Full Year 2011 Results

ING 2011 underlying net profit increased to EUR 3,675 million

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CEO

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www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES

ING Group posts higher full-year 2011 results despite challenging environment in 4Q11

ING Group 2011 underlying net profit rises 15.1% despite challenging environment in 4Q11

- FY 2011 net profit was EUR 5,766 mln, or EUR 1.52 per share, including divestments and special items

Priority in 4Q11 was de-risking and capital preservation as sovereign debt crisis deepened

- Group posted 4Q underlying net loss of EUR 516 mln, reflecting impact of de-risking, impairments, negative hedge results and VA assumption change
- Group 4Q net profit was EUR 1,186 mln, including gains on divestments and special items

Bank underlying pre-tax result amounts to EUR 793 mln in 4Q11

- Underlying pre-tax result included EUR 301 mln of impairments and EUR 109 mln in losses from de-risking
- Net interest margin rose 5 bps from 3Q11 to 142 bps, primarily due to higher Financial Markets results
- Risk costs rose to EUR 530 mln, driven by higher additions for the SME/MidCorp segment in the Benelux
- Core Tier 1 ratio stable at 9.6% despite EUR 9 bln RWA increase as a result of CRD III implementation

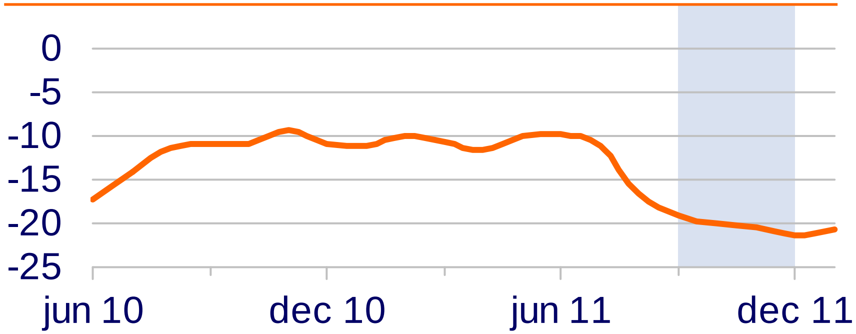
Insurance underlying loss before tax was EUR 1,348 mln in 4Q11

- Underlying loss included EUR 1,099 mln charge for the US Closed Block VA assumption changes
- Results also include EUR 348 mln in losses on hedges in place to protect regulatory capital, and EUR 131 mln of impairments as well as EUR 179 mln gains as a result of de-risking
- Operating result increased 20.4% from a year earlier to EUR 478 mln, supported by a higher investment spread and strong cost control

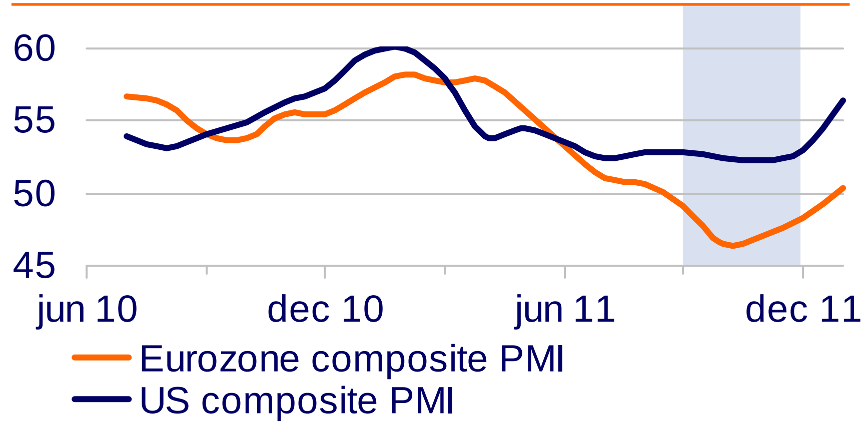
ING

Economic environment became more challenging

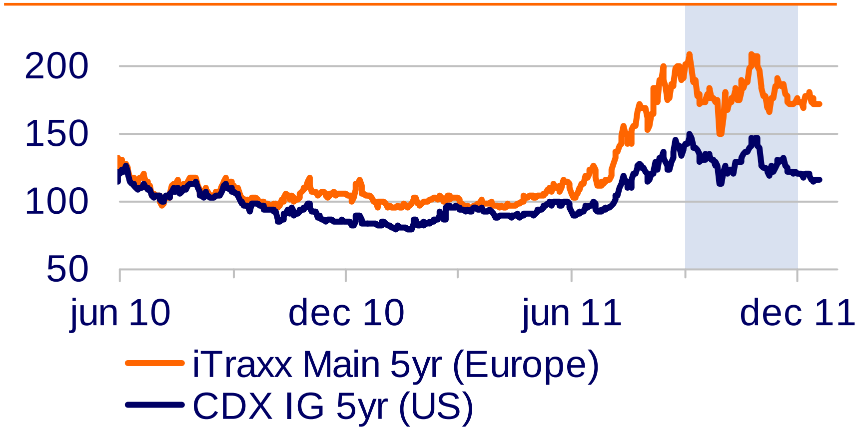
Consumer confidence



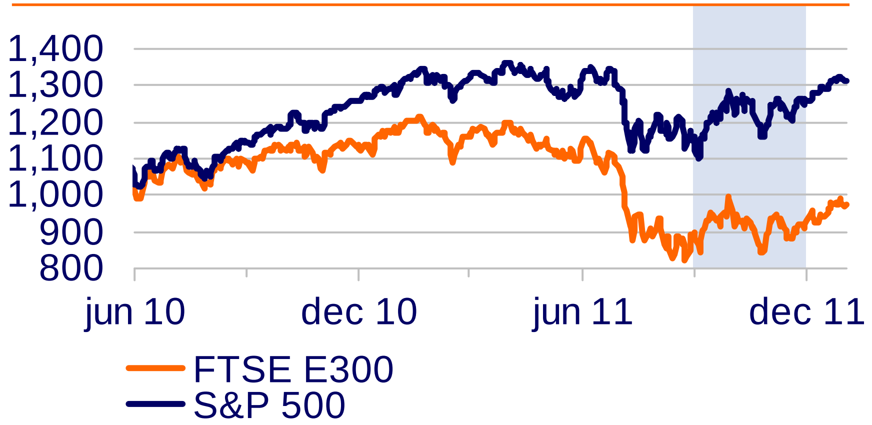
Economic activity



Credit markets (in bps)



Stock markets



Progress in non-financial performance

Client initiatives

- Launched new corporate pension plans (PPI) and bank-savings products at Nationale-Nederlanden
- Awards for Smart life insurance product in Czech and Slovak republics
- Online and mobile: launched payment app in the Netherlands (700.000+ downloads) and five other countries
- Face-to-face: branch remodelling in Poland, rolling-out of lite network in Spain and opening of branches in Italy

Sustainability

- Mandatory sustainability targets included in objectives of senior management
- Increased sustainable product offerings across our businesses
- Included in Dow Jones Sustainability World and FTSE4Good indices
- Again ranked #1 among 89 global diversified financials by Sustainalytics
- 100% Carbon neutral for the 5th consecutive year

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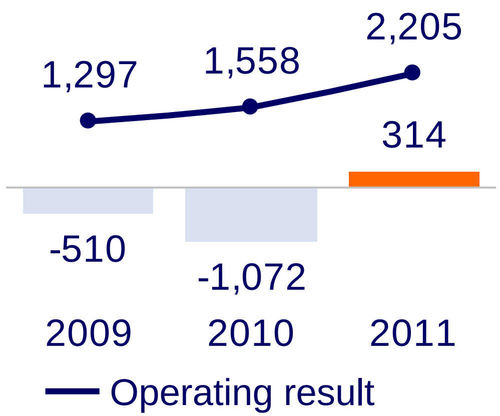
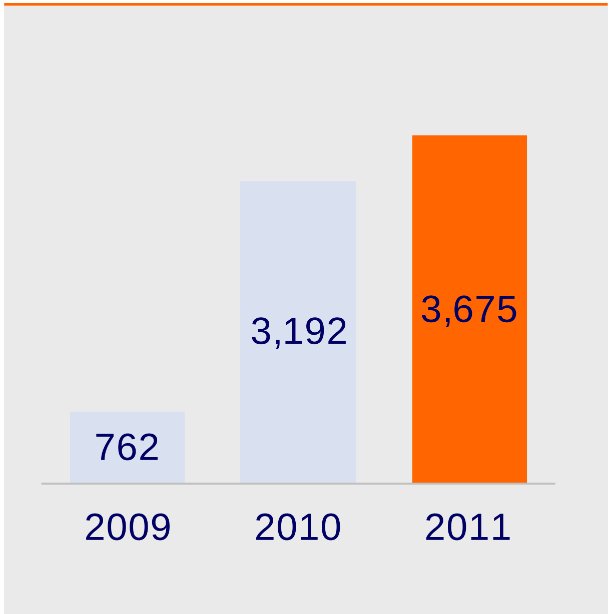
Full year 2011 underlying net profit rose 15.1% to EUR 3,675 mln

Underlying pre-tax result Bank (in EUR mln)

Underlying pre-tax result Insurance (in EUR mln)



Underlying net result ING Group (in EUR mln)



- Bank 2011 underlying pre-tax result included Greek re-impairments of EUR 588 mln and losses related to selective de-risking at ING Direct of EUR 181 mln
- Bank 2010 underlying pre-tax result included EUR 275 mln of gains on the sale of 2 Asian equity stakes
- Insurance 2011 underlying pre-tax result included Greek re-impairments of EUR 390 mln and a EUR 1,099 mln charge for US Closed Block VA assumption changes

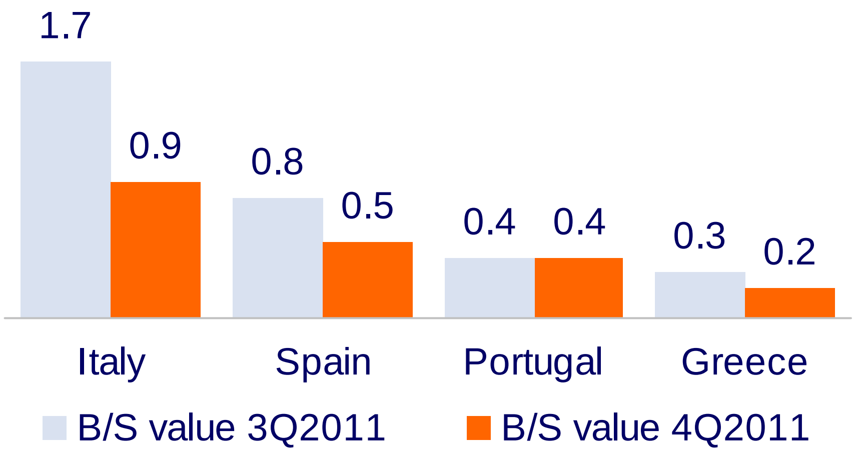
Fourth quarter 2011 results impacted by impairments and de-risking

	Bank			Insurance			Group		
	4Q11	4Q10	% Change	4Q11	4Q10*	% Change	4Q11	4Q10*	% Change
Reported underlying result before tax	793	1,428	-44.5%	-1,348	-873	n.a.	-555	554	-200.2%
Impairments									
Greek government bonds	-133			-66			-199		
Other impairments	-168	-85		-65	-4		-233	-89	
De-risking									
Realised gains/losses on de-risking	-109			179			70		
Hedging to protect regulatory capital									
Insurance				-348			-348		
Other									
Gains on equity stake (Fubon)		189						189	
US Closed block VA charge				-1,099	-975		-1,099	-975	
Separate account pension contracts				-207	-150		-207	-150	
Other	86	-15		-220	-141		-134	-156	
Adjusted underlying result before tax**	1,117	1,339	-16.6%	478	397	20.4%	1,595	1,736	-8.1%
Addition to Loan Loss provision	530	410							
Adjusted gross result	1,647	1,749	-5.8%						

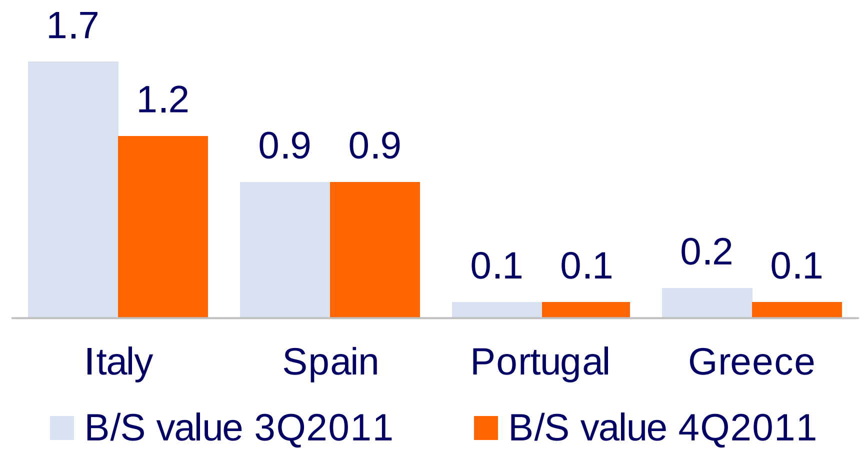
* The figures of this period have been restated to reflect the change in accounting policy, i.e., the move towards fair value accounting for Guaranteed Minimum Withdrawal Benefits for life in the US Closed Block VA as of 1 January 2011.
** Is equal to Insurance operating result.

Government bond exposure to southern Europe substantially reduced

Bank: Government bond exposure (in EUR bln)*, **



Insurance: Government bond exposure (in EUR bln)*, **

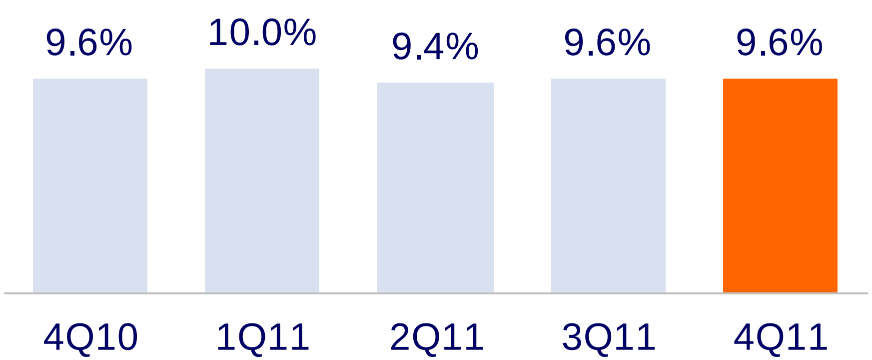


- Greek government bonds of all maturities re-impaired to the 31 December 2011 market value, which represents a write-down of approximately 80%
- Pre-tax impairment in 4Q11 on Greek government bonds of EUR 133 mln for Bank and EUR 66 mln for Insurance, bringing the total impairments on Greek government bonds to EUR 588 mln for the Bank and EUR 390 mln for Insurance
- Government bond exposure to Greece, Italy, Ireland, Portugal and Spain reduced by EUR 1.8 bln in 4Q11.

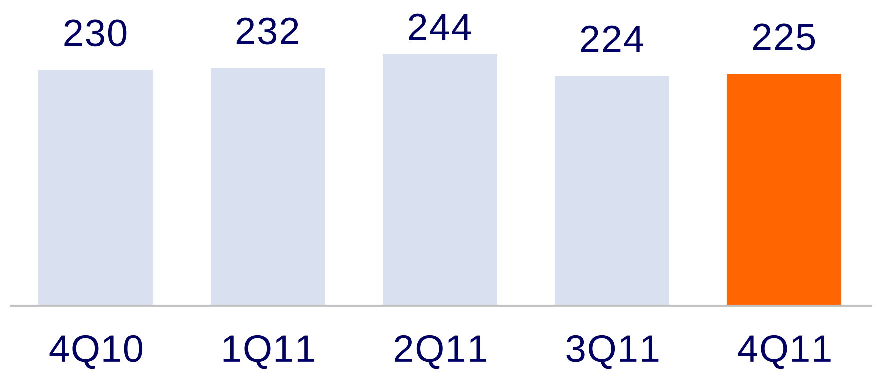
* Bank has no government bond exposure to Ireland. Insurance exposure to Ireland amounted to EUR 43 mln (B/S value) at the end of 4Q11
** All AFS, except for Bank exposure to Italy (EUR 0.8 bln AFS and EUR 0.1 bln at amortised costs on 31 Dec 2011) and Spain (EUR 0.3 bln AFS and EUR 0.2 bln at amortised costs at 31 Dec 2011).

All capital ratios remained stable in 4Q11

ING Bank core Tier 1 ratio



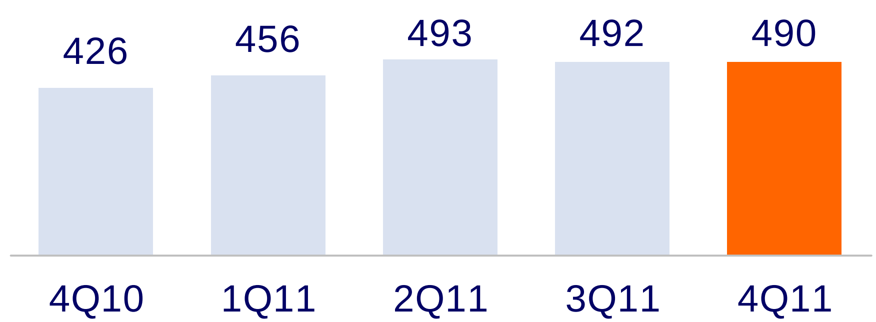
ING Insurance Solvency I ratio* (in %)



All capital ratios remain strong

- The core tier 1 ratio remained stable at 9.6% versus 4Q10 as the State repayment of EUR 3 bln and EUR 9 bln RWA impact of CRD III was offset by retained earnings including divestments
- Solvency 1 ratio at 225%, slightly down from 4Q10 and stable versus 3Q11
- RBC ratio at 490%, up from 4Q10 and stable versus 3Q11

Regulatory capital US operating companies** (RBC in %)



* In the fourth quarter of 2011, several changes have been made in the calculation of the IGD ratio. The comparative IGD numbers have been adjusted
** ING's US domiciled regulated insurance business: 4Q11 RBC ratio is preliminary and subject to change.

ING is making good progress on EC restructuring

Delivering on EC restructuring

	Action
• Sell ING Direct USA	✓ Announced
• Sell Insurance Latin America*	✓ Completed
• Insurance/IM US	Base case IPO
• Insurance/IM Europe	Standalone future
• Insurance/IM Asia	Exploring options
• Divesting WestlandUtrecht Bank	Operationally split; exploring further options

Further streamlining

	Action
• Sell ING Real Estate Investment Management (REIM)	✓ Completed
• Sell ING Car Lease	✓ Completed

Separation and preparation for the Insurance divestment

- Bank and Insurance/IM operationally split at the end of 2010 and operational disentanglement of US and EurAsia Insurance/IM finalised at the end of 2011**
- Given uncertain economic outlook and turbulent financial markets, ING has decided to explore other options for Asian Insurance/IM businesses
- ING will continue preparations for a standalone future of the European Insurance/IM businesses, including the possibility of an IPO
- ING will continue to prepare for a base case of an IPO for US Insurance/IM businesses

Separation and preparation costs 2011 at the lower end of our expectations

- Costs related to the separation and preparation for the Insurance divestment were EUR 85 mln in 4Q11 and EUR 202 mln in FY 2011 after-tax
- Costs related to the separation and preparation Insurance divestment*** for 2012 are estimated to be at around EUR 150 mln after tax

* ING’s Latin American pension, life insurance and investment management operations. Sul America is not included in this transaction
** Operational separation consists of a combination of end-state and a few remaining interim solutions, mainly IT related. ING will continue to seek to replace the remaining interim solutions with permanent solutions
*** Excluding rebranding

Next priorities: State repayment & reduction of Group Leverage

Progress 2011

- ✓ State Repayment: EUR 3 bln paid to the State in 2011. To date EUR 7 bln principal + EUR 2 bln coupons and exit premiums have been paid with a total return for the State of 17%
- ✓ Liability management transaction reduced hybrid securities by EUR 2.7 bln and resulted in a EUR 718 mln net gain, of which EUR 577 mln at Group level, which has reduced double leverage and can be used towards repaying the State

State Repayment

- Capital priorities for 2012 will continue with the State repayment and further reduce the leverage in the Group holding company
- ING remains committed to repaying the State as quickly as possible
- We aim to repay part of the remaining CT1 securities to the Dutch State this year, once we have received the proceeds from the sale of ING Direct USA, subject to economic circumstances and availability of capital
- Ideally we would like to complete the State repayment this year, however, given the ongoing crisis in the euro zone and increasing regulatory capital requirements, we need to take a cautious approach and maintain strong capital ratios in the Bank as we build towards Basel III

ING Bank

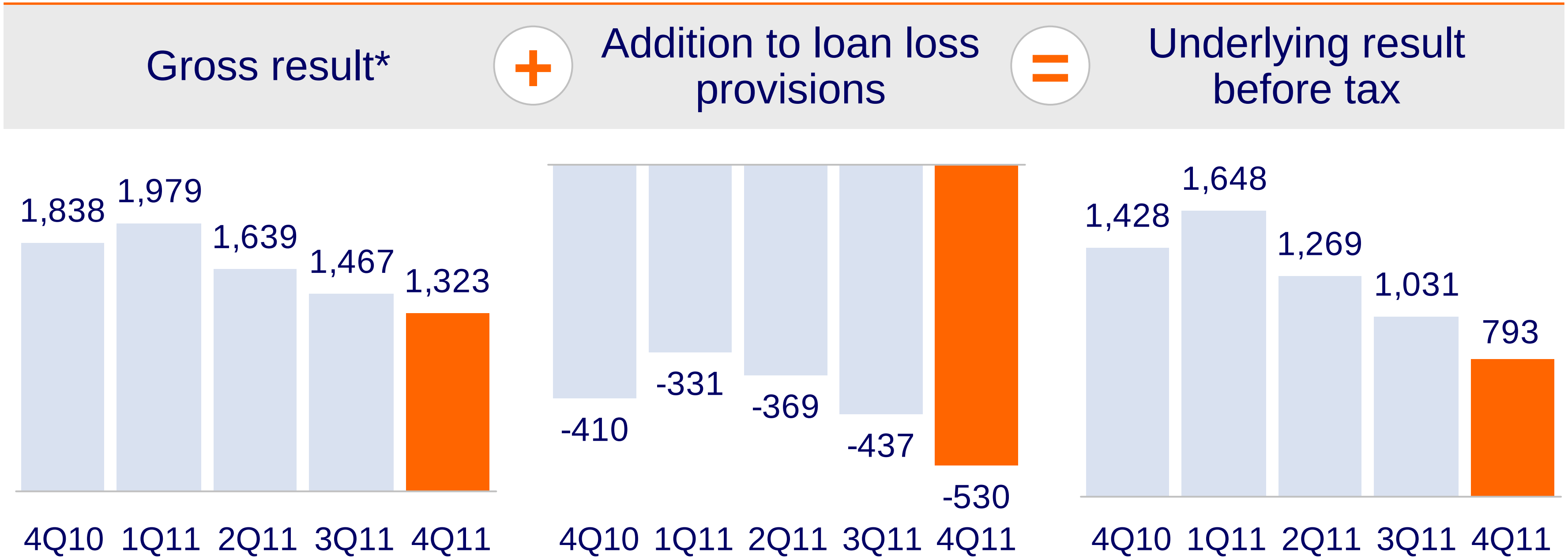
Fourth quarter 2011 results impacted by impairments and de-risking

Gross result

	4Q11	4Q10	% Change
Reported gross result	1,323	1,838	-28.0
Impairments			
Greek government bonds	-133		
Other debt and equity securities	-81	-30	
RED Development projects	-55	-55	
Goodwill impairment RED	-32		
De-risking			
Realised losses on de-risking ING Direct	-79		
Realised losses on de-risking RE Investments	-30		
Other			
Gains on equity stake (Fubon)		189	
Fair value change own tier 2 debt	39	-20	
Other market impacts	47	5	
Adjusted gross result	1,647	1,749	-5.8

Bank result in the fourth quarter impacted by additional de-risking measures and higher risk costs

Bank results (in EUR mln)

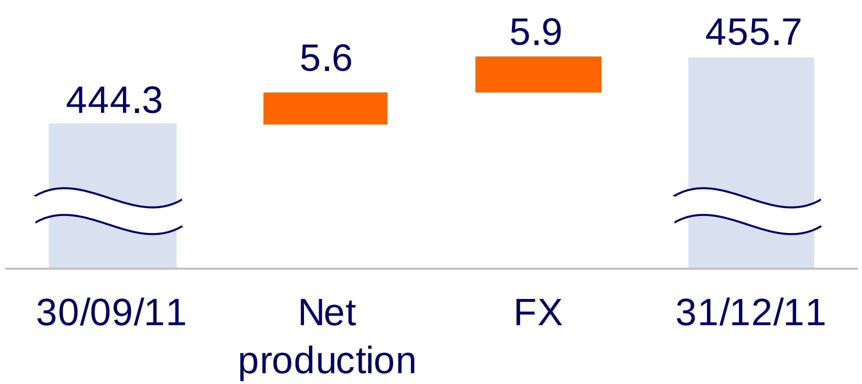


- Bank Q4 underlying pre-tax result came in at EUR 793 mln, including EUR 301 mln of impairments and EUR 109 mln in losses from de-risking
- Increase in risk costs mainly attributable to higher additions for SME/MidCorp segments

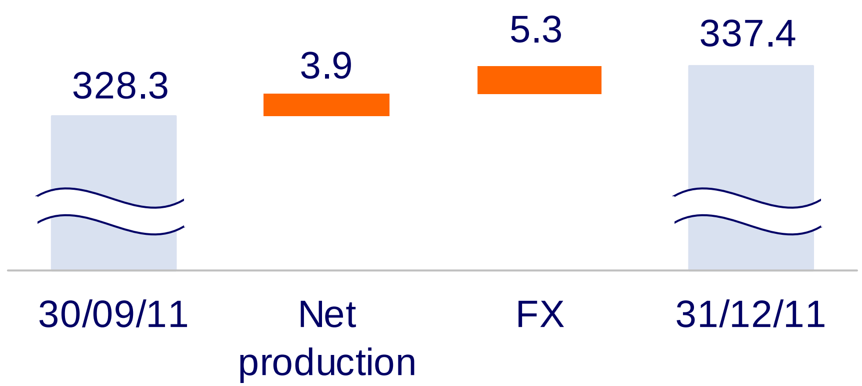
* Gross result = underlying income - underlying expenses

Funds Entrusted increased by EUR 8.1 bln in the fourth quarter

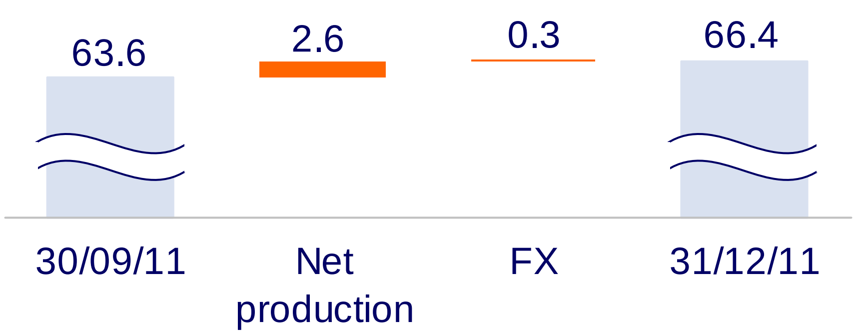
Funds entrusted Retail Bank (EUR bln)*



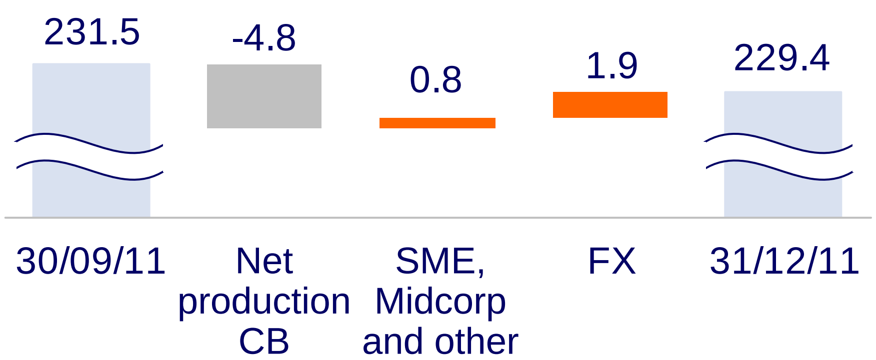
Residential mortgages (EUR bln)*



Funds entrusted Commercial Bank (EUR bln)



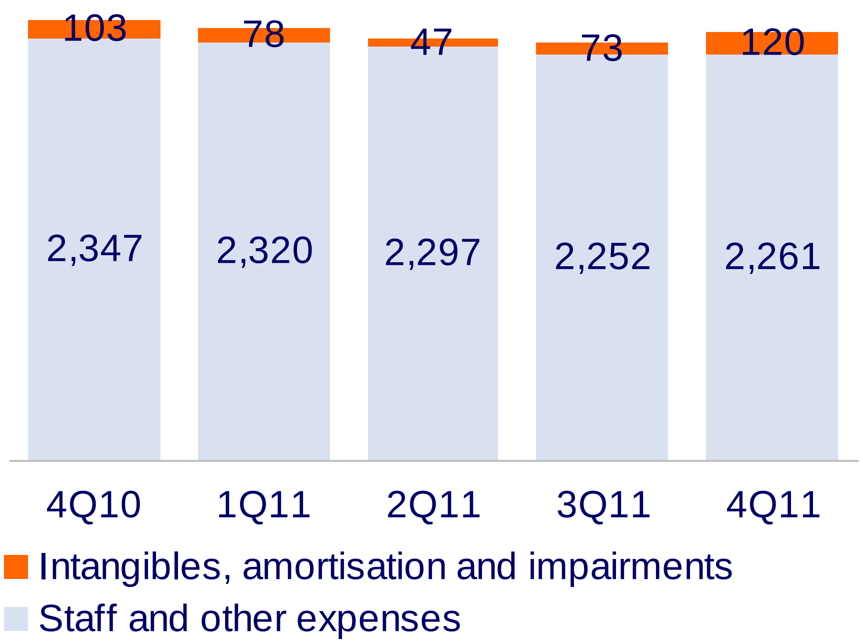
Corporate and other lending (EUR bln)*



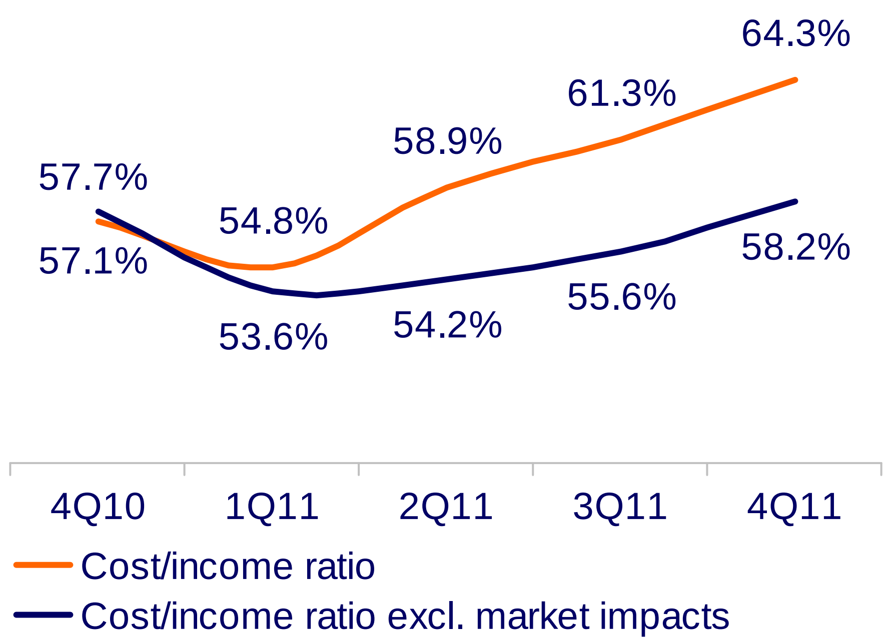
* Including ING Direct USA: at 31 December, residential mortgages (EUR 31.9 bln), other lending (EUR 0.1 bln) and funds entrusted (EUR 64.1 bln)

Expenses down from 4Q10, but up from 3Q11 on higher marketing costs and impairments of software and goodwill

Operating expenses (EUR mln)



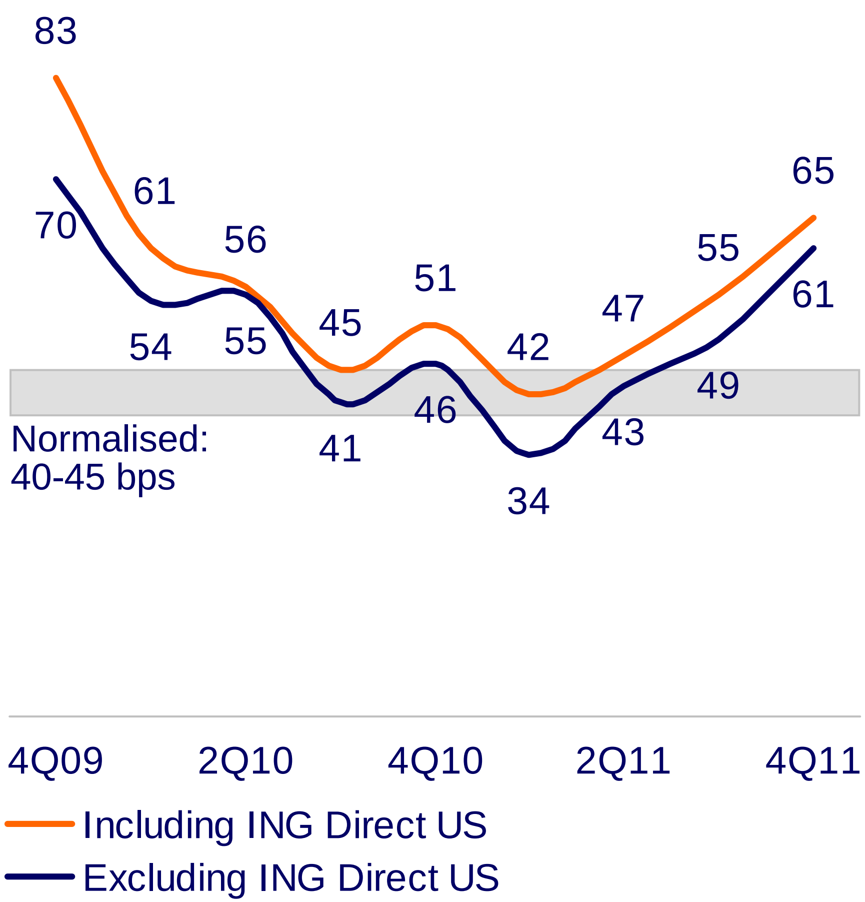
Underlying cost/income ratio (%)



- Expenses decreased from 4Q10 as a result of ongoing cost control
- Expenses increased 2.4% from 3Q11 due to higher marketing costs resulting from year-end campaigns in several countries and impairments of goodwill and software
- Cost/income ratio, adjusted for market impacts, was 58.2% in 4Q11

The weakening economic environment is becoming evident in higher risk costs

Additions to loan loss provisions (bps average RWA)

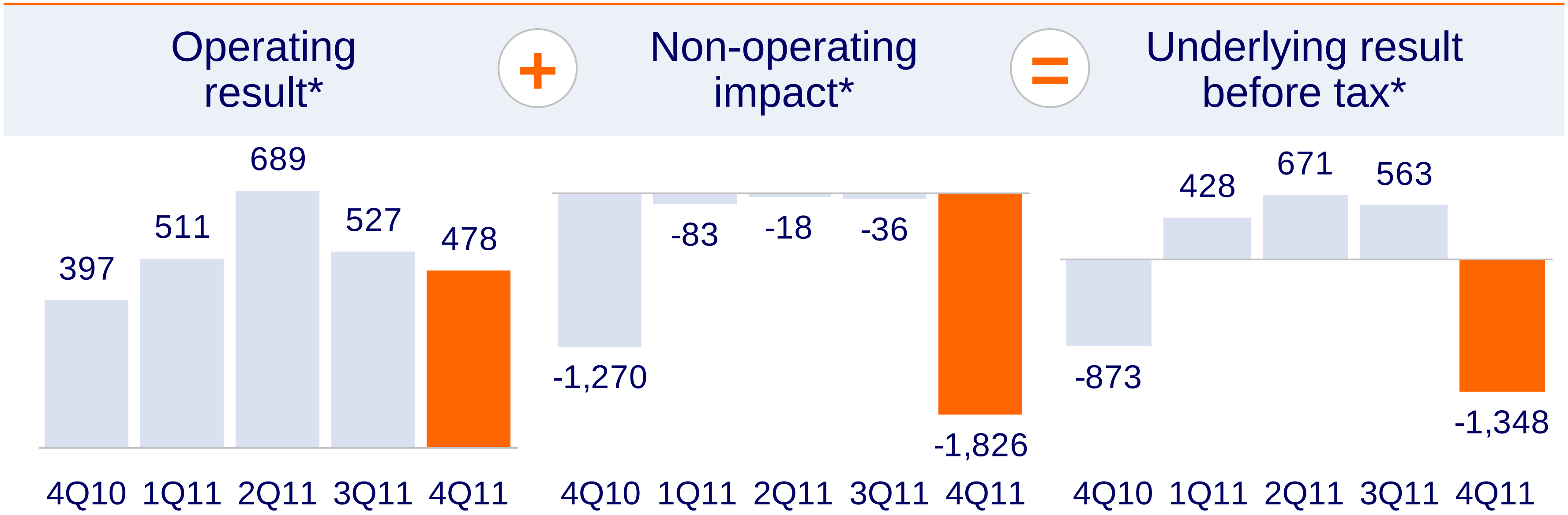


- Net addition to loan loss provisions of EUR 530 mln or 65 bps of average RWA in 4Q11
- Excluding ING Direct USA, net additions to loan losses were 61 bps in 4Q11
- Given the uncertain economic environment, we expect loan loss provisions to remain elevated at around these levels for the coming quarters

ING Insurance

Insurance result strongly impacted by the EUR 1,099 mln charge for the US Closed Block VA

Insurance result (in EUR mln)



- Operating result up by 20.4% from 4Q10, reflecting a higher investment margin and lower administrative expenses
- Operating result down by 9.3% from 3Q11 due to lower fees and premium-based revenues and modestly higher administrative expenses
- The underlying result before tax included the previously announced charge of EUR 1,099 mln related to a change in actuarial assumptions for the US Closed Block VA and losses on hedges

* Insurance 2010 and 1Q11 figures have been restated to reflect the sale of ING Insurance Latin America which is booked in discontinued operations until closing.

Underlying result strongly impacted by charge for US Closed Block VA and market volatility

Underlying pre-tax result 4Q11 (in EUR million)

Operating result	**478**
US Closed Block VA assumption changes	-1,099
Losses on hedges to protect regulatory capital*	-348
Realised gains/losses from de-risking and other investment portfolio management actions	179
Change in provision for guarantees on separate account pension contracts (net of hedging)	-207
Other non-operating items due to market volatility**	-351
Underlying pre-tax result	**-1,348**

Managing through turbulent financial markets

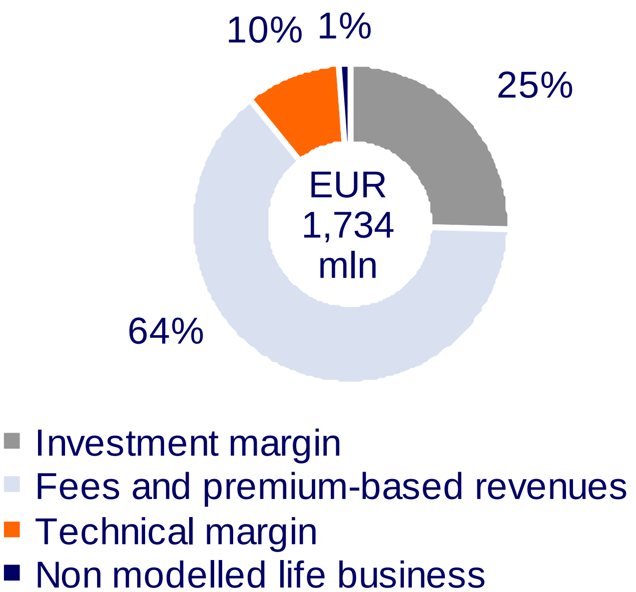
- Non-operating items include the previously announced charge for US Closed Block VA assumption changes
- As market conditions remained challenging, ING continued to place priority on the protection of regulatory capital and further de-risking of the balance sheet. Consequently, gains on hedges in 3Q were largely reversed in 4Q, while the negative impact of de-risking in the fourth quarter was more than offset by realised gains on other securities
- Given the accounting asymmetry, and absent of any material changes in hedging strategy, further IFRS earnings volatility could be expected in 1Q 2012

* Of which EUR -222m is for Insurance Benelux (EUR -182m related to equity options and EUR -40m macro interest hedges) and EUR -126m for US Closed Block VA

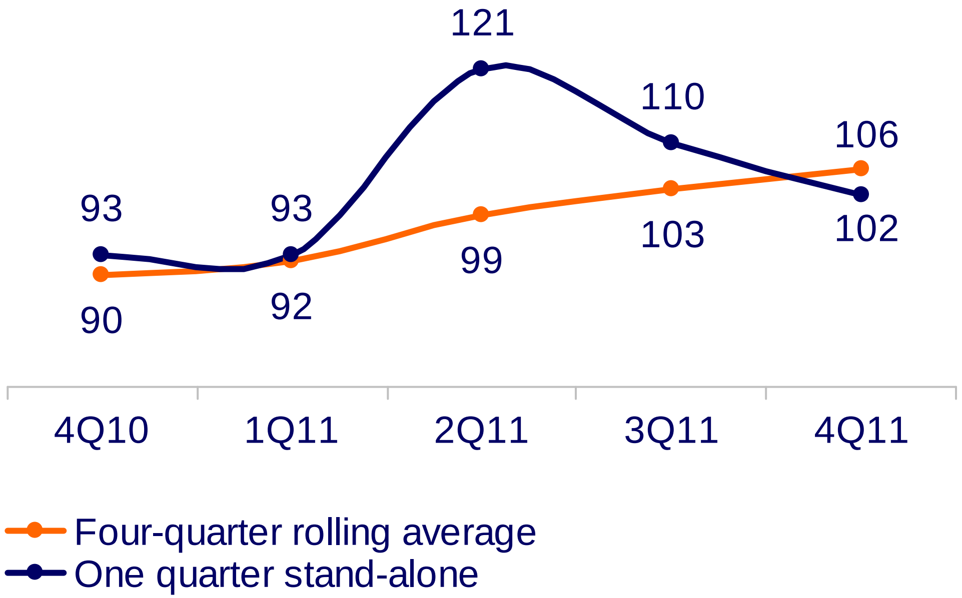
** Includes liability hedge result US Closed Block VA (EUR-132m), re-impairments on Greek government bonds (EUR 66m) and impairments on equities (EUR 65m).

Investment spread on a four-quarter rolling average increased to 106 bps

Life and ING IM operating income, 4Q11



Investment spread (in bps) Life GA

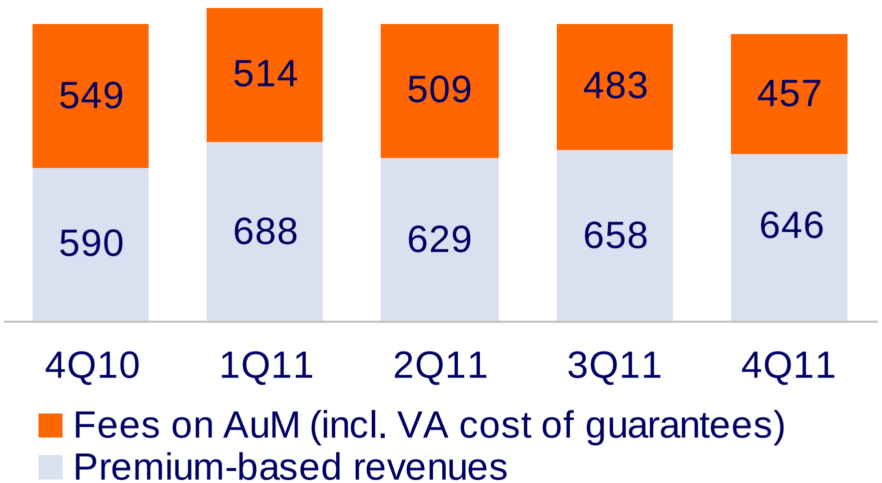


- Investment spread on a four-quarter rolling average increased to 106 bps
- The investment spread in the stand-alone fourth quarter decreased to 102 bps, in part due to de-risking measures mainly taken in the second half of 2011
- As a result, the investment spread is expected to decline gradually in 2012

Fees and premium-based revenues decreased primarily due to lower fee income

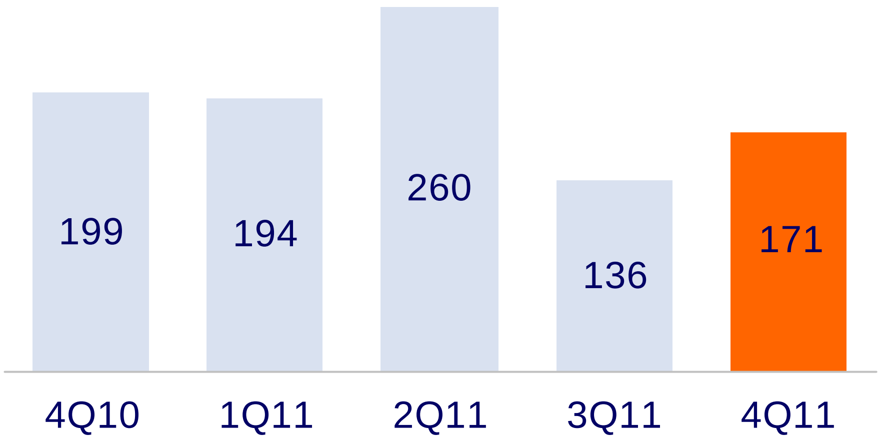
Life Insurance & ING Investment Management (IM)

Fees and premium-based revenues (in EUR mln)



- Fees and premium-based revenues decreased by 3.2% from 4Q10 and decreased by 3.3% from 3Q11, primarily due to lower fee income
- Cost of VA guarantees increased to EUR 225 mln, from EUR 192 mln in 3Q11

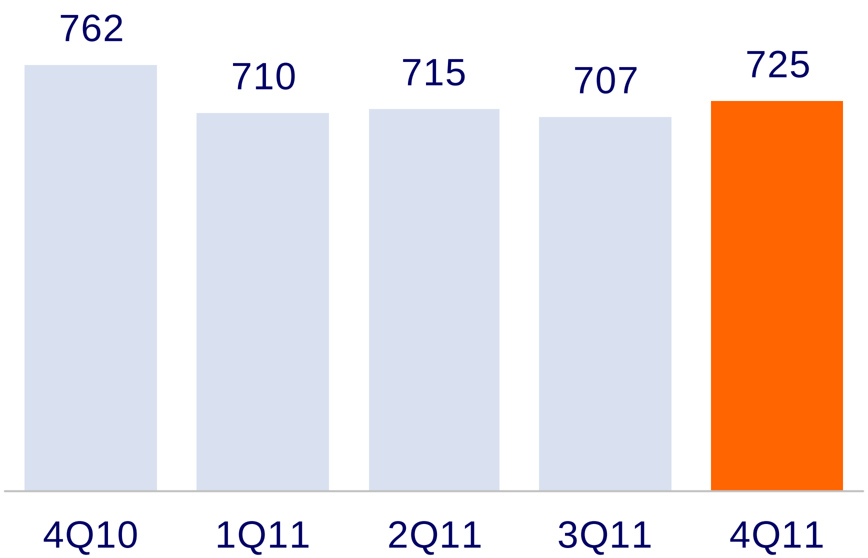
Technical margin (in EUR mln)



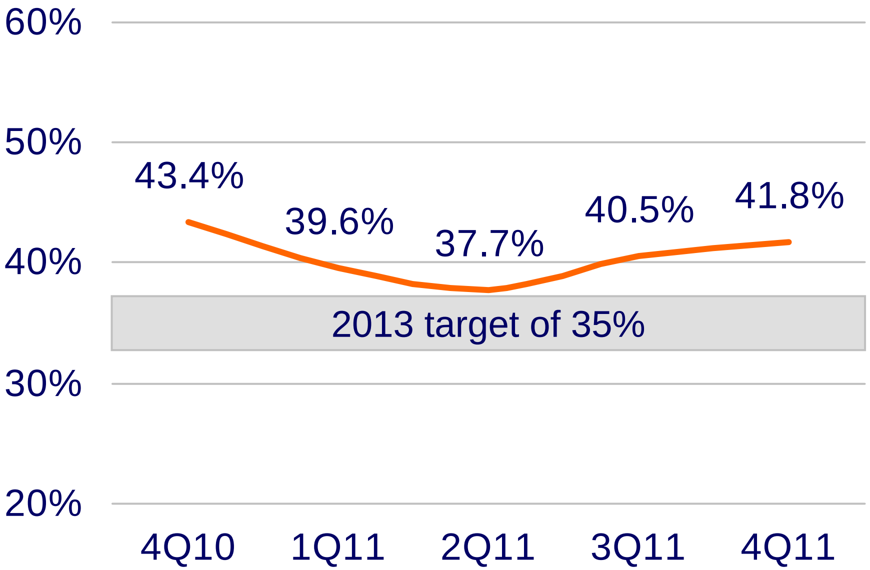
- The technical margin was EUR 35 mln up versus 3Q11, mainly due to improved mortality and morbidity results in Japan and Korea.
- 3Q11 included an addition to guarantee provisions in the Benelux

Life & ING IM administrative expenses/operating income ratio was 41.8%

Life & IM administrative expenses* (EUR mln)



Life & IM administrative expenses/operating income ratio* (%)



- Administrative expenses down 4.9% from 4Q10, mainly due to ongoing cost control as well as a one-off expense reduction due to a change in ING's US employee pension plan
- Administrative expenses up by a moderate 2.5% from 3Q11
- Administrative expenses/operating income ratio was 41.8% in 4Q11

* Insurance 2010 and 1Q11 figures have been restated to reflect the sale of ING Insurance LatAm which is booked in discontinued operations until closing.

Wrap up

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- Core Tier 1 ratio stable at 9.6% despite EUR 9 bln RWA increase as a result of CRD III implementation

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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 document, the same accounting principles are applied as in the 3Q2011 ING Group Interim Accounts. The Financial statements for 2011 are in progress and may be subject to adjustments from subsequent events. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of ING's restructuring plan to separate banking and insurance operations, (5) 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, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to purchase accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, and (17) ING's ability to achieve projected operational synergies. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.

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