2008

ING Group

Quarterly report



Quarterly report
Fourth quarter 2008

ING

REPORTING STRUCTURE

ING Group

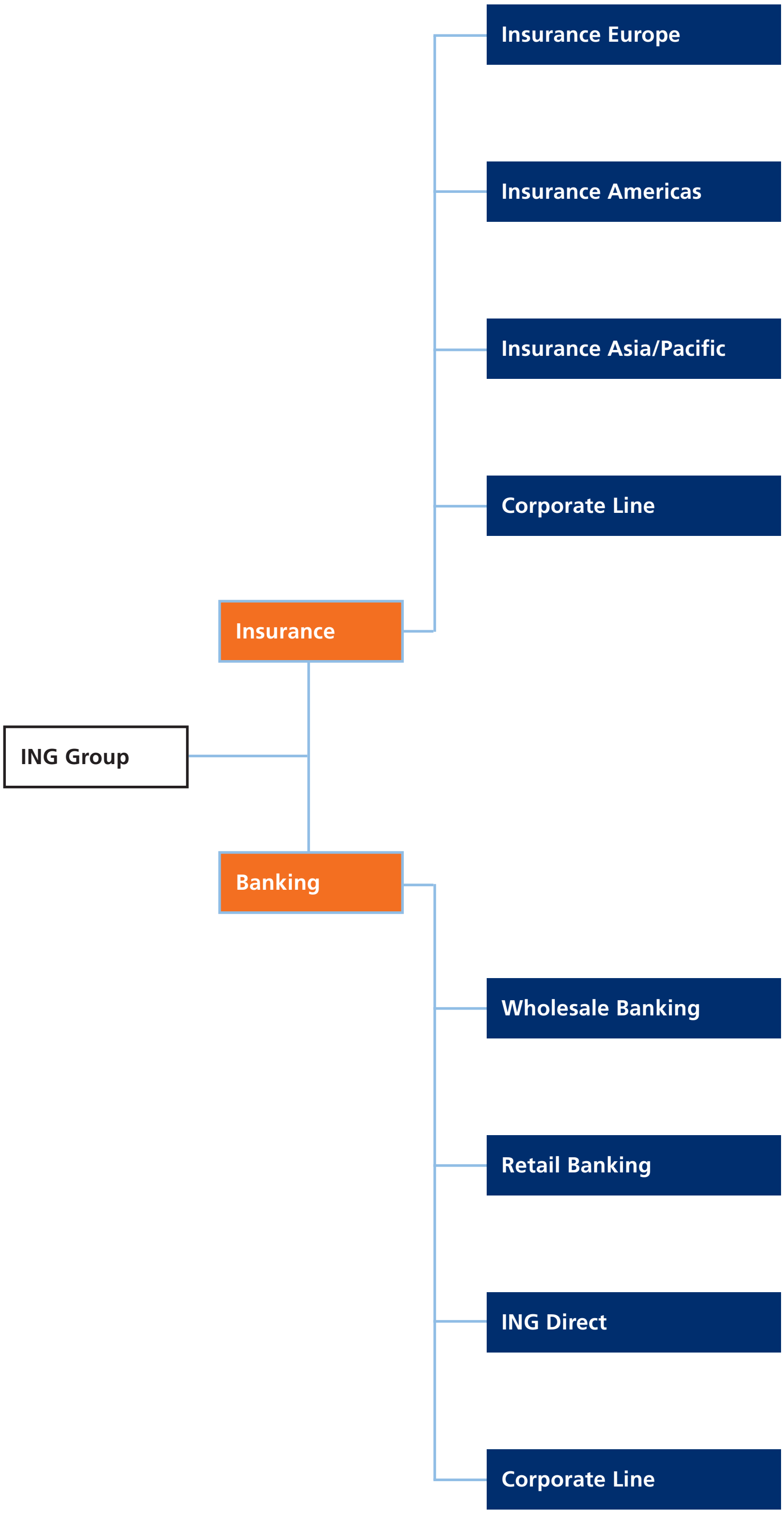


Table of Contents

GROUP

Note

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

ING Group

Disclaimer

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

GROUP

Chairman's Statement

'The financial crisis has had an unprecedented impact on our industry and the magnitude of the crisis has left few companies untouched. For ING, 2008 was marked by a sharp deterioration in financial results and the necessity to strengthen our capital base with the support of the Dutch State,' said Jan Hommen, Chairman of the Supervisory Board and CEO-designate. 'ING had started the year focused on growth, and we were surprised by the pace and severity of the downturn in the fourth quarter that eroded our earnings and our equity.'

'We have taken measures to strengthen the company. We sought and received an Illiquid Assets Back-up Facility from the Dutch State on 80% of our portfolio of Alt-A mortgage-backed securities. The sale of the Taiwan life business substantially reduced our interest rate exposure and economic capital requirements, and the sale of the Canadian non-life business will further reduce leverage in the insurance business. As we enter what may be another tumultuous year our key capital ratios are within the new market norms, but we will remain vigilant in managing our capital and risks in the current environment.'

'Our top priorities this year are to further reduce asset exposures and reign in the cost base. We aim to shrink the balance sheet of ING Bank by 10%, while continuing to lend to key customers in our home markets. And we are reallocating investments towards less risky assets. We are cutting our expenses this year by EUR 1 billion to align our cost base to the current operating environment.'

'The crisis has damaged confidence in the financial industry, and we must work to earn our customers' trust every day. Now more than ever it is necessary to go back to basics, and to make choices so we can emerge from this crisis as a stronger company.'

'Over the coming months, I will conduct a review of our portfolio of businesses to accelerate ING's transformation in light of the changes shaping our industry. Our basic strategy, based on retail savings and investments, is a solid foundation for the future, but we must reduce the complexity of the Group by focusing on fewer businesses and markets. We will emerge with a coherent portfolio of strong businesses with leading market positions. In order to truly drive operational excellence, we must simplify governance, reinforce clear accountability, and make the organisation more responsive to our customers' needs.'

GROUP

Key figures

ING Group: Key Figures

	Annual Figures				
	FY2008	FY2007	FY2006	FY2005	FY2004
Income (in EUR millon)					
Insurance operations	54,851	62,208	59,642	57,403	55,614
Banking operations	11,731	14,602	14,195	13,848	12,678
Total income [1]	**66,291**	**76,587**	**73,621**	**71,120**	**68,171**
Operating expenses					
Insurance operations	5,422	5,515	5,275	5,195	4,746
Banking operations	10,303	9,967	9,087	8,844	8,795
Total operating expenses	**15,725**	**15,481**	**14,362**	**14,039**	**13,541**
Addition to loan loss provision Banking operations	1,280	125	103	88	465
Insurance result before tax	-1,635	6,533	4,935	3,978	4,322
Banking result before tax	148	4,510	5,005	4,916	3,418
Total result before tax	**-1,487**	**11,043**	**9,940**	**8,894**	**7,740**
Taxation	-721	1,534	1,907	1,379	1,709
Minority interests	-38	267	341	305	276
Net result	**-729**	**9,241**	**7,692**	**7,210**	**5,755**
Figures per Ordinary share (EUR)					
Net result	-0.36	4.32	3.57	3.32	2.71
Earnings [2]	-0.56	4.32	3.57	3.32	2.71
Dividend	0.74	1.48	1.32	1.18	1.07
Shareholders' equity	8.55	17.73	17.78	16.96	12.95
Balance Sheet (in EUR billion)					
Total assets	1,332	1,312	1,226	1,159	964
Total equity	29	40	41	38	28
Shareholders' equity	17	37	38	37	28
Capital Ratios (%)					
ING Group debt/equity ratio	13.8%	9.5%	9.0%	9.4%	10.2%
Insurance capital coverage ratio	256%	244%	274%	255%	204%
Insurance debt/equity ratio	8.5%	13.6%	14.2%	13.4%	14.3%
Bank Tier-1 ratio	9.32%	7.39%	7.63%	7.32%	6.92%
Market capitalisation (in EUR billion)	**15**	**60**	**74**	**65**	**49**
Ordinary shares outstanding (million)	2,063	2,226	2,205	2,205	2,205
Preference shares outstanding (million)	-	16	63	87	87
Key Performance Indicators					
- Net return on equity (ROE)	-2.1%	24.2%	23.5%	26.6%	25.4%
- Net result growth	-108%	20%	7%	25%	n.a.
Insurance					
- Value of new life business	1,023	1,113	807	805	632
- Internal rate of return	13.9%	14.3%	13.3%	13.2%	12.1%
- Combined ratio (non-life)	97%	97%	91%	95%	94%
Banking					
- Cost/income ratio (total)	87.8%	68.3%	64.0%	63.9%	69.4%
- RAROC after tax (total)	1.2%	19.9%	19.7%	22.6%	14.5%
Assets under management (in EUR billion)	**551**	**643**	**600**	**547**	**492**
Staff (FTEs end of period)	**124,661**	**124,634**	**119,801**	**116,614**	**112,195**

1. Including inter-company eliminations

2. Including impact coupon to Dutch State (EUR 425 million with regard to EUR 10 billion)

GROUP

Main events 2008

ACQUISITIONS

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 for a total consideration of EUR 1.1 billion.

On 2 May 2008, ING 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 market, for a total consideration of EUR 570 million. On 1 July 2008, ING received final regulatory approvals and completed the acquisition.

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. The takeover was succesfully closed on 18 August and booked in 3Q2008.

DIVESTMENTS

Consistent with its increased 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 the first quarter of 2008.

On 22 July 2008, ING announced it had received regulatory approval to complete the sale of part of its Mexican insurance 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 of EUR 182 million was booked in the third quarter of 2008.

On 20 October 2008, ING announced the sale of its Taiwanese life insurance business to Fubon Financial Holding Co. Ltd. for a total consideration of EUR 447 million. ING was paid in shares and subordinated debt securities of Fubon Financial Holding. Upon closing of the transaction, ING will be a 5% shareholder of Fubon Financial Holding, representing a value of roughly EUR 165 million. The transaction resulted in a loss of EUR 292 million which was booked in the fourth quarter of 2008. ING closed the sale on 11 February 2009.

In October, the government of Argentina proposed legislation to nationalise the private pension system. This resulted in a net capital loss of EUR 97 million in the fourth quarter of 2008, which was booked as a special item.

STRENGTHENING CORE CAPITAL

On 19 October 2008, ING announced it had reached an agreement with the Dutch government to strengthen its capital position. ING issued non-voting equity securities for a total consideration of EUR 10 billion to the Dutch State.

OTHER EVENTS

On 5 March 2008, ING announced that it will make a substantial investment in the Dutch retail banking branch network to further raise ING's potential for future growth. The investment is in line with the strategy to combine Postbank and ING Bank under one single brand in the Netherlands.

On 18 November 2008, ING announced it intends to voluntarily delist from the Frankfurt, Paris and Swiss stock exchanges. The listing of ING shares on Euronext Amsterdam, Euronext Brussels and of ADRs on the New York Stock Exchange is not affected.

On 21 November 2008, it was agreed that ING's Dutch insurance subsidiaries will offer compensation to policyholders where individual unit-linked life policies have a cost charge in excess of an agreed maximum. Although the agreement is not binding for policyholders, ING believes a significant step was set towards resolving the issue. As adequate provisions had been established, there is no material impact on fourth quarter 2008 results.

DEVELOPMENTS SINCE 4Q2008

On 26 January 2009, ING announced measures to reduce risks and expenses in order to adapt ING Group to the current environment. Risks will be reduced by an Illiquid Assets Back-up Facility, with the Dutch State covering 80% of Alt-A RMBS portfolio. Expenses will be cut by EUR 1 billion in 2009, including a headcount reduction of 7,000. Furthermore, selective divestments will be made outside the focus of the core franchise.

Also, on 26 January, ING announced that Michel Tilmant has stepped down from the Executive Board; Jan Hommen has been appointed as new CEO, subject to approval by the annual General Meeting in April 2009.

On 29 January 2009, ING's ratings were affirmed by Standard & Poor's but downgraded by Moody's and Fitch. S&P affirmed its AA-/A-1+ counterparty credit ratings on ING Group and ING Insurance and its AA/A-1+ counterparty credit rating on ING Bank. Moody's downgraded ING Group by one notch from Aa3 to A1; ING Insurance by one notch from A1 to A2; and ING Bank by one notch from Aa2 to Aa3, all with stable outlooks. Fitch Ratings downgraded the ratings of ING Bank N.V. (AA-) with a stable outlook and ING Group (A+) and ING Verzekeringen N.V. (A+) with a negative outlook.

In early February, ING sold its 70% stake in ING Canada generating gross proceeds of CAD 2.2 billion (EUR 1.4 billion). The balance sheet size of ING Canada was EUR 5.5 billion. The transaction is subject to regulatory approvals, and is expected to be closed and booked in the first quarter of 2009. On a pro-forma basis, the debt/equity ratio of Insurance will be reduced by more than 4 percentage points.

GROUP

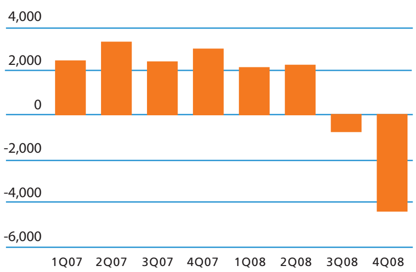
Consolidated income statement

ING Group: Consolidated Income Statement								
in EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Gross premium income	9,703	11,802	-17.8%	10,380	-6.5%	43,151	45,044	-4.2%
Interest result banking operations	3,231	2,298	40.6%	2,610	23.8%	11,042	9,001	22.7%
Commission income	1,216	1,179	3.1%	1,261	-3.6%	4,959	4,833	2.6%
Total investment & other income	-610	4,385	-113.9%	1,207	-150.5%	6,522	15,317	-57.4%
Total underlying income	**13,539**	**19,664**	**-31.2%**	**15,458**	**-12.4%**	**65,675**	**74,196**	**-11.5%**
Underwriting expenditure	13,003	12,586	3.3%	11,831	9.9%	48,910	47,154	3.7%
Operating expenses	4,036	3,857	4.6%	3,757	7.4%	15,190	14,742	3.0%
Other interest expenses	267	232	15.1%	228	17.1%	978	1,094	-10.6%
Addition to loan loss provisions /other impairments	610	32	n.a.	404	51.0%	1,383	126	n.a.
Total underlying expenditure	**17,916**	**16,707**	**7.2%**	**16,221**	**10.5%**	**66,461**	**63,116**	**5.3%**
Underlying result before tax	**-4,377**	**2,957**	**-248.0%**	**-763**	**-473.7%**	**-786**	**11,080**	**-107.1%**
Taxation	-1,230	260	-573.1%	-185	-564.9%	-577	1,605	-136.0%
Result before minority interests	-3,147	2,697	-216.7%	-578	-444.5%	-209	9,475	-102.2%
Minority interests	-46	53	-186.8%	8	-675.0%	-38	267	-114.2%
Underlying net result	**-3,101**	**2,644**	**-217.3%**	**-585**	**-430.1%**	**-171**	**9,208**	**-101.9%**
Net gains/losses on divestments	-217	-37		178		7	407	
Net result from divested units	-74	-26		4		-50	-4	
Special items after tax	-320	-98		-74		-515	-369	
Net result	**-3,711**	**2,482**	**-249.5%**	**-478**	**-676.4%**	**-729**	**9,241**	**-107.9%**
Result per share (in EUR)	**-1.82**	**1.18**	**-254.2%**	**-0.22**	**-727.3%**	**-0.36**	**4.32**	**-108.3%**

- **Underlying net loss of EUR 3.1 billion driven by market volatility**
- **Banking underlying net loss of EUR 1,065 million in 4Q**
- **Insurance underlying net loss of EUR 2,036 million**

ING GROUP

Underlying result before tax (EUR million)



The unprecedented dislocation in financial markets and challenging commercial environment led to a fourth quarter underlying net result of EUR -3,101 million. For the full year 2008, ING reported an underlying net loss of EUR 171 million.

The fourth quarter of 2008 marked the worst quarter for equity and credit markets in over half a century. Although ING actively reduced risk exposures across the Group throughout the quarter, the rapid and profound changes in the economic climate impacted results.

Extreme market volatility and sharp declines in asset prices triggered impairments and fair value changes of EUR 3,004 million in the quarter, of which EUR 2,049 million related to pressurised assets and EUR 686 million to equity securities. The remainder was attributable to impairments and fair value changes on other debt securities, including financial institutions' debt.

Globally, real estate prices fell noticeably in the fourth quarter, leading to negative revaluations on real estate and impairments on development projects of EUR 612 million.

Negative revaluations on private equity were EUR 267 million. Other negative impacts stemming from the weak financial landscape totalled EUR 1,263 million, and included DAC unlocking, hedge losses and investment losses.

Primarily as a consequence of the negative market impacts, Insurance and Banking both reported underlying losses before tax in the fourth quarter. The loss in Insurance of EUR 2,536 million was exacerbated by lower gross premium income, primarily from flagging sales of investment-related products in the Americas and Asia/Pacific. Banking's loss was EUR 1,841 million. The positive effect of an uptick in interest results was mitigated by EUR 576 million of risk costs due to worsening credit conditions as well as impairments on the Alt-A RMBS portfolio.

Commercial activity was weaker due to the adverse economic conditions. Net production of client balances was EUR -6 billion in the quarter, excluding the impact

ING Group: Key Figures								
in EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Underlying[1] result before tax								
Insurance Europe	-186	357	-152.1%	101	-284.2%	651	1,840	-64.6%
Insurance Americas	-992	439	-326.0%	-214	-363.6%	-534	2,062	-125.9%
Insurance Asia/Pacific	-209	112	-286.6%	19	n.a.	116	576	-79.9%
Corporate Line Insurance	-1,149	897	-228.1%	-453	-153.6%	-1,469	1,635	-189.9%
Underlying result before tax from Insurance	**-2,536**	**1,805**	**-240.5%**	**-547**	**-363.6%**	**-1,235**	**6,113**	**-120.2%**
Wholesale Banking	-366	512	-171.5%	40	n.a.	609	2,059	-70.4%
Retail Banking	75	522	-85.6%	420	-82.1%	1,691	2,402	-29.6%
ING Direct	-1,411	73	n.a.	-47	n.a.	-1,125	530	-312.3%
Corporate Line Banking	-139	45	-408.9%	-629	77.9%	-726	-24	n.a.
Underlying result before tax from Banking	**-1,841**	**1,151**	**-259.9%**	**-216**	**-752.3%**	**449**	**4,967**	**-91.0%**
Underlying result before tax	**-4,377**	**2,957**	**-248.0%**	**-763**	**-473.7%**	**-786**	**11,080**	**-107.1%**
Taxation	-1,230	260	-573.1%	-185	-564.9%	-577	1,605	-136.0%
Result before minority interests	-3,147	2,697	-216.7%	-578	-444.5%	-209	9,475	-102.2%
Minority interests	-46	53	-186.8%	8	-675.0%	-38	267	-114.2%
Underlying net result	**-3,101**	**2,644**	**-217.3%**	**-585**	**-430.1%**	**-171**	**9,208**	**-101.9%**
Net gains/losses on divestments	-217	-37		178		7	407	
Net result from divested units	-74	-26		4		-50	-4	
Special items after tax	-320	-98		-74		-515	-369	
Net result	**-3,711**	**2,482**	**-249.5%**	**-478**	**-676.4%**	**-729**	**9,241**	**-107.9%**
Result per share (in EUR)[2]	**-1.82**	**1.18**	**-254.2%**	**-0.22**	**-727.3%**	**-0.36**	**4.32**	**-108.3%**

[1] Underlying result before tax and underlying net result are non-GAAP measures for result excluding divestments and special items
[2] Result per share differs from Earnings per share under IFRS for the treatment of the non-voting equity securities.
Note: small differences are possible in the tables due to rounding

of currency effects. Insurance and Banking each contributed EUR -3 billion to the net production, as only Insurance Europe and Retail Banking showed positive net production.

For the full-year 2008, the net production of client balances was EUR 93 billion, excluding currency impacts. Including the impact of currency effects, total client balances of EUR 1,455 billion at year-end were flat compared with the previous year. Client savings and deposits accounted for EUR 21 billion of the net production (excluding currency effects), of which EUR 12 billion was from retail customers.

Overall, lending growth was robust throughout 2008, despite a fourth quarter decline in all markets except for the Netherlands. Of the client balance net production, bank lending contributed EUR 59 billion in 2008, excluding currency effects. At Insurance, positive net production of client balances was generated by all business lines as inflows in life insurance and retirement services more than offset outflows in third-party assets under management.

Operating expenses increased 4.6% versus the fourth quarter of 2007. Insurance was flat, whereas Banking rose 7.1%, partly due to the inclusion of ING Bank Turkey and Interhyp in Germany. Expenses compared with the third quarter of 2008 went up 7.4%, mainly due to transformation costs for the Dutch retail bank integration and impairments on development projects. Cost-cutting initiatives have been implemented worldwide to adapt to the evolving marketplace.

The fourth quarter effective tax rate was 28.1%.

Including the impact of divestments and special items, ING recorded a net loss of EUR 3,711 million for the quarter. This includes a EUR 292 million loss on the sale of Taiwan Life, a EUR 188 million loss from the nationalisation of the pension business and provisioning for annuities in Argentina, EUR 54 million in restructuring costs for the Dutch retail bank and EUR 65 million for the cancelled launch of ING Direct Japan.

The net loss per share was EUR 1.82, versus a profit of EUR 1.18 in the fourth quarter of 2007. The total number of shares outstanding in the market decreased 3.4% from a year earlier to 2,027 million.

Consolidated balance sheet

ING Group: Consolidated Balance Sheet

	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08
Cash and balances with central banks	22,045	20,747	14,440	4,662	18,169	16,899	-10,564	-814
Amounts due from banks	48,447	68,575			48,447	68,575		
Financial assets at fair value through P&L	280,504	294,127	106,036	112,614	175,023	182,566	-555	-1,053
Investments	258,291	271,868	109,486	119,960	148,805	151,909		
Loans and advances to customers	619,791	631,474	25,635	30,469	598,328	608,286	-4,172	-7,282
Reinsurance contracts	5,797	5,966	5,797	5,966				
Investments in associates	4,355	5,052	2,723	3,014	1,813	2,172	-180	-134
Real estate investments	4,300	4,694	1,118	1,422	2,884	3,271	298	
Property and equipment	6,396	6,361	710	818	5,686	5,544		
Intangible assets	6,915	7,549	4,731	5,187	2,415	2,449	-231	-87
Deferred acquisition costs	11,843	12,295	11,843	12,295				
Other assets	62,977	47,106	29,700	14,179	33,120	33,969	157	-1,042
Total assets	**1,331,663**	**1,375,814**	**312,220**	**310,586**	**1,034,689**	**1,075,640**	**-15,247**	**-10,412**
Shareholders' equity (in parent)	17,334	23,723	11,892	12,292	22,889	19,024	-17,447	-7,593
Minority interests	1,594	1,911	520	785	1,232	1,323	-159	-196
Non-voting equity securities ("Core tier-1 securities")*	10,000						10,000	
Total equity	**28,928**	**25,634**	**12,413**	**13,077**	**24,121**	**20,347**	**-7,606**	**-7,789**
Subordinated loans	10,281	10,178	6,928	7,364	21,657	20,498	-18,304	-17,684
Debt securities in issue	96,488	99,978	4,728	4,752	84,272	87,876	7,488	7,349
Other borrowed funds	31,198	26,426	13,153	9,309			18,045	17,117
Insurance and investment contracts	240,790	259,752	240,790	259,752				
Amounts due to banks	152,265	178,290			152,265	178,289		
Customer deposits and other funds on deposits	522,783	557,203			537,683	565,760	-14,900	-8,557
Financial liabilities at fair value through P&L	188,398	172,614	5,217	2,229	183,671	170,531	-489	-146
Other liabilities	60,532	45,738	28,991	14,102	31,021	32,339	520	-703
Total liabilities	**1,302,735**	**1,350,179**	**299,807**	**297,509**	**1,010,568**	**1,055,293**	**-7,641**	**-2,623**
Total equity and liabilities	**1,331,663**	**1,375,814**	**312,220**	**310,586**	**1,034,689**	**1,075,640**	**-15,247**	**-10,412**

* see Glossary

- **ING Bank reduces balance sheet by EUR 41 billion**
- **ING Bank's loans to customers declined EUR 12 billion due to lower exposure outside the Netherlands**
- **ING Bank's customer deposits and other funds on deposits decrease by EUR 19 billion at constant FX**
- **Loan-to-deposit ratio increases from 1.08 to 1.11**

In the fourth quarter, ING Group's balance sheet decreased by EUR 44 billion to EUR 1,332 billion at 31 December 2008. The balance sheet reduction is driven by ING Bank, which scaled down its balance sheet by EUR 41 billion in the fourth quarter. This reduction represents the first stage of ING's efforts to reduce the Bank's balance sheet by 10%. The remainder of the intended reduction will be executed over the course of 2009 as part of ING's ongoing de-risking process.

ING Bank's loan-to-deposit ratio increased to 1.11 at year-end 2008, compared with 1.08 at 30 September 2008. This modest increase is due to the decline in customer deposits and other funds on deposits by EUR 28 billion, or EUR 19 billion at constant exchange rates, to EUR 538 billion. EUR 16 billion of the EUR 19 billion decline is due to lower balances in short-term call money and non-trading repos.
ING Bank's loans to customers declined by EUR 10 billion to EUR 598 billion at the end of 2008. The decline is mainly due to a reduction in loans to international corporates. Lending in the Netherlands rose slightly driven by residential mortgages.

Assets

Cash and balances with central banks in ING Insurance increased by EUR 10 billion after the reclassification from 'loans' to 'cash' of EUR 5 billion short-term deposits from ING Insurance at ING Bank and a EUR 4 billion capital injection from ING Group. ING Insurance short term deposits at ING Bank are eliminated at Group level.

Amounts due from banks decreased by EUR 20 billion to EUR 48 billion, mainly

Financial assets at fair value by classification				
in EUR million	Total assets at fair value			
Breakdown ING Group by classification	31 Dec. 08	%	30 Sept. 08	%
A. Published price quotations in an active market	361,746	69%	367,710	67%
B. Valuation techniques supported by observable market data	133,602	26%	153,700	28%
C. Valuation techniques not supported by observable market inputs	28,007	5%	28,658	5%
Total	**523,355***	**100%**	**550,068**	**100%**
	Asset Backed Securities (ABS, part of total assets at fair value)			
Breakdown ING Group by classification	31 Dec. 08	%	30 Sept. 08	%
A. Published price quotations in an active market	24,506	34%	30,698	38%
B. Valuation techniques supported by observable market data	24,445	34%	24,525	31%
C. Valuation techniques not supported by observable market inputs	22,867	32%	25,096	31%
Total	**71,818**	**100%**	**80,319**	**100%**
	Subprime RMBS, Alt-A RMBS and CDOs (part of ABS)			
Breakdown ING Group by classification	31 Dec. 08	%	30 Sept. 08	%
A. Published price quotations in an active market	3,293	14%	4,926	18%
B. Valuation techniques supported by observable market data	432	2%	373	1%
C. Valuation techniques not supported by observable market inputs	20,010	84%	22,362	81%
Total	**23,735**	**100%**	**27,661**	**100%**

* Financial assets at fair value through P&L 280,504 + Investments (fair value and Held to Maturity HTM) 258,291 - adjustments for HTM part in Investments 15,440

due to EUR 17 billion lower unsettled balances from securities transactions. Financial assets at fair value through the P&L decreased by EUR 14 billion. At ING Bank, securities borrowing and reverse repo activities declined by EUR 30 billion, while the trading portfolio decreased by EUR 8 billion. The reduction was partially offset by a EUR 30 billion increase in the market value of trading derivatives. This is mainly the result of lower interest rates and is mirrored by a similar increase of the market value of the trading derivatives on the liability side of the balance sheet.

The above table shows the fair value hierarchy of assets recorded at fair value, which contains some immaterial reclassifications and is similar to the third quarter fair value hierarchy.

The investments portfolio of ING Group declined by almost EUR 14 billion in the fourth quarter, mainly due to negative revaluations and sales. At ING Insurance, where the investments decreased by EUR 10 billion, the sale of ING Life Taiwan mainly caused the decline.

Loans and advances to customers in the banking operations fell by EUR 10 billion to EUR 598 billion. This reduction is primarily due to the impact of the depreciation of foreign currencies vis-a-vis the euro and less corporate loan exposure outside the Netherlands. International corporate loans and advances decreased by EUR 13 billion, of which EUR 8 billion is due to currency exchange rate changes. In the Netherlands, loans and advances were up by EUR 2 billion, mainly driven by selective growth in residential mortgages.

Other assets increased by EUR 16 billion as ING Life Taiwan is now recorded as 'held for sale' in this balance sheet line.

Liabilities

Insurance and investment contracts decreased by EUR 19 billion, mainly due to the sale of ING Life Taiwan, releases from the provision for risk of policyholders and exchange-rate differences.

Amounts due to banks declined by EUR 26 billion, mainly due to a EUR 20 billion decline in the unsettled balances from securities transactions and a EUR 11 billion reduction of call money.

ING Bank's customer deposits and other funds on deposits decreased 5% (EUR 28 billion) to EUR 538 billion at the end of the fourth quarter. In the Netherlands, call money declined EUR 6 billion, repos EUR 5 billion and current accounts EUR 5 billion. Savings accounts in the Netherlands remained roughly flat at EUR 54 billion in the fourth quarter.

In the international operations, customer deposits and other funds on deposits declined by EUR 18 billion, of which EUR 9 billion is due to the depreciation of foreign currencies vis-a-vis the euro. The remainder is largely in ING Direct and ING Bank Slaski, where savings decreased by EUR 3.1 billion and EUR 1.5 billion respectively at constant exchange rates.

Financial liabilities at fair value through the P&L in the banking operations increased by EUR 13 billion, driven by a EUR 31 billion increase in the mark-to-market value of trading derivatives. This increase was partially offset by the repo business, where short-term deposits placed as collateral for securities lending and repos declined by EUR 27 billion.

Other liabilities in the insurance operations rose EUR 14 billion as ING Life Taiwan is now recorded as 'held for sale'.

GROUP

Group shareholders' equity

ING Group: Change in Shareholders' Equity	ING Group*		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	4Q 2008	FY2008	4Q 2008	FY2008	4Q 2008	FY2008	4Q 2008	FY2008
Shareholders' equity beginning of period	**23,723**	**37,208**	**12,292**	**17,911**	**19,024**	**25,511**	**-7,593**	**-6,214**
Net result for the period	-3,711	-728	-2,525	-1,265	-999	772	-187	-236
Unrealised revaluations of equity securities	-1,388	-5,639	-1,450	-4,127	62	-1,344		-168
Unrealised revaluations of debt securities	-3,229	-13,332	-2,685	-7,895	-544	-5,437		
Deferred interest crediting to life policyholders	378	2,193	378	2,193				
Realised gains/losses equity securities released to P&L	937	783	840	554	97	174		55
Realised gains/losses debt securities released to P&L	1,215	1,813	116	464	1,099	1,349		
Change in cashflow hedge reserve	668	746	1,090	1,350	-355	-556	-67	-48
Other revaluations	-172	-14	-176	-29	9	20	-5	-5
Changes in treasury shares:								
- due to the share buyback programme and hedge portfolio emplyee options	-64	-2,030					-64	-2,030
- due to the cancellation of shares	449	4,904					449	4,904
Change in other reserves/share capital due to the cancellation of shares	-449	-4,904					-449	-4,904
Exchange rate differences	-623	-564	-69	-106	-553	-457	-1	-1
Excercise of warrants and options/capital injections		448	4,050	5,450	5,000	7,200	-9,050	-12,202
Cash dividend/coupon on the core Tier-1 securities	-425	-3,600		-2,800		-4,250	-425	3,450
Employee stock option and share plans	-5	31	-18	40	10	67	3	-76
Other	30	20	49	152	39	-160	-58	28
Total changes	**-6,389**	**-19,874**	**-400**	**-6,019**	**3,865**	**-2,622**	**-9,854**	**-11,233**
Shareholders' equity end of period	**17,334**	**17,334**	**11,892**	**11,892**	**22,889**	**22,889**	**-17,447**	**-17,447**

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

- **Shareholders' equity declined by EUR 6.4 billion in 4Q**
- **Decline due to net loss and negative revaluations debt and equity securities**
- **Total IFRS equity increased by EUR 3.3 billion after EUR 10 billion capital injection by the Dutch State**

Shareholders' equity
Shareholders' equity decreased in the fourth quarter of 2008 by EUR 6.4 billion to EUR 17.3 billion. This decrease is mainly due to the negative result in the fourth quarter, unrealised revaluations of debt and equity securities, the negative impact of currencies and the accrued coupon on the core Tier-1 securities issued to the Dutch State. If DNB approves, ING will pay a EUR 425 million coupon to the Dutch State in May 2009.

The unrealised revaluation reserve of debt securities fell by EUR 2 billion in the fourth quarter of 2008. The decrease is the net effect of unrealised and realised (through P&L) revaluations, mainly due to the intensified crisis, with prices falling across most major asset classes. At the end of 2008, the revaluation reserve debt securities was EUR -13.5 billion compared with EUR -11.4 billion at the end of September 2008. The decline of EUR 2 billion is mainly due to credit spread widening. The negative unrealised revaluation reserve 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 the ongoing sharp drop in equity markets in the fourth quarter of 2008. At the end of 2008, unrealised revaluations of equity securities amounted to EUR 1 billion down from EUR 1.4 billion at the end of September 2008.

Number of outstanding shares in the market	
in million	
Balance 31 December 2007	**2,098**
Exercised warrants B	18
Issued for share awards	2
Delta hedge portfolio	1
Share buyback programme	-92
Balance 31 December 2008	**2,027**
Average (for EPS calculation)	**2,043**

ING Group: Shareholders' Equity

in EUR million	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08	31 Dec. 08	30 Sept. 08
Share capital	495	499	174	174	525	525	-204	-200
Share premium	9,182	9,182	9,824	5,774	16,392	11,392	-17,034	-7,984
Revaluation reserve equity securities	973	1,424	-107	503	1,020	861	60	60
Revaluation reserve debt securities	-13,456	-11,442	-8,271	-5,702	-5,185	-5,740		
Revaluation reserve crediting to life policyholders	2,235	1,857	2,235	1,857				
Revaluation reserve cashflow hedge	1,177	509	1,360	270	-129	226	-54	13
Other revaluation reserve	569	733	138	306	436	427	-5	
Currency translation reserve	-1,918	-1,295	-1,192	-1,123	-476	77	-250	-249
Treasury shares	-866	-1,251					-866	-1,251
Other reserves	18,943	23,507	7,731	10,233	10,306	11,256	906	2,018
Shareholders' equity	**17,334**	**23,723**	**11,892**	**12,292**	**22,889**	**19,024**	**-17,447**	**-7,593**
Minority interests	1,594	1,911	520	785	1,232	1,323	-159	-196
Non-voting equity securities ("Core tier-1 securities")	10,000						10,000	
Total equity	**28,928**	**25,634**	**12,413**	**13,077**	**24,121**	**20,347**	**-7,606**	**-7,789**

Net result and earnings per ordinary share

		Full year 2008
Net result (EUR million)	(1)	-729
Average number of shares (million)	(2)	2,042.6
Net result per share (EUR)	(1)/(2)	-0.36
Coupon to Dutch State (EUR million)	(3)	425
Earnings (EUR million)	(4)=(1)-(3)	-1,154
Earnings per share (EUR)	(4)/(2)	-0.56

Number of shares

The total number of shares outstanding in the market declined from 2,098 million at the end of 2007 to 2,027 million at the end of 2008. The total number of shares outstanding in the market is the total number of shares minus the treasury shares. The number of treasury shares decreased from 128.4 million at year-end 2007 to 36.5 million at the end of 2008 due to the cancellation of shares acquired through the share buyback programme, and a decrease in the amount of shares held as a hedge for employee share options.

The average number of shares used to calculate the net result and earnings per share over 2008 is 2,043 million.

The first coupon to the Dutch State of EUR 425 million is deducted from shareholders' equity in the fourth quarter of 2008. The coupon has no impact on the profit and loss account and will be paid to the Dutch State in May 2009, subject to approval by DNB.

Subsequent events

On 12 January 2009, ING reclassified EUR 22.8 billion of European RMBS, ABS, CMBS and covered bonds from 'Available for Sale' to 'Loans'. This reclassification mitigates future volatility in IFRS equity and aligns the accounting treatment with ING's intention to hold for the foreseeable future. The negative revaluation reserve locked-in at reclassification is approximately EUR 0.9 billion after tax. Credit losses will follow the same procedures as loan loss provisions. Any future impairments will be based on the "locked-in" fair value and not the fair value at future date of impairment. The reclassification is expected to have no material impact on the P&L in the first quarter of 2009.

On 26 January 2009, ING entered an agreement with the Dutch State to transfer the economic ownership of 80% of ING Direct's and Insurance Americas Alt-A RMBS portfolio from ING to the Dutch State. The transaction will result in the reversal of 80% of the negative revaluation reserve on the Alt-A RMBS portfolio. As a result ING Group's shareholders' equity will increase by EUR 4.6 billion.

GROUP

Risk management

- **ING is taking measures to reduce risk and adapt the organisation to the new business environment**
- **Additional impairments and negative revaluations across all major asset classes in 4Q**
- **EUR 303 million estimated credit loss triggers EUR 1.8 billion pre-tax impairment on Alt-A RMBS**

Pre-tax P&L impact impairments, fair value changes and trading losses in 4Q2008

EUR million	ING Group	ING Insurance	ING Bank
Equity securities	-686	-643	-43
Debt securities:			
Financial institutions	-67	-46	-21
Subprime RMBS	-50	-14	-36
Alt-A RMBS	-1,814	-142	-1,672
CDO/CLO	-185	-159	-26
Other debt securities	-202	-139	-63
Total	**-3,004**	**-1,143**	**-1,861**

Risk management in times of crisis

Market conditions deteriorated sharply in the fourth quarter. It was the worst quarter for equity and credit markets in more than 50 years. The S&P 500 declined 22% and the Dutch Amsterdam Exchange Index 26%. Real estate prices declined further. In the US, the S&P's Case-Schiller index showed a cumulative decline in housing prices of 18% over 2008. Corporate credit spreads widened significantly in the quarter. Interest rates fell in the US and the eurozone.

ING has integrated risk management in its daily business activities and strategic planning. Risk Management sets risk appetite, strategies, policies and limits. To counter the implications of the challenging economic and market conditions, ING has been taking measures to reduce risk across major asset classes.

Balance sheet reduction

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

Credit Risk

In the first quarter of 2009, ING reduced its credit risk by entering into an Illiquid Assets Back-up Facility with the Dutch State. The Facility covers a large part of ING's Alt-A RMBS portfolio and is described in a text box at page 18.

Equity exposure

Direct equity exposure has been reduced from EUR 15.8 billion at the end of 2007 to EUR 5.8 billion at year-end 2008. The portfolio contains EUR 1.9 billion strategic banking stakes, mainly in Bank of Beijing and Kookmin Bank. ING Insurance has EUR 3.9 billion balance sheet exposure, which is partially hedged against further market losses. In addition, a temporary hedging program was put in place to reduce earnings volatility as a result of potential DAC unlocking in the US.

Interest rate risk

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

Fourth quarter asset performance

Credit portfolios

The deteriorating market conditions in the fourth quarter led to further impairments and/or negative revaluations in all major asset classes. As illustrated in the table ING Group recorded EUR 2.0 billion in pre-tax losses on subprime RMBS, Alt-A RMBS and CDO/CLOs. Furthermore, ING recorded EUR 1.1 billion negative pre-tax revaluations through the balance sheet. Impairments, fair value changes and trading losses are directly charged to the profit and loss account, whereas changes in revaluation reserve are reflected in shareholders' equity on the balance sheet.

Subprime RMBS, Alt-A RMBS and CDO/CLO at 31 December 2008									
In EUR million	31 December 2008			Change in 4Q2008			30 September 2008		
Business Line	Market value	Revaluations through Equity (pre-tax)	Market value in % purchase price	Writedowns through P&L (pretax)	Revaluation through Equity (pre-tax)	Other changes 1)	Market value	Revaluations through Equity (pre-tax)	Market value in % purchase price
Insurance Europe	20					-5	25		
Insurance Americas	1,654	-1,015		-14	-401	39	2,030	-614	
Insurance Asia	-					-1	1		
Wholesale Banking	41	-76		-12	-11	-3	67	-65	
ING Direct	63	-55		-24	-6	3	90	-49	
Total Subprime RMBS	**1,778**	**-1,146**	**58.1%**	**-50**	**-418**	**33**	**2,213**	**-728**	**73.0%**
Insurance Americas	2,111	-1,203		-142	-362	2	2,613	-841	
Insurance Asia	10	-1			1	0	9	-2	
Wholesale Banking	399	-115		-26	-48	-39	512	-67	
ING Direct	16,327	-6,155		-1,646	-59	108	17,924	-6,096	
Total Alt-A RMBS	**18,847**	**-7,474**	**66.4%**	**-1,814**	**-468**	**71**	**21,058**	**-7,006**	**74.4%**
Insurance Europe	708	-39			-32	633	107	-7	
Insurance Americas	2,700	-158		-147	-98	-835	3,780	-60	
Insurance Asia	11	-62		-12	-9	4	28	-53	
Wholesale Banking	50	-93		-26	-36	-707	819	-57	
ING Direct									
Total CDOs/CLOs 2)	**3,469**	**-352**	**77.8%**	**-185**	**-175**	**-905**	**4,734**	**-177**	**91.5%**
Total	**24,094**	**-8,972**		**-2,049**	**-1,061**	**-801**	**28,005**	**-7,911**	

1) Including FX changes, purchases, sales, redemptions and reclassifications
2) includes synthetic CDOs at their notional value

Subprime RMBS portfolio

After a modest rebound at the end of the third quarter, the ABX index for AAA and AA 2007 subprime RMBS continued its downward trend. The market value of ING's subprime RMBS portfolio declined to EUR 1.8 billion. The fair value was 58.1% of the purchase price at the end of the fourth quarter, down from 73% at 30 September. This decline in fair value was mainly driven by credit spread widening. In addition, ING recorded a EUR 50 million pre-tax loss through the P&L on subprime RMBS in the fourth quarter.

Alt-A RMBS portfolio

ING's US Alt-A RMBS portfolio declined by EUR 2.2 billion to EUR 18.8 billion at year-end. The decline is due to negative pre-tax revaluations via shareholders' equity. The EUR 1.8 billion pre-tax impairment is balanced out via a similar increase in the revaluation reserve. At year-end 65% of ING's Alt-A RMBS was AAA rated, down from 87% at the end of the third quarter.

An actual credit loss or an expected breach of the credit enhancement triggers an impairment of that specific RMBS. IFRS requires that the impairment equals a write-down to the market value. As the current Alt-A RMBS prices are hampered by illiquid markets, impairments are significantly higher than the estimated credit loss of the RMBS tranche.

During the fourth quarter, ING Direct newly impaired 86 of the 734 Alt-A bonds in its EUR 16.3 billion Alt-A RMBS portfolio. The EUR 1,646 million pre-tax impairment is driven by a relatively small estimated credit loss of EUR 263 million. The estimated future credit loss on this portfolio translated into impairments that are sixfold in size as IFRS requires to write an impaired RMBS down to its market value at the reporting date. ING Insurance's Alt-A RMBS had an estimated credit loss of EUR 40 million, triggering EUR 142 million pre-tax impairments.

The main reason for the increase in credit losses was the continued deterioration in delinquencies in the underlying Alt-A mortgages and a marked deterioration in the mortgage market outlook. The latter is reflected in Alt-A mortgage default curves which are predicted to be higher for an extended period of time.

Prime RMBS portfolio

ING Group owns EUR 33.7 billion of prime RMBS. This portfolio comprises EUR 12.1 billion US agency RMBS, EUR 7.2 billion US prime RMBS and EUR 14.4 billion European RMBS. There are no P&L losses on this prime RMBS portfolio which was fair valued at 92% at 31 December.

CDO/CLO portfolio

ING's CDO/CLO portfolio declined from EUR 4.7 billion at 30 September to EUR 3.5 billion at year-end 2008. The reduction in CDO/CLO exposure is due to sales, EUR 175 million negative revaluations and EUR 185 million pre-tax losses through the P&L. In the fourth quarter ING Insurance US closed EUR 650 million worth of CDO positions. Insurance Europe reclassified EUR 0.6 billion from European ABS, mainly with underlying

SME loans, to CDO/CLOs. The vast majority of ING's CDO/CLO portfolio has investment-grade corporate credit as underlying assets. EUR 1 million has US subprime mortgages as underlying assets.

CMBS portfolio

At year-end ING had EUR 7.3 billion of exposure to Commercial Mortgage Backed Securities (CMBS).The majority of this exposure concerns senior AAA tranches with significant credit enhancement. At year-end ING's CMBS portfolio was fair valued at 71%. The market is pricing in the considerable uncertainties in the sector's performance.

Risk costs

Total net additions to loan loss provisions were EUR 576 million which is the net result of EUR 663 million in additions to the provision and EUR 87 million releases. This translates to (annualised) 81 bps of average credit risk-weighted assets (CRWA) and reflects a strong increase compared with the third quarter (54 bps). This can be explained by the accelerated downturn in global economy in the fourth quarter, resulting in increases in specific provisions for the Wholesale Bank and the mid-corporate segment. The increase in risk costs at ING Direct is directly related to the deteriorated situation on the US housing market.

CRWA increased by EUR 11 billion to EUR 288 billion. Rating downgrades in ING Bank's Alt-A RMBS portfolio contributed EUR 14.2 billion to this increase. In the current market ING anticipates an upward trend in CRWA due to credit rating migration in securities positions and due to downgrades of internal ratings under Basel II for parts of the loan books.

Equity securities

In the specific case of equity securities classified as available for sale, a significant or prolongued decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. Significant and prolongued are interpreted on a case-by-case basis for specific equity securities; generally 25% or six months are used as triggers. This caused EUR 686 million of pre-tax impairments on equity securities in the fourth quarter, of which EUR 400 million relates to newly impaired securities. At 31 December, ING had EUR 5.8 billion of equity exposure for risk of shareholders. The equity exposure declined by EUR 2.8 billion in the fourth quarter, due to negative revaluations and sales.

Real Estate

ING has EUR 9.8 billion real estate exposure that is subject to revaluation through the P&L, down from EUR 11.5 billion in Q3. The decline is due to negative revaluations, FX effects and sales across geographies. In the fourth quarter, ING Group recorded EUR 612 million of negative pre-tax revaluations on real estate investments and impairments on development projects through the P&L. ING's real estate portfolio benefits from high occupancy rates and is diversified over sectors and regions, but is clearly affected by the negative real estate markets throughout the world.

Liquidity

ING's liquidity position remains sound. ING Bank has a favourable funding profile as 61% of the funding stems from client deposits.

Illiquid Assets Back-up Facility

On 26 January 2009 ING Group and the Dutch State entered into an Illiquid Assets Back-up Facility with the Dutch State. The transaction covers Insurance Americas and ING Direct's Alt-A RMBS portfolios. US RMBS market prices are depressed due to a lack of liquidity. This has impacted ING's results and shareholders' equity far in excess of estimated credit losses.

Under the terms of the Facility, ING sells 80% of each security in the Alt-A RMBS portfolios of ING Direct and Insurance Americas to the Dutch State. From 26 January onwards, the Dutch State will absorb 80% of the risks and returns on the Alt-A portfolios. ING will remain exposed to 20% of the result of the Alt-A portfolios and remains the legal owner of 100% of the securities.

The economic ownership of 80% of the portfolios will transfer at a discount of 10% of par value. The purchase price is EUR 21.9 billion (80% x 90% x par value). This price is not paid in cash as ING funds the State. The State pledges a receivable, which will be redeemed using an agreed redemption scheme reflecting expected redemption of the Alt-A mortgages.

The transaction will not have a material impact on ING's profit & loss account in the first quarter of 2009. The net present value (NPV) of the guarantee fee is mainly offset by the NPV of the management fee that ING receives. Going forward, ING will receive a coupon on the receivable of 3% (fixed part) and US 1-month LIBOR (floating part). 80% of the cash flows on the Alt-A portfolios will be passed-through to the Dutch State. As a result of these cash flows we expect a negative impact on interest income of around EUR 100 million per quarter. This impact will gradually decline over time due to redemptions and pre-payments.

As a result of the Facility, 80% of the Alt-A portfolios are derecognised from ING's balance sheet under IFRS. Therefore, 80% of the negative revaluation reserve on the securities is reversed: Shareholders' equity will increase by EUR 4.6 billion. In addition, RWAs will decline by some EUR 13 billion, increasing ING Bank's Tier-1 ratio by 37 basis points to 9.7%, on a pro-forma basis.

As condition to the Facility ING committed to support the growth of the Dutch lending business for an amount of EUR 25 billion at market-conform conditions.

Capital management

ING's Capital Base

	ING Group		ING Insurance		ING Bank	
In EUR million	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08
Shareholders' equity	17,334	23,723	11,892	12,292	22,889	19,023
Core tier-1 securities	10,000	0	0	0	0	0
Group hybrid capital	11,655	11,590	4,560	5,026	7,085	6,554
Core debt	7,330	6,882				
Total capitalisation	**46,319**	**42,195**	**16,453**	**17,318**	**29,974**	**25,578**
Adjustments to equity:						
• revaluation reserve debt securities	13,456	11,441	8,271	5,701	5,185	5,740
• revaluation reserve crediting to life policyholders	-2,235	-1,858	-2,235	-1,858		
• Revaluation reserve cashflow hedge	-1,177	-508	-1,360	-270	128	-226
• goodwill	-3,436	-3,410	-1,889	-1,769	-1,636	-1,724
Revaluation reserves fixed income etc.	6,608	5,665	2,787	1,804	3,677	3,790
Rev. reserves equity and real estate excluded from Tier-1					-1,790	-1,422
Insurance hybrid capital			2,250	2,250		
Minorities			520	785	1,198	1,295
Deductions tier-1			0	0	-1,040	-1,185
Available capital			**22,010**	**22,157**	**32,019**	**28,056**
Other qualifying capital					11,870	12,409
DAC/ViF adjustment (50%)			2,780	3,588		
Group leverage (core debt)	-7,330	-6,882				
Adjusted Equity	**45,597**	**40,978**	**24,789**	**25,744**	**43,889**	**40,465**

- **Key capital ratios strengthened by EUR 10 billion injection by Dutch State**
- **Insurance AFR/EC improves after sale of ING Life Taiwan**
- **Insurance debt/equity ratio will be supported by sale ING Canada**

Market conditions

Market conditions deteriorated markedly in October and November, but stabilised in December. Credit spreads widened dramatically and interest rates declined. Central banks cut short-term interest rates. Equity markets fell further. The euro weakened against other currencies, but regained strength towards the end of the quarter. The euro yield curve finally steepened somewhat.

Capital injection

In October, ING Group took advantage of a previously announced capital support facility, issuing EUR 10 billion of core tier-1 securities (the non-voting equity securities) to the Dutch State. This capital injection significantly enhanced the capital position of ING Group.

The core tier-1 securities were structured to be as similar to equity as possible without formally diluting existing shareholders through the issuance of common shares. The securities are pari passu with common equity (there is no claim, even in liquidation). They have a coupon of at least 8.5% (higher according to a formula if the annual dividend on common equity exceeds EUR 0.68), but this coupon will only be paid (on a non-cumulative basis) if a dividend is paid on common equity and only with permission of the Dutch central bank (DNB). The securities are perpetual. Only ING as issuer, with approval of DNB, can alter the fact that these securities are outstanding. ING has the right to repurchase all or part of the securities at any time with a premium of 50% over issue price. After three years ING also has the option to convert the securities on a one-for-one basis into common shares. However, if ING were to convert, the Dutch State may ask for redemption of the securities at issue price, again with approval of DNB. The transaction has requirements on governance.

Key capital and leverage ratios

The adjusted equity of ING Group increased by EUR 4.6 billion in the fourth quarter as the impact of the capital injection was partially offset by the loss in the quarter and the decline in equity markets. During the quarter, ING Group injected EUR 5 billion into Bank and EUR

Capital base: ING Group		
In EUR million unless stated otherwise	31 Dec 08	30 Sep 08
Shareholders' equity	17,334	23,723
+ Core tier-1 securities	10,000	0
+ Group hybrid capital	11,655	11,590
+ Group leverage (core debt)	7,330	6,882
Total capitalisation (Bank + Insurance)	**46,319**	**42,195**
-/- Revaluation reserves fixed income, goodwill & other	-6,608	-5,665
-/- Group leverage (core debt) (d)	7,330	6,882
Adjusted equity (e)	**45,597**	**40,978**
Debt/equity ratio (d/(d+e))	**13.8%**	**14.4%**
Economic Capital		
EC ING Group (EUR billion)	30,675	36,655
AFR ING Group (EUR billion)	41,713	42,686
AFR/EC ratio	136%	116%

Capital ratios: ING Insurance		
In EUR million unless stated otherwise	31 Dec 08	30 Sep 08
Adjusted equity (e)	24,789	25,744
Core debt (d)	2,302	2,253
Debt/equity ratio (d/(d+e))	**8.5%**	**8.0%**
Available capital (a)	22,010	22,157
EU required regulatory capital (b)	8,582	8,523
Capital coverage ratio (a/b)	**256%**	**260%**
Economic Capital		
EC ING Insurance (EUR billion)	13,681	23,007
AFR ING Insurance (EUR billion)	14,194	18,905

Capital ratios: ING Bank		
In EUR million unless stated otherwise	31 Dec 08	30 Sep 08
Core Tier-1	24,934	21,501
Hybrid Tier-1	7,085	6,554
Total Tier-1 capital	**32,019**	**28,056**
Other capital	11,870	12,409
BIS Capital	**43,889**	**40,465**
Risk-weighted assets	343,388	329,568
Required capital Basel II	27,471	26,365
Required capital floor based on Basel I	34,369	33,853
Basel II Core Tier-1 ratio	**7.26%**	**6.52%**
Basel II Tier-1 ratio	**9.32%**	**8.51%**
Basel II BIS ratio *)	**12.78%**	**12.28%**
Economic Capital		
EC ING Bank (EUR billion)	22,407	18,940
AFR ING Bank (EUR billion)	34,849	30,663

*) pre-floor

4.05 billion into Insurance. As a result, the debt/equity ratio of ING Group, which was 14.4% at 30 September, increased from 8.4% on a pro-forma basis (after the EUR 10 billion capital injection) to 13.8% at the end of the fourth quarter.

The debt/equity ratio of Insurance, which was 8.0% at 30 September, increased from -2.0% on a pro-forma basis to 8.5%. Capital injections into subsidiaries, notably into insurance operations in the Netherlands and the US, kept pace with the capital injection to Insurance from the Group. Adjusted equity declined from EUR 25.7 billion to EUR 24.8 billion. USD 800 million of hybrids were transferred from Insurance to Bank in the quarter.

ING Bank's tier-1 ratio increased from 8.5% to 9.3% as an increase of risk-weighted assets from EUR 330 billion to EUR 343 billion was compensated by a EUR 5 billion injection of capital from Group. The BIS Capital ratio improved from 12.3% to 12.8%.

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

AFR Bank increased from EUR 30.7 billion to EUR 34.8 billion during the fourth quarter as a result of the capital injection. EC Bank increased from EUR 18.9 billion to EUR 22.4 billion, as the risk associated with the long-term investment of capital was reflected in the Bank. (In the past, economic capital for the investment of capital was taken at Group level.) The free surplus improved from EUR 11.7 billion to EUR 12.4 billion.

AFR Insurance declined from EUR 18.9 billion to EUR 14.2 billion during the fourth quarter as a result of the adverse market circumstances, particularly higher credit spreads, lower interest rates and lower equity markets. That more than offset the impact of the sale of ING Life Taiwan and the capital injected from the Group.
EC Insurance decreased from EUR 23.0 billion to EUR 13.7 billion. The decline reflects the sale of ING Life Taiwan, which reduced EC by EUR 5.7 billion, and other actions implemented to reduce risk. As a result, the capital deficit of EUR 4.1 billion at the end of the third quarter was reversed into a surplus of EUR 0.5 billion at the end of the fourth quarter.

Since the third quarter of 2008, ING has made an adjustment to AFR and EC to reflect illiquidity in the insurance portfolios. This adjustment has been proxied by applying a AAA covered bond spread to the insurance liability cash flows. In the fourth quarter of 2008 this has been further adjusted for the US business by the differential between the AAA US corporate spreads and the AAA European corporate spreads. ING will continue to review and refine this methodology.

AFR Group decreased from EUR 42.7 billion to EUR 41.7 billion in the fourth quarter, while EC Group decreased from EUR 36.7 billion to EUR 30.7 billion. As a result, the capital buffer increased from 116% at the end of the third quarter to 136% at the end of the year. Going forward ING expects the AFR and EC numbers to continue to be quite volatile, given that they are market-value based.

Capital market operations

Shares in issue declined from 2,081.3 million to 2,063.1 million as the remaining 18.2 million shares from the buy back were cancelled in early October. Treasury shares declined from 48.5 million to 36.5 million as 7.7 million shares were taken onto the delta hedge book when an equity swap was cancelled and 2.5 million shares were sold in the market during the periodic rebalancing.

Acquisitions and divestments

In the fourth quarter, ING closed the acquisition of the Turkish pension fund Oyak Emikilik, and in South Korea ING acquired the remaining 14.9% of ING Life Korea from Kookmin Bank. At the same time, ING sold its 20% stake in the asset management joint-venture KBAM to Kookimin Bank Financial Group. ING currently holds a 5.05% stake in Kookmin Bank Financial Group and a 49% stake in Kookmin Bank Life Insurance.

In the Netherlands ING sold its 50% stake in the joint-venture ArboDuo to ArboNed, and in Curaçao the private banking business was sold to Van Lanschot. The sale of ING Life Taiwan to Fubon Financial Holding closed on 11 February 2009.

Dividend policy

ING Group has announced that it will not pay a final dividend in May 2009, leaving the total dividend over the year 2008 at EUR 0.74, which was paid as an interim dividend in August. The first short coupon on the core tier-1 securities will be paid to the Dutch State in May 2009, pending approval from DNB.

Given the intensity of the crisis, it is difficult to foresee whether ING Group will be in a position to pay a dividend in 2009. The interim dividend for 2009 will not automatically be half of the total dividend of 2008 now that dividends have been stopped. ING will continue to pay dividends in relation to underlying cash earnings, and ING will take a balanced approach to dividends in a careful and conservative manner in the next few years. In case a dividend is paid, the coupon on the core tier-1 securities is also payable, subject to approval of the DNB.

Subsequent events

The intensity of the crisis in the fourth quarter resulted in significant dislocations in financial markets. In order to mitigate the market impact on ING's shareholders' equity, the Group negotiated an illiquid assets back-up facility with the Dutch State in January 2009. Through this facility ING Group transfers the risk on 80% of its Alt-A mortgage-backed securities in the US at a price of 90% of par and in return ING recognises a receivable from the Dutch State. The up-front impact of this transaction will be neutral for the profit and loss account in the first quarter, but will reduce risk-weighted assets by EUR 13 billion. Also, EUR 4.6 billion of negative revaluation reserves will be reversed in shareholders' equity. On a pro-forma basis this raises tier-1 equity at Bank from 9.3% to 9.7%.

In early February the sale of ING Group's 70% stake in ING Canada was announced via a secondary offering, generating gross proceeds of CAD 2.2 billion (EUR 1.4 billion). 36 million shares were sold to investors in a private placement and the remainder to a syndicate of underwriters through a concurrent "bought deal" public offering in Canada. As a result of these transactions the debt/equity ratio of ING Insurance will decline by more than 4%-points. This transaction is subject to various securities regulatory approvals in Canada and is expected to be closed and booked in the first quarter of 2009.

'ING is preserving its capital in the current challenging markets. All key capital ratios have been strengthened'

GROUP

Assets under management

Assets under Management distributed per Business Line

In EUR billion	Total 31 Dec 08	Total 30 Sep 08	Insurance Europe	Insurance Americas	Insurance Asia/Pacific	Wholesale Banking	Retail Banking	ING Direct
			AUM by Business Line, 31 December 2008					
Third-party AUM								
- for insurance policyholders	103.0	114.9	22.0	52.8	28.3	0.0	0.0	0.0
- for institutional clients	140.5	155.1	46.4	26.3	11.0	54.8	2.0	0.0
- for retail clients	91.6	102.7	5.3	38.0	26.6	0.8	14.1	6.9
- for private banking clients	62.0	68.7	0.0	0.0	0.0	0.0	62.0	0.0
Total third-party AUM	**397.1**	**441.3**	**73.6**	**117.2**	**65.8**	**55.5**	**78.1**	**6.9**
Proprietary assets	154.1	166.8	60.9	68.7	16.5	7.9	0.0	0.0
Total Assets under Management	**551.3**	**608.1**	**134.6**	**185.9**	**82.4**	**63.5**	**78.1**	**6.9**
Net inflow (in quarter)	**0.3**	**2.5**	**0.9**	**0.1**	**-1.3**	**0.2**	**0.3**	**0.1**

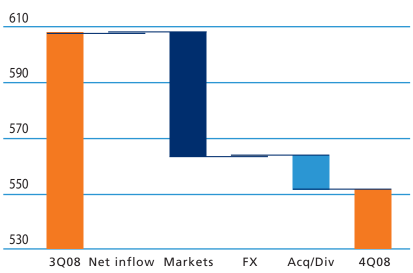
Assets under Management by Manager

	Total		Third-party Assets		Proprietary Assets	
In EUR billion	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08
ING Investment Management Europe	129.5	135.6	81.6	88.6	48.0	47.0
ING Investment Management Americas	139.4	155.0	74.9	88.5	64.5	66.5
ING Investment Management Asia/Pacific	63.6	75.8	48.4	50.7	15.2	25.1
ING Investment Management	**332.5**	**366.4**	**204.9**	**227.8**	**127.7**	**138.6**
ING Real Estate	69.5	77.5	57.0	64.6	12.4	12.9
ING Private Banking	53.1	58.9	53.1	58.9	0.0	0.0
Other	23.6	26.6	10.2	11.9	13.4	14.6
Assets managed internally	**478.7**	**529.4**	**325.2**	**363.2**	**153.6**	**166.2**
Funds managed externally	72.6	78.7	72.0	78.1	0.6	0.5
Total Assets under Management	**551.3**	**608.1**	**397.1**	**441.3**	**154.1**	**166.8**

- **Total AUM down EUR 56.8 billion to EUR 551.3 billion**
- **Lower markets reduced AUM by EUR 44.8 billion**
- **Net inflow of EUR 0.3 billion**

ASSETS UNDER MANAGEMENT

Movement in AUM (EUR billion)



Assets under management

Total assets under management (AUM) declined by EUR 56.8 billion, or 9.3%, in the fourth quarter, as a result of the sharp deterioration of financial markets. Lower asset prices for equity and fixed income securities had a negative impact of EUR 44.8 billion. ING achieved a net inflow of EUR 0.3 billion in the fourth quarter. The nationalisation of pension business in Argentina and divestment of businesses in Taiwan, Korea and Curacao had a net negative impact of EUR 12.4 billion.

Net inflow

Despite depressed financial markets, ING succeeded in retaining clients with a net inflow of EUR 0.3 billion overall. ING Insurance Europe contributed a net inflow of EUR 0.9 billion, driven by non-affiliate sales at ING Investment Management Europe. Furthermore, ING Retail Banking raised EUR 0.3 billion, driven by a net inflow at ING Private Banking. Insurance Asia/Pacific registered a net outflow of EUR 1.3 billion, which is mainly due to investors in the retail segment.

Assets under management by manager

Of the EUR 551.3 billion in AUM accumulated by ING's distribution channels, EUR 72.6 billion is managed by external asset managers. The balance, EUR 478.7 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 December 2008, ING IM managed EUR 332.5 billion in total assets. The total third-party assets at ING IM declined 10.1% in the fourth quarter to EUR 204.9 billion. The net inflow of EUR 0.6 billion in the institutional client segment was offset by a net outflow of EUR 1.1 billion related to retail investors. Depressed financial markets had a negative impact of EUR 16.7 billion. Exchange rates decreased AUM by EUR 2.3 billion.

At ING IM Europe, third-party AUM declined by EUR 7.0 billion to EUR 81.6 billion due to lower asset prices. Amongst retail investors a continuing net outflow of EUR 0.8 billion was registered due to volatile financial markets which impacted the clients' risk appetite. Nevertheless, ING IM Europe successfully attracted EUR 1.3 billion from institutional investors through low-risk products and a special focus on client retention. In the fourth quarter, the domestic French ING fund range was sold, concerning EUR 0.2 billion AUM. This sale fits with the strategic efforts to streamline product offerings to the European marketplace and to develop the ING Luxembourg fund range for French-based clients while servicing large institutional clients with tailor-made solutions.

ING IM Americas' third-party AUM declined by EUR 13.6 billion to EUR 74.9 billion. Deteriorated asset prices had a negative impact on AUM of 6.4 billion. Furthermore, exchange rate fluctuations in Latin American countries had a negative impact of EUR 2.3 billion. Due to the nationalisation of Argentina's private pension system, AUM decreased by EUR 4.1 billion. The total outflow amongst retail clients and institutional clients amounted to EUR 0.6 billion due to client erosion in fixed income and enhanced equity investment strategies.

At ING IM Asia/Pacific, third-party assets decreased by EUR 2.3 billion to EUR 48.4 billion. Lower asset prices and the decline of the Australian dollar had a negative impact of EUR 5.9 billion. Throughout the region net outflows were recorded, totaling EUR 1.4 billion in the fourth quarter. The divestment of ING Life Taiwan resulted in an increase of third-party assets due to reclassification from proprietary to third-party assets, which amounted to EUR 4.9 billion.
In Malaysia, the successful launch of ING Annual Income Climate Structured Fund generated EUR 40 million in spite of the difficult market circumstances.

ING Real Estate

The total business portfolio of ING Real Estate decreased 7.4% during the fourth quarter to EUR 106.4 billion. Assets under management, which excludes the real estate finance portfolio, declined by 10.3% to EUR 69.5 billion.

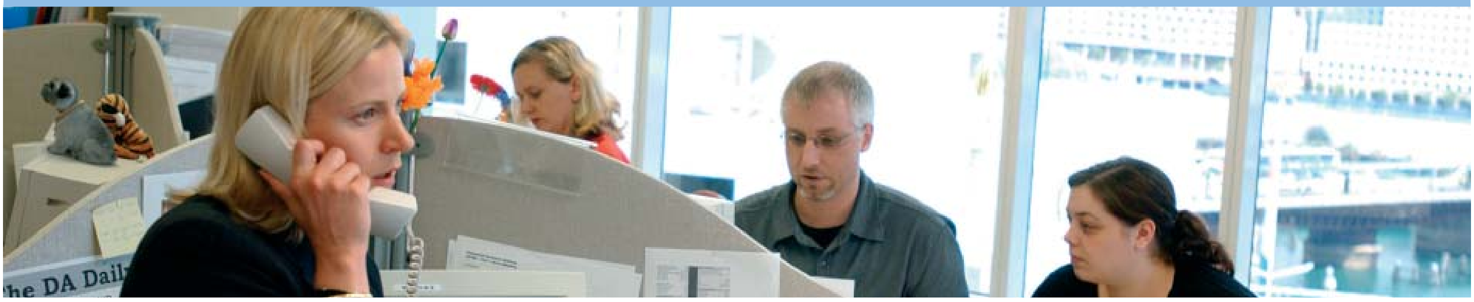
AUM of ING Real Estate Investment Management fell 10.6% to EUR 66.5 billion. The main driver of the decline was the strong fall in the values of listed securities, as well as lower values of real estate investments (investment in funds and direct holdings), totaling EUR -8.3 billion. Exchange rates fluctuations had a positive impact of EUR 0.4 billion. In total, investor clients were retained. Net inflows driven by US funds Clarion Real Estate Securities, Clarion Partners and Clarion Capital were offset by net outflows in separate accounts and funds in the UK and Europe.

At ING Real Estate Development, AUM declined 6.0% to EUR 3.0 billion, due to the sale of a number of projects, including Nisa Liberec (Czech Republic) and EuroAlsace (France).

ING Private Banking

ING Private Banking administers EUR 62.0 billion of client assets, of which EUR 6.8 billion is invested in ING mutual funds and EUR 2.8 billion in externally managed funds. Total administrated assets decreased by EUR 6.7 billion in the fourth quarter, driven by a negative market performance of EUR 5.6 billion, divestment and internal transfers EUR 1.3 billion and compensated by positive exchange rates and net inflows totaling EUR 0.3 billion. At the end of the fourth quarter, the assets within ING Private Banking are geographically spread as follows: the Netherlands (EUR 20.1 billion), Belgium (EUR 13.7 billion), Asia (EUR 11.6 billion), Switzerland (EUR 9.9 billion), Luxembourg (EUR 6.5 billion) and other regions (EUR 0.2 billion).

Insurance



Impairments and negative fair value changes on investments resulted in a loss in the quarter. Commercial activity held up well in Europe, and despite a significant decline in sales, ING maintained its strong market positions in the US and Asia/Pacific.

Insurance Total

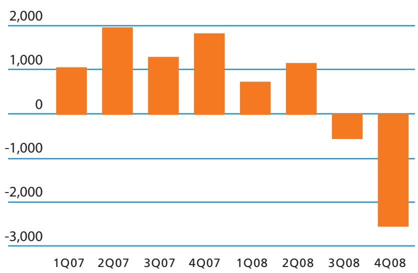
Insurance: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	9,703	11,802	-17.8%	10,380	-6.5%	43,151	45,044	-4.2%
Commission income	497	491	1.2%	557	-10.8%	2,064	1,907	8.2%
Direct investment income	2,225	2,702	-17.7%	2,436	-8.7%	9,276	10,435	-11.1%
Realised gains and fair value changes on inv.	-212	1,047	-120.2%	-459	n.a.	-256	2,418	-110.6%
Total investment and other income	2,013	3,749	-46.3%	1,977	1.8%	9,020	12,853	-29.8%
Total underlying income	**12,213**	**16,042**	**-23.9%**	**12,914**	**-5.4%**	**54,235**	**59,805**	**-9.3%**
Underwriting expenditure	13,003	12,586	3.3%	11,831	9.9%	48,910	47,154	3.7%
Operating expenses	1,350	1,348	0.1%	1,289	4.7%	5,188	5,220	-0.6%
Other interest expenses	362	301	20.3%	309	17.2%	1,269	1,317	-3.6%
Other impairments	34	1	n.a.	31	9.7%	103	1	n.a.
Total underlying expenditure	**14,749**	**14,237**	**3.6%**	**13,461**	**9.6%**	**55,471**	**53,692**	**3.3%**
Underlying result before tax	**-2,536**	**1,805**	**-240.5%**	**-547**	**n.a.**	**-1,235**	**6,113**	**-120.2%**
of which result before tax life insurance	-2,523	1,439	-275.3%	-730	n.a.	-1,744	4,831	-136.1%
of which result before tax non-life insurance	-13	367	-103.5%	184	-107.1%	509	1,282	-60.3%
Taxation	-493	110	-548.2%	-67	n.a.	-373	732	-151.0%
Result before minority interests	-2,042	1,695	-220.5%	-480	n.a.	-862	5,381	-116.0%
Minority interests	-7	27	-125.9%	4	-275.0%	31	155	-80.0%
Underlying net result	**-2,036**	**1,669**	**-222.0%**	**-484**	**n.a.**	**-893**	**5,226**	**-117.1%**
Net gains/losses on divestments	-217	-37	n.a.	178	-221.9%	7	381	-98.2%
Net result from divestments	-74	-26	n.a.	4	n.a.	-50	-4	n.a.
Special items after tax	-201	-		-47	n.a.	-248	-	
Total net result	**-2,527**	**1,605**	**-257.4%**	**-350**	**n.a.**	**-1,183**	**5,603**	**-121.1%**
Assets under Management (in EUR bln)						403	474	-15.0%
Operating expenses Greenfields	38	41	-7.3%	27	40.7%	125	115	8.7%
Tax ratio	19.5%	6.1%		12.2%		30.2%	12.0%	
Staff (FTEs end of period)						49,551	58,451	-15.2%

Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

- **Underlying net loss of EUR 2,036 million**
- **Loss driven by impairments and negative fair value changes**
- **Sales and VNB of investment-linked products under pressure**

INSURANCE TOTAL

Underlying result before tax (EUR million)



Volatile, sharply deteriorating financial markets across the world severely impacted ING's insurance results in the fourth quarter resulting in an underlying net loss of EUR 2,036 million.

During the quarter, ING took measures to reduce risks to make the P&L less volatile and protect shareholders' equity. In Europe, ING continued its de-risking efforts through the sale of proprietary equities (EUR 848 million) and real estate as well as the purchase of additional equity hedges. Interest rate exposure was reduced by narrowing the duration gap between proprietary fixed income investments and insurance liabilities. In the US, ING tightened asset allocation restrictions in variable annuity products. Indirect equity exposure to negative deferred acquisition costs (DAC) unlocking was temporarily hedged. In addition, ING sold EUR 500 million of alternative investments in the US and reduced exposure in the super-senior credit default swap programme by EUR 900 million. The sale of ING Life Taiwan reduced economic capital by EUR 5.7 billion.

Net production of client balances was EUR -3 billion, excluding currency effects. Positive net inflows were observed in Insurance Europe, Americas and Asia/Pacific for the life insurance and retirement businesses, which were offset by outflows of third party institutional assets and mutual funds under management.

Commercial activity held up well in Europe, where new sales increased 8.5%, excluding the contribution of the Romanian second-pillar pension fund in 2007. Despite a significant drop in sales, ING maintained its stable market positions in the US and Asia/Pacific.

On 26 January, ING announced plans to manage down its cost base and cut operating expenses by approximately EUR 350 million for Insurance in 2009, including a reduction of 4,200 full-time positions around the world. This includes 1,400 field staff. Apart from headcount reductions, savings will come from focusing on efficiency of the ongoing business, and reducing marketing and project expenses. However, ING will continue to make selective investments in IT and infrastructure in core businesses.

Insurance's **total net loss** was EUR 2,527 million, which included a EUR 292 million total net loss (book loss and result from the divested unit) on the sale of ING Life Taiwan, and EUR 188 million after tax losses related to Argentina, as the government of Argentina nationalised the private pension system in the fourth quarter. As a result, ING's pension business is effectively terminated and written off, resulting in a EUR 97 million after-tax negative special item. As a further consequence, the Argentine annuity business is no longer viable giving rise to a EUR 91 million after-tax negative special item in the fourth quarter.

Insurance recorded an **underlying net loss** of EUR 2,036 million versus a profit of EUR 1,669 million in the same period last year. This loss was driven by impairments on equity and debt securities, negative DAC unlocking, and negative fair value changes on investments that are marked to market through the profit & loss account, as financial markets deteriorated sharply in the fourth quarter.

Insurance incurred capital losses of EUR 227 million on sales of equity securities in an effort to reduce equity exposure, and recorded further impairments of EUR 643 million. This was partly offset by EUR 82 million in positive fair value changes on derivatives used to hedge ING's equity portfolio. In the fourth quarter of 2007, capital gains net of impairments totalled EUR 1,258 million, including gains of EUR 426 million on ABN Amro and EUR 602 million on Numico.

Impairments and negative fair value changes on pressurised assets amounted to EUR 314 million. Impairments on other debt securities were EUR 186 million. By comparison, in the same period last year impairments and negative fair value changes on pressurised assets were EUR 59 million.

Negative revaluations on real estate investments were EUR 280 million, while negative revaluations and impairments on private equity and alternative assets resulted in a loss of EUR 267 million. The same quarter last year saw positive revaluations on private equity and alternative assets of EUR 38 million, as well as negative revaluations on real estate of EUR 19 million.

Furthermore, DAC unlocking had a negative impact of EUR 838 million in the US, of which EUR 313 million was equity-related DAC unlocking (net of temporary hedging). In Japan, the SPVA business recorded a loss of EUR 269 million due to hedge losses.

Gross premium income was down 17.8%, and 14.1% excluding divestments and currency impacts due to lower sales of investment-related products in Americas and Asia/Pacific. That was partly compensated by an increase in Europe due to higher immediate annuity production.

Commission income edged up 1.4% on a constant currency basis due to increases in the US caused by the consolidation of CitiStreet. This was offset by lower fee income in the US and Asia/Pacific due to lower asset balances.

Investment and other income dropped 46.3% mainly as a result of impairments and capital losses on equity and debt securities, as well as negative revaluations on real estate and private equity investments. This was partly compensated by positive fair value changes on derivatives used to hedge Japan's SPVA guaranteed benefits, which, however, are offset in underwriting expenditure by increased benefit reserves.

Underwriting expenditure reflects incurred insurance claims and increases in insurance policy reserves, offset by increases in the DAC asset. Underwriting expenditure rose 3.3% following an increase in variable annuity guaranteed benefit reserves that were impacted by negative equity market performance (note that hedge programme offsets are reflected in investment income), and negative DAC unlocking in the US.

Operating expenses were down 3.8% excluding the impact of currencies, acquisitions and divestments, as well as non-recurring expense items including a EUR 89 million one-off net release in employee benefits provisions in the Netherlands in the fourth quarter of 2007. The decline was concentrated in the Americas and Asia/Pacific due to cost containment and lower sales volumes.

Insurance: Divestments / Special items

In EUR million	4Q2008	4Q2007
Net gains/losses on divestments		
Sale Chile Health	-3	
Sale Taiwan	-214	
Sale NRG		-129
IPO Brazil		93
Net result from divestments		
Mexico	3	-26
Taiwan	-77	
Special items after tax		
Nationalisation Argentina	-188	
CitiStreet integration costs	-13	
Total	**-492**	**-63**

Life & Non-life Insurance

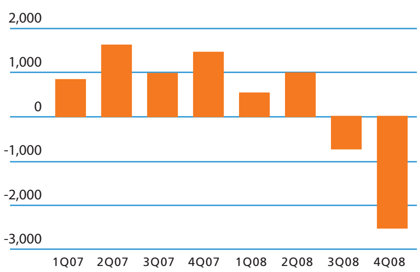
Life Insurance: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	8,795	10,771	-18.3%	9,332	-5.8%	38,748	40,254	-3.7%
Commission income	480	464	3.4%	536	-10.4%	1,980	1,771	11.8%
Direct investment income	2,074	2,534	-18.2%	2,308	-10.1%	8,674	9,776	-11.3%
Realised gains and fair value changes on inv.	-42	881	-104.8%	-394	n.a.	8	1,997	-99.6%
Total investment and other income	2,033	3,416	-40.5%	1,913	6.3%	8,682	11,773	-26.3%
Total underlying income	**11,307**	**14,651**	**-22.8%**	**11,782**	**-4.0%**	**49,410**	**53,798**	**-8.2%**
Underwriting expenditure	12,337	11,855	4.1%	11,137	10.8%	45,627	43,595	4.7%
Operating expenses	1,099	1,054	4.3%	1,034	6.3%	4,162	4,053	2.7%
Other interest expenses	362	303	19.5%	311	16.4%	1,269	1,317	-3.6%
Other impairments	33	1	n.a.	30	10.0%	97	1	n.a.
Total underlying expenditure	**13,830**	**13,213**	**4.7%**	**12,512**	**10.5%**	**51,155**	**48,967**	**4.5%**
Underlying result before tax	**-2,523**	**1,439**	**-275.3%**	**-730**	**n.a.**	**-1,744**	**4,831**	**-136.1%**
Taxation	-487	78	-724.4%	-101	n.a.	-460	537	-185.7%
Result before minority interests	-2,036	1,361	-249.6%	-629	n.a.	-1,284	4,294	-129.9%
Minority interests	6	10	-40.0%	-7	185.7%	7	52	-86.5%
Underlying net result	**-2,042**	**1,351**	**-251.1%**	**-622**	**n.a.**	**-1,291**	**4,241**	**-130.4%**
Value of new life business	170	440	-61.4%	266	-36.1%	1,023	1,113	-8.1%
Internal rate of return (YTD)						13.9%	14.3%	
Single premiums	5,341	8,221	-35.0%	6,575	-18.8%	26,160	31,273	-16.3%
Annual premiums	885	1,196	-26.0%	969	-8.7%	3,953	4,193	-5.7%
New sales (APE)	1,419	2,018	-29.7%	1,627	-12.8%	6,568	7,320	-10.3%
Investment in new business	470	603	-22.1%	432	8.8%	1,779	2,093	-15.0%
Assets under Management (in EUR bln)						403	474	-15.0%
Expenses as % of AUM (YTD)						0.86%	0.76%	
Expenses as % of gross premiums (YTD)						14.0%	14.3%	
Gross life reserves						233,479	256,353	-8.9%

Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

- **Losses driven by impairments and negative fair value changes**
- **APE down due to lower sales in the US and Asia/Pacific**
- **Operating expenses down driven by cost containment**

LIFE INSURANCE

Underlying result before tax (EUR million)



Life Insurance

The **underlying loss before tax** from life insurance was EUR 2,523 million compared with a profit of EUR 1,439 million in the fourth quarter of 2007. Investment income was negatively impacted by impairments on equity and debt securities, negative DAC unlocking and negative fair value changes on investments that are marked to market through the profit & loss account.

Capital losses on equity securities were EUR 204 million as ING sold securities to reduce equity exposure, while impairments totaled EUR 506 million. This was in part compensated by EUR 82 million in positive fair value changes of derivatives hedging the equity portfolio.

Impairments and fair value changes on pressurised assets were EUR 314 million, while impairments on other debt securities were EUR 186 million. Last year, impairments and fair value changes on pressurised assets were EUR 43 million.

Negative revaluations on real estate investments were EUR 260 million, while negative revaluations on private equity & alternative assets resulted in a loss of EUR 244 million.

Results were negatively impacted by DAC unlocking of EUR 838 million in the US, of which EUR 313 million was equity related. In Japan, SPVA produtcs recorded a loss of EUR 269 million mainly due to hedge losses.

Gross premium income declined 18.3%, or 15.5% excluding divestments and currency impacts, following lower sales of investment-related products in the

Non-life Insurance: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	908	1,031	-11.9%	1,048	-13.4%	4,402	4,790	-8.1%
Commission income	18	27	-33.3%	21	-14.3%	85	137	-38.0%
Direct investment income	151	168	-10.1%	129	17.1%	601	659	-8.8%
Realised gains and fair value changes on inv.	-170	165	-203.0%	-65	n.a.	-263	421	-162.5%
Total investment and other income	-20	333	-106.0%	64	-131.3%	338	1,080	-68.7%
Total underlying income	**906**	**1,391**	**-34.9%**	**1,133**	**-20.0%**	**4,825**	**6,007**	**-19.7%**
Underwriting expenditure	667	731	-8.8%	695	-4.0%	3,284	3,558	-7.7%
Operating expenses	251	295	-14.9%	255	-1.6%	1,027	1,167	-12.0%
Other interest expenses	0	-2	100.0%	-2	100.0%	0	-0	n.a.
Other impairments	2	-0	n.a.	1	100.0%	6	-	n.a.
Total underlying expenditure	**919**	**1,024**	**-10.3%**	**949**	**-3.2%**	**4,316**	**4,725**	**-8.7%**
Underlying result before tax	**-13**	**367**	**-103.5%**	**184**	**-107.1%**	**509**	**1,282**	**-60.3%**
Taxation	-7	32	-121.9%	35	-120.0%	87	195	-55.4%
Result before minority interests	-6	335	-101.8%	149	-104.0%	422	1,087	-61.2%
Minority interests	-12	17	-170.6%	11	-209.1%	24	103	-76.7%
Underlying net result	**6**	**318**	**-98.1%**	**138**	**-95.7%**	**398**	**985**	**-59.6%**
Expense ratio (YTD)						32.2%	31.8%	
Claims ratio (YTD)						64.3%	65.2%	
Combined ratio (YTD)						96.5%	97.1%	
Gross non-life reserves						7,311	9,345	-21.8%

Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

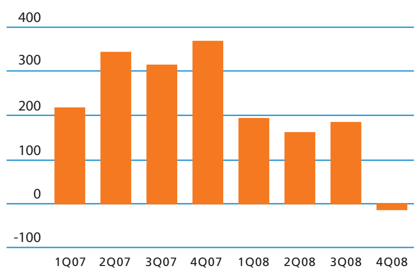
Americas and Asia/Pacific. This was in part compensated by an increase in Europe on higher sales of immediate annuities in the Netherlands.

Operating expenses were down 3.4% excluding acquisitions and divestments, currencies and non-recurring expense items including a EUR 89 million one-off net release in employee benefits provisions in the Netherlands in the same quarter last year. The decline reflects cost containment measures and lower sales volumes.

Net production of client balances was EUR -3 billion, excluding currency effects.

NON-LIFE INSURANCE

Underlying result before tax (EUR million)



Positive net inflows were observed in Insurance Europe, Americas and Asia/Pacific for the life insurance and retirement businesses, which were offset by outflows of third party institutional assets and mutual funds under management.

New sales (APE) decreased 26.3% excluding the impact of the divestment of ING Life Taiwan and currency movements, due to lower sales of investment related products especially in the US and Asia/Pacific. Furthermore, last year's figures included EUR 71 million related to the launch of the Romanian second-pillar pension fund.

VNB declined 54.1% excluding the divestment of Taiwan Life and currency movements. This was caused by lower sales, and margin pressure on variable annuity products due to higher hedge costs from lower interest rates and higher volatility. Last year's figures included EUR 116 million related to the launch of the Romanian second-pillar pension fund.

Non-Life Insurance

The **underlying loss before tax** from non-life insurance was EUR 13 million compared with a profit of EUR 367 million in the fourth quarter of 2007. This decline was largely caused by EUR 23 million in capital losses and EUR 137 million impairments versus gains net of impairments of EUR 183 million in the fourth quarter last year. Furthermore, underwriting results in Canada deteriorated on storm-related claims.

Gross premium income declined 11.9%, but excluding divestments and currency impacts increased 2.6%. Canada posted modest increases in all lines of business except car insurance, and the Netherlands showed an increase in car insurance.

Operating expenses decreased 5.3% excluding divestments and currency impacts, due to cost containment and a EUR 16 million reorganisation provision in the Netherlands in the fourth quarter last year.

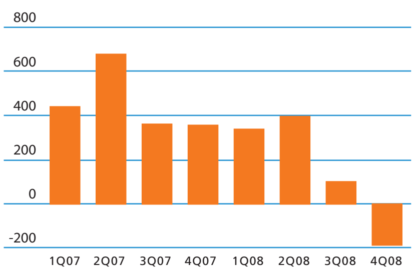
INSURANCE

Insurance Europe

Insurance Europe: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	2,469	2,383	3.6%	2,089	18.2%	10,194	10,253	-0.6%
Commission income	123	116	6.0%	119	3.4%	491	476	3.2%
Direct investment income	934	930	0.4%	950	-1.7%	3,911	4,019	-2.7%
Realised gains and fair value changes on inv.	-40	79	-150.6%	-94	n.a.	-107	607	-117.6%
Total investment and other income	894	1,008	-11.3%	857	4.3%	3,804	4,626	-17.8%
Total underlying income	**3,486**	**3,507**	**-0.6%**	**3,064**	**13.8%**	**14,489**	**15,355**	**-5.6%**
Underwriting expenditure	3,043	2,661	14.4%	2,401	26.7%	11,559	11,206	3.2%
Operating expenses	480	390	23.1%	417	15.1%	1,764	1,726	2.2%
Other interest expenses	148	99	49.5%	148	0.0%	513	582	-11.9%
Other impairments	2	1	100.0%	-3	166.7%	2	1	100.0%
Total underlying expenditure	**3,673**	**3,150**	**16.6%**	**2,963**	**24.0%**	**13,838**	**13,515**	**2.4%**
Underlying result before tax	**-186**	**358**	**-152.0%**	**101**	**-284.2%**	**651**	**1,840**	**-64.6%**
of which result before tax life insurance	-234	278	-184.2%	-5	n.a.	346	1,412	-75.5%
of which result before tax non-life insurance	47	80	-41.3%	106	-55.7%	305	428	-28.7%
Taxation	13	56	-76.8%	59	-78.0%	159	252	-36.9%
Result before minority interests	-200	302	-166.2%	42	-576.2%	492	1,589	-69.0%
Minority interests	-1	5	-120.0%	-4	n.a.	-6	17	-135.3%
Underlying net result	**-199**	**296**	**-167.2%**	**47**	**-523.4%**	**498**	**1,572**	**-68.3%**
Value of new life business	94	200	-53.0%	91	3.3%	397	400	-0.8%
Internal rate of return (YTD)						17.1%	15.8%	
Single premiums	799	871	-8.3%	639	25.0%	3,128	3,256	-3.9%
Annual premiums	176	220	-20.0%	169	4.1%	697	643	8.4%
New sales (APE)	256	307	-16.6%	233	9.9%	1,010	969	4.2%
Investment in new business	126	129	-2.3%	79	59.5%	395	398	-0.8%
Assets under Management (in EUR bln)						135	155	-12.9%
Operating expenses Greenfields	12	17	-29.4%	5	140.0%	29	30	-3.3%
Gross life reserves						77,042	78,640	-2.0%
Tax ratio	n.a.	15.6%		58.1%		24.5%	13.7%	
Staff (FTEs end of period)						14,533	14,452	0.6%

- **Quarterly loss due to deteriorating financial markets**
- **Gross premium income up 3.6%**
- **APE down 16.6% and VNB down 53.0%**

INSURANCE EUROPE
Underlying result before tax (EUR million)



Insurance Europe posted a net underlying quarterly loss of EUR 199 million, as financial markets rapidly deteriorated in the final months of 2008. Insurance Europe continued its de-risking efforts through the sale of proprietary equities and real estate as well as the purchase of additional equity hedges. The interest rate exposure was reduced by narrowing the duration gap between the proprietary fixed income investments and the insurance liabilities.

As economic conditions deteriorated, Insurance Europe continued to strive for cost efficiency, developing restructuring plans that include a reduction of some 1,100 full-time positions. As a result, Insurance Europe anticipates that 2009 expenses will be reduced by around EUR 100 million from 2008 levels, excluding restructuring provisions.

The **underlying result before tax** declined by EUR 544 million, resulting in a loss of EUR 186 million in the fourth quarter of 2008 due to investment losses across most asset classes. Real estate income dropped to EUR -247 million in the fourth quarter of 2008 from EUR 25 million a year ago because of negative revaluations on European properties. Negative revaluations and impairments on private equity resulted in income of EUR

-174 million, a EUR 175 million decline from a year ago. Operating expenses increased EUR 90 million to EUR 480 million.

Gross premium income of Insurance Europe increased 3.6% to EUR 2,469 million for the quarter, due to robust sales of single premium products in the Netherlands. In Belgium, sales of single premium products with profit participation declined as the outlook for profit sharing worsened. Life premiums in Central & Rest of Europe decreased 8.6% to EUR 680 million, mainly due to lower sales of unit-linked contracts and variable annuities. Net pension fund inflows in Central & Rest Europe held up well at EUR 479 million, flat from a year ago.

Operating expenses increased EUR 90 million to EUR 480 million. This increase was largely due to the release of EUR 89 million in employee benefits provisions in the fourth quarter of 2007. Expenses related to the legal transfer of ING's investment management operations in Brussels from ING Bank to ING Insurance resulted in EUR 7 million additional expenses in the Benelux. Expenses in Central & Rest of Europe increased EUR 8 million to EUR 107 million due to EUR 11 million of investments in a multi-year operational efficiency programme that started in 2008. This program will integrate a substantial portion of the back-office operations for ING's business units in Central and Eastern Europe.

Despite the adverse economic conditions, commercial activity held up well. **New Sales (APE)** of Insurance Europe declined 16.6%, but when adjusted for the one-time impact of the second-pillar pension fund in Romania in the fourth quarter of 2007, APE increased by 8.5%. The sales growth was concentrated in the Netherlands, caused by the inclusion of group renewals in the definition of sales, which contributed EUR 34 million to sales in the fourth quarter of 2008. Sales in Central & Rest of Europe decreased 5.8% due to lower sales of unit-linked products and variable annuities.

Value of new business (VNB) declined 53.0%, but increased 11.9% after adjustment for the one-time impact of the second-pillar pension fund in Romania in the fourth quarter of 2007. Also adjusting for the EUR 13 million increase in VNB due to the change in the definition of group sales in the Netherlands, the VNB was down slightly from the fourth quarter of 2007.

'Insurance Europe continued its de-risking efforts'

INSURANCE EUROPE - additional information

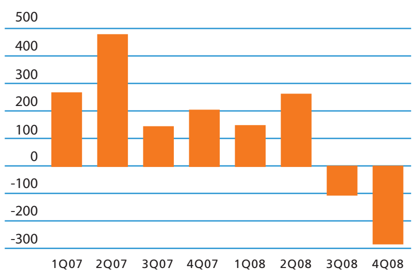
Life Insurance The Benelux

Life Insurance The Benelux: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	1,505	1,360	10.7%	1,225	22.9%	6,060	6,168	-1.8%
Total investment and other income	796	834	-4.6%	709	12.3%	3,205	3,909	-18.0%
Operating expenses	250	149	67.8%	220	13.6%	930	849	9.5%
Underlying result before tax	**-281**	**203**	**-238.4%**	**-104**	**n.a.**	**23**	**1,089**	**-97.9%**
Value of new life business	27	30	-10.0%	18	50.0%	93	87	6.9%
Internal rate of return (YTD)						12.0%	12.4%	
Single premiums	511	482	6.0%	364	40.4%	2,043	2,228	-8.3%
Annual premiums	76	51	49.0%	59	28.8%	255	178	43.3%
New sales (APE)	127	99	28.3%	95	33.7%	459	401	14.5%
Investment in new business	78	41	90.2%	48	62.5%	232	172	34.9%
Expenses as % of AUM (YTD)						0.89%	0.74%	
Expenses as % of gross premiums (YTD)						26.6%	26.2%	
Gross life reserves						67,319	68,806	-2.2%

- **Deteriorating markets impact real estate and private equity returns**
- **Agreement with Dutch consumer organisations on unit-linked cost charges**
- **Variable annuity launched by Nationale Nederlanden**

LIFE INSURANCE THE BENELUX

Underlying result before tax (EUR million)



Nationale-Nederlanden launched a single premium variable annuity product with guaranteed minimum accumulation and death benefits in November. This product addresses the consumers' need for wealth protection within a transparent cost and benefit structure.

In late November, ING agreed with certain Dutch consumer organisations that ING's Dutch insurance subsidiaries will offer compensation to policyholders where individual unit-linked life policies have a cost charge in excess of an agreed maximum. Although the agreement is not binding for policyholders, ING believes a significant step was set towards resolving the issue. As adequate provisions for the settlement had already been established, there is no material impact on fourth quarter 2008 results.

In terms of capital management, solvency levels have been maintained and risks have been reduced through further sales of equities and an increase in equity hedges. The Netherlands' businesses have also extended the duration of their fixed income assets to better match the duration of liabilities.

Underlying profit before tax declined EUR 484 million to EUR -281 million, more than completely due to the Netherlands. The result in the Netherlands declined due to negative revaluations on real estate and private equity investments. Real estate income fell to EUR -229 million compared with EUR 23 million a year ago. Private equity income dropped to EUR -150 million compared with EUR 1 million in the fourth quarter of 2007.

Gross premium income of EUR 1,505 million in the fourth quarter of 2008 is an increase of EUR 145 million, or 10.7%, from the fourth quarter of 2007. This increase is due to higher sales of single premium fixed annuities in the Netherlands.

Operating expenses increased by EUR 101 million due to a EUR 89 million release of employee benefits provisions in the fourth quarter of 2007 and a EUR 10 million restructuring provision in the Netherlands in the current quarter.

Sales in the Netherlands declined 3.9%, after adjusting for the inclusion of group life renewals as of 2008. These renewals contributed EUR 34 million to fourth quarter sales, and EUR 10 million to APE.

Value of new business (VNB) in the Netherlands declined 63.1% after the adjustment for group renewals. The VNB for the quarter was higher by EUR 13 million because of this change.

Non-life Insurance The Benelux

Non-life Insurance The Benelux: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	274	268	2.2%	312	-12.2%	1,647	1,650	-0.2%
Total investment and other income	26	65	-60.0%	33	-21.2%	190	309	-38.5%
Operating expenses	123	142	-13.4%	115	7.0%	476	549	-13.3%
Underlying result before tax	**45**	**77**	**-41.6%**	**104**	**-56.7%**	**299**	**420**	**-28.8%**
Expense ratio (YTD)						41.9%	42.3%	
Claims ratio (YTD)						55.6%	50.9%	
Combined ratio (YTD)						97.5%	93.2%	
Gross non-life reserves						3,347	3,361	-0.4%

- **Underlying pre-tax profit affected by sharply lower investment income**
- **Market share in the Netherlands maintained despite fierce competition**
- **Expenses under control**

Nationale-Nederlanden successfully retained its market shares in both the disability & accident (D&A) and property & casualty (P&C) markets, despite fierce competition from existing competitors and new entrants. Building on the commercial success of the car insurance product in Belgium, the Netherlands is expanding its distribution through both the direct (on-line) and bank channels. Although the non-life business is not a core element of ING's strategy, the P&C business in the Benelux is providing adequate and relatively stable returns.

Underlying profit before tax was down EUR 32 million to EUR 45 million, primarily due to negative revalutions on real estate and private equity. Combined, real estate and private equity income declined to EUR -42 million from EUR 2 million in the fourth quarter of 2007. Claims expenses at disability insurer Movir increased due to a EUR 11 million claims provision release in the fourth quarter of 2007 after an actuarial methodology change. These negative factors were partly offset by a EUR 19 million decline in operating expenses.

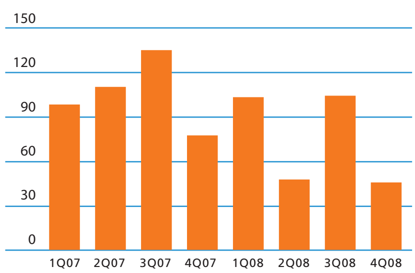
Premium income increased 2.2% to EUR 274 million, in line with price inflation. The Dutch operations were able to maintain market share, posting a 3.1% growth in premiums to EUR 262 million.

Non-life **operating expenses** in the Benelux decreased EUR 19 million (13.4%), attributable to the EUR 16 million reorganization provision for captive brokers in the Netherlands in the fourth quarter of 2007.

The **combined ratio** for the full year 2008 increased to 97.5%. A 4.7% point increase in the claims ratio was driven by a higher release of technical provisions in 2007 than in 2008. The expense ratio declined 0.4% point.

NON-LIFE INSURANCE THE BENELUX

Underlying result before tax (EUR million)

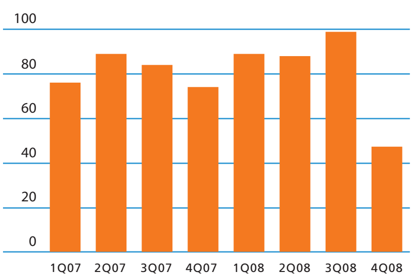


Life Insurance Central & Rest of Europe

Life Insurance Central & Rest of Europe: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	680	744	-8.6%	544	25.0%	2,446	2,394	2.2%
Total investment and other income	72	108	-33.3%	113	-36.3%	406	404	0.5%
Operating expenses	104	96	8.3%	79	31.6%	347	318	9.1%
Underlying result before tax	**47**	**74**	**-36.5%**	**99**	**-52.5%**	**323**	**323**	**0.0%**
Value of new life business	67	170	-60.6%	73	-8.2%	304	313	-2.9%
Internal rate of return (YTD)						23.8%	18.4%	
Single premiums	287	389	-26.2%	275	4.4%	1,086	1,028	5.6%
Annual premiums	100	169	-40.8%	110	-9.1%	442	465	-4.9%
New sales (APE)	129	208	-38.0%	138	-6.5%	551	568	-3.0%
Investment in new business	48	88	-45.5%	31	54.8%	162	226	-28.3%
Operating expenses Greenfields	12	17	-29.4%	5	140.0%	29	30	-3.3%
Expenses as % of AUM (YTD)						0.79%	0.80%	
Expenses as % of gross premiums (YTD)						15.3%	15.0%	
Gross life reserves						9,723	9,834	-1.1%

- **Sales hold up despite turbulent markets**
- **Oyak Emiklilik acquisition closed**
- **Life insurance greenfield in the Ukraine suspended**

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



In Central & Rest of Europe, sales (APE) were down 5.8%, excluding the one-time impact of the second pillar pension fund in Romania in the fourth quarter of 2007. A double-digit sales increase was seen in Poland, which contributed more than one-third of the sales in the region. Additionally, ING Life Poland generated EUR 428 million in sales of short-term deposits through ING Bank Slaski that are not counted in either APE, or reflected in VNB. Lower overall sales in Central & Rest of Europe reflect the adverse impact of the market turmoil on unit-linked and variable annuity sales throughout the region.

ING reduced risk in Central & Rest of Europe in the fourth quarter by selling the majority of the equity portfolio. EUR 69 million in equities remained in the portfolio at the end of the fourth quarter. As part of the actions to reposition ING's operations in response to the financial turmoil, the planned life greenfield in the Ukraine has been suspended.

Underlying profit before tax of Central & Rest of Europe continued to develop favourably on business fundamentals, despite the turmoil in the financial markets. Profit before tax from life insurance decreased by EUR 27 million (36.5%) primarily due to EUR 10 million in impairments on fixed income securities, EUR 7 million in equity hedge losses, and EUR 8 million higher operating expenses.

Life premium income in Central & Rest of Europe decreased 8.6% due to lower sales of unit-linked contracts and variable annuities.

Expenses in Central & Rest of Europe increased 8.3% to EUR 104 million mainly due to EUR 11 million of investments in the Vision-for-Growth programme and EUR 5 million of expenses for the Ukraine life greenfield, which was started in the third quarter of 2008 and suspended in the fourth quarter. The greenfield expenses were EUR 5 million lower, due to lower expenses in Romania following the launch of the second-pillar pension fund in the fourth quarter of 2007.

Sales (APE) and value of new business (VNB) of Central & Rest of Europe declined compared with the fourth quarter 2007, which had been boosted by the launch of a second-pillar pension fund in Romania. Excluding this Romanian pension fund, sales decreased 5.8%, whereas VNB increased 24.1%.

This page has been intentionally left blank.

Insurance Americas

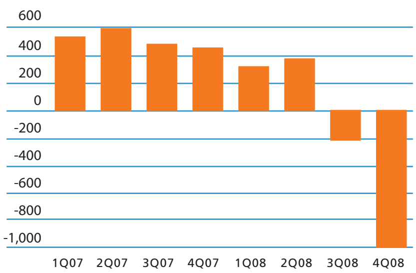
Insurance Americas: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	5,323	6,313	-15.7%	5,411	-1.6%	21,887	22,126	-1.1%
Commission income	316	273	15.8%	354	-10.7%	1,249	1,043	19.8%
Direct investment income	1,225	1,473	-16.8%	1,233	-0.6%	4,617	5,233	-11.8%
Realised gains and fair value changes on inv.	-245	-207	n.a.	-510	n.a.	-975	-348	n.a.
Total investment and other income	980	1,266	-22.6%	723	35.5%	3,642	4,885	-25.4%
Total underlying income	**6,619**	**7,852**	**-15.7%**	**6,488**	**2.0%**	**26,778**	**28,054**	**-4.5%**
Underwriting expenditure	6,946	6,706	3.6%	6,024	15.3%	24,745	23,393	5.8%
Operating expenses	614	619	-0.8%	611	0.5%	2,340	2,272	3.0%
Other interest expenses	50	88	-43.2%	66	-24.2%	221	328	-32.6%
Other impairments	1	-	n.a.	1	0.0%	5	-	n.a.
Total underlying expenditure	**7,611**	**7,413**	**2.7%**	**6,702**	**13.6%**	**27,312**	**25,992**	**5.1%**
Underlying result before tax	**-992**	**439**	**-326.0%**	**-214**	**n.a.**	**-534**	**2,062**	**-125.9%**
of which result before tax life insurance	-1,084	313	-446.3%	-346	n.a.	-982	1,535	-164.0%
of which result before tax non-life insurance	92	126	-27.0%	132	-30.3%	449	527	-14.8%
Taxation	-254	87	-392.0%	-18	n.a.	-145	524	-127.7%
Result before minority interests	-738	352	-309.7%	-196	n.a.	-389	1,537	-125.3%
Minority interests	21	26	-19.2%	22	-4.5%	88	116	-24.1%
Underlying net result	**-759**	**326**	**-332.8%**	**-218**	**n.a.**	**-477**	**1,421**	**-133.6%**
Value of new life business	49	111	-55.9%	81	-39.5%	304	270	12.6%
Internal rate of return (YTD)						12.6%	11.8%	
Single premiums	3,706	5,317	-30.3%	4,402	-15.8%	16,777	18,983	-11.6%
Annual premiums	465	473	-1.7%	419	11.0%	1,826	1,773	3.0%
New sales (APE)	836	1,004	-16.7%	859	-2.7%	3,503	3,671	-4.6%
Investment in new business	229	324	-29.3%	222	3.2%	893	1,138	-21.5%
Assets under Management (in EUR bln)						186	213	-12.7%
Gross life reserves						114,733	125,404	-8.5%
Tax ratio	25.6%	19.8%		8.6%		27.2%	25.4%	
Staff (FTEs end of period)						26,043	33,276	-21.7%

Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

- **DAC unlocking totals EUR 838 million**
- **US investment losses before DAC are EUR 442 million**
- **VNB declines 55.9% on lower margins in variable annuity**

INSURANCE AMERICAS

Underlying result before tax (EUR million)



Unprecedented market turmoil in the fourth quarter, including a 22% drop in the S&P 500, falling interest rates, widening credit spreads and substantially increased volatility, drove a loss in Insurance Americas for the quarter and full year 2008.

Risk reduction initiatives were undertaken in the quarter, resulting in reductions in economic, regulatory and rating agency capital requirements. In order to reduce exposure to a decline in interest rates, the duration of fixed income investments was extended through the purchase of long-term treasuries and forward starting swaps. The impact of further market declines was temporarily hedged to reduce volatility in regulatory capital. Finally, exposure to the super-senior credit default swap program was reduced in the quarter by EUR 900 million.

Sales slowed as a result of the market volatility, but net flows remained solid, reinforcing the value of Insurance Americas' focus on long-term growth through innovative products and broad distribution.

The market turmoil led to an **underlying pre-tax loss** of EUR 992 million for Insurance Americas. This reflects EUR 442 million of investment losses in the US, including EUR 323 million of impairments, EUR 113 million negative mark-to-market impact on the super-senior credit default position, EUR 134 million in trading losses, offset in part by the positive revaluation of interest-only mortgage-backed securities. The US also experienced negative DAC unlocking of EUR 838 million, of which EUR 313 million was related to lower equity markets, EUR 371 million resulted from lower interest rates and higher hedging costs primarily related to annuities, and EUR 154 million resulted from higher current and expected impairments. The fourth quarter underlying loss in the US totalled EUR 1,103 million.

Latin America's profit before tax decreased 38.0% at constant exchange rates, to EUR 31 million, reflecting a EUR 17 million reduction in investment gains and EUR 8 million lower results in Brazil because of flood claims in the fourth quarter. Negative equity market returns in the legally required investment in the pension businesses in Peru and Chile reduced underlying profit by EUR 15 million. A positive contribution from the acquired pension businesses helped mitigate the decline.

Results in Canada declined 20.6% excluding currency effects to EUR 81 million due to lower underwriting results. Catastrophe claims tripled and current year losses increased, both due to strong storms and flooding, reducing underwriting income by EUR 36 million. The year-to-date combined ratio was 98.6%, up 440 basis points.

Gross premium income across the region fell 19.4% excluding currency effects on substantially lower sales of variable annuities in the US. Sales in Canada and Latin America's annuity businesses increased modestly.

Life Premium income declined 20.7% excluding currencies. Variable annuity sales dropped 43.3% from the fourth quarter of 2007 and 22.1% sequentially excluding currency effects as market conditions deteriorated. Sales of fixed annuities jumped 77.5% compared with the previous-year quarter, as consumers sought safety in fixed products. Buyers of retirement plans deferred decision making in the fourth quarter, resulting in a 12.9% reduction in sales of retirement services (corporate 401(k), education and IRA). Sales of individual life products fell 8.0% in the fourth quarter as growth in sales of term products was more than offset by the decline in variable universal life sales.

Net flows in retirement services (corporate 401(k), education and IRA) and variable annuity declined 35.3% but remained solidly positive at EUR 1,208 million.

Gross premiums in Latin America declined 30.8% excluding currencies, due to the divestment of the Chile Health business, in the first quarter of 2008. Excluding the impact of this divested business, gross premiums increased 17.9% on solid annuity sales in Chile.

In Canada, premium income increased 1.0% excluding currencies as higher average premiums in personal lines moderated the impact of lower unit sales.

Operating expenses declined 2.2% excluding currency effects. Fourth quarter 2008 expenses include the acquired CitiStreet and Santander businesses. Excluding these businesses and currency effects, operating expenses declined 11.1%, driven by lower salaries and incentive compensation as well as expense reduction initiatives in the US and Latin America.

In January 2009, ING announced cost reductions, targeted for 2009, of EUR 175 million in the Americas. These restructuring plans include the elimination of 2,400 full-time positions.

Value of new business declined 56.6% excluding currency effects. Lower equity markets and interest rates reduced margins and sales in variable annuity, while market conditions and de-risking activities also prompted lower sales of spread-related products. That led to a 74.1% decline in value of new business for the US. Value of new business in Latin America declined to EUR 27 million as smaller sales forces in Peru and Mexico led to lower pension sales.

'Retirement Services and variable annuity net flows remained solidly positive'

The LifePay Plus variable annuity product was modified and re-priced, effective January 2009, in response to changing market conditions. Margins on new business will improve as a result, but the continued deterioration in market conditions means that the value of new business in the coming quarter(s) may fall well short of the levels attained in 2007 and early 2008.

The full-year internal rate of return in the Americas rose by 80 basis points to 12.6% but declined from the third quarter year-to-date figure of 13.3% due to the impact of market conditions on variable annuity margins. Returns in the US on a US basis were 12.4% year-to-date and benefitted from a 130 basis point improvement in individual life IRRs, partially offsetting the variable annuity results. Retirement services (corporate 401(k), education and IRA) posted a year-to-date return of 18.4%.

In November 2008, the government of Argentina nationalised the private pension system, which included ING's pension business. This resulted in a EUR 97 million after tax loss, which is not reflected in the underlying result, but is instead reflected as a special item. As a further consequence, the Argentine annuity business is no longer viable, giving rise to a EUR 91 million after tax loss, also reflected as a special item.

On 4 February 2009, ING announced the sale of ING's entire stake in ING Canada.

INSURANCE AMERICAS - additional information

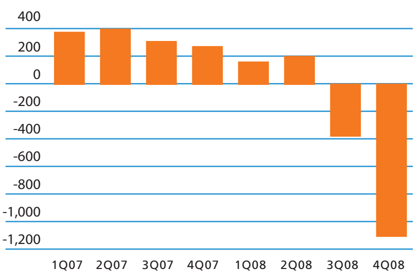
Life Insurance United States

Life Insurance United States: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	4,613	5,477	-15.8%	4,561	1.1%	18,736	18,677	0.3%
Total investment and other income	751	1,000	-24.9%	455	65.1%	2,702	3,946	-31.5%
Operating expenses	421	399	5.5%	408	3.2%	1,531	1,497	2.3%
Underlying result before tax	**-1,103**	**272**	**-505.5%**	**-376**	**n.a.**	**-1,117**	**1,356**	**-182.4%**
Value of new life business	21	77	-72.7%	56	-62.5%	198	215	-7.9%
Internal rate of return (YTD)						11.6%	11.3%	
Single premiums	3,174	5,270	-39.8%	3,891	-18.4%	15,585	18,791	-17.1%
Annual premiums	350	343	2.0%	296	18.2%	1,326	1,419	-6.6%
New Sales (APE)	667	870	-23.3%	685	-2.6%	2,885	3,298	-12.5%
Investment in new business	198	286	-30.8%	185	7.0%	763	1,023	-25.4%
Expenses as % of AUM (YTD)						0.89%	0.74%	
Expenses as % of gross premiums (YTD)						13.5%	14.1%	
Gross life reserves						111,722	121,725	-8.2%

- **Investment losses and negative DAC unlocking total EUR 1,280 million**
- **VNB down 74.1% excluding FX on weaker variable annuity results**
- **Net flows remain solid despite market impact on client balances**

LIFE INSURANCE UNITED STATES

Underlying result before tax (EUR million)



Continued market volatility and weakening economic conditions prompted many US retail and institutional investors to avoid equity-related products or defer investing entirely. As a consequence, sales declined across a number of product categories in the US. However, net flows remained solid despite the negative impact of declining equity values on client balances.

Gross credit-related losses and impairments totaled EUR 323 million as the financial crisis moved into the real economy. Of this amount, EUR 156 million, or 48%, related to impairments on sub-prime and Alt-A residential mortgage-backed securities, while 31% of the gross losses related to corporate credits.

DAC unlocking totaled EUR 838 million, of which EUR 313 million was related to equity market declines as the financial crisis continued. An additional EUR 371 million resulted from lower interest rates and higher hedging cost primarily related to annuities, and EUR 154 million resulted from higher current and expected impairments.

Wealth management

Buyers of retirement plans deferred decision making during the fourth quarter, which resulted in a 12.9% reduction in sales of retirement services (corporate 401(k), education and IRA), or a 22.7% reduction on a US basis.

Sales of variable annuities declined 43.3% compared with the prior-year quarter and 22.1% sequentially as market conditions deteriorated at the same time competitors introduced products with features similar to LifePay Plus.

In response to market conditions, ING introduced variable annuity product changes effective January 2009 which will improve the products' capital usage and economics. These changes include an increase in rider charges, reduced maximum annual withdrawal percentage, and a reduction in the rollup from 7% to 6%. In order to further reduce risk, rho (i.e., interest rate) hedging of new business was introduced.

Variable annuity net cash flows continued to be well above the industry average. ING's ratio of net cash flow to new sales was 57% in the third quarter 2008 compared with the industry average of 14%.

Sales of fixed annuities increased 77.5% as customers sought fixed-rate products in the current market environment.

Insurance

Sales of individual life products fell 8.0% in the fourth quarter as continued growth in sales of term products was not enough to offset the decline in variable universal life sales. Full year 2008 sales were strong, increasing 10.8% from 2007.

Nearly 46,000 new policies were issued during the fourth quarter of 2008, up 72% from the fourth quarter of 2007. This helped to reduce per-policy costs.

Asset management

Retail mutual fund sales declined 24.1% from the fourth quarter of 2007 due to difficult market conditions.

The **underlying loss before tax** in the US was EUR 1,103 million. Unprecedented adverse market circumstances resulted in negative DAC unlocking of EUR 838 million and EUR 442 million of investment losses, including EUR 323 million of credit-related impairments and EUR 113 million negative mark-to-market impact on the super-senior credit default position. Asset-based fee income declined by EUR 221 million due to lower AUM levels and higher hedging costs. Lower returns on alternative assets also impacted results for the quarter. Lower operating expenses helped mitigate the loss in the quarter.

Wealth management segment results declined to a loss due to negative DAC unlocking in light of lower equity markets, lower interest rates and higher hedging costs. Fee income also fell, as solid net flows could not combat higher hedging costs and AUM erosion from lower equity markets.

In the Insurance segment, lower alternative asset returns, higher claims in group insurance and higher net mortality in individual life all contributed to the profit decline of 51.6%.

Profit in the asset management segment deteriorated due to lower fee income and lower private equity results.

Gross premium income declined 21.3% excluding currency effects as deteriorating market conditions and more competitive pressures resulted in a 43.3% decline in variable annuity sales.

Excluding currency effects, **operating expenses** declined 2.1%. Excluding the recently acquired CitiStreet business, expenses fell 17.3% due to lower salary and incentive compensation as well as other expense reduction initiatives.

The **value of new business** declined 74.1% excluding currency effects to EUR 21 million as lower equity markets and interest rates put pressure on variable annuity margins and sales. Additionally, market conditions and de-risking activities prompted lower sales of spread-related products, contributing to a EUR 18 million decline in value of new business. The variable annuity value of new business fell to a loss of EUR 16 million because of lower margins and sales. Retirement Services' value of new business declined 15.8% to EUR 12 million because of market conditions. The value of new business in the Insurance segment was flat at EUR 25 million as improved margins and better expense coverage from term sales in individual life helped mitigate lower sales volumes.

The **internal rate of return** in the US improved by 20 basis points to 12.4%, excluding currency and risk adjustments, as better margins in individual life and fixed annuity helped mitigate the market impacts on variable annuity returns. Returns in retirement services (corporate 401(k), education and IRA business) remained strong at 18.4%.

At year-end, the net liability provisions for the US business in total were more than sufficient at the 90% and 50% confidence levels. However, as a result of the severe economic downturn during late 2008, provisions for US retail annuity products were insufficient at the 90% and 50% levels by EUR 1.6 billion and EUR 0.6 billion, respectively.

Management has initiated a number of product and risk initiatives to address the current economic environment. These include various de-risking actions for new variable annuity products, adjusting crediting rates on in-force fixed annuity products, and additional financial market hedging to limit the impact of further market declines.

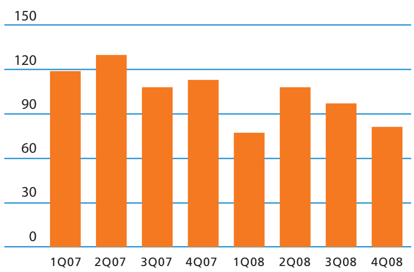
Non-life Insurance Canada

Non-life Insurance Canada: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	610	670	-9.0%	718	-15.0%	2,671	2,788	-4.2%
Total investment and other income	113	86	31.4%	60	88.3%	340	343	-0.9%
Operating expenses	136	137	-0.7%	137	-0.7%	544	553	-1.6%
Underlying result before tax	**81**	**113**	**-28.3%**	**97**	**-16.5%**	**364**	**470**	**-22.6%**
Expense ratio (YTD)						29.1%	28.5%	
Claims ratio (YTD)						69.5%	65.7%	
Combined ratio (YTD)						98.6%	94.2%	
Gross non-life reserves						3,761	4,379	-14.1%

- **Underlying result before tax down due to lower underwriting results**
- **Combined ratio up 440 basis points to 98.6% driven by late-December storms**
- **ING sold its entire stake in ING Canada**

NON-LIFE INSURANCE CANADA

Underlying result before tax (EUR million)



In recent months, the Canadian property and casualty market has experienced an increased incidence of water-related damages in personal property, greater bodily injury in certain auto markets, and higher commercial construction costs. This has put pressure on loss ratios and will likely lead to premium increases. The scale provided by ING Canada's #1 ranking, along with the company's underwriting discipline, position it well in the current environment.

Underlying profit before tax decreased 28.3%, or 20.6% excluding currency impacts, to EUR 81 million, reflecting significantly lower underwriting results which were partially offset by higher investment results.

Underwriting results declined as adverse weather conditions hampered results in personal lines. However, underwriting results in commercial lines partially mitigated the decline with better prior-year development. In personal lines, underwriting results declined as strong storms and flooding in Quebec and Ontario produced higher losses, including higher catastrophe claims. The loss ratio for personal auto increased by 16.0 percentage points to 80.7%, while personal property's loss ratio increased by 6.5 percentage points to 78.5%.

Higher investment results reflect a decline from the level of impairments taken in the fourth quarter of 2007, partially offset by lower dividend and interest income from a declining asset base.

Excluding currency effects, **gross premium income** improved slightly due to average premium and rate increases in all lines except commercial auto, even as units sold declined. Premiums in the commercial auto business declined, although units slightly increased, because of the growing number of smaller accounts with lower premiums. However, in a very competitive commercial environment, small- and medium-sized accounts are generally more profitable.

Operating expenses increased by 9.7% excluding currency effects, due to increased claims processing costs, and increased costs associated with the direct distribution network.

The year-to-date **combined ratio** increased by 440 basis points to 98.6%. This primarily reflects the impact on personal lines of strong storms and flooding in Quebec and Ontario and hail, rain and wind storms in Central Canada. In spite of this, combined ratios in commercial lines remained below 90%. The combined ratio was also adversely impacted by the market yield adjustment, which accounted for 170 basis points of the increase.

On 4 February 2009, ING announced the sale of ING's entire stake in ING Canada for CAD 2,163 million.

Insurance Latin America

Insurance Latin America: Key Figures

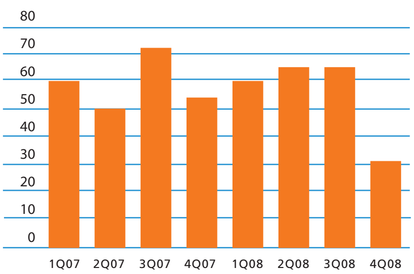
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	99	166	-40.4%	132	-25.0%	480	660	-27.3%
Total investment and other income	116	180	-35.6%	208	-44.2%	600	596	0.7%
Operating expenses	58	83	-30.1%	66	-12.1%	266	222	19.8%
Underlying result before tax	**31**	**54**	**-42.6%**	**65**	**-52.3%**	**220**	**236**	**-6.8%**
of which result before tax life insurance	19	41	-53.7%	30	-36.7%	135	179	-24.6%
of which result before tax non-life insurance	11	13	-15.4%	35	-68.6%	85	57	49.1%
Value of new life business	27	35	-22.9%	25	8.0%	106	56	89.3%
Internal rate of return (YTD)						18.1%	15.8%	
Single premiums	531	47	1029.8%	511	3.9%	1,191	193	517.1%
Annual premiums	115	129	-10.9%	123	-6.5%	499	354	41.0%
New sales (APE)	168	134	25.4%	174	-3.4%	618	374	65.2%
Investment in new business	31	38	-18.4%	37	-16.2%	130	115	13.0%
Expenses as % of AUM (YTD)						0.74%	0.76%	
Expenses as % of gross premiums (YTD)						32.7%	19.6%	
Gross life reserves						3,010	3,679	-18.2%

Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

- **Underlying result before tax down on weak investment results**
- **VNB declines due to lower sales**
- **IRR improves 230 basis points to 18.1%**

INSURANCE LATIN AMERICA

Underlying result before tax (EUR million)



ING continued to use its strong market positions in life and pension businesses to generate solid sales growth across Latin America, but weak equity and fixed income investment returns put pressure on underlying results.

During the fourth quarter, the government of Argentina nationalised the private pension system. This has effectively terminated ING's pension business in Argentina and the business has been written-off. As a further consequence, the Argentine annuity business is no longer viable, as the business model relied on rollovers from the pension business to generate sales.

Subsequently, ING signed an agreement in January 2009 to sell the annuity business for modest proceeds.

Underlying profit before tax decreased 38.0% excluding currency effects, to EUR 31 million reflecting continued financial market turmoil throughout the region. Investment results declined by EUR 32 million as challenging market conditions resulted in a EUR 15 million decline in returns in the legally-required investment in the pension businesses, and EUR 17 million of lower investment gains, primarily in Mexico. In addition, results in Brazil declined EUR 8 million reflecting the impact of higher health claims and P&C claims related to recent flood events.

Gross premiums declined 40.4%, or 30.8% excluding currencies, primarily due to the divestment of the Chile Health business in the first quarter of 2008. Excluding this impact, gross premiums increased 17.9% mainly due to higher annuity sales in Chile.

Operating expenses declined 22.7% excluding currency effects, reflecting expense reduction initiatives, primarily driven by Mexico and Chile. Expenses in the fourth quarter of 2007 included Chile Health and one-time integration costs, accounting for 7.3 percentage points and 20.5 percentage points of the decline, respectively.

Value of new business declined slightly to EUR 27 million. Lower sales in Peru and Mexico as a result of a reduction in sales force were partially offset by an increase in pension sales in Chile driven by sales in the pension business acquired in the first quarter of 2008.

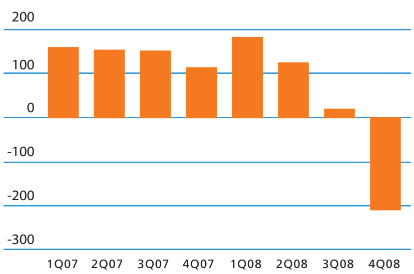
Insurance Asia/Pacific

Insurance Asia/Pacific: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	1,900	3,095	-38.6%	2,873	-33.9%	11,040	12,632	-12.6%
Commission income	58	100	-42.0%	82	-29.3%	319	382	-16.5%
Direct investment income	236	430	-45.1%	537	-56.1%	1,529	1,545	-1.0%
Realised gains and fair value changes on inv.	1,100	86	1179.1%	399	175.7%	1,599	-176	1008.5%
Total investment and other income	1,336	516	158.9%	935	42.9%	3,128	1,369	128.5%
Total underlying income	**3,294**	**3,711**	**-11.2%**	**3,890**	**-15.3%**	**14,487**	**14,383**	**0.7%**
Underwriting expenditure	3,013	3,206	-6.0%	3,408	-11.6%	12,611	12,517	0.8%
Operating expenses	234	310	-24.5%	266	-12.0%	1,040	1,115	-6.7%
Other interest expenses	256	81	216.0%	197	29.9%	720	175	311.4%
Other impairments	-0	0	n.a.	-0	n.a.	-0	0	n.a.
Total underlying expenditure	**3,503**	**3,598**	**-2.6%**	**3,871**	**-9.5%**	**14,371**	**13,807**	**4.1%**
Underlying result before tax	**-209**	**113**	**-285.0%**	**19**	**-1200.0%**	**116**	**576**	**-79.9%**
of which result before tax life insurance	-210	112	-287.5%	18	-1266.7%	112	573	-80.5%
of which result before tax non-life insurance	1	1	0.0%	1	0.0%	3	3	0.0%
Taxation	-61	7	-971.4%	-35	n.a.	5	158	-96.8%
Result before minority interests	-148	106	-239.6%	54	-374.1%	111	418	-73.4%
Minority interests	3	12	-75.0%	3	0.0%	19	44	-56.8%
Underlying net result	**-151**	**94**	**-260.6%**	**51**	**-396.1%**	**92**	**375**	**-75.5%**
Value of new life business	28	128	-78.1%	93	-69.9%	321	442	-27.4%
Internal rate of return (YTD)						14.0%	16.8%	
Single premiums	836	2,033	-58.9%	1,534	-45.5%	6,255	9,034	-30.8%
Annual premiums	244	503	-51.5%	382	-36.1%	1,430	1,777	-19.5%
New sales (APE)	328	706	-53.5%	535	-38.7%	2,055	2,680	-23.3%
Investment in new business	115	151	-23.8%	131	-12.2%	492	557	-11.7%
Assets under Management (in EUR bln)						82	106	-22.6%
Operating expenses Greenfields	27	25	8.0%	22	22.7%	96	85	12.9%
Gross life reserves						41,698	52,307	-20.3%
Tax ratio	29.0%	5.9%		n.a.		4.3%	27.4%	
Staff (FTEs end of period)						8,922	10,655	-16.3%

- **Market-related SPVA hedge losses of EUR 269 million in Japan**
- **Expenses fall 24.5%, or 2.9% excluding Taiwan and FX**
- **New sales down 40.5% excluding Taiwan and FX**

INSURANCE ASIA/PACIFIC

Underlying result before tax (EUR million)



Sharp declines in equity markets eroded demand for investment products in Asia's biggest markets and reduced assets under management. Bank distribution partners shifted their focus from selling insurance products to rebuilding their deposit and capital bases. In Australia, the introduction of government guarantees on bank deposits increased competition from banks. ING's smaller markets in Asia, which had been resilient so far, started showing signs of an economic slowdown. New sales in Rest of Asia fell 21.5%, primarily due to Hong Kong. Nevertheless, commercial growth in Malaysia and Thailand, where traditional products still dominate the market, was robust on the strength of ING's successful bank partnerships with Public Bank in Malaysia and TMB Bank in Thailand.

Despite the sharp decline in sales, ING's market positions generally remained stable, and increased in several markets. In Australia, ING remains the second largest insurer in risk in-force premiums and the fifth largest in funds under management. In South Korea, ING is the largest foreign life insurer, with market share stable at approximately 6%. Consumer demand across Asia continued to shift toward lower risk alternatives. Traditional products increased their share of sales, from 36% a year ago to approximately 47% at the end of the quarter, excluding Taiwan.

In this challenging environment, ING Asia/ Pacific remains focused on cost and risk reduction. During the quarter, ING implemented measures to rationalise headcount and expense levels across its regional operations, and maintained strict cost discipline. These initiatives will result in an ongoing annual expense reduction of EUR 75 million over 2009, including a reduction of 700 full-time positions. ING also reduced exposures to equity and other risk asset classes to stabilise the balance sheet and reduce earnings volatility. An equity derivative fund marked to market through the profit and loss was sold during the quarter, and public equity exposure on Insurance Asia/Pacific's balance sheet was reduced to approximately 5% of available for sale investments.

The sale of ING Life Taiwan to Fubon Financial Holding Co. Ltd. released EUR 5.7 billion in economic capital. The total net loss on the transaction (book loss and result from the divested unit) was revised to EUR 292 million compared to the prior estimate of EUR 427 million and booked as a special item. The key figures for Insurance Asia/Pacific exclude Taiwan beginning with the fourth quarter of 2008.

On 29 December 2008, ING Group completed the purchase of the remaining minority interest of 14.9% in ING Life Korea held by Kookmin Bank for approximately EUR 190 million (KRW 339 billion). This transaction brings ING's ownership percentage to 100%. The increased stake will be reflected in the underlying net profit, new sales and value of new business figures beginning in the first quarter of 2009.

The **underlying loss before tax** was EUR 209 million compared to a profit of EUR 113 million in the same period last year. Extraordinary market volatility resulted in adverse hedge results on the SPVA guaranteed benefits and a consequent loss of EUR 269 million on this business. Market movements were especially sharp in October, contributing around 80% to the quarterly SPVA loss. Ongoing equity and credit market deterioration led to EUR 65 million in other market-related impacts, consisting of EUR 36 million in impairments on fixed income investments and EUR 29 million in negative revaluations on credit-linked securities and an equity derivative fund.

Japan recorded a loss before tax of EUR 244 million, mainly attributable to the market-related hedge losses on SPVA. Results from the COLI business were robust at EUR 25 million, up by EUR 36 million compared to the year ago quarter. This was mainly driven by improved investment results, as a EUR 24 million loss on a CDO had impacted results a year ago.

Results in South Korea declined to EUR 20 million, compared with EUR 78 million in the third quarter last year. This reflected negative revaluations and fixed income impairments of EUR 37 million, assumption updates of EUR 7 million and one-off dividend income of EUR 10 million in the fourth quarter of 2007. These impacts were partially offset by increased profits from a higher in-force base.

Results in Australia/New Zealand declined to EUR 19 million from EUR 53 million in the same quarter last year. This was mainly driven by reduced interest income in ING Australia Holdings as outstanding loans were fully retired during the year.

Results in Malaysia were up 20.0% to EUR 18 million on growth of the premium base.

Excluding Japan and currency effects, the underlying result of EUR 35 million was down 64.3% from the fourth quarter of 2007.

Gross premium income declined 38.6%, or 19.4% excluding Taiwan and currency effects, due to a fall in sales. In Japan, premium income fell 21.3% to EUR 799 million, mainly on lower SPVA sales; the COLI in-force base remained stable. In Australia, premium income was up 7.1%

'Stable market positions despite a decline in sales'

excluding currency effects thanks to growth of the risk in-force base. In Korea, premium income was up 5.7%, excluding currency effects as the impact of lower sales was offset by renewal premium growth. In Malaysia, premium income grew a robust 14.4% on strong new sales. 'Total investment and other income' included fair value changes on derivatives used to hedge Japan's guaranteed SPVA benefits, which were offset by increased benefit reserves reflected in underwriting expenditure.

Operating expenses fell 24.5%, or 2.9% excluding Taiwan and currency effects, on strict expense control. Across the region, ING initiated cost and headcount reduction initiatives in the fourth quarter.

New sales (APE) for the region declined 40.5%, excluding Taiwan and currency effects, as the recession spread across the region and financial markets continued to deteriorate, impacting investment-linked accumulation products. Despite the decline in sales, ING either maintained or improved market positions across the region.

The **value of new business** fell 58.2%, excluding Taiwan and currency effects. This was mainly attributable to the following factors: a decline in new sales; a reduced value of new business on the SPVA products due to sharply higher hedge costs from lower interest rates; increased volatility; and a shift in product mix away from higher margin variable products in Korea.

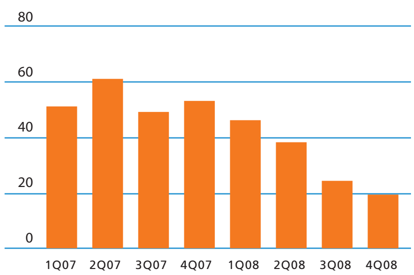
Life Insurance Australia & New Zealand

Life Insurance Australia & New Zealand: Key Figures

In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	75	82	-8.5%	112	-33.0%	292	275	6.2%
Total investment and other income	13	29	-55.2%	34	-61.8%	105	108	-2.8%
Operating expenses	55	61	-9.8%	52	5.8%	211	222	-5.0%
Underlying result before tax	**19**	**53**	**-64.2%**	**24**	**-20.8%**	**126**	**215**	**-41.4%**
Value of new life business	12	14	-14.3%	11	9.1%	45	56	-19.6%
Internal rate of return (YTD)						19.7%	21.4%	
Single premiums	299	1,056	-71.7%	615	-51.4%	2,309	4,463	-48.3%
Annual premiums	28	36	-22.2%	37	-24.3%	115	101	13.9%
New sales (APE)	57	142	-59.9%	99	-42.4%	346	547	-36.7%
Investment in new business	14	16	-12.5%	17	-17.6%	54	67	-19.4%
Expenses as % of AUM (YTD)						0.58%	0.56%	
Expenses as % of gross premiums (YTD)						19.3%	19.7%	
Gross life reserves						6,131	9,193	-33.3%

- **New sales down 52.2%, excluding FX**
- **ING Australia wins mandate of EUR 269 million in AUM**
- **Result before tax declines to EUR 19 million**

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



In Australia, deteriorating equity markets and increased competition from banks adversely impacted sales and assets under management. The introduction of government guarantees on bank deposits resulted in a flight to safety, leading to redemption pressures in the fixed income and cash funds. In order to protect unit holders' interests, ING Australia temporarily suspended applications and redemptions for three such group funds, with total assets under management exceeding EUR 1 billion. ING maintains its position as the fifth largest retail fund manager in the country. In the life-risk business, ING remains the second largest life insurer based on in-force premium.

In the fourth quarter, ING Australia reduced its proportion of equity and property assets backing shareholder capital to 2% from 18%. Operating expenses in ING Australia decreased 8% excluding currency effects, due to headcount reductions and business restructuring.

Underlying result before tax dropped 64.2% driven by a large profit swing in ING Australia Holdings and currency movements. ING Australia Holdings saw its result before tax drop by EUR 40 million mainly on lower interest income as outstanding loans were fully redeemed. For ING Australia, the underlying result increased 9.1%, from lower expenses and a EUR 34 million favourable movement on risk reserves due to declining interest rates. This was partly offset by EUR 12 million charge related to a capital guaranteed product and lower fee income due to a decline in assets under management.

Gross premium income was up 7.1%, excluding the currency impact, driven by growth of the risk in-force base. Commission/fee income was down 45.5% due to lower fee income from assets under management combined with lower fund management sales.

Operating expenses were up 5.8%, excluding currency impacts, as lower volume-driven expenses and cost control initiatives in ING Australia were offset by one-time restructuring expenses in ING Investment Management Australia.

New sales fell 52.2%, excluding the currency impacts, mainly on lower fund management inflows amid market volatility. Sales in Australia in the fourth quarter of 2007 had been boosted by strong superannuation inflows. Investment new sales were partially supported by a EUR 269 million new mandate in the employer superannuation business. The **value of new business** for the quarter declined 14.3% to EUR 12 million, less than the decline in sales thanks to resilient high-margin insurance sales.

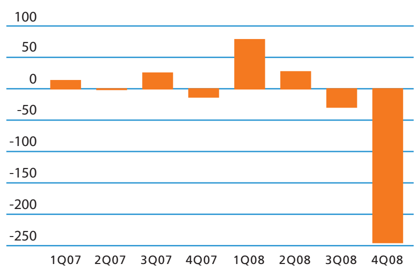
Life Insurance Japan

Life Insurance Japan: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	799	1,015	-21.3%	1,054	-24.2%	4,026	4,693	-14.2%
Total investment and other income	1,289	246	424.0%	608	112.0%	2,245	335	570.1%
Operating expenses	63	47	34.0%	42	50.0%	198	177	11.9%
Underlying result before tax	**-244**	**-13**	**n.a.**	**-29**	**n.a.**	**-167**	**24**	**-795.8%**
Value of new life business	-4	5	-180.0%	12	-133.3%	38	43	-11.6%
Internal rate of return (YTD)						10.7%	11.1%	
Single premiums	471	709	-33.6%	723	-34.9%	2,713	3,578	-24.2%
Annual premiums	42	45	-6.7%	52	-19.2%	225	214	5.1%
New sales (APE)	90	116	-22.4%	124	-27.4%	496	572	-13.3%
Investment in new business	47	39	20.5%	51	-7.8%	194	181	7.2%
Expenses as % of AUM (YTD)						0.53%	0.57%	
Expenses as % of gross premiums (YTD)						7.0%	6.8%	
Gross life reserves						23,501	17,867	31.5%

- **New sales down 38.4%, excluding FX**
- **ING maintains top-3 position in COLI and top-4 position in SPVA**
- **Underlying pre-tax loss of EUR 244 million due to volatile market**

LIFE INSURANCE JAPAN

Underlying result before tax (EUR million)



The sharp deterioration of financial markets accompanied by high volatility, particularly in October, led to significant decline in SPVA sales and an increase in hedging costs. Despite significant decline in sales, ING maintained top-4 position in SPVA and top-3 position in COLI.

ING Life Japan recorded an **underlying loss before tax** of EUR 244 million in the fourth quarter. The SPVA business posted a loss of EUR 269 million. Extraordinary market volatility, especially in October, resulted in adverse hedge results, although hedge results improved significantly in November and December. These hedge losses were partially offset by continued accounting asymmetries on the minimum guaranteed death benefit (MGDB) reserves. The core margin for the SPVA products amounted to approximately -4 bps of assets under management on an annualised basis from approximately 24 bps in previous quarter. This decline was due to lower assets under management, and higher costs of guarantees. COLI profits were robust at EUR 25 million, up by EUR 36 million compared to the year ago quarter. This was mainly driven by improved investment results, as a EUR 24 million loss on a CDO had impacted results a year ago.

Gross premium income was down 21.3%, primarily due to lower SPVA sales. COLI premium income remained stable.

Operating expenses were up 8.6%, excluding currency impacts, due to mandatory provisions for a government policyholder fund.

New sales declined 38.4%, excluding currency impacts. SPVA sales were down 48.3%, excluding currency impacts, due to turbulent market conditions. COLI sales slid 23.9%, excluding currency effects, as small business owners adopted a cautious stance in the deteriorating economic environment. The **value of new business** decreased to EUR -4 million as the value of new business on SPVA products turned negative on reduced sales and higher hedge costs from lower market interest rates and increased volatility. The value of new business for COLI products increased on a favourable shift in product mix and improved mortality assumptions.

At year end, the net liability provisions for Insurance Asia / Pacific (excluding Taiwan) were more than sufficient in total at the 90% and 50% confidence levels. As a result of the severe economic downturn during late 2008 and its effect on variable annuity products, provisions in Japan were insufficient at the 90% level by EUR 409 million, and at the 50% level by EUR 68 million.

Life Insurance South Korea

Life Insurance South Korea: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	703	866	-18.8%	821	-14.4%	3,291	3,607	-8.8%
Total investment and other income	39	100	-61.0%	57	-31.6%	273	355	-23.1%
Operating expenses	54	71	-23.9%	54	0.0%	229	253	-9.5%
Underlying result before tax	**20**	**78**	**-74.4%**	**35**	**-42.9%**	**163**	**300**	**-45.7%**
Value of new life business	12	41	-70.7%	26	-53.8%	92	142	-35.2%
Internal rate of return (YTD)						17.5%	22.8%	
Single premiums	43	49	-12.2%	93	-53.8%	378	369	2.4%
Annual premiums	114	226	-49.6%	178	-36.0%	688	867	-20.6%
New sales (APE)	119	231	-48.5%	187	-36.4%	726	904	-19.7%
Investment in new business	26	36	-27.8%	20	30.0%	99	100	-1.0%
Expenses as % of AUM (YTD)						1.42%	4.37%	
Expenses as % of gross premiums (YTD)						9.8%	9.3%	
Gross life reserves						7,830	8,597	-8.9%

- **New sales decline 42.0%, excluding FX**
- **Underlying profit before tax down 66.7%, excluding FX**
- **ING raises stake in ING life Korea from 85.1% to 100%**

In South Korea, sales were impacted by weak demand for investment-linked products and an increased focus by ING's banking partners on rebuilding their capital bases. Consumer sentiment continued to shift towards lower-risk products. Traditional products accounted for 49% of new sales in the quarter, up from 37% in the prior quarter. Safe-Up, an asset-linked interest-sensitive annuity product providing partial investment risk protection, garnered 21.7% of fourth quarter sales. Although sales were under pressure, ING Life Korea maintained its position as the largest foreign life insurer in the country.

As a de-risking initiative, equities with a market value of approximately EUR 90 million were sold during the quarter, reducing public equity exposure to 2% of invested assets. An equity derivative fund marked to market through the P&L was divested to decrease earnings volatility.

Underlying result before tax declined to EUR 20 million, down 66.7% excluding currency effects. Adverse market conditions resulted in EUR 15 million in losses from an equity derivative fund marked to market through the profit and loss account, EUR 12 million in credit-related investment revaluations and EUR 10 million in fixed income impairments.

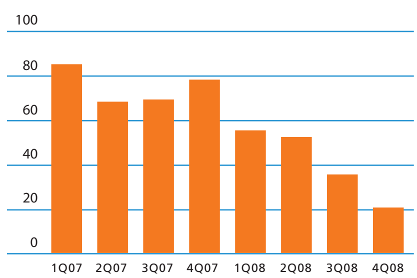
Furthermore, assumption changes led to EUR 7 million in reserve strengthening. These negative impacts were partially offset by profits flowing from a higher in-force base. Results in the fourth quarter of 2007 had been supported by the one-off recognition of EUR 10 million in dividend income from consolidation of equity funds.

Gross premium income was up 5.7%, excluding currency effects, due to continued development of the in-force base. Total investment and other income declined 48.7%, excluding the currency impact, to EUR 39 million, reflecting revaluations and impairments.

Operating expenses were flat, excluding currency effects, despite the impact of a higher premium base as cost discipline was stepped up to control expense growth.

New sales fell 42.0%, excluding currency effects, as equity market declines impacted investment-linked product sales. Traditional products contributed 49.1% to sales, up from 39.1% in the same period last year. The **value of new business** declined 66.7% excluding currency effects, on lower sales and an ongoing shift in consumer preferences away from higher-margin Korean variable products.

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



Life Insurance Rest of Asia

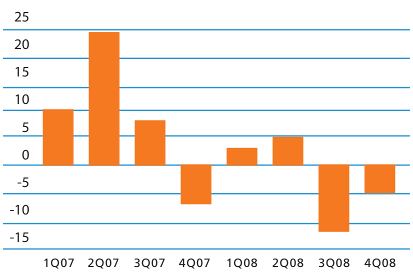
Life Insurance Rest of Asia: Key Figures

In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	12M2008	12M2007	Change
Gross premium income	319	331	-3.6%	315	1.3%	1,252	1,023	22.4%
Total investment and other income	-6	63	-109.5%	37	-116.2%	131	250	-47.6%
Operating expenses	61	75	-18.7%	63	-3.2%	243	236	3.0%
Underlying result before tax	**-5**	**-7**	**28.6%**	**-12**	**n.a.**	**-9**	**34**	**-126.5%**
Value of new life business	9	12	-25.0%	15	-40.0%	47	20	135.0%
Internal rate of return (YTD)						12.9%	10.2%	
Single premiums	24	73	-67.1%	82	-70.7%	270	147	83.7%
Annual premiums	60	72	-16.7%	65	-7.7%	247	219	12.8%
New sales (APE)	62	79	-21.5%	73	-15.1%	274	233	17.6%
Investment in new business	28	27	3.7%	24	16.7%	97	83	16.9%
Operating expenses Greenfields	22	20	10.0%	21	4.8%	70	60	16.7%
Expenses as % of AUM (YTD)						0.80%	0.84%	
Expenses as % of gross premiums (YTD)						13.5%	14.2%	
Gross life reserves						4,253	3,682	15.5%

- **New sales down 21.5%, hit by global market turmoil**
- **Market positions improve in Malaysia**
- **VNB declines to EUR 9 million**

LIFE INSURANCE REST OF ASIA

Underlying result before tax (EUR million)



The countries in Rest of Asia, which had been resilient through the crisis so far, started showing signs of an economic slowdown in the fourth quarter in the wake of the global market turmoil. Consequently, the operations in Rest of Asia recorded a decline in sales of 21.5%. The decline was primarily attributable to a 4.35% fall in sales in Hong Kong, on lower investment-linked product sales following sharp equity market declines. Sales growth in Malaysia and Thailand, where markets are dominated by traditional products, was robust at 17.6% and 7.7% respectively, and was driven by the strong distribution alliances with Public Bank in Malaysia and TMB Bank in Thailand. In Malaysia, ING moved to become the third largest insurer in the individual life business, up from fifth a year ago; ING remains the number one player in group life.

Underlying loss before tax was EUR 5 million compared to a loss before tax of EUR 7 million in the fourth quarter of 2007. Results in Hong Kong improved by EUR 9 million on lower expenses and a release of reserves as part of the annual assumption update process. In Malaysia, results improved by EUR 3 million, mainly due to a higher premium base. These positive impacts were partly offset by EUR 7 million in impairments on debt securities, realised investment losses and higher restructuring expenses through the region.

Gross premium income decreased 7.0% excluding currency effects, driven by the decline in new sales. Gross premium income in Malaysia rose 17.2% to EUR 143 million, while income in Thailand rose 21.1% to EUR 46 million on robust growth in new sales and strong persistency. In Hong Kong, premium income fell 27.5% to EUR 79 million due to weaker sales.

Operating expenses declined 18.7% on lower variable expenses and expense-control initiatives to manage costs consistent with the reduced level of new sales.

New sales dropped 21.5% as sales growth in Malaysia and Thailand was offset by declines in Hong Kong, India and China. **The value of new business** decreased to EUR 9 million compared with EUR 12 million in the fourth quarter of 2007, mainly on lower sales. Malaysia and Thailand contributed approximately 98% to the value of new business for the Rest of Asia region, supported by robust sales and re-pricing actions to capture greater value.

Corporate Line Insurance

Corporate Line Insurance										
EUR million	4Q2008	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	4Q vs 4Q	4Q vs 3Q
Interest on hybrids and core debt	-226	-185	-218	-167	-196	-157	-174	-160	-30	-41
Fair value changes equity derivatives	134	158	61	130	-27	-2	-13	-23	161	-24
Fair value changes other derivatives	-120	-11	38	-47	-34	-36	15	-3	-86	-109
Amortisation intangible assets	-32	-33	-16	-16	0	0	0	0	-32	1
Other results Capital Management	-7	-0	17	30	31	12	14	9	-38	-7
Capital Management	-250	-70	-118	-71	-226	-184	-157	-178	-24	-180
Capital gains on public equity	-212	148	669	92	1,283	590	803	246	-1,494	-360
Impairments on public equity	-580	-416	-197	-37	-25	-1	-1	-8	-555	-164
Notional income	-104	-112	-112	-114	-104	-103	-112	-114	-1	7
Gains/impairments on public equity after notional income	-896	-380	360	-58	1,154	486	690	123	-2,050	-517
Results from reinsurance run-off portfolios	11	14	0	3	5	8	2	-20	7	-3
Other	-14	-17	7	9	-36	-19	-4	-10	22	3
Underlying result before tax	**-1,149**	**-453**	**250**	**-117**	**896**	**291**	**532**	**-84**	**-2,045**	**-696**
Taxation	-192	-72	-63	-65	-39	-67	-32	-64	-153	-120
Minority interests	-30	-17	-7	-17	-16	-2	2	-6	-14	-13
Underlying net result	**-927**	**-364**	**319**	**-35**	**951**	**361**	**561**	**-15**	**-1,878**	**-563**
Net gains/losses on divestments			2	-17	-129				129	0
Net profit from divestments									0	0
Special items after tax									0	0
Total net result	**-927**	**-364**	**321**	**-52**	**822**	**361**	**561**	**-15**	**-1,749**	**-563**

The Corporate Line Insurance includes items which are managed at a corporate level. These include capital management items, capital gains on public equities (net of impairments), run-off portfolios as well as Formula 1 sponsoring costs.

The Corporate Line had an **underlying loss before tax** of EUR 1,149 million versus a profit of EUR 896 million in the fourth quarter last year.

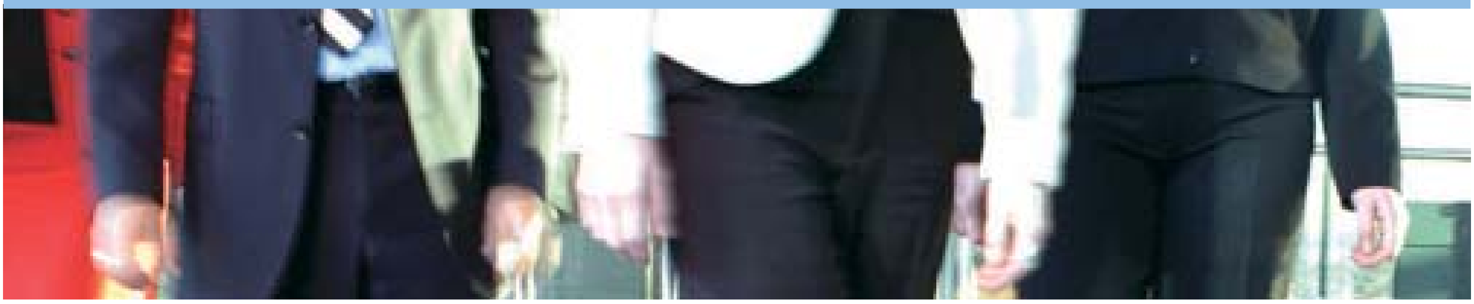
The Capital Management result comprises interest on hybrids and core debt as well as fair value changes on derivatives, which mainly consist of top-down equity hedges and swaps on core debt. The interest on core debt includes the costs of equity leverage at ING Group, which are passed on to both ING Bank and ING Insurance, as well as the costs of the core debt directly held by ING Insurance. As from 2008, the amortisation of the intangible assets is transferred from the business units to the Corporate Line.

The Capital Management result deteriorated by EUR 24 million relative to the fourth quarter last year. The interest paid on hybrids and core debt increased mainly as a result of new hybrid funding at higher interest rates. The lower revaluation result on other derivatives was caused by EUR 93 million higher negative revaluations of interest rate swaps related to the core debt Americas. Other results Capital Management was negatively impacted by currency movements on intercompany funding. These negative results were partly offset by EUR 161 million in higher revaluation results of derivatives used to hedge ING's equity portfolio.

All capital gains and losses on public equities net of equity impairments realised in the business units are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the business units. The remainder is presented on the Corporate Line as 'Gains on equities after notional income'. The dividends received on the equity portfolio are not transferred to the Corporate Line but stay within the business units. The losses on sale of public equity amounted to EUR 212 million versus gains of EUR 1,283 million in the same period last year, which included capital gains on ABN Amro (EUR 426 million) and Numico (EUR 602 million). Impairments on public equity increased to EUR 580 million from EUR 25 million last year.

This page has been intentionally left blank.

Banking



Impairments and negative fair value changes due to the sharp deterioration of market conditions resulted in a quarterly loss. However, commercial results held up reasonably well. Actions are being taken to de-risk and de-leverage the Bank balance sheet.

Banking Total

Banking: Key Figures

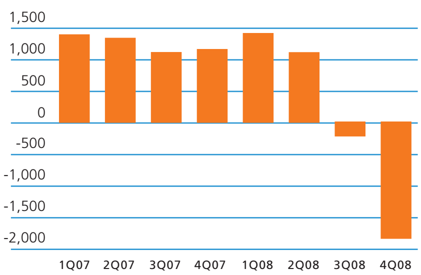
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Interest result	3,217	2,308	39.4%	2,643	21.7%	11,085	9,061	22.3%
Commission income	719	688	4.5%	704	2.1%	2,895	2,926	-1.1%
Investment income	-1,846	148		-517		-2,459	891	-376.0%
Other income	-668	548	-221.9%	-205		209	1,736	-88.0%
Total underlying income	**1,421**	**3,692**	**-61.5%**	**2,625**	**-45.9%**	**11,731**	**14,614**	**-19.7%**
Operating expenses	2,686	2,509	7.1%	2,468	8.8%	10,002	9,522	5.0%
Gross result	-1,265	1,183	-206.9%	157	-905.7%	1,729	5,092	-66.0%
Addition to loan loss provision	576	31		373	54.4%	1,280	125	924.0%
Underlying result before tax	**-1,841**	**1,151**	**-259.9%**	**-216**		**449**	**4,967**	**-91.0%**
Taxation	-737	150	-591.3%	-118		-204	873	-123.4%
Result before minority interests	-1,104	1,001	-210.3%	-98		653	4,094	-84.0%
Minority interest	-39	26	-250.0%	4		-69	112	-161.6%
Underlying net result	**-1,065**	**975**	**-209.2%**	**-101**		**722**	**3,982**	**-81.9%**
Net gains/losses on divestments	0	0		0		0	26	
Net result from divested units	0	0		0		0	0	
Special items after tax	-119	-98		-27		-267	-370	
Net result from Banking	**-1,184**	**877**	**-235.0%**	**-128**		**454**	**3,638**	**-87.5%**
Net return on equity (year-to-date)	1.80%	16.7%		9.1%		1.8%	16.7%	
Interest margin	1.19%	0.94%		1.00%		1.07%	0.94%	
Underlying cost/income ratio	189.0%	68.0%		94.0%		85.3%	65.2%	
Risk costs in bp of average CRWA	81	3		54		48	4	
Risk-weighted assets (end of period)	343,388	402,727	-14.7%	329,568	4.2%	343,388	402,727	-14.7%
Underlying RAROC before tax	-29.5%	21.5%		-4.2%		1.3%	26.2%	
Underlying RAROC after tax	-17.3%	19.2%		-1.9%		2.6%	22.3%	
Economic capital (average over period)	22,227	16,424	35.3%	18,963	17.2%	19,543	14,848	31.6%
Underlying tax rate	40.0%	13.0%		54.8%		-45.4%	17.6%	
Staff (FTEs end of period)	75,109	66,182	13.5%	75,142	-0.0%	75,109	66,182	13.5%

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

- **Full year profit of EUR 722 million despite loss in 4Q**
- **Commercial result before risk costs in 4Q EUR 998 million**
- **Risk costs increase to 81 bps of CRWA**

BANKING TOTAL

Underlying result before tax (EUR million)



Sharply deteriorating market conditions and a further decline in asset prices hit banking's performance in the fourth quarter. This resulted in EUR 1,778 million of impairments on bonds and equity investments; EUR 359 million of negative fair value changes on real estate, financial counterparties and government bonds; EUR 56 million of impairments on real estate development projects; and EUR 69 million in realised losses on equity securities. Furthermore, as economic conditions worsened, risk costs increased to EUR 576 million. The volatile items mainly affected ING Direct, the Financial Markets activities of Wholesale Banking, ING Real Estate and the Corporate Line Banking.

At ING Direct, the market turmoil resulted in EUR 1,670 million of impairments mainly related to the Alt-A portfolio in the US. The Wholesale Financial Markets businesses recorded EUR 171 million of impairments and fair value losses. At ING Real Estate, the market turmoil led to a EUR 276 million downward valuation of ING Real Estate's investments and of the associated value of listed funds, as well as EUR 56 million of impairments on development projects. The Corporate Line recorded EUR 70 million in losses on equity stakes.

An underlying result before tax of EUR -1,841 million was recorded in the fourth quarter of 2008, compared with a profit of EUR 1,151 million in the same quarter last year. Excluding the above-mentioned impact from the market turmoil and the high risk costs, the commercial result before risk costs held up reasonably well, declining 14.8% to EUR 998 million, versus EUR 1,171 million in the fourth

quarter of 2007.
The net underlying result of EUR -1,065 million was positively affected by the revision of tax returns from previous years and the charge of ING Real Estate losses to minority interests. For the full year, the underlying net result declined 81.9% to EUR 722 million from EUR 3,982 million in 2007.

The total net result of EUR -1,184 million includes EUR 119 million of special items related to the merger of ING Bank and Postbank in the Netherlands and the decision not to launch ING Direct Japan.

Total underlying income declined 61.5% compared with the fourth quarter of 2007 as a sharp decline in investment income more than offset an increase in interest income as the interest margin improved. For the full year 2008, the decrease in underlying income was 19.7%.

The interest result rose 39.4%, driven by a further increase in volumes and an improvement of the interest margin. The total interest margin increased to 1.19%, up 25 basis points compared with the fourth quarter of 2007. Of the total increase, 2 basis points were due to the inclusion of ING Bank Turkey and 7 basis points were attributable to a higher margin at ING Direct. The remainder of the increase was mainly in Wholesale Banking, driven by higher interest results in the Financial Markets activities (which were offset by negative impacts in other income), General Lending & PCM and Structured Finance. The interest margin of ING Direct improved 25 basis points to 0.99%, mainly thanks to the steepening of the yield curve in the US, Canada and Australia.

Total loans and advances to customers of the banking operations dropped by EUR 10.0 billion in the fourth quarter to EUR 598.3 billion at the end of December, including a EUR 8.4 billion negative impact from currencies. In the Netherlands, loans and advances rose by EUR 2.0 billion, driven by a EUR 5.4 billion increase in residential mortgages (of which EUR 3.5 billion was due to valuation changes caused by hedge accounting and EUR 1.9 billion due to volume growth), while corporate lending declined by EUR 3.4 billion. Outside of the Netherlands, loans and advances decreased by EUR 12.0 billion, entirely in corporate lending. Residential mortgages were up EUR 2.3 billion. At ING Direct, residential mortgages grew by EUR 1.9 billion (including EUR 1.6 billion due to hedge accounting) despite a EUR 3.9 billion negative impact from currencies.

Customer deposits and other funds on deposit of the banking operations declined by EUR 28.1 billion in the fourth quarter to EUR 537.7 billion, including a negative impact from currencies of EUR 9.0 billion. Total savings shrunk by EUR 11.8 billion, mainly at ING Direct and ING Bank Slaski, driven by a EUR 7.0 billion negative impact from currencies. Call money and overnight deposits were EUR 10.6 billion lower.

Commission income rose 4.5% due to the acquisition of ING Bank Turkey and Interhyp in Germany, which offset lower management fees. Investment income declined from EUR 148 million in the fourth quarter of 2007 to EUR -1,846 million in the fourth quarter of 2008, which included EUR 1,778 million of impairments on bonds and equity securities, EUR 69 million of losses on the sale of equity securities and EUR 63 million of negative fair value changes on direct real estate investments. Other income fell from EUR 548 million in the fourth quarter of 2007 to EUR -668 million. The negative other income in this quarter was mainly caused by negative valuation results on non-trading derivatives, negative trading income and EUR 189 million in losses from associates, mainly at ING Real Estate due to the downward valuation of listed funds.

Underlying operating expenses increased 7.1%, or EUR 177 million. Excluding the acquisition of ING Bank Turkey and Interhyp, as well as non-recurring expenses and the impact of currencies, operating expenses were up 1.0%. This was mainly due to ING Direct, while in the mature businesses, recurring operating expenses were down 0.7%. Expenses at Retail Banking Netherlands were higher due to the last push for the integration of ING Bank and Postbank. The number of employees rose to 75,109 from 66,182 at year-end 2007, of which 6,864 come from ING Bank Turkey and Interhyp.

The worsening economic conditions led to a sharp increase in risk costs. ING Bank added EUR 576 million to **loan loss provisions**, compared with EUR 31 million in the fourth quarter of 2007 and EUR 373 million in the third quarter of 2008. Gross additions to the loan loss provisions were EUR 663 million compared with EUR 449 million in the third quarter of 2008. Releases were limited to EUR 87 million, which is the second lowest level in the past few years.

The **underlying after-tax RAROC** fell to -17.3% from 19.2% in the fourth quarter of last year, reflecting the negative impact from the market turmoil and a strong increase in economic capital. Average economic capital rose to EUR 22.2 billion from EUR 16.4 billion, of which EUR 1.1 billion was due to the inclusion of ING Bank Turkey and TMB Bank in Thailand. Economic capital of Wholesale Banking rose by EUR 2.2 billion, while ING Direct was up EUR 1.4 billion, mainly in the US. Excluding the impact of the market turmoil, RAROC after tax would have been approximately 9%.

Total risk-weighted assets rose 4.2% in the fourth quarter to EUR 343.3 billion, driven by downgrades of the Alt-A portfolio at ING Direct. Compared with a year ago, total risk-weighted assets declined 14.7%. This decline is fully caused by the implementation of Basel II as from 2008, while the 2007 figures were still based on Basel I.

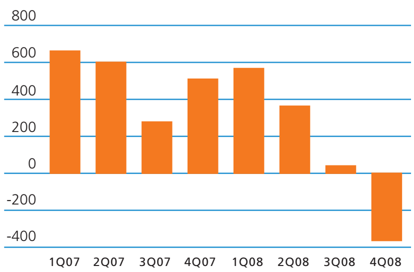
Wholesale Banking

Wholesale Banking: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Interest result	1,145	449	155.0%	738	55.1%	3,240	1,748	85.4%
Commission income	297	281	5.7%	293	1.4%	1,213	1,235	-1.8%
Investment income	-126	164	-176.8%	-141		-314	780	-140.3%
Other income	-645	305	-311.5%	60		-32	1,038	-103.1%
Total underlying income	**672**	**1,200**	**-44.0%**	**950**	**-29.3%**	**4,107**	**4,801**	**-14.5%**
Operating expenses	784	778	0.8%	715	9.7%	2,902	2,884	0.6%
Gross result	-112	422	-126.5%	234	-147.9%	1,205	1,917	-37.1%
Addition to loan loss provision	254	-90		195	30.3%	596	-142	
Underlying result before tax	**-366**	**512**	**-171.5%**	**40**		**609**	**2,059**	**-70.4%**
- of which General Lending & PCM	53	169	-68.6%	7	657.1%	303	504	-39.9%
- of which Structured Finance	77	106	-27.4%	132	-41.7%	323	395	-18.2%
- of which Leasing & Factoring	7	32	-78.1%	31	-77.4%	119	153	-22.2%
- of which Financial Markets	-119	-12		-68		355	300	18.3%
- of which Other Wholesale products	-137	71	-293.0%	-48		-195	43	-553.5%
- of which ING Real Estate	-248	145	-271.0%	-13		-297	664	-144.7%
Taxation	-82	102	-180.4%	-17		193	262	-26.3%
Result before minority interests	-284	410	-169.3%	57	-598.2%	416	1,797	-76.9%
Minority interest	-40	15	-366.7%	-7		-107	68	-257.4%
Underlying net result	**-244**	**395**	**-161.8%**	**64**	**-481.3%**	**523**	**1,729**	**-69.8%**
Underlying cost/income ratio	116.7%	64.8%		75.3%		70.7%	60.1%	
Risk costs in bp of average CRWA	67	-23		51		41	-10	
Risk-weighted assets (end of period)	177,197	165,921	6.8%	185,951	-4.7%	177,197	165,921	6.8%
Underlying RAROC before tax	-9.9%	17.2%		4.1%		7.1%	21.3%	
Underlying RAROC after tax	-7.9%	13.6%		4.3%		4.9%	19.8%	
Economic capital (average over period)	9,948	7,790	27.7%	9,253	7.5%	9,305	6,940	34.1%
Staff (FTEs end of period)	15,463	15,014	3.0%	15,715	-1.6%	15,463	15,014	3.0%

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

- **Results heavily impacted by real estate revaluations, credit-related markdowns and impairments**
- **Strong income growth for General Lending and Structured Finance**
- **Higher risk costs leading to a net addition of EUR 254 million**

WHOLESALE BANKING
Underlying result before tax (EUR million)



Wholesale Banking results were impacted by the deepening global recession during the fourth quarter. Income for General Lending, Structured Finance and Payments & Cash Management was resilient, supported by higher volumes and margins. However, negative revaluations in ING Real Estate - due to increasing pressure on real estate prices - remained a key challenge. Other businesses, in particular Equity Markets and the proprietary trading business within Financial Markets, also felt the impact of the global financial turmoil.

Wholesale Banking is taking several steps to reduce risk and expenses. ING has started to downsize both its Equity Markets and proprietary trading activities. In the fourth quarter, ING Lease announced a reorganisation of its General Lease activities in Germany and France. ING is also optimising the business model of its profitable Structured Finance business. In a further effort to support profitability in 2009, Wholesale Banking began rightsizing its client coverage model in non-core markets. For these initiatives and a restructuring at ING Real Estate, EUR 48 million of restructuring costs were taken in the fourth quarter, related to a headcount reduction of 425 positions (200 of which were effected during the quarter). In 2009, Wholesale Banking will reduce headcount by an additional 1,200 positions.

Wholesale Banking has implemented a plan to de-risk the business. ING has frozen some country limits and is actively reducing exposure in a number of volatile markets. The Financial Markets division is focusing more on plain vanilla products, and its emerging markets growth initiative has been suspended.

In line with the Group's strategy to maintain a healthy capital buffer, Financial Markets has also started to reduce repo activities, interbank balances and trading positions. This de-leveraging helped to shrink the banking balance sheet by over EUR 40 billion compared with the end of September.

The market turmoil resulted in EUR 503 million of impairments and negative revaluations in the fourth quarter. Combined with an increase in loan loss provisions, this led to a **pre-tax result** of EUR -366 million, compared with a profit of EUR 512 million in the fourth quarter of 2007.

ING Real Estate posted a loss of EUR 248 million before tax, attributable to EUR 276 million of negative fair value changes on real estate and EUR 56 million of impairments on development projects. For Wholesale excluding ING Real Estate, credit-related markdowns and impairments took a toll of EUR 171 million, mainly in Financial Markets. On a full-year basis, Financial Markets increased its pre-tax result by 18.3%, despite a loss in the fourth quarter.

The operational performance of the lending businesses remained strong. Before loan loss provisions, both General Lending & PCM and Structured Finance posted record results.

Income fell 44.0% compared with the fourth quarter of 2007. This was largely attributable to EUR 276 million of negative fair value changes at ING Real Estate and the EUR 145 million credit-related markdowns and impairments in Financial Markets. The fourth quarter of 2007 included a EUR 106 million negative impact from the turmoil, EUR 44 million of positive revaluations on real estate and EUR 100 million in capital gains on the sale of shares in Brazil.

Excluding the aforementioned items in both quarters, income decreased 5.9% as the strong operational performance within lending partially offset weakness in other businesses.

General Lending & PCM posted a 42.8% increase in income in its sixth consecutive quarter of higher revenues. This was attributable to both higher interest margins and increased volumes.

Structured Finance increased its income by 48.9% on the same quarter a year earlier. Income was supported by favourable results in Natural Resources and International Trade & Export Finance, areas that had been consistently strong during the year.

For Leasing & Factoring, market conditions for the car lease activities remained challenging with lower prices on the used vehicle market. Income declined 9.9%, both on the prior year and on the third quarter.

At ING Real Estate, negative fair value changes of EUR 276 million brought income for the quarter to zero. In the fourth quarter of 2007, fair value changes were EUR 46 million positive. Excluding fair value changes in both years, income was 6.8% lower compared with the fourth quarter of 2007.

Income for Other Wholesale products declined sharply. The fourth quarter of 2008 contained EUR 41 million of capital losses compared with a EUR 100 million capital gain the prior year. Furthermore, income from both Corporate Finance and Equity Markets decreased.

Operating expenses increased only 0.8%, despite EUR 56 million of impairments on development projects at ING Real Estate. The fourth quarter contained EUR 48 million of restructuring costs, of which EUR 18 million was attributable to ING Real Estate. The remainder largely related to severance costs in the UK, Asia and select ING Lease locations in western Europe. These restructuring costs were offset by lower performance-related payments.

'De-leveraging has started and measures are being taken to reduce the risk profile'

The cost/income ratio was 116.7% compared with 64.8% in the same quarter of 2007. Excluding the direct impact of the market turmoil on both income and cost levels, the cost/income ratio in the fourth quarter would have been 66.6%.

The net addition to loan loss provisions amounted to EUR 254 million, or an annualised 67 basis points of average credit-risk-weighted assets. The fourth quarter of 2007 showed a net release of EUR 90 million, including a EUR 115 million release from a single debtor provision.

Impairments and negative revaluations pushed the **RAROC after tax** to -7.9% compared with 13.6% in the fourth quarter of 2007. On a full-year basis, RAROC after tax was 4.9%.

Economic capital rose 27.7% compared with the fourth quarter of 2007. The increase was primarily caused by model changes due to the implementation of Basel II. Compared with the prior quarter, economic capital rose 7.5% as a higher average Value-at-Risk from increased market volatility led to higher market risk capital.

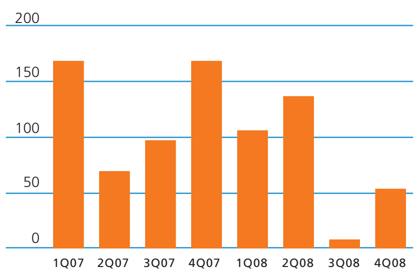
Risk-weighted assets increased 6.8% versus the end of 2007, as ING's loan book grew over the course of 2008 to support customers' financing needs. Compared with the end of September 2008, RWAs decreased 4.7% mainly as a result of lower lending assets.

General Lending & PCM

Wholesale Banking General Lending & PCM: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	297	208	42.8%	277	7.2%	1,083	870	24.5%
Operating expenses	162	140	15.7%	145	11.7%	590	549	7.5%
Gross result	135	68	98.5%	133	1.5%	494	321	53.9%
Addition to loan loss provision	82	-101		126	-34.9%	190	-183	
Underlying result before tax	**53**	**169**	**-68.6%**	**7**	**657.1%**	**303**	**504**	**-39.9%**
Underlying cost/income ratio	54.5%	67.3%		52.1%		54.4%	63.1%	
Underlying RAROC before tax	14.3%	5.1%		13.2%		11.9%	7.1%	
Underlying RAROC after tax	10.3%	3.3%		11.2%		9.4%	6.7%	
Economic capital (average over period)	2,175	1,774	22.6%	2,249	-3.3%	2,144	1,683	27.4%

- **Strong income growth with higher margins and volumes**
- **Gross result almost double on fourth quarter of 2007**
- **RAROC after tax improve to 10.3% from 3.3%**

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



The economic downturn resulted in a slowdown in the availability of credit. ING continued to selectively increase its lending volumes, at significantly higher margins than a year before. Growth in lending volumes has been focused on core clients in ING's home markets, particularly in the Netherlands.

ING's Payments & Cash Management (PCM) business had a strong quarter in both the Benelux and Central & Eastern Europe. Growth in outstandings was coupled with higher interest margins.

Underlying result before tax declined 68.6% on the fourth quarter of 2007 as the latter quarter was supported by a EUR 115 million recovery of one single loan loss provision. Gross result almost doubled compared with the last quarter of 2007, driven by income growth. Compared with the third quarter, result before tax increased sharply as a result of higher income and a decline in the net addition to loan loss provisions (third-quarter risk costs contained EUR 72 million for Icelandic banks).

Income rose 42.8% compared with the same quarter in 2007. Higher income was supported by an increase in interest margins and growth in volumes. This was the case for both General Lending products and Payments & Cash Management, and in all of the home markets.

Income increased 7.2% on the previous quarter, primarily driven by higher margins in Payments & Cash Management and a growth in commissions for General Lending.

Operating expenses increased 15.7% compared with the fourth quarter of 2007. This was driven by the strengthening of the sales force and investments in the processing of core banking products. Higher project expenses were the main contributor to the 11.7% cost increase versus the third quarter.

The **net addition to loan loss provisions** amounted to EUR 82 million, while the fourth quarter of 2007 showed a net release attributable to the recovery of one single provision. Risk costs declined on the previous quarter as the third quarter of 2008 contained EUR 72 million of provisions triggered by the collapse of three Icelandic banks.

After-tax RAROC was 10.3% in the fourth quarter, well above the 3.3% posted in the last quarter of 2007. The increase was primarily attributable to the increase in income, partially offset by a rise in economic capital. Compared with the previous quarter, after-tax RAROC declined to 10.3% from 11.2%, entirely due to a higher average tax rate.

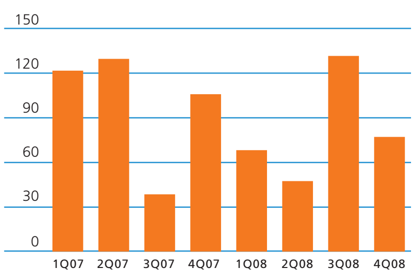
WHOLESALE BANKING - additional information

Structured Finance

Wholesale Banking Structured Finance: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	283	190	48.9%	272	4.0%	957	735	30.2%
Operating expenses	94	86	9.3%	92	2.2%	357	338	5.6%
Gross result	189	103	83.5%	180	5.0%	600	398	50.8%
Addition to loan loss provision	112	-2		48	133.3%	277	2	
Underlying result before tax	**77**	**106**	**-27.4%**	**132**	**-41.7%**	**323**	**395**	**-18.2%**
Underlying cost/income ratio	33.2%	45.6%		34.0%		37.3%	45.9%	
Underlying RAROC before tax	37.2%	31.3%		36.5%		30.9%	32.3%	
Underlying RAROC after tax	27.7%	27.4%		31.4%		25.1%	29.3%	
Economic capital (average over period)	1,554	991	56.8%	1,496	3.9%	1,413	916	54.3%

- **Record quarter in terms of income**
- **Lower result before tax driven by loan loss provisions**
- **RAROC after tax remains high at 27.7%**

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



The fourth quarter was marked by highly disrupted markets. Most borrowers found that new loan commitments were extremely difficult to obtain, thus causing the deferral of transactions into 2009. Lending assets were reduced in the fourth quarter, but were still well ahead compared with a year earlier. Most of the revenue earned in the quarter was accrued income on the existing portfolio, which reflected the higher margins on loan assets originated in 2008. At the end of the quarter, underwriting volumes fell to their lowest level in several years.

ING has started to reduce and/or redeploy teams in areas where demand has fallen and is unlikely to re-emerge quickly. An example is Leveraged Finance, whose portfolio is about 10% of the Structured Finance loans outstanding and is spread over some 125 exposures.

Underlying result before tax declined 27.4% compared with the fourth quarter of 2007. This was fully attributable to higher loan loss provisions, mainly related to Leveraged Finance and Trade & Commodity Finance. Within other areas provision rates remained low. Fuelled by higher income, the gross result increased 83.5% compared with the fourth quarter of 2007, and 5.0% over the third quarter of 2008.

Income reached a record level for the second consecutive quarter. Income rose 48.9% compared with the same quarter of 2007, and was up 4.0% on an already strong third quarter. Income generation was high in areas which have been strong throughout 2008, in particular Natural Resources and International Trade & Export Finance. Income has been well maintained in other areas, such as Asset Based Finance and Infrastructure Finance.

Operating expenses increased 9.3%, reflecting headcount growth built up during the year in specific areas as well as the impact of salary increases. Compared with the previous quarter, cost growth was limited to 2.2%.

The net **addition to loan loss provisions** amounted to EUR 112 million compared with a small net release in the year-earlier period. The majority of the higher additions were attributable to Leveraged Finance and Trade & Commodity Finance, while other products continued to show low provision rates.

After-tax RAROC, for which actual loan losses are replaced by the expected losses over the cycle, increased slightly to 27.7%. Strong income growth was offset by a 56.8% increase in economic capital. This was mainly caused by model changes in 2008 due to the implementation of Basel II. In comparison with the previous quarter, economic capital increased 3.9%.

Leasing & Factoring

Wholesale Banking Leasing & Factoring: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	91	101	-9.9%	101	-9.9%	406	398	2.0%
Operating expenses	61	60	1.7%	58	5.2%	239	220	8.6%
Gross result	30	42	-28.6%	43	-30.2%	167	178	-6.2%
Addition to loan loss provision	23	9	155.6%	12	91.7%	48	25	92.0%
Underlying result before tax	**7**	**32**	**-78.1%**	**31**	**-77.4%**	**119**	**153**	**-22.2%**
Underlying cost/income ratio	66.8%	59.0%		57.3%		58.8%	55.4%	
Underlying RAROC before tax	17.7%	25.3%		32.3%		27.9%	28.1%	
Underlying RAROC after tax	9.2%	19.9%		24.3%		19.1%	18.6%	
Economic capital (average over period)	454	536	-15.3%	425	6.8%	462	473	-2.3%

- **High risk costs for general lease activities**
- **Development in second-hand car market drives down income**
- **RAROC after tax 19.1% for full year**

The economic slowdown led to reduced demand in the second-hand car market, which triggered lower results from the sale of vehicles and accelerated depreciations at ING Car Lease. In the fourth quarter, the acquisition of Universal Lease Iberia in Spain was completed, adding more than 14,000 vehicles to the car fleet.

General Lease grew the portfolio compared with the fourth quarter of 2007, at higher margins. To support the long-term development of its results, ING Lease announced a reorganisation of General Lease activities in Germany and France. In Germany, ING Lease will withdraw from refinancing the lease portfolio of other companies. In France, ING Lease will restructure the underperforming equipment-leasing activities. In both countries, some local branches will be closed.

Underlying result before tax declined to EUR 7 million, driven by higher loan loss provisions for General Lease coupled with a decline in income for Car Lease.

Including the mid-corporate clients transferred to Retail Banking, total underlying result before tax for Leasing & Factoring within the Bank was EUR 140 million for the year; total income was EUR 551 million.

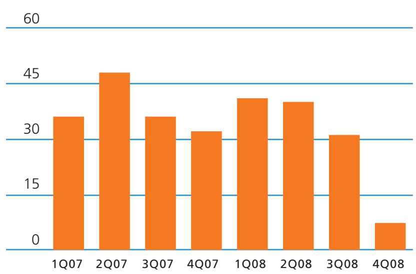
Income declined 9.9%, both on the fourth quarter of 2007 and on the previous quarter. This was the result of lower sales of leased assets in Car Lease due to deterioration in the used vehicle market. General Lease income held up well. Factoring income rose thanks to autonomous growth and the inclusion of the structured commercial finance activities. For the full year, income rose 2.0% compared with 2007.

Operating expenses grew just 1.7% in the fourth quarter despite the impact of the acquisitions in Hungary and Spain. The increase in costs year-on-year was largely offset by a litigation provision taken in the fourth quarter of 2007.

The **addition to the loan loss provisions** increased to EUR 23 million in the fourth quarter, related to the General Lease activities in Italy, the Netherlands and the UK.

After-tax RAROC declined to 9.2% in the fourth quarter, well below the level in the fourth quarter of 2007 and the previous quarter. The decrease was driven by a higher average tax rate and a decline in income. After-tax RAROC for the year was 19.1%, up slightly on 2007.

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

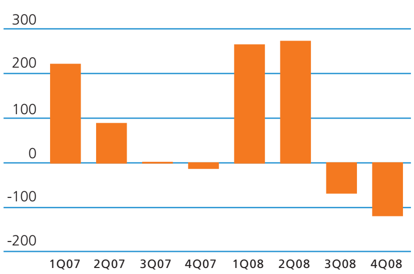


Financial Markets

Wholesale Banking Financial Markets: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	56	150	-62.7%	111	-49.5%	1,064	983	8.2%
Operating expenses	174	160	8.7%	179	-2.8%	707	679	4.1%
Gross result	-118	-10		-68		357	304	17.4%
Addition to loan loss provision	1	2	-50.0%	-0		2	4	-50.0%
Underlying result before tax	**-119**	**-12**		**-68**		**355**	**300**	**18.3%**
Underlying cost/income ratio	311.5%	106.4%		161.1%		66.5%	69.1%	
Underlying RAROC before tax	-16.2%	-2.4%		-12.8%		11.1%	11.4%	
Underlying RAROC after tax	-10.0%	2.1%		-7.4%		7.4%	14.9%	
Economic capital (average over period)	3,144	2,315	35.8%	2,541	23.7%	2,766	2,184	26.6%

- **Fourth quarter impacted by EUR 145 million of impairments and credit-related markdowns**
- **Full-year result up 18.3% on 2007**
- **RAROC after tax 7.4% for full year**

WHOLESALE BANKING FINANCIAL MARKETS
Underlying result before tax (EUR million)



In the fourth quarter, markets experienced unprescedented turmoil following the bankruptcy of Lehman Brothers in September. This environment was difficult for ING's proprietary trading business, which suffered significant losses in the quarter. ING's core sales and trading business in the home markets continued to perform well. As the economic crisis extended from developed to emerging markets, results in emerging markets and in structured derivatives came under pressure. Asset & Liability Management results benefited from lower interest rates and steeper yield curves.

Underlying result before tax showed a loss of EUR 119 million, driven by losses in proprietary trading and EUR 145 million of impairments. Strong results from Asset & Liability Management and the client-related business could not fully offset these losses.

Despite the loss in the fourth quarter, the full year pre-tax result increased 18.3% compared with 2007.

Total underlying income fell 62.7%, heavily impacted by EUR 145 million of impairments and losses on pressurised assets, equity securities and debt securities. The fourth quarter of 2007 contained a EUR 66 million loss on a monoline insurer and EUR 40 million of losses on sub-prime RMBS and CDOs. In the third quarter of 2008, credit-related markdowns and impairments amounted to EUR 211 million.

Market conditions in the fourth quarter of 2008 had a negative impact on ING's proprietary position-taking activities, which suffered a loss. Asset & Liability Management achieved strong results supported by lower interest rates and steeper yield curves. The client-related sales and trading business continued to do well, particularly in the developed markets.

Thanks to a strong first half of the year and despite losses related to the credit crisis, Financial Markets' income for the year rose 8.2% compared with 2007.

Operating expenses increased 8.7%, the result of gradual headcount growth during 2008 and higher volume-related costs. Compared with the third quarter, costs declined 2.8% due to lower performance-related staff costs.

Impairments and proprietary trading losses resulted in an **after-tax RAROC** of -10.0% for the quarter. On a full-year basis, after-tax RAROC was 7.4%.

Economic capital increased 35.8% year-on-year and 23.7% compared with the third quarter of 2008. This was largely attributable to a higher average Value-at-Risk which led to an increase in market risk capital.

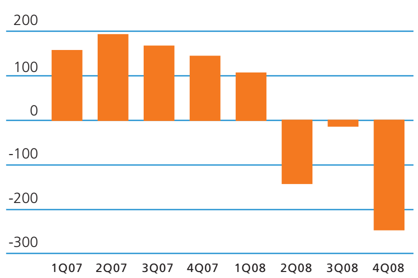
ING Real Estate

Wholesale Banking ING Real Estate: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	0	342	-100.0%	150	-100.0%	425	1,235	-65.6%
Operating expenses	211	193	9.3%	155	36.1%	642	570	12.6%
Gross result	-211	149	-241.6%	-5		-217	665	-132.6%
Addition to loan loss provision	37	4	825.0%	9	311.1%	80	1	
Underlying result before tax	**-248**	**145**	**-271.0%**	**-13**		**-297**	**664**	**-144.7%**
- of which Investment Management	5	39	-87.2%	3	66.7%	80	156	-48.7%
- of which Investment Portfolio	-369	37		-62		-695	261	-366.3%
- of which Finance	72	51	41.2%	76	-5.3%	240	214	12.1%
- of which Development	45	18	150.0%	-31		78	33	136.4%
Underlying cost/income ratio	n.a.	56.5%		103.0%		151.0%	46.1%	
Underlying RAROC before tax	-44.6%	30.7%		-4.0%		-13.5%	44.6%	
Underlying RAROC after tax	-36.9%	17.8%		-6.1%		-13.3%	32.7%	
Economic capital (average over period)	2,030	1,845	10.0%	2,064	-1.6%	2,045	1,400	46.1%
Staff (FTEs end of period)	2,699	2,549	5.9%	2,810	-4.0%	2,699	2,549	5.9%

- **EUR 248 million loss in fourth quarter due to negative revaluations and impairments**
- **Excluding revaluations and impairments, result before tax EUR 84 million**
- **Total ING Real Estate portfolio down 7.4% to EUR 106.4 billion**

WHOLESALE BANKING ING REAL ESTATE

Underlying result before tax (EUR million)



During the fourth quarter, underlying real estate fundamentals faced increasing pressure, causing property values to decline further in many markets around the world. A substantial yield shift was seen in Canada, Australia, the US and the UK. Valuation declines were also visible in Asia and Europe. As a result, ING Real Estate posted a loss before tax of EUR 248 million. The loss was driven by EUR 276 million of negative revaluations, consisting of EUR -336 million within the Investment Portfolio and partially offset by positive revaluations of EUR 60 million on properties in the Development portfolio. Impairments on development projects in both the Development and Investment Portfolios amounted to EUR 56 million in the fourth quarter of 2008. Revaluations were EUR -88 million in the third quarter of 2008 and EUR 46 million in the fourth quarter of 2007.

In light of market circumstances and in line with ING's overall strategy, ING Real Estate intensified cost and risk reduction measures during the fourth quarter. A cost-reduction programme started in 2008 will be continued in 2009. This will structurally reduce costs across all three business lines and within corporate departments. In addition to reducing headcount and operational expenses, ING Real Estate will implement efficiency improvements and identify and discontinue businesses with low added value. Proactive management of the Finance portfolio and a review of the Development portfolio will continue in 2009.

ING Real Estate's total portfolio declined 7.4% in the quarter to EUR 106.4 billion. The quarterly decline was driven primarily by a decrease in assets under management at Investment Management. Compared with year-end 2007, the total portfolio declined marginally by 0.7%, as growth in the Finance loan portfolio during the first nine months of the year helped to offset declines in assets under management.

Assets under management in the Investment Management business decreased 10.6% during the quarter to EUR 66.5 billion. The market slowdown impeded acquisitions of new properties and triggered unrealised losses on existing holdings due to declines in fair values. Given these circumstances, ING Real Estate Investment Management focused more on sustaining fund performance and ensuring quality client relationship management.

The loan portfolio of ING Real Estate Finance declined 1.2% during the fourth quarter to EUR 37.0 billion. As funding by banks became more expensive due to the scarcity of available capital, higher margins on new business reflected increased funding costs. Real Estate Finance heightened its focus on active portfolio and risk management.

ING Real Estate Development's assets under management fell 6.0% during the fourth quarter to EUR 3.0 billion. The Nisa Liberec shopping centre in the Czech Republic reopened and was sold. The EuroAlsace building, a prime office property in Paris, was also sold.

ING Real Estate's fourth-quarter result before tax was EUR -248 million, declining from EUR 145 million in the fourth quarter of 2007 and from EUR -13 million in the third quarter of 2008. The unprecedented deterioration of global financial markets caused increasing downward pressure on real estate markets, leading to EUR 336 million of unrealised losses in the Investment Portfolio, mainly in Canada, Australia and the US. This was somewhat offset by EUR 60 million of positive revaluations in the fourth quarter within Real Estate Development's portfolio. Excluding fair value changes, fourth quarter profit before tax was EUR 28 million, a decline of EUR 71 million from the fourth quarter 2007. This was largely a result of lower fee income and higher risk costs, and higher operating expenses fully due to impairments on development projects within the Investment and Development Portfolios.

The Bank's own Investment Portfolio posted a result before tax of EUR -369 million, almost entirely due to the unrealised fair value losses of EUR -336 million and EUR 23 million of impairments at the Australian and US development activities. Consistent with the Group's de-risking initiatives, the Bank will actively search for possibilities to reduce its direct capital exposure to real estate in 2009.

The Investment Management fee business posted a result before tax of EUR 5 million, down EUR 34 million compared with the fourth quarter last year. Negative revaluations and a stronger euro put pressure on assets under management. Compared with the end of 2007, assets under management declined by EUR 5.6 billion (a decrease of 7.8%) to EUR 66.5 billion. This has negatively impacted asset management fee income. Stagnation in the real estate market has also led to lower transaction fees. Costs were impacted by one-off restructuring charges of EUR 17 million at Investment Management.

The Finance business continued to be profitable on the back of growth throughout the first three quarters of 2008, with fourth-quarter profit before tax up to EUR 72 million despite higher risk costs, notably in the US and Europe. Fourth-quarter profit before tax was only EUR 4 million lower than the previous quarter despite a EUR 28 million increase in risk costs. Compared with the fourth quarter of 2007, the gross result (excluding risk costs) of Finance almost doubled to EUR 109 million.

Real Estate Development posted a fourth-quarter profit before tax of EUR 45 million, assisted by EUR 60 million of positive unrealised fair value changes from a reclassification of some land positions in Spain from projects under construction to 'available for sale' (at fair value). Excluding these unrealised gains, Development's result was EUR -15 million, caused by impairments to several European projects (notably in Spain) totalling EUR -33 million.

Negative fair value changes of EUR 276 million reduced **income** for the quarter to zero. Excluding fair value changes, income dropped 6.8% compared with the same quarter of 2007. Investment Management was affected by lower one-time fees and lower assets under management. Development was affected by lower sales. Interest income increased to EUR 93 million from EUR 18 million in the fourth quarter of 2007. This was mainly due to the growth of the Finance portfolio and supported by lower funding costs in the Investment and Development Portfolios. Commission income fell EUR 33 million due to the impact of the market deterioration on transaction, management and performance fees within Investment Management.

Operating expenses were 9.3% higher than in the same period last year and 36.1% higher than in the previous quarter, mainly driven by impairments on development projects. Excluding impairments, which are classified under expenses, operating costs increased 7% from the previous period driven by one-off restructuring costs of EUR 18 million, but declined by EUR 35 million (-18%) compared with the fourth quarter 2007.

Risk costs increased to EUR 37 million, reflecting the deteriorating market conditions in the US and Europe, but remained relatively low with a manageable increase of the watch list.

The **after-tax RAROC** fell to -36.9% compared with 17.8% in the fourth quarter of 2007. Excluding the negative fair value changes and impairments, after-tax RAROC was about 12%.

BANKING

Retail Banking

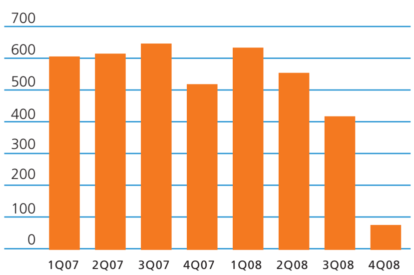
Retail Banking: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Interest result	1,427	1,352	5.5%	1,349	5.8%	5,556	5,378	3.3%
Commission income	318	383	-17.0%	391	-18.7%	1,535	1,591	-3.5%
Investment income	-5	9	-155.6%	15	-133.3%	66	66	0.0%
Other income	-51	116	-144.0%	69	-173.9%	242	421	-42.5%
Total underlying income	**1,690**	**1,860**	**-9.1%**	**1,825**	**-7.4%**	**7,399**	**7,456**	**-0.8%**
Operating expenses	1,408	1,245	13.1%	1,311	7.4%	5,307	4,855	9.3%
Gross result	282	615	-54.1%	513	-45.0%	2,092	2,601	-19.6%
Addition to loan loss provision	207	93	122.6%	93	122.6%	401	198	102.5%
Underlying result before tax	**75**	**522**	**-85.6%**	**420**	**-82.1%**	**1,691**	**2,402**	**-29.6%**
Taxation	24	103	-76.7%	79	-69.6%	355	532	-33.3%
Result before minority interests	52	419	-87.6%	341	-84.8%	1,336	1,871	-28.6%
Minority interest	1	11	-90.9%	10	-90.0%	36	44	-18.2%
Underlying net result	**50**	**408**	**-87.7%**	**330**	**-84.8%**	**1,300**	**1,826**	**-28.8%**
Underlying cost/income ratio	83.3%	66.9%		71.9%		71.7%	65.1%	
Risk costs in bp of average CRWA	107	25		49		53	14	
Risk-weighted assets (end of period)	95,002	153,828	-38.2%	90,655	4.8%	95,002	153,828	-38.2%
Underlying RAROC before tax	9.6%	39.3%		27.5%		27.2%	47.3%	
Underlying RAROC after tax	7.3%	31.6%		22.5%		21.7%	37.0%	
Economic capital (average over period)	6,244	5,354	16.6%	5,782	8.0%	5,929	4,757	24.6%
Staff (FTEs end of period)	49,665	42,285	17.5%	49,683	-0.0%	49,665	42,285	17.5%

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

- **Intense competition for savings and deposits continues**
- **Losses in mid-corporates on Financial Markets products**
- **Market downturn puts pressure on management fees**

RETAIL BANKING

Underlying result before tax (EUR million)



In the fourth quarter, the banking crisis resulted in an economic slow down. The result was lower volume growth for deposits and lending, lower commission income from securities transactions and asset management and an increase in risk costs. These effects came on top of the liquidity crisis that spurred a fight for savings and reduced margins. While in the first three quarters the impact had been mostly felt in the mature markets, the impact spread in the fourth quarter to the emerging markets.

In this increasingly competitive environment, ING will continue or even accelerate investments in its domestic markets by consolidating branch networks in the Benelux and moving them towards the 'internet-first model' with its focus on low-cost, easy transactions and strong branding. ING remains committed to growth in emerging markets but will slow down the rate of expansion in the current cyclical downturn. In all markets ING will put more emphasis on cost reduction and de-risking in the present environment. In 2009, ING plans to reduce staff by some 800 full-time positions. This is on top of the already announced measures in relation to the combining of ING Bank and Postbank.

In line with this strategy, further progress was achieved in the fourth quarter in reorganising the domestic operations in the Benelux. By the end of the year, ING was fully on track in the Netherlands to launch the new bank in the first quarter of 2009. On 2 January, all branches started working according to the new 'open branch' concept. In Belgium, 130 new-type branches were up and running at the end of 2008, out of the 260 planned to be opened by the end of 2009.

The liquidity crisis was felt in all markets, but the impact differed according to local circumstances. In the Netherlands, ING saw limited outflows of savings and deposits during the turmoil in October and November, followed by inflows in December and January. ING managed to increase savings and deposits in 2008 by EUR 1.1 billion or 2%. Margins remained under pressure throughout the period. In Belgium, savings and deposits continued their steady increase throughout the year and margins started to improve towards the end of the quarter. In Poland, savings and deposits increased strongly in the first three quarters thanks to successful campaigns, but in the extremely competitive environment of the fourth quarter ING gave preference to margin and gave up some of its earlier volume gains. In Romania, ING lost deposits in October but more than compensated for that in November and December, ending the quarter with 6% higher deposits than in the third quarter. In Turkey, ING saw an absolute decrease in dollar deposits.

Mortgage production decreased in all countries. ING gave preference to margin over volume and saw its market share fall in the Netherlands and Belgium.

During the fourth quarter, ING continued with its branch expansion programmes in Turkey (5 additional branches, bringing the total number of new branches in 2008 to 47), Romania (7 new outlets, bringing total to 205), Ukraine (additional 7 to reach 20 in total at the end of 2009) and India (45 bringing total to 504 in 2008).

Retail Banking posted an **underlying profit before tax** of EUR 75 million compared with EUR 522 million in the same quarter of last year. Results were severely impacted by the increased margin pressure caused by intense competition for savings and the turbulence in the financial markets, which affected the mid-corporate segment. Additionally, underperformance in the equities market resulted in lower fees on asset management products.

Underlying profit before tax in the Netherlands decreased to EUR 116 million compared with EUR 400 million in the fourth quarter of last year. The ongoing competition for savings and higher funding costs due to the liquidity crisis resulted in lower interest margins. The mid-corporate segment was negatively affected by derivative results and higher additions to loan loss provisions. Operating expenses increased 15.5% due to net releases of pension provisions in the fourth quarter of 2007 and the upcoming launch of the new ING Bank.

Belgium posted an underlying profit before tax of EUR 63 million, a decline of 33% compared with the same quarter last year, reflecting the impact of intense competition for savings combined with lower asset under management income due to stock market turbulence. Margins improved in the fourth quarter. Together with higher volumes, this led to higher revenues during the final months of the year. Underlying income was also severely impacted by client defaults related to the mid-corporate segment, while expenses dropped 3.3%, predominantly as a result of a net release of a pension provision.

Central Europe reported a loss of EUR 68 million compared with a EUR 16 million profit in the same period last year. ING Bank Turkey contributed a loss of EUR 16 million as a result of EUR 12 million in negative fair value changes on derivatives not eligible for hedge accounting and continued investments to expand the franchise network. Poland posted a loss of EUR 26 million compared with a EUR 30 million profit in the same period last year. This is fully explained by the margin pressure on savings products as a result of strong competition and foreign exchange losses due to very volatile currencies in the mid-corporate segment. Average retail balances in Poland rose 28% compared with the same quarter last year spread across all products. Operating expenses excluding ING Bank Turkey, grew 10.6% due to investments in the franchise network in Romania, Ukraine and Poland. The addition to the loan loss provision rose to EUR 44 million, mainly due to the acquisition of ING Bank Turkey and relatively higher risk costs in the mid-corporate segment.

Underlying result before tax in Asia amounted to EUR -35 million. This was driven by a negative result of TMB (EUR -11 million) and losses of EUR 28 million at Private Banking Asia, predominantly due to a EUR 38 million addition to loan losses provisions in the fourth quarter. This position is related to the leveraged Private Banking activities which were influenced by disrupted financial markets. Reduced bonuses partly compensated for the lower income at Private Banking Asia as the market downturn severely affected asset management and securities fees.

Total underlying income was EUR 1,690 million, a decline of 9.1% compared with the same quarter last year. Excluding market related losses, income was EUR 1,775 million, down 4.5%. This was driven by intensified competition for savings, hitting hard on margins, and a decline in asset management income due to deteriorating equity markets.

Operating expenses, excluding ING Bank Turkey, grew 7.6% compared with the same quarter last year. In the Benelux, operating expenses increased 9%, predominantly in the Netherlands due to the upcoming launch of the new ING Bank. Outside the Benelux, operating expenses remained flat despite the investments in the franchise network. This was mainly due to lower bonuses in the Private Banking network and favourable currency effects.

The net addition to loan loss provisions increased to EUR 207 million from EUR 93 million in the same quarter last year. This is mainly explained by EUR 38 million in Private Banking Asia as prices of assets that served as underlying collateral for loans decreased significantly. Furthermore, risk costs increased due to the inclusion of ING Bank Turkey and higher risk costs in the mid-corporate segment.

Underlying RAROC after tax declined to 7.3% from 31.6% in the fourth quarter of 2007, due to lower results and EUR 0.9 billion higher economic capital, of which EUR 0.8 billion is explained by the inclusion of ING Bank Turkey.

RETAIL BANKING - additional information

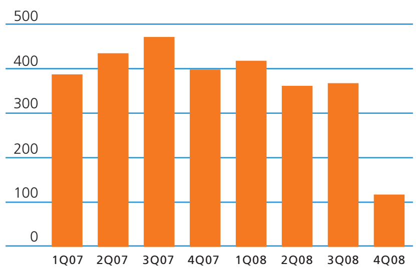
The Netherlands

Retail Banking The Netherlands: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	1,011	1,178	-14.2%	1,078	-6.2%	4,346	4,705	-7.6%
Operating expenses	804	696	15.5%	657	22.4%	2,826	2,820	0.2%
Gross result	207	482	-57.1%	421	-50.8%	1,520	1,885	-19.4%
Addition to loan loss provision	91	82	11.0%	52	75.0%	251	185	35.7%
Underlying result before tax	**116**	**400**	**-71.0%**	**369**	**-68.6%**	**1,269**	**1,700**	**-25.4%**
Underlying cost/income ratio	79.6%	59.1%		60.9%		65.0%	59.9%	
Underlying RAROC before tax	24.5%	68.3%		62.2%		53.6%	66.9%	
Underlying RAROC after tax	19.7%	53.2%		48.8%		42.2%	51.5%	
Economic capital (average over period)	2,629	2,495	5.4%	2,392	9.9%	2,424	2,497	-2.9%
Staff (FTEs end of period)	15,452	16,019	-3.5%	15,596	-0.9%	15,452	16,019	-3.5%

- **Continued competition for savings compresses margin**
- **Average savings and deposits volumes up 1% on 4Q2007**
- **Expenses up on upcoming launch of new ING Bank**

RETAIL BANKING THE NETHERLANDS

Underlying result before tax (EUR million)



Competition in the Dutch savings market remained fierce as the liquidity crisis flared up in the quarter while the shift to low-margin fixed products persisted. Customers became more risk-aware, and October and November saw movements in savings in the Dutch market as clients rebalanced to stay within the deposit guarantee. In this volatile market, average retail balances on savings and deposits decreased 1% only in the fourth quarter while December showed inflows. This positive trend continued into 2009. ING managed to increase savings and deposits in 2008 by EUR 1.1 billion or 2%.

Mortgage production in the Netherlands fell sharply as offerings were repriced to reflect higher funding costs and home sales slowed. ING's focus is to keep volumes and market share stable without sacrificing margins. Risks are being pro-actively managed in anticipation of weaker economic conditions.

Preparations were finalised to combine ING Bank and Postbank in the first quarter of 2009. All post offices, Postbank service shops, ATMs and branch interiors have been rebranded. Since January 2009, all branches have started working according to ING's new 'open branch' formula.

Underlying profit before tax declined 71.0% to EUR 116 million, reflecting strong competition in the savings market and the costs for the upcoming launch of the new ING Bank.

Underlying income declined 14.2% compared with the fourth quarter of 2007. Margins on savings continued to decline as clients accelerated their shift to term deposits and variable savings with lower margins. In addition, underlying income was impacted by EUR -20 million marked-to-market revaluations due to widening spreads on Financial Markets products in the mid-corporate segment. Average retail balances grew 6% compared with the fourth quarter of 2007, of which 10% was in mortgages and 1% in savings and deposits. The growth of mortgages was supported by the transfer of a EUR 2.7 billion portfolio from Insurance in the third quarter.

Operating expenses grew 15.5% compared with the fourth quarter of 2007. This increase is related to the upcoming launch of the new ING Bank and is mainly explained by temporary staff in call centers and branches, consultants, training and change programmes linked to the merger of ING Bank and Postbank.

The addition to the loan loss provision increased by EUR 9 million to EUR 91 million due to higher risk costs in the mid-corporate segment and model changes for small business lending.

The **underlying RAROC after tax** declined to 19.7% due to the lower profit, whereas economic capital increased 5.4%, reflecting growth of the lending portfolio.

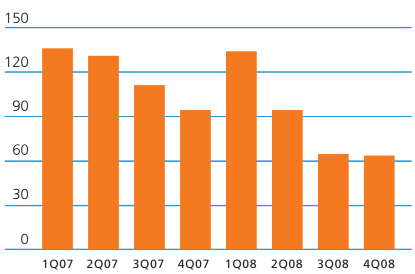
RETAIL BANKING - additional information

Belgium

Retail Banking Belgium: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	447	473	-5.5%	455	-1.8%	1,842	1,911	-3.6%
Operating expenses	355	367	-3.3%	376	-5.6%	1,455	1,408	3.3%
Gross result	91	106	-14.2%	79	15.2%	387	504	-23.2%
Addition to loan loss provision	29	11	163.6%	15	93.3%	32	32	0.0%
Underlying result before tax	**63**	**94**	**-33.0%**	**64**	**-1.6%**	**355**	**472**	**-24.8%**
Underlying cost/income ratio	79.6%	77.6%		82.7%		79.0%	73.6%	
Underlying RAROC before tax	27.1%	43.1%		23.9%		32.7%	49.0%	
Underlying RAROC after tax	20.8%	41.3%		20.8%		26.3%	39.3%	
Economic capital (average over period)	1,002	831	20.6%	982	2.0%	929	869	6.9%
Staff (FTEs end of period)	9,610	9,658	-0.5%	9,569	0.4%	9,610	9,658	-0.5%

- **Average volumes savings and deposits up 6% in this quarter**
- **Stock market downturn impact commission income**
- **Increase in loan loss provisions**

RETAIL BANKING BELGIUM
Underlying result before tax (EUR million)



ING benefited from the exceptional circumstances in the Belgian market during the fourth quarter of 2008. This, together with the launch of new innovative savings products, significantly strengthened ING's position. The client base increased across all products, including the ING Lion Account, ING Lion Fidelity Account and ING Lion Deposit. Average savings and deposits volumes increased 6% compared with the previous quarter and 8% compared with the same quarter last year.

The negative stock market performance resulted in lower assets under management and consequently lower commission income.

ING continued to roll out its 'open branch' concept, responding to clients' changing behaviour. By the end of the fourth quarter, 130 adjusted branches were up and running. In 2009, ING Belgium will be transforming roughly two to three branches a week, bringing the total to a planned 260 by the end of this year.

Underlying profit before tax of Belgium declined 33.0% compared with the fourth quarter of 2007. This was driven by losses on Financial Markets products and lower asset management and securities fees as a result of the market downturn and higher risk costs. Compared with the previous quarter, the underlying profit before tax declined 1.6%, supported by a pension release.

The 8% growth in average savings and deposits compared with the same quarter last year could not compensate for lower asset management and securities fees and the margin pressure on saving products. **Underlying income fell** 5.5%, also negatively impacted by losses on Financial Markets products of EUR 20 million and an impairment related to the mid-corporate segment (EUR 13 million).

Operating expenses decreased 3.3% compared with the fourth quarter of 2007, helped by a pension release of EUR 31 million. Excluding this release, underlying expenses increased 5.2% due to the inflation effect on salaries, an impairment of an office building and investments for the implementation of the 'open branch' concept and Self'Banks.

The addition to the loan loss provision was EUR 29 million, mainly due to provisions at Private Banking Switzerland and higher risk costs in the mid-corporate segment.

The **underlying RAROC after tax** declined to 20.8% from 41.3% in the fourth quarter of 2007. This is predominantly explained by the lower profit and an increase of economic capital related to growth of the lending portfolio.

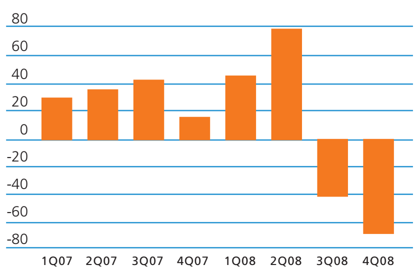
Central Europe

Retail Banking Central Europe: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	169	126	34.1%	203	-16.7%	878	495	77.4%
Operating expenses	192	111	73.0%	219	-12.3%	795	395	101.3%
Gross result	-23	15	-253.3%	-16		82	101	-18.8%
Addition to loan loss provision	44	-1		25	76.0%	65	-24	
Underlying result before tax	**-68**	**16**	**-525.0%**	**-41**		**17**	**124**	**-86.3%**
- of which Poland	-26	30	-186.7%	25	-204.0%	75	146	-48.6%
- of which Turkey	-16	0		-59		-17	0	
- of which Rest of Central Europe	-26	-14		-7		-41	-21	
Underlying cost/income ratio	113.8%	88.1%		108.1%		90.6%	79.7%	
Underlying RAROC before tax	-30.9%	12.7%		-25.0%		-8.9%	37.6%	
Underlying RAROC after tax	-24.7%	8.6%		-19.6%		-7.2%	29.5%	
Economic capital (average over period)	1,061	289	267.1%	957	10.9%	954	220	333.6%
Staff (FTEs end of period)	15,004	7,739	93.9%	14,776	1.5%	15,004	7,739	93.9%

- **Performance of ING Bank Turkey affected by negative hedge result**
- **Poland shows losses in mid-corporate segment on Financial Market products**
- **Average retail balances in Poland up 28% on 4Q2007**

RETAIL BANKING CENTRAL EUROPE

Underlying result before tax (EUR million)



Growth in Central Europe was impacted by the negative developments elsewhere in the world. In this environment ING has prudently slowed investments in the roll out of new branches.

The liqidity crisis spurred a fight for savings and deposits and especially in Poland, the fourth quarter was extremely competitive. ING gave preference to margin and gave up some of the earlier volume gains in Poland. ING launched marketing campaigns in every country to attract new customers and promote new savings accounts. In Romania, deposits rose 6% compared with the third quarter.

Weak market sentiment and lower share prices dampened sales of mutual funds. ING's strict lending policy resulted in selective small growth.

The **underlying result before tax** was EUR -68 million compared with a profit of EUR 16 million in the same period of last year. ING Bank Turkey posted a loss of EUR 16 million due to EUR 12 million negative fair value changes on derivatives not eligible for hedge accounting and continued investments to expand the franchise network. In Poland, underlying result before tax was EUR -26 million, driven by losses in the mid-corporate segment on Financial Market products due to the depreciation of the zloty and continuing margin pressure on savings.

Underlying income rose 34.1% despite losses on Financial Market products in Poland (EUR -19 million). This growth was supported by volume growth, especially in Poland and by the acquisition of ING Bank Turkey. Average retail balances in Poland rose 28%, across all products, while savings margins eroded and asset management fees declined due to unfavourable stock market performance. Income in Romania was up 28.3% compared with the fourth quarter of 2007 as a result of portfolio growth.

Operating expenses excluding ING Bank Turkey rose 10.6%, due to investments in distribution channels and advertisement campaigns in growth markets.

The addition to the loan loss provision rose to EUR 44 million from a net release of EUR 1 million in the fourth quarter of 2007. This is predominantly explained by the inclusion of ING Bank Turkey combined with provisions in the mid-corporate segment.

The **underlying RAROC after tax** declined to -24.7% compared with 8.6% in the same quarter of 2007 reflecting the negative result of Central Europe. Economic capital rose EUR 0.8 billion due to the acquisition of ING Bank Turkey.

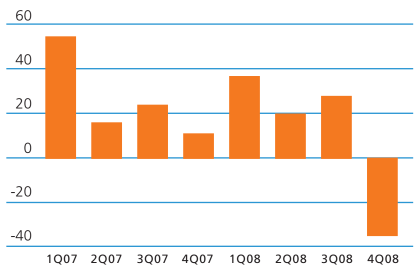
Asia

Retail Banking Asia: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	63	83	-24.1%	89	-29.2%	333	344	-3.2%
Operating expenses	56	71	-21.1%	59	-5.1%	230	232	-0.9%
Gross result	7	12	-41.7%	30	-76.7%	102	112	-8.9%
Addition to loan loss provision	43	1		1		52	5	940.0%
Underlying result before tax	**-35**	**11**	**-418.2%**	**28**	**-225.0%**	**50**	**107**	**-53.3%**
- of which Private Banking Asia	-28	14	-300.0%	10	-380.0%	10	75	-86.7%
- of which ING Vysya Bank	7	7	0.0%	3	133.3%	17	16	6.3%
- of which Other	-14	-10		16	-187.5%	23	15	53.3%
Underlying cost/income ratio	88.2%	85.1%		66.6%		69.2%	67.5%	
Underlying RAROC before tax	0.6%	0.0%		7.2%		6.0%	5.8%	
Underlying RAROC after tax	-0.6%	-0.2%		7.9%		5.5%	5.9%	
Economic capital (average over period)	1,552	1,739	-10.8%	1,451	7.0%	1,621	1,172	38.3%
Staff (FTEs end of period)	9,599	8,869	8.2%	9,741	-1.5%	9,599	8,869	8.2%

- **TMB reports full year profit despite 4Q loss**
- **Lower AUM at Private Banking Asia entirely due to negative market performance**
- **Expenses decline benefiting from lower bonuses**

RETAIL BANKING ASIA

Underlying result before tax (EUR million)



Results in Asia were strongly impacted by the ongoing market turmoil effecting Private Banking activities. The negative equity market performance resulted in lower fee income and impacted the collateral value of some clients negatively.

In Thailand, TMBs full year contribution to INGs profit was EUR 4 million despite a loss in the fourth quarter due to higher provision charges (model change), HR realignment scheme and a security impairment.

In India, the fourth quarter saw some high-visibility national advertising campaigns. This helped to boost brand and product awareness. The number of new current and savings accounts opened during the quarter was 105,000 reaching 1.66 million at year-end. Another 23 branches were openened in the quarter.

Underlying profit before tax of Asia posted a loss of EUR 35 million compared with a EUR 11 million profit in the same quarter of last year. This loss was driven by a negative result at TMB (EUR -11 million) and losses of EUR 28 million at Private Banking Asia, mainly explained by a EUR 38 million addition to the loan losses provisions in the fourth quarter due to lower values of collaterals to loans.

Underlying income declined 24.1% compared with the fourth quarter of 2007 due to the market turmoil which severely affected asset management and securities fees at Private Banking Asia. The earning asset base of Asia Private Banking declined to EUR 15 billion, down EUR 2.8 billion and almost entirely due to negative market performance. ING's stake in TMB contributed a loss of EUR 11 million in the quarter.

Operating expenses decreased 21.1%, mainly due to lower bonuses at Private Banking Asia to reflect the lower performance. This more than compensated for the investments in the expansion of branches at ING Vysya Bank.

The addition to the loan loss provision increased by EUR 42 million to EUR 43 million compared with the same quarter last year. This increase was mainly due to positions at Private Banking Asia. These positions relate to leveraged Private Banking activities which were influenced by disrupted financial markets.

Economic capital decreased by EUR 0.2 billion, due to a lower value of ING's stake in the Bank of Beijing. The **RAROC after tax** decreased slightly to -0.6% from -0.2% in the fourth quarter of 2007 reflecting the results.

Private Banking

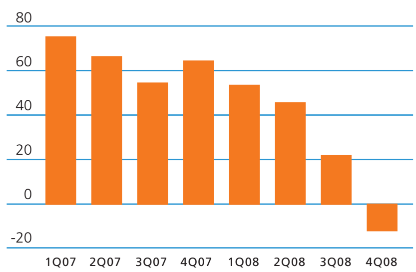
Retail Banking - Private Banking segment: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Total underlying income	136	170	-20.0%	134	1.5%	580	693	-16.3%
Operating expenses	100	105	-4.8%	108	-7.4%	415	428	-3.0%
Gross result	36	65	-44.6%	26	38.5%	165	265	-37.7%
Addition to loan loss provision	48	1		3		54	2	
Underlying result before tax	**-12**	**65**	**-118.5%**	**22**	**-154.5%**	**111**	**263**	**-57.8%**
- of which Netherlands	3	16	-81.3%	0		28	62	-54.8%
- of which Belgium (incl. Switzerland & Luxembourg)	11	32	-65.6%	12	-8.3%	67	122	-45.1%
- of which Asia	-25	17	-247.1%	10	-350.0%	16	78	-79.5%
Underlying cost/income ratio	73.4%	61.8%		80.8%		71.6%	61.8%	
Underlying RAROC before tax	55.9%	130.5%		39.2%		66.3%	126.0%	
Underlying RAROC after tax	35.9%	105.3%		29.4%		50.5%	97.0%	
Economic capital (average over period)	238	197	20.8%	244	-2.5%	236	204	15.7%
Assets under Admin. (in € bln, end of period)	62.0	68.0	-8.8%	68.7	-10.1%	62.0	68.0	-8.8%

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

- **Loss due to lower commissions and high risk costs**
- **Asset base declines 10.1% due to negative market performance**
- **Clients continue to shift to cash and deposits**

PRIVATE BANKING

Underlying result before tax (EUR million)



ING Private Banking suffered from the ongoing market turmoil. In particular the severe market dislocation in October 2008 had a substantial impact on assets under administration, which ended at EUR 62.0 billion at year-end. The decrease in the fourth quarter is largely explained by the negative market performance (EUR -5.6 billion). For the full year, Private Banking lost EUR 11.8 billion, or 17%, of its assets under management due to market events. This impact is lower than the losses on global financial markets, as a relatively high share of ING's asset base is in on-balance liabilities which represent 40% of total assets under management.

In the fourth quarter, the Curaçao client book (EUR 0.5 billion AUM) was sold to Van Lanschot. ING is focusing on the onshore banking activities in Belgium and the Netherlands, which are aligned to the local Retail model, and its offshore activities in Luxembourg, Switzerland and Asia. The onshore activities increased to 55% of total AuM, as these markets traditionally have a higher share of on-balance liabilities and suffered less from the market turmoil than the more equity-driven offshore entities.

Private Banking reported a loss of EUR 12 million in the fourth quarter, due to high risk costs at Private Banking Asia.

Underlying income dropped 20.0%, driven by lower commission income. Interest margin pressure on savings accounts and deposits was mitigated by higher volumes.

Operating expenses decreased 4.8%, mainly due to lower bonuses which fully offset provisions for legal claims.

In **the Netherlands**, result before tax declined to EUR 3 million, entirely due to lower income as clients shift more assets to term deposits with lower margins.

Belgium reported a pre-tax result of EUR 11 million compared with EUR 32 million in the fourth quarter of 2007. Improving margins on savings and deposits were offset by lower commissions, higher expenses and higher risk costs. Clients shifted balances to lower-margin money market funds.

Asia reported a loss of EUR 25 million due to provisions for loan losses and legal claims. The AuM portfolio decreased by EUR 2.8 billion in the fourth quarter reflecting lower equity markets.

The **underlying RAROC after tax** declined to 35.9% from 105.3% last year due to lower revenues and an increase of economic capital for operational risks.

ING Direct

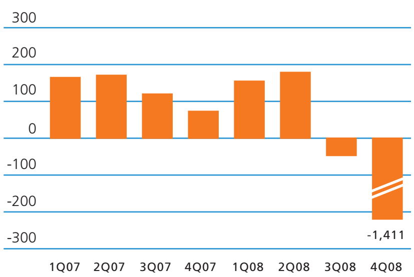
ING Direct: Key Figures								
In EUR million	4Q2008	4Q2007	Change	3Q2008	Change	FY2008	FY2007	Change
Interest result	696	487	42.9%	647	7.6%	2,517	1,932	30.3%
Commission income	105	26	303.8%	21	400.0%	150	98	53.1%
Investment income	-1,640	-24		-207		-1,853	53	
Other income	1	40	-97.5%	-2		63	113	-44.2%
Total underlying income	**-838**	**529**	**-258.4%**	**458**	**-283.0%**	**878**	**2,196**	**-60.0%**
Operating expenses	458	428	7.0%	420	9.0%	1,719	1,598	7.6%
Gross result	-1,296	101		38		-842	598	-240.8%
Addition to loan loss provision	115	28	310.7%	85	35.3%	283	68	316.2%
Underlying result before tax	**-1,411**	**73**		**-47**		**-1,125**	**530**	**-312.3%**
Taxation	-512	11		-6		-394	105	-475.2%
Result before minority interests	-899	62		-42		-731	424	-272.4%
Minority interest	0	0		0		2	0	
Underlying net result	**-899**	**62**		**-42**		**-733**	**424**	**-272.9%**
Interest margin	0.99%	0.74%		0.96%		0.94%	0.75%	
Cost/income ratio	n.a.	80.9%		91.7%		195.9%	72.8%	
Risk costs in bp of average CRWA	87	14		77		63	9	
Total risk-weighted assets (end of period)	67,864	79,674	-14.8%	51,260	32.4%	67,864	79,674	-14.8%
Underlying RAROC before tax	-133.1%	11.2%		1.0%		-27.8%	17.7%	
Underlying RAROC after tax	-84.8%	9.5%		-0.7%		-18.2%	14.3%	
Economic capital (average over period)	3,991	2,559	56.0%	3,484	14.6%	3,437	2,769	24.1%
Staff (FTEs end of period)	9,980	8,883	12.3%	9,744	2.4%	9,980	8,883	12.3%

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

- **EUR 1,670 million of pre-tax impairments on Alt-A portfolio**
- **Illiquid Assets Back-up Facility reduces future Alt-A exposure**
- **Interest margin up to 0.99% following rate reductions**

ING DIRECT

Underlying result before tax (EUR million)



Although commercial performance remained positive amidsts the fourth quarter turbulence, ING Direct posted an underlying loss of EUR 1,411 million. The loss was driven by a substantial deterioration in the US housing market. Rising delinquencies, house price declines and a revision in the ultimate loss outlook led to a EUR 263 million credit impairment, primarily on ING Direct's Alt-A RMBS portfolio. This triggered a EUR 1,670 million impairment through the P&L as IFRS requires a write-down to market value at reporting date. The fair value of the Alt-A RMBS portfolio declined to 67% from 76% at the end of the third quarter.

To counter the implications of the persistently challenging operating environment, ING Direct is actively reducing risks and expenses. The illiquid assets back-up facility that was agreed with the Dutch government in January is a major step in reducing risk. The guarantee will reduce the potential loss on ING Direct's portfolio of Alt-A RMBS securities by 80%. Additionally, in January 2009 ING Direct reclassified EUR 22.8 billion of European RMBS, ABS, CMBS and covered bonds from 'Available for Sale' to 'Loans', mitigating future volatility in IFRS equity. The launch of ING Direct Japan has been cancelled, in line with the Group's decision to focus on existing core businesses and to preserve capital. Operating expenses at ING Direct will be reduced by EUR 150 million in 2009 through reductions in headcount and other operating and marketing expenses. Approximately 600 full-time positions will be affected.

Production of client retail balances was EUR 3.3 billion in the quarter. Including a negative currency effect of EUR 8.9 billion and a negative market impact of EUR 1.7 billion, client retail balances totalled EUR 322.7 billion at the end of December. ING Direct added 472,000 new clients in the

ING Direct

ING Direct: Geographical Breakdown

	Underlying result 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)	
	4Q2008	4Q2007	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08	31 Dec 08	30 Sep 08
Canada	24	8	1,562	1,554	13.4	15.1	13.5	14.8	0.2	0.2
Spain	20	13	1,836	1,809	12.5	14.2	7.7	7.7	1.5	1.7
Australia	31	15	1,363	1,357	9.2	11.0	16.9	19.2	0.0	0.0
France	5	11	751	745	10.3	12.3	0.0	0.0	1.4	1.5
United States	95	41	7,546	7,346	51.5	48.3	25.2	23.0	1.7	1.8
Italy	7	12	1,103	1,068	14.6	15.0	5.3	4.6	0.3	0.3
Germany/Austria	89	89	6,680	6,646	63.2	64.6	43.7	40.7	10.1	10.7
United Kingdom	1	-76	1,330	1,176	16.2	18.9	1.3	1.6		
Japan	-12	-10								
Subtotal	**259**	**103**	**22,172**	**21,700**	**191.0**	**199.2**	**113.7**	**111.7**	**15.1**	**16.2**
Impairments	-1,670	-29								
Total	**-1,411**	**73**	**22,172**	**21,700**	**191.0**	**199.2**	**113.7**	**111.7**	**15.1**	**16.2**

quarter; an increase of 2.2% compared with the end of September 2008.

Funds entrusted decreased by EUR 3.1 billion (at comparable exchange rates) including the acquired deposits from Kaupthing Edge and Heritable Bank in October. The decline was partly driven by fund transfers from savings to investment products and seasonal patterns. Furthermore, in October consumers worldwide continued to re-allocate their account balances among multiple financial institutions to maximise protection from government guarantees. This caused outflows of approximately 4% on funds entrusted balances. Active rebalancing slowed after governments increased deposit guarantee limits. From the end of October, ING Direct has returned to growth on the back of successful acquisition and retention campaigns. By the end of January, funds entrusted had increased, recouping 75% of the outflows seen in September and the beginning of October. Total production for funds entrusted in January was EUR 3.8 billion.

Off-balance funds declined by EUR 1.1 billion, including a negative market impact of EUR 3.2 billion. The underlying growth of EUR 2.1 billion was mainly due to strong inflows of funds in Germany as clients anticipated the introduction of a new tax scheme for mutual funds in 2009. The US e-brokerage segment also continued to perform well, with ShareBuilder adding 109,000 new accounts in the quarter compared to 61,000 in the third quarter of 2008.

Residential mortgages grew by EUR 5.8 billion at comparable exchange rates. Excluding a positive impact of EUR 1.6 billion from hedge accounting, underlying production for residential mortgages was EUR 4.1 billion. The slowdown from the third-quarter production of EUR 5.9 billion is in line with ING Direct's aim to grow its mortgage portfolio in a balanced way.

The deterioration in the US housing market led to an increase in the provision for loan losses, reflecting a higher rate of delinquencies in the mortgage market and lower recovery. Within the US mortgage portfolio, the non-performing loans (90+ Days Past Due) rose to 2.7% at the end of December from 1.9% at the end of September. However, the mortgage portfolio continues to perform better than the US industry average of 8.3% NPLs for prime adjustable-rate mortgages (ARMs) as at the end of November 2008. ING Direct continues to adhere to strict underwriting policies and acceptance criteria. In addition, ING Direct has added staff in dealing with loan modifications and restructurings. The overall US portfolio consists of quality customers with an average loan-to-value ratio of 75% (indexed for changes in property values), and 97% of the mortgages are to owner-occupiers

Underlying result before tax amounted to EUR -1,411 million, compared with a profit before tax of EUR 73 million in the fourth quarter of 2007 and EUR -47 million in the third quarter of 2008. The result is impacted by the impairments on the investment portfolio amounting to EUR 1,670 million, reported as negative investment income. Excluding these impairments, the profit before tax was EUR 259 million, up153% compared with the fourth quarter of 2007 (also excluding impairments) and up 52% compared with the previous quarter's profit of EUR 170 million (excluding impairments). This strong performance is mainly due to the impact of significant rate cuts from central banks worldwide over the course of the fourth quarter, which were partly tracked by ING Direct. ING Direct operations in the eurozone kept their core client rates constant because the battle for funds remained fierce and competitors' rates did not move. Canada, Australia, the US and the UK followed rate cuts by lowering their core client rates.

All countries benefited from the interest rate developments. Canada improved its profit to EUR 24 million from EUR 8 million in the fourth quarter of 2007. Furthermore, Australia reported a profit of EUR 31 million compared with a profit of EUR 15 million in the same quarter last year. The UK reported a positive result of EUR 1 million. This was an improvement of EUR 22 million and EUR 77 million compared with the previous quarter and the fourth quarter of 2007, respectively.

Investment costs related to building the franchise and expanding the product range decreased to EUR 75 million compared to EUR 88 million in the third quarter of 2008. This included the successful launch of the payment account in Italy in October, which added 8,000 new accounts in two months. The total number of payment account customers grew by 74,000 in the fourth quarter, bringing it to 1.3 million accounts in the US, Spain, Germany and Italy combined.

Total **underlying income** was EUR -838 million compared with EUR 529 million the same quarter last year and EUR 458 million the previous quarter. Excluding impairments, income was EUR 832 million, up increase of 49% compared with the fourth quarter of 2007 (excluding impairments) and 23% higher than the previous quarter (excluding impairments). This increase was driven by growth in interest result in especially the US, Canada and Australia. Despite the ongoing competition for retail funds and higher funding costs as a result of the global liquidity crisis, the interest margin increased to 0.99% from 0.96% in the previous quarter and 0.74% in the fourth quarter of 2007.

Operating expenses were EUR 458 million, an increase of 7.0% compared with the same period last year. This was predominantly a result of increased cost related to retention and win-back campaigns, as well as the inclusion of Interhyp from August 2008. The number of full-time staff rose to 9,980 from 8,883 a year earlier, of which 479 came from Interhyp.

The operational cost-to-client retail balance ratio, which excludes marketing expenses, was 0.43%, up 2 basis points from the fourth quarter of 2007 due to currency impact, and 5 basis points compared to the previous quarter. Excluding impairments, the cost/income ratio improved to 55.1% from 76.7% in the fourth quarter of 2007 and 62.2% in the previous quarter, due to the strong increase in interest result.

The addition to the provision for loan losses was EUR 115 million, an increase of EUR 30 million compared with the previous quarter and EUR 87 million with the same quarter last year. The high risk costs were largely due to an increase in the US, reflecting the higher rate of delinquencies in the mortgage market and lower recovery.

After-tax RAROC of ING Direct decreased to -84.8%. Excluding impairments, the after-tax RAROC improved to approximately 22% from 16% in the previous quarter and 12% in the fourth quarter of 2007. Average economic capital rose 56% compared with the fourth quarter of 2007 to EUR 4.0 billion. Due to enhancements in methodology, the economic capital is reflecting the more volatile and higher-risk environment. The 14.6% increase compared with the third quarter of 2008 was mainly a result of higher credit risk and market risk capitals in the US.

Total risk-weighted assets increased in the fourth quarter by EUR 16.6 billion. Rating downgrades in the Alt-A RMBS portfolio contributed EUR 14.2 billion to this increase.

'ING Direct is actively reducing risks and expenses'

Corporate Line Banking

Banking Corporate Line: Underlying result before tax

In EUR million	4Q2008	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	Change Q4 vs Q4	Change Q4 vs Q3
Income on capital surplus	34	-4	-7	69	98	76	52	26	-64	38
Solvency costs	-43	-28	-16	-16	-18	-23	-9	-11	-25	-15
Financing charges	-38	-50	-22	-38	-37	-17	-23	-20	-1	12
Amortisation intangible assets	-9	-8	-7	-8					-9	-1
FX-results, fair value changes and other	-56	-405	71	76	32	57	-47	-1	-88	349
Total Capital Management	-112	-494	19	83	75	93	-27	-6	-187	382
Other	-26	-134	-21	-41	-30	-40	-38	-51	4	108
Underlying result before tax	**-139**	**-629**	**-2**	**43**	**45**	**53**	**-65**	**-56**	**-184**	**490**
Taxation	-167	-175	-36	20	-66	19	-1	22	-101	8
Result before minority interests	28	-453	34	23	111	34	-64	-78	-82	482
Minority interest	0	0	0	0	0	0	0	0	0	-0
Underlying net result	**28**	**-453**	**34**	**23**	**110**	**34**	**-64**	**-78**	**-82**	**482**

Corporate Line Banking is a reflection of capital management activities as well as certain expenses that are not allocated to the businesses.

ING applies a system of capital charging for its banking operations in order 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 equivalent to 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.

In the fourth quarter of 2008, ING Group injected EUR 5.0 billion of the issued EUR 10 billion of core tier-1 securities to the Dutch State into the bank. This resulted in a positive income on capital surplus for the fourth quarter.

Another capital management item on the Corporate Line is 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 applicable funds transfer price (which is usually linked to LIBOR). Capital management stabilises the Tier-1 ratio through FX hedging. Liquidity costs reflect provision for contingent liquidity. The costs of equity leverage (financing charges) at ING Group are passed on to both ING Bank and ING Insurance.

The Corporate Line Banking reported a **result before tax** of EUR -139 million, compared with a profit of EUR 45 million in the fourth quarter of 2007.

'FX-results, fair value changes and other' decreased by EUR 88 million compared with the fourth quarter of 2007, mainly caused by EUR 70 million of realised losses and impairments on equity securities in the fourth quarter of 2008 and EUR 13 million higher liquidity costs.

Income on capital surplus (the difference between core capital and economic capital used by the business) was EUR 64 million lower, while solvency costs increased by EUR 25 million.

The result of Other, which also includes Formula One sponsoring costs, was EUR -26 million.

Underlying net result in the fourth quarter was EUR 28 million, mainly due to EUR 138 million of tax releases related to previous years not allocated to the businesses.

This page has been intentionally left blank.

Appendices

ING Group: Consolidated Cash Flow Statement								
	ING Group[1]		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	4Q2008	4Q2007	4Q2008	4Q2007	4Q2008	4Q2007	4Q2008	4Q2007
Net cash flow from operating activities	**10,681**	**-10,954**	**7,165**	**4,106**	**13,392**	**-14,489**	**-9,876**	**-571**
Investments and advances:								
Group companies	-277	-2,340	-116	-342		-1,971	-161	-27
Associates	-177	-673	-227	-165	50	-437		-71
Available-for-sale investments	-50,604	-73,743	-24,079	-45,634	-26,525	-28,109		
Held-to-maturity investments								
Real estate investments	-302	-339	10	-214	-80	-125	-232	
Property and equipment	-316	-77	-64	55	-252	-132		
Assets subject to operating leases	-317	-301			-317	-301		
Investments for risk of policyholders	-8,648	-13,669	-8,648	-13,669				
Other investments	-347	-158	-187	-22	-85	-136	-75	
Disposals and redemptions:								
Group companies	202	27	1	27	201			
Associates	140	414	127	338	13	76		
Available-for-sale investments	47,997	73,957	20,666	44,816	27,331	29,141		
Held-to-maturity investments	499	38			499	38		
Real estate investments	181	118	53	76	128	42		
Property and equipment	37	24	26	9	11	15		
Assets subject to operating leases	118	119			118	119		
Investments for risk of policyholders	8,147	10,986	8,147	10,986				
Other investments	9	5	2	2	7	3		
Net cash flow from investing activities	**-3,658**	**-5,612**	**-4,289**	**-3,737**	**1,099**	**-1,777**	**-468**	**-98**
Proceeds from issuance of subordinated loans		1,013		707	179	372	-179	-66
Repayments of subordinated loans			-572		81	-200	491	200
Proceeds from borrowed funds and debt securities	103,877	133,458	7,094	8,731	95,240	124,324	1,543	403
Repayments from borrowed funds and debt securities	-99,515	-134,198	-3,524	-7,294	-94,281	-127,745	-1,710	841
Issuance of ordinary shares/capital injection		5	4,050		5,000	2,200	-9,050	-2,195
Issuance of non-voting securities	10,000						10,000	
Payments to acquire treasury shares	-124	-1,832	-4	-18			-120	-1,814
Sales of treasury shares	15	836	3	1			12	835
Dividends paid	-406	-17	-14	-2,317			-392	2,300
Net cash flow from financing activities	**13,847**	**-735**	**7,033**	**-190**	**6,219**	**-1,049**	**595**	**504**
Net cash flow	**20,870**	**-17,301**	**9,909**	**179**	**20,710**	**-17,315**	**-9,749**	**-165**
Cash and cash equivalents at beginning of period	11,041	648	4,662	2,953	7,194	-1,933	-813	-372
Effect of exchange rates on cash and equivalents	-639	-158	-130	-17	-509	-141	-1	-1
Cash and cash equivalents at end of period	**31,272**	**-16,811**	**14,440**	**3,115**	**27,396**	**-19,389**	**-10,564**	**-539**
- of which Treasury bills and other eligible bills	7,009	4,130			7,009	4,130		
- of which Amounts due to/from banks	2,217	-33,859			2,217	-33,859		
- of which Cash and balances with central banks	22,045	12,918	14,440	3,115	18,169	10,340	-10,564	-537

1 Including inter-company eliminations

Equity market indices

Quarterly averages	4Q2008	4Q2007	Change	3Q2008	Change
Dow Jones Industrial (US)	8,797	13,503	-34.9%	11,322	-22.3%
S&P 500 (US)	910	1,494	-39.1%	1,252	-27.3%
AEX (The Netherlands)	258	522	-50.6%	395	-34.7%
End of period	31-12-08	30-09-08	30-06-08	31-03-08	31-12-07
Dow Jones Industrial (US)	8,776	10,851	11,350	12,263	13,265
S&P 500 (US)	903	1,166	1,280	1,323	1,468
AEX (The Netherlands)	246	331	426	442	516

Interest rates

Quarterly averages	4Q2008	4Q2007	Change	3Q2008	Change
10-year rates EMU	3.53	4.22	-0.69	4.29	-0.76
10-year rates US	3.25	4.26	-1.01	3.89	-0.64
3-months rates EMU	4.23	4.71	-0.48	4.98	-0.75
3-months rates US	2.78	5.01	-2.23	2.91	-0.13
spread EMU	-0.70	-0.49		-0.69	
spread US	0.47	-0.75		0.98	
End of period	31-12-08	30-09-08	30-06-08	31-03-08	31-12-07
10-year rates EMU	2.95	4.02	4.50	3.94	4.34
10-year rates US	2.24	3.83	3.98	3.43	4.03
3-months rates EMU	2.89	5.28	4.96	4.73	4.69
3-months rates US	1.43	4.05	2.79	2.70	4.72

Profit and loss account on total basis - 12 months comparison

	Insurance operations			Banking operations			ING Group *		
in EUR million	FY2008	FY2007	Change	FY2008	FY2007	Change	FY2008	FY2007	Change
Gross premium income	43,812	46,818	-6.4%				43,812	46,818	-6.4%
Interest result banking operations				11,085	9,036	22.7%	11,042	8,976	23.0%
Commission income	2,070	1,901	8.9%	2,895	2,926	-1.1%	4,965	4,827	2.9%
Total investment & other income	8,970	13,488	-33.5%	-2,250	2,640	-185.2%	6,472	15,965	-59.5%
Total income	**54,851**	**62,208**	**-11.8%**	**11,731**	**14,602**	**-19.7%**	**66,291**	**76,587**	**-13.4%**
Underwriting expenditure	49,485	48,833	1.3%				49,485	48,833	1.3%
Operating expenses	5,422	5,515	-1.7%	10,303	9,967	3.4%	15,725	15,481	1.6%
Other interest expenses	1,269	1,326	-4.3%				978	1,103	-11.3%
Addition to loan loss provisions / impairments	310	1	n.a.	1,280	125	n.a.	1,590	126	n.a.
Total expenditure	**56,486**	**55,675**	**1.5%**	**11,583**	**10,092**	**14.8%**	**67,778**	**65,544**	**3.4%**
Result before tax	**-1,635**	**6,533**	**-125.0%**	**148**	**4,510**	**-96.7%**	**-1,487**	**11,043**	**-113.5%**
Taxation	-483	775	-162.3%	-238	759	-131.4%	-721	1,534	-147.0%
Result before minority interests	-1,152	5,758	-120.0%	386	3,751	-89.7%	-766	9,509	-108.1%
Minority interests	31	155	-80.0%	-69	112	-161.6%	-38	267	-114.2%
Net result	**-1,183**	**5,603**	**-121.1%**	**454**	**3,638**	**-87.5%**	**-729**	**9,241**	**-107.9%**
Net gains/losses on divestments	-7	-381			-26		-7	-407	
Net result from divested units	50	4					50	4	
Special items after tax	248			267	369		515	369	
Underlying net result (attributable to shareholders)	**-893**	**5,226**	**-117.1%**	**722**	**3,982**	**-81.9%**	**-171**	**9,208**	**-101.9%**

*) including intercompany eliminations

Glossary

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

BASEL I
Regulatory requirements issued by the Basel Committee on Banking Supervision for the solvency calculation, which are superseded by Basel II, for ING, from 2008 onwards.

BASEL II
Regulatory requirements issued by the Basel Committee on Banking Supervision for the solvency calculation, which, for ING, apply from 2008 onwards.
Basel II is an international standard for calculating the required capital based on internal models that take into account the financial and operational risks.

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.

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.

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

CORE TIER-1 RATIO
Reflecting the core tier-1 capital of ING Bank (=tier-1 capital minus hybrid tier-1) as a percentage of its total risk-weighted assets.

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

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.

DEFERRED ACQUISITION COSTS ('DAC')
Deferred acquisition costs are the acquisition costs (commission, initial expenses) of regular premium policies that are capitalised at issue of the policy and amortised over the duration of the policy.

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.

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

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%.

NON-VOTING EQUITY SECURITIES
Securities issued to the Dutch State in November 2008 for a total consideration of EUR 10 billion. These securities qualify as IFRS-equity and as core tier-1 capital for regulatory purposes.

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.

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')
A performance indicator that measures revenues in the perspective of the risks that had to be taken to obtain that revenue. RAROC is calculated by dividing the risk-adjusted return by economic capital. 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.

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).

SPARE LEVERAGE
Spare leverage is the cash that can be generated at Group level if all ratios are brought to target.

SURRENDER
The termination of a life 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.

UNDERWRITING EXPENDITURE
Underwriting expenditure reflects incurred insurance claims and increases in insurance policy reserves, offset by increases in the deferred acquisition cost (DAC) asset.

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).

VALUE NEW BUSINESS ('VNB')
Value of new business is the profit-tested value of new business minus (plus) any acquisition expense overrun (underrun), minus other adjustments.
Profit-tested value of new business at the point of sale is the value that is added to the company by the business written during the current period, assuming that the company is a mature going-concern in normal conditions.

ING Groep N.V.
Amstelveenseweg 500,
1081 KL Amsterdam
P.O. Box 810, 1000 AV Amsterdam
The Netherlands
Telephone: +31 20 541 54 11
Fax: +31 20 541 54 44
Internet: www.ing.com

Text and production
ING Groep N.V., Corporate
Communications, Amsterdam

Design and production
Stila ontwerp
www.stila-ontwerp.nl