2008

ING Group

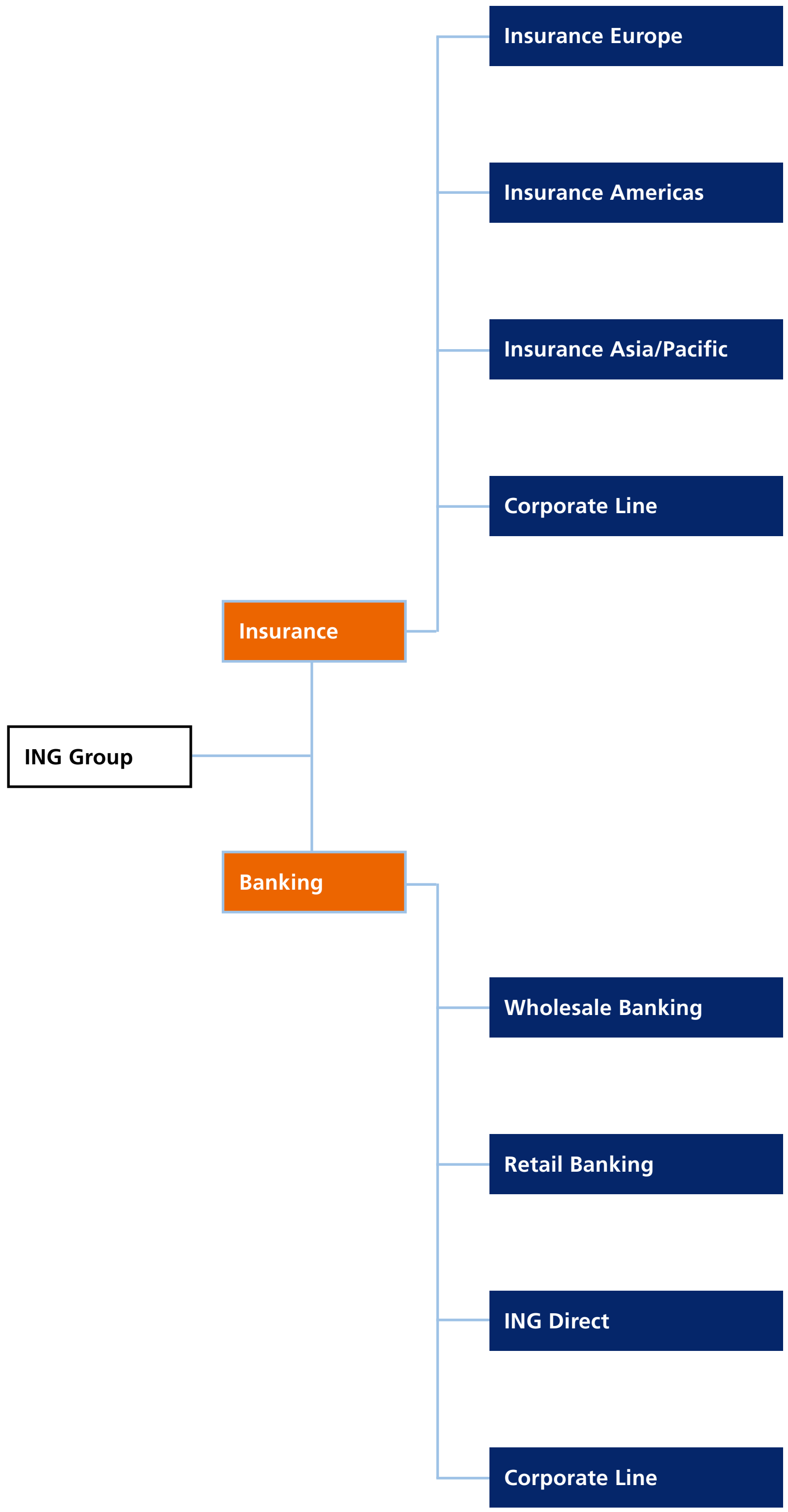
Quarterly report

Quarterly report
Second quarter 2008

ING

REPORTING STRUCTURE

ING Group



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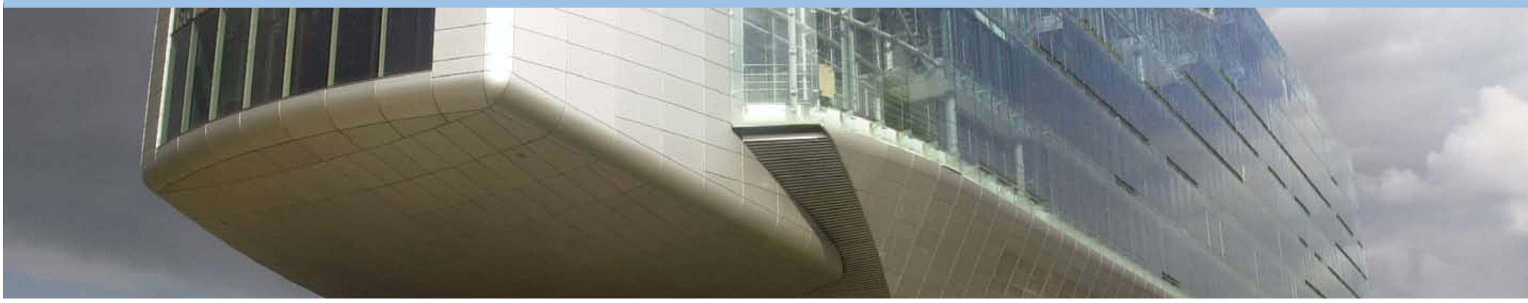
Note

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.

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Chairman's Statement

'ING continues to weather the turmoil in credit markets well, as writedowns on pressurised assets remained limited in the second quarter. We are, of course, not immune to the challenging environment around us, and the sustained weakness across financial markets put pressure on earnings," said Michel Tilmant, CEO of ING. "We took advantage of the brief market rally in April to reduce our equity exposure. Nonetheless, equity gains net of impairments were significantly below the exceptional levels realised last year. Combined with lower real estate and private equity valuations, lower investment results accounted for the vast majority of the profit decline. Interest income in the banking business rose strongly, despite competition for deposits. Risk costs increased, but remained below over-the-cycle norms. Costs remained under control in mature markets, while we continued to invest to support growth.'

'All capital and leverage ratios are well within target. The Group has EUR 3.9 billion of spare leverage capacity after the completion of ING's EUR 5 billion share buyback and the payment of last year's final dividend in the second quarter. In line with our policy to pay an interim dividend equal to half of the previous year's total dividend, our interim dividend has been set at EUR 0.74 per share, to be paid fully in cash.'

'ING maintained its commercial growth in these challenging market circumstances. The net new production of client balances was EUR 29.6 billion in the quarter, bringing the total to EUR 1,482 billion. Growth was driven by a large increase in lending, particularly at the Wholesale Bank. In Retail Banking and ING Direct we continued to grow savings despite strong competition for deposits. Sales of life insurance were up 8.8% excluding currency impacts as product innovation and expanded distribution helped compensate for lower demand for unit-linked products.'

'Financial services companies are facing unprecedented market volatility, limited liquidity, and intensified competition for deposits, which we see continuing into 2009. We are executing our strategy in the context of this challenging environment by focussing on growing client balances, while keeping a close eye on margins and expenses. We continue to adapt our product range to meet our customers' changing needs, while investing to expand our distribution in growth markets. In mature markets we are on track with the transformation projects at our Retail Banking businesses in the Benelux, and expense reductions at the Dutch insurance business are now evident. As markets remain volatile, we will continue to manage our risk and capital with discipline. While financial markets are expected to put pressure on results in the short term, we are confident that ING will continue to create profitable growth for our shareholders over the long term through the breadth of our business and the strength of our franchise.'

GROUP

Key figures

ING Group: Key figures

	Annual Figures					
	6m2008	6m2007	FY2007	FY2006	FY2005	FY2004
Income (in EUR million)						
Insurance operations	29,858	30,357	62,208	59,642	57,403	55,614
Banking operations	7,684	7,429	14,602	14,195	13,848	12,678
Total income [1]	**37,427**	**37,676**	**76,587**	**73,621**	**71,120**	**68,171**
Operating expenses						
Insurance operations	2,665	2,746	5,515	5,275	5,195	4,746
Banking operations	5,010	4,944	9,967	9,087	8,844	8,795
Total operating expenses	**7,675**	**7,690**	**15,481**	**14,362**	**14,039**	**13,541**
Addition to loan loss provision Banking operations	331	24	125	103	88	465
Insurance profit before tax	1,914	3,048	6,533	4,935	3,978	4,322
Banking profit before tax	2,343	2,460	4,510	5,005	4,916	3,418
Total profit before tax	**4,257**	**5,508**	**11,043**	**9,940**	**8,894**	**7,740**
Taxation	796	913	1,534	1,907	1,379	1,709
Minority interests	1	142	267	341	305	276
Net profit	**3,460**	**4,452**	**9,241**	**7,692**	**7,210**	**5,755**
Figures per ordinary share (EUR)						
Net profit	1.68	2.06	4.32	3.57	3.32	2.71
Dividend	0.74	0.66	1.48	1.32	1.18	1.07
Shareholders' equity (in parent)	13.85	17.72	17.73	17.78	16.96	12.95
Balance sheet (in EUR billion)						
Total assets	1,370	1,319	1,313	1,226	1,159	964
Shareholders' equity (in parent)	28	38	37	38	37	28
Capital ratios (%)						
ING Group debt/equity ratio	9.5%	9.3%	9.5%	9.0%	9.4%	12.6%
Insurance capital coverage ratio	281%	297%	244%	274%	255%	204%
Insurance debt/equity ratio	9.2%	11.0%	13.6%	14.2%	13.4%	14.4%
Bank Tier-1 ratio	8.15%	7.55%	7.39%	7.63%	7.32%	6.92%
Market capitalisation (in EUR billion)	**42**	**73**	**60**	**74**	**65**	**49**
Ordinary shares outstanding (million)	2,081	2,225	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)	-	10	9	17	17	17
Key performance indicators						
- Net return on equity (ROE)	19.0%	23.9%	24.2%	23.5%	26.6%	25.4%
- Net profit growth	-22%	11%	20%	7%	25%	n.a.
Insurance						
- Value of new life business	586	375	1,124	807	805	632
- Internal rate of return	15.2%	12.8%	14.3%	13.3%	13.2%	12.1%
- Combined ratio (non-life)	93%	96%	97%	91%	95%	94%
Banking						
- Cost/income ratio (total)	65.2%	66.6%	68.3%	64.0%	63.9%	69.4%
- RAROC after tax (total)	16.1%	23.5%	19.9%	19.7%	22.6%	14.5%
Assets under management (in EUR billion)	**614**	**637**	**643**	**600**	**547**	**492**
Staff (FTEs end of period)	**130,988**	**119,097**	**124,634**	**119,801**	**116,614**	**112,195**

1. Including inter-company eliminations

Main events up and until 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 272 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 144 million, of which EUR 129 million were booked in 4Q 2007, EUR 17 million in 1Q2008 and a profit of EUR 2 million in 2Q2008. The 2008 results are predominantly caused by currency exchange rate changes.

Chile health business
Consistent with its increasing focus on wealth management, ING completed the sale of its health business in Chile, ING Salud, to Said Group and Linzor Capital Partners on 10 January 2008. 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.

Retail Netherlands
On 5 March 2008, ING announced that 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 with this, 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 starting 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. 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. ING has submitted an application for the ING Perpetuals IV to be traded 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.

CitiStreet
On 2 May 2008, ING Group announced that it had reached an agreement with Citigroup, Inc. and State Street Corporation to acquire CitiStreet, a leading retirement plan and benefit service and administration organisation in the US defined contribution marketplace. ING will acquire 100 percent of CitiStreet for a total consideration of EUR 570 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. On 1 July 2008, ING received final regulatory approval and completed the acquisition.

Interhyp
On 19 May 2008, ING Direct announced its plan to launch a public tender offer for Interhyp AG, Germany's largest independent residential mortgage distributor, at EUR 64 per share, reflecting a valuation of the company at EUR 416 million. On 14 July 2008, ING Direct announced it had received regulatory approval. On 30 July, ING Direct announced that approximately 90% of Interhyp shares were tendered, giving it a controlling stake in the company. The transaction will be booked in 3Q2008.

Buyback
On 23 May 2008, ING announced it had completed the share buyback programme started in June 2007. Under the programme ING has repurchased 183 million ordinary shares in the market for a total consideration of EUR 4.9 billion. The average purchase price for the total programme was EUR 26.77.

Oyak Emeklilik
On 17 June 2008, ING reached an agreement with Oyak Group to acquire the voluntary pension fund Oyak Emeklilik. Under the terms of the agreement, ING will acquire 100 percent for a total consideration of EUR 110 million. The transaction is subject to regulatory approval and is expected to be closed and booked in the second half of 2008.

Mexican insurance business
On 22 July 2008, ING announced it had received regulatory approval to complete the sale of part of its Mexican business, Seguros ING SA de CV and subsidiaries, to AXA as announced on 12 February 2008, for a total consideration of EUR 950 million (USD 1.5 billion). The sale will allow ING to focus on growing its existing Mexican pension (Afore) and annuities businesses. The capital gain will be in a range of EUR 150 to EUR 200 million and will be booked in 3Q2008.

Consolidated income statement

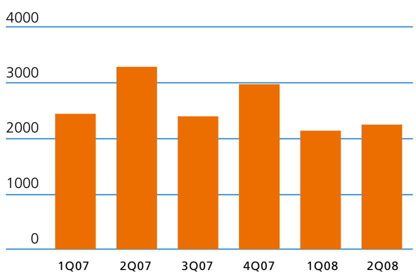
ING Group: Consolidated Income Statement								
in EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	11,155	11,419	-2.3%	12,574	-11.3%	23,729	22,845	3.9%
Interest result banking operations	2,662	2,304	15.6%	2,539	5.6%	5,201	4,446	17.0%
Commission income	1,243	1,219	2.0%	1,237	0.5%	2,480	2,427	2.2%
Total investment & other income	2,367	4,014	-41.0%	3,602	-34.8%	5,969	7,469	-20.1%
Total underlying income	**17,428**	**18,955**	**-8.1%**	**19,953**	**-12.7%**	**37,380**	**37,187**	**0.5%**
Underwriting expenditure	10,964	11,674	-6.1%	13,680	-19.9%	24,644	23,504	4.9%
Operating expenses	3,747	3,674	2.0%	3,766	-0.5%	7,513	7,390	1.7%
Other interest expenses	218	298	-26.8%	265	-17.7%	483	550	-12.2%
Addition to loan loss provisions / impairments	254	25	n.a.	115	120.9%	368	25	n.a.
Total underlying expenditure	**15,182**	**15,671**	**-3.1%**	**17,825**	**-14.8%**	**33,007**	**31,469**	**4.9%**
Underlying profit before tax	**2,246**	**3,285**	**-31.6%**	**2,127**	**5.6%**	**4,372**	**5,719**	**-23.6%**
Taxation	324	472	-31.4%	514	-37.0%	837	967	-13.4%
Underlying profit before minority interests	1,922	2,813	-31.7%	1,613	19.2%	3,535	4,752	-25.6%
Minority interests	-23	77	n.a.	24	n.a.	1	142	n.a.
Underlying net profit	**1,946**	**2,735**	**-28.8%**	**1,589**	**22.5%**	**3,534**	**4,609**	**-23.3%**
Net gains/losses on divestments	2			45		47		
Net profit from divested unitsn.a.		12					32	
Special items after tax	-28	-188		-94		-122	-188	
Net profit (attributable to shareholders)	**1,920**	**2,559**	**-25.0%**	**1,540**	**24.7%**	**3,460**	**4,452**	**-22.3%**
Earnings per share (in EUR)	**0.94**	**1.18**	**-20.3%**	**0.74**	**27.0%**	**1.68**	**2.06**	**-18.4%**

Earnings analysis: second quarter

Growing concern about inflation, pushed by higher commodity prices, compounded the credit and liquidity crisis in the second quarter as interest rates increased. Equity markets continued to be volatile, while credit spreads remained high, but tightened somewhat from their peak in March.

Against this challenging backdrop, ING continued to show solid commercial growth, while the sustained market turmoil impacted investment income.

ING GROUP
Underlying profit before tax (EUR million)



The direct impact from the credit and liquidity crisis remained limited in the quarter. Losses on ING's investments in pressurised asset classes were limited to EUR 44 million after tax (EUR 60 million before tax), reflecting the high structural credit protection of the securities in ING's subprime and Alt-A RMBS portfolios.
The ongoing weakness of financial markets continued to put pressure on investment returns from real estate and equities.

ING realised EUR 727 million after tax in capital gains on equities in the second quarter, mainly at the insurance business, as ING took advantage of the brief market rally in April to reduce its equity exposure. However, that was partially offset by EUR 291 million of impairments on equities as markets sustained their declines. On balance, gains net of impairments were EUR 436 million after tax, down from EUR 849 million in the second quarter last year, which included a gain of EUR 573 million on part of ING's stake in ABN Amro. Hedges on the equity portfolio had a positive impact of EUR 56 million after tax compared with the second quarter last year.

Negative revaluations on real estate amounted to EUR 180 million after tax (EUR 285 million before tax) in the quarter. That was related mainly to Canada, where a full external appraisal of the Summit portfolio was completed in the second quarter. The year-earlier quarter included positive revaluations of EUR 117 million after tax.

Returns on private equity and alternative assets declined by EUR 128 million (EUR 138 million before tax) compared with a year earlier.

Currency fluctuations had a negative impact of EUR 67 million, which were offset by a positive result on FX hedges of EUR 139 million.

Combined, the impact of the market deterioration reduced results by EUR 754

ING Group: Key Figures								
in EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Underlying[1] profit before tax								
Insurance Europe	397	679	-41.5%	339	17.1%	736	1,120	-34.3%
Insurance Americas	374	593	-36.9%	317	18.0%	691	1,126	-38.6%
Insurance Asia/Pacific	124	153	-19.0%	182	-31.9%	306	312	-1.9%
Corporate Line Insurance	250	531		-117		133	447	
Underlying profit before tax from Insurance	**1,145**	**1,956**	**-41.5%**	**722**	**58.6%**	**1,866**	**3,006**	**-37.9%**
Wholesale Banking	365	604	-39.6%	570	-36.0%	935	1,268	-26.3%
Retail Banking	558	619	-9.9%	638	-12.5%	1,196	1,229	-2.7%
ING Direct	179	171	4.7%	155	15.5%	333	336	-0.9%
Corporate Line Banking	-2	-65		43		41	-121	
Underlying profit before tax from Banking	**1,101**	**1,329**	**-17.2%**	**1,405**	**-21.6%**	**2,506**	**2,713**	**-7.6%**
Underlying profit before tax	**2,246**	**3,285**	**-31.6%**	**2,127**	**5.6%**	**4,372**	**5,719**	**-23.6%**
Taxation	324	472	-31.4%	514	-37.0%	837	967	-13.4%
Profit before minority interests	1,922	2,813	-31.7%	1,613	19.2%	3,535	4,752	-25.6%
Minority interests	-23	77	n.a.	24	n.a.	1	142	n.a.
Underlying net profit	**1,946**	**2,735**	**-28.8%**	**1,589**	**22.5%**	**3,534**	**4,609**	**-23.3%**
Net gains/losses on divestments	2			45		47		
Net profit from divested units		12					32	
Special items after tax	-28	-188		-94		-122	-188	
Net profit (attributable to shareholders)	**1,920**	**2,559**	**-25.0%**	**1,540**	**24.7%**	**3,460**	**4,452**	**-22.3%**
Net profit per share (in EUR)	**0.94**	**1.18**	**-20.3%**	**0.74**	**27.0%**	**1.68**	**2.06**	**-18.4%**
KEY FIGURES								
Net return on equity[2]	19.0%	23.9%		16.5%		19.0%	23.9%	
Economic capital (end of period)	35,216	32,476	8.4%	34,848	1.1%	35,216	32,476	8.4%
Assets under management (end of period)	614,000	637,000	-3.6%	620,800	-1.1%	614,000	637,000	-3.6%
Total staff (FTEs end of period)	130,988	119,097	10.0%	129,546	1.1%	130,988	119,097	10.0%

[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

million after tax (EUR 977 million before tax) compared with the second quarter last year. That drove the 28.8% decline in underlying net profit.

Commercial growth remained solid, generating EUR 29.6 billion in total net production of client balances in the second quarter, bringing total client balances to EUR 1,482 billion.

Bank lending grew by EUR 22.3 billion excluding currency impacts, driven by corporate lending and mortgages, as ING leveraged its strong balance sheet and solid liquidity position.

Customer deposits of the banking business increased by EUR 7.0 billion excluding currency effects despite increased competition for savings as the ongoing liquidity crisis pushed up funding costs on wholesale markets.

Life insurance generated a net production of EUR 3.1 billion. Sales of life insurance were up 8.8% and the value of new business rose 39.8% excluding currency effects to EUR 267 million.

Operating expenses were under control with expenses increasing in mature businesses only 0.9% from a year ago, while expenses at the growth businesses increased 14.4% to support expansion.

The effective tax rate of 14.4% in the second quarter was in line with the rate in the same quarter last year, supported by tax-exempt gains on equities as well as some tax releases. For the full year, the effective tax rate for the Group is expected to be around 20%.

Net profit declined 25.0% to EUR 1,920 million. This includes EUR 2 million in currency results related to the sale of NRG and EUR 28 million restructuring costs for the Dutch retail bank.

Net earnings per share were down 20.3% to EUR 0.94. Part of the decline in net profit was offset by the impact of the EUR 5 billion share buyback completed in May. The total number of shares outstanding declined by 8.9% from a year earlier to 2,026 million.

Consolidated balance sheet

ING Group: Consolidated Balance Sheet

	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	30 June 08	31 Dec. 07	30 June 08	31 Dec. 07	30 June 08	31 Dec. 07	30 June 08	31 Dec. 07
Cash and balances with central banks	13,162	12,406	4,569	3,115	9,399	9,829	-806	-538
Amounts due from banks	69,834	48,875			69,834	48,875		
Financial assets at fair value through P&L	341,638	327,131	112,633	120,872	230,259	208,145	-1,255	-1,887
Investments	271,699	292,650	120,025	132,266	151,676	160,384	-1	
Loans and advances to customers	592,642	552,964	29,291	27,529	567,399	526,323	-4,048	-887
Reinsurance contracts	5,684	5,874	5,684	5,874				
Investment in associates	5,205	5,014	3,188	3,190	2,139	2,010	-122	-186
Investment property	4,567	4,829	1,392	1,302	3,175	3,527		
Property and equipment	6,318	6,237	855	907	5,463	5,330		
Intangible assets	6,086	5,740	4,255	3,942	1,911	1,883	-79	-85
Deferred acquisition costs	11,055	10,692	11,055	10,692				
Other assets	42,057	40,099	11,479	12,395	30,759	27,807	-181	-103
Total assets	**1,369,946**	**1,312,510**	**304,426**	**322,083**	**1,072,013**	**994,113**	**-6,492**	**-3,685**
Shareholders' equity (in parent)	28,060	37,208	14,179	17,911	19,348	25,511	-5,467	-6,214
Minority interests	1,905	2,323	790	891	1,300	1,684	-185	-252
Total equity	**29,965**	**39,531**	**14,969**	**18,802**	**20,648**	**27,195**	**-5,652**	**-6,466**
Preference shares	2	21					2	21
Subordinated loans	9,635	7,325	7,000	4,493	19,595	18,786	-16,960	-15,954
Debt securities in issue	94,023	66,995	4,664	4,636	83,052	55,990	6,307	6,369
Other borrowed funds	26,099	27,058	9,495	11,355			16,604	15,703
Insurance and investment contracts	253,587	265,712	253,587	265,712				
Amounts due to banks	161,299	166,972			161,299	166,972		
Customer deposits and other funds on deposits	535,881	525,216			542,631	528,197	-6,750	-2,981
Financial liabilities at fair value through P&L	217,858	169,822	2,085	1,805	215,888	168,338	-115	-321
Other liabilities	41,598	43,859	12,625	15,281	28,901	28,635	72	-57
Total liabilities	**1,339,982**	**1,272,979**	**289,456**	**303,282**	**1,051,365**	**966,918**	**-839**	**2,779**
Total equity and liabilities	**1,369,946**	**1,312,510**	**304,426**	**322,083**	**1,072,013**	**994,113**	**-6,492**	**-3,685**

Balance sheet

The balance sheet of ING Group increased by EUR 57 billion, or 4.4%, to EUR 1,370 billion compared with EUR 1,313 billion at the end of 2007.

Asset growth

Amounts due from banks increased by EUR 21 billion due to unsettled balances from securities transactions related to reverse repo contracts.

Financial assets at fair value through P&L increased by EUR 15 billion. The decrease of EUR 8 billion in the insurance operations was caused by revaluations. This decline is mirrored on the liability side, where insurance provisions for the risk of policyholders decreased by the same amount. The increase of EUR 22 billion in the banking operations is attributable to trading derivatives (EUR 12 billion) and short-term deposits which are placed as collateral for securities borrowing (EUR 11 billion). Investments decreased by EUR 21 billion. On the insurance side the decline of EUR 12 billion was caused by EUR 7 billion revaluations and EUR 5 billion of FX effects. Banking operations showed a decrease of EUR 9 billion, mainly due to revaluations of the Available for Sale debt securities (EUR - 7 billion) and equity securities (EUR - 1 billion).

Loans and advances to customers increased by EUR 40 billion, or 7.1%, to EUR 593 billion. The increase was driven by robust commercial growth in the banking operations in the Netherlands (EUR 19 billion, of which EUR 15 billion came from corporate lending), ING Direct (EUR 7 billion, residential mortgages) and Belgium (EUR 5 billion).

Liability growth

Debt securities in issue in the banking operations increased by EUR 27 billion, or 48.3%, of which EUR 16 billion relate to short-term debt securities (mainly to fund the commercial growth of loans and advances at Wholesale Banking) and EUR 11 billion long-term bonds (of which EUR 8 billion at the Corporate Line).

Customer deposits and other funds on deposits in the banking operations increased by EUR 14 billion, for EUR 6 billion negatively influenced by FX rates.

The growth of Financial liabilities at fair value through P&L by EUR 48 billion mainly stems from short-term deposits held as collateral for securities lending at the banking operations (EUR 42 billion) and trading derivatives (EUR 12 billion).

Group shareholders' equity

ING Group: Change in Shareholders' Equity	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	2Q 2008	6m2008	2Q 2008	6m2008	2Q 2008	6m2008	2Q 2008	6m2008
Shareholders' equity beginning of period	**31,584**	**37,208**	**16,999**	**17,911**	**20,367**	**25,511**	**-5,782**	**-6,214**
Net profit for the period	1,920	3,460	1,067	1,736	896	1,820	-44	-97
Unrealised revaluations of equity securities	-492	-2,553	-510	-1,761	18	-792		
Unrealised revaluations of debt securities	-3,011	-6,259	-1,920	-2,889	-1,091	-3,370		
Deferred interest crediting to life policyholders	753	1,046	753	1,046				
Realised gains equity securities released to P&L	-436	-531	-465	-538	29	7		
Realised gains debt securities released to P&L	105	68	92	56	13	12		
Change in cashflow hedge reserve	30	-49	-125	-96	59	-17	96	64
Other revaluations	212	264	210	257	2	7		
Changes in treasury shares:								
- due to share buyback programme and hedge on employee options	-763	-2,161					-763	-2,161
- due to the cancellation of shares	4,455	4,455					4,455	4,455
Change in other reserves/share capital due to the cancellation of shares	-4,455	-4,455					-4,455	-4,455
Exchange rate differences	-156	-1,170	-104	-725	-32	-426	-20	-19
Issue of shares/capital injection		448		1,000			0	-552
Cash dividend	-1,716	-1,716	-1,800	-1,800	-900	-3,400	984	3,484
Employee stock option and share plans	26	52	11	22	15	30		
Other	5	-46	-29	-40	-28	-34	62	28
Total changes	**-3,524**	**-9,148**	**-2,820**	**-3,732**	**-1,019**	**-6,163**	**315**	**747**
Shareholders' equity end of period	**28,060**	**28,060**	**14,179**	**14,179**	**19,348**	**19,348**	**-5,467**	**-5,467**

Shareholders' equity

Shareholders' equity decreased by EUR 3.5 billion, or 11.2%, in 2Q2008. The decrease is mainly due to unrealised revaluations of debt securities and the final cash dividend 2007. The EUR 1.9 billion net profit in 2Q2008 only partly offsets these factors. For a description of the components of Shareholders' equity, please turn to page 92.

The unrealised revaluations of debt securities decreased by EUR 3.0 billion in 2Q2008, mainly due to increased interest rates and less liquid credit markets segments. At the end of June 2008 the revaluation reserve debt securities was EUR - 8.1 billion compared with EUR - 5.2 billion at the end of March 2008. The negative unrealised revaluation reserve of debt securities has no impact on regulatory solvency or on the leverage ratios of ING.

The unrealised revaluations of equity securities were negatively impacted by lower stock markets in 2Q. At the end of June 2008, unrealised revaluations of equity securities amounted to EUR 2.7 billion. This is EUR 1.0 billion down from EUR 3.7 billion at the end of 1Q2008, due to the decrease in unrealised revaluations of EUR 0.5 billion and the realisation of capital gains, net of impairments.

Change in treasury shares

As a result of the share buyback and the hedging for employee share options, EUR 0.8 billion has been deducted from equity. In May 2008, EUR 4.5 billion of treasury shares were cancelled. As a consequence, total equity remains the same, as these shares were deducted when they were bought, but the deduction moves within equity from treasury shares to share capital/other reserves.

Number of shares

The total number of shares outstanding in the market declined from 2,098 million at the end of 2007 to 2,026 million at the end of June 2008. The total number of shares outstanding in the market is defined as the total number of shares outstanding minus the treasury shares. The number of treasury shares decreased from 128.4 million at year-end 2007 to 54.7 million at the end of June 2008 mainly due to the cancellation of shares.

The average number of shares used for the calculation of first six months 2008 earnings per share, is 2,058 million, which is 22 million shares less than the average over 1Q2008. The decline in average number of shares is driven by the finalisation of the buyback programme.

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	-
Share buyback programme	-92
Balance 30 June 2008	**2,026**
Average (for EPS calculation)	**2,058**

GROUP

Risk management

- **Direct after-tax P&L impact of credit and liquidity crisis limited to EUR 44 million (EUR 60 million pre-tax)**
- **Negative pre-tax revaluation of subprime RMBS, Alt-A RMBS and CDOs/CLOs: EUR 398 million through shareholders' equity**
- **After-tax P&L impairments on equity securities EUR 291 million, negative pre-tax P&L revaluations on Real Estate EUR 285 million**

Volatile credit markets

In general, the second quarter of 2008 was characterised by volatile equity markets, higher interest rates in the eurozone and the US and volatile credit spreads, which narrowed somewhat compared with 31 March credit spread levels.

The direct P&L impact from the ongoing credit and liquidity crisis remains limited for ING. In the second quarter of 2008, the P&L impact was a pre-tax loss of EUR 60 million (EUR 44 million after tax). 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.

RMBS

The US subprime RMBS and US Alt-A RMBS on ING's balance sheet were selected after a thorough internal credit analysis and generally have a substantial amount of structural credit protection. In a 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.

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. Declines in fair value, due to market fluctuations in interest rates, credit spreads or illiquidity, 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 the 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.
If debt securities within AfS are impaired, the difference between fair value and amortised cost is charged to the P&L as an impairment within investment income. Trading assets and derivatives are recorded at fair value, with changes in fair value reflected directly in the P&L.

Credit portfolio performance

US subprime RMBS

At the end of the second quarter of 2008, ING's US subprime RMBS portfolio was valued at EUR 2.2 billion, of which EUR 2 billion was in Insurance Americas and EUR 0.2 billion was in ING Bank. The subprime RMBS portfolio recorded a EUR 7 million loss in the quarter as Insurance Americas took an impairment. The quality of ING Insurance Americas' US subprime RMBS portfolio is illustrated by the high average attachment point (or structural subordination level) of 30.7%.

Changes in revaluation reserves, which run through shareholders' equity, on an after-tax basis, were limited. ING's US subprime RMBS portfolio was fair valued at 79.7% of amortised cost value, against 81.4% at 31 March 2008. The pre-tax revaluation reserve for subprime RMBS was EUR -560 million at the end of the second quarter, compared with EUR -528 million at 31 March 2008.

US Alt-A RMBS

ING's US Alt-A RMBS portfolio declined from EUR 22.8 billion at 31 March 2008 to EUR 22.0 billion at 30 June of 2008. The EUR 0.8 billion decline is mainly due to pre-tax negative revaluations of EUR 341 million and received redemptions. The negative revaluation is mainly driven by higher interest rates, which were partly offset by tighter credit spreads. At the end of the second quarter, the Alt-A RMBS portfolio was fair valued at 82.7% of amortised costs, against 84.3% at 31 March 2008.

ING's Alt-A RMBS portfolio benefits from high attachments points (or structural subordination levels) of on average 15.5%. The portfolio has a 71% average loan-to-value (LTV), based on original house value and current loan balances, and an average FICO score of 722.

In the second quarter, rating agencies downgraded a significant amount of Alt-A RMBS and put a substantial number on credit watch. Of ING's Alt-A RMBS, EUR 183 million had been downgraded and EUR 1.6 billion was on credit watch as of 30 June 2008. Of ING's Alt-A RMBS,

Pre-tax P&L impact directly related to credit and liquidity crisis in 2Q2008

EUR million	Impairment	Fair value changes	Trading loss	Total loss
US subprime RMBS	7	0	0	7
US Alt-A RMBS	35	0	0	35
CDOs/CLOs	6	6	0	12
Monolines	0	0	5	5
Investments in SIVs, ABCP	1	0	0	1
Total	49	6	5	60

99% remained rated AAA.

ING closely monitors the performance of its Alt-A RMBS and underlying mortgage pools. ING has taken impairments on those Alt-A RMBS for which the cash flows from interest rate or principal repayments are uncertain. In the second quarter of 2008 this applied to 12 bonds in the Insurance Americas portfolio. These bonds were impaired to their market price by EUR 35 million. On six of these bonds there was already an impairment in the first quarter. There were no impairments in ING Direct's Alt-A RMBS portfolio.

CDOs and CLOs

ING's net exposure to CDO/CLO increased from EUR 2.1 billion at 31 March 2008 to EUR 4.3 billion at the end of the second quarter. Only EUR 8 million of ING's CDO/CLO exposure is backed by US subprime mortgages. Corporate credit positions can offer attractive value due to dislocations in the credit markets. Wholesale Banking increased its exposure by EUR 0.9 billion. Insurance Americas wrote credit protection on EUR 1.5 billion of super senior tranches of investment grade corporate credit indices and customised corporate credit portfolios.

ING's CDO/CLO portfolio was valued at 94.6% at 30 June 2008. ING's CDO/CLO exposure had a negative impact of EUR 12 million pre-tax in the second quarter, consisting of EUR 6 million of impairments in Wholesale Banking, and fair value losses of EUR 4 million in Korea and EUR 2 million in Insurance US.

Monoline insurers

ING's direct exposure to monoline insurers is negligible. ING has some indirect exposure to monolines as it insured EUR 2.9 billion of assets with monoline insurers, either through financial guarantees (wraps) or credit derivatives. Exposure to monoline insurers had a negative impact of EUR 5 million on the pre-tax P&L in the second quarter as Wholesale Banking wrote off the value of credit derivatives bought from a downgraded monoline insurer.

Leveraged Finance

At the end of the second quarter ING had a total leveraged finance exposure of EUR 8.2 billion, against EUR 7.7 billion at 31 March 2008. ING's leveraged finance underwriting pipeline increased from EUR 0.7 billion at 31 March 2008 to EUR 1.0 billion.

Risk costs

Total risk costs for the banking operations increased from EUR 98 million in the first quarter to EUR 234 million in the second quarter. Risk costs were 36 basis points of average credit risk-weighted assets (CRWA) in the second quarter, up from 16 basis points in the first quarter.

Equity securities

IFRS requires that "a significant or prolonged decline in the fair value of an equity instrument below its cost is objective evidence of impairment." An equity impairment can be triggered by each factor separately as well as a combination of both factors.

The sustained decline in equity markets during 2008 triggered EUR 291 million in after-tax impairments on listed equities in the second quarter. In ING Insurance, six equity holdings were impaired by a total of EUR 218 million. These six equity investments were either below 75% of cost price, or below 100% of cost price for longer than six months. In ING Bank, EUR 73 million was impaired in the second quarter.

ING had EUR 11.2 billion equity exposure for the risk of shareholders at the end of the second quarter, of which EUR 5 billion was hedged.

Real Estate

ING has EUR 11.6 billion Real Estate exposure that is subject to revaluation through the P&L. After several years of positive revaluations, there have been EUR 357 million in negative revaluations this year, of which EUR 285 million occured in the second quarter. This quarter's revaluation is mainly due to EUR 195 million negative revaluation of industrial properties in Canada, following lower market prices. This negative revaluation is recorded in ING Real Estate within Wholesale Banking.

Liquidity

ING's liquidity position remained sound during the second quarter. ING is regarded as a safe haven with a well diversified funding base, of which 56% consists of customer deposits. ING Bank's short-term funding costs in the money market remain well below LIBOR.

In the second quarter of 2008, ING Bank further enhanced its funding profile by issuing EUR 4 billion of senior bonds, EUR 2 billion of covered bonds with a ten-year maturity, and some EUR 2 billion of lower Tier-2 capital.

Subprime RMBS, Alt-A RMBS and CDO/CLO at 30 June 2008 / **Impact on P&L and equity in 2Q2008**

	Amortised costs* EUR billion	Market value EUR billion	Fair value in %	Pre-tax revaluation via equity, EUR million	Pre-tax P&L loss** EUR million	Pre-tax revaluation via equity, EUR million
US subprime RMBS	2.8	2.2	79.7%	-560	7	-32
US Alt-A RMBS	26.7	22.0	82.7%	-4.594	35	-341
CDO/CLO	4.6	4.3	94.6%	-248	12	-25

* purchase price +/- amortisations - cumulative impairments

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

GROUP

Capital management

ING's Capital Base	ING Group		ING Insurance		ING Bank	
In EUR million	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08
Shareholders' equity	28,060	31,584	14,179	16,999	19,348	20,367
Group hybrid capital	10,948	8,180	4,667	2,959	6,279	5,201
Core debt	4,553	4,521				
Total capitalisation	**43,561**	**44,285**	**18,846**	**19,958**	**25,627**	**25,568**
Adjustments to equity:						
• revaluation reserve debt securities	8,128	5,222	3,673	1,845	4,455	3,375
• revaluation reserve crediting to life policyholders	-1,088	-335	-1,088	-335		
• Revaluation reserve cashflow hedge	-382	-352	86	-39	-411	-352
• goodwill	-2,451	-2,391	-1,224	-1,264	-1,306	-1,212
Revaluation reserves fixed income securities etc.	4,207	2,103	1,447	207	2,738	1,811
Rev. reserves equity and real estate excluded from Tier-1					-2,136	-2,126
Insurance hybrid capital			2,250	2,250		
Minorities			789	823	1,288	1,360
Deductions tier-1			0	0	-1,213	-1,066
Regulatory capital			**23,332**	**23,238**	**26,303**	**25,547**
Other qualifying capital					11,942	10,027
DAC/ViF adjustment (50%)			3,953	3,851		
Group leverage (core debt)	-4,553	-4,521				
Adjusted equity	**43,215**	**41,867**	**27,285**	**27,090**	**38,245**	**35,574**

- **All key capital and leverage ratios within target**
- **Available financial resources above the target of 120% economic capital**
- **Share buyback has been completed**
- **EUR 2.8 billion of hybrid capital raised during the second quarter**

Key capital and leverage ratios

The adjusted equity of ING Group improved during the second quarter due to the issue of hybrid capital, profits and somewhat improved market conditions. This was only partially offset by a dividend payment to shareholders and the last months of the buyback. Interest rates rose, credit spreads tightened and equity markets on balance remained stable, giving up significant mid-quarter gains towards the end of the quarter.

Spare leverage, defined as cash that can be generated at Group level if all ratios are brought to target, declined from EUR 6.2 billion at the end of the first quarter to EUR 3.9 billion at the end of the second quarter. This was caused by the buyback, the dividend to shareholders and the consumption of capital at the Bank, only partly compensated by profits.

The debt/equity (D/E) ratio of ING Group improved marginally from 9.7% to 9.5%. The dividend payment to shareholders and the final months of the buyback were compensated by a dividend upstream from ING Insurance of EUR 1.8 billion and from ING Bank of EUR 0.9 billion. ING Group raised EUR 2.8 billion of hybrids in the euro and US dollar retail markets. EUR 1.1 billion was on-lent to Bank and EUR 1.7 billion was on-lent to Insurance on a mirrored basis.

The D/E ratio of Insurance improved from 12.3% to 9.2% as operating subsidiaries upstreamed dividends and on balance adjusted equity from Group remained constant.

ING Bank's Tier-1 ratio declined from 8.3% to 8.2% as strong growth of risk weighted assets from EUR 309 billion to EUR 323 billion outpaced the net increase in Tier-1 capital. The BIS Capital ratio improved markedly from 11.5% to 11.9%, because ING Bank issued approximately EUR 2 billion of lower Tier-2 capital in the second quarter.

Available financial resources (AFR) and economic capital (EC)

AFR Bank increased from EUR 27.4 billion to EUR 28.1 billion during the second quarter. EC Bank rose from EUR 18.1 billion to EUR 19.0 billion thanks to the robust business growth, which means that the free surplus declined somewhat at the Bank from EUR 9.3 billion to EUR 9.1 billion. AFR Insurance improved markedly from EUR 16.9 billion to EUR 21.5 billion during the second quarter thanks to higher interest rates, lower credit spreads and on balance level equity markets. EC Insurance fell from EUR 21.8 billion to EUR 21.3 billion due to efforts to reduce risk and higher interest rates. This means that the capital deficit, which was EUR 4.8 billion at the end of the first quarter, turned into a small surplus of EUR 0.2 billion at the end of the second quarter. This values Insurance policy liabilities flat to the swap curve.

Capital base: ING Group

In EUR million	30 Jun 08	31 Mar 08
Shareholders' equity	28,060	31,584
+ Group hybrid capital	10,948	8,180
+ Group leverage (core debt)	4,553	4,521
Total capitalisation (Bank + Insurance)	**43,561**	**44,285**
-/- Revaluation reserves fixed income & other	-4,207	-2,103
-/- Group leverage (core debt) (d)	4,553	4,521
Adjusted equity (e)	**43,215**	**41,867**
Debt/equity ratio (d/(d+e))	**9.5%**	**9.7%**
Economic Capital		
EC ING Group	35,216	34,848
AFR ING Group	45,020	39,788
AFR/EC ratio	128%	114%

Capital ratios: ING Insurance

In EUR million	30 Jun 08	31 Mar 08
Adjusted equity (e)	27,285	27,090
Core debt (d)	2,779	3,798
Debt/equity ratio (d/(d+e))	**9.2%**	**12.3%**
Available regulatory capital (a)	23,332	23,238
EU required regulatory capital (b)	8,313	9,151
Capital coverage ratio (a/b)	**281%**	**254%**
Economic Capital		
EC ING Insurance	21,277	21,765
AFR ING Insurance	21,505	16,915

Capital ratios: ING Bank

In EUR million	30 Jun 08	31 Mar 08
Core Tier-1	20,025	20,346
Hybrid Tier-1	6,279	5,201
Total Tier-1 capital	**26,303**	**25,547**
Other capital	11,942	10,027
BIS Capital	**38,245**	**35,574**
Risk-weighted assets Basel II	322,582	308,734
Required capital Basel II	25,807	24,699
Required capital floor based on Basel I	31,591	29,937
Tier-1 ratio	**8.15%**	**8.27%**
BIS ratio	**11.86%**	**11.52%**
Economic Capital		
EC ING Bank	18,977	18,056
AFR ING Bank	28,068	27,393

AFR Group rose from EUR 39.8 billion to EUR 45.0 billion during the second quarter, while EC Group increased from EUR 34.8 billion to EUR 35.2 billion. This means that the AFR/EC ratio has risen from 114% at the end of the first quarter to 128% at the end of the second quarter, above the 120% target. Going forward the AFR and EC numbers are expected to remain volatile as they are based on market values.

Capital market operations

ING Group completed its buyback of shares towards the end of May when the 10% legal limit was reached. In total 183,158,017 shares were repurchased for a total consideration of EUR 4,903 million, or an average price of EUR 26.77 per share. During the second quarter 28,253,324 shares were repurchased for a total consideration of EUR 699 million. Of the total number of shares repurchased 165 million were already cancelled by the end of the second quarter. Treasury shares were in total 54.7 million at the end of the second quarter, with 2,081.3 million shares issued. Shares outstanding in the market were therefore 2,026.6 million at the end of the second quarter.

On 5 March 2008, ING Group announced a buyback of preference shares A issued by ING Group. At the end of the first quarter, there were 6,012,839 preference shares A of ING Group outstanding after the buybacks in 2006 and 2007 from Aegon, Fortis and ABN Amro. By the end of the tender period on 26 June 2008, 5,296,015 preference shares A were repurchased. These preference shares will be cancelled. The remaining outstanding preference shares A will be redeemed and cancelled, as approved by the General Meeting of Shareholders in April. After September no preference shares A are expected to be outstanding.

ING Group and ING Bank both raised funding in the market during the second quarter. Apart from the successful hybrid transactions issued by ING Group, ING Bank raised EUR 4 billion in senior unsecured debt through a two-year floating rate note, EUR 2 billion of lower Tier-2 capital, EUR 2 billion of ten-year covered bonds and more than EUR 1.2 billion through a number of smaller transactions.

Interim dividend

ING Group intends to pay an interim dividend of EUR 0.74 per share in August 2008. This is half the total dividend of 2007, in accordance with ING's dividend policy.

GROUP

Assets under management

Assets under management distributed per Business Line

	Total		AUM by Business Line, 30 June 2008					
In EUR billion	30 Jun 08	31 Mar 08	Insurance Europe	Insurance Americas	Insurance Asia/Pacfic	Wholesale Banking	Retail Banking	ING Direct
Third-party AUM								
- for insurance policyholders	117.1	119.9	23.5	59.9	33.6	0.0	0.0	0.0
- for institutional clients	152.5	151.7	50.2	25.5	14.6	59.6	2.5	0.0
- for retail clients	111.0	112.2	8.3	47.7	27.6	0.4	18.9	8.1
- for private banking clients	67.2	67.2	0.0	0.0	0.0	0.0	67.2	0.0
Total third-party AUM	**447.7**	**451.0**	**82.0**	**133.1**	**75.8**	**60.1**	**88.6**	**8.1**
Proprietary assets	166.3	169.8	64.4	69.2	24.9	7.7	0.0	0.0
Total assets under management	**614.1**	**620.8**	**146.5**	**202.3**	**100.7**	**67.8**	**88.6**	**8.1**
Net inflow (in quarter)	**3.6**	**11.0**	**-0.4**	**1.0**	**2.2**	**0.9**	**-0.5**	**0.3**

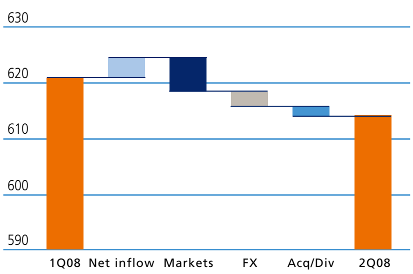
Assets under management by Manager

	Total		Third-party Assets		Proprietary Assets	
In EUR billion	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08
ING Investment Management Europe	140.7	145.6	93.4	94.8	47.3	50.8
ING Investment Management Americas	152.8	148.2	87.8	82.3	65.0	65.9
ING Investment Management Asia/Pacific	78.2	81.7	53.8	56.7	24.5	24.9
ING Investment Management	**371.8**	**375.4**	**235.0**	**233.8**	**136.8**	**141.6**
ING Real Estate	75.8	74.5	61.8	61.0	14.0	13.5
ING Private Banking	57.5	57.4	57.5	57.4	0.0	0.0
Other	27.9	25.3	12.9	11.1	15.0	14.2
Assets managed internally	**533.0**	**532.6**	**367.2**	**363.3**	**165.8**	**169.3**
Funds managed externally	81.1	88.2	80.6	87.7	0.5	0.5
Total assets under management	**614.1**	**620.8**	**447.7**	**451.0**	**166.3**	**169.8**

- **Net inflow EUR 3.6 billion despite market turmoil**
- **Total AUM down EUR 6.7 billion to EUR 614.1 billion**
- **Lower markets and FX reduced AUM by EUR 8.6 billion**

ASSETS UNDER MANAGEMENT

Movement in AUM (EUR billion)



Assets under management

Despite ongoing uncertainty in the financial markets, ING achieved a net inflow of EUR 3.6 billion to assets under management in the second quarter. However, total assets under management (AUM) declined by EUR 6.7 billion, or 1.1%, in the second quarter as lower asset prices for equity and fixed income securities had a negative impact of EUR 6.0 billion. Exchange rates had a negative impact of EUR 2.5 billion. Acquisitions and divestments had a net negative impact of EUR 1.7 billion.

Inflow

The net inflow of EUR 3.6 billion was achieved despite turbulent financial markets, which caused many clients to seek low risk products. Insurance Asia/ Pacific led the net inflow with EUR 2.2 billion, driven by sound inflows in Japan (SPVA) and South Korea. Insurance Americas raised EUR 1.0 billion, mainly as a result of variable annuity sales. Retail Banking registered a net outflow of EUR 0.5 billion, mainly as clients shifted from mutual funds into term deposits. At Insurance Europe positive net inflows in Central Europe were offset by the non-renewal of low return Dutch industry pension fund contracts, which led to a net outflow of EUR 0.4 billion.

Assets under management by manager

Of the EUR 614.1 billion in assets under management accumulated by ING's distribution channels, EUR 81.1 billion are managed by external asset managers. The balance, EUR 533.0 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 June 2008, ING IM managed EUR 371.8 billion in total assets. The total third-party assets at ING IM increased 0.5% in the second quarter to EUR 235.0 billion. The net inflow of EUR 1.6 billion was offset by lower stock markets and the appreciation of the euro against South American and Asian currencies.

At ING IM Europe, third-party assets under management decreased by EUR 1.4 billion to EUR 93.4 billion, driven by lower asset prices. Turbulent financial markets also had an impact on overall flows and the clients' risk appetite. Many retail investors shifted to lower-risk products or those with a capital guarantee, resulting in a net outflow in the retail segment of EUR 0.7 billion. That was more than offset by net inflows in the institutional segment of EUR 0.8 billion. The distribution of the Global Currency strategy in Japan – in close co-operation with ING IM Asia/ Pacific – successfully attracted EUR 0.7 billion of inflow, which brought the total volume to EUR 3.0 billion. Furthermore, the ING High Yield strategy raised EUR 0.5 billion from a new mandate.

ING IM Americas increased its third-party AUM by EUR 5.5 billion to EUR 87.8 billion. Declining asset prices had a negative impact of EUR 0.5 billion and currency fluctuations had a negative impact of EUR 1.7 billion, mainly due to the weakened Chilean peso. The integration of the acquired pension and annuities business in South America at ING IM Americas was partly offset by the sale of ING Ghent High Yield unit, which resulted in a net increase of AUM of EUR 7.4 billion. Notwithstanding the unfavourable market conditions, the Senior Bank Loan strategy and Portable Alpha strategy raised EUR 0.3 billion in the institutional segment.

At ING IM Asia/Pacific, third-party assets decreased by EUR 2.9 billion to EUR 53.8 billion, mainly due to depressed equity markets and the decline of the Japanese yen and Korean won. Nonetheless, throughout the region net inflows were recorded in the institutional segment as well as the retail segment, totalling EUR 1.2 billion in the second quarter.

At the end of the second quarter, ING IM delivered a sound investment performance with 66% of its mutual fund assets outperforming their peer median, and 60% of mutual fund assets outperforming their benchmark on a 3-year basis. Morningstar awarded 72% of ING's rated mutual funds with 3 stars or higher.

ING Real Estate

The total business portfolio of ING Real Estate grew 3.3% during the second quarter to EUR 111.4 billion. Assets under management, which exclude the real estate finance portfolio, increased 1.7% to EUR 75.8 billion. Exchange rates had a negative impact of EUR 0.7 billion.

At ING Real Estate Investment Management, assets under management increased 1.7% to EUR 72.8 billion. Positive net inflows of EUR 1.3 billion came from investors in Asia, the US and Europe despite the difficult market conditions.

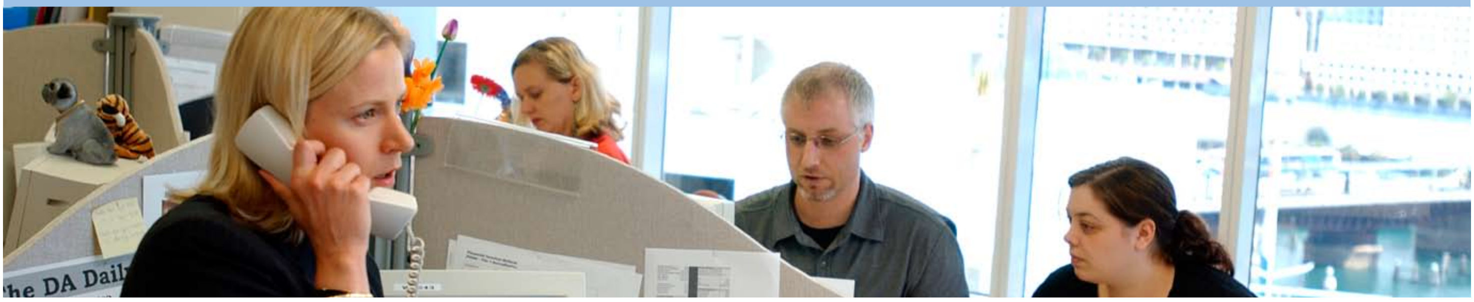
During the second quarter ING Real Estate Investment Management purchased assets for its Asian and European funds, including two hypermarkets in South Korea, a new retail park in the Czech Republic and two office buildings and a logistics centre in France. In association with Grupo Carrousel and Operadora Punta Maroma USD 150 million has invested in a new luxury resort being developed near Cancun in Mexico.

At ING Real Estate Development, AUM increased 3.1% to EUR 3.1 billion, with a total project value of EUR 10.6 billion, up 7.1% from the end of the previous quarter. A number of new projects were started in the Netherlands, Belgium and France, of which the largest is the EUR 183 million mixed-use project Buikslotermeerplein in Amsterdam.

ING Private Banking

ING Private Banking administers EUR 67.2 billion of client assets, of which EUR 6.7 billion are invested in ING mutual funds and EUR 3.8 billion in externally managed funds. Total administered assets remained at the same level as at the end of the first quarter. Despite difficult market circumstances a net inflow of EUR 0.5 billion was realised in the second quarter, which was offset by a negative market performance of EUR 0.6 billion. The Asian region contributed EUR 1.2 billion to the net inflow, while the European region overall showed net outflows. At the end of the second quarter, the assets within ING Private Banking were spread geographically as follows: the Netherlands (EUR 20.0 billion), Belgium (EUR 14.4 billion), Asia (EUR 14.8 billion), Switzerland (EUR 11.0 billion) and Luxembourg (EUR 7.0 billion).

Insurance



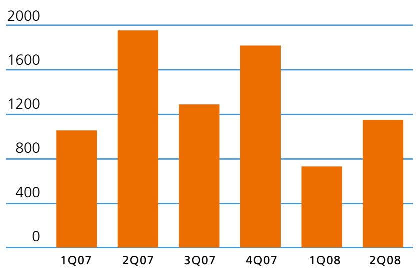
Challenging financial markets put pressure on sales of investment-linked products, and profit.

Insurance Total

Insurance: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	11,155	11,419	-2.3%	12,574	-11.3%	23,729	22,845	3.9%
Commission income	490	478	2.5%	518	-5.4%	1,008	942	7.0%
Direct investment income	2,249	2,758	-18.5%	2,403	-6.4%	4,652	5,208	-10.7%
Realised gains and fair value changes on inv.	-170	676	n.a.	591	n.a.	422	874	-51.7%
Total investment and other income	2,079	3,434	-39.5%	2,995	-30.6%	5,074	6,081	-16.6%
Total underlying income	**13,724**	**15,331**	**-10.5%**	**16,087**	**-14.7%**	**29,811**	**29,868**	**-0.2%**
Underwriting expenditure	10,964	11,674	-6.1%	13,680	-19.9%	24,644	23,504	4.9%
Operating expenses	1,316	1,355	-2.9%	1,349	-2.4%	2,665	2,699	-1.3%
Other interest expenses	279	346	-19.4%	319	-12.5%	598	660	-9.4%
Other impairments	20	-0	n.a.	17	17.6%	37	1	n.a.
Total underlying expenditure	**12,579**	**13,375**	**-6.0%**	**15,365**	**-18.1%**	**27,944**	**26,863**	**4.0%**
Underlying profit before tax	**1,145**	**1,956**	**-41.5%**	**722**	**58.6%**	**1,866**	**3,006**	**-37.9%**
of which profit before tax life insurance	984	1,613	-39.0%	529	86.0%	1,513	2,445	-38.1%
of which profit before tax non-life insurance	161	343	-53.1%	193	-16.6%	354	560	-36.8%
Taxation	74	270	-72.6%	112	-33.9%	186	452	-58.8%
Profit before minority interests	1,071	1,686	-36.5%	610	75.6%	1,681	2,554	-34.2%
Minority interests	22	50	-56.0%	12	83.3%	34	89	-61.8%
Underlying net profit	**1,049**	**1,636**	**-35.9%**	**598**	**75.4%**	**1,647**	**2,464**	**-33.2%**
Net gains/losses on divestments	2	-		45	-95.6%	47	-	
Net profit from divestments	-	11	n.a.	-	n.a.	-	32	n.a.
Special items after tax	-	-		-	n.a.	-	-	
Total net profit	**1,051**	**1,648**	**-36.2%**	**643**	**63.5%**	**1,694**	**2,496**	**-32.1%**
KEY FIGURES								
Value of new life business	267	207	29.0%	320	-16.6%	586	375	56.3%
Internal rate of return (YTD)				15.3%		15.2%	12.8%	
Single premiums	7,206	7,749	-7.0%	7,038	2.4%	14,244	14,060	1.3%
Annual premiums	930	910	2.2%	1,167	-20.3%	2,098	1,956	7.3%
New sales (APE)	1,651	1,685	-2.0%	1,871	-11.8%	3,522	3,362	4.8%
Investment in new business	414	467	-11.3%	463	-10.6%	877	948	-7.5%
Assets under Management (in € bln)				457		450	476	-5.5%
Operating expenses Greenfields	27	20	35.0%	33	-18.2%	60	45	33.3%
Expenses as % of AUM (YTD)				0.75%		0.77%	0.73%	
Expenses as % of gross premiums (YTD)				13.3%		13.4%	14.0%	
Expense ratio (YTD)				27.0%		27.2%	29.8%	
Claims ratio (YTD)				66.9%		65.6%	66.1%	
Combined ratio (YTD)				94.0%		92.8%	95.9%	
Gross life reserves				245,042		244,670	267,227	-8.4%
Gross non-life reserves				9,063		8,917	10,537	-15.4%
Tax ratio	6.5%	13.8%		15.5%		9.9%	15.0%	
Staff (FTEs end of period)				56,743		57,594	54,330	6.0%

INSURANCE TOTAL

Underlying profit before tax (EUR million)



- **Underlying net profit down 35.9% on lower investment income**
- **Difficult financial markets reduce demand for investment-linked products**
- **Sales increase 8.8% and value of new business 39.8% on a constant currency basis**

Business update

The challenging investment and credit market environment put increasing pressure on profit as well as sales of investment-linked products in the second quarter. Nonetheless, increased distribution capacity and new product launches across Central & Rest of Europe and the US led to continued growth in new sales, which rose 8.8% excluding the impact of currencies. Value of new business (VNB) increased 39.8% excluding currencies, supported by a more profitable business mix. The exclusion of certain corporate and strategic expenses and the inclusion of group life contract renewals had a positive impact of EUR 31 million.

Strong inflows at US Wealth Management and the pension funds in Central & Rest of Europe continued to drive growth. However, consumer appetite for investment-linked products was dampened in some markets due to faltering equity markets. In Europe and Australia, consumers shifted to more traditional products. In the US and Japan, ING faced increased competition from SPVA products as rivals introduced similar products.

In response to the challenging market environment, ING is focused on leveraging its product expertise to evolve its product offering to meet customer demands for guarantees and capital protection. In the US, variable annuity sales jumped 46.9% on continued success of the LifePay plus product, which was upgraded in the second quarter. In the Netherlands, a new term-life product was well received, and in Hungary, a new unit-linked product was launched successfully. In Australia, ING enhanced its life-risk products by extending coverage, and a flexible term deposit option was added to the wealth management platform. In Japan, plans are underway for a next generation of its SPVA product.

ING continued to expand its distribution reach with the acquisition of CitiStreet LLC in the US, one of the premier retirement plan service and administration organisations. In addition, ING has been expanding its reach through bank channels, particularly in Asia, where bank distribution has been growing rapidly. In the second quarter, sales commenced through Japan Post as well as through TMB Bank in Thailand.

The tied agency network further expanded in the second quarter, most notably in India, where the number of tied agents increased 43% to over 56,000 agents, and in South Korea where the number of agents increased 31% compared with last year to 9,300.

In the second quarter, ING signed an agreement to acquire the Turkish voluntary pension fund Oyak Emeklilik, and also received approval to start life operations in Ukraine.

Profit

Underlying net profit declined 35.9% (33.5% excluding currency impact) to EUR 1,049 million, reflecting lower investment income as financial markets deteriorated towards the end of the second quarter. The effective tax rate declined as tax-exempt profits in the Netherlands, mainly capital gains on equities, constituted a larger part of the profit.

Capital gains on equities were EUR 424 million net of EUR 251 million impairments, of which EUR 49 million related to an impairment of an equity investment in a debt security fund in the Netherlands. In the second quarter last year, capital gains were EUR 802 million, which included a EUR 573 million capital gain on ABN Amro shares.

Next to the impairment of the equity investment in a debt security fund, investment income declined in the Netherlands due to lower income from real estate and private equity investments of EUR 128 million and EUR 102 million respectively (largely through lower revaluations). Furthermore, the strengthening of the unit-linked provision in the Netherlands was more than compensated by releases from technical provisions. This resulted in a net favourable impact of EUR 70 million.

In the US, interest- and credit-related losses net of hedging and DAC were EUR 107 million higher than last year, while income from alternative assets decreased by EUR 22 million.

In Asia/Pacific, higher profits in Japan were offset by lower results in Australia/ New Zealand, mainly as lower asset balances led to lower fee income. In South Korea, lower investment income and unfavourable claims experience affected profits.

Income

Gross premiums declined 2.3%, but increased 6.7% on a constant currency basis. This reflected good sales performance in the US, Central Europe and Rest of Asia. In Japan and Taiwan premiums were down due to lower sales.

Commissions increased 2.5%, or 9.6% on a constant currency basis, following 22.7% higher commissions in the Americas, mainly due to the acquisition of the Santander pension business.

Investment & other income declined 39.5% (35.9% excluding currencies), due to lower capital gains and revaluations on real estate and (private) equity investments, as well as impairments on debt securities and bond funds. Although fair value changes on derivatives used to hedge Japan's SPVA guaranteed benefits were negative, they were fully offset in underwriting expenditure.

Expenses

Compared with last year, operating expenses were down 2.9%, but up 4.2% excluding currency effects as a result of business growth, investments in greenfields and acquisitions in growth markets. This was partly compensated by 4.1% lower expenses in the Netherlands, reflecting strict cost control.

Life & Non-life Insurance

Life Insurance: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	9,768	9,887	-1.2%	10,974	-11.0%	20,742	19,645	5.6%
Commission income	476	444	7.2%	486	-2.1%	963	867	11.1%
Direct investment income	2,094	2,588	-19.1%	2,206	-5.1%	4,300	4,840	-11.2%
Realised gains and fair value changes on inv.	-153	538	n.a.	602	n.a.	449	686	-34.5%
Total investment and other income	1,941	3,126	-37.9%	2,808	-30.9%	4,749	5,526	-14.1%
Total underlying income	**12,185**	**13,457**	**-9.5%**	**14,269**	**-14.6%**	**26,454**	**26,039**	**1.6%**
Underwriting expenditure	9,900	10,503	-5.7%	12,365	-19.9%	22,264	20,934	6.4%
Operating expenses	1,005	998	0.7%	1,044	-3.7%	2,049	2,004	2.2%
Other interest expenses	278	344	-19.2%	315	-11.7%	593	655	-9.5%
Other impairments	19	-0	n.a.	16	18.8%	35	1	n.a.
Total underlying expenditure	**11,201**	**11,844**	**-5.4%**	**13,740**	**-18.5%**	**24,941**	**23,593**	**5.7%**
Underlying profit before tax	**984**	**1,613**	**-39.0%**	**529**	**86.0%**	**1,513**	**2,445**	**-38.1%**
Taxation	44	216	-79.6%	78	-43.6%	122	359	-66.0%
Profit before minority interests	940	1,397	-32.7%	451	108.4%	1,391	2,087	-33.3%
Minority interests	1	11	-90.9%	8	-87.5%	8	26	-69.2%
Underlying net profit	**939**	**1,386**	**-32.3%**	**443**	**112.0%**	**1,382**	**2,061**	**-32.9%**
KEY FIGURES								
Value of new life business	267	207	29.0%	320	-16.6%	586	375	56.3%
Internal rate of return (YTD)				15.3%		15.2%	12.8%	
Single premiums	7,206	7,749	-7.0%	7,038	2.4%	14,244	14,060	1.3%
Annual premiums	930	910	2.2%	1,167	-20.3%	2,098	1,956	7.3%
New sales (APE)	1,651	1,685	-2.0%	1,871	-11.8%	3,522	3,362	4.8%
Investment in new business	414	467	-11.3%	463	-10.6%	877	948	-7.5%
Assets under Management (in € bln)				457		450	476	-5.5%
Expenses as % of AUM (YTD)				0.75%		0.77%	0.73%	
Expenses as % of gross premiums (YTD)				13.3%		13.4%	14.0%	
Gross life reserves				245,042		244,670	267,227	-8.4%

Life Insurance

Underlying profit before tax from life insurance declined 39.0% (35.9% on a constant currency basis) to EUR 984 million as difficult financial markets put pressure on investment income.

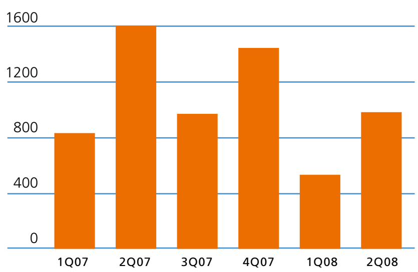
Capital gains on equities (net of impairments) were down 248 million, partly compensated by EUR 74 million higher revaluations of derivatives used to hedge the equity portfolio.

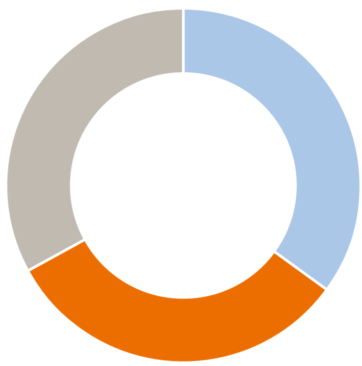
Profits in Europe declined 38.3% due to lower income from real estate and private equity in the Netherlands which declined by EUR 119 million and EUR 87 million respectively. Furthermore, an impairment of an equity investment in a debt security fund led to a loss of EUR 43 million. The strengthening of the unit-linked provision in the Netherlands was more than offset by releases from technical provisions, resulting in a net positive impact of EUR 70 million.

EUR 107 million higher interest- and credit- related losses (net of hedging and DAC), as well as EUR 22 million lower income from alternative assets contributed to a 49.6% decline in US profits.

In Asia/Pacific, profits increased 0.8% on a constant currency basis. Higher profits in Japan were largely offset by lower profits in Australia/New Zealand as challenging financial markets resulted in

LIFE INSURANCE
Underlying profit before tax (EUR million)





TOTAL INSURANCE - LIFE & NON-LIFE
Value New Business 2Q2008

- Asia/Pacific (35%)
- Americas (32%)
- Europe (33%)

Non-life Insurance: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	1,388	1,532	-9.4%	1,600	-13.3%	2,987	3,200	-6.7%
Commission income	13	34	-61.8%	32	-59.4%	45	75	-40.0%
Direct investment income	155	170	-8.8%	197	-21.3%	352	367	-4.1%
Realised gains and fair value changes on inv.	-17	138	n.a.	-11	n.a.	-28	187	n.a.
Total investment and other income	138	308	-55.2%	187	-26.2%	325	555	-41.4%
Total underlying income	**1,539**	**1,874**	**-17.9%**	**1,818**	**-15.3%**	**3,357**	**3,830**	**-12.3%**
Underwriting expenditure	1,065	1,171	-9.1%	1,315	-19.0%	2,380	2,570	-7.4%
Operating expenses	311	358	-13.1%	305	2.0%	616	695	-11.4%
Other interest expenses	2	2	0.0%	3	-33.3%	5	5	0.0%
Other impairments	1	-		1	0.0%	3	0	#DIV/0!
Total underlying expenditure	**1,378**	**1,531**	**-10.0%**	**1,625**	**-15.2%**	**3,003**	**3,270**	**-8.2%**
Underlying profit before tax	**161**	**343**	**-53.1%**	**193**	**-16.6%**	**354**	**560**	**-36.8%**
Taxation	30	54	-44.4%	33	-9.1%	64	93	-31.2%
Profit before minority interests	131	289	-54.7%	159	-17.6%	290	467	-37.9%
Minority interests	21	39	-46.2%	4	425.0%	25	64	-60.9%
Underlying net profit	**110**	**250**	**-56.0%**	**155**	**-29.0%**	**265**	**403**	**-34.2%**
KEY FIGURES								
Expense ratio (YTD)				27.0%		27.2%	29.8%	
Claims ratio (YTD)				66.9%		65.6%	66.1%	
Combined ratio (YTD)				94.0%		92.8%	95.9%	
Gross non-life reserves				9,063		8,917	10,537	-15.4%

lower asset balances, leading to lower fee income. In South Korea, lower investment income and unfavourable claims experience negatively impacted profits.

Life premiums increased 8.4% (excluding currency impact) reflecting good sales performance in the US and Rest of Asia, while Japan and Taiwan were down.

Operating expenses excluding currencies were up 9.0% due to business growth and acquisitions in the Americas, Asia, and Central Europe, while cost control led to a 2.2% decline in the Netherlands.

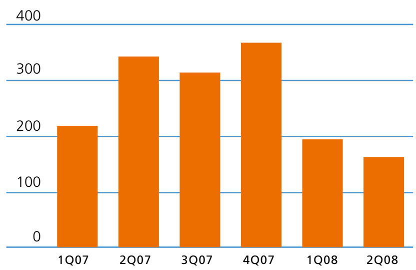
Sales declined 2.0%, but increased 8.8% on a constant currency basis relative to the second quarter last year, reflecting ING's increased distribution capacity and product expertise. Increases in Europe and Americas were partly offset by a decline in Asia/Pacific, mainly due to lower sales of investment-linked products.

Relative to the first quarter of 2008, sales declined 11.8% as sales of investment-linked products were negatively impacted by difficult financial markets. Furthermore, competition intensified as banks offered higher rates on term deposits.

VNB increased EUR 60 million, or 29.0% to EUR 267 million (39.8% on constant currencies), with notable gains in the US, Latin America and Central & Rest of Europe. The exclusion of certain corporate and strategic IT and restructuring expenses and start-up costs of greenfields added EUR 23 million to VNB, while the inclusion of group life contract renewals in the Netherlands added EUR 7 million this quarter compared with last year.

NON-LIFE INSURANCE

Underlying profit before tax (EUR million)



Non-Life Insurance

Underlying profit before tax from non-life insurance decreased 53.1% to EUR 161 million as challenging financial markets put pressure on investment income. This was mostly due to EUR 130 million lower capital gains on equities net of impairments.

Profits in the Benelux declined 57.3% due to lower investment income as well as lower results on previous underwriting years. In the Americas, lower underwriting results in Canada related to unusual weather conditions were compensated by higher results in Latin America.

Non-life premiums were down 4.1% excluding currencies, due to the divestment of Chile health business, as well as rate pressure in the Netherlands.

Operating expenses decreased 8.8% on a constant currency basis, due to a 7.6% decline in the Netherlands reflecting good cost control, and a 28.1% decline in Latin America due to the sale of Chile Health.

The combined ratio improved 3.1 percentage points, mainly as a result of a better expense ratio.

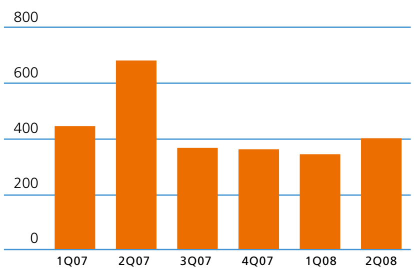
INSURANCE

Insurance Europe

Insurance Europe: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	2,366	2,433	-2.8%	3,269	-27.6%	5,635	5,674	-0.7%
Commission income	127	125	1.6%	123	3.3%	250	245	2.0%
Direct investment income	1,083	1,202	-9.9%	944	14.7%	2,027	2,211	-8.3%
Realised gains and fair value changes on inv.	-44	243	n.a.	70	n.a.	26	429	-93.9%
Total investment and other income	1,039	1,444	-28.0%	1,015	2.4%	2,053	2,640	-22.2%
Total underlying income	**3,532**	**4,002**	**-11.7%**	**4,407**	**-19.9%**	**7,938**	**8,559**	**-7.3%**
Underwriting expenditure	2,581	2,749	-6.1%	3,534	-27.0%	6,115	6,224	-1.8%
Operating expenses	451	442	2.0%	417	8.2%	867	891	-2.7%
Other interest expenses	100	133	-24.8%	117	-14.5%	217	324	-33.0%
Other impairments	3	-0	n.a.	0		3	1	200.0%
Total underlying expenditure	**3,135**	**3,323**	**-5.7%**	**4,067**	**-22.9%**	**7,202**	**7,439**	**-3.2%**
Underlying profit before tax	**397**	**679**	**-41.5%**	**339**	**17.1%**	**736**	**1,120**	**-34.3%**
of which profit before tax life insurance	349	566	-38.3%	236	47.9%	585	1,675	-65.1%
of which profit before tax non-life insurance	48	113	-57.5%	104	-53.8%	152	574	-73.5%
Taxation	31	79	-60.8%	56	-44.6%	87	136	-36.0%
Profit before minority interests	366	599	-38.9%	283	29.3%	649	985	-34.1%
Minority interests	-4	3	n.a.	3	n.a.	-1	8	n.a.
Underlying net profit	**370**	**596**	**-37.9%**	**280**	**32.1%**	**650**	**977**	**-33.5%**
Net gains/losses on divestments	-	-		-		-	-	
Net profit from divestments	-	11	n.a.	-		-	32	n.a.
Special items after tax	-	-		-		-	-	
Total net profit	**370**	**608**	**-39.1%**	**280**	**32.1%**	**650**	**1,008**	**-35.5%**
KEY FIGURES								
Value of new life business	89	55	61.8%	123	-27.6%	213	108	97.2%
Internal rate of return (YTD)				17.6%		18.1%	14.3%	
Single premiums	765	774	-1.2%	926	-17.4%	1,691	1,745	-3.1%
Annual premiums	174	128	35.9%	179	-2.8%	352	255	38.0%
New sales (APE)	250	206	21.4%	271	-7.7%	521	430	21.2%
Investment in new business	95	82	15.9%	93	2.2%	189	163	16.0%
Assets under Management (in € bln)				149		147	163	-9.8%
Operating expenses Greenfields	5	3	66.7%	7	-28.6%	12	5	140.0%
Expenses as % of AUM (YTD)				0.74%		0.83%	0.72%	
Expenses as % of gross premiums (YTD)				18.2%		20.0%	21.9%	
Expense ratio (YTD)				19.2%		30.5%	31.0%	
Claims ratio (YTD)				57.8%		59.0%	58.0%	
Combined ratio (YTD)				76.9%		89.4%	89.0%	
Gross life reserves				78,219		77,382	84,429	-8.3%
Gross non-life reserves				3,767		3,673	4,552	-19.3%
Tax ratio	7.8%	11.7%		16.6%		11.9%	12.1%	
Staff (FTEs end of period)				14,256		14,297	14,997	-4.7%

INSURANCE EUROPE

Underlying profit before tax (EUR million)



- **Weak investment climate impacts profit**
- **Sales up 21.4% and VNB 61.8% led by Central Europe**
- **ING to acquire Turkish pension fund Oyak Emeklilik**

Business update

Central & Rest of Europe continued to show strong growth in new sales (APE) and VNB despite the turmoil on the financial markets. In June, agreement was reached to purchase the Turkish voluntary pension fund Oyak Emeklilik, providing ING the opportunity to enter the fast-growing Turkish pension market. In early July, approval was received to start a life insurance company in Ukraine, which is scheduled to begin operations in the first half of 2009. Both countries constitute large markets: Turkey has a population of approximately 70 million and Ukraine over 46 million.

Life premiums and profits in the Benelux were down, affected by the weak investment climate. However, Nationale-Nederlanden's new term life policy with premiums differentiated by smoking behavior and Body Mass Index, was well received by the market. The car insurance product distributed through the proprietary bank channel in Belgium continued its success with some 13,000 policies sold in the second quarter of 2008 and the 50,000th policy sold in late July.

Profit

In line with the three preceding quarters, profits of Insurance Europe were affected by the weak investment climate. Underlying profit before tax declined 41.5% to EUR 397 million compared with the strong second quarter of 2007. This profit decrease was concentrated in the Netherlands, where profit fell 49.8% to EUR 280 million. Results in the Netherlands were affected by the weak equity and real estate markets as well as the EUR 5.0 billion upstream of surplus capital by the Dutch insurance companies in the second half of 2007 (impact EUR 94 million). A release of life provisions for disability and profit guarantees at Nationale-Nederlanden were partly offset by a strengthening of the unit-linked provision, resulting in a net positive impact of EUR 70 million. Profit before tax in Central & Rest of Europe declined slightly due to higher greenfield investments, mainly caused by increased expenses to support second- and third-pillar greenfield pension funds in Romania.

Income

Premium income of EUR 2.4 billion decreased by EUR 67 million (-2.8%), as lower life and non-life premiums in the Benelux were only partly offset by higher life premiums in Central & Rest Europe. In Central & Rest of Europe, strong premium growth in traditional products, notably in the Czech Republic, Greece and Poland, was partly offset by lower sales of unit-linked products and variable annuities due to the unfavourable equity market conditions. Life premiums in Spain dropped because of lower variable annuity sales and a large group contract acquired in the second quarter of last year. In the Benelux, sales of investment products were hit hard by the weak investment climate and Nationale-Nederlanden ceasing the production of retail unit-linked life insurance policies.

Investment income decreased 28.0% to EUR 1,039 million. Lower direct investment income was accompanied by significantly lower fair value changes on real estate and private equity investments, as well as a EUR 49 million impairment on an equity investment in a debt security fund. The distribution of EUR 5.0 billion in surplus capital to the Corporate Line Insurance during 2007 reduced direct investment income by EUR 94 million. The intercompany transfer of Nationale-Nederlanden's mortgage company in May 2007 to Retail Banking reduced direct investment income by a further EUR 30 million, but was offset by lower other interest expenses. Compared to the first quarter of 2008, direct investment income was up 14.7%, reflecting seasonally higher dividend on equities in the Netherlands.

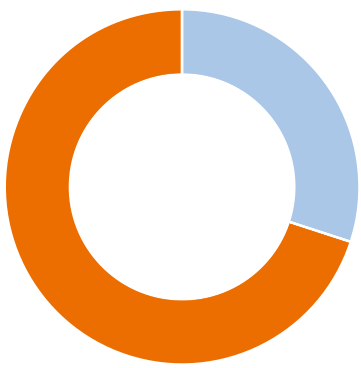
Expenses

Operating expenses increased only 2.0% to EUR 451 million due to lower pension costs and increased operational efficiency in the Netherlands. Non-life expenses in the Netherlands declined following the successful implementation of Nationale-Nederlanden's integrated insurance administration platform in December 2007. Expenses in Central & Rest of Europe rose 25.7% to EUR 88 million. This was driven by business growth and inflation in Central Europe, EUR 3 million higher greenfield expenses for the Romanian pension operations, and one-off expense items in both 2008 and 2007.

Key figures

The value of new life business in Europe jumped 61.8% to EUR 89 million, driven by a EUR 29 million (85.3%) increase in Central & Rest of Europe. Contrary to the three previous quarters, the second-pillar pension fund in Romania contributed only marginally to value of new business following the close of the official application period. The VNB growth in the region was driven by the 29.5% sales (APE) growth, a shift in the product mix towards more profitable products and positive assumption changes.

In the Benelux, the VNB increased 28.6% to EUR 27 million due the inclusion in the definition of sales (APE) of group life contract renewals in the Netherlands, which had an impact of EUR 7 million. While unit-linked sales declined due to the negative performance of equity markets and the ceasing of retail unit-linked production at Nationale-Nederlanden, the more profitable traditional life sales increased significantly, especially in group life. In Belgium the VNB dropped 25.0% to EUR 3 million in line with lower single-premium sales.



INSURANCE EUROPE
Value New Business 2Q2008

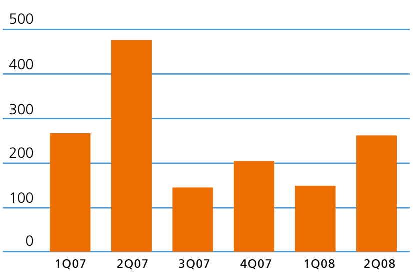
Life Insurance The Benelux*

Life Insurance The Benelux: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	1,432	1,537	-6.8%	1,897	-24.5%	3,330	3,468	-4.0%
Commission income	46	47	-2.1%	48	-4.2%	93	91	2.2%
Direct investment income	896	1,034	-13.3%	793	13.0%	1,689	1,891	-10.7%
Realised gains and fair value changes on inv.	-29	208	n.a.	40	n.a.	11	366	-97.0%
Total investment and other income	867	1,242	-30.2%	833	4.1%	1,700	2,258	-24.7%
Total underlying income	**2,345**	**2,826**	**-17.0%**	**2,778**	**-15.6%**	**5,123**	**5,816**	**-11.9%**
Underwriting expenditure	1,748	1,985	-11.9%	2,296	-23.9%	4,044	4,283	-5.6%
Operating expenses	238	235	1.3%	222	7.2%	460	472	-2.5%
Other interest expenses	96	130	-26.2%	113	-15.0%	209	317	-34.1%
Other impairments	3	-0	n.a.	-		3	1	200.0%
Total underlying expenditure	**2,084**	**2,349**	**-11.3%**	**2,631**	**-20.8%**	**4,715**	**5,073**	**-7.1%**
Underlying profit before tax	**261**	**477**	**-45.3%**	**147**	**77.6%**	**408**	**743**	**-45.1%**
Taxation	1	43	-97.7%	13	-92.3%	14	67	-79.1%
Profit before minority interests	260	434	-40.1%	134	94.0%	394	676	-41.7%
Minority interests	-8	-0	n.a.	-0	n.a.	-8	2	n.a.
Underlying net profit	**268**	**434**	**-38.2%**	**134**	**100.0%**	**402**	**674**	**-40.4%**
KEY FIGURES								
Value of new life business	27	21	28.6%	22	22.7%	48	39	23.1%
Internal rate of return (YTD)				12.3%		12.6%	11.7%	
Single premiums	453	548	-17.3%	714	-36.6%	1,167	1,273	-8.3%
Annual premiums	69	46	50.0%	52	32.7%	120	87	37.9%
New sales (APE)	114	101	12.9%	123	-7.3%	237	215	10.2%
Investment in new business	56	41	36.6%	50	12.0%	106	88	20.5%
Expenses as % of AUM (YTD)				0.80%		0.89%	0.81%	
Expenses as % of gross premiums (YTD)				21.9%		25.0%	25.0%	
Gross life reserves				68,400		67,173	75,118	-10.6%

- **Weak investment climate impacts profit and sales**
- **Expenses under control**
- **Strengthening of unit-linked provision**

LIFE INSURANCE THE BENELUX

Underlying profit before tax (EUR million)



Business update

Lower valuations of real estate and private equity led to a significant reduction in investment income at ING's life insurance businesses in the Benelux. However, commercial performance was solid, with improved sales, while operating costs remained under control.

Nationale-Nederlanden's new term life product, introduced in the first quarter of 2008 with pricing based on customers' smoking habits and Body Mass Index (BMI), was well received by the market, 'Term Life Last' sales were up by over 10% compared with the same period last year.

In group life, Nationale-Nederlanden defended its market-leading position by redesigning and standardising its product offering. IT improvements, new pricing and straight-through processing have improved customer satisfaction and reduced costs.

Nationale-Nederlanden demonstrated its commitment to improving consumer confidence and transparency by ceasing production of its retail unit-linked life

* As of 1Q2008 the additional information on The Netherlands and Belgium is combined into The Benelux

insurance policies while it develops a new generation of products. This will be launched in the second half of 2008.

Based on recent market developments, ING has decided to strengthen the unit-linked provision that it established in the fourth quarter of 2007. The discussion around cost transparency of unit-linked products intensified after the publication of the Dutch Financial Services Ombudsman's position on this issue in March 2008 and the distribution of the 2007 annual statements for investment products to policyholders. While ING believes it has complied with all relevant laws and regulations regarding consumer rights and consumer protection, the provision should contribute towards the potential settlement of the unit-linked issue in the Netherlands.

The life insurance market in the Benelux remains highly competitive. ING is focused on maintaining profitability and returns by enhancing its multi-channel distribution platform, reducing costs and reinforcing itself as the specialist in retirement services.

Profit

Underlying profit before tax from life insurance in the Benelux declined 45.3% to EUR 261 million due to EUR 375 million lower investment income. This was partly offset by EUR 70 million net releases of technical provisions and EUR 34 million lower other interest expenses after the intercompany transfer of Nationale-Nederlanden's mortgage company to Retail Banking in May 2007. Releases of technical provisions for disability (related to the new Dutch disability act introduced in 2005) and profit guarantees were partly offset by the strengthening of the provision for unit-linked policies created in the fourth quarter of 2007. In Belgium, profit before tax was almost flat at EUR 25 million as lower investment income was largely offset by lower profit participation of policyholders.

Income

Life insurance premiums declined 6.8% to EUR 1,432 million, as sales of investment products in the Benelux were affected by the weak investment markets. In addition, low return group contracts for industry pension funds were terminated voluntarily and Nationale-Nederlanden ceased the production of its retail unit-linked life insurance products. Dutch life premiums decreased 4.3% to EUR 1,160 million. Life premiums in Belgium fell 16.3% to EUR 272 million given the weak equity markets and competition from high-yielding bank deposits.

Investment income decreased EUR 375 million (-30.2%) through a decline in direct investment income in combination with significantly lower fair value changes on real estate and private equity investments, as well as an impairment on an equity investment in a debt security fund. 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. Compared to the first quarter of 2008, direct investment income was up 13.0%, reflecting seasonally higher dividend on equities in the Netherlands.

Expenses

Operating expenses went up 1.3% to EUR 238 million. In the Netherlands, life expenses declined 2.2% to EUR 226 million due to lower external staffing, technology expenses and lower accruals for performance pay. Expenses in Belgium increased EUR 7 million largely due to stranded costs as a result of the sale of the Belgian broker & employee benefits business in the third quarter of 2007.

Key figures

In the Benelux, the value of new business increased 28.6% to EUR 27 million due to the inclusion of group life contract renewals in sales (APE) in the Netherlands.

'Weak investment climate impacts profit and sales'

Unit-linked sales declined reflecting the ceased production of retail unit-linked life insurance products and the negative performance of equity markets, whereas the more profitable traditional life sales increased significantly, especially in group life. In Belgium the value of new business dropped 25.0% to EUR 3 million in line with lower single-premium sales. The internal rate of return in the Benelux increased from 11.7% to 12.6%, mainly due to favourable assumption changes in the Netherlands regarding morbidity, investment spreads and expenses.

Non-life Insurance The Benelux*

Non-life Insurance The Benelux: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	311	325	-4.3%	751	-58.6%	1,061	1,081	-1.9%
Commission income	17	19	-10.5%	19	-10.5%	36	45	-20.0%
Direct investment income	70	72	-2.8%	56	25.0%	126	132	-4.5%
Realised gains and fair value changes on inv.	-11	28	n.a.	16	n.a.	5	52	-90.4%
Total investment and other income	59	99	-40.4%	72	-18.1%	131	184	-28.8%
Total underlying income	**387**	**443**	**-12.6%**	**842**	**-54.0%**	**1,228**	**1,310**	**-6.3%**
Underwriting expenditure	216	195	10.8%	624	-65.4%	841	823	2.2%
Operating expenses	125	136	-8.1%	114	9.6%	238	275	-13.5%
Other interest expenses	-1	2	n.a.	1	n.a.	0	4	-100.0%
Other impairments	-	-		-		-	0	n.a.
Total underlying expenditure	**340**	**333**	**2.1%**	**739**	**-54.0%**	**1,079**	**1,102**	**-2.1%**
Underlying profit before tax	**47**	**110**	**-57.3%**	**103**	**-54.4%**	**149**	**208**	**-28.4%**
Taxation	10	16	-37.5%	24	-58.3%	34	33	3.0%
Profit before minority interests	37	94	-60.6%	78	-52.6%	115	175	-34.3%
Minority interests	-0	-		-		-0	-	
Underlying net profit	**37**	**94**	**-60.6%**	**78**	**-52.6%**	**115**	**175**	**-34.3%**
KEY FIGURES								
Expense ratio (YTD)				19.1%		30.7%	32.9%	
Claims ratio (YTD)				57.8%		59.1%	56.4%	
Combined ratio (YTD)				76.9%		89.8%	89.3%	
Gross non-life reserves				3,717		3,623	4,502	-19.5%

- **Weak investment climate impacts profit**
- **Strong car insurance sales through ING Bank Belgium**
- **Expenses under control**

Business update

Despite declines in investment income, ING continues to maintain a strong market position in the Dutch non-life insurance market thanks to its focus on innovation, pricing and distribution.

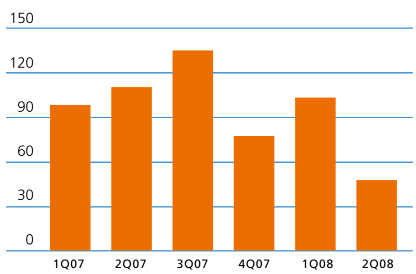
ING increased its internet-based distribution of non-life insurance. Sales of car insurance through ING Bank Belgium have been strong, with more than 50,000 policies sold through July. By contrast, car insurance sales via Postbank Insurance in the Netherlands have been slow, but the program is still in the early stages. RVS launched online products for all its non-life products during the second quarter.

Thanks to advanced risk-based pricing and risk management, Nationale-Nederlanden's Property and Casualty claims ratio remains strong compared to the market, and the expense ratio continues to improve following investments in straight-through processing.

Despite strong competition in Disability and Accident (D&A) insurance, which accounts for some two-fifths of all non-life premiums, Nationale-Nederlanden maintained its market share. In individual disability, refinements have been made to products, including the introduction of more comprehensive policy features. Sales of D&A insurance have been solid in the first half of 2008 as a result of a new marketing campaign and price differentiation.

NON-LIFE INSURANCE THE BENELUX

Underlying profit before tax (EUR million)



* As of 1Q2008 the additional information on The Netherlands and Belgium is combined into The Benelux

Profit

The non-life underlying pre-tax profit in the Benelux fell 57.3% to EUR 47 million, despite EUR 11 million lower expenses, through EUR 40 million lower investment income and a EUR 20 million claims provision release in Motor in the second quarter of 2007.

Income

Non-life insurance premiums in the Benelux were 4.3% lower at EUR 311 million for the quarter. The 4.2% premium decrease in the Netherlands was related to lower premiums from mandated brokers and continued rate pressure in Motor.

Investment income decreased 40.4% to EUR 59 million. This was due to a decline in direct investment income as a consequence of lower asset balances in combination with lower revaluations on real estate and private equity investments. In addition, an impairment was taken on an equity investment in a debt security fund. In the Netherlands, direct investment income was affected by lower asset balances following the distribution of EUR 0.6 billion in surplus capital to the Corporate Line Insurance in the second half of 2007. In Belgium, investment income was in line with last year.

Expenses

Operating expenses decreased EUR 11 million or 8.1%, mainly because the non-life expenses of ING's captive brokers organisation declined by EUR 9 million after last year's restructuring and downsizing. Furthermore, lower expenses were related to lower external staffing and technology expenses in the Netherlands and lower accruals for performance pay. This expense reduction had partly to do with the successful implementation of Nationale-Nederlanden's integrated insurance administration platform in December 2007.

Key figures

The combined ratio in the Benelux slightly deteriorated 0.5 percentage points to 89.8%, despite the 2.2 percentage point decline in the expense ratio. The improvement in the expense ratio was fully attributable to the Netherlands. The claims ratio deteriorated 2.7% to 59.1% due to the EUR 20 million claims provision release in Motor in the second quarter of 2007.

'Strong car insurance sales in Belgium'

INSURANCE EUROPE - additional information

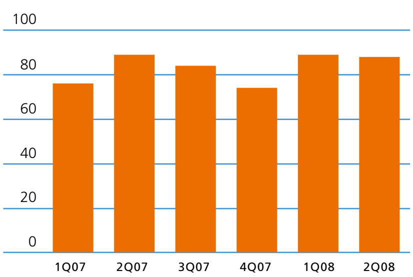
Life Insurance Central & Rest of Europe

Life Insurance Central & Rest of Europe: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	613	560	9.5%	609	0.7%	1,222	1,102	10.9%
Commission income	64	59	8.5%	56	14.3%	120	109	10.1%
Direct investment income	115	95	21.1%	94	22.3%	210	185	13.5%
Realised gains and fair value changes on inv.	-4	7	n.a.	15	n.a.	11	11	0.0%
Total investment and other income	111	102	8.8%	109	1.8%	220	197	11.7%
Total underlying income	**788**	**721**	**9.3%**	**774**	**1.8%**	**1,562**	**1,408**	**10.9%**
Underwriting expenditure	609	563	8.2%	604	0.8%	1,213	1,102	10.1%
Operating expenses	86	68	26.5%	79	8.9%	164	139	18.0%
Other interest expenses	5	1	400.0%	3	66.7%	7	2	250.0%
Other impairments	0	-		-		0	-	
Total underlying expenditure	**700**	**632**	**10.8%**	**685**	**2.2%**	**1,385**	**1,243**	**11.4%**
Underlying profit before tax	**88**	**89**	**-1.1%**	**89**	**-1.1%**	**177**	**165**	**7.3%**
Taxation	20	19	5.3%	19	5.3%	39	34	14.7%
Profit before minority interests	68	70	-2.9%	70	-2.9%	138	131	5.3%
Minority interests	4	3	33.3%	3	33.3%	7	6	16.7%
Underlying net profit	**64**	**67**	**-4.5%**	**67**	**-4.5%**	**131**	**125**	**4.8%**
KEY FIGURES								
Value of new life business	63	34	85.3%	102	-38.2%	165	69	139.1%
Internal rate of return (YTD)				22.4%		24.4%	17.9%	
Single premiums	312	226	38.1%	212	47.2%	524	471	11.3%
Annual premiums	105	82	28.0%	127	-17.3%	232	168	38.1%
New sales (APE)	136	105	29.5%	148	-8.1%	284	215	32.1%
Investment in new business	39	41	-4.9%	44	-11.4%	83	74	12.2%
Operating expenses Greenfields	5	3	66.7%	7	-28.6%	12	5	140.0%
Expenses as % of AUM (YTD)				0.6%		0.70%	0.65%	
Expenses as % of gross premiums (YTD)				13.5%		14.2%	14.2%	
Gross life reserves				9,819		10,209	9,311	9.6%

- **Strong quarter with sales up 29.5% and VNB up 85.3%**
- **Agreement to buy Turkish pension fund Oyak Emeklilik**
- **Pension fund inflows remain strong**

LIFE INSURANCE CENTRAL & REST OF EUROPE
Underlying profit before tax (EUR million)



Business update

ING's insurance business in Central & Rest of Europe had a strong quarter with continued sales growth and the expansion of its multi-channel distribution platform.

Sales as measured by APE increased by 29.5% compared with the second quarter of 2007, driven by higher inflows into the Polish and Hungarian pension funds and higher life sales in the Czech Republic, Romania and Greece.

ING continues to broaden its multi-channel distribution platform in Central Europe and innovate its product offerings. The Czech Republic introduced a new single-premium life insurance product while the Slovakian operations broadened the cooperation with their external banking partner by launching a credit card exclusively for ING Pension Fund clients. In Hungary, a new regular-premium variable annuity product was successfully launched for the broker and bancassurance channels. This follows the launch of the single premium variable annuity product earlier this year in Poland.

In June, ING announced it had reached an agreement with the Oyak Group to acquire the Turkish voluntary pension fund Oyak Emeklilik for EUR 110 million. Oyak Emeklilik has over 150,000 customers and distributes its products through a network of independent agents and ING Bank Turkey (the former Oyak Bank). This Turkish add-on acquisition, which follows ING's 2007 acquisition of the Oyak Bank, is expected to be closed in the second half of 2008 and will provide access to the fast-growing local pension market.

ING has been highly successful in the Central European pension market. ING has begun offering voluntary pensions to the 35,000 employees of the Romanian Post and has already signed up over 10,000 participants. In Bulgaria, ING signed a milestone contract with Bulgaria's main telecommunication services operator, BTC, including over 5,000 staff members.

Competition in Central Europe continues to intensify. In response, ING is moving towards a single operating model in the region to leverage scale and accelerate future growth. This transformation process will make things easier for customers by simplifying the product range and standardising processes and procedures, while a single IT platform for the region will increase efficiency.

Profit
Central & Rest of Europe continued to develop favourably on business fundamentals, despite the turmoil in the financial markets. Life profit before tax declined marginally due to EUR 18 million higher operating expenses, which offset increased investment and commission income. Excluding greenfield expenses, which increased EUR 3 million, life profit before tax increased 1.1% to EUR 92 million driven by favourable exchange rate movements. Higher greenfield expenses compared with last year were mainly caused by higher expenses to support second- and third-pillar pension operations in Romania.

Income
Life premium income in Central & Rest of Europe of EUR 613 million were up EUR 53 million (9.5%) compared with the second quarter of 2007. In Central Europe, strong premium growth in traditional products, notably in the Czech Republic, Greece and Poland, helped offset lower sales of unit-linked products and variable annuities due to unfavourable equity market conditions. Czech Life has signed a group contract with Czech Railways. Life premiums in Spain dropped sharply because of lower variable annuity sales, as well as a large group contract acquired in the second quarter of last year.

Net inflow of assets under management from ING pension funds reached a record level of EUR 544 million, up 51.5% against the second quarter of 2007. This strong increase in net inflow is caused by a higher number of clients, a higher average contribution per client driven by wage inflation and the appreciation of most Central European currencies against the euro.

Life investment income in Central & Rest of Europe increased 8.8% to EUR 111 million, much in line with the first quarter of 2008. Direct investment income increased EUR 20 million as a consequence of asset growth driven mainly by the successful marketing campaigns for single premium endowments in Poland. Lower realised gains and fair value changes on investments are offset in underwriting expenses because they relate to equities held for risk of policyholders.

Expenses
Life operating expenses increased 26.5% to EUR 86 million due to business growth and inflation in Central Europe, EUR 3 million higher greenfield expenses for the Romanian pension operations and one-off expense items in both 2008 and 2007. In the second quarter of 2008, EUR 2 million were spent on rebranding the life operations in Poland. Last year's expenses reflected a EUR 4 million provision release in Spain for uncollected premiums.

Key figures
The value of new life business in Central & Rest of Europe increased 85.3% to EUR 63 million. Unlike in the three previous quarters, the second-pillar pension fund in Romania contributed only marginally to value of new business, following the close of the official application period in the first quarter. The value of new business growth in other Central European countries was driven by the 29.5% sales (APE) growth, a shift in the product mix towards more profitable products and positive assumption changes (lower discount rates).

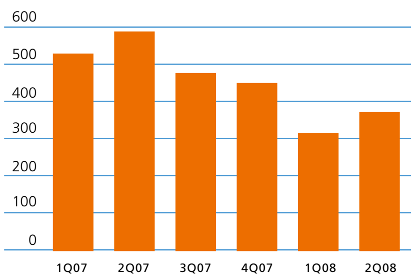
'Pension fund inflows remain strong'

Insurance Americas

Insurance Americas: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	5,903	5,646	4.6%	5,912	-0.1%	11,815	11,076	6.7%
Commission income	276	257	7.4%	300	-8.0%	576	510	12.9%
Direct investment income	924	1,241	-25.5%	1,273	-27.4%	2,197	2,459	-10.7%
Realised gains and fair value changes on inv.	-161	33	n.a.	-53	n.a.	-214	5	n.a.
Total investment and other income	763	1,275	-40.2%	1,220	-37.5%	1,983	2,465	-19.6%
Total underlying income	**6,942**	**7,177**	**-3.3%**	**7,432**	**-6.6%**	**14,374**	**14,050**	**2.3%**
Underwriting expenditure	5,939	5,832	1.8%	6,405	-7.3%	12,344	11,490	7.4%
Operating expenses	606	633	-4.3%	625	-3.0%	1,231	1,241	-0.8%
Other interest expenses	23	120	-80.8%	83	-72.3%	106	194	-45.4%
Other impairments	1	-		1	0.0%	3	-	
Total underlying expenditure	**6,569**	**6,585**	**-0.2%**	**7,115**	**-7.7%**	**13,683**	**12,925**	**5.9%**
Underlying profit before tax	**374**	**593**	**-36.9%**	**317**	**18.0%**	**691**	**1,126**	**-38.6%**
of which profit before tax life insurance	246	472	-47.9%	205	20.0%	451	882	-48.9%
of which profit before tax non-life insurance	128	120	6.7%	113	13.3%	240	244	-1.6%
Taxation	66	159	-58.5%	60	10.0%	126	304	-58.6%
Profit before minority interests	308	434	-29.0%	257	19.8%	565	821	-31.2%
Minority interests	26	34	-23.5%	19	36.8%	46	64	-28.1%
Underlying net profit	**282**	**400**	**-29.5%**	**238**	**18.5%**	**520**	**758**	**-31.4%**
Net gains/losses on divestments	0	-		62		62	-	
Net profit from divestments	-	0	n.a.	-		-	0	n.a.
Special items after tax	-	-		-		-	-	
Total net profit	**282**	**400**	**-29.5%**	**299**	**-5.7%**	**581**	**758**	**-23.4%**
KEY FIGURES								
Value of new life business	84	53	58.5%	90	-6.7%	174	86	102.3%
Internal rate of return (YTD)				13.7%		13.4%	10.3%	
Single premiums	4,685	4,279	9.5%	3,984	17.6%	8,669	7,961	8.9%
Annual premiums	399	395	1.0%	543	-26.5%	942	913	3.2%
New sales (APE)	867	823	5.3%	942	-8.0%	1,809	1,709	5.9%
Investment in new business	209	242	-13.6%	233	-10.3%	441	521	-15.4%
Assets under Management (in € bln)				206		202	209	-3.3%
Expenses as % of AUM (YTD)				0.73%		0.74%	0.73%	
Expenses as % of gross premiums (YTD)				15.9%		15.7%	14.3%	
Expense ratio (YTD)				34.4%		25.5%	29.0%	
Claims ratio (YTD)				72.0%		69.4%	69.2%	
Combined ratio (YTD)				106.3%		94.9%	98.2%	
Gross life reserves				114,513		115,123	132,092	-12.8%
Gross non-life reserves				4,893		5,091	5,623	-9.5%
Tax ratio	17.6%	26.8%		19.0%		18.2%	27.0%	
Staff (FTEs end of period)				31,415		31,973	27,591	15.9%

INSURANCE AMERICAS

Underlying profit before tax (EUR million)



- **Underlying profit before tax down 36.9%, or 28.8% excluding currencies**
- **Market conditions led to net credit- and interest-related losses of EUR 124 million in the US**
- **VNB climbs 58.5% to EUR 84 million on strong sales and improving IRRs**

Business update

Strong growth in sales, returns and value of new business in the second quarter reflected Insurance Americas' continued focus on innovative product development and distribution expansion.

Underlying profit fell 36.9%, or 28.8%

excluding currencies, triggered by poor credit and equity market conditions in the US and higher claims in Canada. Underlying profit before tax in Latin America increased 1.6%, or 6.7% excluding currencies, as improved results in Brazil and the impact of strong top-line growth in the pension business across the region were partially offset by negative equity market returns. The sale of the Mexico insurance business to AXA closed on 22 July 2008. Excluding results from Mexico insurance, Latin America profit increased 36.7%. In ING Canada, severe storms led to a 310 basis-point increase in the combined ratio, excluding market yield adjustments.

Premium income across the region improved 4.6%, or 19.2% excluding currency movements, led by substantially higher sales of variable annuity, retirement services and individual life products in the US.

Operating expenses declined 4.3%, but increased 8.2% excluding currencies. Higher operating expenses in Latin America, mainly related to the acquired pension businesses, were responsible for 4.8 percentage points of the increase. US expenses related to higher sales volumes and investments in technology and distribution were responsible for approximately 2.8 percentage points of the increase.

Life Insurance

Life underlying profit before tax declined 47.9%, or 40.1% excluding currencies. The US business posted earnings of EUR 201 million, down 49.6%, or 41.4% excluding currencies, triggered by weak investment results primarily due to net interest/spread-related losses as well as credit-related impairments. Lower alternative asset returns and higher operating expenses also contributed to the decline. Life profit in Latin America decreased 38.4%, or 33.8% excluding currencies, primarily due to lower technical results in Mexico. Excluding results from the part of the Mexico business divested as of 22 July 2008, life profit decreased 11.4%, influenced by weak equity market returns.

Life premium income rose 8.6%, or 25.8% excluding currencies, propelled by the US, where variable annuity sales jumped 46.9% led by strong sales of LifePay Plus, the withdrawal benefit for life rider introduced in August 2007. The pace of variable annuity sales growth has declined modestly because competitors have recently introduced similar products. Sales of retirement services (corporate 401(k), education and IRA) increased 6.5%, or 36.6% on a US basis, on greater distribution capacity. Individual life sales rose 21.7%, led by new universal life products and expansion of term products and distribution outlets. Net flows for variable annuities and retirement services (corporate 401(k), education and IRA) more than doubled from the second quarter of 2007 to EUR 1,364 million in the current quarter. Premium income in Latin America increased 8.4%, or 16.9% excluding currencies, supported by solid results in the annuity business.

Life operating expenses increased 1.7%, or 17.4% excluding currencies, due to a near doubling of life expenses in Latin America related to the operation of the acquired Santander pension businesses, costs of higher sales, and investments in technology and distribution in the US.

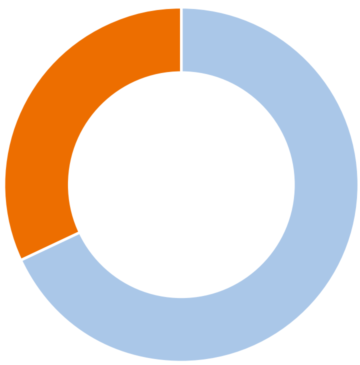
Value of new life business at Insurance Americas jumped 58.5%, or 86.7% excluding currencies, to EUR 84 million. VNB in the US increased 39.0% excluding currencies led by strong sales of variable annuities and improved performance of fixed annuities. VNB in Latin America more than quadrupled to EUR 26 million on strong pension results, primarily in Mexico.

The internal rate of return in the Americas rose 310 basis points to 13.4% on broadly improving results across the region. Returns in the US jumped 230 basis points to 12.5%, or 13.2% on a US basis, reflecting improvement in all product lines on sales of more profitable products. Retirement services (corporate 401(k), education and IRA) posted an 18.7% IRR while new variable annuity products earned a 12.7% return. Individual life continues to improve returns, up 220 basis points from the second quarter of 2007 to 9.3%.

Non-life Insurance

Non-life underlying profit before tax increased 6.7%, or 12.3% excluding currencies, as earnings improvement in Latin America more than offset lower earnings in Canada. The EUR 29 million improvement in Latin America profit reflects strong results in Brazil and the absence of the Chile health business which was sold in the first quarter of 2008. Profit in Canada fell 16.9%, or 10.7% excluding currencies, to EUR 108 million on lower underwriting income associated with an active storm season, as well as lower investment results.

Excluding currencies, non-life premium across the region declined 3.5%, mainly due to a 14.5% reduction in Latin America related to the sale of the Chile health business. Premium income in Canada was essentially flat excluding currencies.



INSURANCE AMERICAS
Value New Business 2Q2008

United States (68%)
Latin America (32%)

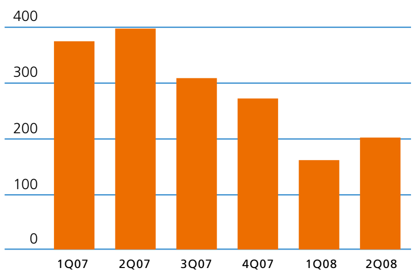
Life Insurance United States

Life Insurance United States: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	4,649	4,281	8.6%	4,913	-5.4%	9,562	8,679	10.2%
Commission income	178	201	-11.4%	182	-2.2%	359	395	-9.1%
Direct investment income	737	1,042	-29.3%	1,026	-28.2%	1,764	2,059	-14.3%
Realised gains and fair value changes on inv.	-187	-1	n.a.	-81	n.a.	-268	-63	n.a.
Total investment and other income	550	1,041	-47.2%	945	-41.8%	1,495	1,996	-25.1%
Total underlying income	**5,377**	**5,523**	**-2.6%**	**6,040**	**-11.0%**	**11,417**	**11,069**	**3.1%**
Underwriting expenditure	4,787	4,639	3.2%	5,460	-12.3%	10,246	9,381	9.2%
Operating expenses	345	375	-8.0%	357	-3.4%	702	742	-5.4%
Other interest expenses	43	110	-60.9%	63	-31.7%	107	172	-37.8%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**5,175**	**5,123**	**1.0%**	**5,880**	**-12.0%**	**11,055**	**10,295**	**7.4%**
Underlying profit before tax	**201**	**399**	**-49.6%**	**160**	**25.6%**	**362**	**775**	**-53.3%**
Taxation	37	119	-68.9%	25	48.0%	61	233	-73.8%
Profit before minority interests	165	280	-41.1%	136	21.3%	300	542	-44.6%
Minority interests	-	-		-		-	-	
Underlying net profit	**165**	**280**	**-41.1%**	**136**	**21.3%**	**300**	**542**	**-44.6%**
KEY FIGURES								
Value of new life business	57	47	21.3%	63	-9.5%	121	74	63.5%
Internal rate of return (YTD)				12.8%		12.5%	10.2%	
Single premiums	4,604	4,220	9.1%	3,916	17.6%	8,519	7,867	8.3%
Annual premiums	269	322	-16.5%	412	-34.7%	681	763	-10.7%
New Sales (APE)	729	744	-2.0%	803	-9.2%	1,532	1,549	-1.1%
Investment in new business	176	217	-18.9%	204	-13.7%	380	470	-19.1%
Expenses as % of AUM (YTD)				0.73%		0.74%	0.73%	
Expenses as % of gross premiums (YTD)				15.1%		15.1%	14.1%	
Gross life reserves				110,708		111,498	128,999	-13.6%

- **Underlying profit before tax declines 49.6% on net credit- and interest-related losses**
- **Value of new business up 21.3% on higher variable annuity sales**
- **Acquisition of CitiStreet closed on 1 July**

LIFE INSURANCE UNITED STATES

Underlying profit before tax (EUR million)



Business update

The financial markets continued to be unfavourable in the second quarter of 2008, leading to lower earnings in the US. However, top-line growth across retirement, annuity and individual life businesses remained strong, benefiting from new product introductions in the second half of 2007 and enhanced distribution.

Market conditions prompted higher investment losses, as changes in interest rates and spreads during the quarter resulted in a negative impact of mortgage-backed securities. Credit-related impairments amounted to EUR 48 million net of DAC.

On 30 June 2008, ING US had EUR 2.0 billion in subprime assets, 94.7% of which were rated AA or better, and EUR 2.9 billion of Alt-A assets, 99.4% of which were rated AA or better. During the quarter, ING US sold credit-default protection on super-senior tranches of investment-grade corporate credit indices totaling EUR 1.5 billion of notional exposure.

Wealth management

During the quarter, ING reached an agreement to acquire CitiStreet LLC for USD 900 million, or EUR 570 million. The combined operation is the third-largest defined contribution business in the US based on assets under management and administration with EUR 217 billion in assets, and the second-largest based on plan participants with approximately 9.8 million US plan participants. The acquisition closed on 1 July 2008.

Sales of retirement services (corporate 401(k), education and IRA) increased 6.5%, or 36.6% on a US basis. In the first quarter of 2008, ING was #1 in retirement services kindergarten through 12th grade education market sales, and #2 in small corporate plan sales.

Variable annuity sales jumped 46.9% on the continued success of the LifePay Plus product introduced in August 2007. Sequentially, sales have declined slightly due to difficult market conditions and the introduction by competitors of products with similar features. Changes were made to ING's product in the second quarter to enhance returns. In the first quarter of 2008, ING's variable annuity sales ranking jumped to #3 from #8 at year-end, 2007.

Net flows in variable annuities and retirement services (corporate 401(k), education and IRA) topped EUR 1.3 billion for the quarter led by strong sales results.

Sales of fixed annuities improved 30.5%. Pure fixed annuities are increasing their portion of total sales as a result of better crediting rates.

The Securities and Exchange Commission has proposed a new rule defining indexed annuities as securities. This should benefit ING since many of ING's distributors are already licensed to sell securities.

Insurance
Individual life posted another quarter of solid commercial growth with sales up 21.7% from the second quarter of 2007. New universal and term life products introduced in the second half of 2007 contributed to the strong results.

In addition, individual life continued to increase the volume of policies it issued, in a drive to improve operating efficiency. New policies issued were 42,000 during the second quarter of 2008, more than double the amount issued in the prior year quarter and a 38.9% increase sequentially.

In the first quarter of 2008, ING ranked #10 in individual life sales, up two positions from year-end 2007.

Asset management
Retail mutual fund sales for the quarter were down 9.2% as market volatility and weak economic conditions persisted.

Profit
Underlying profit before tax declined 49.6% to EUR 201 million. Excluding negative currency movements of EUR 56 million, underlying profit was down 41.4%. The ongoing adverse market conditions led to EUR 107 million of higher investment losses, which reflects interest/spread-related losses of EUR 76 million net of DAC as well as EUR 48 million of credit-related impairments net of DAC. Lower alternative asset returns of EUR 22 million and an increase in operating expenses also contributed to the profit decline. EUR 65 million favourable DAC unlocking from assumption changes to reflect improved persistency in retirement services and variable annuity was partially offset by EUR 25 million of market-induced negative equity-related DAC unlocking – a reduction of EUR 55 million from the positive equity-related DAC unlocking recognized in the prior year quarter. Wealth management segment results declined on lower alternative asset returns as well as lower fee income, as AUM growth from strong net flows was overshadowed by lower equity returns and higher hedging cost. Higher operating expenses for technology, higher sales and distribution enhancements also contributed to the profit decline. In the insurance segment, lower alternative asset returns and higher claims led to the profit decline. Profit in the asset management segment declined mainly due to lower private equity gains.

Income
US gross premiums increased 8.6%, or 26.2% excluding currency effects, to EUR 4,649 million as all lines, especially wealth management, generated growth compared with the prior-year quarter.

Expenses
Excluding currency effects, operating expenses were up 7.1% compared with the second quarter of 2007, reflecting the cost of increased sales, as well as investments in technology and distribution.

Key figures
The US business continues to deliver solid value creation. The value of new business was up 21.3%, or 39.0% excluding currency effects, to EUR 57 million. Higher sales volumes, better margins and improvements from ING Financial Products (a spread-lending business) more than offset an unfavourable change in the product mix and the cumulative impact in the prior year quarter of establishing two on-shore captives. Value of new business in the wealth management segment increased 34.5% as higher sales in variable annuity and improved fixed and variable margins mitigated the adverse impact of interest rates and retirement services' unfavourable mix of business. The value of new business in the insurance segment was essentially flat at EUR 8 million as the previous year quarter included the cumulative impact of the captives. Additionally, ING Financial Products more than doubled the value of new business due to a better mix of products with longer duration and favourable credit spreads.

The internal rate of return in the US improved 230 basis points to 12.5%, or 13.2% on a US basis. This mainly reflects better margins in individual life, fixed annuity and the spread-lending business. Returns in retirement services (corporate 401(k), education and IRA) business and variable annuity remained strong at 18.7% and 12.7% respectively. The marginal decline in both product lines is due to a change in product mix as well as the lower interest rate environment impacting variable annuity.

Non-life Insurance Canada

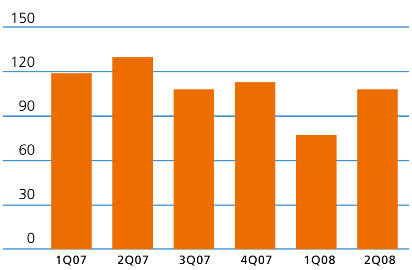
Non-life Insurance Canada: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	771	814	-5.3%	571	35.0%	1,343	1,371	-2.0%
Commission income	-4	14	n.a.	13	n.a.	9	30	-70.0%
Direct investment income	37	61	-39.3%	90	-58.9%	126	133	-5.3%
Realised gains and fair value changes on inv.	23	13	76.9%	18	27.8%	41	35	17.1%
Total investment and other income	60	74	-18.9%	108	-44.4%	168	168	0.0%
Total underlying income	**827**	**902**	**-8.3%**	**692**	**19.5%**	**1,520**	**1,568**	**-3.1%**
Underwriting expenditure	584	629	-7.2%	476	22.7%	1,060	1,047	1.2%
Operating expenses	133	143	-7.0%	138	-3.6%	271	272	-0.4%
Other interest expenses	-	-		-		-	-	
Other impairments	1	-		1	0.0%	3	-	
Total underlying expenditure	**719**	**771**	**-6.7%**	**615**	**16.9%**	**1,334**	**1,319**	**1.1%**
Underlying profit before tax	**108**	**130**	**-16.9%**	**77**	**40.3%**	**186**	**249**	**-25.3%**
Taxation	26	26	0.0%	19	36.8%	45	54	-16.7%
Profit before minority interests	82	104	-21.2%	59	39.0%	141	195	-27.7%
Minority interests	25	31	-19.4%	18	38.9%	42	58	-27.6%
Underlying net profit	**58**	**73**	**-20.5%**	**41**	**41.5%**	**98**	**136**	**-27.9%**
KEY FIGURES								
Expense ratio (YTD)				35.2%		28.7%	28.5%	
Claims ratio (YTD)				74.1%		69.0%	63.5%	
Combined ratio (YTD)				109.3%		97.7%	92.0%	
Gross non-life reserves				3,873		4,021	4,367	-7.9%

- **Underlying profit before tax down 16.9%, or 10.7% excluding currencies**
- **Sound underwriting performance despite severe seasonal storms**
- **Combined ratios below 90% in all lines of business except personal property**

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 Ontario, Québec, Alberta and Nova Scotia. ING Canada also manages its own investment portfolio with more than EUR 4.4 billion in assets.

Sustainability of cost containment measures will continue 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 on minor automobile accident injuries in Alberta has been challenged. Industry participants will need to assess the potential impact on claims costs and premiums.

Profit

Profit decreased reflecting lower

underwriting results associated with strong storms in Québec and Ontario. Hail, rain and wind storms in Central Canada led to higher claims, including net catastrophe claims of EUR 24 million, which mainly impacted personal lines. Despite the severe weather, combined ratios were below 90% in all lines of business except personal property. The favourable development in prior-year reserves partially offset the weather impact. Excluding catastrophe claims, underwriting profit increased by EUR 9 million overall. Commercial underwriting income increased year-over-year due to sustained pricing discipline and more favourable prior-year reserve development. Investment results were down on decreases in market yields and a lower asset base as ING Canada executed its normal course issuer bid.

Income

Excluding currencies, gross premiums increased slightly. Sales were essentially flat as pricing discipline and rate increases in personal lines have led to a decrease in units sold in the near term, particularly in personal auto. Commercial premiums declined slightly as units increased, reflecting a shift in the portfolio toward smaller accounts with lower annual premiums. Small- and medium-sized commercial accounts are generally more profitable in an aggressive pricing environment.

Expenses

Operating expenses were essentially flat, excluding currency effects, which includes an increase in claims handling and other underwriting expenses offset by lower distribution expenses.

Key figures

The year-to-date combined ratio deteriorated 570 basis points to 97.7%. This reflects a 310 basis points increase due to strong storms and higher property severity in the current year, as well as a 260 basis points increase related to the impact of changes in interest rates on claims reserves.

Insurance Latin America

Life Insurance Latin America: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	194	179	8.4%	175	10.9%	369	321	15.0%
Commission income	103	42	145.2%	106	-2.8%	209	87	140.2%
Direct investment income	114	112	1.8%	122	-6.6%	237	195	21.5%
Realised gains and fair value changes on inv.	4	20	-80.0%	9	-55.6%	13	31	-58.1%
Total investment and other income	118	132	-10.6%	131	-9.9%	249	226	10.2%
Total underlying income	**414**	**353**	**17.3%**	**413**	**0.2%**	**827**	**634**	**30.4%**
Underwriting expenditure	311	227	37.0%	269	15.6%	580	412	40.8%
Operating expenses	81	44	84.1%	81	0.0%	162	97	67.0%
Other interest expenses	-22	9	n.a.	18	n.a.	-4	18	n.a.
Other impairments	-	-		-		-	-	
Total underlying expenditure	**369**	**280**	**31.8%**	**368**	**0.3%**	**738**	**527**	**40.0%**
Underlying profit before tax	**45**	**73**	**-38.4%**	**44**	**2.3%**	**89**	**107**	**-16.8%**
Taxation	2	18	-88.9%	12	-83.3%	15	25	-40.0%
Profit before minority interests	42	55	-23.6%	32	31.3%	74	82	-9.8%
Minority interests	1	3	-66.7%	2	-50.0%	3	5	-40.0%
Underlying net profit	**41**	**52**	**-21.2%**	**30**	**36.7%**	**71**	**77**	**-7.8%**
KEY FIGURES								
Value of new life business	26	6	333.3%	27	-3.7%	53	12	341.7%
Internal rate of return (YTD)				18.7%		18.2%	11.5%	
Single premiums	81	59	37.3%	69	17.4%	149	95	56.8%
Annual premiums	130	73	78.1%	131	-0.8%	261	150	74.0%
New sales (APE)	138	79	74.7%	138	0.0%	276	160	72.5%
Investment in new business	33	25	32.0%	29	13.8%	62	51	21.6%
Expenses as % of AUM (YTD)				0.73%		0.73%	0.75%	
Expenses as % of gross premiums (YTD)				22.2%		20.6%	16.4%	
Gross life reserves				3,805		3,625	3,093	17.2%

- **Underlying profit before tax across Latin America up 6.7% excluding currencies to EUR 64 million**
- **Value of new business up threefold, led by pensions in Mexico**
- **Internal rate of return climbs 670 basis points to 18.2%**

Business update

ING continues to focus on enhancing its pan-regional position in pension, life insurance and investment businesses.

In Mexico, a concentrated marketing campaign and strong investment returns stemmed much of the fund outflows experienced by ING Afore in early 2008 as competitors targeted clients who became available to move to other Afores as a result of the Santander acquisition. ING Afore is currently ranked #2 by affiliates and #3 by AUM.

In Peru, competitive conditions are easing as ING solidifies its market position as the #1 competitor with 32% market share and the highest investment returns in the industry.

In Chile, ING retained its #3 rank in the mandatory pension business but lost one point of market share (to 22.5%) since the Santander acquisition. An increase in the sales force, enhanced channel segmentation and rebranding to AFP Capital should provide impetus to regain share.

ING Colombia holds top-five rankings in mandatory and voluntary pension contributions. As with other countries in the region, the government in Colombia is exploring pension reforms which are expected to support industry growth.

ING maintained its strong market rankings in Argentina as #2 in pensions and #1 in the annuity business.

Life Insurance

Profit

Life underlying profit before tax decreased 38.4%, or 33.8% excluding currency effects, to EUR 45 million. The expansion of the Latin America pension business, including a new presence in Argentina, Colombia and Uruguay, provided earnings contribution; however lower technical results in Mexico and Brazil life businesses more than offset this increase. Investment

Non-Life Insurance Latin America: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	289	372	-22.3%	252	14.7%	541	705	-23.3%
Commission income	-1	-1	n.a.	-1	n.a.	-1	-1	n.a.
Direct investment income	35	26	34.6%	35	0.0%	70	72	-2.8%
Realised gains and fair value changes on inv.	-0	2	n.a.	1	n.a.	1	3	-66.7%
Total investment and other income	35	28	25.0%	36	-2.8%	71	75	-5.3%
Total underlying income	**324**	**400**	**-19.0%**	**287**	**12.9%**	**611**	**779**	**-21.6%**
Underwriting expenditure	257	337	-23.7%	201	27.9%	458	650	-29.5%
Operating expenses	46	71	-35.2%	49	-6.1%	96	130	-26.2%
Other interest expenses	2	1	100.0%	2	0.0%	3	3	0.0%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**305**	**410**	**-25.6%**	**252**	**21.0%**	**557**	**784**	**-29.0%**
Underlying profit before tax	**19**	**-10**	**n.a.**	**35**	**-45.7%**	**54**	**-5**	**n.a.**
Taxation	0	-4	n.a.	4	-100.0%	5	-8	n.a.
Profit before minority interests	19	-6	n.a.	31	-38.7%	50	3	1566.7%
Minority interests	-	-0	n.a.	-		-	-0	n.a.
Underlying net profit	**19**	**-6**	**n.a.**	**31**	**-38.7%**	**50**	**3**	**1566.7%**
KEY FIGURES								
Expense ratio (YTD)				32.1%		16.5%	29.9%	
Claims ratio (YTD)				65.5%		70.6%	81.6%	
Combined ratio (YTD)				97.6%		87.1%	111.5%	
Gross non-life reserves				1,020		1,069	1,256	-14.9%

results, reflecting rising interest rates in Mexico and adverse equity market performance in the region, also contributed to the decline in profit. Excluding results from the part of the Mexico business divested as of 22 July 2008, results decreased 11.4%.

In the second quarter 2008, ING recognized a tax benefit for legal restructuring in anticipation of the insurance divestment, which lowered the effective tax rate.

Income
Gross premiums increased 8.4%, or 16.9% excluding currencies, on higher annuity sales in Chile and Argentina. Growth in the pension business, including higher AUM balances, a higher number of contributors and an improved quality of sales, resulted in commission income more than doubling.

Expenses
Excluding currency effects, expenses nearly doubled, reflecting the acquired Santander pension businesses. EUR 10 million integration costs in the region also contributed to the increase.

Key figures
VNB more than quadrupled to EUR 26 million, mainly due to higher sales and an improved quality of sales in Mexico. Peru's pension business and Chile's annuity business also contributed to the increase thanks to higher sales volume and increased productivity.

Non-life Insurance
Profit
Non-life profit increased EUR 29 million to EUR 19 million on improved business performance in Brazil and better results in Mexico. The favourable comparison with the second quarter of 2007 also reflects the divestment of the Chile health business, which generated a loss in the previous year.

Income
The decrease in premium income reflects the divestment of Chile's health business. Excluding this impact, gross premiums increased 5.5% on higher sales in Mexico's health and P&C businesses.

Expenses
Expenses fell 35.2%, or 28.1% excluding currency effects, reflecting the divestment of Chile's health business and deferral of project and technology expenses in Mexico.

Key figures
The lower combined ratio reflects improved results in all of Mexico's businesses in the current period, particularly compared to the reserve strengthening in Auto and higher catastrophe claims in P&C in Mexico during the previous period.

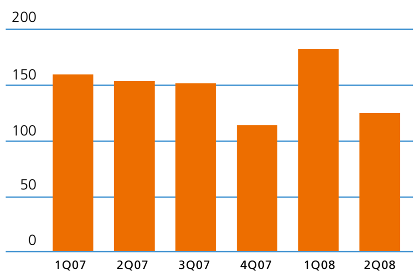
INSURANCE

Insurance Asia/Pacific

Insurance Asia/Pacific: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	2,883	3,335	-13.6%	3,383	-14.8%	6,266	6,084	3.0%
Commission income	86	93	-7.5%	93	-7.5%	180	183	-1.6%
Direct investment income	439	329	33.4%	318	38.1%	756	689	9.7%
Realised gains and fair value changes on inv.	-433	-224	n.a.	533	n.a.	101	-320	n.a.
Total investment and other income	6	105	-94.3%	851	-99.3%	857	369	132.2%
Total underlying income	**2,975**	**3,534**	**-15.8%**	**4,328**	**-31.3%**	**7,303**	**6,637**	**10.0%**
Underwriting expenditure	2,450	3,096	-20.9%	3,740	-34.5%	6,190	5,767	7.3%
Operating expenses	257	254	1.2%	283	-9.2%	540	513	5.3%
Other interest expenses	144	30	380.0%	123	17.1%	266	45	491.1%
Other impairments	-0	-0	n.a.	-0	n.a.	-0	-0	n.a.
Total underlying expenditure	**2,851**	**3,381**	**-15.7%**	**4,146**	**-31.2%**	**6,997**	**6,324**	**10.6%**
Underlying profit before tax	**124**	**153**	**-19.0%**	**182**	**-31.9%**	**306**	**312**	**-1.9%**
of which profit before tax life insurance	123	152	-19.1%	181	-32.0%	305	304	0.3%
of which profit before tax non-life insurance	1	1	0.0%	1	0.0%	2	8	-75.0%
Taxation	40	63	-36.5%	60	-33.3%	101	107	-5.6%
Profit before minority interests	84	90	-6.7%	121	-30.6%	205	205	0.0%
Minority interests	6	11	-45.5%	6	0.0%	13	22	-40.9%
Underlying net profit	**78**	**79**	**-1.3%**	**115**	**-32.2%**	**193**	**183**	**5.5%**
KEY FIGURES								
Value of new life business	93	99	-6.1%	106	-12.3%	200	181	10.5%
Internal rate of return (YTD)				16.7%		16.7%	15.6%	
Single premiums	1,757	2,696	-34.8%	2,128	-17.4%	3,885	4,355	-10.8%
Annual premiums	358	387	-7.5%	446	-19.7%	804	789	1.9%
New sales (APE)	534	656	-18.6%	658	-18.8%	1,192	1,224	-2.6%
Investment in new business	110	143	-23.1%	137	-19.7%	247	264	-6.4%
Assets under Management (in € bln)				102		101	104	-2.9%
Operating expenses Greenfields	21	17	23.5%	26	-19.2%	48	40	20.0%
Expenses as % of AUM (YTD)				0.76%		0.74%	0.73%	
Expenses as % of gross premiums (YTD)				9.9%		9.9%	8.8%	
Expense ratio (YTD)				38.9%		36.8%	39.1%	
Claims ratio (YTD)				49.9%		50.8%	48.6%	
Combined ratio (YTD)				88.8%		87.6%	87.7%	
Gross life reserves				52,314		52,169	50,703	2.9%
Gross non-life reserves				21		23	23	0.0%
Tax ratio	32.5%	41.3%		33.3%		33.0%	34.3%	
Staff (FTEs end of period)				11,003		11,274	11,669	-3.4%

- **Underlying net profit down 1.3%, but up 39.3% excluding FX**
- **Sales down 18.6%, or 10.9% excluding FX on volatile markets and adverse regulatory changes**
- **VNB up 3.3% excluding currency impact, on more profitable product mix**

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



Business update

In the second quarter, robust sales momentum in South Korea and the Rest of Asia partially offset the impact of the weak markets on sales in Australia, Japan and Taiwan. In Australia, volatile markets impacted retail fund flows as investors shifted to deposits. In Japan, SPVA sales were affected by weak equity markets and increased competition while Taiwan was adversely impacted by proposed new regulations on structured notes.

Despite this challenging environment, ING maintained its market-leading positions in the larger markets of Australia, Japan, South Korea and Taiwan.

In response to the market challenges, ING is focused on evolving its product offerings. In Australia, ING enhanced its life-risk products by extending coverage and adding flexible term deposit option to the wealth management platform. In Japan, ING launched a new SPVA product with plans underway for the next generation of the SPVA product. In Taiwan, ING launched structured note products compliant with the proposed regulatory changes. Overall sales of investment-linked products accounted for 68% of new sales.

ING continued to strengthen distribution during the quarter. The number of tied agents exceeded 98,000 as ING invested in growth through selective recruitment and ongoing training and support. In Korea, the strong growth of tied agency force combined with a flexible product offering drove solid performance despite weak markets. ING also expanded bank distribution as sales commenced through Japan Post and TMB Bank. New sales through banks accounted for 30% of the region's total production.

ING Australia acquired two distributors in the quarter, further strenghtening its aligned advisory channel. In Japan, ING began distributing SPVA and COLI products through Japan Post Group. ING also became the first global investment manager to establish a manufacturing capacity in the Middle East with the launch of its investment management operation in Dubai.

Profit

Underlying profit before tax fell 19.0%, but increased 0.8% excluding currency effects as higher results in Japan were in part offset by declines in Australia/New Zealand and South Korea.
Profit in Japan rose to EUR 27 million in the second quarter, compared with a loss of EUR 1 million last year with the swing driven by volatility in SPVA results. Profit in Australia/New Zealand declined to EUR 38 million from EUR 61 million in the same quarter last year, driven by lower fee income on assets under management, EUR 3 million reduced interest income, and a one-off EUR 8 million provision release in the second quarter of 2007. Profit in South Korea declined to EUR 52 million from EUR 68 million, primarily due to the negative impact from adverse exchange rate movements. Excluding Japan, underlying profit before tax was down 37.0% to EUR 97 million for the second quarter from EUR 154 million last year.

The underlying net profit decreased 1.3%, but increased 39.3% excluding currency effects primarily due to lower effective tax rates in most countries and a lower minority interest in South Korea.

Income

Gross premium income for the quarter was EUR 2,883 million, a decrease of 13.6%, or 5.5% excluding currency effects, compared with the second quarter of 2007. In Japan, premium income decreased 13.1% to EUR 1,098 million as SPVA and COLI sales weakened due to difficult financial market conditions and the impact of regulatory tax law changes. In Australia, premium income was up slightly by 1.9% to EUR 54 million, driven by favourable in-force business retention. In Taiwan, premium income fell 23.2% to EUR 656 million on reduced traditional renewal premium income. In South Korea, premium income increased 8.1%, excluding currencies, to EUR 789 million on sales growth and the size of the existing in-force portfolio. Total investment and other income included negative fair value changes on SPVA derivatives used to hedge Japan's SPVA guaranteed benefits which were offset in underwriting expenditure.

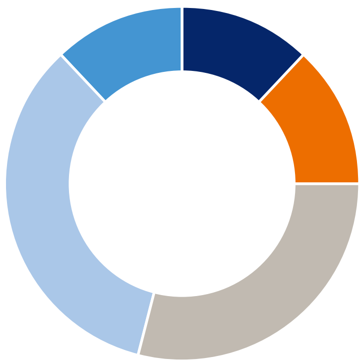
Expenses

Operating expenses increased 1.2%, or 10.8% excluding currency effects, to EUR 257 million. This was in line with the ongoing expansion of the branch network and the professional agency force across the region as well as the inclusion of the Landmark acquisition in South Korea. Expenses rose as well due to continued investments in infrastructure and greenfield operations.

Key figures

Total new sales (APE) declined 18.6%, or 10.9% excluding currency effects, to EUR 534 million due to weaker sales in Japan and Taiwan on volatile markets and adverse regulatory changes. Nonetheless, new sales were robust in South Korea at EUR 190 million, up 19.5%, excluding currency effects. Likewise, in Rest of Asia new sales grew by 51.2%, excluding currencies, thanks to Hong Kong, China, India and Thailand.

VNB decreased 6.1% but increased 3.3% excluding currency effects, to EUR 93 million on a more profitable product mix which helped offset the impact of the decrease in new sales. The overall internal rate of return remained high at 16.7%.



INSURANCE ASIA/PACIFIC
Value New Business 2Q2008

- Australia and New Zealand (12%)
- Japan (13%)
- South Korea (29%)
- Taiwan (34%)
- Rest of Asia (12%)

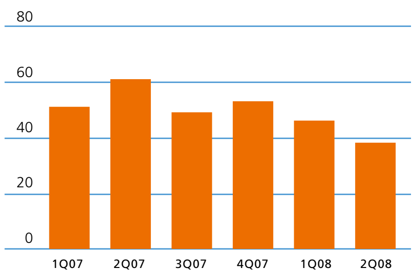
Life Insurance Australia & New Zealand

Life Insurance Australia & New Zealand: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	54	53	1.9%	50	8.0%	105	97	8.2%
Commission income	63	73	-13.7%	65	-3.1%	129	140	-7.9%
Direct investment income	26	26	0.0%	30	-13.3%	56	47	19.1%
Realised gains and fair value changes on inv.	1	2	-50.0%	2	-50.0%	2	6	-66.7%
Total investment and other income	27	28	-3.6%	31	-12.9%	58	53	9.4%
Total underlying income	**144**	**154**	**-6.5%**	**147**	**-2.0%**	**291**	**290**	**0.3%**
Underwriting expenditure	44	41	7.3%	31	41.9%	75	73	2.7%
Operating expenses	48	51	-5.9%	55	-12.7%	104	104	0.0%
Other interest expenses	14	0		15	-6.7%	29	1	2800.0%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**106**	**92**	**15.2%**	**101**	**5.0%**	**207**	**178**	**16.3%**
Underlying profit before tax	**38**	**61**	**-37.7%**	**46**	**-17.4%**	**84**	**112**	**-25.0%**
Taxation	8	18	-55.6%	13	-38.5%	21	33	-36.4%
Profit before minority interests	30	44	-31.8%	33	-9.1%	63	80	-21.3%
Minority interests	-	-		-		-	-	
Underlying net profit	**30**	**44**	**-31.8%**	**33**	**-9.1%**	**63**	**80**	**-21.3%**
KEY FIGURES								
Value of new life business	11	15	-26.7%	11	0.0%	22	26	-15.4%
Internal rate of return (YTD)				20.8%		19.0%	20.4%	
Single premiums	715	1,331	-46.3%	681	5.0%	1,396	2,182	-36.0%
Annual premiums	26	27	-3.7%	24	8.3%	50	49	2.0%
New sales (APE)	97	160	-39.4%	92	5.4%	190	267	-28.8%
Investment in new business	10	22	-54.5%	12	-16.7%	23	36	-36.1%
Expenses as % of AUM (YTD)				0.5%		0.53%	0.54%	
Expenses as % of gross premiums (YTD)				31.3%		28.5%	26.8%	
Gross life reserves				8,229		8,619	9,441	-8.7%

- **Sales down 39% on volatile markets but up 5% from 1Q**
- **Renewal premiums in ING Australia up 42%, excluding FX**
- **ING Australia extends distribution with over 1,500 aligned advisers**

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



Business update
The second quarter saw a continuation of the trend observed in the previous quarter, namely highly challenging investment and credit market conditions which adversely impacted the retail funds management sector. The latest available industry data for the first quarter of 2008 indicate an overall market decline of 2.9% in retail AUM compared with the previous year. ING Australia's AUM was just 1.3% lower by comparison, resulting in a modest increase in market share year-on-year. In the second quarter, ING Australia's AUM further declined 2.7% in the second quarter. Despite the market turbulence, ING Australia either improved or maintained its market positions through the first quarter of 2008, rising from third to second place for risk in-force premium and maintaining fifth place for retail funds under management.

Retention of the risk in-force portfolio remained strong with risk renewal premiums up 42.5% over the second quarter of 2007.

ING Australia upgraded two of its flagship products in the second quarter. OneCare, the core product in the risk segment, was enhanced to extend coverages, while OneAnswer, the core unit-linked product in the personal investment segment, was upgraded to include a flexible term deposit as an investment option on the platform, in response to the current market tone of caution among retail investors. Additionally, OneCare was made available to customers via OneAnswer's Personal Super, enabling tax-effective funding of life insurance premiums from the customer's superannuation fund.

In the second quarter ING Australia also expanded its distribution reach with the acquisition of both Pinnacle Partners and Financial Lifestyle Solutions. Pinnacle Partners adds 20 aligned advisers and funds under management in excess of EUR 325 million while Financial Lifestyle Solutions adds 143 aligned advisers, over EUR 650 million in funds under management and EUR 14 million in in-force premium. These acquisitions position ING Australia as one of the top three in the country with over 1,500 aligned advisers, with the prospect of significant growth opportunities and cost and operational synergies.

In New Zealand, ING maintained its number-one position in the retail funds management market, building on its success as the leading player in the 'Kiwi Saver' market segment; this is a voluntary retirement savings plan subsidised by the government. ING also gained market share in both the wholesale and institutional funds management segment through March compared with a year earlier with an overall share of 16.6%, and the individual life risk new business market, with an overall share of 15.8%. This places the company as the number-two player in both of these markets.

Profit

Underlying profit before tax decreased 37.7%, or 22.4% excluding currency effects, to EUR 38 million. This was driven by lower fee income on assets under management as challenging investment and credit market conditions adversely impacted the retail funds sector, EUR 3 million lower interest income, and a one-off EUR 8 million provision release in the second quarter of 2007. Consequently, underlying profit fell 22.9% for ING Australia, primarily due to lower income from the funds management business, attributable to the decline in assets under management, and reduced investment earnings as a consquence of weak financial markets. This was partially offset by higher insurance income. The decrease in underlying profit for ING New Zealand of 38.4% was also attributable mainly to reduced fee income on the funds management business. ING Australia Holdings' profit before tax declined 66.4% due to both lower interest income on loan arrangements and the one-off EUR 8 million provision release in the second quarter of 2007.

Income

Gross premium income increased 1.9%, or 3.8% excluding currency effects, from the second quarter last year to EUR 54 million, driven by in-force business retention. Commission income decreased to EUR 63 million, down 13.7% from the second quarter of 2007, due to lower fee income from assets under management combined with lower fund management sales due to weak financial markets.

Expenses

Operating expenses decreased 5.9%, or 2.0% excluding currency effects, due to lower volume-driven expenses such as investment management, direct campaign and stamp duty costs. ING Australia continues to invest in strategic business transformation projects to improve the quality of customer service, extend straight-through processing and make technology platforms more agile.

'Volatile markets impacted retail fund flows'

Key figures

New business sales decreased 39.4% to EUR 97 million as fund management sales were negatively impacted by ongoing weakness in the underlying investment and financial markets and as sales in the second quarter of 2007 had been buoyed by tax incentives for additional contributions to superannuation. The value of new business for the quarter declined 26.7% to EUR 11 million, as the value generated through higher sales of more profitable regular premium products partially offset lower investment inflows.

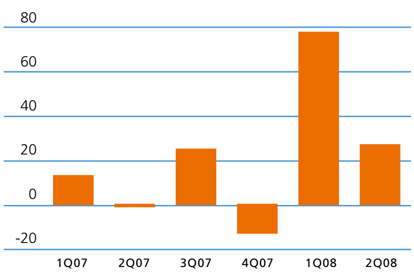
Life Insurance Japan

Life Insurance Japan: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	1,098	1,264	-13.1%	1,075	2.1%	2,173	2,178	-0.2%
Commission income	5	5	0.0%	7	-28.6%	12	10	20.0%
Direct investment income	188	84	123.8%	114	64.9%	302	130	132.3%
Realised gains and fair value changes on inv.	-463	-196	n.a.	509	n.a.	46	-235	n.a.
Total investment and other income	-275	-113	n.a.	623	n.a.	348	-104	n.a.
Total underlying income	**828**	**1,156**	**-28.4%**	**1,705**	**-51.4%**	**2,533**	**2,084**	**21.5%**
Underwriting expenditure	625	1,086	-42.4%	1,472	-57.5%	2,097	1,947	7.7%
Operating expenses	46	42	9.5%	47	-2.1%	93	83	12.0%
Other interest expenses	130	29	348.3%	108	20.4%	237	41	478.0%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**800**	**1,157**	**-30.9%**	**1,627**	**-50.8%**	**2,428**	**2,072**	**17.2%**
Underlying profit before tax	**27**	**-1**	**n.a.**	**78**	**-65.4%**	**105**	**12**	**775.0%**
Taxation	4	2	100.0%	32	-87.5%	36	9	300.0%
Profit before minority interests	23	-3	n.a.	46	-50.0%	69	3	2200.0%
Minority interests	-	-		-		-	-	
Underlying net profit	**23**	**-3**	**n.a.**	**46**	**-50.0%**	**69**	**3**	**2200.0%**
KEY FIGURES								
Value of new life business	12	18	-33.3%	18	-33.3%	30	26	15.4%
Internal rate of return (YTD)				12.1%		12.1%	11.7%	
Single premiums	778	1,140	-31.8%	740	5.1%	1,518	1,707	-11.1%
Annual premiums	41	50	-18.0%	90	-54.4%	131	113	15.9%
New sales (APE)	119	164	-27.4%	164	-27.4%	282	283	-0.4%
Investment in new business	41	50	-18.0%	55	-25.5%	96	89	7.9%
Expenses as % of AUM (YTD)				0.5%		0.50%	0.56%	
Expenses as % of gross premiums (YTD)				5.9%		6.6%	6.4%	
Gross life reserves				18,968		18,300	16,207	12.9%

- **Underlying profit before tax EUR 27 million from a loss of EUR 1 million last year**
- **ING maintains top-3 market positions in SPVA and COLI**
- **New distributors accounted for about one-third of SPVA sales**

LIFE INSURANCE JAPAN

Underlying profit before tax (EUR million)



Business update

SPVA

ING Life Japan maintained its top-three market position for single-premium variable annuities despite volatile stock markets, increased competition from new entrants, and competitors introducing products with features similar to ING's successful Smart Design 1-2-3. In response, ING launched a new product in the second quarter with income benefits. Plans are also already underway to develop the next generation of ING's successful Smart Design 1-2-3 product, which will include improved ratchet and accumulation benefit features. Smart Design 1-2-3 was first launched in the second quarter of 2007, significantly boosting sales in that period.

Sales through the Japan Post Bank and Japan Post Office networks commenced in the second quarter and ING is one of only four variable annuity providers selected for the Japan Post Group. ING also entered into four new distribution relationships, widening the total count to 43 banks and 10 security brokers at the end of the second quarter. These new distribution agreements have been effective in promoting and growing sales capacity and accounted for approximately one-third of production in the second quarter.

COLI

Revised tax regulations that reduce the tax deductibility for new premiums on increasing-term products from 100% to 50% took effect on 28 February. The announcement of the change resulted in high sales in the first quarter as consumers purchased products before the change in tax treatment took effect. In anticipation of the new tax rules, ING Life Japan started diversifying away from increasing-term products in 2007, focusing instead on cancer- and protection-based products, which are not affected by this new regulation. In late June, ING Life Japan began distributing its COLI products through Japan Post Insurance.

Profit

Underlying profit before tax rose to EUR 27 million in the second quarter of 2008, up from a loss of EUR 1 million last year. The underlying profit was attributable to EUR 13 million from SPVA and EUR 14 million from COLI. The market risks associated with the survival and death benefit guarantees on the SPVA products are managed via a comprehensive hedging program, whereby the derivatives underlying this program flow through the profit and loss account. SPVA profits were driven by hedge results. Changes in assumptions were offset by continued accounting asymmetries on the minimum guaranteed death benefit (MGBD) reserves. As a result, the profit for the SPVA products was primarily attributable to pre-tax core earnings (fees for the cost of guaranteed benefits, expense and insurance charges), which amounted to EUR 7.4 million or approximately 23 basis points of assets under management on an annualised basis. COLI profits were down 26.2% compared with the second quarter of 2007 on lower investment results.

Income

Gross premium income was EUR 1,098 million, down 13.1% compared with the second quarter of 2007. The decrease was attributable to lower SPVA sales on weak investment market conditions and a decline in COLI sales as the size of the market contracted due to regulatory tax law changes. Total investment and other income as well as other interest expenses include the fair value changes on SPVA derivative instruments which are largely offset in underwriting expenditure.

Expenses

Operating expenses increased to EUR 46 million, up 9.5% compared with the same quarter last year, driven by the strong expansion and investment in key distributors for COLI and SPVA products.

Key figures

New sales declined 27.0% to EUR 119 million compared with the second quarter of 2007.

SPVA sales were down 31.4% due to volatile stock markets, increased competition and the increased availability of products with features similar to ING's existing Smart Design 1-2-3. Furthermore, SPVA sales in the second quarter of 2007 had been buoyed by the introduction of ING's Smart Design 1-2-3 product in April 2007.

COLI sales were down 18.4%, mainly due to the shrinking increasing-term market, as the full impact of the new tax treatment for the product was evident during the quarter while competition increased in the cancer product segment.

The value of new business in the second quarter was EUR 12 million, down 33.3% from the second quarter of 2007, mainly due to a decrease in the value contributed by SPVA products. Lower sales and increased volatility as well as lower interest rates, which negatively impacted the cost of the underlying hedge, led to the decline in value of new business.

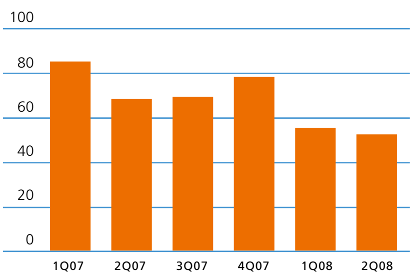
'Maintaining market share despite challenging environment'

Life Insurance South Korea

Life Insurance South Korea: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	789	927	-14.9%	979	-19.4%	1,767	1,844	-4.2%
Commission income	1	-1	n.a.	3	-66.7%	4	0	
Direct investment income	85	79	7.6%	88	-3.4%	173	160	8.1%
Realised gains and fair value changes on inv.	-0	4	n.a.	4	n.a.	4	6	-33.3%
Total investment and other income	84	84	0.0%	93	-9.7%	177	167	6.0%
Total underlying income	**874**	**1,010**	**-13.5%**	**1,074**	**-18.6%**	**1,948**	**2,011**	**-3.1%**
Underwriting expenditure	764	885	-13.7%	956	-20.1%	1,720	1,744	-1.4%
Operating expenses	57	57	0.0%	64	-10.9%	121	114	6.1%
Other interest expenses	0	-0		0		0	0	
Other impairments	-	-		-		-	-	
Total underlying expenditure	**821**	**941**	**-12.8%**	**1,019**	**-19.4%**	**1,841**	**1,858**	**-0.9%**
Underlying profit before tax	**52**	**68**	**-23.5%**	**55**	**-5.5%**	**107**	**153**	**-30.1%**
Taxation	14	19	-26.3%	15	-6.7%	29	42	-31.0%
Profit before minority interests	38	49	-22.4%	40	-5.0%	78	111	-29.7%
Minority interests	6	10	-40.0%	6	0.0%	11	22	-50.0%
Underlying net profit	**32**	**40**	**-20.0%**	**34**	**-5.9%**	**67**	**90**	**-25.6%**
KEY FIGURES								
Value of new life business	27	29	-6.9%	28	-3.6%	55	59	-6.8%
Internal rate of return (YTD)				17.2%		18.7%	22.6%	
Single premiums	63	112	-43.8%	180	-65.0%	242	243	-0.4%
Annual premiums	183	190	-3.7%	212	-13.7%	396	401	-1.2%
New sales (APE)	190	201	-5.5%	230	-17.4%	420	426	-1.4%
Investment in new business	18	21	-14.3%	35	-48.6%	53	42	26.2%
Expenses as % of AUM (YTD)				1.7%		1.56%	4.17%	
Expenses as % of gross premiums (YTD)				10.0%		9.8%	8.4%	
Gross life reserves				8,132		7,969	8,640	-7.8%

- **New sales down 5.5% but up 19.5% excluding currency impact**
- **VNB down 6.9% but up 17.4% excluding currency impact**
- **ING Life Korea maintains position as Korea's largest foreign life insurer**

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



Business update

South Korea recorded another strong sales quarter: new business production increased 19.5% excluding currency effects despite continued financial market weakness and increased competition. Sales growth was primarily driven by the tied agency channel, where ING Life Korea has established a competitive advantage through its professional financial consultant sales force. The number of tied agents was up almost 31% from last year to over 9,300 agents, while the levels of productivity and persistency remained among the highest in the industry. ING Life Korea also expanded the range of funds available for its profitable and low capital-intensive unit-linked products in the second quarter, which accounted for approximately 74.0% of new sales, up from approximately 64.0% a year earlier.

ING Life Korea maintained its position as the largest foreign life insurer in South Korea, ranking fourth in terms of written premium through March 2008. Together with KB Life, ING Life Korea leads the market in new business production through banks with a market share of 10.5% for the quarter.

In the second quarter, ING invested to reinforce its leading position in Korea by injecting additional capital of about EUR 19 million in KB Life to support business growth. Growth was robust at KB Life; sales excluding the currency impact were up 43%, from the same quarter last year.

Profit

Underlying profit before tax declined to EUR 52 million, down 23.5%, or 3.7% excluding currency effects. This was primarily caused as profits from the increased level of in-force buisness and higher investment income from an inreased capital base were more than offset by EUR 3 million unfavourable revaluations on equity investments, a EUR 5 million negative revaluation of a CDO due to higher credit spreads, as well as higher morbidity claims.

Income

Gross premium income decreased to EUR 789 million, down 14.9% from the same period last year. However, excluding currency effects, gross premium income increased 8.1% as sales have continued to grow the in-force business. Total investment and other income was flat at EUR 84 million compared with the second quarter last year as mark-to-market revaluations adversely impacted investment income.

Expenses

Operating expenses remained flat at EUR 57 million, but increased 26.7% excluding currency effects. This increase is attributable to the ongoing expansion of branch offices and the professional agency force in Korea. Expenses as a percentage of assets under management (AuM) improved from a year-to-date level of 4.2% in the second quarter of 2007 to 1.6% in the second quarter of 2008 due to both the growth of in-force investment-linked assets and the Landmark acquisition in the second quarter of 2007, which significantly increased the assets under management base.

Key figures

Excluding currency effects, new sales (APE) rose 19.5% to EUR 190 million, driven by strong growth in investment-linked products and the ongoing expansion of the tied agency force. Likewise, value of new business, excluding currency effects, increased by 17.4% to EUR 27 million, consistent with underlying sales growth and the ongoing product mix shift towards investment-linked products with higher margins. The internal rate of return on new business remained high at 18.7%.

‘Robust commercial growth continued driven by strong tied agency’

Life Insurance Taiwan

Life Insurance Taiwan: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	656	854	-23.2%	936	-29.9%	1,592	1,500	6.1%
Commission income	-	-		-		-	-	
Direct investment income	88	75	17.3%	37	137.8%	125	229	-45.4%
Realised gains and fair value changes on inv.	30	-38	n.a.	19	57.9%	49	-105	n.a.
Total investment and other income	118	37	218.9%	56	110.7%	174	123	41.5%
Total underlying income	**774**	**892**	**-13.2%**	**991**	**-21.9%**	**1,765**	**1,623**	**8.7%**
Underwriting expenditure	725	838	-13.5%	938	-22.7%	1,663	1,517	9.6%
Operating expenses	49	54	-9.3%	53	-7.5%	102	106	-3.8%
Other interest expenses	0	0		0		0	0	#DIV/0!
Other impairments	-	-		-		-	-	
Total underlying expenditure	**774**	**892**	**-13.2%**	**991**	**-21.9%**	**1,765**	**1,623**	**8.7%**
Underlying profit before tax	**0**	**0**	**n.a.**	**-0**	**n.a.**	**0**	**0**	**n.a.**
Taxation	8	16	-50.0%	-2	n.a.	6	16	-62.5%
Profit before minority interests	-8	-16	n.a.	2	n.a.	-6	-16	n.a.
Minority interests	-	-		-		-	-	
Underlying net profit	**-8**	**-16**	**n.a.**	**2**	**n.a.**	**-6**	**-16**	**n.a.**
KEY FIGURES								
Value of new life business	32	37	-13.5%	38	-15.8%	70	70	0.0%
Internal rate of return (YTD)				31.3%		26.5%	18.2%	
Single premiums	144	89	61.8%	419	-65.6%	564	176	220.5%
Annual premiums	49	73	-32.9%	56	-12.5%	105	136	-22.8%
New sales (APE)	63	82	-23.2%	98	-35.7%	162	153	5.9%
Investment in new business	17	28	-39.3%	14	21.4%	31	56	-44.6%
Expenses as % of AUM (YTD)				5.3%		4.82%	5.83%	
Expenses as % of gross premiums (YTD)				8.9%		8.5%	7.3%	
Gross life reserves				13,362		13,605	12,933	5.2%

- **ING Life Taiwan market share increases to 6.1% from 3.3%**
- **New sales down on proposed regulatory changes to structured notes**
- **Reserve adequacy level up to 72% on interest rate increases**

Business update

In Taiwan, new sales growth in the second quarter was adversely impacted by proposed regulatory changes on the sale of structured note products that are investment options tied to annuity products. Sales of these products have materially contributed to the growth in the Taiwanese life market over the past six months, and the anticipated impact of these changes has had a noticeable dampening effect on second-quarter sales.

The proposed changes include restricting the duration of notes to between 6 to 10 years, requiring a financial capacity check by the underwriter to evaluate the customer’s capacity to bear risk, and restricting the sale of notes whose effective duration is shorter than the stated duration. These proposed changes have been submitted by the Life Insurance Association to the Insurance Bureau (IB) and will take effect within three months after the IB’s approval, which is expected in the third quarter.

In this difficult environment, ING Life Taiwan remained a top-four player in new sales. It increased its market share to 6.1% from 3.3% a year earlier, based on new sales through June. The sales mix continued to be focused on the less capital-intensive investment-linked products with the launch in May and June of a series of six structured-note products targeted at the wealth accumulation segment that are compliant with the proposed regulatory changes. As such, investment-linked products continue to dominate the product mix, accounting for 58.4% of new sales in the quarter.

Efforts to strengthen ING Life Taiwan's tied-agency network continued. It is the company's primary distribution channel, accounting for 96% of new business production in the second quarter.

Profit

In line with previous quarters, ING Taiwan strengthened reserves, resulting in a reported underlying profit before tax of zero. As of 30 June, reserve adequacy at the 50% confidence level increased to EUR 1,077 million, equivalent to an adequacy position of 72%. This is up from the EUR 868 million reported in the first quarter 2008 due to a higher swap rate which increased from 2.77% at 31 March to 3.07% at 30 June. The 10-year swap rate declined again to 2.77% as of 31 July.

Income

Gross premium income was down 23.2%, or 17.5% excluding the currency impact, driven by decreased traditional renewal premium income. This was consistent with ING Taiwan's strategy to focus on less capital-intensive investment-linked products.

Expenses

Disciplined expense management resulted in a reduction of operating expenses of 9.3% (or 2.0% excluding the currency effects).

Assets under management for the investment-linked business increased by more than 80% to EUR 1.7 billion from a year earlier. This resulted in heightened economies of scale and a drop in expenses as a percentage of assets under management: from 5.8% in the second quarter of 2007 to 4.8% in the second quarter of 2008.

Key figures

New sales fell 23.2%, or 18.2% excluding currency effects, to EUR 63 million, driven by proposed regulatory changes on the sale of structured-note products.

The value of new business declined 13.5%, or 5.9% excluding currency effects, to EUR 32 million. This was lower than the decline in new sales as higher-value participating products were sold this quarter. The internal rate of return remained high at 26.5%.

'Sales down on new proposed regulatory changes to structured notes'

Life Insurance Rest of Asia

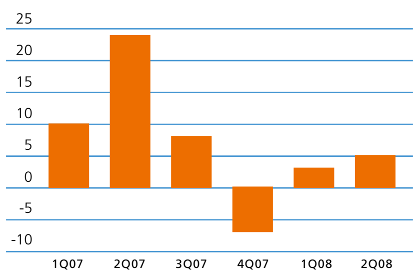
Life Insurance Rest of Asia: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6m2008	6m2007	Change
Gross premium income	281	231	21.6%	337	-16.6%	618	452	36.7%
Commission income	17	16	6.3%	19	-10.5%	35	33	6.1%
Direct investment income	52	65	-20.0%	49	6.1%	101	122	-17.2%
Realised gains and fair value changes on inv.	-0	4	n.a.	-0	n.a.	-1	8	n.a.
Total investment and other income	51	69	-26.1%	49	4.1%	100	130	-23.1%
Total underlying income	**348**	**316**	**10.1%**	**405**	**-14.1%**	**753**	**615**	**22.4%**
Underwriting expenditure	287	241	19.1%	339	-15.3%	626	477	31.2%
Operating expenses	56	50	12.0%	63	-11.1%	119	103	15.5%
Other interest expenses	-	1	n.a.	-		-	2	n.a.
Other impairments	-0	-0	n.a.	-0	n.a.	-0	-0	n.a.
Total underlying expenditure	**343**	**292**	**17.5%**	**402**	**-14.7%**	**745**	**582**	**28.0%**
Underlying profit before tax	**5**	**24**	**-79.2%**	**3**	**66.7%**	**8**	**33**	**-75.8%**
Taxation	6	9	-33.3%	3	100.0%	9	8	12.5%
Profit before minority interests	-1	15	n.a.	0	n.a.	-1	25	n.a.
Minority interests	1	2	-50.0%	1	0.0%	1	-0	n.a.
Underlying net profit	**-1**	**13**	**n.a.**	**-0**	**n.a.**	**-2**	**25**	**n.a.**
KEY FIGURES								
Value of new life business	12	-1	n.a.	12	0.0%	23	-1	n.a.
Internal rate of return (YTD)				14.6%		13.7%	7.3%	
Single premiums	57	22	159.1%	107	-46.7%	165	44	275.0%
Annual premiums	59	47	25.5%	63	-6.3%	122	91	34.1%
New sales (APE)	65	49	32.7%	73	-11.0%	139	95	46.3%
Investment in new business	23	22	4.5%	21	9.5%	44	41	7.3%
Operating expenses Greenfields	21	17	23.5%	26	-19.2%	48	40	20.0%
Expenses as % of AUM (YTD)				0.8%		0.80%	0.52%	
Expenses as % of gross premiums (YTD)				14.4%		13.4%	14.3%	
Gross life reserves				3,623		3,676	3,482	5.6%

- **New sales up 51.2%, excluding FX, as Hong Kong and China more than double**
- **Successful launch of distribution agreement with TMB Bank in Thailand**
- **VNB improves to EUR 12 million on robust sales growth**

LIFE INSURANCE REST OF ASIA

Underlying profit before tax (EUR million)



Business update

Rest of Asia consists of businesses at varying stages of maturity, ranging from strong, medium-sized operations in Malaysia and Hong Kong to greenfield operations in China, India and Thailand. ING remains well positioned to capitalise on long-term growth opportunities as these countries continue their strong economic development and insurance penetration steadily increases.

New sales were up 51.2% excluding currency effects, driven by expanding distribution, particularly, agent force expansion in India and a new bank partnership in Thailand. Tied agency continued to be the dominant distribution channel for the Rest of Asia segment, accounting for approximately two-thirds of new business production in the quarter with more than 81,000 agents, up 38% from the same period last year. The growth in this channel continued to be complemented by ING's growing focus and shift towards bank distribution, whose sales account for almost 25% of quarterly production compared with 19% a year earlier. The shift from traditional life to unit-linked products also continued as unit-linked products accounted for about a third of new sales. This trend was strongest in Hong Kong, where unit-linked sales generated approximately 45% of new sales, up from 13% a year earlier.

In the second quarter ING Life Hong Kong recorded sales growth of 133.3% excluding currency effects, compared with the same period last year. This was driven by increased productivity in an experienced tied-agency network of 1,151 agents, an expanded bank distribution channel extending across 215 branches with six partner banks, and a fast-growing high-net-worth business through the private banking channel.

In Thailand, ING Life launched four life products through the TMB Bank distribution channel in May, following the exclusive agreement signed in late 2007. TMB Bank is the fourth-largest bank in Thailand and enhances ING's ability to penetrate the fast-growing Thai life insurance market through access to TMB's 472 branches and 5 million customers. The initial reception for these products was positive with production accounting for a fifth of total second-quarter new sales.

New sales through the partnership between ING Life Malaysia and Public Bank were strong with EUR 45 million in gross premiums generated year to date. ING is a leading market player in Malaysia, ranking first in the employee benefits business and second in the individual life business through March based on new business premiums.

ING Vysya Life expanded its presence in the high-growth market of India, with a tied agency force of over 56,000 and 265 sales offices, up by 48% and 39% respectively compared with the same period last year. In China, ING received final regulatory approval and expanded into Jiangsu province and Anhui province. ING's footprint in China has now reached eight provinces, up from six the same time last year. ING has 22 offices, over 6,000 tied agents and 11 bank partnerships in China. Sales grew over 200% compared with the same period last year.

ING became the first global investment manager to establish a manufacturing capacity in the Middle East with the launch of an investment management operation in Dubai. The Gulf Cooperation Council (GCC) countries represent a total GDP of approximately EUR 700 billion and this move will position ING favourably to take advantage of the substantial wealth generation now taking place in this region.

Profit

Underlying profit before tax was EUR 5 million compared to a profit before tax of EUR 24 million in the second quarter of 2007. This decline was mainly due to a one-off positive deferred acquisition costs adjustment in Malaysia of EUR 10 million in the second quarter of 2007. Excluding the one-off impact, profits decreased by EUR 9 million due to new business strain from the rapid growth in sales, the accelerated investments in greenfield businesses in India, China and Thailand, and the new asset management start-up in Dubai.

Income

Gross premium income increased 21.6%, or 36.4% excluding currency effects, to EUR 281 million compared with the second quarter of 2007. This was driven by the success of new sales and ING's growing distribution reach across the Rest of Asia region. Hong Kong continued to benefit from strong unit-linked sales and the growth of the bank distribution channel. India's growth was supported by the expansion of the tied-agency force. China, while small in absolute terms, grew more than 100% due to geographical expansion and strong bank distribution sales.

Expenses

Operating expenses increased 12.0%, or 24.4% excluding currency effects, to EUR 56 million, to support the high growth in new business and to continue to invest in branch openings, agent recruitment and the expansion of the bank distribution channels.

Key figures

New sales were up 32.7%, or 51.2% excluding currency effects, with all markets contributing on the strength of distribution and unit-linked sales. Hong Kong had significant growth of 133.3% to EUR 21 million thanks to its ongoing success in the investment-linked business and the rapid growth of the bank distribution channel. In China, sales more than doubled to EUR 6 million on strong bank distribution reach, successful sales of universal life and unit-linked products and geographical expansion. India was up 29.1% excluding currency effects to EUR 12 million on geographical and agency force expansion. Thailand was up 25.0% to EUR 10 million excluding currency effects, due to the launch of the TMB Bank distribution partnership. The value of new business improved to EUR 12 million compared to a loss of EUR 1 million in the second quarter of 2007 on higher sales and lower allocation of greenfield expenses.

Corporate Line Insurance

Corporate Line Insurance								
EUR million	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	2Q vs 2Q	2Q vs 1Q
Interest on hybrids and core debt	-218	-167	-196	-157	-174	-160	-44	-51
Fair value changes derivatives	99	83	-61	-38	2	-26	97	16
Amortisation intangible assets	-16	-16	0	0	0	0	-16	0
Other results Capital Management	17	30	31	12	14	9	3	-13
Capital Management	-118	-71	-226	-184	-157	-178	39	-47
Capital gains net of impairments	473	56	1,257	589	802	237	-329	417
Notional income	-112	-114	-104	-103	-112	-114	-0	1
Gains on equities after notional income	360	-58	1,154	486	690	123	-330	418
Results from reinsurance run-off portfolios	0	3	5	8	2	-20	-2	-2
Other	7	9	-36	-19	-4	-10	11	-2
Underlying profit before tax	**250**	**-117**	**896**	**291**	**532**	**-84**	**-282**	**367**
Taxation	-63	-65	-39	-67	-32	-64	-31	2
Minority interests	-7	-17	-16	-2	2	-6	-9	10
Underlying net profit	**319**	**-35**	**951**	**361**	**561**	**-15**	**-242**	**354**
Net gains/losses on divestments	2	-17	-129				2	18
Net profit from divestments								
Special items after tax								
Total net profit	**321**	**-52**	**822**	**361**	**561**	**-15**	**-240**	**373**

The Corporate Line Insurance includes items over which the business units have no direct control. These include capital management items, capital gains on equities (net of impairments), run-off portfolios as well as Formula 1 sponsoring costs.

Profit

Underlying profit before tax was EUR 250 million compared with EUR 532 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 year, the amortisation of the intangible assets is being transferred from the business units to the Corporate Line.

The Capital Management result improved by EUR 39 million. A positive swing of EUR 97 million was related to fair value changes on derivatives, caused by EUR 75 million higher results from equity hedges, as well as EUR 22 million higher results on swaps related to the core debt Americas. This positive swing was partially offset by EUR 44 million higher interest paid on hybrids and core debt as well as the amortisation of intangible assets.

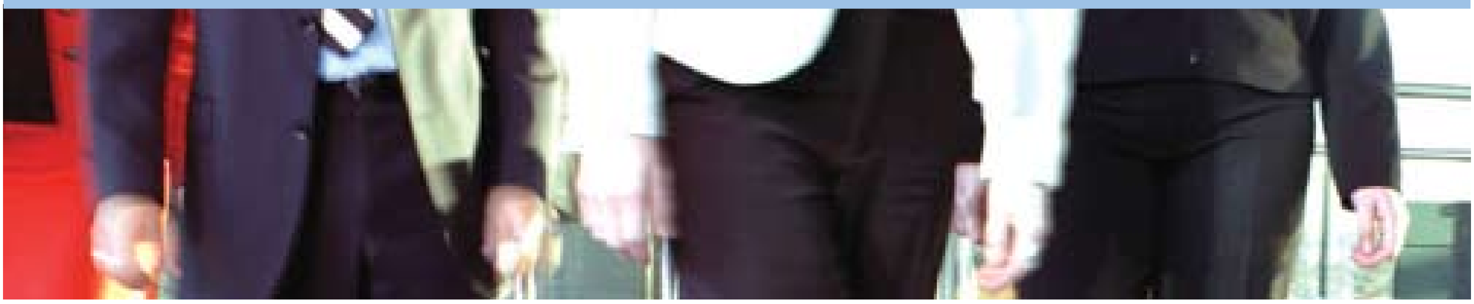
All capital gains and losses on equities net of equity impairments realised in the lines of business are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the business units. The remainder is presented on the Corporate Line as 'Gains on equities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

In the second quarter of 2008, EUR 473 million of capital gains on equities net of EUR 197 million impairments were realised versus EUR 802 million in the same period last year.

The result Other, which includes Formula One sponsoring costs, improved by EUR 11 million. This was almost fully due to lower allocated corporate overhead expenses.

The EUR 2 million net gain on divestments in this quarter relates to an additional gain on the sale of NRG (a 4Q2007 event) from currency movements.

Banking



Results in ING's banking business affected by continued market and credit turmoil. Profits declined due to negative fair value changes on real estate and higher risk costs. Profit before risk costs only slightly down due to higher volumes and an improved interest margin.

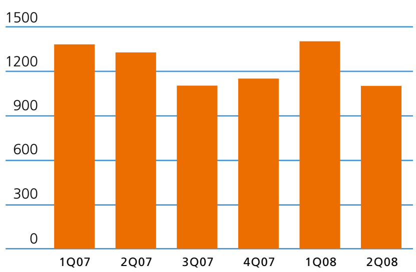
Banking Total

Banking: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	2,666	2,295	16.2%	2,559	4.2%	5,225	4,480	16.6%
Commission income	753	741	1.6%	719	4.7%	1,472	1,485	-0.9%
Investment income	-185	265	-169.8%	89	-307.9%	-96	585	-116.4%
Other income	530	370	43.2%	552	-4.0%	1,082	879	23.1%
Total underlying income	**3,765**	**3,672**	**2.5%**	**3,920**	**-4.0%**	**7,684**	**7,429**	**3.4%**
Operating expenses	2,430	2,318	4.8%	2,417	0.5%	4,847	4,691	3.3%
Gross result	1,334	1,354	-1.5%	1,503	-11.2%	2,837	2,737	3.7%
Addition to loan loss provision	234	25	836.0%	98	138.8%	331	24	1279.2%
Underlying profit before tax	**1,101**	**1,329**	**-17.2%**	**1,405**	**-21.6%**	**2,506**	**2,713**	**-7.6%**
Taxation	249	202	23.3%	402	-38.1%	651	515	26.4%
Profit before minority interests	852	1,127	-24.4%	1,003	-15.1%	1,854	2,198	-15.7%
Minority interest	-45	27	-266.7%	12	-475.0%	-33	53	-162.3%
Underlying net profit	**897**	**1,099**	**-18.4%**	**991**	**-9.5%**	**1,887**	**2,145**	**-12.0%**
Net gains/losses on divestments	0	0		0		0	0	
Net profit from divested units	0	0		0		0	0	
Special items after tax	-28	-188		-94		-122	-188	
Net profit from Banking	**869**	**911**	**-4.6%**	**897**	**-3.1%**	**1,766**	**1,957**	**-9.8%**
KEY FIGURES								
Net return on equity (year-to-date)				14.5%		14.7%	19.2%	
Interest margin	1.05%	0.95%		1.02%		1.03%	0.95%	
Underlying cost/income ratio	64.6%	63.1%		61.7%		63.1%	63.2%	
Risk costs in bp of average CRWA	36	3		16		26	1	
Risk-weighted assets (end of period)	322,582	356,415	-9.5%	308,734	4.5%	322,582	356,415	-9.5%
Underlying RAROC before tax	20.2%	29.8%		25.1%		22.6%	29.5%	
Underlying RAROC after tax	15.7%	26.2%		17.8%		16.7%	24.8%	
Economic capital (average over period)	18,818	14,140	33.1%	18,165	3.6%	18,492	14,486	27.7%
Underlying tax rate	22.6%	15.2%		28.6%		26.0%	19.0%	
Staff (FTEs end of period)	73,393	64,769	13.3%	72,803	0.8%	73,393	64,769	13.3%

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

- **Underlying net profit down 18.4%**
- **Gross result only down 1.5% despite sharp decline in investment income**
- **Risk costs increased towards a more normalised level**

BANKING TOTAL
Underlying profit before tax (EUR million)



Business update

Results in ING's banking business were affected by the continued market and credit turmoil. However, the direct impact of the subprime mortgage crisis in the US and related turmoil in credit markets on the P&L was limited this quarter. Wholesale Banking recorded a pre-tax loss of EUR 11 million on subprime assets, CDOs and monoliners, while the direct impact for ING Direct on the P&L was nil. ING Direct USA took no impairments on its Alt-A residential mortgage-backed securities portfolio, reflecting its relatively high quality.

The deterioration in the equity and real estate markets resulted in a sharp decline in investment income. Impairments of EUR 97 million on equity securities were taken this quarter compared with EUR 7 million in the first quarter. At ING Real Estate, the market turmoil resulted in a EUR 238 million downward valuation of real estate assets and of the associated value of listed funds compared with a downward valuation of EUR 61 million in the first quarter. The impact on net profit, however, was lower since part of the downward valuations was charged to minority interests.

In spite of the continued market turmoil, the gross result only declined 1.5%, thanks to continued volume growth and an improvement of the interest margin. In particular the Financial Markets activities at Wholesale Banking and ING Direct in the US had a very strong quarter. Risk costs increased towards more normalised levels.

Profit

Underlying profit before tax declined 17.2% mainly due to a sharp decline in investment income and higher risk costs, in part offset by an improvement of the interest margin and higher valuation results on non-trading derivatives. Operating expenses rose 4.8%.

Underlying net profit declined 18.4% as the impact of a higher effective tax rate due to lower tax-exempted gains was mitigated by ING Real Estate losses charged to minority interests.

Total net profit declined 4.6%, including EUR 28 million of one-off charges booked as a special item in the second quarter of 2008 and EUR 188 million booked in the same quarter last year. Both items related to combining ING Bank and Postbank in the Netherlands.

Income

Total underlying income rose 2.5%. Excluding the acquisition of the banking activities from Oyak Group in Turkey and the impact of currencies, income was up 1.7%.

The interest result rose 16.2%, driven by a further increase in volumes and an improvement of the interest margin. The total interest margin increased to 1.05%, up 10 basis points compared with the second quarter of 2007, of which 2 basis points were due to the inclusion of ING Bank Turkey and 5 basis points to a higher margin at ING Direct. The interest margin of ING Direct improved 18 basis points to 0.93%, mainly thanks to the improved interest rate environment in the US.

Total loans and advances to customers of the banking operations increased by EUR 24.7 billion in the second quarter to EUR 567.4 billion at the end of June, supported by a EUR 2.4 billion positive impact from currencies. Corporate lending increased 5.0%, or EUR 13.9 billion, of which EUR 9.6 billion was outside the Netherlands. Residential mortgages were up EUR 9.6 billion, of which EUR 2.5 billion was in the Netherlands and EUR 6.1 billion at ING Direct. Currencies had a positive impact of EUR 1.3 billion on the growth of ING Direct's mortgage portfolio.

Customer deposits and other funds on deposit of the banking operations rose by EUR 9.2 billion in the second quarter to EUR 542.6 billion, supported by a EUR 2.2 billion positive impact from currencies. Total savings increased by EUR 5.9 billion, mainly at ING Direct, while current accounts were EUR 5.0 billion higher compared with the end of March.

Commission income rose 1.6% as lower fees from the securities business and asset management were more than offset by higher fees from brokerage & advisory, funds transfer and other commission. Investment income declined from a profit of EUR 265 million in the second quarter of 2007 to a loss of EUR 185 million in the second quarter of 2008, reflecting EUR 203 million lower realised results on bonds and equities as well as EUR 214 million lower fair value changes on real estate. Other income rose 43.2%, supported by substantially higher valuation results on non-trading derivatives not qualifying for hedge accounting and higher net trading income which more than offset decreases in profits from associates at ING Real Estate.

Expenses

Underlying operating expenses increased 4.8%, or EUR 112 million. Excluding the inclusion of ING Bank Turkey and the impact of currencies, operating expenses were up 3.5% mainly due to investments to support the growth of the business at ING Direct, ING Real Estate and the retail banking activities in developing markets. In the mature businesses, recurring operating expenses were up 1.2%. The underlying cost/income ratio increased to 64.6% from 63.1% in the second quarter last year. The number of employees rose to 73,393 from 64,769 at the end of June 2007, of which 6,140 come from ING Bank Turkey.

The turmoil in the credit markets and further growth in lending led to an increase of net risk costs. ING Bank added EUR 234 million to the loan loss provisions, compared with EUR 25 million in the second quarter of 2007 and EUR 98 million in the first quarter of 2008. Gross additions to the loan loss provisions were EUR 335 million in the second quarter compared with EUR 202 million in the first quarter. Releases remained more or less stable on EUR 101 million, which is about 40% lower than the average quarterly release in 2006 and 2007.

Key figures

The underlying risk-adjusted return on capital (RAROC) after tax decreased to 15.7% from 26.2% in the second quarter last year, reflecting higher tax charges and a strong increase in economic capital. Average economic capital rose to EUR 18.8 billion from EUR 14.1 billion, of which EUR 1.6 billion was due to the inclusion of ING Bank Turkey and the increased value of ING's stake in the Bank of Beijing. Economic capital of Wholesale Banking rose by EUR 2.2 billion, including EUR 0.9 billion at ING Real Estate, partly due to methodology refinements.

Total risk-weighted assets rose in the second quarter 4.5% to EUR 322.6 billion at the end of June 2008. Compared with a year ago, total risk-weighted assets declined 9.5%. This decline is entirely due to 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.

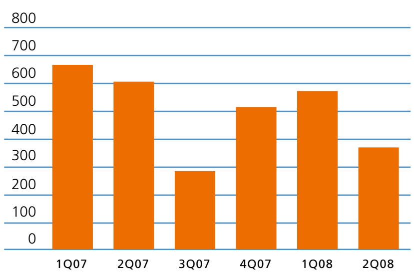
Wholesale Banking

Wholesale Banking: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	746	463	61.1%	611	22.1%	1,357	872	55.6%
Commission income	335	314	6.7%	288	16.3%	623	621	0.3%
Investment income	-88	229	-138.4%	41	-314.6%	-47	474	-109.9%
Other income	186	262	-29.0%	368	-49.5%	553	630	-12.2%
Total underlying income	**1,178**	**1,268**	**-7.1%**	**1,307**	**-9.9%**	**2,486**	**2,597**	**-4.3%**
Operating expenses	695	696	-0.1%	708	-1.8%	1,403	1,409	-0.4%
Gross result	483	572	-15.6%	599	-19.4%	1,082	1,189	-9.0%
Addition to loan loss provision	117	-32		30	290.0%	147	-80	
Underlying profit before tax	**365**	**604**	**-39.6%**	**570**	**-36.0%**	**935**	**1,269**	**-26.3%**
- of which General Lending & PCM	137	69	98.6%	106	29.2%	244	238	2.5%
- of which Structured Finance	47	130	-63.8%	68	-30.9%	114	252	-54.8%
- of which Leasing & Factoring	40	48	-16.7%	41	-2.4%	81	84	-3.6%
- of which Financial Markets	275	89	209.0%	267	3.0%	542	311	74.3%
- of which Other Wholesale products	9	74	-87.8%	-20		-10	32	-131.3%
- of which ING Real Estate	-143	194	-173.7%	107	-233.6%	-36	351.3	-110.3%
Taxation	106	33	221.2%	186	-43.0%	292	137	113.1%
Profit before minority interests	259	571	-54.6%	384	-32.6%	644	1,131	-43.1%
Minority interest	-60	16		1		-60	32	
Underlying net profit	**320**	**555**	**-42.3%**	**384**	**-16.7%**	**703**	**1,099**	**-36.0%**
KEY FIGURES								
Underlying cost/income ratio	59.0%	54.9%		54.2%		56.5%	54.2%	
Risk costs in bp of average CRWA	32	-9		9		21	-12	
Risk-weighted assets (end of period)	178,951	144,676	23.7%	171,928	4.1%	178,951	144,676	23.7%
Underlying RAROC before tax	14.0%	27.4%		22.0%		18.0%	27.6%	
Underlying RAROC after tax	9.9%	27.7%		14.6%		12.3%	26.4%	
Economic capital (average over period)	9,020	6,771	33.2%	8,999	0.2%	9,010	6,860	31.3%
Staff (FTEs end of period)	15,416	14,732	4.6%	15,234	1.2%	15,416	14,732	4.6%

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

- **Profit before tax Wholesale Banking excluding Real Estate rose 24.1% on 2Q2007**
- **ING Real Estate affected by negative fair value changes**
- **Strong performance of Financial Markets for the second consecutive quarter**

WHOLESALE BANKING
Underlying profit before tax (EUR million)



Business update

The business environment of ING Wholesale Banking remained challenging this quarter as the disruption of the financial markets continued. The decline in property prices led to significant negative revaluations at ING Real Estate, notably in Canada and Australia. That offset strong income growth at General Lending & Payment and Cash Management, Structured Finance and Financial Markets, supported by higher volumes and improved margins.

For ING Real Estate weakening economic conditions led to a further deterioration in many of the real estate markets. A full external appraisal of the Canadian Summit portfolio led to a substantial downward revaluation. Together with unrealised losses in the UK, the income line was substantially below ordinary level. The impact on underlying net profit was tempered by the fact that the Canadian Summit portfolio is not fully owned by ING Real Estate and a 40% deduction is reflected in minority interests. Negative revaluations in other markets were limited to EUR -43 million, mainly in Australia and the UK, while Asia recorded positive revaluations.

For Financial Markets the circumstances remained very volatile. In this challenging environment Financial Markets managed to report another strong quarter.

Structured Finance saw lending volumes increase against higher pricing, while the syndication market remained slow. A strong deal flow was particularly visible within Natural Resources. General Lending & Payments and Cash Management continued to increase volumes resulting in higher income.

Risk costs increased mainly related to Trade & Commodity Finance and Leveraged Finance, but remained below over-the-cycle expected losses. Risk costs in General Lending & Payment and cash management showed a net release.

Profit

Underlying profit before tax declined 39.6% from the second quarter of 2007, mainly due to EUR 238 million negative fair value changes at ING Real Estate. Underlying profit before tax for Wholesale Banking excluding Real Estate was up 24.1%, despite an increase in risk costs. This was driven by a strong Financial Markets result along with increased revenues for General Lending & PCM.

Financial Markets posted its second consecutive record quarter. Profit before tax more than tripled compared with the second quarter of 2007 and was slightly up on the already strong first quarter. The losses related to subprime, CDOs and monoline insurers were limited to EUR 11 million versus EUR 33 million in the first quarter of 2008.

Profit before tax for General Lending & PCM doubled from the second quarter of last year, driven by higher revenue on volume growth in the Benelux and Central Europe. Profit from Structured Finance declined 63.8%, fully attributable to relatively high risk costs in Leveraged Finance and Trade & Commodity Finance.

Underlying net profit declined 42.3%. The impact of a higher effective tax rate compared with very low taxes in the second quarter of 2007 due to high tax-exempt gains was largely offset by the partial deduction of the loss on the Summit portfolio in minority interest.

Income

Income declined 7.1% as a result of the real estate fair value changes at ING Real Estate. Income for Wholesale Banking excluding ING Real Estate increased 22.0% and was up 11.2% on the previous quarter.

Financial Markets reported an income growth of 73.5% compared with the previous year and managed to slightly exceed the strong first quarter of 2008. Particularly revenues from asset and liability management increased, benefiting from the rise of short-term interest rates and market volatility. The growth was also fuelled by an increase of client-related income.

General Lending & PCM continued the favourable trend in both interest and commission income, supported by higher volumes for both lending and PCM next to a number of high-profile deals.

Structured Finance reported double-digit income growth, which was driven by increased volumes and higher margins, particularly for the Natural Resources activities.

Income for Leasing & Factoring remained stable as the second quarter of 2007 contained some one-off items. For the same reason, income of Other Wholesale Products declined by EUR 89 million compared with the same quarter last year which included several capital gains.

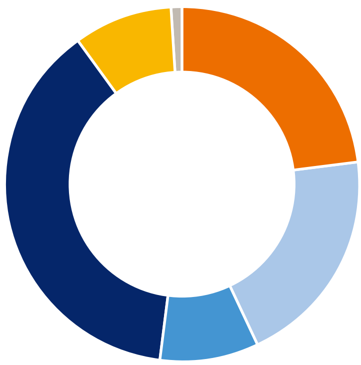
Expenses

Underlying operating expenses remained flat compared with the second quarter of 2007, driven by lower costs for compliance and favourable currency effects. The cost/income ratio was 59.0% compared with 54.9% in the same quarter last year, due to the fair value changes at ING Real Estate. Expenses declined 1.8% compared with the first quarter of 2008.

The net addition to loan loss provisions increased to EUR 117 million, while the second quarter of 2007 still showed a net release. The increase was mainly due to relatively high risk costs for Structured Finance relating to two specific areas: Leveraged Finance and Trade & Commodity Finance.

Key figures

The RAROC after tax declined to 9.9% from 27.7%, due to the fair value changes on real estate, a higher effective tax rate, and a 33.2% increase in average economic capital which was heavily impacted by model changes for credit and market risk due to the implementation of Basel II. The after-tax RAROC of Wholesale Banking excluding ING Real Estate decreased to 20.4% from 22.9% in the second quarter of 2007.



WHOLESALE BANKING
Underlying income 2Q2008

- General Lending & PCM (23%)
- Structured Finance (20%)
- Leasing & Factoring (9%)
- Financial Markets (38%)
- Other Wholesale products (9%)
- ING Real Estate (1%)

General Lending & PCM

Wholesale Banking General Lending & PCM: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	190	144	31.9%	169	12.4%	360	295	22.0%
Commission income	52	38	36.8%	54	-3.7%	107	68	57.4%
Investment income	16	10	60.0%	1	1500.0%	17	88	-80.7%
Other income	8	5	60.0%	17	-52.9%	25	10	150.0%
Total underlying income	**267**	**197**	**35.5%**	**242**	**10.3%**	**509**	**462**	**10.2%**
Operating expenses	145	148	-2.0%	138	5.1%	283	281	0.7%
Gross result	122	49	149.0%	104	17.3%	226	180	25.6%
Addition to loan loss provision	-16	-19		-2		-18	-57	
Underlying profit before tax	**137**	**69**	**98.6%**	**106**	**29.2%**	**244**	**238**	**2.5%**
Taxation	34	28	21.4%	26	30.8%	60	27	122.2%
Profit before minority interests	103	40	157.5%	80	28.8%	183	211	-13.3%
Minority interest	3	2	50.0%	0		3	4	-25.0%
Underlying net profit	**100**	**38**	**163.2%**	**80**	**25.0%**	**181**	**207**	**-12.6%**
KEY FIGURES								
Underlying cost/income ratio	54.3%	74.9%		57.1%		55.6%	60.9%	
Underlying RAROC before tax	10.8%	0.0%		9.3%		10.0%	7.4%	
Underlying RAROC after tax	8.4%	0.8%		7.4%		7.8%	7.8%	
Economic capital (average over period)	1,907	1,662	14.7%	2,245	-15.1%	2,076	1,747	18.8%

- **Profit before tax nearly doubles**
- **Volumes in General Lending and PCM continued to increase**
- **Net release in risk costs**

Business update

The current market circumstances offer opportunities for General Lending and PCM, especially in the Dutch market due to consolidation in the domestic banking sector. General Lending benefited from this, realising double-digit volume growth across all markets, with a particularly strong increase in the home markets in the Benelux and Central & Eastern Europe. Margins continue to increase on new lending, compensating for higher funding costs caused by the liquidity situation in the market.

A number of high-profile deals were completed in the Benelux in conjunction with Corporate Finance, including the recent takeover of Vedior by Randstad in which ING was involved as both local advisor and lender. In Asia, ING's strategy to increase operational leverage was reflected in ING's number-one position as bookrunner in syndicated loans for Asia excluding Japan.

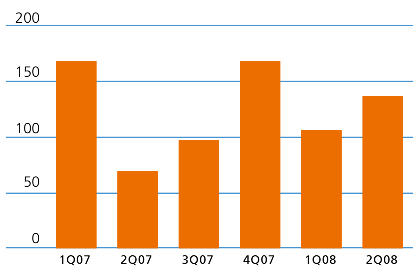
In Payments & Cash Management volume growth was spurred by the initiative aimed at increasing the balances and number of transactions of financial institutions outsourcing their payments in the context of SEPA. In this area ING won the European cash management tender for a large Spanish insurance company. The single European payment offering has now also been rolled out in France. ING continues to expand actively in new markets such as Russia, Romania, and Ukraine.

Risk costs remained well below normalised levels as releases in Central & Eastern Europe offset additions in other regions.

Profit

Underlying profit before tax nearly doubled compared with the second

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



quarter of 2007, which was fully attributable to increased income, particularly in General Lending. Expenses decreased 2.0%. A net release in risk costs was reported, albeit slightly lower than in the second quarter last year.

'Strong volume growth in both General Lending and PCM'

Income

Income rose 35.5% compared with the same quarter in 2007 driven by strong volume growth in General Lending. Margins further improved on prior quarters. A number of high-profile deals led to an increase in commission income, especially in the Netherlands. Payments & Cash Management income was up on higher volume.

Compared with the previous quarter, income rose 10.3%, mainly driven by higher volumes in General Lending.

Expenses

Operating expenses declined 2.0% compared with the second quarter of 2007, but increased 5.1% from the previous quarter driven by a strengthening of the sales force.

Risk costs showed a net release in the second quarter, driven by releases in Central & Eastern Europe.

Key figures

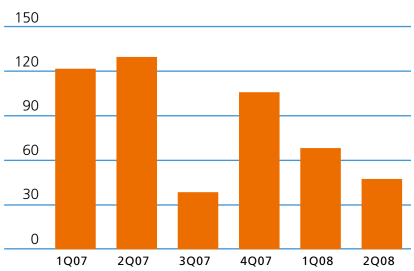
After-tax RAROC improved to 8.4% from 0.8%, fully attributable to higher income. Compared with the previous quarter, after-tax RAROC improved from 7.4% to 8.4% as higher income more than offset an increase in expected losses due to model refinements in line with Basel II.

Structured Finance

Wholesale Banking Structured Finance: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	151	122	23.8%	136	11.0%	288	234	23.1%
Commission income	88	76	15.8%	57	54.4%	145	170	-14.7%
Investment income	1	4	-75.0%	1	0.0%	2	8	-75.0%
Other income	-9	-9		-23		-32	0	
Total underlying income	**231**	**192**	**20.3%**	**171**	**35.1%**	**402**	**412**	**-2.4%**
Operating expenses	88	82	7.3%	83	6.0%	171	168	1.8%
Gross result	143	110	30.0%	88	62.5%	232	244	-4.9%
Addition to loan loss provision	97	-21		21	361.9%	118	-8	
Underlying profit before tax	**47**	**130**	**-63.8%**	**68**	**-30.9%**	**114**	**252**	**-54.8%**
Taxation	9	17	-47.1%	6	50.0%	15	44	-65.9%
Profit before minority interests	38	114	-66.7%	62	-38.7%	99	208	-52.4%
Minority interest	1	-0		0		1	-0	
Underlying net profit	**36**	**114**	**-68.4%**	**62**	**-41.9%**	**98**	**208**	**-52.9%**
KEY FIGURES								
Underlying cost/income ratio	38.0%	42.9%		48.3%		42.4%	40.7%	
Underlying RAROC before tax	28.7%	39.3%		18.6%		23.9%	47.6%	
Underlying RAROC after tax	22.2%	37.7%		17.4%		19.9%	41.7%	
Economic capital (average over period)	1,360	897	51.6%	1,241	9.6%	1,300	843	54.2%

- **Income increased 20.3%**
- **Relatively high risk costs this quarter led to a decline in profit**
- **After-tax RAROC declines to 22.2% from 37.7%**

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



Business update
Conditions in the financial markets continued to impact the Structured Finance loan market. Syndication markets remained very slow as many loan market participants refrained from taking on new commitments. In many areas large banks are providing higher volumes of lending, but the market is still struggling to clear even at the higher margins. In this environment, Structured Finance saw revenues increase as lending volumes rose and margins on new lending improved. The effect of increased margins will take time to flow into the results.

ING continued to support its clients, mainly participating in club deals rather than through underwritten transactions. Underwriting revenues from loan syndications continued to be sharply down on the previous year.

New deal flow has been particularly strong in Natural Resources. In the second quarter of 2008, Structured Finance started a new activity in Houston to provide lending against oil and gas reserves with good immediate deal flow.

In Trade & Commodity Finance, transaction volumes were high. Leveraged Finance results remained affected by the low level of transactions closed, but the activity level picked up toward the end of the quarter, particularly in European mid-market transactions. Well-structured and well-priced transactions are being syndicated in this segment.

While expansion initiatives in some areas have been cut back in response to market conditions, in other areas the opportunity to selectively recruit experienced staff is being continued. The portfolio remains, in general, widely spread by product and geography. ING's relative market position has improved as ING has used its balance sheet strength to continue to support clients.

At the end of the second quarter, ING had a total leveraged finance exposure of EUR 8.2 billion, against EUR 7.7 billion at 31 March 2008. ING's leveraged finance underwriting pipeline increased from EUR 0.7 billion at 31 March 2008 to EUR 1.0 billion at 30 June 2008.

Profit

Underlying profit before tax declined 63.8% compared with the second quarter of 2007. This decline was entirely due to higher additions to the provision for loan losses, relating to specific files within Leveraged Finance and Trade & Commodity Finance. Before risk costs, the gross result improved 30.0%, fuelled by higher income in the Natural Resources and International Trade & Export Finance sectors.

Compared with the previous quarter, the gross result was up 62.5%. Profit before tax declined 30.9%, driven by the relatively high risk costs.

Income

Income increased 20.3% and came out above its pre-turmoil level. Syndication revenues continued to be under pressure. This was more than compensated by higher lending volumes against improved margins. Considerable income growth was posted in the Natural Resources area. From a geographical perspective, Russia and the Americas performed very well.

Compared with the first quarter of this year, income rose 35.1%.

Expenses

Operating expenses increased 7.3% reflecting headcount growth in selective areas. This was partly offset by the strengthening of the euro, as a significant part of expenses are incurred in US dollars and in British pounds sterling.

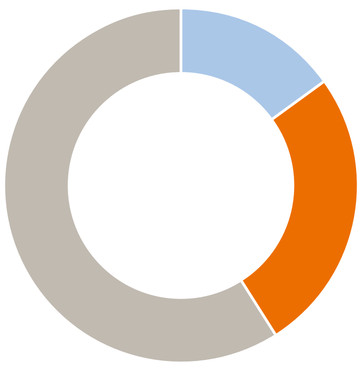
Compared with the previous quarter, expenses increased 6.0%. This includes the impact of annual pay increases as of the first of April and further expansion in the Americas.

The net addition to loan loss provisions amounted to EUR 97 million compared with a net release of EUR 21 million in the same period last year. The higher risk costs were limited to two areas: Leveraged Finance and Trade & Commodity Finance.

Key figures

The after-tax RAROC, for which actual risk costs are replaced by expected losses, came out at 22.2% in the second quarter. This was well above the 17.4% that was posted in the first quarter, but lower than the 37.7% RAROC in the same quarter of 2007. Compared with last year, economic capital increased 51.6%. This partly reflects growth in the lending portfolio, but was mainly caused by model refinements in 2008 due to the implementation of Basel II.

'ING's relative market position has improved'



STRUCTURED FINANCE
Underlying income 2Q2008

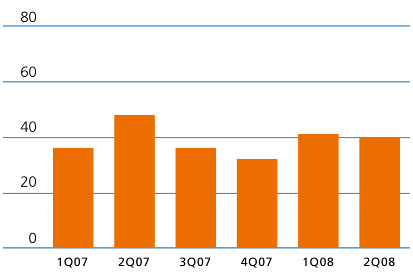
Leasing & Factoring

Wholesale Banking Leasing & Factoring: Income Statement

In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	42	32	31.3%	41	2.4%	83	68	22.1%
Commission income	6	6	0.0%	7	-14.3%	13	10	30.0%
Investment income	-0	1	-100.0%	0		0	1	-100.0%
Other income	60	70	-14.3%	57	5.3%	117	123	-4.9%
Total underlying income	**108**	**108**	**0.0%**	**106**	**1.9%**	**214**	**202**	**5.9%**
Operating expenses	60	54	11.1%	60	0.0%	120	109	10.1%
Gross result	48	55	-12.7%	46	4.3%	94	94	0.0%
Addition to loan loss provision	7	7	0.0%	5	40.0%	12	10	20.0%
Underlying profit before tax	**40**	**48**	**-16.7%**	**41**	**-2.4%**	**81**	**84**	**-3.6%**
Taxation	12	15	-20.0%	12	0.0%	24	31	-22.6%
Profit before minority interests	28	33	-15.2%	29	-3.4%	57	53	7.5%
Minority interest	-0	0		-0		-0	0	
Underlying net profit	**28**	**33**	**-15.2%**	**29**	**-3.4%**	**57**	**53**	**7.5%**
KEY FIGURES								
Underlying cost/income ratio	55.7%	49.3%		56.5%		56.1%	53.6%	
Underlying RAROC before tax	35.4%	35.6%		26.9%		30.7%	27.5%	
Underlying RAROC after tax	24.4%	21.4%		19.0%		21.4%	16.6%	
Economic capital (average over period)	431	477	-9.6%	538	-19.9%	484	482	0.4%

- **Profit before tax declined 16.7% due to one-off income items in the second quarter of 2007**
- **Leasing and Factoring volumes continued to grow**
- **After-tax RAROC improves to 24.4% from 21.4%**

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



Business update

ING Lease outperformed the market in most of its key markets in the second quarter. The lease portfolio grew in the first half of 2008 by double-digit figures, especially in Belgium, Italy, the Netherlands, Poland and Russia. The car fleet showed excellent autonomous growth in all countries. The factoring volumes handled by Commercial Finance also grew stongly in all countries. Commercial Finance is increasingly becoming an attractive alternative to general lending as the credit crisis limits some clients' access to general lending. The short-term nature of these transactions and Basel II implications create an interesting area for banks to expand.

Margins on new production are stabilising, but in some markets competitors remain focused on market share and continue to put pressure on margins. While liquidity constraints play an increasingly important role, especially in the UK market, ING Lease UK noticed good margin increases in new production in the first half of this year.

ING Lease continued to expand its operations and processes. The new electronic E-leasing tool, which speeds up the application and credit process in the Netherlands, has proven to be a best practice. ING Lease is planning to export this to its other markets. Small offices for Commercial Finance are being set up in fast-growing markets in order to complete ING's European offering of Commercial Finance. The first service unit in Spain was launched in the second quarter of 2008. 'Supply chain finance', a web-enabled platform on which payment obligations can be tendered for financing by suppliers, made good progress in setting up the business and systems. It will be fully operational in the second half of 2008 for ING's top clients across Europe with a focus on our core markets.

Profit

Underlying profit before tax declined 16.7% compared with the second quarter of 2007 when income included EUR 12 million in one-off items. Excluding these one-offs, Leasing & Factoring showed a marked growth in income reflecting the increase in volumes. Expenses were up 11.1% as a consequence of business growth, but were stable versus the previous quarter.

Including the transferred mid-corporate clients to Retail Banking, total underlying profit before tax of Leasing & Factoring within the bank was EUR 54 million in the second quarter of 2008, with EUR 149 million in total income.

Income

Income remained stable over the prior year as the second quarter of 2007 included one-off items, including a gain on the sale of leased assets in Poland. Excluding these items income improved, primarily driven by volume growth. These higher volumes were realised through autonomous growth, the acquisition of Citileasing in Hungary and the integration of the structured commercial finance activities.

Compared with the previous quarter income increased 1.9%, thanks to volume growth.

Expenses

Expenses were up by 11.1% compared with the second quarter of 2007, driven by the acquisition of Citileasing in Hungary and the integration of the structured commercial finance activities. Compared with the previous quarter expenses were flat.

Risk costs remained stable on the prior year.

Key figures

The after-tax RAROC improved to 24.4% from 21.4% mainly as a result of a 9.6% decline in economic capital. The decline was primarily driven by parameter changes with regard to credit risk capital. Compared with the first quarter of 2008, the after-tax RAROC improved 5.4%-points, primarily due to a decline in credit risk capital.

'Lease portfolio grew by double-digit figures'

WHOLESALE BANKING - additional information

Financial Markets

Wholesale Banking Financial Markets: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	333	156	113.5%	227	46.7%	560	271	106.6%
Commission income	-35	-35		-40		-75	-46	
Investment income	-7	31	-122.6%	-3		-10	92	-110.9%
Other income	159	108	47.2%	262	-39.3%	421	342	23.1%
Total underlying income	**451**	**260**	**73.5%**	**447**	**0.9%**	**897**	**659**	**36.1%**
Operating expenses	175	171	2.3%	179	-2.2%	354	347	2.0%
Gross result	275	89	209.0%	268	2.6%	543	311	74.6%
Addition to loan loss provision	0	0		0		1	0	
Underlying profit before tax	**275**	**89**	**209.0%**	**267**	**3.0%**	**542**	**311**	**74.3%**
Taxation	67	-47		125	-46.4%	192	-23	
Profit before minority interests	208	135	54.1%	142	46.5%	350	335	4.5%
Minority interest	6	2	200.0%	5	20.0%	10	4	150.0%
Underlying net profit	**202**	**134**	**50.7%**	**138**	**46.4%**	**340**	**331**	**2.7%**
KEY FIGURES								
Underlying cost/income ratio	38.9%	65.8%		40.1%		39.5%	52.7%	
Underlying RAROC before tax	38.0%	13.5%		38.8%		38.4%	24.9%	
Underlying RAROC after tax	28.8%	23.7%		20.5%		24.7%	28.5%	
Economic capital (average over period)	2,683	2,148	24.9%	2,698	-0.6%	2,690	2,232	20.5%

- **Underlying profit before tax more than tripled; net profit +50.7%**
- **Loss on distressed asset classes limited to EUR 11 million**
- **After-tax RAROC tax increases to 28.8% from 23.7%**

Business update

Conditions in the Financial Markets continued to be volatile and challenging in the second quarter of 2008. While markets recovered from the lows realised in March, this trend was reversed in the latter part of the second quarter. Nonetheless, yield curve developments offered opportunities on the trading side, while the impact from pressurised asset classes on ING's trading activities was limited.

Financial Markets posted a strong quarter amid this challenging environment. Income from the asset and liability book was exceptionally strong as ING anticipated the turmoil in the euro interest rate curve in early June.

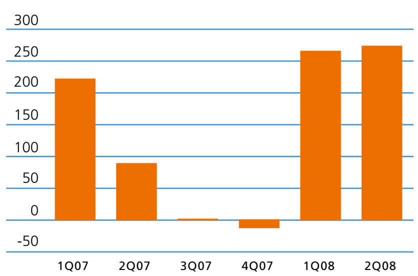
The client-facing business continued to perform well. While credit risk in this business has increased amid the credit and liquidity crisis, ING has been prudent in the type of collateral accepted and there were no material credit losses in the quarter, underscoring ING's capabilities in risk management.

Conditions were challenging for proprietary trading with declining asset prices having a negative impact on results. However this was offset by fixed-income strategies which allowed the proprietary trading business to be profitable.

The increased volatility and lack of market liquidity have helped to provide profitable trading opportunities in both developed and emerging markets. ING continues to invest in product capability, delivery and geographical reach, taking this opportunity to strengthen its sales and trading teams around the globe.

WHOLESALE BANKING FINANCIAL MARKETS

Underlying profit before tax (EUR million)



Profit

Financial Markets had another strong quarter, even slightly ahead on the traditionally strong first-quarter results. Profit before tax improved EUR 8 million on the first quarter. Losses related to subprime, CDOs and monoline insurers further diminished to EUR 11 million from EUR 33 million in the first quarter of 2008.

Underlying profit before tax more than tripled compared with the second quarter of 2007. ING Financial Markets benefited from yield curve movements and increased volatility, leading to good trading results, partly reflected in high interest results. The 50.7% rise in underlying net profit was lower as the second quarter of 2007 included high tax-exempt results from trading activities.

Income

Total underlying income for Financial Markets rose 73.5% to EUR 451 million. Substantial trading gains were realised, particularly in June. This was driven by yield curve movements and higher volatilities earlier that month after ECB comments on the likelihood of an interest-rate hike due to rising inflation risks. The client-related business also continued to do well, with significant income growth for the Emerging Markets business in Asia and the Americas. The Benelux posted an increase in the number of Debt Capital Markets deals.

Compared with the previous quarter income was almost stable.

Expenses

Operating expenses rose 2.3%. The strengthening of the euro against the US dollar and British pound helped to offset higher performance-related staff costs. Compared with the first quarter, expenses declined 2.2%.

Key figures

The strong results are reflected in an increase of the after-tax RAROC to 28.8%, from 23.7% in the second quarter of 2007. The improvement was partly softened by higher taxes and an increase in economic capital. The average tax rate came out higher due to lower tax-exempt results from trading activities. Economic capital went up as a higher average Value-at-Risk led to an increase in market risk capital.

'Second consecutive record quarter for Financial Markets'

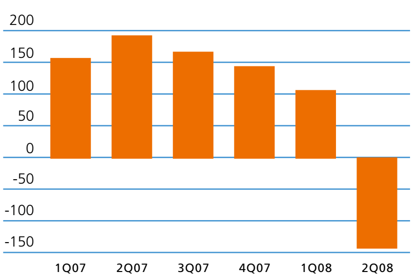
ING Real Estate

Wholesale Banking ING Real Estate: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	46	19	142.1%	29	58.6%	75	36	108.3%
Commission income	109	116	-6.0%	126	-13.5%	235	208	13.0%
Investment income	-130	88	-247.7%	22	-690.9%	-108	176	-161.4%
Other income	-11	91	-112.1%	84	-113.1%	73	164	-55.5%
Total underlying income	**14**	**314**	**-95.5%**	**261**	**-94.6%**	**275**	**585**	**-53.0%**
Operating expenses	128	121	5.8%	147	-12.9%	275	239	15.1%
Gross result	-114	193	-159.1%	113	-200.9%	-1	346	-100.3%
Addition to loan loss provision	29	-1		6	383.3%	35	-5	
Underlying profit before tax	**-143**	**194**	**-173.7%**	**107**	**-233.6%**	**-36**	**351**	**-110.3%**
- of which Investment Management	34	45	-24.4%	38	-10.5%	72	72	0.0%
- of which Investment Portfolio	-214	69	-410.1%	-50		-264	150	-276.0%
- of which Finance	35	57	-38.6%	57	-38.6%	92	110	-16.4%
- of which Development	2	22	-90.9%	62	-96.8%	64	19	236.8%
Taxation	-11	33	-133.3%	33	-133.3%	22	75	-70.7%
Profit before minority interests	-132	161	-182.0%	75	-276.0%	-58	276	-121.0%
Minority interest	-68	12		-5		-73	23	
Underlying net profit	**-64**	**149**	**-143.0%**	**79**	**-181.0%**	**15**	**253**	**-94.1%**
KEY FIGURES								
Underlying cost/income ratio	912.6%	38.5%		56.5%		100.3%	40.8%	
Underlying RAROC before tax	-24.8%	58.2%		22.0%		-2.9%	52.0%	
Underlying RAROC after tax	-23.2%	48.7%		15.3%		-5.2%	41.3%	
Economic capital (average over period)	2,175	1,258	72.9%	1,908	14.0%	2,042	1,237	65.1%
Staff (FTEs end of period)	2,766	2,296	20.5%	2,723	1.6%	2,766	2,296	20.5%

- **Loss in second quarter due to negative revaluations**
- **Excluding revaluations, profit before tax declined 29% to EUR 95 million**
- **Total ING Real Estate portfolio up EUR 3.6 billion to EUR 111.4 billion**

WHOLESALE BANKING ING REAL ESTATE

Underlying profit before tax (EUR million)



Business update

The combination of deteriorating economic conditions and sustained financial turmoil led to a further decline in many real estate markets and challenging conditions for ING Real Estate. Increasing yields have resulted in downward revaluations in several markets, most notably Canada and Australia. This resulted in EUR 238 million negative revaluations before tax in the second quarter of 2008 compared with EUR 61 million positive revaluations last year.

The majority of the negative revaluations relate to the Summit portfolio in Canada which was acquired in the fourth quarter of 2006. ING Real Estate closed the transaction for the acquisition of Summit REIT in Canada with the intention to sell its 50% equity stake in the next twelve months. Adverse market conditions in the Canadian industrial real estate market prevented ING Real Estate from selling its 50% equity stake as planned. Due to a decline of market values across Canada, a full external appraisal of the portfolio was conducted in the first half of 2008 leading to a EUR 195 million negative revaluation on the portfolio. Revaluations in the second quarter in other markets were limited to EUR -43 million, mainly in

Australia, while positive revaluations were recorded in Asia.

Investment Management continued to draw net inflows in Asia, the Americas and Europe in spite of the difficult market conditions. Assets under management increased 1.7% in the second quarter to EUR 72.8 billion, supported by the introduction of new funds in Asia and Europe.

ING Real Estate Finance managed to grow the international loan portfolio by 7.2% in the second quarter of 2008 to EUR 35.6 billion. Although funding costs increased substantially, margins have stablised in the second quarter. Major transactions were completed in the Netherlands and the UK.

ING Real Estate sold a number of smaller development projects across Europe. Total development assets under management increased by EUR 0.1 billion to EUR 3.1 billion, with a total project value of EUR 10.4 billion. A number of new projects were started in the Netherlands, Belgium and France representing a total investment of over EUR 600 million in the coming years.

Profit

ING Real Estate posted a second-quarter loss before tax of EUR 143 million compared with a profit of EUR 194 million in the second quarter of 2007 and EUR 107 million in the first quarter of 2008. The negative revaluation of Summit affected the Investment Portfolio's profit before tax by EUR 195 million, of which EUR 78 million (or 40%) was charged to third-parties. The residual pre-tax loss of EUR 43 million was spread out over several real estate investment markets, mainly in Australia.

Excluding the unrealised fair value changes, ING Real Estate's profit before tax was EUR 95 million compared with EUR 168 million in the first quarter of 2008 and EUR 133 million in the second quarter of 2007. This decline is largely attributable to lower Development results. Higher risk costs in Finance, reflected the more challenging market circumstances.

The Investment Portfolio reported a pre-tax loss of EUR 214 million, down EUR 283 million compared with last year, of which EUR 290 million can be attributed to lower revaluations. The EUR 164 million reduction in profit compared with the first quarter is also fully explained by lower revaluations.

Profit before tax from Investment Management was 24.4% lower compared with the same period last year. This was a result of the continued deterioration of the US dollar which impacted fee income and reduced transaction fees due to the market slowdown.

In spite of the difficult market circumstances, total assets under management increased in the second quarter by EUR 1.2 billion, or 1.7%, to EUR 72.8 billion at the end of June.

Supported by ongoing portfolio growth, Finance's gross result of EUR 64 million was 13.6% higher compared with the second quarter of 2007. The total lending portfolio of EUR 35.6 billion at the end of June 2008 was EUR 9.6 billion, or 37%, higher than a year ago. More challenging market circumstances were reflected in a EUR 30 million increase in risk costs. As a consequence, profit before tax of EUR 35 million was 39% lower than in the second quarter of last year.

Development's quarterly results are by nature volatile, depending on the timing of the sale of completed projects. Contrary to the first quarter of 2008 and to a lesser extent the second quarter of 2007, no major sales occurred in the second quarter of 2008. This explains the relatively low profit before tax of EUR 2 million.

Income

The negative revaluations of EUR 238 million had a substantial impact on both investment income (direct investments) and other income (associates). Excluding revaluations in both years, total income in the second quarter was EUR 252 million, almost equal to the second quarter of 2007 (EUR 253 million).
Higher interest income was supported by the strong growth of the lending portfolio. Fee income was down 9%, mainly resulting from lower transaction fees. Finally, Development income of EUR 22 million was EUR 73 million lower than that of the previous quarter and EUR 20 million lower than in the second quarter of 2007. In contrast to the previous quarter, this quarter was characterised by the absence of the sale of big projects.

Expenses

Operating expenses were up EUR 7 million, or 5.8%. Compared with the first quarter of 2008, operating expenses were down EUR 19 million, or 12.9%, partly supported by a EUR 8 million release from impairments. The resulting decrease reflects the company's strategy to reduce its cost base in response to changed market circumstances.

Risk costs within Real Estate Finance increased substantially in the second quarter due to market conditions. Compared with the second quarter of 2007, risk costs increased to EUR 29 million.

Key figures

RAROC figures are also heavily impacted by the negative revaluations on the Investment Portfolio. Excluding the impact of revaluations, after-tax RAROC declined to 22.2% in the first half of 2008 from 26.3% in the first half of 2007, mainly due to the strong growth of average economic capital (+65.1% to EUR 2.0 billion). This was mainly caused by model changes for market risk and business growth.

BANKING

Retail Banking

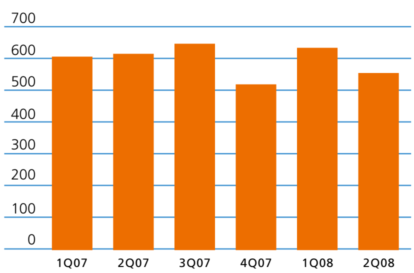
Retail Banking: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	1,368	1,354	1.0%	1,411	-3.0%	2,780	2,683	3.6%
Commission income	408	396	3.0%	417	-2.2%	825	812	1.6%
Investment income	10	4	150.0%	45	-77.8%	55	40	37.5%
Other income	152	104	46.2%	72	111.1%	225	201	11.9%
Total underlying income	**1,939**	**1,858**	**4.4%**	**1,946**	**-0.4%**	**3,884**	**3,736**	**4.0%**
Operating expenses	1,314	1,197	9.8%	1,274	3.1%	2,587	2,428	6.5%
Gross result	625	662	-5.6%	672	-7.0%	1,297	1,308	-0.8%
Addition to loan loss provision	66	43	53.5%	35	88.6%	101	79	27.8%
Underlying profit before tax	**558**	**619**	**-9.9%**	**638**	**-12.5%**	**1,196**	**1,229**	**-2.7%**
Taxation	114	142	-19.7%	138	-17.4%	252	278	-9.4%
Profit before minority interests	445	477	-6.7%	499	-10.8%	944	951	-0.7%
Minority interest	13	11	18.2%	12	8.3%	25	20	25.0%
Underlying net profit	**431**	**466**	**-7.5%**	**488**	**-11.7%**	**919**	**931**	**-1.3%**
KEY FIGURES								
Underlying cost/income ratio	67.8%	64.4%		65.5%		66.6%	65.0%	
Risk costs in bp of average CRWA	36	12		19		28	12	
Risk-weighted assets (end of period)	91,261	142,616	-36.0%	87,986	3.7%	91,261	142,616	-36.0%
Underlying RAROC before tax	32.8%	52.8%		40.6%		36.5%	49.8%	
Underlying RAROC after tax	26.4%	41.0%		32.1%		29.1%	38.9%	
Economic capital (average over period)	6,083	4,366	39.3%	5,607	8.5%	5,845	4,524	29.2%
Staff (FTEs end of period)	48,883	41,961	16.5%	48,481	0.8%	48,883	41,961	16.5%

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

- **Strong competition for savings puts more pressure on margins in the Benelux**
- **Volume growth in lending remained robust**
- **Addition to loan loss provision up due to model changes**

RETAIL BANKING

Underlying profit before tax (EUR million)



Business update

The environment remains challenging in Retail Banking, particularly in the Benelux. The ongoing liquidity crisis and deterioration in the market environment and has led to more competition for savings, lower margins and lower fee income.

In this challenging environment ING has been taken the right steps. In anticipation of a more difficult environment in mature markets, ING launched large restructurings in the Netherlands and Belgium in 2007 to structually decrease the cost base in the coming years. In the past months ING has also been stepping up product innovation to maintain savings growth by offering differentiated products to different customer groups. As a result ING was able to increase savings volumes. Thanks to increased sales and marketing efforts ING increased its market share in the mid-corporate segment.

In both the Netherlands and Belgium ING is making further progress with its restructuring plans to reduce costs and stimulate growth. Since 1 April, ING Bank and Postbank have been operating under one new marketing organisation. The introduction of Personal Banking was the first example of their combined strength. In Belgium, 55 new branches were up and running by the end of the second quarter out of 145 planned by year-end.

In the emerging markets the strategy remains focused on growth, which is helping to more than compensate the effect of margin pressure. New branches were opened in Poland (14), Romania (6), Turkey (18) and India (1), and preparations are underway for more accelerated openings in the second half (especially India and Turkey). Using the experience from Romania, a new greenfield was launched in Ukraine with 250 new outlets planned over the next few years. Thanks to product innovations and marketing campaigns ING kept up the growth in deposits in all markets and gained market share in household lending in Poland, Romania and India.

In Private Banking ING maintained its earnings asset base (see page 82).

Profit
Underlying profit before tax declined 9.9% over the second quarter of 2007 due to falling stock markets and strong competition on the savings market, which put pressure on interest margins, particularly in the Benelux.

Mid-corporate clients in ING's home markets contributed EUR 76 million to profit before tax compared with EUR 64 million in the second quarter of 2007 and EUR 134 million in the previous quarter.

Excluding the acquisition of the banking activities from Oyak Group in Turkey at the end of 2007, underlying profit before tax declined 16%, mainly due to lower income in the Benelux. Compared with the previous quarter, underlying profit before tax declined 12.5%. This was largely due to lower results from mid-corporate clients and a dividend received from ING's stake in Kookmin Bank in the first quarter of 2008.

In the Netherlands underlying profit before tax declined 16.9%. The continued focus on cost efficiency could not compensate for lower interest margins on mortgages and savings as competition intensified. Average retail balances in the Netherlands developed positively with an increase of 3%. Excluding composition changes related to the transfer of the mortgage portfolio from Insurance in 2007, average retail balances grew 6% in mortgages and 11% in consumer- and business lending. Average retail balances on savings and deposits declined 11% compared with the same quarter last year but edged up slightly by 0.5% compared with the first quarter as a result of marketing campaigns. Risk costs rose, partly as a result of model changes.

Underlying profit before tax in Belgium dropped 28.2%. This was primarily a result of margin compression on variable savings accounts a well as clients shifting to term deposits with lower margins. The stock market turbulence resulted in lower income on asset management products. Average retail balances compared with the same quarter of the previous year grew 5%, particularly in mortgages, consumer and small business lending as well as deposits, while savings showed an outflow.

Operating expenses rose 7.0%. This was attributable to marketing campaigns, the inflation effect on salaries and investments in the branch network.

Central Europe benefited from the inclusion of ING Bank Turkey in 2008. Excluding ING Bank Turkey, however, the underlying profit before tax still increased 11%, even after taking into account the investments in growth markets Romania and Ukraine.
Poland continued to do well despite strong competition on the savings market and a slowdown of the mutual funds products due to unfavourable stock market performance. Average retail balances in Poland showed strong growth of 35% in all products compared with the same quarter last year.

Underlying profit before tax in Asia rose 25.0%. This was largely attributable to the first-time inclusion of the result in ING's stake in TMB. Excluding TMB, underlying profit before tax declined 31%. This is fully explained by lower income at Private Banking Asia as stock markets declined.

Income
Total underlying income increased 4.4%. Excluding ING Bank Turkey, income declined 2%, predominantly as a result of 6.4% lower interest income in the Benelux. Strong volume growth in Poland as well as the inclusion of the results in ING's stake in TMB could not compensate for this pressure on interest margins, especially on the savings products. Commission income, excluding ING Bank Turkey, declined 4% reflecting the lower asset management fees and securities broking commissions as a result of lower stock market performance.

Expenses
Underlying operating expenses increased 9.8%, of which 6.1%-points are attributable to ING Bank Turkey. The Netherlands continued to show cost efficiency improvements. In Belgium, expenses rose 7.0% due to the inflation effect on salaries, higher marketing expenses as well as investments in the branch network. Outside the Benelux underlying operating expenses grew 22.2% reflecting the investments to grow the branch network in Poland as well as investments in Romania, India and Asia. Expenses also rose as a result of the launch in Ukraine. As a consequence, the cost/income ratio deteriorated to 67.8%.

The addition to the loan loss provision rose by EUR 23 million to EUR 66 million compared with the same quarter last year. Lower risk costs in Belgium and a net release in Poland due to an improvement of the credit portfolio were offset by higher risk costs in the Netherlands related to model changes, the growth of the lending portfolio and the inclusion of ING Bank Turkey.

Key figures
Underlying RAROC after tax decreased to 26.4% from 41.0% in the second quarter of 2007, mainly due to a EUR 1.7 billion increase in economic capital. ING Bank Turkey added EUR 0.8 billion, while the increased value of Bank of Beijing resulted in an increase of EUR 0.8 billion.

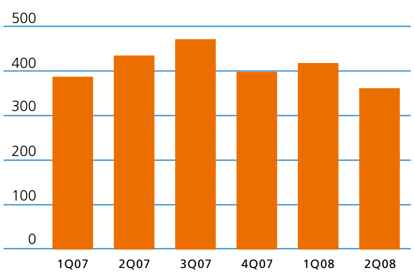
The Netherlands

Retail Banking The Netherlands: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	893	952	-6.2%	914	-2.3%	1,807	1,878	-3.8%
Commission income	169	171	-1.2%	188	-10.1%	357	361	-1.1%
Investment income	0	0		21	-100.0%	21	1	
Other income	55	52	5.8%	17	223.5%	72	104	-30.8%
Total underlying income	**1,117**	**1,176**	**-5.0%**	**1,140**	**-2.0%**	**2,257**	**2,343**	**-3.7%**
Operating expenses	692	705	-1.8%	672	3.0%	1,364	1,447	-5.7%
Gross result	425	471	-9.8%	468	-9.2%	892	896	-0.4%
Addition to loan loss provision	61	34	79.4%	47	29.8%	109	70	55.7%
Underlying profit before tax	**363**	**437**	**-16.9%**	**420**	**-13.6%**	**784**	**826**	**-5.1%**
Taxation	75	101	-25.7%	92	-18.5%	167	194	-13.9%
Profit before minority interests	288	336	-14.3%	328	-12.2%	616	632	-2.5%
Minority interest	0	0		0		0	0	
Underlying net profit	**288**	**336**	**-14.3%**	**328**	**-12.2%**	**616**	**632**	**-2.5%**
KEY FIGURES								
Underlying cost/income ratio	62.0%	59.9%		59.0%		60.5%	61.8%	
Underlying RAROC before tax	59.9%	71.5%		71.4%		65.5%	62.8%	
Underlying RAROC after tax	47.5%	55.0%		55.9%		51.6%	48.2%	
Economic capital (average over period)	2,407	2,358	2.1%	2,269	6.1%	2,338	2,507	-6.7%
Staff (FTEs end of period)	15,783	16,831	-6.2%	15,789	-0.0%	15,783	16,831	-6.2%

- **Savings competition puts pressure on margins but volumes increased slightly over the quarter**
- **Progress continues in combining ING Bank and Postbank**
- **Asset management income under pressure reflecting the depressed stock market**

RETAIL BANKING THE NETERLANDS

Underlying profit before tax (EUR million)



Business update

As the liquidity crisis persists and customers continue to shift to term-deposits, competition for savings is gaining pace in the Netherlands and puts pressure on margins. ING anticipated this difficult environment by launching a large-scale restructuring last year and has been focusing in recent months on increasing volumes by introducing attractive savings products.

New mortgage production in the Dutch market was lower as the turmoil in financial markets resulted in tighter lending conditions and an increase in interest rates. ING's market share decreased as a result of a conscious choice for value rather than volume.

A new Private Banking securities strategy has been introduced to further support growth. This strategy services the needs of different customers by offering three forms of investing, five investment strategies and one fixed tariff.

Progress continues in combining ING Bank and Postbank. The new marketing organisation became effective as of 1 April 2008. The first combined service, an investment service called 'Personal Banking', was introduced for ING customers. Personal Banking offers clients with investments between EUR 75,000 and EUR 500,000 a high level of personal advice, availability to the knowledge of ING's investment experts and special investment master classes. It is the first example of the combined strength of Postbank and ING Bank. During the course of this year all 2,600 Postbank and

ING Bank ATMs will be rebranded to the new ING appearance.

Profit

Underlying profit before tax in the Netherlands declined 16.9%. The continued focus on cost efficiency could not compensate for the pressure on margins and volumes, especially in savings. The depressed stock market had a negative impact on volumes and reduced clients' appetite for asset management products, resulting in lower commission income.

Total average retail balances in the Netherlands grew 3% compared with the same quarter last year, of which 10% in mortgages and 11% in business- and consumer lending. Average retail balances on savings and deposits declined 11%, of which 5%-points were caused by the sale of Regiobank in the second quarter of 2007, but rose 0.5% compared with the first quarter of 2008 as a result of an attractive client rate offer.

Income

The lending portfolio grew solidly compared with the second quarter of 2007, with the average mortgage portfolio up 10%. Excluding the transfer of a EUR 11.5 billion mortgage portfolio from Nationale-Nederlanden in 2007, the average growth was still 6%. The margins on saving accounts declined as a result of the liquidity crisis, with competitors raising their client rates to increase the volume of saving products. Furthermore clients shifted from high-margin savings to lower-margin savings and term deposits. Combined with lower asset management and securities fees, this resulted in a 5.0% decline in income compared with the same quarter last year.

Expenses

Operating expenses declined 1.8% due to cost efficiency improvements, including those related to the implementation of the Retail Netherlands strategy. Compared with the first quarter, expenses increased mainly due to IT-related investments in data centres. The cost/income ratio rose to 62.0% from 59.9% in the second quarter of 2007.

The addition to the loan loss provision increased to EUR 61 million from EUR 34 million in the second quarter of 2007 and EUR 47 million in the previous quarter. This increase is largely explained by model changes related to the alignment with Basel II compliant models as well as growth of the lending portfolio.

Key figures

The underlying after tax RAROC declined to 47.5% from 55.0% in the same quarter last year reflecting the 14.3% lower underlying net profit.
Staff decreased by 1,048 FTEs compared with a year ago, mainly as a result of OPS&IT restructuring programmes and the implementation of the Retail Netherlands strategy.

'Savings competition continued to intensify, putting pressure on margins'

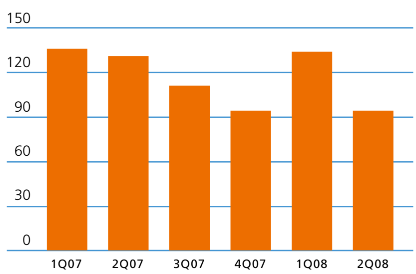
RETAIL BANKING - additional information

Belgium

Retail Banking Belgium: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	295	317	-6.9%	319	-7.5%	615	635	-3.1%
Commission income	133	145	-8.3%	130	2.3%	262	294	-10.9%
Investment income	1	1	0.0%	4	-75.0%	5	2	150.0%
Other income	38	23	65.2%	22	72.7%	59	41	43.9%
Total underlying income	**467**	**486**	**-3.9%**	**475**	**-1.7%**	**941**	**972**	**-3.2%**
Operating expenses	367	343	7.0%	357	2.8%	724	692	4.6%
Gross result	100	143	-30.1%	118	-15.3%	218	280	-22.1%
Addition to loan loss provision	5	12	-58.3%	-17		-11	13	-184.6%
Underlying profit before tax	**94**	**131**	**-28.2%**	**134**	**-29.9%**	**229**	**267**	**-14.2%**
Taxation	20	33	-39.4%	33	-39.4%	53	69	-23.2%
Profit before minority interests	74	98	-24.5%	101	-26.7%	175	197	-11.2%
Minority interest	0	0		0		0	0	
Underlying net profit	**74**	**98**	**-24.5%**	**101**	**-26.7%**	**175**	**197**	**-11.2%**
KEY FIGURES								
Underlying cost/income ratio	78.7%	70.6%		75.2%		76.9%	71.2%	
Underlying RAROC before tax	36.6%	53.0%		45.1%		40.9%	52.6%	
Underlying RAROC after tax	29.7%	40.4%		35.4%		32.6%	39.6%	
Economic capital (average over period)	858	934	-8.1%	877	-2.2%	867	907	-4.4%
Staff (FTEs end of period)	9,451	9,780	-3.4%	9,523	-0.8%	9,451	9,780	-3.4%

- **Average client balances up 5% on 2Q2007**
- **Strong competition for savings resulting in margin compression**
- **Expenses impacted by marketing expenses and compensation for inflation in salaries**

RETAIL BANKING BELGIUM
Underlying profit before tax (EUR million)



Business update

Competition in the Belgian savings market increased further as client savings rates rose across the market. The shift from variable savings to lower-margin term products continued. Over the last year ING had been preparing for such an environment through product innovation and tight cost management.

In savings ING has developed a wide range of product offerings for different target groups. The ING Lion Fidelity account, an unregulated savings account allowing immediate withdrawals but offering a higher return as the holding period increases, was already launched in October 2007. In the second quarter of 2008 ING launched the ING Lion Deposit, an online savings account offering 4% to clients and non-clients. In addition, ING introduced the ING Long Term Account, a new type of savings certificate with maturities varying from 1 to 10 years. These actions resulted in a net inflow of savings, in spite of the challenging market.

To increase efficiency, ING continues to implement its new service and distribution model in which traditional branches are being transformed into outlets with automated self-service cash functions. At the end of the second quarter, 55 of these branches were up and running. By the end of 2008 ING will have 145 of these branches.

Profit
ING Belgium posted a decline in underlying profit before tax of 28.2%, reflecting the continued adverse market conditions. Competition for saving volumes is increasing and margins on variable savings accounts are being compressed. However average retail balances grew 5% compared with the same quarter previous year, with growth in mortgages (+15%), consumer and small business lending (+11%), but also in savings and deposits (+2%). Turbulence on the stock market is reflected in lower income on asset management. Expenses were inflated by marketing campaigns, the inflation effect on salaries as well as investments in the branch network.

Income
Income declined 3.9% as the 5% growth of the average retail balances was offset by lower margins as clients continued to shift from variable savings to term deposits with lower margins. That was combined with higher client rates for variable savings to respond the increased competition.

Commission income declined 8.3% as a result of lower stock markets, resulting in lower fee income on asset management products. Compared with the previous quarter, commission income increased 2.3% due to higher security brokerage and structured notes income.

Expenses
Operating expenses rose 7.0% compared with the second quarter of 2007. This was due to higher advertising expenses for the Lion Account campaigns and increased salaries driven by inflation. Expenses also rose as a result of investments in the branch network. The cost/income ratio increased to 78.7% from 70.6% in the second quarter of 2007 reflecting higher expenses and lower income. Staff numbers were reduced by 329 FTEs as a result of branch network rationalisation and outsourcing initiatives.

The net addition to loan loss provisions declined to EUR 5 million from EUR 12 million in the second quarter of 2007 and continued to be low thanks to the strong quality of the credit portfolio. Compared with the previous quarter, risk costs increased EUR 22 million which is fully explained by the net release in the first quarter of 2008.

Key figures
The underlying RAROC after tax declined to 29.7% from 40.4%, predominantly due to a lower gross result. The economic capital declined despite growth in volumes due to model refinements as a result of the Basel II alignment.

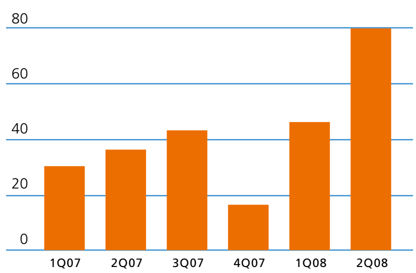
'New savings products offered led to higher volumes'

Central Europe

Retail Banking Central Europe: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	152	62	145.2%	145	4.8%	297	121	145.5%
Commission income	75	46	63.0%	72	4.2%	147	89	65.2%
Investment income	8	0		1		9	0	
Other income	39	18	116.7%	14	178.6%	53	33	60.6%
Total underlying income	**274**	**125**	**119.2%**	**232**	**18.1%**	**506**	**243**	**108.2%**
Operating expenses	198	96	106.3%	186	6.5%	384	184	108.7%
Gross result	76	29	162.1%	46	65.2%	122	58	110.3%
Addition to loan loss provision	-4	-7		0		-4	-7	
Underlying profit before tax	**80**	**36**	**122.2%**	**46**	**73.9%**	**126**	**65**	**93.8%**
- of which Poland	46	40	15.0%	30	53.3%	76	70	8.6%
- of which Turkey	40	0		18	122.2%	58	0	
- of which Rest of Central Europe	-6	-5		-2		-8	-5	
Taxation	16	6	166.7%	10	60.0%	26	12	116.7%
Profit before minority interests	64	30	113.3%	36	77.8%	100	53	88.7%
Minority interest	11	9	22.2%	8	37.5%	18	16	12.5%
Underlying net profit	**53**	**20**	**165.0%**	**28**	**89.3%**	**82**	**37**	**121.6%**
KEY FIGURES								
Underlying cost/income ratio	72.2%	76.7%		80.2%		75.9%	75.9%	
Underlying RAROC before tax	12.9%	49.7%		12.3%		12.7%	52.1%	
Underlying RAROC after tax	10.5%	41.4%		8.9%		9.8%	42.3%	
Economic capital (average over period)	1,056	203	420.2%	741	42.5%	898	194	362.9%
Staff (FTEs end of period)	14,477	7,280	98.9%	14,124	2.5%	14,477	7,280	98.9%

- **Underlying profit before tax more than doubled thanks to acquisition of ING Bank Turkey**
- **Continued strong volume growth in Poland**
- **Retail banking greenfield launched in Ukraine**

RETAIL BANKING CENTRAL EUROPE
Underlying profit before tax (EUR million)



Business update

In Central Europe, ING continues to invest in growth while reaping the benefits of fast volume growth in the existing operations. ING invests in the expansion of its distribution network in this fast-growing region, with a particular focus on the largest countries: Poland, Romania and Turkey. In the second quarter, ING strengthened its presence in the region by launching retail banking operations in Ukraine.

ING is opening additional outlets in all countries. In Poland, ING opened another 14 franchise outlets in the second quarter, bringing the total to 430 branches (including 100 franchisee outlets). In Romania, ING opened 6 more outlets in the second quarter, bringing the total to 188 outlets since the greenfield started in July 2004 (including 24 Wholesale Banking full-service branches). The rebranding of Oyak Bank to ING Bank Turkey was finalised in June and ING opened 18 new full-service branches. Intensive work on the new branch shop model has started and four pilot locations were opened. In addition, 73 military satellite branches were closed or moved to civilian locations during the first half of 2008.

In addition to opening new outlets, ING continues to grow within its existing distribution channels through product innovation and marketing. Campaigns have been launched in Poland for savings accounts, and Romania launched a campaign to attract new salary clients and increase balances of existing clients.

In Poland the total volume of retail funds entrusted increased 8% in the second quarter of 2008 reaching EUR 9.9 billion, a market share of 9.4%. Loans increased 19% during the quarter to EUR 2.6 billion, increasing its market share to 2.0%.

In Romania the number of clients increased by 30,000 to 574,000. Growth in lending and funds entrusted in the second quarter was 18% and 13% respectively.

The rollout of retail banking operations in Ukraine started in June 2008 with the first outlet formally opened in Kiev. The greenfield in Ukraine capitalises on the successful self-banking model that had previously been introduced in Romania. Ukrainian customers will be offered a current account card and overdraft facility, internet banking and access to highly automated outlets with cash functions and personal advice. In the future, ING plans to extend its product offering with mortgages, instalment loans, fixed-term deposits and credit card products. ING aims to become one of the top-5 retail banks in Ukraine by rapidly expanding to a nationwide distribution network of over 250 outlets starting with the largest Ukrainian cities.

Profit

The underlying profit before tax in Central Europe rose 122%. The region benefited from the inclusion of ING Bank Turkey in 2008 which reported EUR 40 million underlying profit before tax in the second quarter. The profit was supported by income from hedging derivatives due to the increase of interest rates in Turkey. Excluding ING Bank Turkey, underlying profit before tax still increased 11%, even after taking into account the investments in Romania and Ukraine.

Despite strong competition on the savings market and the slowdown in the sale of mutual funds amid the stock market turbulence, underlying profit before tax in Poland increased 15.0% compared with the same quarter of 2007. Average client balances in Poland showed a strong growth of 35%, which was reflected in almost all products.

Compared with the previous quarter, the underlying profit before tax in Central Europe jumped 73.9%, predominantly due to higher results at ING Bank Turkey as well as in Poland.

Income

Underlying income rose 119%. Excluding ING Bank Turkey, income rose 23.5% compared with same quarter last year as a result of higher income in Poland reflecting volume growth as well as a capital gain on shares. Volume growth in Poland compensated for the pressure on margins for savings products as well as lower sales of mutual funds and lower fees on assets under management. Compared with the second quarter of 2007, average client balances in Poland for mortgages almost doubled and consumer and business lending grew 43%. Savings accounts were up 37%, while deposits grew 8%. Income in Romania increased 60.0% compared with the second quarter of 2007 as a result of growth of the portfolio.

Expenses

Operating expenses more than doubled compared with the same quarter last year, predominately as a result of the inclusion of ING Bank Turkey and investments in the franchise distribution network. Excluding ING Bank Turkey, expenses rose by 30.2%; this was attributable to investments in distribution channels, a new front-end application, product development and advertising campaigns in Poland. Expenses also increased as a result of investments for growth in Romania and Ukraine. Staff rose by 7,197 FTEs of which 6,140 FTEs are due to the inclusion of ING Bank Turkey.

‘Launch of retail banking operations in Ukraine’

The cost/income ratio improved to 72.2% from 76.7% in the second quarter of 2007. This was fully caused by the inclusion of ING Bank Turkey which compensated the investments in franchises for the other growth countries.

Similar to the second quarter of 2007, the addition to the loan loss provision showed a net release due to the continued strengthening of credit risk management in Poland which resulted in an improvement of the quality of the loan book.

Key figures

The underlying RAROC after tax dropped significantly to 10.5%, mainly due to the inclusion of ING Bank Turkey with an economic capital usage of EUR 0.8 billion. Excluding ING Bank Turkey, the RAROC after tax declined to 28.7% from 41.4%, as a result of investments for growth and higher economic capital usage in these growth markets.

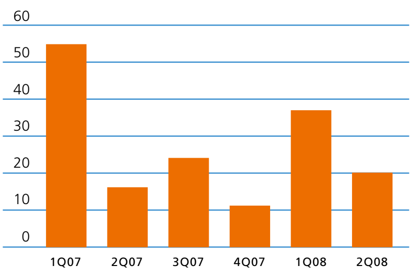
Asia

Retail Banking Asia: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	28	24	16.7%	33	-15.2%	61	50	22.0%
Commission income	31	34	-8.8%	28	10.7%	59	69	-14.5%
Investment income	1	3	-66.7%	19	-94.7%	20	37	-45.9%
Other income	21	11	90.9%	19	10.5%	40	22	81.8%
Total underlying income	**81**	**72**	**12.5%**	**99**	**-18.2%**	**180**	**177**	**1.7%**
Operating expenses	57	53	7.5%	58	-1.7%	115	104	10.6%
Gross result	24	19	26.3%	41	-41.5%	65	74	-12.2%
Addition to loan loss provision	4	3	33.3%	4	0.0%	8	2	300.0%
Underlying profit before tax	**20**	**16**	**25.0%**	**37**	**-45.9%**	**57**	**71**	**-19.7%**
- of which Private Banking Asia	12	23	-47.8%	16	-25.0%	28	44	-36.4%
- of which ING Vysya Bank	2	-0		5	-60.0%	7	3	133.3%
- of which Other	6	-6		16	-62.5%	22	23	-4.3%
Taxation	2	2	0.0%	3	-33.3%	5	3	66.7%
Profit before minority interests	18	14	28.6%	34	-47.1%	53	69	-23.2%
Minority interest	2	2	0.0%	4	-50.0%	6	4	50.0%
Underlying net profit	**16**	**12**	**33.3%**	**30**	**-46.7%**	**46**	**64**	**-28.1%**
KEY FIGURES								
Underlying cost/income ratio	70.0%	73.9%	0.0%	59.0%	0.0%	63.9%	58.5%	
Underlying RAROC before tax	6.0%	2.4%		9.7%		7.8%	11.0%	
Underlying RAROC after tax	5.4%	3.5%		9.1%		7.2%	12.0%	
Economic capital (average over period)	1,763	871	102.4%	1,720	2.5%	1,741	916	90.1%
Staff (FTEs end of period)	9,171	8,071	13.6%	9,045	1.4%	9,171	8,071	13.6%

- **First-time inclusion of profit from stake in TMB Bank**
- **Higher income at ING Vysya Bank driven by growth of the portfolio**
- **RAROC after tax slightly up despite higher economic capital**

RETAIL BANKING ASIA

Underlying profit before tax (EUR million)



Business update

ING has been selectively building its retail banking presence in Asia and is currently active in four markets: China, India, Thailand and Private Banking from Singapore.

In India, ING has a unique presence through its 44% stake in ING Vysya Bank. ING is the only foreign bank with a controlling stake in a local bank. Deposit mobilisation remains the key focus of ING Vysya Bank. New talent was hired to accelerate low-cost funds acquisition. A new campaign was launched to attract more clients. The focus on the 1-year term deposits remains.

ING Vysya Bank was allowed by the regulators to open 56 new branches. The roll-out continued in the second quarter of 2008 and is expected to be finalised by the end of 2008. The extended branch network will contribute to further growth.

In China, ING has a 16% stake in Bank of Beijing, which offers a comprehensive range of retail and corporate banking products. Bank of Beijing continues to expand within and outside Beijing and has improved its market position in China. The Bank of Beijing is now the 10th largest bank in China.

In Thailand, ING is the only foreign bank with a 30% stake in a top-5 bank through TMB Bank. TMB has a universal banking platform with a nationwide network.

Additionally, several senior ING managers have been assigned to take up new management roles in order to further develop risk management capabilities and improve profitability. Their presence will ensure a synergistic transfer of skills to local management in Thailand.

Profit

Underlying profit before tax increased 25.0% compared with the same quarter last year and was helped by the first-time inclusion of the result of the stake in TMB Bank. Excluding TMB, underlying profit before tax declined 31%, predominantly due to the market turmoil reflected in lower income at Private Banking Asia.

At ING Vysya Bank, underlying profit before tax increased by EUR 2 million compared with the same quarter last year as a result of growth of the portfolio.

Compared with the first quarter of 2008, underlying profit before tax in Asia declined 45.9%, largely due to a EUR 18 million dividend from ING's stake in Kookmin Bank which was received in the first quarter of 2008.

Income

Total underlying income rose 12.5% but remained flat excluding TMB. Higher income at ING Vysya Bank compensated the lower income at Private Banking Asia reflecting the stock market turbulence. Assets under management at Private Banking Asia, including lending, grew 19.8% compared with the second quarter of 2007, partly mitigated by the negative US-dollar currency impact. Income at ING Vysya Bank increased 13.3% supported by continued strong growth of the portfolio which was partly offset by the currency effects.

Largely as a result of the dividend from ING's stake in Kookmin Bank in the first quarter of 2008, income declined 18.2% over the quarter.

Expenses

Operating expenses increased 7.5% as a result of continued investments for growth in India and Private Banking Asia. This increase was partly mitigated by currency effects.

The addition to the loan loss provisions increased to EUR 4 million from EUR 3 million compared with the same quarter last year.

Key figures

Average economic capital doubled to EUR 1.8 billion compared with the second quarter of 2007 due to a substantial increase in the value of ING's stake in the Bank of Beijing following the IPO in September 2007 and the inclusion of ING's stake in TMB Bank. The RAROC after tax improved slightly to 5.4% from 3.5% in the second quarter last year.

'TMB contributed to profit growth'

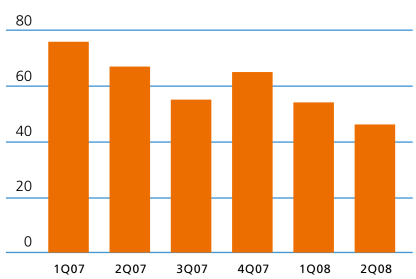
Private Banking

Retail Banking - Private Banking segment: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	56	58	-3.4%	60	-6.7%	116	120	-3.3%
Commission income	87	106	-17.9%	81	7.4%	168	215	-21.9%
Investment income	-0	-0		-0		-0	-0	
Other income	8	13	-38.5%	18	-55.6%	26	25	4.0%
Total underlying income	**151**	**177**	**-14.7%**	**160**	**-5.6%**	**310**	**359**	**-13.6%**
Operating expenses	105	109	-3.7%	103	1.9%	207	216	-4.2%
Gross result	46	68	-32.4%	57	-19.3%	103	144	-28.5%
Addition to loan loss provision	0	1	-100.0%	2	-100.0%	3	1	200.0%
Underlying profit before tax	**46**	**67**	**-31.3%**	**54**	**-14.8%**	**100**	**143**	**-30.1%**
- of which Netherlands	7	14	-50.0%	18	-61.1%	25	31	-19.4%
- of which Belgium (incl. Switzerland & Luxembourg)	26	31	-16.1%	18	44.4%	44	66	-33.3%
- of which Asia	13	22	-40.9%	18	-27.8%	31	46	-32.6%
Taxation	11	18	-38.9%	9	22.2%	19	33	-42.4%
Profit before minority interests	35	49	-28.6%	46	-23.9%	81	110	-26.4%
Minority interest	0	0		0		0	0	
Underlying net profit	**35**	**49**	**-28.6%**	**46**	**-23.9%**	**81**	**110**	**-26.4%**
KEY FIGURES								
Underlying cost/income ratio	69.5%	61.4%		64.4%		66.9%	60.0%	
Underlying RAROC before tax	74.0%	138.5%		98.1%		85.9%	128.0%	
Underlying RAROC after tax	58.1%	101.4%		80.3%		69.1%	98.0%	0.0%
Economic capital (average over period)	233	192	21.4%	229	1.7%	231	216	6.9%
Assets under Admin. (in € bln, end of period)	67.2	66.1	1.5%	67.2	0.0%	67.2	66.1	1.7%

Note: The results of the Private Banking segment are included in the separate Retail Banking regions.

- **Underlying profit before tax down 31.3% as stock markets decline**
- **Net inflows of EUR 0.5 billion in second quarter**
- **Asia and Switzerland contribute 37% to total AUM**

PRIVATE BANKING
Underlying profit before tax (EUR million)



Business update
ING Private Banking maintained its asset base in the second quarter 2008 at EUR 67.2 billion despite the difficult market conditions. The net inflow in the second quarter was EUR 0.5 billion, down from EUR 3.4 billion in the first quarter. The negative market performance, however, was less severe than in the first quarter. The modest recovery of markets in the start of the second quarter contributed positively to securities brokerage, which was partly offset by the deterioration market indexes in June.

Inflows were reported by the growth markets Asia and Switzerland, with a continued shift towards cash and deposits. The ING assets under management have a historically high share of on-balance liabilities. At the end of the second quarter, these comprised 37% of total AUM, compared to 20–25% in the private banking industry as a whole. Assets under management remain concentrated in the Netherlands and Belgium. Asia and Switzerland contribute 37% to the total assets under management.

Financial analysis
The underlying profit before tax of Private Banking declined 31.3% compared with the same quarter last year, reflecting the

turbulence on the stock market which put pressure on securities and asset management commissions.
The interest result declined 3.4% as clients continued to shift towards cash and deposits with lower margins.

In the Netherlands, underlying profit before tax declined by EUR 7 million compared with the same quarter of last year as the volume increase was offset by the adverse interest environment as well as lower securities brokerage and custody fees.

In Belgium, underlying profit before tax showed a recovery compared with the previous quarter, but declined 16.1% from the second quarter of 2007, predominantly as a result of lower income on assets under management.

The underlying profit before tax in Asia dropped EUR 9 million as a result of lower fees on client assets under management.

Operating expenses for Private Banking decreased 3.7% compared with last year. This was fully attributable to the mature markets. The cost/income ratio deteriorated to 69.5% from 61.4% in the second quarter of 2007 due to lower income.

The RAROC after tax declined to 58.1% due to lower pre-tax results and an increase in economic capital. Total economic capital usage increased 21.4% explained by a higher operational risk caused by changes in the risk drivers.

‘Falling stock markets contributed to lower commissions’

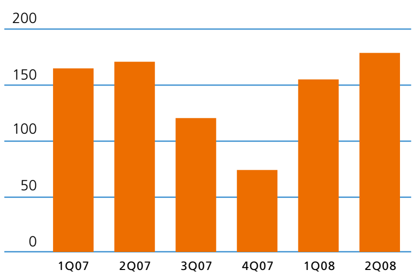
ING Direct

ING Direct: Income Statement								
In EUR million	2Q2008	2Q2007	Change	1Q2008	Change	6M2008	6M2007	Change
Interest result	608	483	25.9%	567	7.2%	1,175	963	22.0%
Commission income	10	23	-56.5%	15	-33.3%	25	49	-49.0%
Investment income	-14	36	-138.9%	9	-255.6%	-5	74	-106.8%
Other income	46	30	53.3%	18	155.6%	64	45	42.2%
Total underlying income	**650**	**571**	**13.8%**	**609**	**6.7%**	**1,259**	**1,131**	**11.3%**
Operating expenses	421	386	9.1%	421	0.0%	842	769	9.5%
Gross result	228	185	23.2%	188	21.3%	417	362	15.2%
Addition to loan loss provision	50	13	284.6%	33	51.5%	83	26	219.2%
Underlying profit before tax	**179**	**171**	**4.7%**	**155**	**15.5%**	**333**	**336**	**-0.9%**
Taxation	65	29	124.1%	58	12.1%	124	78	59.0%
Profit before minority interests	113	143	-21.0%	97	16.5%	210	258	-18.6%
Minority interest	2	0		0		2	0	
Underlying net profit	**111**	**143**	**-22.4%**	**97**	**14.4%**	**208**	**258**	**-19.4%**
KEY FIGURES								
Interest margin	0.93%	0.75%		0.86%		0.90%	0.76%	
Cost/income ratio	64.8%	67.6%		69.1%		66.9%	68.0%	
Risk costs in bp of average CRWA	47	7		33		40	7	
Total risk-weighted assets (end of period)	50,293	75,201	-33.1%	47,126	6.7%	50,293	75,201	-33.1%
Underlying RAROC before tax	25.4%	22.7%		21.0%		23.2%	21.5%	
Underlying RAROC after tax	16.0%	19.2%		13.1%		14.6%	16.7%	
Economic capital (average over period)	3,222	2,754	17.0%	3,050	5.6%	3,136	2,837	10.5%
Staff (FTEs end of period)	9,094	8,076	12.6%	9,088	0.1%	9,094	8,076	12.6%

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

- **Profit before tax increased 4.7% and 15.5% compared with 2Q2007 and 1Q2008**
- **Interest margin strengthened to 0.93% as the interest rate environment in the US and Canada improved**
- **Strong commercial production of EUR 8.2 billion in client retail balances, including stabilisation in the UK**

ING DIRECT
Underlying profit before tax (EUR million)



Business update

ING Direct continued to show good commercial growth and solid inflows despite increased competition for savings in almost all markets. Production of client retail balances reached EUR 8.2 billion, driven by growth in residential mortgages and funds entrusted. Including positive currency effects of EUR 2.3 billion, total client retail balances increased to EUR 317.5 billion at the end of June. Funds entrusted increased by EUR 3.0 billion at comparable exchange rates, driven mainly by strong growth in the US and Canada, where ING Direct improved its competitive positioning by keeping its client rates stable in the US and by partially following rate cuts by the central bank in Canada. Notwithstanding the fierce competition, ING Direct improved its interest margin to 0.93%, mainly due to the steepening of the yield curve in the US and Canada in combination with solid growth in funds entrusted.

In both the Eurozone and Australia, competition for savings continued to intensify amid the ongoing liquidity crisis, particularly in Spain, Germany and Australia. ING Direct responded with promotional campaigns to acquire new customers, and by further expanding its

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)	
	2Q2008	2Q2007	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08	30 Jun 08	31 Mar 08
Canada	16	6	1,544	1,534	13.7	13.0	12.9	12.1	0.2	0.2
Spain	8	17	1,758	1,688	13.8	13.8	7.4	6.9	1.7	1.8
Australia	12	26	1,343	1,329	11.7	11.4	20.3	18.4	0.0	0.0
France	9	14	735	721	13.0	13.1	0.0	0.0	1.5	1.5
United States	89	8	7,102	6,883	43.2	41.2	19.0	17.5	1.8	1.7
Italy	11	12	1,036	1,005	15.4	15.2	4.1	3.8	0.3	0.4
Diba (Germany/Austria)	65	99	6,579	6,542	62.5	61.8	38.7	37.8	11.9	11.6
United Kingdom	-21	-6	1,149	1,142	19.6	19.5	1.7	1.8		
Japan	-10	-5								
Total	**179**	**171**	**21,245**	**20,843**	**193.0**	**189.0**	**104.3**	**98.2**	**17.4**	**17.1**

product offering with fixed-term products to retain and increase the share of wallet of existing customers. These marketing activities were well received, especially in Germany, which experienced solid fund inflows in a highly competitive environment.

Residential mortgages continued to drive growth, with production of EUR 4.8 billion at comparable exchange rates. Conditions in the mortgage market continued to be impacted by the liquidity crisis, with limited funding available at relatively high cost. ING Direct remains prudent in its lending policies in order to deliver value-creating growth.

ING Direct continued to see net inflows of off-balance sheet funds, despite reduced appetite for equities considering turbulent markets. Inflows were partly offset by negative revaluations as stock markets continued to decline, resulting in an increase in balance to EUR 17.4 billion at the end of June. The US continued to perform well in the e-brokerage segment through Sharebuilder with 99,000 new accounts opened in the second quarter, up 86% compared with the same period last year.

ING Direct added 402,000 customers, bringing the total to 21.2 million worldwide.

In the UK, the repositioning of the business to focus less on high-balance customers is showing encouraging results. A small positive inflow was realised, aided by adding 7,000 customers in the quarter. This compares to an outflow of EUR 1.0 billion in the previous quarter. As was anticipated, ING Direct UK's loss declined gradually, with a further reduction in the second quarter to EUR 21 million compared with a loss of EUR 31 million in the previous quarter.

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 88 million were made in the second quarter, including EUR 57 million to grow the residential mortgage portfolio. Investments of EUR 21 million were made to diversify the product range with projects underway to roll out payment accounts in more countries. The number of payment account customers grew by 128,000 in the second quarter, bringing the total near 1.2 million accounts in the US, Spain and Germany. Investments also included EUR 10 million of start-up costs for the launch of ING Direct in Japan, which is in the process of obtaining its final banking license.

In May of this year, ING Direct made a public bid for Interhyp AG, Germany's largest independent residential mortgage distributor. The acquisition of Interhyp will further strengthen ING Direct's position in the German mortgage market and the company's commission income will help to diversify the profitability of the mortgage business. Interhyp is very successful in converting leads into new customers. Its business model and sophisticated technology platform offer significant potential for enhancing ING's distribution platforms in Europe. Interhyp's main attraction is its open architecture business model, offering each customer the best solution independent from any bank. Therefore, ING Direct plans to keep Interhyp independent.

Impact credit and liquidity crisis

Overall the loan and credit portfolio of ING Direct has continued to perform well notwithstanding continued stress in the bank and asset-backed securities markets as well as the residential mortgage market in the US.

During the second quarter, delinquencies in the US mortgage industry continued to rise as home prices declined and economic conditions deteriorated. In ING Direct's own originated mortgage portfolio the balance of delinquencies (90+ Days Past Due) stood at 1.4% at the end of June. However, the portfolio

ING Direct

continues to perform better than the market for prime adjustable rate mortgages (5.1% at the end of May according to data from Loan Performance). ING Direct USA continues to adhere to strict underwriting guidelines and even sharpened its acceptance policy as well as arrears and collection management over the past year. The overall portfolio consists of quality customers with an average loan-to-value ratio of 70% on the portfolio, and 98% of the mortgages are to owner-occupiers.

With respect to the investment portfolio no impairments needed to be recognised during the second quarter. ING Direct has minimal exposure to the US subprime mortgage market. Its Alt-A RMBS have underlying loans that are generally "near prime", which are the more senior tranches in the RMBS structure and which benefit from high levels of credit enhancement. ING continued to closely monitor the performance of the Alt-A RMBS and the underlying US mortgages with a view to establishing possible impairments. At the end of June no impairments needed to be recognised as the level of credit enhancement is higher than estimated pipeline losses. The fair value of the Alt-A RMBS portfolio declined to 81.9% from 84.3% at the end of the first quarter as credit spread tightening was more than offset by higher interest rates.

Profit

Underlying profit before tax of EUR 179 million increased 4.7% and 15.5% over the second quarter last year and previous quarter respectively. Excluding the UK result, underlying profit before tax is 13.0% higher than the second quarter of 2007. Investments to diversify and grow the business and to create long-term value decreased by EUR 2 million to EUR 88 million compared with the second quarter of 2007.

During the second quarter of 2008, central bank rates in the Unites States and Canada were reduced further, improving ING Direct's relative competitive positioning in these countries. The central bank in the United States reduced its rate by 25 bps with no changes of the variable savings rate by ING Direct US, while ING Direct Canada reduced the variable savings rate by 30 bps, tracking 60% of the central bank rate cut in the quarter. As a result of increased interest margins and continued volume growth, profit before tax at ING Direct in the United States increased from EUR 80 million last quarter to EUR 89 million, while ING Direct Canada improved its profit to EUR 16 million in the quarter with no further impairments to asset-backed commercial paper.

The favourable environment in the US and Canada more than compensated for the difficult conditions in other countries, demonstrating the benefits of operating in several currency zones. The profit before tax of ING-DiBa Germany and Austria was EUR 65 million compared to EUR 70 million in the previous quarter and EUR 99 million in the second quarter of 2007, mainly impacted by increased operating and marketing costs to grow savings and mortgages as well as create a solid position in the payment accounts market by improving retention and increasing the share of wallet.

As was anticipated, ING Direct UK improved its loss gradually, with a further reduction in the second quarter to EUR 21 million compared to a loss of EUR 31 million in the previous quarter, driven by higher net interest income, which was supported by a central bank rate cut of 25 bps.

Income

Total underlying income was EUR 650 million, a 6.7% increase over the previous quarter and 13.8% increase compared with the same period last year. This was mainly driven by higher net interest income supported by the more favourable interest rate environment in the United States and Canada. Despite the ongoing competition for retail funds and higher funding costs as a result of the global liquidity crisis, the interest margin increased to 0.93% from 0.86% in the prior quarter and 0.75% in the second quarter of 2007, as asset yields have been re-pricing at a slower pace than liabilities.

Expenses

Operating expenses remained stable compared with the previous quarter but increased 9.1% compared with the same period last year. This was predominantly a result of higher staff numbers that are helping to drive the growth in our

	Variable savings rates (EOP)			Central bank rates (EOP)			Yield curve steepness (EOP)*		
	2Q08	1Q08	2Q07	2Q08	1Q08	2Q07	2Q08	1Q08	2Q07
Canada	3.00%	3.30%	3.50%	3.00%	3.50%	4.25%	0.65%	-0.22%	0.46%
Spain	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%	0.84%	-0.19%	0.62%
Australia	7.00%	6.90%	6.00%	7.25%	7.25%	6.25%	0.15%	-0.51%	0.56%
France	3.30%	3.30%	3.00%	4.00%	4.00%	4.00%	0.84%	-0.19%	0.62%
USA	3.00%	3.00%	4.50%	2.00%	2.25%	5.25%	1.41%	0.02%	0.08%
Italy	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%	0.84%	-0.19%	0.62%
Germany	3.25%	3.25%	3.00%	4.00%	4.00%	4.00%	0.84%	-0.19%	0.62%
UK	4.75%	5.00%	5.00%	5.00%	5.25%	5.50%	0.72%	-0.77%	0.36%

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

product offering and servicing our increasing customer base. However, as higher income offsets the increase in expenses, the cost/income ratio improved to 64.8% from 69.1% in the previous quarter and 67.6% in the same period last year. The operational cost-to-client retail balance ratio, which excludes marketing expenses, remained stable at 0.39% compared with the previous quarter and increased by 4 basis points compared with the second quarter of 2007. The number of full-time staff rose to 9,094 from 8,076 a year earlier.

The addition to the provision for loan losses was EUR 50 million, an increase of EUR 17 million compared with the previous quarter and EUR 37 million with the same quarter last year. The main contributor to the increase was ING Direct USA, which was driven by adverse US housing market trends and the maturing of the US mortgage portfolio.

Key figures

The after-tax RAROC of ING Direct rose to 16.0% from 13.1% in the previous quarter, but declined from 19.2% in the second quarter of 2007; this was largely due to a lower tax charge in 2007 supported by a tax asset in Germany which was normalised over the year. Average economic capital rose 17.0% compared with the second quarter of 2007 to EUR 3.2 billion, due to enhancements in methodology.

Corporate Line Banking

Banking Corporate Line: Underlying profit before tax

In EUR million	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	Change Q2 vs Q2	Change Q2 vs Q1
Income on capital surplus	-7	69	98	76	52	26	-59	-76
Solvency costs	-16	-16	-18	-23	-9	-11	-7	0
Financing charges	-22	-38	-37	-17	-23	-20	1	16
Amortisation intangible assets Oyak Bank	-7	-8					-7	1
FX-results, fair value changes and other	71	76	32	57	-47	-1	118	-5
Total Capital Management	19	83	75	93	-27	-6	46	-64
Other	-21	-41	-31	-39	-38	-50	17	20
Underlying profit before tax	**-2**	**43**	**44**	**54**	**-65**	**-56**	**63**	**-44**
Taxation	-36	20	-66	19	-1	22	-35	-56
Profit before minority interests	34	23	110	35	-64	-78	99	12
Minority interest	0	0	0	0	0	0	0	-0
Underlying net profit	**34**	**23**	**110**	**35**	**-64**	**-78**	**99**	**12**

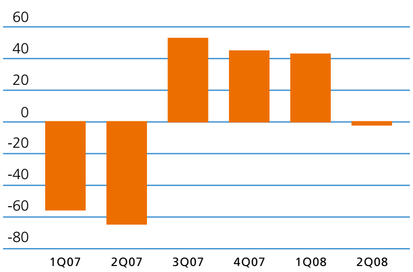
The Corporate Line Banking is a reflection of capital management activities as well as certain expenses that are not allocated to the business. ING applies a system of capital charging for the banking operations to create a comparable basis for the results of business units globally, irrespective of the book equity which business 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.

Last year, the capital book of the Corporate Line became increasingly positive as the capitalisation of ING Bank increased. In the first half of 2008, capital was upstreamed to ING Group and the economic capital employed increased resulting in a decrease of the income on capital surplus.

Another capital management item on the Corporate Line are solvency costs. This is the negative carry that results when hybrid Tier-1 capital and lower Tier-2 debt are 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 (financing charges) 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 reported a loss before tax of EUR 2 million, compared with a loss of EUR 65 million in the second quarter of 2007.

Income on capital surplus (difference between Tier-1 capital and economic capital used by the business) was EUR 59 million lower. 'FX-results, fair value changes and other' rose by EUR 118 million compared with the second quarter of 2007. This increase was mainly caused by higher results on FX-hedges, in part offset by an impairment of EUR 97 million on two equity stakes.

The result of Other, which also includes Formula One sponsoring costs, improved by EUR 17 million. This was partly due to interest received on tax restitutions.

Underlying net profit in the second quarter was EUR 34 million, supported by a tax benefit of EUR 36 million which can be attributed to the revision of tax returns of earlier years.

Appendices

ING Group: Consolidated Cash Flow Statement								
	ING Group[1]		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	2Q2008	2Q2007	2Q2008	2Q2007	2Q2008	2Q2007	2Q2008	2Q2007
Net cash flow from operating activities	**-6,667**	**8,512**	**1,988**	**10,436**	**-8,135**	**1,357**	**-520**	**-3,281**
Investments and advances:								
Group companies		-217		-217	-174	-55	174	55
Associates	-167	-284	-59	-233	-108	-51		
Available for sale investments	-61,091	-69,721	-36,772	-43,664	-24,319	-26,057		
Held-to-maturity investments	-314				-314			
Investments properties	-251	-102	-144	-61	-107	-41		
Property and equipment	-157	-357	-38	-274	-119	-83		
Assets subject to operating leases	-370	-362			-370	-362		
Investments for risk policyholders	-37,087	-13,091	-37,087	-13,091				
Other investments	-298	-30	-32	-3	-266	-27		
Disposals and redemptions:								
Group companies	368	69	542	124			-174	-55
Associates	285	148	248	123	37	25		
Available for sale investments	59,602	62,226	37,322	40,675	22,280	21,551		
Held to maturity investments	505	73			505	73		
Investment properties	86	-40	86	4		-44		
Property and equipment	6	75	1	58	5	17		
Assets subject to operating leases	105	100			105	100		
Investments for risk policyholders	34,921	11,710	34,921	11,710				
Other investments	2		2	3		-3		
Net cash flow from investing activities	**-3,855**	**-9,803**	**-1,010**	**-4,846**	**-2,845**	**-4,957**	**0**	**0**
Proceeds from issuance of subordinated loans	2,711	719	719		3,059	1,996	-1,067	-1,277
Repayment of subordinated loans					-251	-351	251	351
Proceeds from borrowed funds and debt securities	95,809	75,080	8,346	11,012	86,927	63,180	536	888
Repayment from borrowed funds and debt securities	-82,479	-75,245	-8,808	-15,994	-74,923	-63,006	1,252	3,755
Issuance of ordinary shares	1	343	1,000				-999	343
Purchase of treasury shares	-649	-618	-1	-2			-648	-616
Sale of treasury shares	-30	155	3	1			-33	154
Dividends paid/received	-1,773	-1,592	-1,857	-607	-900	-500	984	-485
Net cash flow from financing activities	**13,590**	**-1,158**	**-598**	**-5,590**	**13,912**	**1,319**	**276**	**3,113**
Net cash flow	**3,068**	**-2,449**	**380**	**-1**	**2,932**	**-2,281**	**-244**	**-168**
Cash and equivalents at beginning of period	-7,180	-1,832	4,122	3,130	-10,739	-4,625	-563	-337
Effect of exchange-rate on cash and equivalents	-241	66	67	194	-309	-135		7
Cash and equivalents at end of period	**-4,353**	**-4,215**	**4,569**	**3,323**	**-8,116**	**-7,041**	**-806**	**-498**
- of which Treasury bills and other eligible bills	6,088	6,898			6,088	6,898		
- of which Amounts due to/from banks	-23,603	-23,831			-23,603	-23,831		
- of which Cash and balances with central banks	13,162	12,718	4,569	3,323	9,399	9,892	-806	-497

1 Including inter-company eliminations

Equity market indices (quarterly averages)

	2Q2008	2Q2007	Change	1Q2008	Change
Dow Jones Industrial (US)	12,508	13,213	-5.3%	12,384	1.0%
S&P 500 (US)	1,372	1,496	-8.3%	1,350	1.6%
AEX (The Netherlands)	467	535	-12.7%	449	4.0%

Interest rates (quarterly averages)

	2Q2008	2Q2007	Change	1Q2008	Change
10-year rates:					
EMU	4.26	4.37	-0.11	3.93	0.33
USA	3.86	4.86	-1.00	3.61	0.25
3-months rates:					
EMU	4.87	4.07	0.80	4.49	0.38
USA	2.76	5.35	-2.59	3.27	-0.51
spread:					
EMU	-0.61	0.29		-0.56	
USA	1.10	-0.49		0.34	

Profit and loss account on total basis - 6 months comparison

	Insurance operations			Banking operations			ING Group *		
in EUR million	6m2008	6m2007	Change	6m2008	6m2007	Change	6m2008	6m2007	Change
Gross premium income	23,729	23,207	2.2%				23,729	23,207	2.2%
Interest result banking operations				5,225	4,480	16.6%	5,201	4,446	17.0%
Commission income	1,008	943	6.9%	1,472	1,485	-0.9%	2,480	2,428	2.1%
Total investment & other income	5,122	6,207	-17.5%	986	1,464	-32.7%	6,017	7,595	-20.8%
Total income	**29,858**	**30,357**	**-1.7%**	**7,684**	**7,429**	**3.4%**	**37,427**	**37,676**	**-0.7%**
Underwriting expenditure	24,644	23,894	3.1%				24,644	23,894	3.1%
Operating expenses	2,665	2,746	-2.9%	5,010	4,944	1.3%	7,675	7,690	-0.2%
Other interest expenses	598	669	-10.6%				483	559	-13.6%
Addition to loan loss provisions / impairments	37	1	n.a.	331	24	n.a.	368	25	n.a.
Total expenditure	**27,944**	**27,309**	**2.3%**	**5,341**	**4,968**	**7.5%**	**33,170**	**32,167**	**3.1%**
Profit before tax	**1,914**	**3,048**	**-37.2%**	**2,343**	**2,461**	**-4.8%**	**4,257**	**5,508**	**-22.7%**
Taxation	186	462	-59.7%	610	451	35.3%	796	913	-12.8%
Profit before minority interests	1,728	2,586	-33.2%	1,733	2,010	-13.8%	3,461	4,595	-24.7%
Minority interests	34	89	-61.8%	-33	53	n.a.	1	142	-99.4%
Net profit	**1,694**	**2,496**	**-32.1%**	**1,766**	**1,957**	**-9.8%**	**3,460**	**4,452**	**-22.3%**
Net gains/losses on divestments	-47						-47		
Net profit from divested units		-32						-32	
Special items after tax				122	188		122	188	
Underlying net profit	**1,647**	**2,464**	**-33.2%**	**1,887**	**2,145**	**-12.0%**	**3,534**	**4,609**	**-23.3%**

*) including intercompany eliminations

ING Group: Shareholders' Equity

in EUR million	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	30 June 08	31 Dec 07	30 June 08	31 Dec 07	30 June 08	31 Dec 07	30 June 08	31 Dec 07
Share capital	499	534	174	174	525	525	-200	-165
Share premium	9,182	8,739	5,374	4,374	8,723	8,723	-4,915	-4,358
Revaluation reserve equity securities	2,745	5,829	1,167	3,466	1,405	2,190	173	173
Revaluation reserve debt securities	-8,128	-1,937	-3,673	-840	-4,455	-1,097		
Revaluation reserve crediting to life policyholders	1,088	42	1,088	42				
Revaluation reserve cashflow hedge	382	431	-86	10	410	427	58	-6
Other revaluation reserve	768	572	345	156	423	416		
Currency translation reserve	-2,524	-1,354	-1,811	-1,086	-445	-19	-268	-249
Treasury shares reserve	-1,446	-3,740					-1,446	-3,740
Other reserves	25,494	28,092	11,601	11,616	12,762	14,346	1,131	2,130
Shareholders' equity	**28,060**	**37,208**	**14,179**	**17,911**	**19,348**	**25,511**	**-5,467**	**-6,214**
Minority interests	1,905	2,323	790	891	1,300	1,684	-185	-252
Total equity	**29,965**	**39,531**	**14,969**	**18,802**	**20,648**	**27,195**	**-5,652**	**-6,466**

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.
Note: For individual US businesses, the IRRs quoted in the text of the Life Insurance United States section of the report are on a US basis. This does not reflect adjustments for the future foreign exchange movements against the Euro implied by the difference between local interest rates and Eurozone interest rates.

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.
Note: Sales on US basis are presented in a manner consistent with other US companies and the calculation varies by product (see definitions in the US Statistical Supplement). The major difference between US basis and APE is the fact that single premium sales/deposits for retirement services and annuities are accounted for at 100% instead of 10%.

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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