**98.2**	**97.0**	**17.1**	**18.8**

balances declined to EUR 307.0 billion at the end of March 2008. Residential mortgages continued to drive growth, with production at comparable exchange rates of EUR 4.5 billion. Conditions in the mortgage markets continued to be impacted by the liquidity crisis with limited funding available at a relatively high cost. ING Direct remains selective in its lending policies in order to deliver value-creating growth.

Production of funds entrusted at comparable exchange rates was EUR 3.8 billion for the quarter. Net outflows were experienced in the UK and Australia as a result of seasonal factors, while Germany faced intense price competition in the retail savings market. These outflows were more than offset by a strong pick-up of funds production in the US and Canada driven by improved competitive positioning as a result of central bank rate reductions, as well as in Italy and Spain following successful targeted campaigns.

Off-balance sheet funds declined by EUR 1.5 billion excluding the negative currency impact as the depressed stock market had a negative impact on balances and reduced clients' appetite for equities. Production of e-brokerage accounts was lifted by 62,000 new accounts in the United States following the successful integration of ShareBuilder, the online brokerage business that was acquired in previous quarter.

ING Direct added 581,000 new customers in the first quarter, bringing the total to 20.8 million worldwide.

ING Direct UK

In the UK, outflows amounted to EUR 1.0 billion, reflecting seasonal patterns as well as the continued repositioning of the business to focus less on high balance customers. ING Direct UK reduced its loss from EUR 76 million in the fourth quarter to EUR 31 million in the first quarter of 2008. Steps were taken to reposition and improve the business. The competitive position of the main variable-rate savings account was improved by 10 basis points as 25 basis point reductions in the Bank of England Base Rate in December 2007 and February 2008 were not fully passed on to customers. Losses are expected to continue in 2008, but reduce gradually from the current level.

Investments

ING Direct remains focused on its vision to become the world's most preferred consumer bank by further broadening the product range to mortgages, payment accounts and investment products. Total investments of EUR 80 million were made in the first quarter, including EUR 53 million to grow the residential mortgage portfolio. Investments of EUR 20 million were made to diversify the product range with projects underway to roll out payment accounts in three more countries. The number of payment account customers grew by 137,000 in the first quarter, bringing the total to 990,000. Investments also included EUR 7 million of start-up costs for the launch of ING Direct in Japan, which is in the process of obtaining the final banking license.

Impact financial crisis

ING Direct has minimal exposure to the US subprime mortgage market. The own-originated mortgages in the US are to quality customers with an average loan-to-value ratio of 68% on the portfolio, and 98% of the mortgages are to owner-occupiers. Furthermore, ING Direct's "Alt-A" RMBS portfolio is near prime. The average loan-to-value is 71%, near-prime average FICO scores are 724 and over 99% is AAA-rated. The fair value of the US Alt-A RMBS portfolio declined to 83.5% at the end of March, with no impairments. The lack of impairments is a result of a careful selection process of RMBS with superior credit enhancement.

There were no further impairments to non-bank sponsored Canadian asset-backed commercial paper (ABCP), after the EUR 29 million provision recognised in the fourth quarter of 2007. There was however an impairment of EUR 4 million relating to investments in bank-sponsored Canadian ABCP. The total exposure to Canadian ABCP amounted to EUR 247 million at the end of March, or less than 0.1% of ING Direct's total assets.

ING Direct

Rate environment

Further flattening of yield curves in the eurozone and Australia were more than compensated by the improved US interest rate environment as the central bank reduced its rate by 200 basis points. ING Direct US reduced the variable client savings rate by 110 basis points, tracking just over 50% of the central bank cuts, improving its relative competitive positioning versus the previous quarter. Reductions in the central bank rate were also seen in Canada (75 basis points) and the UK (25 basis points). In response to the central bank rate decreases in Canada and the UK, ING Direct reduced its client rates by 45 and 40 basis points, respectively. In Australia, the central bank increased its rate by 50 basis points, while ING Direct Australia raised its client rate by the same amount. The client rates in the eurozone remained stable; there was no change in central bank rates during this period.

Profit

Underlying profit before tax more than doubled over the fourth quarter of 2007, but declined 6.1% compared with the first quarter last year. Excluding the UK result, underlying profit before tax is up 12.5% from the first quarter of 2007. Investments to diversify and grow the business and to create long-term value increased by EUR 11 million to EUR 80 million compared with the first quarter of 2007.

Profit before tax at ING Direct US increased significantly to EUR 80 million from EUR 41 million in the fourth quarter of 2007 and EUR 12 million in the first quarter of 2007 as a result of increased interest margins and higher volumes driven by the improved interest rate environment.

This quarter ING Direct UK reported a loss of EUR 31 million which was anticipated in the previous quarter. The loss was significantly lower than the EUR 76 million loss reported in the fourth quarter of 2007 which was driven by lower costs and improved margins. The result for the quarter was lower than the break even result reported in the first quarter of 2007 driven by the interest margin being adversely impacted by customer rate increases and the financial effect of outflows as a result of repositioning the business towards creating sustainable growth.

ING Direct Canada reported a break even result, up from a loss of EUR 21 million in the fourth quarter, which was impacted by the impairment of non-bank-sponsored ABCP. Compared with the first quarter of 2007 the result declined from EUR 8 million, primarily as a result of margin compression and the impairment of EUR 4 million related to bank-sponsored ABCP.

As of January 2008, ING-DiBa Austria was integrated into ING-DiBa Germany, to further enhance scale advantages and synergies among the two business units. The total underlying profit before tax of ING-DiBa Germany and Austria declined from EUR 88 million in the fourth quarter and EUR 84 million in the first quarter of 2007 to EUR 70 million in the first quarter of 2008. The decline is mainly attributable to higher risk costs as a result of the larger mortgage book and higher operational costs related to the successful expansion of the payment accounts.

Income

Total underlying income increased 15.1% over the fourth quarter, driven by higher interest income and last quarter's asset impairment in Canada. Compared with the first quarter of 2007, total underlying income increased 8.6% to EUR 609 million, as the higher interest result offset lower commission and investment income.

The interest margin increased to 0.86% from 0.74% fourth quarter and 0.76% in the first quarter of 2007, driven by the more favourable interest rate environment in the US, despite the ongoing competition for retail funds and higher funding costs as a result of the global liquidity crisis.

Expenses

Operating expenses declined 1.6% compared with the fourth quarter, when operating expenses were slightly inflated by one-off repositioning costs in the UK. Compared with the first quarter last year, expenses increased 9.9%, predominantly as a result of higher staff numbers helping to drive the growth in mortgages and payment accounts and servicing the growing customer base. Costs in this quarter also rose due to the build-up of

	Variable savings rates (EOP)		
	1Q07	4Q07	1Q08
Canada	3.50%	3.75%	3.30%
Spain	3.00%	3.00%	3.00%
Australia	6.00%	6.40%	6.90%
France	3.00%	3.30%	3.30%
USA	4.50%	4.10%	3.00%
Italy	3.00%	3.00%	3.00%
Germany	3.00%	3.25%	3.25%
UK	4.75%	5.40%	5.00%

	Central Bank rates (EOP)		
	1Q07	4Q07	1Q08
Canada	4.25%	4.25%	3.50%
Spain	3.75%	4.00%	4.00%
Australia	6.25%	6.75%	7.25%
France	3.75%	4.00%	4.00%
USA	5.25%	4.25%	2.25%
Italy	3.75%	4.00%	4.00%
Germany	3.75%	4.00%	4.00%
UK	5.25%	5.50%	5.25%

	Yield Curve Steepness (EOP)*		
	1Q07	4Q07	1Q08
Canada	0.40%	-0.33%	-0.22%
Spain	0.45%	0.24%	-0.19%
Australia	0.10%	0.32%	-0.51%
France	0.45%	0.24%	-0.19%
USA	-0.39%	-0.72%	0.02%
Italy	0.45%	0.24%	-0.19%
Germany	0.45%	0.24%	-0.19%
UK	0.29%	-0.84%	-0.77%

* Steepness is defined as the difference between the 3-year and 1-month rate of the yield curve

the Japan operation and the integration of Sharebuilder and NetBank in the United States. As a result, the cost/income ratio improved from 80.9% last quarter to 69.1% in the first quarter of 2008. The operational cost-to-client retail balance ratio, which excludes marketing expenses, declined from 0.41% in the fourth quarter of 2007 to 0.39% in the first quarter, compared with 0.37% in the same quarter last year. The number of full-time staff rose to 9,088 from 8,883 at the end of 2007 and 7,823 a year earlier.

The addition to the provision for loan losses was EUR 33 million, an increase of EUR 5 million compared with the last quarter and up EUR 21 million on the same quarter last year, due to higher risk costs in Germany and the US.

Key figures

The pre-tax risk-adjusted return on capital (RAROC) increased to 21.0% from 11.2% in the last quarter as a result of improved profit. The after-tax RAROC of ING Direct rose to 13.1% from 9.5% in the fourth quarter, but declined from 14.4% in the first quarter of 2007. This was due to a higher tax charge as 2007 was favourably affected by a tax asset.

Average economic capital rose 19.2% to EUR 3,050 million compared with the fourth quarter of 2007, due to enhancements in methodology.

Corporate Line Banking

Banking Corporate Line

In EUR million	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	Change Q1 vs Q1	Change Q1 vs Q4
Solvency costs	33	-19	16	-47	-13	46	52
Financing charges	-38	-37	-17	-23	-20	-18	-1
Income on capital surplus	69	98	76	52	26	43	-29
Amortisation intangible assets Oyak Bank	-8					-8	-8
Other capital management items	27	33	18	-9	1	26	-6
Total Capital Management	84	75	93	-27	-6	90	9
Other	-41	-31	-39	-38	-50	9	-11
Underlying profit before tax	**43**	**45**	**53**	**-65**	**-56**	**99**	**-2**
Taxation	20	-66	19	-1	22	-2	86
Profit before minority interests	23	110	34	-64	-78	101	-88
Minority interest	0	0	0	0	0	0	0
Underlying net profit	**23**	**110**	**34**	**-64**	**-78**	**101**	**-88**

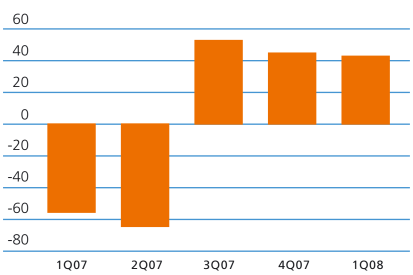
The Corporate Line Banking is a reflection of capital management activities as well as certain expenses that are not allocated to the business. ING applies a system of capital charging for the banking operations to create a comparable basis for the results of business units globally, irrespective of the book equity units have and the currency they operate in. ING's policy is that equity held locally must be invested notionally at the local risk-free rate. The Corporate Line charges business units for the income they make on the book equity invested. Business units receive a benefit based on the risk-free euro rate on the economic capital they employ. Consequently, the results of the businesses as disclosed are the local results after Group overhead charges, while the investment returns on equity are based on the risk-free euro rate on economic capital.

The capital book of the Corporate Line has became increasingly positive as the capitalisation of ING Bank increased. In the first quarter of 2008, the economic capital employed remained relatively constant.

Other capital management items on the corporate line are solvency costs. This is the negative carry that results when hybrid Tier-1 capital and lower Tier-2 debt is raised and subsequently passed on as funding at the funds transfer price (which is usually relatively close to LIBOR). Liquidity costs are costs that are made to provide for contingent liquidity. Also, capital management stabilises the Tier-1 ratio through FX hedging. The costs of equity leverage at ING Group are passed on to both ING Bank and ING Insurance.

CORPORATE LINE BANKING

Underlying profit before tax (EUR million)



Profit

The Corporate Line Banking realised a profit before tax of EUR 43 million, compared with a loss of EUR 56 million in the first quarter of 2007.

The total Capital Management result improved by EUR 90 million, mainly due to EUR 43 million in higher income on capital surplus (difference between book capital and economic capital used by the business), EUR 46 million lower solvency costs and the positive impact from FX-hedges.

These items were partly offset by higher financing charges and a EUR 8 million amortisation of intangible assets of Oyak Bank.

The result of Other, which also include Formula One sponsoring costs, improved by EUR 9 million, mainly due to interest received on tax restitutions.

Underlying net profit in the first quarter was EUR 23 million, a decline of EUR 88 million compared with the fourth quarter of 2007 when the result was supported by a EUR 90 million release of tax liabilities not allocated to the business.

Appendices

ING Group: Consolidated Cash Flow Statement								
	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	1Q2008	1Q2007	1Q2008	1Q2007	1Q2008	1Q2007	1Q2008	1Q2007
Net cash flow from operating activities	**-4,367**	**-8,383**	**1,734**	**2,856**	**-5,702**	**-11,607**	**-399**	**368**
Investments and advances:								
Group companies	-452	-59	-452	-59				
Associates	-417	-168	-158	-111	-259	-57		
Available for sale investments	-68,686	-74,822	-47,384	-50,210	-21,302	-24,298		-314
Held-to-maturity investments								
Investments properties	-88	-196	-3	-166	-85	-30		
Property and equipment	-100	-99	-29	-28	-71	-71		
Assets subject to operating leases	-353	-384			-353	-384		
Investments for risk policyholders	-10,544	-12,362	-10,544	-12,362				
Other investments	-91	-82	-32	-62	-59	-20		
Disposals and redemptions:								
Group companies	75	1	75	1				
Associates	95	212	55	121	40	91		
Available for sale investments	69,895	80,529	47,545	48,544	22,350	31,985		
Held to maturity investments	522	249			522	249		
Investment properties	63	178	19	84	44	94		
Property and equipment	89	27	84	3	5	24		
Assets subject to operating leases	95	100			95	100		
Investments for risk policyholders	8,971	11,734	8,971	11,734				
Other investments	2	9	2	2		7		
Net cash flow from investing activities	**-924**	**4,867**	**-1,851**	**-2,509**	**927**	**7,690**	**0**	**-314**
Proceeds from issuance of subordinated loans			2,229			116	-2,229	-116
Repayment of subordinated loans			-326		-1,258	-473	1,584	473
Proceeds from borrowed funds and debt securities	99,483	90,475	10,882	19,232	87,517	75,048	1,084	-3,805
Repayment from borrowed funds and debt securities	-83,850	-86,833	-11,686	-19,556	-70,655	-70,410	-1,509	3,133
Issuance of ordinary shares	447	7					447	7
Purchase of treasury shares	-1,593	-372		-5			-1,593	-367
Sale of treasury shares	104	136	15	20		217	89	-101
Dividends paid/received	-9	-8	-9	-8	-2,500	-800	2,500	800
Net cash flow from financing activities	**14,582**	**3,405**	**1,105**	**-317**	**13,104**	**3,698**	**373**	**24**
Net cash flow	**9,291**	**-111**	**988**	**30**	**8,329**	**-219**	**-26**	**78**
Cash and equivalents at beginning of period	-16,811	-1,795	3,115	3,017	-19,389	-4,352	-537	-460
Effect of exchange-rate on cash and equivalents	340	74	19	83	321	-54	0	45
Cash and equivalents at end of period	**-7,180**	**-1,832**	**4,122**	**3,130**	**-10,739**	**-4,625**	**-563**	**-337**
- of which Treasury bills and other eligible bills	4,261	6,445			4,261	6,445		
- of which Amounts due to/from banks	-25,897	-25,610			-25,897	-25,610		
- of which Cash and balances with central banks	14,456	17,333	4,122	3,130	10,897	14,540	-563	-337

Equity market indices (quarterly averages)

	1Q2008	1Q2007	Change	4Q2007	Change
Dow Jones Industrial (US)	12,384	12,474	-0.7%	13,503	-8.3%
S&P 500 (US)	1,350	1,426	-5.3%	1,494	-9.6%
AEX (The Netherlands)	449	500	-10.2%	522	-14.0%

Interest rates (quarterly averages)

	1Q2008	1Q2007	Change	4Q2007	Change
10-year rates:					
EMU	3.93	4.02	-2.2%	4.22	-6.9%
USA	3.61	4.69	-23.0%	4.26	-15.3%
3-months rates:					
EMU	4.49	3.83	17.2%	4.71	-4.7%
USA	3.27	5.31	-38.4%	5.01	-34.7%
spread:					
EMU	-0.56	0.19		-0.49	
USA	0.34	-0.62		-0.75	

Profit and loss account on total basis - 1Q comparison

	Insurance operations			Banking operations			ING Group *		
in EUR million	1Q2008	1Q2007	Change	1Q2008	1Q2007	Change	1Q2008	1Q2007	Change
Gross premium income	12,574	11,634	8.1%				12,574	11,634	8.1%
Interest result banking operations				2,559	2,184	17.2%	2,539	2,142	18.5%
Commission income	518	465	11.4%	719	744	-3.4%	1,237	1,209	2.3%
Total investment & other income	3,040	2,722	11.7%	641	829	-22.7%	3,647	3,531	3.3%
Total income	**16,132**	**14,821**	**8.8%**	**3,920**	**3,757**	**4.3%**	**19,998**	**18,516**	**8.0%**
Underwriting expenditure	13,680	12,051	13.5%				13,680	12,051	13.5%
Operating expenses	1,349	1,370	-1.5%	2,542	2,373	7.1%	3,891	3,743	4.0%
Other interest expenses	319	323	-1.2%				265	261	1.5%
Addition to loan loss provisions / impairments	17	1		98			115	1	
Total expenditure	**15,365**	**13,745**	**11.8%**	**2,640**	**2,373**	**11.3%**	**17,951**	**16,056**	**11.8%**
Profit before tax	**767**	**1,076**	**-28.7%**	**1,280**	**1,384**	**-7.5%**	**2,047**	**2,460**	**-16.8%**
Taxation	112	189	--40.7%	370	313	18.2%	482	502	-3.9%
Profit before minority interests	655	887	-26.2%	910	1,071	-15.0%	1,565	1,958	-20.1%
Minority interests	12	39	-69.2%	12	26	-53.8%	24	65	-63.1%
Net profit	**643**	**848**	**-24.2%**	**897**	**1,045**	**-14.2%**	**1,540**	**1,894**	**-18.7%**
Net gains/losses on divestments	-45						-45		
Net profit from divested units		-20						-20	
Special items after tax				94			94		
Underlying net profit	**598**	**828**	**-27.8%**	**991**	**1,045**	**-5.2%**	**1,589**	**1,874**	**-15.2%**

*) including intercompany eliminations

Glossary

AVAILABLE FINANCIAL RECOURCES ("AFR")
AFR equals market value of assets minus market value of liabilities, excluding hybrids issued by ING Group which is counted as capital. ING's policy is that AFR should exceed economic capital for Bank, Insurance and Group.

BASEL I
Regulatory reporting requirements for solvency calculation, which are superseded by Basel II from 2007 on (start dates differ by country and by type of bank).

BASEL II
Basel II allows Banks to calculate their required capital for regulatory reporting and supervision based on their own internal models. To be able to do so many requirements by supervisors have to be met, inclusive so called pillar 3 requirements on external disclosures.

BIS
An international organisation which fosters international monetary and financial co-operation and serves as a bank for central banks. BIS has set a minimum for the solvency ratio reflecting the relationship between capital and risk weighted assets. The ratio should at least be 8%.

CLAIMS RATIO – NON-LIFE
Claims, including claims handling expenses, expressed as a percentage of net earned premiums.

CORE DEBT ING GROUP AND ING INSURANCE
Investments in ING Group subsidiaries minus the equity of the holding company including hybrids.

COST OF CAPITAL
(Weighted Average Cost of Capital, "WACC")
The costs related to owning capital can be split into the cost of equity, hybrids and debt, taking a target leverage into account. The WACC is used as the discount rate for calculating the present value of future cash flows.

COMBINED RATIO
The sum of the claims ratio and the expense ratio for a non-life insurance company or a reinsurance company. A combined ratio of more than 100% does not necessarily mean that there is a loss on non-life insurance policies, because the result also includes allocated investment income.

EXPENSE RATIO INSURANCE – NON-LIFE
Underwriting costs expressed as a percentage of premiums written.

COST/INCOME RATIO BANKING
Operating expenses expressed as a percentage of income.

ECONOMIC CAPITAL
The minimum amount of capital that is required to absorb unexpected losses in times of severe stress. Given ING Group's AA target rating, ING calculates economic capital requirements at a 99.95% level of confidence over one year. This confidence level is derived from the historical default frequency of AA-rated companies (probability of default of 1 in 2000 or 0.05%).

EMBEDDED VALUE ("EV")
Embedded value is the present value of all future cash flows from the contracts being owned today (embedded value does not take into account future sales). The discount rate used is equal to WACC.

EMBEDDED VALUE PROFIT ("EVP")
Embedded value profit is the change in embedded value over a given period over and above the amount related to the unwinding of the discount rate.
In formula: EVP = Embedded value (start of period)*(RoEV-WACC).

EXPENSE RATIOS LIFE INSURANCE
Investment Oriented Products (IOP): Operating expenses expressed as a percentage of Assets under management.
Other Life Insurance Products (OLIP): Operating expenses expressed as a percentage of gross premiums.

GROSS PREMIUMS WRITTEN
Total premiums (whether or not earned) for insurance contracts written or assumed (including deposits for investment contracts with limited or no life contingencies written) during a specific period, without deduction for premiums ceded.

IMPAIRMENT LOSS
The amount by which the carrying amount of an asset exceeds its recoverable amount.

IRR
Internal rate of return is the discount rate at which the present value of distributable earnings from new business equals the investment in new business. i.e., the projected return on the investment in new business.

NET PREMIUMS WRITTEN
Gross premiums written for a given period less premiums ceded to retrocessionaires during such period.

NEW SALES
New sales of life insurance, measured as Annual Premium Equivalent (APE), have been defined as the total of annual premiums and 10% of single premiums received on production in a given period.

PRESSURISED ASSETS
Pressurised assets have been defined as subprime ABS exposures, Alt-A ABS exposures, CDO/CLOs, SIVs, ABCP investments, leveraged finance and exposures on monoliners.

REINSURANCE
The practice whereby one party, called the reinsurer, in consideration for a premium paid to him, agrees to indemnify another party, called the reinsured or ceding company, for part or all of the liability assumed by the reinsured under a contract or contracts of insurance which the reinsured has issued. The reinsured may also be referred to as the original or primary insurer, the direct writing company, or the ceding company.

RETURN ON EMBEDDED VALUE (“RoEV”)
Return on embedded value is the change in embedded value over a given period, expressed as a percentage of beginning period embedded value. The change in embedded value is the total of the value on New Business (the present value of the new business sold in a given period) and the change in value of existing business.

RETURN ON EQUITY (“RoE”)
The return on equity is the net profit as percentage of the average equity (shareholders capital + reserves).

RISK ADJUSTED RETURN ON CAPITAL (“RAROC”)
In the RAROC calculation, the actual credit-risk provisioning is replaced by statistically expected losses reflecting the average credit losses over the entire economic cycle. RAROC is calculated by dividing the risk-adjusted return by average economic capital.

RISK-WEIGHTED ASSETS (“RWA” under Basel I)
Assets which are weighted for credit risk according to a formula used by the Dutch Central Bank (De Nederlandsche Bank), which conforms to the capital adequacy guidelines of the BIS (Bank of International Settlements). On and off-balance-sheet items are weighted for risk, with off-balance-sheet items converted to balance-sheet equivalents (using credit-conversion factors) before being allocated a risk weight.

RISK-WEIGHTED ASSETS (“RWA” UNDER BASEL II)
Assets which are weighted for credit, market and operational risk in accordance with the Basel II methodology. The risk-weighted assets are calculated using internal models approved by The Dutch Central Bank (De Nederlandsche Bank).

SURRENDER
The termination of a life or retirement contract at the request of the policyholder after which the policyholder receives the cash surrender value, if any, on the contract.

TIER-1 CAPITAL
Also referred to as the core capital of ING Bank. It comprises paid up share capital, reserves excluding revaluation reserves, retained earnings, minority interests and hybrid Tier-1.

TIER-1 RATIO
Reflecting the tier-1 capital of ING Bank as a percentage of its total risk-weighted assets. The minimum set by the Dutch central bank is 4%.

TOTAL AND UNDERLYING NET PROFIT
The variance between Total and Underlying net profit is caused by divestments and special items.

TRADING PORTFOLIO
Comprises those financial instruments which are held to obtain short-term transaction results, to facilitate transactions on behalf of clients or to hedge other positions in the trading portfolio.

VALUE CREATION
Value creation is measured by Economic Profit (regarding non-life and asset management business and banking operations) and Embedded Value Profit (regarding life and long term health business).

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