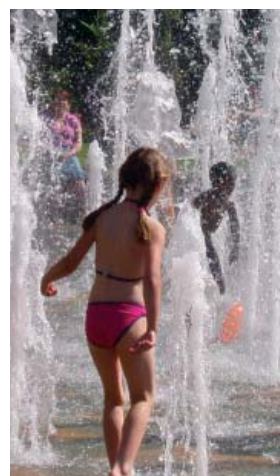


2009

ING GROUP



Quarterly Report

First quarter 2009

ING GROUP KEY DATA

ING Group: Key Data (on a total basis)

			Annual Figures			
	1Q2009	1Q2008	FY2008	FY2007	FY2006	FY2005
Income statement (in EUR million)						
Income						
Banking	3,905	3,920	11,731	14,602	14,195	13,848
Insurance	11,046	16,132	54,851	62,208	59,642	57,403
Total income ¹	14,862	19,998	66,291	76,587	73,621	71,120
Operating expenses						
Banking	2,690	2,542	10,303	9,967	9,087	8,844
Insurance	1,206	1,349	5,422	5,515	5,275	5,195
Total operating expenses	3,896	3,891	15,725	15,481	14,362	14,039
Addition to loan loss provision Banking	772	98	1,280	125	103	88
Result before tax						
Banking result before tax	443	1,280	148	4,510	5,005	4,916
Insurance result before tax	-1,317	767	-1,635	6,533	4,935	3,978
Total result before tax	-874	2,047	-1,487	11,043	9,940	8,894
Taxation	-61	482	-721	1,534	1,907	1,379
Minority interests	-21	24	-38	267	341	305
Net result	-793	1,540	-729	9,241	7,692	7,210
Balance Sheet (in EUR billion)						
Total assets (end of period)	1,272	1,303	1,332	1,312	1,226	1,159
Total equity (end of period)	31	34	29	40	41	38
Shareholders' equity (end of period)	19	32	17	37	38	37
Capital ratios						
ING Group debt/equity ratio	13.5%	9.7%	13.8%	9.5%	9.0%	9.4%
Bank Tier 1 ratio	9.7%	8.3%	9.3%	7.4%	7.6%	7.3%
Bank core Tier 1 ratio	7.5%	6.6%	7.3%	5.8%	5.9%	5.5%
Insurance capital coverage ratio	252%	254%	256%	244%	274%	255%
Insurance debt/equity ratio	9.6%	12.3%	8.5%	13.6%	14.2%	13.4%
Share information						
Net result per share	-0.39	0.74	-0.36	4.32	3.57	3.32
Earnings per share ²	-0.39	0.74	-0.56	4.32	3.57	3.32
Shares outstanding in the market (average, for EPS calculation)	2,026	2,080	2,043	2,141	2,155	2,170
Shares outstanding (at end of period)	2,063	2,246	2,063	2,226	2,205	2,205
Share price (at end of period)	4.15	23.72	7.33	26.75	33.59	29.30
Market capitalisation (end of period, in EUR billion)	9	53	15	60	74	65
Other data						
Client balances (in EUR billion)	1,467	1,454	1,456	1,455		
Return on equity (YTD)	-11.5%	16.5%	-2.1%	24.2%	23.5%	26.6%
Banking						
Cost/income ratio (total)	68.9%	64.9%	87.8%	68.3%	64.0%	63.9%
RAROC after tax	12.9%	17.3%	1.2%	19.9%	19.7%	22.6%
Insurance						
Value of new life business (in EUR million)	120	320	1,023	1,113	807	805
Internal rate of return (YTD)	11.7%	15.3%	13.9%	14.3%	13.3%	13.2%
Staff (FTEs end of period)	114,035	129,546	124,661	124,634	119,801	116,614

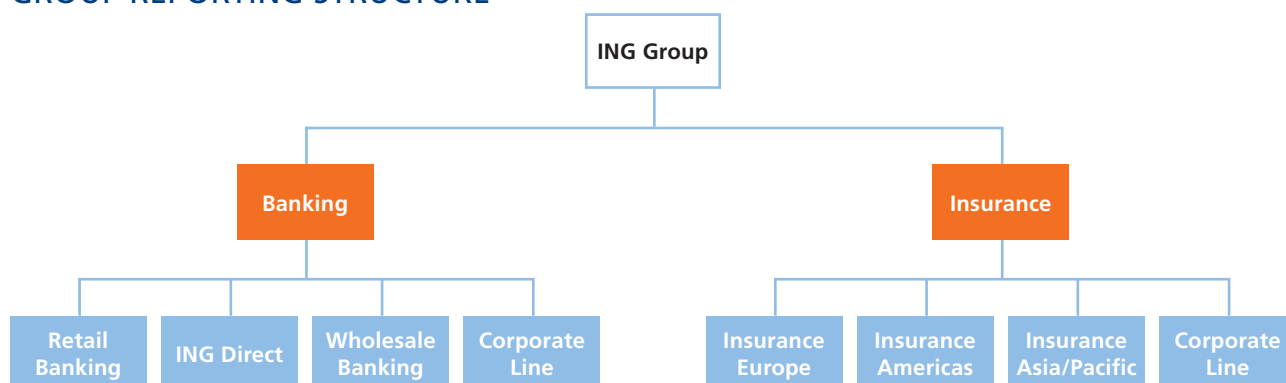
1. Including inter-company eliminations

2. In full year 2008 including impact of coupon to Dutch State (EUR 425 million with regard to EUR 10 billion)

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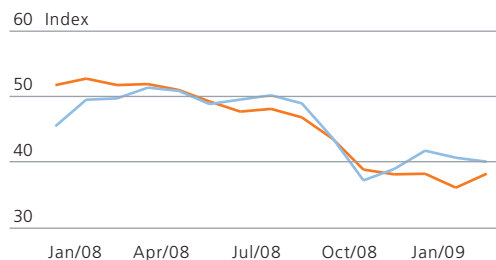
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GROUP REPORTING STRUCTURE



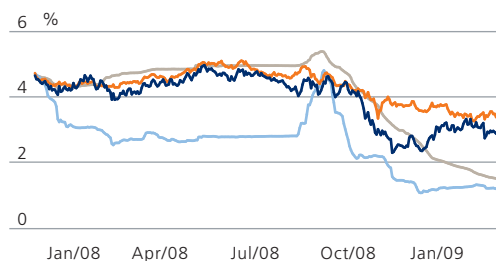
ECONOMIC ENVIRONMENT

ECONOMIC ACTIVITY



- Economic growth has deteriorated sharply since Lehman Brothers' bankruptcy. This is reflected in the composite purchasing managers index (PMI), a well-recognised leading indicator for GDP growth. The PMI has fallen below the key 50 mark but has recovered somewhat in recent months, pointing to a slower rate of economic contraction.

YIELD CURVE



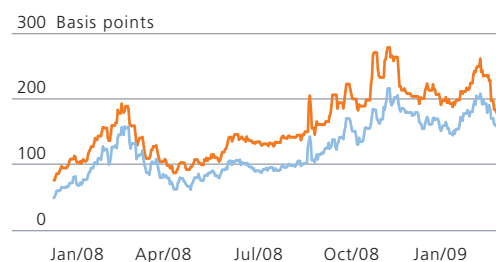
- Yield curves steepened further during the first quarter of 2009. This was most apparent in the eurozone where short-term interest rates continued to drop.
- Long-term rates in the eurozone halted their downward trend in the first quarter. In the US, they edged up from their historically low levels at year-end 2008.

STOCK MARKETS



- Stock markets reached new cyclical lows in the first quarter. Equity prices recuperated somewhat at the end of the quarter, but remained below the level of year-end 2008.

CREDIT MARKETS



- Credit spreads, as measured by the CDX and iTraxx indices of investment-grade borrowers' credit-default swaps, remained high during the first quarter of 2009 but below the highs seen in late 2008.

Source: ING Economics Department

CHAIRMAN'S STATEMENT



"Market conditions remained challenging in the first quarter as equity markets declined further, credit spreads remained elevated, real estate prices continued to fall and loan losses increased as the crisis spread from the financial markets to the real economy," said Jan Hommen, CEO of ING. "In this environment, our first priorities are to reduce costs, risk and leverage to strengthen the Group. At the same time, we are working to reduce complexity by focusing on fewer businesses and markets."

"Market volatility continued to weigh on ING's results, however de-risking and cost-containment measures helped mitigate part of the impact. The underlying net loss narrowed substantially to EUR -305 million in the first quarter from EUR -3,073 million in the fourth quarter. All three banking business lines contributed to an underlying net profit of EUR 519 million despite rising risk costs. Income from the banking business recovered almost to the level of the first quarter last year, supported by strong Financial Markets results. The insurance business lines were impacted by falling asset prices, resulting in an underlying net loss of EUR -824 million."

"We made good progress in our efforts to reduce risks and costs and to simplify our organisation. The Illiquid Assets Back-up Facility with the Dutch State

was completed in the first quarter, reducing ING's exposure to Alt-A RMBS by 80% and boosting shareholders' equity. Direct equity exposure was further reduced and hedge positions were increased. The de-leveraging of the Bank's balance sheet is progressing ahead of schedule, with EUR 79 billion of the planned EUR 110 billion reduction completed by the end of March. We are on track to cut expenses by EUR 1 billion this year as we align our cost base with today's leaner operating environment. Operating expenses were down 3.5% from the first quarter last year and 13.3% compared with the fourth quarter of 2008. Of the 7,000 workforce reduction announced in January, 5,380 had been completed by the end of March. In order to simplify governance and increase the customer focus of our leadership, ING will create separate Management Boards for Banking and Insurance. The Group Executive Board will consist of the CEO, CFO and CRO who will also serve on the Banking and Insurance Management Boards."

"Our businesses continued to show a resilient commercial performance as our customers continue to put their trust in ING. Total client balances increased by EUR 11.2 billion excluding currency impacts and market value declines. Growth was driven by a strong inflow of savings, particularly at ING Direct and ING Belgium, while competition for savings in the Netherlands continued to put pressure on volumes and margins. Lending growth was moderate given the economic slowdown, and the insurance businesses showed small net outflows as demand for investment-linked products continued to wane amid the current market volatility."

"This year will remain challenging as markets are volatile and the economic environment continues to be uncertain. We will continue to reduce risks and improve ING's operational performance through our Back to Basics programme while working to restore the confidence of our customers and adapt to their changing needs."

Results continued to be impacted by market volatility, but improved significantly from 4Q08 due to de-risking and cost containment.



CLIENT BALANCES (IN EUR BILLION)



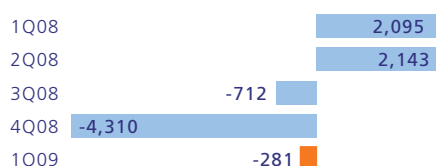
- Net production of client balances resilient at EUR 11.2 billion
- Strong inflows driven by funds entrusted growth in the Bank
- Including FX and market value declines, client balances up 1% versus 4Q08

OPERATING EXPENSES (IN EUR MILLION)



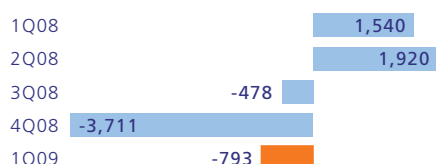
- Underlying operating expenses down 4% from 1Q08 and 13% from 4Q08
- All business lines contributed to this improvement
- 5,380 FTE reduction realised against 2009 target of 7,000

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



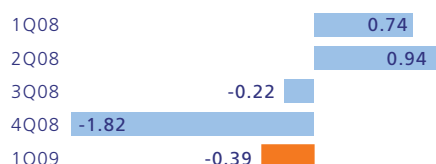
- Group losses in the last three quarters due to market volatility and increased risk costs
- First-quarter loss less severe than 4Q in part due to de-risking and cost containment
- Negative market impacts stemming from the market turmoil were EUR -1,707 million versus EUR -5,037 million in 4Q08

NET RESULT (IN EUR MILLION)



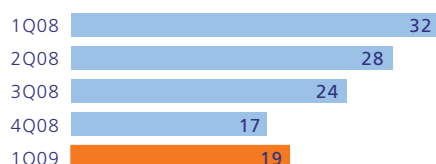
- Net result negatively impacted by tax rate
- Net result includes EUR -488 million of divestments and special items in 1Q08
- Restructuring provisions of EUR 329 million booked in the first quarter

EARNINGS PER SHARE (IN EUR)



- Average shares outstanding of 2,026 million; little changed from 4Q08

SHAREHOLDERS' EQUITY (IN EUR BILLION)



- Shareholders' equity increases by EUR 2 billion in 1Q09
- The Illiquid Assets Back-up Facility adds EUR 4.6 billion to shareholders' equity
- Positive impact partly offset by net loss and EUR 2.9 billion decline in negative revaluation reserves debt securities

CONSOLIDATED RESULTS

ING Group: Key figures					
in EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Underlying ¹ result before tax					
Retail Banking	139	638	-78.2%	75	85.3%
ING Direct	44	155	-71.6%	-1,411	
Wholesale Banking	506	570	-11.2%	-366	
Corporate Line Banking	9	43		-139	
Underlying result before tax from Banking	698	1,405	-50.3%	-1,841	n.a.
Insurance Europe	-75	339	-122.1%	-186	
Insurance Americas	-510	211	-341.7%	-1,075	
Insurance Asia/Pacific	-149	182	-181.9%	-209	
Corporate Line Insurance	-245	-43		-999	
Underlying result before tax from Insurance	-979	690	-241.9%	-2,469	n.a.
Underlying result before tax	-281	2,095	-113.4%	-4,310	n.a.
Taxation	44	509	-91.4%	-1,203	
Minority interests	-21	20	-205.0%	-34	
Underlying net result	-305	1,566	-119.5%	-3,073	n.a.
Net gains/losses on divestments	-56	45		-217	
Net result from divested units	5	23		-288	
Special items after tax:					
- Integration costs (mainly CitiStreet)				-13	
- Retail Netherlands strategy	-33	-94		-54	
- Decision to not launch ING Direct Japan	-2			-65	
- Restructuring provision	-294				
- Transaction result on IABF	-109				
Net result	-793	1,540	-151.5%	-3,711	n.a.
Result per share (in EUR)	-0.39	0.74	-152.7%	-1.82	n.a.
Key figures					
Return on equity (YTD)	-11.5%	16.5%		-2.1%	
Client balances (end of period, EUR billion)	1,467	1,454	0.9%	1,456	0.8%
Number of staff (FTEs end of period, adjusted for divestments)	114,035	114,430	-0.3%	117,841	-3.2%

¹ Underlying result before tax and underlying net result are non-GAAP measures for result excluding divestments and special items.

Note: small differences are possible in the tables due to rounding

- **Underlying net result of EUR -305 million**
- **Quarterly loss less severe than 4Q08 in part due to de-risking and cost containment**
- **Robust client balances production of EUR 11.2 billion**

Market conditions remained challenging throughout the first quarter as stock markets reached new cyclical lows and credit spreads remained at generally high levels.

ING enforced de-risking actions and actively reduced costs throughout the quarter, which helped to moderate the adverse impact of the market turmoil on results. Nevertheless, the persistently difficult operating environment continued to put pressure on results, leading to an underlying net loss of EUR -305 million. For the

fourth quarter of 2008, ING had reported an underlying net loss of EUR -3,073 million.

Negative impacts stemming from the market turmoil were significant in the first quarter—totalling EUR -1,707 million before tax—but less severe than the impact in the fourth quarter of 2008, which was EUR -5,037 million.

Impairments and fair value changes on subprime RMBS, Alt-A RMBS and CDO/CLOs were EUR -290 million compared with EUR -2,049 million in the fourth quarter of 2008. The marked decline in the first-quarter impact was primarily attributable to the Illiquid Assets Back-up Facility which resulted in a full risk transfer to the Dutch State on 80% of the Alt-A RMBS portfolio at ING Direct USA and

ING Americas. On 1 April 2009, the European Commission temporarily authorised the Facility.

Impairments and fair value changes on other debt securities were less than one-third of the fourth quarter 2008 impact, at EUR -80 million.

ING reduced its direct equity exposure during the first quarter, scaling down listed equity holdings by EUR 0.8 billion to EUR 5.0 billion. Additional hedges were also put in place, increasing the total amount of equity protection to EUR 3.9 billion notional. These hedges had a result of EUR 379 million, which more than compensated for EUR -194 million of impairments on equity securities, which were less than one-third of the equity impairments in the fourth quarter of 2008.

Real estate prices dropped further in the first quarter, triggering EUR -361 million of negative revaluations on real estate and EUR -22 million of impairments on development projects. In the fourth quarter of 2008, the impact of negative revaluations and impairments on development projects was EUR -608 million. Negative revaluations on private equity were EUR -145 million compared with EUR -275 million in the fourth quarter of 2008.

In the first quarter, DAC unlocking was EUR -550 million as the combination of declining equity markets, equity volatility and low interest rates drove projected benefit and hedging costs markedly higher. DAC unlocking in the fourth quarter of 2008 was EUR -839 million.

Other market impacts from the market dislocation were EUR -488 million compared with EUR -235 million in the fourth quarter of 2008. Other market impacts include hedge losses and investment losses.

In spite of the difficult operating conditions, net production of client balances was robust in the first quarter. ING achieved a net client balance production of EUR 11.2 billion, which excludes the

impact of currency effects and market performance. Total client balances were up 1% to EUR 1,467 billion compared with year-end 2008.

Strong inflows in the Bank of EUR 12.6 billion were primarily driven by funds entrusted, which grew by EUR 9.6 billion and were fuelled mainly by ING Direct. Residential mortgages at Retail Banking and ING Direct grew by EUR 3.5 billion. In Insurance, Europe and the Americas had negative net production whereas Asia/Pacific had positive net production.

Banking reported an underlying result before tax of EUR 698 million. Banking's performance was driven by strong interest results and profitability in all three business lines, but it was dampened by higher risk costs totalling EUR 772 million. Risk costs were higher in all business lines due to worsening external credit conditions as a result of the economic downturn. The Bank continued to tighten underwriting criteria for corporate credits and retail mortgages, and exposure to financial institutions was reduced in the quarter.

In Insurance, product sales were weak across the globe due to the uncertain economic environment and ING's decision to proactively de-risk its variable annuity products in the US and Japan.

Commissions were also lower as a consequence of lower assets under management. Market impacts including DAC unlocking, impairments, fair value adjustments and negative revaluations on assets in the investment portfolio compounded the strain on results leading to an underlying result before tax of EUR -979 million. In response to the challenging commercial conditions, Insurance introduced product modifications, primarily in the US, to reduce the impact of volatility on capital and improve product economics to ING. In Japan, ING is withdrawing from the SPVA market, and will stop SPVA sales by 31 July 2009.

ING made significant advances in repositioning its operational cost structure and reaching its target cost savings of EUR 1 billion in 2009. Of the targeted 2009 headcount reduction of 7,000 FTEs, 5,380 were achieved by the end of the quarter. Group operating expenses declined 3.5% from the first quarter of 2008 and 13.3% from the fourth quarter of 2008.

For the first quarter, the Group reported a pre-tax underlying loss of EUR -281 million with a tax

CLIENT BALANCES 1Q2009 - ING GROUP (EUR billion)

Beginning of period	1,455.5
Net production	11.2
Acquisitions/divestments	0
Market performance	-13.2
FX impact / Other	13.3
End of period	1,466.7

ING Group: Consolidated Income Statement

in EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Gross premium income	8,914	10,744	-17.0%	9,078	-1.8%
Interest result banking operations	3,036	2,539	19.6%	3,231	-6.0%
Commission income	1,084	1,214	-10.7%	1,212	-10.6%
Total investment & other income	1,873	3,465	-45.9%	-588	n.a.
Total underlying income	14,907	17,963	-17.0%	12,934	15.3%
Underwriting expenditure	10,822	11,984	-9.7%	12,464	-13.2%
Operating expenses	3,384	3,508	-3.5%	3,904	-13.3%
Other interest expenses	193	265	-27.2%	267	-27.7%
Addition to loan loss provisions / impairments	790	112	605.4%	609	29.7%
Total underlying expenditure	15,189	15,869	-4.3%	17,244	-11.9%
Underlying result before tax	-281	2,095	-113.4%	-4,310	n.a.
Taxation	44	509	-91.4%	-1,203	n.a.
Minority interests	-21	20	-205.0%	-34	n.a.
Underlying net result	-305	1,566	-119.5%	-3,073	n.a.
Net gains/losses on divestments	-56	45		-217	
Net result from divested units	5	23		-288	
Special items after tax	-438	-94		-132	
Net result	-793	1,540	-151.5%	-3,711	n.a.
Net result per share (in EUR)	-0.39	0.74	-152.7%	-1.82	n.a.

charge of EUR 44 million. The tax charge arose as profits were taxed at relatively high effective tax rates and losses were deductible at relatively low effective tax rates.

Including the impact of divestments and special items, the Group's quarterly net loss was EUR -793 million. This reflects the EUR -51 million net impact of divestments, including the sale of ING's 70% stake in ING Canada, EUR 329 million in restructuring costs and the one-time EUR -109 million transaction result on the Illiquid Assets Back-up Facility. The EUR -109 million result was primarily due to the fact that the transaction triggered capital losses at ING Insurance US for which no tax benefit was recorded.

The net loss per share was EUR 0.39, versus a profit of EUR 0.74 in the first quarter last year and a loss of EUR 1.82 in the fourth quarter of 2008. The total number of shares outstanding in the market declined from 2,027 million at the end of 2008 to 2,021 million at the end of March 2009. The average number of shares used to calculate earnings per share over the first quarter of 2009 is 2,026 million.

Corporate Governance Update

In line with the April 2009 strategy announcement, ING is taking measures to simplify governance. To increase the business focus of the Group's leadership, Banking and Insurance will each have its own Management Board consisting of the Group CEO, CFO and CRO and the heads of the respective business lines currently serving on the Group Executive Board. Strategic, operational and business decisions that do not affect the Group's direction or regulatory and government issues will be taken by the Banking or Insurance Management Board. Within the Insurance Board, Jacques de Vaucleroy will be responsible for Global Asset Management. Hans van der Noordaa will resume responsibility for Insurance Europe in addition to his current responsibility for Insurance Asia/Pacific. These organisational changes will become effective as of 1 June 2009 pending approval of The Dutch Central Bank.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	ING Group		ING Bank NV		ING Verzekeringen NV		Holdings/Eliminations	
	31 Mar. 09	31 Dec. 08	31 Mar. 09	31 Dec. 08	31 Mar. 09	31 Dec. 08	31 Mar. 09	31 Dec. 08
Assets								
Cash and balances with central banks	19,696	22,045	15,811	18,169	11,426	14,440	-7,540	-10,564
Amounts due from banks	57,011	48,447	57,011	48,447				
Financial assets at fair value through P&L	255,586	280,505	155,251	175,023	101,072	106,036	-737	-554
Investments	214,225	258,291	107,875	148,805	106,350	109,486		
Loans and advances to customers	641,075	619,791	616,958	598,328	30,423	25,635	-6,306	-4,172
Reinsurance contracts	5,729	5,797			5,729	5,797		
Investments in associates	4,064	4,355	1,709	1,813	2,539	2,723	-184	-180
Real estate investments	4,228	4,300	2,803	2,884	1,128	1,118	298	298
Property and equipment	6,386	6,396	5,758	5,686	629	710		
Intangible assets	6,822	6,915	2,443	2,415	4,614	4,731	-235	-231
Deferred acquisition costs	11,615	11,843			11,615	11,843		
Other assets	45,400	62,977	31,714	33,120	13,575	29,700	111	157
Total assets	1,271,836	1,331,663	997,331	1,034,689	289,098	312,220	-14,592	-15,246
Equity								
Share capital	495	495	525	525	174	174	-204	-204
Share premium	9,182	9,182	16,392	16,392	9,824	9,824	-17,034	-17,034
Revaluation reserve equity securities	1,511	973	1,366	1,020	101	-107	44	60
Revaluation reserve debt securities	-11,789	-13,456	-2,296	-5,185	-9,468	-8,271	-25	
Revaluation reserve crediting to life policyholders	2,828	2,235			2,828	2,235		
Revaluation reserve cashflow hedge	662	1,177	-425	-129	1,174	1,360	-87	-54
Other revaluation reserve	569	569	432	436	142	138	-5	-5
Currency translation reserve	-1,173	-1,918	-222	-476	-703	-1,192	-248	-250
Treasury shares	-887	-866					-887	-866
Other reserves ¹	17,972	18,943	10,703	10,306	6,379	7,731	890	906
Shareholders' equity	19,370	17,334	26,475	22,889	10,451	11,892	-17,556	-17,447
Minority interests	1,137	1,594	1,236	1,232	74	520	-173	-159
Non-voting equity securities ('Core Tier-1 securities')	10,000	10,000					10,000	10,000
Total equity	30,507	28,928	27,711	24,121	10,525	12,412	-7,729	-7,606
Liabilities								
Subordinated loans	10,619	10,281	21,466	21,657	7,101	6,928	-17,947	-18,304
Debt securities in issue	114,131	96,488	102,441	84,272	4,132	4,728	7,558	7,488
Other borrowed funds	29,531	31,198			11,822	13,153	17,709	18,045
Insurance and investment contracts	236,386	240,790			236,386	240,790		
Amounts due to banks	123,538	152,265	123,538	152,265				
Customer deposits and other funds on deposits	516,629	522,783	530,609	537,683			-13,980	-14,900
Financial liabilities at fair value through P&L	164,353	188,398	160,447	183,671	4,617	5,217	-711	-489
Other liabilities	46,143	60,532	31,120	31,021	14,515	28,991	508	520
Total liabilities	1,241,329	1,302,735	969,620	1,010,568	278,573	299,807	-6,864	-7,641
Total equity and liabilities	1,271,836	1,331,663	997,331	1,034,689	289,098	312,220	-14,592	-15,246

¹ Other reserves includes Retained earnings, Treasury shares, Other reserves and Unappropriated result

- **ING Bank has reduced its balance sheet by 7% since Sept 2008**
- **ING Bank's adjusted loan-to-deposit ratio improves to 1.09**
- **Shareholders' equity increases by EUR 2 billion driven by Illiquid Assets Back-up Facility**

Amid the ongoing market volatility ING is taking actions to reduce asset leverage and preserve shareholders' equity, as announced in January.

Efforts to reduce leverage on ING Bank's balance sheet are progressing ahead of schedule. ING announced plans to reduce ING Bank's balance sheet by 10% from EUR 1,076 billion at 30 September 2008. By 31 March 2009 a 7% reduction had been achieved, bringing total assets to EUR 997 billion. The reduction is concentrated in the non-lending part of the balance sheet and has

only limited earnings implications. Of the EUR 79 billion that has been reduced so far, EUR 37 billion took place in the first quarter. The first-quarter reduction was mainly driven by EUR -28 billion netting of debit and credit balances on clients' current accounts and EUR -19 billion of lower reverse repo balances. Other factors had an upward effect on the balance sheet size including FX (EUR 6 billion) and the Illiquid Assets Back-up Facility (EUR 4 billion).

The remainder of the intended balance sheet reduction will be executed over the course of 2009 as part of ING's ongoing de-leveraging and de-risking process. Going forward, ING's strategy to further integrate ING Direct's balance sheet into the rest of the bank will allow for further balance sheet reduction. Over time, funds entrusted in the banking channels will be primarily used to fund own-originated assets.

ING Bank's loan-to-deposit ratio improved in the first quarter. Loans and advances to customers increased by EUR 19 billion to EUR 617 billion. However, of the EUR 617 billion, EUR 17 billion are securities that have been reclassified from investments at ING Direct and EUR 20 billion are receivables from the Dutch State as a consequence of the Illiquid Assets Back-up Facility. Adjusted for these two items, 'Loans and advances' decreased to EUR 580 billion in the first quarter. 'Customer deposits and other funds on deposit' declined by EUR 7 billion to EUR 531 billion. This was mainly due to changes in product features for corporate current accounts that allow netting in the balance sheet under IFRS, which reduced debit and credit balances on current accounts by EUR 28 billion. This brings the adjusted loan-to-deposit ratio to 1.09 at the end of the first quarter compared with 1.11 at 31 December 2008.

ING Group's shareholders' equity increased by EUR 2 billion in the first quarter. The Illiquid Assets Back-up Facility added EUR 4.6 billion to shareholders' equity, which was partially offset by EUR -2.9 billion negative revaluations on debt securities, the EUR -0.8 billion net loss and some other factors.

Assets

Amounts due from banks increased by EUR 9 billion to EUR 57 billion, mainly due to a EUR 6 billion reclassification from investments at ING Direct and the growth of unsettled balances from securities transactions.

Financial assets at fair value through the P&L decreased by EUR 25 billion. At ING Bank, securities borrowing and reverse repo activities declined by EUR 16 billion, while the market value of trading derivatives decreased by EUR 5 billion. At ING Insurance the EUR 5 billion decline was mainly caused by revaluations and the FX impact on investments for risk of policyholders and the sale of ING Canada.

ING's investment portfolio declined by EUR 44 billion in the first quarter. ING Bank's investment portfolio decreased EUR 41 billion. This was driven by EUR 23 billion of investments that were reclassified to 'Loans and advances' (EUR 17 billion) and to 'Amounts due from banks' (EUR 6 billion) at ING Direct and the de-recognition of EUR 14 billion of Alt-A RMBS as a result of the Illiquid Assets Back-up Facility.

Loans and advances to customers in the banking operations increased by EUR 19 billion to EUR 617 billion. The increase is driven by the above-mentioned reclassification of investments at ING Direct (EUR 17 billion) and the inclusion of the receivable from the Dutch government as part of the Illiquid Assets Back-up Facility (EUR 20 billion). In the Netherlands, stricter netting of debit and credit balances on corporate current accounts caused loans and advances to decline by EUR 28 billion. This netting is mirrored on the liability side in customer deposits. Excluding reclassifications, the impact from the Illiquid Assets back-up Facility and the netting effect, loans increased by EUR 9 billion in the first quarter. Dutch residential mortgages grew by EUR 3 billion and international loans (mainly originated mortgages) by EUR 6 billion, of which EUR 3 billion was driven by the FX impact on the outstanding loans.

At ING Insurance, loans and advances to customers increased by EUR 5 billion. Deposits from ING Insurance at ING Bank with a remaining maturity of more than three months are now included in loans and advances, while at year-end 2008 these deposits were included in cash and balances with central banks. Secondly, loans and advances includes a EUR 2 billion government receivable as a result of the Alt-A transaction with the Dutch government.

Other assets decreased by EUR 18 billion following the completion of the divestment of ING Life Taiwan, which was recorded as 'held for sale' in the balance sheet at 31 December 2008.

ING Group: Change in shareholder's equity

in EUR million	ING Group		ING Bank NV		ING Verzekeringen NV		Holdings/Eliminations	
	1Q 2009	FY2008	1Q 2009	FY2008	1Q 2009	FY2008	1Q 2009	FY2008
Shareholders' equity beginning of period	17,334	37,208	22,889	25,511	11,893	17,911	-17,448	-6,214
Net result for the period	-793	-729	378	772	-1,177	-1,265	6	-236
Unrealised revaluations of equity securities	383	-5,639	331	-1,344	68	-4,127	-16	-168
Unrealised revaluations of debt securities	1,174	-13,332	2,890	-5,437	-1,691	-7,895	-25	
Deferred interest crediting to life policyholders	593	2,193			593	2,193		
Realised gains/losses equity securities released to P&L	155	783	15	174	140	554		55
Realised gains/losses debt securities released to P&L	493	1,813	-1	1,349	494	464		
Change in cashflow hedge reserve	-515	746	-296	-556	-186	1,350	-33	-48
Other revaluations	49	-14	-4	20	55	-29	-2	-5
Changes in treasury shares:								
- due to the share buyback programme and hedge portfolio employee options	-21	-2,030					-21	-2,030
- due to the cancellation of shares		4,904						4,904
Change in other reserves/share capital due to the cancellation of shares		-4,904						-4,904
Exchange rate differences	745	-564	254	-457	488	-106	3	-1
Exercise of warrants and options/capital injections		448		7,200		5,450		-12,202
Cash dividend/coupon on core Tier-1 securities		-3,600		-4,250		-2,800		3,450
Employee stock option and share plans	12	31	19	67	12	40	-19	-76
Other	-239	20		-160	-238	152	-1	28
Total changes	2,036	-19,874	3,586	-2,622	-1,442	-6,019	-108	-11,233
Shareholders' equity end of period	19,370	17,334	26,475	22,889	10,451	11,893	-17,556	-17,448

Liabilities

Debt securities in issue at ING Bank increased by EUR 18 billion. ING Bank issued approximately EUR 10 billion long-term bonds under the guarantee scheme with the Dutch State. In addition, ING Bank issued EUR 8 billion short-term bonds.

Insurance and investment contracts declined by EUR 4.3 billion mainly as a result of the sale of ING Canada.

Amounts due to banks declined by EUR 29 billion. This was mainly due to a decrease in bank deposits (EUR -26 billion) and short-term deposits (EUR -16 billion) which are taken as collateral for securities lending and repos. These impacts were partly offset by unsettled balances from securities transactions (EUR 6 billion), current accounts (EUR 4 billion) and call money (EUR 4 billion).

ING Bank's customer deposits and other funds on deposits decreased by EUR 7 billion to EUR 531 billion at the end of the first quarter. The decrease is due to a EUR 30 billion decline in current accounts in the Netherlands, for which the changed netting of debit and credit balances resulted in a EUR 28 billion reduction. Outside the

Netherlands, customer savings deposits increased by EUR 18 billion, of which EUR 3 billion is due to FX effects. This strong growth of client deposits was mainly driven by ING Direct and ING Belgium.

Financial liabilities at fair value through P&L in the banking operations decreased by EUR 23 billion. This was attributable to the repo business, where short-term deposits placed as collateral for securities lending and repos declined by EUR 16 billion and the mark-to-market value of the trading derivatives decreased by EUR 7 billion.

Other liabilities in ING Insurance fell by EUR 14 billion, following the sale of ING Life Taiwan which was recorded as 'held for sale' at 31 December 2008.

Shareholders' equity

ING has taken measures to preserve shareholders' equity as part of its de-risking and de-leveraging efforts.

On 12 January 2009 ING reclassified EUR 22.8 billion of debt securities from investments to Loans and Receivables. This reclassification prevented EUR 0.7 billion reduction in shareholders' equity in

the first quarter and is in line with ING's buy-and-hold intention. On 26 January 2009, ING and the Dutch State entered into an Illiquid Assets Back-up Facility, which effectively transferred 80% of ING's Alt-A RMBS to the Dutch State. As a result ING added back EUR 4.6 billion to shareholders' equity, reflecting 80% of the negative revaluations on ING's Alt-A RMBS.

Shareholders' equity increased in the first quarter by EUR 2.0 billion to EUR 19.4 billion. This increase is mainly due to the Illiquid Assets Back-up Facility with the Dutch State, which added EUR 4.6 billion. A favourable FX impact (EUR 0.7 billion) and positive revaluations on equity securities (EUR 0.4 billion) also contributed to higher shareholders' equity. These factors were partially offset by the net loss of EUR 0.8 billion, EUR 2.9 billion negative revaluations on debt securities and an adverse change in the cash flow hedge reserve (EUR 0.5 billion).

The revaluation reserve on debt securities has been a strain on ING's equity. At year-end 2008 ING had a negative revaluation reserve debt securities of EUR -13.5 billion, mainly due to deteriorated market prices on the asset-backed security portfolio. The unrealised revaluation reserve of debt securities improved by EUR 1.7 billion to EUR -11.8 billion in the first quarter of 2009. The Illiquid Assets Back-up Facility had a positive impact of EUR 4.6 billion, but was partially offset by further credit spread widening on bonds from financial institutions and corporate bonds. The unrealised revaluation reserve on debt securities has no impact on ING's regulatory capital ratios or on ING's D/E-ratios.

The unrealised revaluations of equity securities improved in the first quarter of 2009, despite the ongoing decline in equity markets. At the end of March 2009, unrealised revaluations on equity securities amounted to EUR 1.5 billion, up from EUR 1.0 billion at the end of December 2008. ING Bank's stake in Bank of Beijing was the main driver for the favourable development of unrealised gains on equities.

CAPITAL MANAGEMENT

ING's capital base

	ING Group		ING Bank		ING Insurance	
In EUR million	31 Mar 09	31 Dec 08	31 Mar 09	31 Dec 08	31 Mar 09	31 Dec 08
Shareholders' equity	19,370	17,334	26,475	22,889	10,450	11,893
Core Tier 1 securities	10,000	10,000	0	0	0	0
Group hybrid capital	12,023	11,655	7,284	7,085	4,730	4,560
Core debt	7,224	7,170				
Total capitalisation	48,617	46,159	33,759	29,974	15,180	16,453
Adjustments to equity:						
• Revaluation reserve debt securities	11,789	13,456	2,295	5,185	9,468	8,271
• Revaluation reserve crediting to life policyholders	-2,828	-2,235			-2,828	-2,235
• Revaluation reserve cashflow hedge	-662	-1,177	424	128	-1,174	-1,360
• Goodwill	-3,224	-3,275	-1,610	-1,636	-1,870	-1,889
Revaluation reserves fixed income etc.	5,075	6,769	1,109	3,677	3,596	2,787
Rev. reserves equity and real estate excluded from Tier 1			-2,233	-1,790		
Insurance hybrid capital					2,250	2,250
Minorities			1,190	1,198	74	520
Deductions Tier 1			-1,067	-1,040	0	0
Available capital / Bank Tier 1 capital			32,758	32,019	21,101	22,010
Other qualifying capital			10,860	11,870		
DAC/ViF adjustment (50%)					2,425	1,893
Group leverage (core debt)	-7,224	-7,170				
Adjusted Equity / Bank BIS capital	46,468	45,758	43,618	43,889	23,525	23,903

- **Key capital and leverage ratios within target**
- **Illiquid Assets Back-up Facility reduces RWAs**
- **Bank core Tier 1 ratio improves to 7.5%**

Illiquid Assets Back-Up Facility

During the first quarter, ING announced and completed a transaction with the Dutch state whereby the Dutch state has acquired the risks and returns associated with 80% of ING's Alt-A RMBS portfolio. The transaction reduced ING Bank's risk-weighted assets by roughly EUR 13 billion and substantially reduces the impact of credit rating migration on capital requirements.

Key capital and leverage ratios

During the quarter, ING Bank's Tier 1 ratio increased from 9.3% to 9.7% and the core Tier 1 ratio increased from 7.3% to 7.5%. A net reduction of EUR 4 billion in risk-weighted assets was achieved as the impact of the Illiquid Assets Back-up Facility more than offset commercial growth and credit rating migration. Available Tier 1 capital increased by EUR 0.7 billion mainly due to EUR 0.2 billion increase in the value of hybrids (exchange rate related) and the net profit of EUR 0.4 billion. The BIS capital ratio inched up to 12.9%.

The debt/equity ratio of ING Insurance increased from 8.8% to 9.6%. Insurance core debt increased by EUR 0.2 billion to EUR 2.5 billion as net capital injections into operating subsidiaries were offset by the upstream of the proceeds of the sale of ING Canada. Hybrids changes (exchange rate related) increased core debt by EUR 0.2 billion. Insurance adjusted equity decreased by EUR 0.4 billion to EUR 23.5 billion mainly due to the EUR -1.1 billion net loss and changes in minorities of EUR -0.4 billion, which were partially offset by positive revaluations on equities, a favourable FX impact and other smaller factors.

In the first quarter, adjusted equity of ING Group rose by EUR 0.7 billion to EUR 46.5 billion as the EUR 0.8 billion net loss was more than offset by equity revaluations (+EUR 0.5 billion), FX impact (+EUR 0.7 billion) and a favourable FX impact on hybrids (+EUR 0.4 billion) in line with ING's current capital hedging policy. However, the Group debt/equity ratio was stable at 13.5% as Group core debt also rose slightly during the quarter.

Capital market operations

ING Bank completed three capital market transactions under the guarantee debt programme of the Dutch State in the first quarter: senior

Capital base: ING Group

In EUR million unless stated otherwise	31 Mar 09	31 Dec 08
Group leverage (core debt) (d)	7,224	7,170
Adjusted equity (e)	46,468	45,758
Debt/equity ratio (d/(d+e))	13.5%	13.5%

Capital ratios: ING Bank

In EUR million unless stated otherwise	31 Mar 09	31 Dec 08
Total Tier 1 capital	32,758	32,019
Other capital	10,860	11,870
BIS Capital	43,618	43,889
Risk-weighted assets	339,357	343,388
Required capital Basel II	27,149	27,471
Required capital floor based on Basel I	29,678	34,369
Basel II core Tier 1 ratio	7.5%	7.3%
Basel II Tier 1 ratio	9.7%	9.3%
Basel II BIS ratio*	12.9%	12.8%

*) pre-floor

Capital ratios: ING Insurance

In EUR million unless stated otherwise	31 Mar 09	31 Dec 08
Core debt (d)	2,508	2,301
Adjusted equity (e)	23,525	23,903
Debt/equity ratio (d/(d+e))	9.6%	8.8%
Available capital (a)	21,101	22,010
EU required capital (b)	8,364	8,582
Capital coverage ratio (a/b)	252%	256%

Main credit ratings of ING at 31 March 2009

	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A+	Negative	A1	Stable	A+	Negative
ING Bank N.V.	AA-	Negative	Aa3	Stable	AA-	Stable
ING Verzekeringen NV	A+	Negative	A2	Stable	A+	Negative

unsecured bonds of USD 6 billion (3-year), USD 2 billion (5-year) and EUR 4 billion (5-year).

The total number of shares outstanding remained unchanged at 2,063 million in the first quarter. The number of shares outstanding in the market decreased to 2,021 million at the end of March from 2,027 million at year-end 2008.

The total number of shares outstanding in the market equals the total number of shares minus the treasury shares and is used to calculate the EPS. Treasury shares increased from 36.5 million to 42.5 million due to an increase in the delta hedge book of 7.3 million.

Acquisitions and divestments

In the first quarter of 2009, ING closed two significant divestments, ING Taiwan and ING's 70% stake in ING Canada, with proceeds totalling EUR 1.8 billion. Furthermore, ING closed the sale of Origenes Seguros de Retiro, the annuity business in Argentina, in May 2009 following the nationalisation in 2008 of the private pension system, including ING's pension business.

Dividends

As previously announced, ING Group will not pay a final dividend in May 2009 over the year 2008. However, as an interim dividend was paid in August 2008 on ordinary common shares, the first short coupon of EUR 425 million on the Core Tier 1 securities issued to the Dutch State was paid in May 2009. This amount had already been deducted from shareholders' equity at year-end 2008.

Ratings

ING Group, ING Insurance and ING Bank were downgraded by S&P, Moody's and Fitch in the first quarter. Current credit ratings for ING Group are A+ by S&P and Fitch and A1 by Moody's. ING Insurance currently holds an A+ rating from S&P and Fitch and A2 from Moody's. ING Bank is rated AA- by S&P and Fitch and Aa3 by Moody's.

Subsequent events

In April, the US Insurance operating subsidiaries, currently rated AA-, were put on credit watch negative by S&P. In April, EUR 0.9 billion of capital was injected into Insurance subsidiaries to support local rating agency capital requirements related to ING's variable annuity business in the US. This increases ING Insurance debt/equity ratio by approximately 300 basis points.

RISK MANAGEMENT

ING Group: Pre-tax P&L impact of impairments, fair value changes, loan loss provisions and other market impacts

EUR million	1Q2009	1Q2008	4Q2008
Debt securities:			
Subprime RMBS	-76	-33	-50
Alt-A RMBS	-178	-17	-1,814
CDO/CLO	-36	-23	-185
Other debt securities	-80	-27	-265
Equity securities impairments	-194	-17	-569
Equity capital gains	45	143	-279
Equity hedges	379	127	82
Equity related DAC unlocking	-51	-101	-313
Other DAC unlocking	-499	-4	-526
Real Estate revaluations	-383	-71	-608
Private equity revaluations	-145	-37	-275
Loan loss provisions Bank	-772	-98	-576
Other	-488	174	-235
Total	-2,478	16	-5,613

- **Initiatives to reduce risk on track**
- **Impairments on ABS and equity much smaller than in 4Q08**
- **RWAs decrease by EUR 4 billion as the Illiquid Assets Back-up Facility more than offsets credit rating migration**

Reducing risk

ING is de-leveraging its balance sheet and reducing risks while maintaining a strong and healthy liquidity position. The de-leveraging of the balance sheet is executed by reducing the total balance sheet size and preserving IFRS equity as described in the Consolidated balance sheet chapter of this report.

Asset-backed securities

ING reduced its exposure to asset-backed securities (ABS) to EUR 67 billion down from EUR 85 billion at year-end 2008. These exposures are comprised of the ABS in the investment portfolio (EUR 39.0 billion), in Loans and Receivables (EUR 24.3 billion) and Assets at fair value through the P&L (EUR 4.0 billion). The year-to-date reduction of the total ABS exposure is largely due to the Illiquid Assets Back-up Facility, which was agreed during the quarter. This agreement with the Dutch State effectively reduced the amount of Alt-A RMBS on ING's balance sheet by 80% to EUR 3.8 billion at the end of the first quarter.

Pre-tax impairments on asset-backed securities were EUR 290 million in the first quarter. This is significantly less than the EUR 2,049 million in the

fourth quarter of 2008. ABS impairments were mainly contained in the Alt-A RMBS portfolio, where ING took a EUR 178 million pre-tax impairment. This impairment was triggered by re-impairments of bonds that were already impaired in 2008 and by a relatively small estimated credit loss on newly impaired bonds. The difference between estimated credit loss and an impairment can be attributed to market and illiquidity factors. IFRS requires that any security with an estimated credit loss is impaired to its market price.

Requirements under US GAAP have been revised recently and require only the credit loss portion from the fair value loss of the impaired securities to be reported in the P&L. For newly impaired Alt-A RMBS securities in the first quarter, the credit loss was EUR 26 million, compared to a fair value loss under IFRS of EUR 128 million. The remainder of the IFRS impairment on Alt-A RMBS of EUR 62 million was due to further impairments on RMBS that were already impaired in 2008. Under US GAAP the total pre-tax P&L impact would have been EUR 88 million in the first quarter.

The markets for structured credit securities continued to deteriorate. In the first quarter, S&P's Case-Schiller index, which measures house prices in the US, fell 7%. This is in addition to a 18% decline for the whole of 2008. Bloomberg's 60+ days delinquencies index of Alt-A mortgages rose to 21.5%, up from 17.4% at year-end 2008. As a result of these market developments credit spreads on Alt-A RMBS widened in the first quarter. The market value of ING's EUR 3.8 billion Alt-A RMBS portfolio declined to 62.8% of the purchase price, down from 66.4% at year-end 2008. Nevertheless, the pre-tax negative revaluation reserve on Alt-A RMBS improved from EUR -7.5 billion at year-end to EUR -1.7 billion at the end of the first quarter as the Illiquid Assets Back-up Facility added back EUR 7.2 billion to the pre-tax revaluation reserve.

ING's subprime RMBS book amounted to EUR 1.5 billion at the end of the first quarter. The ABX price index for AAA and AA 2007 subprime RMBS declined in the first quarter as delinquencies of underlying US mortgages rose. The market value of ING's subprime RMBS decreased to 48.2% of the purchase price, from 58.0% at year-end 2008. ING took EUR 76 million pre-tax impairments on subprime RMBS in the first quarter.

Subprime RMBS, Alt-A RMBS and CDO/CLO at 31 March 2009

In EUR million	31 March 2009			Change in 1Q2009			31 December 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	16	0			0	-4	20	0	
Insurance Americas	1,449	-1,251		-13	-236	44	1,654	-1,015	
Wholesale Banking	25	-99		-46	-23	53	41	-76	
ING Direct	35	-70		-17	-15	4	63	-55	
Total Subprime RMBS	1,525	-1,420	48.2%	-76	-274	97	1,778	-1,146	58.0%
Insurance Americas	368	-162		-63	1,041	-2,721	2,111	-1,203	
Insurance Asia	4				1	-7	10	-1	
Wholesale Banking	358	-124		-3	-9	-29	399	-115	
ING Direct	3,098	-1,387		-112	4,768	-17,885	16,327	-6,155	
Total Alt-A RMBS	3,828	-1,673	62.8%	-178	5,801	-20,642	18,847	-7,474	66.4%
Insurance Europe	612	-47			-8	-88	708	-39	
Insurance Americas	2,701	-158		-36	0	37	2,700	-158	
Insurance Asia	82	-8			54	17	11	-62	
Wholesale Banking	772	-111			-18	740	50	-93	
Total CDOs/CLOs²	4,167	-324	82.2%	-36	28	706	3,469	-352	77.8%
Total	9,520	-3,417		-290	5,555	-19,839	24,094	-8,972	

¹ Including IABF, FX changes, purchases, sales, redemptions and reclassifications

² Includes synthetic CDOs at notional value

ING's CDO/CLO portfolio was EUR 4.2 billion at the end of the first quarter. The CDOs in ING's portfolio generally reference to investment-grade corporate credit. Wholesale Banking added EUR 0.7 billion CDO exposure in the first quarter. Insurance Americas recorded EUR 36 million fair value losses through the P&L on its (synthetic) CDO/CLO book in the first quarter.

The commercial mortgage-backed securities (CMBS) portfolio had a market value of EUR 7.5 billion. ING's CMBS portfolio was fair valued at 69%, slightly down from 71% at year-end 2008. However, a significant part of the CMBS portfolio was downgraded in the first quarter. The majority of this exposure remains senior AAA tranches with significant credit enhancement. ING has not had any impairments on CMBS to date.

Equity risk

ING is exposed to equity risk directly through its available-for-sale (AFS) equity portfolio and indirectly through equity-related DAC unlocking in the insurance business.

ING reduced its listed equity portfolio to EUR 5.0 billion at the end of the first quarter. This compares to EUR 5.8 billion at year-end 2008 and EUR 13.4 billion at the first quarter of 2008. The sale of ING Canada contributed to the reduction of direct

equity exposure. Part of the remaining exposure relates to strategic equity stakes at ING Bank. These stakes will be reviewed in the context of the recently announced "Back to Basics" strategic plan.

In the first quarter, ING purchased additional put options on the Eurostoxx 50 to hedge ING Insurance's listed equity portfolio. The total nominal hedged amount was EUR 3.9 billion at the end of the first quarter, up from EUR 3.1 billion at year-end 2008. Equity markets experienced a prolonged downward slide during January and February of 2009, before a modest rebound in March. Compared to year-end 2008, the S&P-500 index lost 11% while the Dutch AEX index recorded a 14% decline. Despite falling equity markets, the impairments on equity securities were limited to EUR 194 million in the first quarter as de-risking efforts helped minimise direct exposure to listed equities.

The negative stock market performance also led to EUR -51 million equity-related DAC unlocking in the US insurance business. Temporary hedges (short S&P futures) mitigated the impact from lower equity markets.

ING Insurance has EUR 1.7 billion private equity and alternative investments. In the first quarter the

negative pre-tax revaluations, which are taken through the P&L, were EUR 145 million.

Real Estate risk

The de-risking activities continue to focus on managing down capital exposure to real estate investments and real estate development projects. ING's real estate exposure that is subject to revaluation through the profit and loss account was EUR 9.3 billion at the end of the first quarter, down from EUR 9.8 billion at year-end 2008. In the first quarter ING took a EUR 361 million pre-tax negative revaluation through the P&L on this portfolio. The negative revaluations were concentrated in the US and in Canada. In addition, there were EUR 22 million pre-tax impairments on Real Estate development projects.

Credit risk

Total net additions to loan loss provisions were EUR 772 million; this is the net result of EUR 909 million of additions to the provisions and EUR 137 million of releases. This translates into (annualised) 108 basis points of average credit risk-weighted assets (CRWA) versus 81 basis points in the fourth quarter of last year. The increased additions to the loan loss provisions reflect the global recession and the deteriorating economic outlook. The main contributors to loan loss provisions were Structured Finance (EUR 139 million), Retail Netherlands (EUR 128 million), ING Direct US (EUR 127 million), Private Banking (EUR 90 million) and Real Estate Finance (EUR 82 million).

In addition, ING incurred EUR 80 million pre-tax impairments on its corporate bond portfolio in the first quarter. These impairments were taken in ING Insurance, notably in the US and Asia/Pacific.

The current economic outlook points to elevated risk costs in the coming quarters of at least the level of the first quarter of 2009. ING has further tightened underwriting criteria of corporate credit and retail mortgages and is gradually reducing exposure to financial institutions.

Risk-weighted assets

Risk-weighted assets (RWA) decreased by EUR 4.0 billion, from EUR 343.4 billion at year-end 2008 to EUR 339.4 billion at the end of the first quarter. The Alt-A transaction with the Dutch State led to a release of EUR 13 billion RWA and mitigated further RWA increases due to credit rating migration during the quarter. The balance sheet

reduction reduced RWA by EUR 5 billion. These RWA reductions were partially offset by the impact of credit rating migration, which generated EUR 11 billion RWA in the first quarter, and the impact of FX of EUR 3 billion. Credit rating migration was mainly driven by the own-originated mortgage portfolio in the US and the Bank's ABS portfolio, following downgrades of securities in the first quarter.

ING is taking several measures to mitigate the impact of credit rating migration. This includes reviewing loan deal structures, enhancing collateral and not re-investing proceeds of maturing ABS at ING Bank, because they are subject to a very convex risk-weighting treatment under Basel II at ING Bank. Regulatory capital treatment is less punitive for ING Insurance, which accounts for 55% of ING's ABS portfolio.

Product de-risking

ING tightened underwriting criteria and adjusted the pricing of several product lines in the first quarter. ING Bank reviewed the underwriting criteria for Shipping and Real Estate exposures, assessed various countries and reviewed the non-standard Financial Markets product offering. In ING Insurance measures to reduce market risk included adjusting the product offering of the variable annuities in the US in January and again in May 2009. As a result, the key variable annuity product in the US yields less market risk exposure to ING than before the product changes.

Liquidity

Throughout the crisis ING has been able to maintain its liquidity position within internal targets. The majority of ING Bank's funding stems from client deposits (62%), leading to an own-originated loan-to-deposit ratio of 1.09.

In the first quarter, ING Bank had a net production of funds entrusted of EUR 9.6 billion bringing the total to EUR 459.4 billion. ING considers this depositor base to be one of its key competitive advantages for the execution of the new "Back to Basics" strategy. The favourable level of customer deposits reduces the need for long-term funding from the financial markets. Nonetheless, ING raised EUR 10 billion of senior long-term debt in the first quarter under the Dutch State guarantee, which has strengthened ING Bank's liquidity profile at an attractive rate. ING Bank's long-term funding requirements for 2009 are now basically met.

BANKING

Interest result was strong, but Banking results were impacted by higher risk costs due to deteriorating credit conditions. All three business lines were profitable in the first quarter.



BANKING

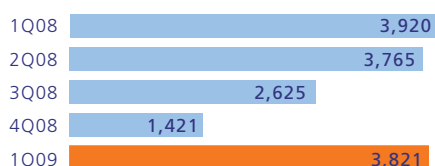
ING GROUP | **BANKING** | RETAIL | ING DIRECT | WHOLESALE | CORPORATE LINE | **INSURANCE** | EUROPE | AMERICAS | ASIA/PACIFIC | CORPORATE LINE

CLIENT BALANCES (IN EUR BILLION)



- Net production of EUR 12.6 billion in client balances
- Growth driven by funds entrusted, mainly at ING Direct
- Positive FX impact largely offset by negative market performance

UNDERLYING INCOME (IN EUR MILLION)



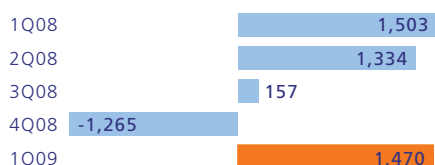
- Income recovers almost to level of 1Q08, partly driven by Financial Markets
- Interest result up strongly driven by higher volumes and margins
- Impairments limited to EUR -0.4 billion versus EUR -2.3 billion in 4Q08

OPERATING EXPENSES (IN EUR MILLION)



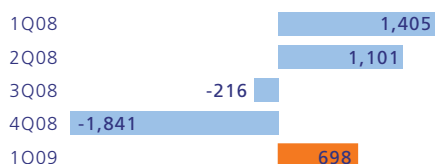
- 1,478 FTE reduction realised out of 2,800 planned for 2009
- Underlying expenses -2.7% vs 1Q08; -12.4% versus 4Q08
- All business lines contribute to the decline

GROSS RESULT (IN EUR MILLION)



- Gross result recovers in 1Q09 despite weak market conditions
- Strong increase at Wholesale Banking, driven by Financial Markets
- Margins in Retail Netherlands remain under pressure amid fierce competition for savings

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



- All business lines return to profitability; strong improvement versus 4Q08 due to lower impairments
- Decline on 1Q08 due to higher risk costs
- Risk costs increase to 108 bps of average CRWA

TOTAL RISK WEIGHTED ASSETS (END OF PERIOD, IN EUR BILLION)



- RWA decline by EUR 4 billion versus year-end 2008
- Alt-A transaction with Dutch State reduces RWA by EUR 13 billion
- Balance sheet reduction contributes EUR 5 billion
- Decline offset by credit rating migration and FX impacts

BANKING

Banking: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Interest result	3,040	2,559	18.8%	3,217	-5.5%
Commission income	609	719	-15.3%	719	-15.3%
Investment income	-150	89	-268.5%	-1,846	
Other income	322	552	-41.7%	-668	
Total underlying income	3,821	3,920	-2.5%	1,421	168.9%
Operating expenses	2,352	2,417	-2.7%	2,686	-12.4%
Gross result	1,470	1,503	-2.2%	-1,265	
Addition to loan loss provision	772	98	687.8%	576	34.0%
Underlying result before tax	698	1,405	-50.3%	-1,841	
Taxation	202	402	-49.8%	-737	
Result before minority interests	496	1,003	-50.5%	-1,104	
Minority interest	-24	12	-300.0%	-39	
Underlying net result	519	991	-47.6%	-1,065	
Net gains/losses on divestments	0	0		0	
Net result from divested units	0	0		0	
Special items after tax	-170	-94		-119	
Net result	350	897	-61.0%	-1,184	
Client Balances (in EUR billion)					
Beginning of period	1,073.5	1,012.6	6.0%	1,104.2	-2.8%
Net production	12.6	27.3	-53.8%	-2.8	
Acquisitions/divestments	0.0	10.4		3.0	
Market performance	-6.8	-6.2		-16.5	
FX impact and other	9.4	-18.4		-14.5	
End of period Client Balances	1,088.8	1,025.8	6.1%	1,073.5	1.4%
- of which Residential Mortgages	265.2	233.8	13.4%	259.2	2.3%
- of which Other Lending	238.6	218.4	9.2%	238.1	0.2%
- of which Funds Entrusted	459.4	426.0	7.8%	446.6	2.9%
- of which AUM/mutual funds	125.6	147.5	-14.8%	129.7	-3.2%
Key figures					
Interest margin	1.17%	1.02%		1.19%	
Underlying cost/income ratio	61.5%	61.7%		189.0%	
Risk costs in bp of average CRWA	108	16		81	
Risk-weighted assets (end of period)	339,357	308,734	9.9%	343,388	-1.2%
Underlying RAROC before tax	19.3%	25.1%		-29.5%	
Underlying RAROC after tax	13.7%	17.8%		-17.3%	
Economic Capital (average over period)	22,413	18,165	23.4%	22,227	0.8%
Tax ratio	28.9%	28.6%		40.0%	
Staff (FTEs end of period)	73,695	72,803	1.2%	75,109	-1.9%

- **Underlying income recovers, driven by strong interest result**
- **Cost containment on track: operating expenses -2.7%**
- **Risk costs increase to 108 bps of average CRWA**

Business update

Underlying income held up well and recovered almost to the same level as in the first quarter of 2008 despite continued market deterioration. Income was strong thanks to continued volume

growth in savings and lending, although demand for the latter was low in the current environment. The interest margin improved mainly in Wholesale Banking and ING Direct, while margin pressure on savings continued in Retail Banking. Income also recovered strongly versus the previous quarter as a further decline in asset prices was less intense. The total negative impact was EUR 401 million. This compares with a total negative impact of EUR

2,262 million in the fourth quarter of 2008 and EUR 76 million in the first quarter of 2008.

As economic conditions worsened, risk costs increased further to EUR 772 million or an annualised 108 basis points of average credit-risk-weighted assets. Risk costs increased in all regions. The current economic outlook points to elevated risk costs in the coming quarters of at least the level of 1Q09.

The commercial activity in the first quarter improved compared with the fourth quarter of 2008. Total client balances rose by EUR 15.3 billion to EUR 1,088.8 billion at the end of March. Excluding EUR 9.4 billion of positive currency effects and EUR 6.8 billion from negative market performance, the net production was EUR 12.6 billion compared with a net production of EUR -2.8 billion in the fourth quarter of 2008. Funds entrusted contributed EUR 9.6 billion to the net production in the first quarter, mainly at ING Direct. Net production in residential mortgages was EUR 3.5 billion while 'Other lending' and 'Assets under Management/Mutual funds' attributed respectively EUR -0.7 billion and EUR 0.3 billion.

Cost-containment initiatives aiming to cut banking operating expenses by 650 million in 2009 are on track. At the end of March, 1,478 full-time positions had been reduced out of a total announced headcount reduction of 2,800.

ING's intention to reduce the bank balance sheet by 10% at the end of 2009 from EUR 1,075.6 billion at 30 September 2008 is well on schedule. By the end of the first quarter of 2009, about 70% of this objective had been realised. The balance sheet of ING Bank decreased in the first quarter by EUR 37.4 billion to EUR 997.3 billion despite the increase of client balances. Going forward, the intended partial integration of ING Direct's balance sheet will allow for further balance sheet reduction.

Financial update

Total underlying income

Total underlying income declined 2.5% compared with the first quarter of 2008 as an increase in the interest result was offset by market impacts including impairments on mortgage-backed securities and equities, and negative fair value changes at ING Real Estate. In addition,

commission income was lower. Compared with the fourth quarter of 2008 when income was suppressed by negative market impacts, income was up 168.9%.

The interest result rose 18.8%, driven by higher volumes and an improvement of the interest margin. The total interest margin increased to 1.17%, up 15 basis points compared with the first quarter of 2008. The increase was mainly due to a rise in Wholesale Banking. The interest margin of ING Direct also improved, while the interest margin of Retail Banking remained under pressure due to the fierce competition for savings, particularly in the Netherlands. The interest margin in 4Q08 was 1.19% and benefitted 9 bps from accounting treatment (partly offset by negative impacts in other income) compared to 1Q09.

Commission income fell 15.3%, mainly due to lower asset management fees in Retail Banking and ING Real Estate on the back of deteriorating equity markets and lower asset values.

Investment income declined from EUR 89 million in the first quarter of 2008 to EUR -150 million in the first quarter of 2009. This included EUR 200 million of impairments on debt and equity securities and EUR 80 million of negative fair value changes on direct real estate investments.

'Other income' decreased from EUR 552 million in the first quarter of 2008 to EUR 322 million in this quarter. This decline was mainly caused by lower valuation results on non-trading derivatives, higher losses from associates (mainly at ING Real Estate due to the downward valuation of listed funds) and the absence of gains on the sale of real estate development projects. This was partly offset by a 17.5%, or EUR 41 million, increase in net trading income.

Operating expenses

Underlying operating expenses decreased 2.7%, or EUR 65 million. The positive impact of the cost-containment initiatives was partly offset by EUR 22 million higher impairments on real estate development projects and an increase of deposit insurance premiums paid by banks, especially in the US. Operating expenses declined 12.4% compared to the previous quarter. The number of employees declined to 73,695 from 75,109 at year-end 2008. On top of this, the number of external staff was reduced by almost 2,000.

Despite the negative impact from the market turmoil, the underlying cost/income ratio improved slightly to 61.5% from 61.7% in the first quarter of last year.

The worsening economic conditions led to a further increase of risk costs. ING Bank added EUR 772 million to the loan loss provisions compared with EUR 576 million in the fourth quarter of 2008 and EUR 98 million in the first quarter of 2008. Gross additions to the loan loss provisions were EUR 909 million in the first quarter of 2009, while releases were limited to EUR 137 million. Risk costs in Retail Banking increased in all regions, while ING Direct was largely impacted by a deterioration in the US mortgage market. The rise in Wholesale Banking relates mainly to Real Estate Finance and Leveraged Finance activities in Structured Finance.

Underlying result before tax

The banking operations recorded an underlying result before tax of EUR 698 million in the first quarter of 2009, down 50.3% compared with the first quarter of 2008 when Banking posted an underlying result before tax of EUR 1,405 million. This is mainly attributable to higher additions to the loan loss provisions as lower income was almost offset by lower operating expenses.

The net underlying result of EUR 519 million was positively affected by ING Real Estate, as part of real estate revaluations are reversed in minority interests. The underlying tax rate was 28.9%, slightly up from 28.6% in the first quarter of 2008.

The total net result for Banking was EUR 350 million in the first quarter. This includes EUR -170 million of special items, mainly related to combining the Dutch retail activities, restructuring provisions as part of the Group initiative to reduce operating expenses by EUR 1 billion in 2009, and a one-off gain on the transfer of 80% economic ownership of ING Direct's Alt-A RMBS portfolio to the Dutch State.

Key figures

The underlying risk-adjusted return on capital (RAROC) after tax decreased to 13.7% from 17.8% in the first quarter of 2008, reflecting the negative impact from the market turmoil and a strong increase in economic capital.

Average economic capital rose to EUR 22.4 billion from EUR 18.2 billion in the first quarter of 2008,

driven by all business lines. ING is currently recalibrating its economic capital models to reflect the extreme market conditions experienced over recent months. In this context, the company is assessing the validity, use and application and relevance of its economic capital models for various purposes.

Total risk-weighted assets (RWA) decreased in the first quarter by EUR 4.0 billion, or 1.2%, to EUR 339.4 billion at the end of March. The Illiquid Assets Back-up Facility with the Dutch State contributed a EUR 13 billion decrease, while the reduction of the balance sheet total contributed around EUR -5 billion to RWA. This was largely offset by the impact of credit rating migration and currency effects.

Retail Banking: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Interest result	1,403	1,411	-0.6%	1,427	-1.7%
Commission income	324	417	-22.3%	318	1.9%
Investment income	14	45	-68.9%	-5	
Other income	-7	72	-109.7%	-51	
Total underlying income	1,733	1,946	-10.9%	1,690	2.5%
Operating expenses	1,260	1,274	-1.1%	1,408	-10.5%
Gross result	472	672	-29.8%	282	67.4%
Addition to loan loss provision	334	35	854.3%	207	61.4%
Underlying result before tax	139	638	-78.2%	75	85.3%
Key figures					
Underlying cost/income ratio	72.7%	65.5%		83.3%	
Risk costs in bp of average CRWA	168	19		107	
Risk-weighted assets (end of period)	94,491	87,986	7.4%	95,002	-0.5%
Underlying RAROC after tax	17.2%	32.1%		7.3%	
Economic capital (average over period)	6,057	5,607	8.0%	6,244	-3.0%
Staff (FTEs end of period)	48,871	48,481	0.8%	49,665	-1.6%

- Interest result stable as higher volumes offset competition in Dutch savings and deposits market
- Lower commission income as a result of lower AUM
- Higher risk costs due to economic downturn

Business update

Competition for savings and deposits remained fierce in all countries in the first quarter. Nonetheless, ING attracted EUR 5.1 billion of savings and deposits, which was partly offset by a decline of EUR 2.9 billion in current accounts. Savings and deposits increased EUR 2.1 billion in the Netherlands. In Belgium, ING attracted EUR 2.4 billion thanks to a broad product offering with more internet-based products. In Central and Eastern Europe, ING lost some of the gains in market share it won last year as ING gave preference to margins.

While volumes were up, margins came under further pressure, particularly in the Netherlands. A reduction in short-term rates could not be compensated by a similar decline in deposit rates due to fierce competition. In Belgium, ING kept its savings margin stable.

The margin pressure on savings and deposits was partially offset by an increase in the margin on lending, although demand was low in the current environment. Mortgage production decreased in all countries as ING gave preference to margins over market share. Margins on credit rose slightly but production was lower.

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

As the recession deepened, provisions for credit losses rose in all regions, and specifically in business lending. ING has a limited foreign currency mortgage lending book in Central Europe and has stopped writing new business in this segment.

In all markets ING is putting more emphasis on cost reduction and de-risking. As part of the Group plan to reduce operating expenses by EUR 1 billion in 2009, Retail Banking is on track to realise the planned EUR 150 million in annual expense reductions. Of the announced reduction of 800 full-time positions, 532 have already been realised. On top of this, another 578 full-time positions have been reduced during the first quarter of 2009 in relation to the integration of the Dutch retail activities. More than 1,600 external contracts were eliminated during the quarter. In the mature markets, ING's long-term strategy remains the same: to roll out its internet-first

CLIENT BALANCES 1Q2009 - RETAIL BANKING (EUR billion)

Beginning of period	478.3
Net production	5.0
Acquisitions/divestments	0
Market performance	-2.3
FX impact / Other	2.1
End of period	483.1

Retail Banking: Key figures by business unit

In EUR million	Netherlands		Belgium		Central Europe		Asia	
	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008
Total underlying income	947	1,140	539	475	179	232	68	99
Operating expenses	702	672	354	357	151	186	54	58
Gross result	246	468	185	118	28	46	14	41
Addition to loan loss provision	128	47	56	-17	52	0	98	4
Underlying result before tax	118	420	130	134	-24	46	-85	37
Key figures								
Underlying cost/income ratio	74.1%	59.0%	65.6%	75.2%	84.3%	80.2%	80.0%	59.0%
Underlying RAROC after tax	21.4%	55.9%	43.3%	35.4%	-9.6%	8.9%	5.0%	9.1%
Economic capital (average over period)	2,755	2,269	1,138	877	1,042	741	1,122	1,720

model and aim for cost leadership by consolidating branch networks. ING Retail Banking Netherlands started operating under one ING brand on 2 January 2009, offering opportunities for revenue and cost improvement.

In emerging markets, ING is improving its operational and commercial effectiveness in the short term while positioning for consolidation when markets recover. In this light, ING has temporarily stopped rolling out new branches in Poland, Romania and Turkey. During the first quarter, ING decided to exit the retail banking greenfield in Ukraine. In India, ING opened another 3 branches.

Financial update

Total underlying income

Total underlying income decreased 10.9% compared with the first quarter of 2008 but increased 2.5% versus the fourth quarter of 2008. The interest result declined by 0.6% only as favourable margins and strong volume growth on savings in Belgium almost compensated for lower margins on other regions. Commission income fell 22.3%, mainly as a result of the continued deterioration of equity markets which affected management and securities fees.

Dividends received in 2008 on ING's stake in Kookmin Bank and a special dividend from a stake in a Dutch associate contributed to lower investment income in the first quarter of 2009.

'Other income' decreased mainly as a result of negative fair value changes on derivatives not eligible for hedge accounting at ING Bank Turkey. The decline in the Polish zloty against the euro had a negative impact on hedging schemes to protect

exporters, resulting in losses on FX derivatives in Poland.

Operating expenses

Operating expenses declined 1.1% compared with the same quarter last year, reflecting cost containment initiatives and a favourable currency impact. Operating expenses were 10.5% lower compared to the previous quarter, which was marked by higher costs ahead of the merger of the Dutch retail activities.

In the Netherlands, operating expenses increased compared with the first quarter of 2008 as a result of higher IT depreciation and pension costs, while operating expenses in Belgium were flat. Outside the Benelux, operating expenses dropped 16.0%. This is mainly explained by lower performance-related staff costs and favourable currency effects.

The addition to loan loss provisions increased to EUR 334 million compared with EUR 35 million in the same quarter last year and EUR 207 million in the previous quarter. Higher risk costs were reported in Asia Private Banking as prices of assets that served as underlying collateral for loans decreased. Higher risk costs at ING Bank Turkey mainly reflect higher country risk. In the Netherlands, the increase is explained by higher risk costs in business lending and a fall in house price indexes. Delinquencies in the Dutch mortgage portfolio remain stable at approximately 1%. The first quarter of 2008 was supported by net releases in some countries.

Underlying result before tax

Retail Banking's underlying result before tax was EUR 139 million compared with EUR 638 million in the first quarter of 2008. Underlying result before

tax rose strongly by 85.3% compared with the previous quarter thanks to 2.5% higher income and 10.5% lower operating expenses and despite a further increase in additions to the loan loss provision.

The Netherlands

The underlying result before tax in the Netherlands fell 71.9% due to severe pressure on savings margins as variable client rates continued to remain high amid the continued fierce competition between banks. The underlying result before tax was up 1.7% compared to the previous quarter. Excluding a transfer of a mortgage portfolio from ING Insurance in the third quarter of 2008, average retail balances increased 5% compared with the same quarter last year. Average volumes of savings and deposits were up 7% compared with the first quarter of 2008 and up 3% on the previous quarter. Operating expenses increased 4.5% due to an increase in third-party staff in 2008 and depreciation of IT systems. Operating expenses were down 12.7% compared with the previous quarter, which was marked by higher costs ahead of merging the Dutch retail activities. Third-party staff has been reduced during the quarter. The addition to the loan loss provision was EUR 128 million, almost threefold compared with 1Q08. This was mainly driven by higher risk costs in business lending and a fall in house price indexes.

Belgium

Belgium's underlying result before tax more than doubled from the fourth quarter of 2008 to be just 3.0% below the level of the first quarter of 2008. This slight decline was fully attributable to higher additions to the loan loss provision, mainly in the mid-corporate segment. The gross result increased 57%, reflecting strong volume growth and margin improvements. The average retail balances for savings and deposits grew 11% compared with the first quarter of last year. Operating expenses declined slightly by 0.8% despite the high inflation during 2008 supported by lower performance-related payments.

Central Europe

Central Europe posted a loss before tax of EUR 24 million compared with a profit of EUR 46 million in the first quarter of 2008 and a loss of EUR 68 million in the previous quarter. The decline versus the first quarter of 2008 was driven by higher risk costs. Operating expenses in Central Europe fell 18.8%, supported by favourable currency effects

and despite investments in the branch network last year.

Poland reported a loss of EUR 3 million. Savings margins continued to erode due to fierce competition. Unfavourable stock market performance led to lower sales volumes on mutual funds. Average retail balances in Poland grew strongly by 20%, against comparable exchange rates; the growth was reflected across all products.

The underlying result before tax of ING Bank Turkey was EUR -14 million as a result of EUR 20 million in negative fair value changes on derivatives not eligible for hedge accounting, and EUR 37 million higher risk costs reflecting higher country risk. The result also includes EUR 31 million of capital charge on book capital offset by a EUR 7 million capital benefit on economic capital.

Asia

The underlying result before tax in Asia was EUR -85 million compared with a profit of EUR 37 million in the same quarter of last year. The decline was due to the higher risk costs as prices of assets that served as underlying collateral for loans decreased. Lower stock market performance negatively affected asset management income. In addition, the first quarter of 2008 contained a dividend of EUR 18 million from Kookmin Bank. Operating expenses in the first quarter declined 6.9%. The assets under management of Private Banking Asia declined to EUR 11.4 billion from EUR 13.1 billion a year ago, which is almost entirely explained by negative market performance.

Key figures

The underlying RAROC after tax fell to 17.2% from 32.1% in the first quarter of last year, reflecting lower results and an increase in economic capital. Average economic capital rose 8.0% to EUR 6.1 billion due to growth of the lending portfolios in all regions. This was only partly mitigated by lower market risk capital for ING's stakes in Bank of Beijing and Kookmin compared with a year ago.

Internal staff declined by 794 FTEs compared with year-end 2008 as a result of the cost-containment initiatives and the merger between ING Bank and Postbank in the Netherlands, partly offset by some transfers of staff from Insurance.

ING Direct: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Interest result	706	567	24.5%	696	1.4%
Commission income	31	15	106.7%	105	-70.5%
Investment income	-67	9	-844.4%	-1,640	
Other income	-55	18	-405.6%	1	
Total underlying income	615	609	1.0%	-838	
Operating expenses	413	421	-1.9%	458	-9.8%
Gross result	202	188	7.4%	-1,296	
Addition to loan loss provision	158	33	378.8%	115	37.4%
Underlying result before tax	44	155	-71.6%	-1,411	
Key figures					
Interest margin	0.98%	0.86%		0.99%	
Underlying cost/income ratio	67.2%	69.1%		n.a.	
Risk costs in bp of average CRWA	109	33		87	
Risk-weighted assets (end of period)	63,742	47,126	35.3%	67,864	-6.1%
Underlying RAROC after tax	9.3%	13.1%		-84.8%	
Economic capital (average over period)	4,016	3,050	31.7%	3,991	0.6%
Staff (FTEs end of period)	9,737	9,088	7.1%	9,980	-2.4%

- **Production of client balances EUR 13.1 billion, driven by growth in funds entrusted**
- **Illiquid Assets Back-up Facility in place and cost-reduction programme on track**
- **Excluding impairments, result before tax up 9% to EUR 173 million**

Business update

Strong growth in funds entrusted and higher margins helped to offset the impact of the ongoing deterioration in the US housing market on ING Direct's results. The underlying result before tax was EUR 44 million in the first quarter of 2009 compared with EUR 155 million in the first quarter of 2008. Excluding impairments of EUR 129 million, ING Direct's result before tax was EUR 173 million, up 9% compared with the first quarter of 2008.

The production of client balances reached EUR 13.1 billion in the first quarter. This was primarily driven by growth in funds entrusted, which increased by EUR 11.0 billion at comparable

exchange rates. The growth in deposits was driven by successful acquisition and retention campaigns as well as seasonality. Own-originated mortgages grew by EUR 1.5 billion at comparable exchange rates, illustrating a controlled slowdown in mortgage lending as ING Direct continues to adhere to strict underwriting policies and acceptance standards. A net inflow was achieved in assets under management. However, this was more than offset by the negative market performance, leading to a decline in assets under management of EUR 0.1 billion. Including a positive currency effect of EUR 6.1 billion, total client balances increased to EUR 327.1 billion at the end of March. ING Direct added 338,000 clients during the quarter, bringing the total to 22.5 million worldwide.

The de-risking and cost-reduction programmes are progressing well. The Illiquid Asset Back-up Facility with the Dutch government was completed in the first quarter. The transaction has reduced the uncertainty of the impact of any future losses on 80% of the Alt-A RMBS portfolio.

CLIENT BALANCES 1Q2009 - ING DIRECT (EUR billion)

Beginning of period	308.3
Net production	13.1
Acquisitions/divestments	0
Market performance	-0.3
FX impact / Other	6.1
End of period	327.1

In the first quarter, ING Direct incurred a EUR 129 million pre-tax impairment charge on ING Direct's investment portfolio. This figure consists of EUR -17 million on subprime RMBS and EUR -112 million on the retained Alt-A RMBS portfolio. In the first quarter, 29 new Alt-A RMBS were impaired with estimated credit losses of EUR 17

million, triggering an impairment charge in the profit and loss account of EUR 71 million. The remainder reflects further declines in market prices of previously impaired securities.

Operating expenses at ING Direct are being managed down in response to the challenging economic environment by reducing staff and marketing expenses, reviewing supplier relations, and further optimising operational processes. At the end of March, ING Direct reduced 288 full-time positions out of a total announced headcount reduction of 600 FTEs. ING Direct also reduced external staff by 139 FTEs during the quarter.

Financial update

Total underlying income

Total underlying income edged up 1.0% to EUR 615 million, including impairments of EUR 129 million on the investment portfolio, which are reported as negative investment income. Excluding impairments, underlying income was EUR 744 million, up 21% compared with the first quarter of 2008. This increase was mainly driven by growth in the interest result in Australia, Canada, the US and the UK as core client rates were reduced following continued rate cuts by central banks. The eurozone countries only partly tracked their core client rates to reflect central bank cuts as competition for funds remained intense. The interest margin was 0.98% compared with 0.86% in the first quarter of 2008 and 0.99% in the previous quarter.

Operating expenses

Operating expenses were EUR 413 million, down 1.9% compared with the first quarter of 2008 and down 9.8% compared with the fourth quarter of 2008. This decline reflects the impact of cost-reduction programmes, the decision to halt the launch of ING Direct in Japan and lower upfront investment costs in mortgage production. These factors more than offset higher FDIC deposit insurance premiums paid by banks in the US and the inclusion of Interhyp in Germany.

The ratio 'operating expenses-to-client balances' (excluding marketing costs) was 38 basis points in the first quarter, down 2 basis points from the first quarter of 2008. Excluding impairments, the underlying cost/income ratio improved to 55.5% from 68.7% in the first quarter of 2008 thanks to strict cost control and a higher interest result.

The addition to the provision for loan losses was

EUR 158 million, an increase of EUR 125 million compared with the same quarter last year and EUR 43 million higher than in the previous quarter. The higher risk costs were largely due to an increase in the US to reflect the higher rate of delinquencies in the mortgage market combined with lower recovery rates. ING Direct's non-performing loans (90+ days past due) in the US rose to 3.7% from 2.7% at the end of December 2008.

Notwithstanding the increase in defaults, the portfolio continues to perform better than the benchmark of prime adjustable-rate mortgages, which showed that non-performing loans had reached 11.3% at the end of February 2009. ING's overall portfolio consists of quality customers with an average loan-to-value ratio of 77% (updated for current house prices); 97% of the mortgages are to owner-occupiers.

Underlying result before tax

ING Direct posted an underlying result before tax of EUR 44 million compared with EUR 155 million in the first quarter of 2008 and a loss of EUR 1,411 million in the fourth quarter of 2008. Excluding EUR 129 million of impairments, ING Direct's result before tax was EUR 173 million, up 9% compared with a year earlier.

Strong results were achieved in Australia and Canada due to higher income, while expenses and risk costs remained stable. ING Direct UK reported a positive result of EUR 30 million compared to a loss of EUR 31 million in the same quarter of 2008 as ING Direct UK closely tracked the sharp drop in central bank rates in its core client savings rates. The decline in result of Germany was due to lower income reflecting the impact of promotional campaigns for savings in an ongoing competitive market. In the US, a strong decline in operating expenses was offset by higher risk costs. US results were also impacted by lower interest income reflecting the difference between the yield on the Alt-A RMBS and the risk-free rate received under the Illiquid Assets Back-up Facility transaction with the Dutch State.

Investment costs to expand ING Direct's product and geographical scope fell to EUR 55 million compared with investments of EUR 75 million in the fourth quarter of 2008. This decrease was mainly due to the decision to halt the launch of ING Direct in Japan and a controlled slowdown in mortgage originations. ING Direct Italy added 15,000 new payment accounts, mainly by cross-

selling to its existing client base. The total number of payment account customers grew by 80,000 in the first quarter to reach a total of 1.4 million accounts in the US, Spain, Germany and Italy.

Key figures

ING Direct's after-tax RAROC decreased to 9.3%. Excluding impairments, the RAROC improved to 17% from 13% in the first quarter of 2008. Average economic capital rose 31.7% to EUR 4.0 billion compared with the first quarter of 2008. But it was only 0.6% higher compared with the fourth quarter of 2008 due to enhancements in methodology and economic capital drivers. Market developments during the first quarter led to a significant increase in economic capital requirements for structured assets, whereas the Illiquid Assets Back-up Facility with the Dutch State reduced economic capital consumption.

Compared with a year ago, risk-weighted assets (RWA) rose 35.3% to EUR 63.7 billion. In the first quarter of 2009, however, RWA decreased by EUR 4.1 billion. The Illiquid Assets Back-up Facility transaction reduced RWA by approximately EUR 13 billion. That was partly offset by an increase in RWA from credit rating migration, mainly in the own-originated mortgage portfolio in the US and in the investment book.

BANKING WHOLESALE BANKING

ING GROUP | BANKING | RETAIL | ING DIRECT

WHOLESALE

CORPORATE LINE

INSURANCE

EUROPE

AMERICAS

ASIA/PACIFIC

CORPORATE LINE

Wholesale Banking: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Interest result	983	611	60.9%	1,145	-14.1%
Commission income	255	288	-11.5%	297	-14.1%
Investment income	-87	41	-312.2%	-126	
Other income	289	368	-21.5%	-645	
Total underlying income	1,440	1,307	10.2%	672	114.3%
Operating expenses	653	708	-7.8%	784	-16.7%
Gross result	786	599	31.2%	-112	
Addition to loan loss provision	280	30	833.3%	254	10.2%
Underlying result before tax	506	570	-11.2%	-366	
Key figures					
Underlying cost/income ratio	45.4%	54.2%		116.7%	
Risk costs in bp of average CRWA	76	9		67	
Risk-weighted assets (end of period)	178,611	171,928	3.9%	177,197	0.8%
Underlying RAROC after tax	18.8%	14.6%		-7.9%	
Economic capital (average over period)	9,912	8,999	10.1%	9,948	-0.4%
Staff (FTEs end of period)	15,087	15,234	-1.0%	15,463	-2.4%

- **Strong underlying result of EUR 506 million before tax**
- **Income up 10.2% driven mainly by Financial Markets**
- **Cost containment on track: expenses -7.8%**

Business update

Wholesale Banking achieved a strong first-quarter result despite higher loan loss provisions and negative revaluations on real estate. Results were driven by record revenues, primarily attributable to the Financial Markets business. The client-facing business within Financial Markets was supported by strong customer flows and increased spreads. Origination results within Debt Capital Markets (DCM) were also robust, as DCM benefitted from record new bond issuance and strong client relationships with both corporates and financial institutions. Volatility in interest rate markets—with lower rates in the major developed markets and emerging market weakness—led to a favourable trading environment for proprietary trading and a return to profitability.

Wholesale Banking strengthened its market positions in the Netherlands and Belgium during

the quarter, with the number of corporate customers rating ING as their lead bank increasing substantially. ING continued to support the lending needs of its existing client base within its home markets. New lending was extended at higher margins while maintaining ING's strict underwriting standards. General Lending's strong results reflect the increase in margins as well as higher volumes.

The major real estate markets around the world saw further decreases in property values during the first quarter. For ING Real Estate, this resulted in negative revaluations of its Investment Portfolio. Given the difficult operating environment, ING Real Estate directed its efforts to the prudent management of its existing portfolio in order to minimise the impact of market conditions on both its business activities and its clients.

Cost reductions progressed well. Of the targeted headcount reduction of 1,400 FTEs, 658 were achieved by the end of March. In the international network, significant progress has been made to cut costs, with some locations moving to a lighter branch and representative office structure. Cost-reduction plans in the Benelux and other countries are being implemented.

The de-leveraging of the balance sheet continues to be a top priority at Wholesale Banking. During the quarter, the balance sheet was reduced mainly through ING's improved ability to apply netting of

CLIENT BALANCES 1Q2009 - WHOLESALE BANKING (EUR billion)

Beginning of period	286.9
Net production	-5.5
Acquisitions/divestments	0
Market performance	-4.1
FX impact / Other	1.3
End of period	278.6

BANKING WHOLESALE BANKING

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CORPORATE LINE

INSURANCE

EUROPE

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CORPORATE LINE

Wholesale Banking: Key figures by business unit

In EUR million	GL & PCM		Structured Finance		Leasing & Factoring		Financial Markets		Other products		ING Real Estate	
	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008
Total underlying income	283	242	265	171	92	106	754	447	23	82	23	261
Operating expenses	139	138	80	83	53	60	185	179	66	102	131	147
Gross result	143	104	186	88	39	46	569	268	-43	-20	-108	113
Addition to loan loss provision	37	-2	139	21	24	5	-1	0	-0	-0	82	6
Underlying result before tax	107	106	47	68	15	41	570	267	-43	-20	-190	107
Key figures												
Underlying cost/income ratio	49.2%	57.1%	30.0%	48.3%	57.4%	56.5%	24.5%	40.1%	287.5%	124.2%	563.0%	56.5%
Underlying RAROC after tax	12.5%	7.4%	27.9%	17.4%	17.2%	19.0%	53.1%	20.5%	-61.4%	-3.8%	-15.3%	15.3%
Economic capital (average over period)	2,219	2,245	1,498	1,241	449	538	3,126	2,698	364	370	2,255	1,908

current account balances and lower repo and derivatives positions within Financial Markets.

De-risking also progressed well as actions were taken on various fronts. On an industry level, underwriting criteria and exposures were reviewed. Country- and product-level exposures were also assessed, leading to new limits in select countries and the re-evaluation of products, most notably ING's non-standard Financial Markets offerings.

Within ING Real Estate, the Development business carefully reviewed its pipeline, resulting in the deferral of a number of projects. Ongoing project reviews as well as the renegotiation of project conditions will allow Development to limit its exposure even further.

The average Value-at-Risk for trading and treasury positions was down 18% from EUR 59.3 million in the fourth quarter of 2008 to EUR 48.7 million in the first quarter of 2009 despite the continued market volatility.

Financial update

Total underlying income

Income increased 10.2% on the first quarter of 2008, fuelled by a higher interest result which was largely driven by strong Financial Markets results in interest rate related products. Wholesale Banking's higher interest result also reflects the marked increase in pricing for General Lending, Structured Finance and Real Estate Finance products over the past year coupled with portfolio growth.

Commission income declined 11.5% as a result of lower fees in Real Estate Investment Management, Corporate Finance and Equity Markets. Investment and other income were both lower as a result of

negative fair value changes at ING Real Estate totalling EUR 182 million. Of this, EUR 80 million was booked in investment income and EUR 102 million in other income. Investment income was also lower due to EUR 59 million of impairments, mainly in Financial Markets.

Operating expenses

Operating expenses fell 7.8% from the first quarter of 2008, despite EUR 22 million of impairments on development projects at ING Real Estate in the current quarter. This was driven by headcount reductions and other cost-containment measures coupled with lower performance-related staff costs. Compared with the fourth quarter, which contained EUR 48 million of restructuring costs, expenses decreased 16.7%. Excluding these one-time charges, expenses declined 11.3%.

Net additions to loan loss provisions increased by EUR 250 million to EUR 280 million, or 76 basis points of average credit risk-weighted assets. Of this increase, EUR 76 million was attributable to Real Estate Finance, mainly in the US. At Structured Finance, risk costs increased by EUR 118 million, primarily related to Leveraged Finance activities.

Underlying result before tax

Wholesale Banking posted a pre-tax result of EUR 506 million for the first quarter. The quarter's results are 11.2% below the first quarter of 2008, but represent a return to profitability compared to the EUR 366 million loss in the fourth quarter of 2008. Results were fuelled primarily by income growth in Financial Markets, Structured Finance and General Lending. The impact of weakening credit conditions was evident in the EUR 250 million increase in loan loss provisions compared with the first quarter of 2008. The gross result

before tax, which excludes risk costs, was up 31.2% from the first quarter last year.

General Lending & PCM

The result before tax from General Lending & PCM was flat compared with the first quarter of 2008 as strong income growth compensated for higher loan loss provisions. The first quarter of 2008 had contained a net release in risk costs. Income in the first quarter of 2009 was supported by considerably higher interest margins and volume growth in General Lending. In PCM, margins were under pressure in the Netherlands, while higher margins were achieved in Belgium and Luxembourg. Expenses were flat year-on-year, but down 14.2% versus the fourth quarter of 2008.

Structured Finance

Income for Structured Finance was up 55.0% on the prior-year quarter as a result of volume growth during 2008 and continued re-pricing. Income growth was strongest in Asset-Based Finance and Utilities. The result before tax declined because of higher loan loss provisions, mainly in Leveraged Finance. Costs decreased 3.6% compared with the prior-year quarter and fell 14.9% compared with the fourth quarter of 2008.

Leasing & Factoring

The result before tax for Leasing & Factoring was EUR 15 million, down from EUR 41 million in the first quarter of 2008. The decrease was driven by higher additions to loan loss provisions in General Lease and a decline in income for Car Lease. The market values for second-hand cars improved in the Netherlands and the UK compared with the fourth quarter, but they deteriorated in some Southern European countries. This deterioration led to lower results from the sale of cars following contract

terminations and lapses. Expenses fell 11.7% compared with the first quarter of 2008 and 13.1% from the fourth quarter of 2008.

Financial Markets

The result before tax for Financial Markets amounted to EUR 570 million, or more than double the already strong first quarter of 2008. Higher results were achieved while successful de-leveraging and de-risking occurred simultaneously. The client-related business did particularly well in interest rate derivatives and Debt Capital Markets. In Debt Capital Markets, ING benefitted from the record new bond issuance by governments, financial institutions and corporates. In other client-facing businesses, strong customer flows, increased spreads and favourable trading conditions also boosted results. Operating expenses were up slightly compared with both the first and fourth quarter of 2008.

ING Real Estate

ING Real Estate posted an underlying loss of EUR 190 million before tax. Property values continued to decline worldwide, leading to EUR 182 million of negative fair value changes in ING Real Estate's Investment Portfolio. Costs were 10.9% lower year-on-year thanks to effective cost management and despite EUR 22 million of impairments on development projects recorded under operating expenses. ING Real Estate's total portfolio was EUR 105.9 billion, 1.8% lower than at the end of the first quarter of 2008.

Real Estate Investment Management reported an underlying result of EUR 22 million. This represents a 42.1% decline from the prior-year quarter and is mainly due to lower asset management, transaction and outperformance fees. Assets under management totalled EUR 65.6 billion at the end of the first quarter, down 8.4% from the first quarter of 2008. Despite difficult market circumstances, ING Real Estate Investment Management achieved net inflows of EUR 1.7 billion in assets under management. However, this could not compensate for lower asset values.

The result before tax for Real Estate Finance decreased to EUR 15 million from EUR 57 million in the first quarter of 2008. The decline was entirely attributable to significantly higher risk costs, notably in the US. The total Finance portfolio was EUR 37.2 billion, 12.0% higher than at the end of the prior-year quarter. In 2008, the Finance

ING Real Estate

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Underlying result before tax					
Investment Management	22	38	-42.1%	5	340.0%
Investment Portfolio	-204	-50		-369	
Finance	15	57	-73.7%	72	-79.2%
Development	-23	62	-137.1%	45	-151.1%
Total underlying result before tax	-190	107	-277.6%	-248	
Portfolio (in EUR billion)					
Investment Management	65.6	71.6	-8.4%	66.5	-1.4%
Development AuM	3.1	3.0	3.3%	3.0	3.3%
Total Assets under Management	68.7	74.5	-7.8%	69.5	-1.2%
Real Estate Finance portfolio	37.2	33.2	12.0%	37.0	0.5%

portfolio grew during the first three quarters of the year, but declined slightly in the fourth quarter as capital constraints restricted growth.

Real Estate Development reported a loss of EUR 23 million due to the lack of completed project sales in the quarter, and EUR 8 million of impairments on development projects. The first quarter of the previous year had contained significant income from the sale of projects in Spain and the Netherlands. Assets under management in the Development portfolio were EUR 3.1 billion, up 3.3% compared with the first quarter of 2008.

Other products

Significant cost reductions in 'Other Products' could not fully compensate for a drop in income, leading to a loss before tax of EUR 43 million. Income for Corporate Finance and Equity Markets was noticeably lower than the year before as the first quarter of 2008 had contained EUR 20 million of private equity gains. Operating expenses fell 35.3%, mainly reflecting lower performance-related staff costs.

Key figures

Economic capital rose 10.1% on the first quarter of 2008, when market risk capital was still substantially lower. Compared with the fourth quarter of 2008, economic capital remained stable. RAROC, for which actual loan loss provisions are replaced with expected losses over the cycle, increased to 18.8% after tax. This was fuelled by the combination of marked income growth and a 7.8% reduction in operating expenses.

Risk-weighted assets rose 3.9% to EUR 178.6 billion compared with a year ago. The growth in the first quarter was 0.8% as the impact of credit rating migration was largely offset by the de-leveraging of the balance sheet, especially in Financial Markets, and lower market risk-weighted assets.

Banking Corporate Line: Underlying result before tax

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Income on capital surplus	12	69	-57	34	-22
Solvency costs	-27	-16	-11	-43	16
Financing charges	-52	-38	-14	-38	-14
Amortisation intangible assets	-8	-8	-0	-9	1
FX-results, fair value changes and other	95	76	19	-56	151
Total Capital Management	20	83	-63	-112	132
Other	-10	-41	31	-26	16
Underlying result before tax	9	43	-33	-139	148

Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking 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 business units' book equity 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.

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).

The hybrids of ING Group (being the holding company of the bank and insurance company) are on-lent to ING Bank and ING Insurance on a mirrored basis. The costs of core debt from ING Group are allocated pro rata to ING Bank and ING Insurance on a quarterly basis using the respective IFRS Equity as an allocation key. Any ING Group dividends on ordinary shares and coupon payments on core Tier 1 securities are funded by ING Group based on dividend upstreams from ING Bank and ING Insurance.

Capital Management applies ratio and FX hedging to prevent that currency changes translate into significant changes in the Tier 1 ratio.

The funding costs of the Group's core debt are passed on to ING Bank and ING Insurance.

Financial update

The Corporate Line Banking reported an underlying result before tax of EUR 9 million compared with EUR 43 million in the first quarter of 2008.

Income on capital surplus was EUR 57 million lower, mainly due to lower capital charges received from the business units on the invested book equity as a result of lower interest rates. Solvency costs increased by EUR 11 million. Financing charges were EUR 14 million higher.

'FX-results, fair value changes and other' was EUR 19 million higher compared with the first quarter of 2008. Fair values changes on Tier 2 loans increased by EUR 194 million. This was partly offset by a loss of EUR 89 million on a FX hedge due to the weakening of the US dollar. Income on other FX hedges was EUR 59 million lower. Liquidity costs were up EUR 30 million.

The result of 'Other', which also includes Formula One sponsoring costs, improved by EUR 31 million, mainly due to higher interest benefits on corporate income tax restitutions.

INSURANCE

Results improved from the fourth quarter 2008 despite continued weak market conditions, while sales of investment-oriented products continued to suffer. Insurance made significant progress in reaching its cost and staff reduction targets.



INSURANCE

ING GROUP | BANKING | RETAIL | ING DIRECT | WHOLESALE | CORPORATE LINE | **INSURANCE** | EUROPE | AMERICAS | ASIA/PACIFIC | CORPORATE LINE

CLIENT BALANCES (IN EUR BILLION)



- Client balances relatively stable at 4Q08 levels
- Impacted by lower deposits and investment returns, offset by positive foreign currency impact
- Net outflow in Europe and the Americas; Inflow in Asia/Pacific

GROSS PREMIUM INCOME (IN EUR MILLION)



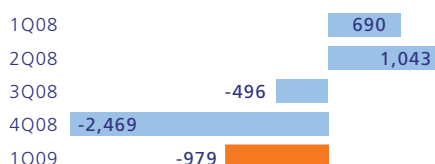
- Gross premium income down 17.0% from 1Q08
- Decline reflects lower single premiums in the US and Asia/Pacific

OPERATING EXPENSES (IN EUR MILLION)



- Operating expenses decrease 5.4% from 1Q08, or 13.1% excluding currency effects and CitiStreet
- All regions contribute to expense decline
- FTEs reduced by 3,903 of 4,200 planned

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



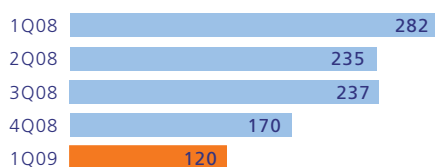
- First quarter loss driven by DAC unlocking and other market volatility
- Impairments, revaluations and fair value changes of EUR 689 mln less severe than 4Q08

SALES (APE) (IN EUR MILLION)



- Sales down 27.5% from 1Q08 and 10.1% from 4Q08
- Lower sales in all regions, reflecting less consumer appetite for investment-oriented products

VALUE OF NEW BUSINESS (IN EUR MILLION)



- VNB down 57.4% from 1Q08 and 29.4% from 4Q08
- Impacted by lower sales and margin pressure
- 1Q08 VNB included one-time impact of EUR 47 million from Romanian second-pillar pension fund

INSURANCE

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INSURANCE

EUROPE | AMERICAS | ASIA/PACIFIC | CORPORATE LINE

Insurance Total					
In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Gross premium income	8,914	10,744	-17.0%	9,079	-1.8%
Commission income	475	495	-4.0%	494	-3.8%
Direct investment income	2,036	2,237	-9.0%	2,138	-4.8%
Realised gains and fair value changes on inv.	-250	622	-140.2%	-103	n.a.
Total investment and other income	1,786	2,858	-37.5%	2,035	-12.2%
Total underlying income	11,175	14,097	-20.7%	11,608	-3.7%
Underwriting expenditure	10,822	11,984	-9.7%	12,463	-13.2%
Operating expenses	1,032	1,091	-5.4%	1,218	-15.3%
Other interest expenses	282	319	-11.6%	362	-22.1%
Other impairments	18	14	28.6%	33	-45.5%
Total underlying expenditure	12,154	13,407	-9.3%	14,077	-13.7%
Underlying result before tax	-979	690	-241.9%	-2,469	n.a.
of which result before tax life insurance	-995	526	-289.2%	-2,526	n.a.
of which result before tax non-life insurance	16	164	-90.2%	57	-71.9%
Taxation	-158	107	-247.7%	-466	n.a.
Minority interests	3	8	-62.5%	6	-50.0%
Underlying net result	-824	575	-243.3%	-2,009	n.a.
Net gains/losses on divestments	-56	45		-217	
Net result from divested units	5	23		-288	
Special items after tax	-268	-		-13	
Net result	-1,143	643	-277.8%	-2,527	n.a.
Client balances (in billion)					
Beginning of period	381.9	437.8	-12.8%	423.1	-9.7%
Deposits	22.4	35.8	-37.4%	25.3	-11.5%
Withdrawals/Benefits	-23.8	-29.1	n.a.	-27.1	n.a.
Net production	-1.4	6.8	-120.6%	-1.7	n.a.
Acquisition/divestments/transfers	0.0	9.9	-100%	-12.3	n.a.
Market performance/Interest credited	-6.4	-14.2	n.a.	-28.0	n.a.
FX impact and other	3.9	-12.2	n.a.	0.9	n.a.
End of period	378.0	428.0	-11.7%	381.9	-1.0%
New Business					
Value of new life business	120	282	-57.4%	170	-29.4%
Internal rate of return (IRR)	11.7%	14.8%		14.0%	
Single premiums	3,977	6,604	-39.8%	5,341	-25.5%
Annual premiums	878	1,099	-20.1%	885	-0.8%
New sales (APE)	1,276	1,759	-27.5%	1,419	-10.1%
Other key figures					
Tax ratio	16.2%	15.6%		18.9%	
Staff (FTEs end of period, adjusted for divestments)	40,340	41,627	-3.1%	42,732	-5.6%

- **Underlying net loss narrows to EUR 824 million from 4Q08 loss of EUR 2,009 million**
- **Result impacted by impairments, fair value changes and negative DAC unlocking**
- **VNB declines 57.4% on lower sales and margin pressure**

Business update

Weak market conditions persisted in the first quarter, with most of the world's equity markets down from the end of 2008 and credit spreads above historical levels.

The adverse effects from the markets on ING's insurance activities were mitigated by measures taken to reduce ING's exposure to further equity market declines. Direct public equity exposure was reduced to EUR 2.6 billion, against which equity hedges of EUR 3.9 billion notional are in place. Equity hedges are also in place to reduce the indirect equity exposure related to US variable annuities.

Market conditions negatively impacted sales in the

first quarter, particularly for investment-oriented products, with overall sales (APE) down 27.5% from a year ago, partly due to the effect of more conservative product design and increased charges on variable annuity sales. In contrast, sales of insurance-oriented products, such as term life in the United States, increased 58%. While sales in Asia/Pacific were down 41.6% from a year ago, they marginally improved from the fourth quarter 2008, and market positions were maintained.

The net production of client balances was EUR -1.4 billion excluding currency effects. Despite limiting VA sales, Asia/Pacific experienced positive net production of EUR 1.0 billion. This was offset by net production of EUR -2.1 billion in the Americas, where VA sales were reduced to less than half first quarter 2008. Net production was EUR -0.2 billion in Europe. Overall, client balances declined EUR 3.9 billion for the quarter with market performance, net of interest credited, of EUR -6.4 billion.

ING has made significant progress in executing initiatives announced on 26 January 2009 to manage down ING's cost base. At the end of the quarter, ING Insurance had reduced full-time positions by 3,903 of the 4,200 planned for 2009.

The sale of ING's 70% stake in ING Canada was completed on 19 February 2009 for a total consideration of EUR 1.4 billion.

Financial update

Total underlying income

Gross premium income was down 1.8% from the fourth quarter 2008 and down 17.0% from the first quarter 2008 due to lower sales, most notably in the US and Asia/Pacific. In these two regions, the sales decline was caused primarily by lower sales of investment-oriented products. Excluding currency effects, gross premium income of Insurance was down 22.7%

Commission income declined 4.0% on declines in Asia/Pacific and Europe, mainly due to lower asset balances. On balance, the Americas saw an increase due to the inclusion of CitiStreet.

Investment and other income declined 12.2% from the fourth quarter and 37.5% from first quarter 2008, 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.

Operating expenses

Operating expenses decreased 5.4%, or 13.1% excluding the impact of currency movements and CitiStreet. All business lines contributed to this decline through cost-containment measures; sales-related expenses were also down on lower production.

Underlying result before tax

Insurance recorded an underlying net loss of EUR 824 million versus a profit of EUR 575 million in the same period last year. This loss was primarily driven by impairments on equity and debt securities, negative DAC unlocking, and negative fair value changes on real estate and private equity investments as financial markets continued to deteriorate in the first quarter.

Compared with the fourth quarter of 2008, the underlying net result improved by EUR 1,185 million thanks to higher revaluations of equity hedges and lower impairments on equity and debt securities. Furthermore, the first quarter saw lower negative revaluations of real estate, private equity and alternative assets. The improvement versus the fourth quarter was in part attributable to de-risking measures taken in the past two quarters.

Insurance incurred capital gains of EUR 42 million and recorded impairments of EUR 173 million on equity securities, compared to capital losses of EUR 210 million and EUR 526 million in the fourth quarter of 2008. This was compensated by EUR 379 million in positive fair value changes on derivatives used to hedge ING's equity portfolio. In the first quarter of 2008, capital gains on public equity net of impairments totalled EUR 104 million; positive fair value changes on equity hedges were EUR 127 million.

Impairments and negative fair value changes on pressurised assets were EUR 112 million, while impairments on other debt securities were EUR 80 million (vs. EUR 314 million and EUR 181 million in the fourth quarter). By comparison, in the first quarter of 2008 impairments and negative fair value changes on pressurised assets were EUR 37 million, while impairments on other debt securities were EUR 27 million.

Negative revaluations on real estate investments were EUR 179 million compared with EUR 10 million in the first quarter and EUR 276 million in the fourth quarter of 2008. Negative revaluations

and impairments on private equity and alternative assets resulted in a loss of EUR 145 million compared with negative revaluations of EUR 36 million in the first quarter and EUR 275 million in the fourth quarter of last year.

Deferred acquisition cost (DAC) unlocking had a negative impact of EUR 550 million in the US. This was mainly driven by higher projected benefit and hedging costs in the variable annuity business due to equity market declines, higher equity market volatility, and low interest rates. In Japan, the SPVA business recorded a loss of EUR 191 million largely caused by hedge losses.

In the Benelux, results were negatively impacted by a EUR 164 million increase in the provision for guarantees on separate-account pension contracts (net of hedging) in the Netherlands compared to an increase of EUR 18 million in the first quarter of 2008. Furthermore, non-life results in the Benelux were depressed due to unfavourable disability claims development.

Insurance's total net loss in the first quarter was EUR 1,143 million. This included a EUR 154 million net special item in the US on the Illiquid Assets Back-up Facility transaction with the Dutch State, a EUR 46 million net loss on the divestment of ING Canada and EUR 114 million in reorganisation costs (after tax) related to the expense-reduction programme announced earlier this year.

New business

New sales (APE) decreased 27.5%, or 30.5% on a constant currency basis, due to lower sales in all regions, but most notably in the US and Asia/Pacific due to lower demand for investment-oriented products. Value of new business (VNB) declined 57.4%, or 56.5% excluding currency movements. This was caused by lower sales and margin pressure, especially on variable annuity products due to higher hedge costs from lower interest rates and higher volatility. Another factor that contributed to the decline in sales is the introduction of the Romanian second-pillar pension fund, which had added EUR 27 million in APE and EUR 47 million in VNB in the first quarter of 2008.

INSURANCE INSURANCE EUROPE

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Insurance Europe: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Gross premium income	2,951	3,269	-9.7%	2,469	19.5%
Commission income	107	123	-13.0%	123	-13.0%
Direct investment income	916	944	-3.0%	934	-1.9%
Realised gains and fair value changes on inv.	-8	70	-111.4%	-40	n.a.
Total investment and other income	908	1,015	-10.5%	894	1.6%
Total underlying income	3,966	4,407	-10.0%	3,486	13.8%
Underwriting expenditure	3,525	3,534	-0.3%	3,043	15.8%
Operating expenses	400	417	-4.1%	480	-16.7%
Other interest expenses	116	117	-0.9%	148	-21.6%
Other impairments	0	0	n.a.	2	-100.0%
Total underlying expenditure	4,041	4,067	-0.6%	3,673	10.0%
Underlying result before tax	-75	339	-122.1%	-186	n.a.
New Business					
Value of new life business	49	123	-60.2%	94	-47.9%
Internal rate of return (YTD)	14.8%	17.6%		17.1%	
Single premiums	708	926	-23.5%	799	-11.4%
Annual premiums	137	179	-23.5%	176	-22.2%
New sales (APE)	208	271	-23.2%	256	-18.8%
Other key figures					
Staff (FTEs end of period)	14,170	14,256	-0.6%	14,533	-2.5%

- Underlying result benefited from equity hedges
- Announced cost-cutting is on track
- Non-life results impacted by higher fire and disability claims

Business update

Market turmoil in the first quarter continued to impact the financial performance of Insurance Europe, but the impact was mitigated by the actions taken in this and previous quarters to reduce equity and interest rate risks. In addition to divesting public equity, equity hedge positions were increased in the quarter to further reduce the impact of equity impairments.

Insurance Europe is also re-basing its cost structure to fit the new economic circumstances. At the end of the quarter, a headcount reduction of 306 (out of a total planned reduction of 1,100 full-time equivalents in 2009) was realised. All cost-reduction programmes are on track.

The economic downturn depressed first quarter sales (APE) of Life products compared with both the first and fourth quarter of 2008. Positive developments included the introduction of a simplified variable annuity product in Belgium in the second half of February, which generated EUR 24 million in sales in the first six weeks. In the Netherlands, ING's market share in immediate

annuities remained stable at 22%, with sales at Nationale-Nederlanden up 11%. In addition, ING is in compliance with the new regulation on broker commissions for complex life and pension products, bank-related saving products and mortgages. Volume-based bonus commissions have been abolished and the standard commissions have increased. These changes allow brokers to be more transparent towards their clients.

Despite the current market circumstances, sales in Central Europe held up relatively well, down 5.6% excluding currency effects and the impact of the Romanian second-pillar pension fund. The market turmoil had an adverse impact on inforce business in Central Europe, where lapses and surrenders have increased. However, in the key markets of Hungary, Poland and Romania, both ING's market share in life insurance as well as the total number of policyholders continued to grow.

Client balances declined by EUR 2.6 billion in the quarter, or 2.2%, primarily due to weakening Central European currencies and the impact of declining equity markets. Net production was slightly negative, with deposits recovering from a large decline in the fourth quarter of 2008.

Insurance Europe: Key figures by business unit

In EUR million	Benelux Life		Benelux Non-Life		Central and Rest of Europe	
	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008
Gross premium income	1,659	1,897	773	751	518	621
Total investment and other income	761	833	28	72	121	110
Operating expenses	220	222	105	114	75	81
Underlying result before tax	-150	147	4	103	70	90
New Business						
Value of new life business	5	22			45	102
Internal rate of return (YTD)	9.2%	12.3%			22.8%	22.4%
Single premiums	563	714			145	212
Annual premiums	44	52			94	127
New sales (APE)	100	123			108	148

Financial update

Total underlying income

Gross premium income declined by EUR 318 million, or 9.7%, in the first quarter of 2009 compared with the same quarter last year. This decrease reflects lower life premiums across the region, which also shifted from unit-linked and variable annuities to traditional life insurance products. In Belgium, life premiums fell by EUR 171 million (-43.6%) due to EUR 195 million in lower sales of investment products with profit participation. The marketing campaign for the Optima investment product in the first quarter of last year and the economic downturn were the main reasons for this decrease. In Central & Rest of Europe, premium income declined by EUR 103 million (-16.6%), mainly due to Spain where a EUR 70 million group life contract was signed in the first quarter last year. Currency had a negative impact of EUR 35 million. In the Netherlands, premium income decreased by EUR 61 million (-2.8%).

Total investment and other income improved slightly from fourth quarter of 2008 but was EUR 107 million lower than in the same quarter last year. This was driven by negative real estate revaluations, which increased to EUR 179 million from EUR 10 million a year ago. The negative result

on private equity increased to EUR 73 million from EUR 34 million last year. Investment income was also impacted by EUR 96 million of lower dividend income compared with the first quarter of 2008, when ING received a EUR 80 million extra-ordinary dividend. These negative items were partly offset by gains and positive revaluations on public equity hedges of EUR 176 million, net of impairments and capital gains on equity securities.

Operating expenses

Operating expenses decreased by EUR 17 million, or 4.1%, compared with the first quarter of 2008. The announced restructuring programme is on track, with operating expenses down 16.7% from the fourth quarter of 2008. A pre-tax reorganisation provision of EUR 101 million was created for the restructuring programmes announced in the first quarter. This amount is not included in underlying expenses.

Underlying result before tax

Insurance Europe posted an underlying loss before tax of EUR 75 million, an improvement from the fourth quarter 2008 underlying loss before tax of EUR 186 million, but a decline of EUR 414 million compared with the first quarter of 2008. This decline was mainly caused by EUR 152 million of lower investment income (excluding separate account hedge), an increase of EUR 146 million in the amount added to the provision for guarantees on separate account pension contracts (EUR 164 million net of hedging) and EUR 47 million in higher Non-life claims.

Life Insurance Benelux

The underlying loss before tax for life Insurance in the Benelux was EUR 150 million, an improvement

CLIENT BALANCES 1Q2009 - INSURANCE EUROPE (EUR billion)

Beginning of period	122.4
Net production	-0.2
Acquisitions/divestments	0.4
Market performance	-1.3
FX impact / Other	-1.6
End of period	119.8

from the fourth quarter 2008 but a decline from a profit of EUR 147 million in the first quarter of 2008. This deterioration resulted from a EUR 164 million increase in the provision for guarantees on separate account pension contracts (net of hedging) due to the sharp decrease in equity prices and in implied volatility of interest rate derivatives. This compares to a EUR 18 million increase to this provision in the first quarter of 2008. In addition, negative real estate revaluations increased to EUR 167 million from EUR 10 million a year ago, while negative investment income from private equity increased to EUR 62 million from EUR 29 million. Dividend income dropped to EUR 4 million from EUR 95 million last year primarily due to an extraordinary dividend received in the first quarter of 2008. This was partly compensated by EUR 176 million in gains and positive revaluations of public equity hedges, net of impairments and capital gains on equity securities.

Non-Life Insurance Benelux

The underlying result before tax from non-life Insurance in the Benelux dropped by EUR 41 million from the fourth quarter and EUR 99 million from the same quarter last year. Compared with the first quarter of 2008, investment and other income fell EUR 44 million and claims increased by EUR 47 million. Negative real estate revaluations amounted to EUR 13 million from break-even last year, whereas negative income from private equity doubled to EUR 10 million. Transaction results on bonds swung from a EUR 6 million gain last year to a EUR 7 million loss in the first quarter of 2009. The EUR 47 million in higher claims were largely due to EUR 30 million adverse claims development in the disability business and from a few large fire claims.

Central & Rest of Europe

The underlying result before tax in Central & Rest of Europe improved to EUR 70 million from EUR 49 million in the fourth quarter of 2008 due to higher investment income. Compared with the first quarter 2008, the underlying result before tax declined by EUR 20 million primarily due to a negative currency impact of EUR 12 million. The economic downturn in Central Europe also led to a EUR 6 million lower asset management result, excluding currency effects, due to negative asset performance and net fund outflows.

New business

Life sales (APE) in Insurance Europe declined by EUR 62 million, or 23.2%, of which EUR 27 million related to the launch of the second-pillar pension fund in Romania in the first quarter of 2008, and EUR 10 million was the result of negative currency impacts. On a constant currency basis, excluding the impact of the Romanian second-pillar pension fund, APE decreased by EUR 30 million. The main source of this decline is Belgium, where APE dropped by EUR 17 million due to lower sales of the Optima investment product. After adjustment for the second-pillar pension fund in Romania as well as the negative currency impact, sales in Central & Rest of Europe decreased by EUR 6 million. Except for higher pension product sales in Greece, all countries in Central & Rest of Europe reported lower sales due to the unfavourable market conditions. In the Netherlands, APE decreased by EUR 8 million due to lower retail sales driven by the stagnating housing market, which put pressure on Life insurance sales tied to mortgage production.

The value of new business (VNB) declined to EUR 49 million from EUR 123 million a year ago. This EUR 74 million decline was due to the contribution of EUR 47 million in VNB by the Romanian second-pillar pension fund in the first quarter of last year, depreciation of major Central European currencies (EUR 5 million), and changes in assumptions (EUR 13 million). Finally, in the fourth quarter 2008, the assumed discount rate was increased to reflect the higher risk margin implied by recent capital market conditions. Calculating the VNB for the first quarter of 2008 against this higher discount rate would have resulted in a EUR 17 million lower VNB.

Adjusting for the impact from the second-pillar pension fund, the currency impact and the assumption changes, the VNB decreased by EUR 12 million, largely due to lower sales in the Netherlands. Excluding the Romanian second-pillar pension fund, the negative currency effect and the assumption changes, Central & Rest of Europe's VNB was EUR 38 million in the first quarter 2009 versus EUR 37 million last year.

INSURANCE INSURANCE AMERICAS

ING GROUP | BANKING | RETAIL | ING DIRECT | WHOLESALE | CORPORATE LINE | **INSURANCE** | EUROPE | **AMERICAS** | ASIA/PACIFIC | CORPORATE LINE

Insurance Americas: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Gross premium income	3,991	5,015	-20.4%	4,696	-15.0%
Commission income	305	277	10.1%	313	-2.6%
Direct investment income	1,038	1,142	-9.1%	1,138	-8.8%
Realised gains and fair value changes on inv.	-169	-76	n.a.	-292	n.a.
Total investment and other income	868	1,066	-18.6%	846	2.6%
Total underlying income	5,164	6,359	-18.8%	5,855	-11.8%
Underwriting expenditure	5,183	5,645	-8.2%	6,403	-19.1%
Operating expenses	413	419	-1.4%	477	-13.4%
Other interest expenses	78	83	-6.0%	50	56.0%
Other impairments	-	-0	n.a.	0	n.a.
Total underlying expenditure	5,673	6,148	-7.7%	6,930	-18.1%
Underlying result before tax	-510	211	-341.7%	-1,075	n.a.
New Business					n.a.
Value of new life business	38	90	-57.8%	49	-22.4%
Internal rate of return (YTD)	10.5%	13.8%		12.7%	
Single premiums	2,434	3,969	-38.7%	3,706	-34.3%
Annual premiums	497	531	-6.4%	465	6.9%
New sales (APE)	740	928	-20.3%	836	-11.5%
Other key figures					n.a.
Staff (FTEs end of period)	17,485	18,842	-7.2%	19,224	-9.0%

- Results impacted by EUR 550 million of negative DAC unlocking
- Credit-related losses down significantly from 4Q08
- Operating expenses decline 11.2% excluding currency effects

Business update

Weak economic and market conditions persisted in the first quarter. The S&P 500 fell 11.7% despite a rally in March, and credit spreads remained wider than historical levels.

Market conditions led to lower sales of equity-linked products across the industry as US retail and institutional investors remained hesitant to participate in the volatile and uncertain market. Net flows in retirement services (corporate 401(k), education and IRA) and variable annuity declined but remained solidly positive at EUR 992 million. In contrast, sales of term life insurance in the US grew 57.8% from the previous-year quarter as customers sought protection products without market risk.

Latin America had a strong quarter. This was primarily due to continued growth in fee income in the mandatory pension businesses and investment returns which benefitted from the market rally in March.

Insurance Americas continued its de-risking activities, including substantial changes to the variable annuity product in order to reduce the impact of volatility on capital and improve the economics to ING. Equity hedge positions were increased from EUR 1.5 billion to EUR 4.2 billion notional to mitigate the adverse impact of declining equity markets on regulatory capital.

Significant expense-reduction initiatives were implemented during the quarter, resulting in an 11.2% decline in overall expenses for the Americas excluding currency impacts, and more than 20.0% excluding CitiStreet. Insurance Americas has achieved employee reductions of 3,300, exceeding its 2009 employee reduction target of 2,400. The amount over the FTE target is largely due to aggressive reductions in sales staff in Latin America, which are primarily commission based employees.

Client balances increased EUR 1.8 billion due to the strengthening of the US dollar over the first quarter. This increase was offset by the fall in equity markets, divestment of the Argentina annuity business, and net production of EUR -2.1 billion for the quarter. Net inflows were adversely impacted by lower deposits, but withdrawals improved from fourth quarter of 2008.

Insurance Americas: Key figures by business unit

In EUR million	United States		Latin America	
	1Q2009	1Q2008	1Q2009	1Q2008
Gross premium income	3,908	4,913	82	102
Total investment and other income	818	945	50	121
Operating expenses	369	357	43	62
Underlying result before tax	-569	160	60	51
New Business				
Value of new life business	27	63	11	27
Internal rate of return (YTD)	10.0%	12.8%	16.2%	20.0%
Single premiums	2,156	3,916	278	54
Annual premiums	421	412	75	120
New sales (APE)	637	803	103	125

Financial update

Total underlying income

Gross premium income across the region declined 20.4% or 30.3% excluding currency effects, reflecting substantially lower variable annuity sales. In the US, gross premiums were down 30.7% excluding currencies. Variable annuity sales dropped 50.9% compared to a 35% decline in total industry sales, prompted by product changes and poor overall market conditions. In Latin America, gross premiums were marginally lower due to a decline in annuity sales in Chile.

Operating expenses

Operating expenses declined 1.4%, or 11.2% excluding currency effects. US expenses were down 10.0% compared to the first quarter of 2008, while Latin America experienced a 23.2% decline. First-quarter 2009 expenses include the acquisition of CitiStreet (now known as ING Institutional Plan Services) in July 2008. Excluding these expenses and currency effects, operating expenses declined more than 20%, led by lower staff costs throughout the region, and lower expenses related to the integration of the Latin American pension business.

Underlying results before tax

Continued market turmoil led to an underlying pre-tax loss of EUR 510 million for Insurance

Americas – less than half the loss reported in the fourth quarter of 2008 but still significantly below the first quarter of 2008.

United States

The underlying loss before tax in the US of EUR 569 million compares to an underlying profit of EUR 160 million in the previous-year quarter. DAC unlocking, investment losses, lower fee income, and higher guaranteed benefit costs in variable annuity were the main reasons for this loss. Negative returns on alternative assets also adversely impacted results for the quarter; while lower operating expenses helped dampen the profit decline.

In variable annuity, lower and more volatile equity markets and low interest rates caused the gap between account values and policy guarantees to widen, which increased the projected benefits embedded in these products. Furthermore, the cost to hedge these higher guarantees increased with market conditions. Collectively, these projected benefits and hedging costs are referred to as “guaranteed benefit costs”.

Higher variable annuity guaranteed benefits costs accounted for the majority of the DAC unlocking in the first quarter. Total negative DAC unlocking amounted to EUR 550 million (compared with EUR 838 million in the fourth quarter). Of the total, EUR 471 million related to higher guaranteed benefit costs (vs. EUR 346 million). Equity-related DAC unlocking related to fee income was EUR 51 million (vs. 313 million), and higher investment-related losses triggered EUR 25 million (vs. 154 million).

Prior to the fourth quarter of 2008, fee income was the primary driver of the volatility in DAC unlocking. However, given the significant drop in equity markets, equity volatility, and low interest rates, the projected guaranteed benefit costs in variable annuity are now the primary drivers of the volatility in DAC unlocking. The improvement in the fee-related DAC unlocking reflects a EUR 66 million gain from the equity hedge to protect regulatory capital, and a less severe decline in the equity markets than in fourth quarter 2008.

Gross credit-related losses and impairments were EUR 168 million, an improvement from EUR 323 million in the fourth quarter of 2008 but worse than the first quarter of last year. EUR 76 million of

CLIENT BALANCES 1Q2009 - INSURANCE AMERICAS (EUR billion)

Beginning of period	175.0
Net production	-2.1
Acquisitions/divestments	-0.6
Market performance	-4.6
FX impact / Other	9.1
End of period	176.8

Insurance Americas: US DAC unlocking

in EUR million	1Q2009	1Q2008	4Q2008
Equity related - fee income	-117	-101	-264
Equity market hedge	66	0	-49
Fee income (net of hedging)	-51	-101	-313
Variable annuity guaranteed benefit costs	-471	19	-346
Investment losses	-25	-2	-154
Other	-3	-20	-25
Total US DAC unlocking	-550	-104	-838

these losses in the first quarter of 2009 was related to Alt-A and subprime securities. An additional EUR 38 million was related to CLO securities. The remaining EUR 54 million was spread across multiple issuers and industries.

Fee income, net of variable annuity guaranteed benefit costs, declined by EUR 154 million on a pre-DAC basis, reflecting the combination of lower AUM levels and higher guaranteed benefit costs, partially offset by asset-based fee income from Institutional Plan Services (formerly CitiStreet). Historically, guaranteed benefit costs were a relatively stable offset to fee income, however in the first quarter 2009 these costs nearly tripled compared to the same period in 2008.

In annuities, results swung to a loss due to DAC unlocking, primarily from higher projected guaranteed benefit costs. Asset-based fee income, net of guaranteed benefit costs, also declined, as positive net flows could not compensate for higher guaranteed benefit costs and adverse market performance.

Results in retirement services declined 73.6% due to lower alternative investment returns and lower asset-based fee income as average levels of equity AUM were off over 35% from the first quarter of 2008. Lower DAC unlocking, mainly due to a EUR 34 million gain from the equity hedge, and lower operating expenses helped to offset the profit decline.

In the Insurance segment, lower alternative asset returns and higher life claims in group insurance resulted in a 35.5% profit decline.

Profit in the Asset Management segment improved as lower operating expenses helped mitigate a decline in fee income. Additionally, the first quarter of 2008 included a negative market value change on total return swaps.

Latin America

Underlying profit before tax improved 17.6%, or 33.3% excluding currency effects, to EUR 60 million, reflecting improved equity market returns, lower integration and operating costs, and improved fee income. Investment results improved by EUR 7 million, driven by the impact of better market returns on the legally-required investment in the pension business, particularly in Chile and Peru. Pension fee income also improved during the quarter due to growth in the deposit base. Cost-reduction initiatives and lower integration expenses resulted in a decline in operating expenses of EUR 19 million. However, higher P&C claims in Brazil and the adverse impact of inflation in Chile partially mitigated the improvement in results.

New business

The value of new business (VNB) declined 57.8%, or 60.8% excluding currency effects, due to adverse market pressures on returns and sales in the US, the effect of de-risking on sales of variable annuity, and lower production in Latin America. In the US, VNB dropped 63.0%. The continuation of the depressed equity market and interest rate environment reduced margins and constrained sales in variable annuity with the combined impact of reducing VNB by EUR 24 million. The cessation of new sales of spread-lending products due to current market conditions accounted for an additional EUR 16 million of the decline. Additionally, lower volumes across the US business reduced VNB by lowering the expense coverage. In Latin America, VNB declined 54.2% to EUR 11 million as the reduction in the agent sales force and a drop in agent productivity prompted lower sales, mainly in Mexico and Peru.

The internal rate of return (IRR) in the Americas declined by 320 basis points to 10.5%. This was driven by the US where market effects and capital requirements depressed returns in variable annuity. Returns in Latin America declined marginally in all countries due to lower sales, resulting in a 16.2% IRR for the quarter.

INSURANCE INSURANCE ASIA/PACIFIC

ING GROUP | BANKING | RETAIL | ING DIRECT | WHOLESALE | CORPORATE LINE | **INSURANCE** | EUROPE | AMERICAS | **ASIA/PACIFIC** | CORPORATE LINE

Insurance Asia/Pacific: Key figures

In EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Gross premium income	1,964	2,447	-19.7%	1,900	3.4%
Commission income	62	93	-33.3%	58	6.9%
Direct investment income	491	281	74.7%	236	108.1%
Realised gains and fair value changes on inv.	-134	514	-126.1%	1,100	-112.2%
Total investment and other income	357	796	-55.2%	1,336	-73.3%
Total underlying income	2,383	3,337	-28.6%	3,294	-27.7%
Underwriting expenditure	2,106	2,802	-24.8%	3,013	-30.1%
Operating expenses	185	230	-19.6%	234	-20.9%
Other interest expenses	241	122	97.5%	256	-5.9%
Other impairments	0	-0	.	-0	.
Total underlying expenditure	2,532	3,155	-19.7%	3,503	-27.7%
Underlying result before tax	-149	182	-181.9%	-209	.
New Business					
Value of new life business	32	69	-53.6%	28	14.3%
Internal rate of return (YTD)	12.2%	14.8%		14.0%	
Single premiums	836	1,709	-51.1%	836	0.0%
Annual premiums	244	389	-37.3%	244	0.0%
New sales (APE)	327	560	-41.6%	328	-0.3%
Other key figures					
Staff (FTEs end of period)	8,633	8,460	2.0%	8,922	-3.2%

- Underlying loss before tax EUR 149 million
- Expenses down 19.6% due to proactive expense control
- New sales and VNB decline; VNB improves over 4Q2008

Business update

New sales remained under pressure across Asia/Pacific as a consequence of the adverse market conditions. As a result, consumer and distributor sentiment continued to shift away from investment-linked products to traditional products, for which demand is relatively independent of market volatility. Traditional products contributed 56.7% to new sales (APE), up from 40.6% during the same period last year. The value of new business declined 53.6% in the first quarter of 2009. Nonetheless, sequential quarter sales performance stabilised. ING sold a higher proportion of profitable products, which contributed to the 14.3% increase in the value of new business compared with the fourth quarter of

2008. Consistent with previous quarters, ING retained at least a top-5 insurance market position in its four largest markets of Australia, South Korea, Japan and Malaysia. In Malaysia, ING's Individual Life market share grew to 3rd position while maintaining the number one position in Group Life with a market share of more than 40%.

In February, ING New Zealand announced that investors would be able to exit two funds that had been suspended as a result of the global credit crisis. Investors in the ING Diversified Yield Fund (DYF) and ING Regular Income Fund (RIF) in New Zealand would be able to elect either to receive the bulk of their initial investment over a 5 year investment period or receive a lesser amount today. The offer is expected to be implemented in mid 2009. In the first quarter of 2009 a provision of EUR 50 million has been taken to compensate investors.

The sale of ING Life Taiwan to Fubon Financial Holding Co. Ltd. closed on 11 February 2009. The sale of ING Platform Services Limited to iFast Corporation Pte Limited closed on 29 April 2009.

In Japan, ING is withdrawing from the SPVA market as part of its de-risking programme. ING Life Japan will stop sales of SPVA products in a

CLIENT BALANCES 1Q2009 - INSURANCE ASIA/PACIFIC (EUR billion)

Beginning of period	84.5
Net production	1.0
Acquisitions/divestments	0.1
Market performance	-0.6
FX impact / Other	-3.7
End of period	81.4

Insurance Asia/Pacific: Key figures by business unit

In EUR million	Australia & New Zealand		Japan		Malaysia		South Korea		Rest of Asia	
	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008	1Q2009	1Q2008
Gross premium income	53	50	965	1,075	125	145	655	979	166	198
Total investment and other income	4	31	251	623	16	20	83	93	3	29
Operating expenses	36	55	46	47	13	13	42	64	49	51
Underlying result before tax	-30	46	-147	78	12	12	54	55	-39	-9
New Business										
Value of new life business	7	11	-3	18	3	3	22	28	4	8
Internal rate of return (YTD)	18.8%	20.8%	6.9%	12.1%	13.3%	15.4%	21.7%	17.2%	10.5%	14.3%
Single premiums	214	681	557	740	9	41	38	180	18	66
Annual premiums	20	24	58	90	15	14	110	212	41	49
New sales (APE)	41	92	114	164	16	18	113	230	43	55

phased manner and by 31 July 2009 all SPVA sales would have been completely stopped. The in-force book of SPVA products will continue to be serviced and supported to current standards even after stoppage of new sales. ING Life Japan remains committed to the COLI business where it has consistently maintained a market leading position with a strong product line-up and extensive network of valuable distribution partners. ING will continue to invest and support growth of the COLI business in Japan since this is an attractive business which continues to generate a stable stream of profits.

ING made good progress in reducing costs and risks across the region. Insurance Asia/Pacific is now on track to deliver an ongoing annual expense reduction of EUR 75 million in 2009, including a reduction of over 700 full-time positions. During the first quarter, full-time positions were reduced by 287. Equity exposure was reduced in the first quarter of 2009 by almost EUR 250 million.

Client balances declined by EUR -3.1 billion in the first quarter 2009 due to definitional changes and despite EUR 1.0 billion in net production.

Financial update

Total underlying income

Total underlying income declined 28.6% compared with the first quarter of 2008. Gross premium income fell 19.7%, or 23.0% excluding currency effects, compared with the first quarter of 2008. This decline was mainly driven by Japan, where premium income fell 10.2%, or 29.7% excluding currency effects, due to lower SPVA sales for redesigned products. In South Korea premium

income fell 33.1%, or 14.8% excluding currency effects. Premium income in Malaysia fell 13.8%. By contrast, in Australia premium income rose 6.0%, or 26.2% excluding currency effects, on robust insurance sales and the favourable growth of the risk renewal base. In Rest of Asia, premium income fell 16.2% on lower single premium sales in Hong Kong and China. Compared with the fourth quarter of 2008, premium income was up 3.4%, or 2.9% excluding currencies.

Total investment and Other Income includes fair value changes on derivatives used to hedge Japan's guaranteed benefits, which in turn was offset by a lower increase in benefit reserves in underwriting expenditure.

Operating expenses

Operating expenses fell 19.6% compared with the first quarter of 2008. This decline is a result of aggressive cost cutting initiatives by business units across the region. In Australia, operating expenses fell 34.5%, or 23.4% excluding currency effects, on business restructuring and other cost-management initiatives. For the same reasons, operating expenses fell 2.1%, or 23.3% excluding currency effects, in Japan. In South Korea, expenses declined 34.4% (16.0% excluding currency effects), driven by a restructuring of the branches. In Malaysia, expenses were flat. In Rest of Asia operating expenses fell 3.9%.

Underlying result before tax

The underlying loss before tax was EUR 149 million compared to a profit of EUR 182 million in the first quarter last year. This decline was driven by three significant items: a negative swing of EUR 226 million on SPVAs in Japan due to intense market

volatility; a one-off EUR 50 million provision for charges related to the buyback guarantee on the New Zealand DYF/RIF funds; and an impairment on debt holdings in India of EUR 23 million. Excluding Japan, the debt security impairment and the DYF/RIF fund provision, the underlying result before tax was EUR 70 million impacted by lower fee and dividend income.

Australia & New Zealand

The underlying loss before tax for Australia and New Zealand combined was EUR 30 million. Excluding the provision for the New Zealand DYF/RIF funds, these two countries generated a profit of EUR 20 million compared with a profit of EUR 46 million in the first quarter of 2008. Results for the previous-year quarter included EUR 6 million in profit from ING Australia Holdings, which has been transferred to the Corporate Line as of 2009. ING Australia recorded a result before tax of EUR 24 million. This 36% decline (-24.7% excluding currency effects) was driven by lower fee income and capital investment earnings, which were partially offset by lower expenses.

Japan

In Japan, ING recorded a loss before tax of EUR 147 million compared to a profit of EUR 78 million a year ago. The SPVA business posted a loss of EUR 191 million, mainly due to hedge results that were only partially able to offset the impact of continued poor financial markets, as well as mark-to-market impacts on unhedged exposures. COLI results were up 4.2%, but down 19.1% excluding currency effects on lower new sales and an increase in surrenders. In the fourth quarter of 2008, ING recorded a loss of EUR 244 million in Japan.

South Korea

The underlying profit before tax was stable at EUR 54 million (up 25.6% excluding currency effects) on improved investment results and lower operating expenses. Results in the first quarter of 2008 had been impacted by a EUR 13 million negative revaluation of a collateralised debt obligation (CDO) at ING Life Korea. Results more than doubled compared with the previous quarter, which had witnessed significant negative investment revaluations and fixed income impairments of EUR 37 million.

Malaysia

The underlying profit before tax was stable at EUR 12 million as unfavourable claim experience was

mostly offset by a reduction in operating expenses reflecting lower advertising expenses and professional fees. Results were down 33.3% on the fourth quarter 2008 on lower premium income due to seasonality. Traditional products remain dominant contributing 88% of sales in the first quarter of 2009, up from 74% a year ago.

Rest of Asia

The underlying loss before tax was EUR 39 million compared with a loss of EUR 9 million a year ago. The swing was mainly driven by EUR 23 million in impairments on debt holdings in India. A decline in profit in Hong Kong was partially offset by improved results in China and Thailand.

New business

New sales fell 41.6% compared with the same period last year on weaker demand for investment-linked products. Last year, sales had experienced a spike in Japan ahead of changes to COLI tax regulations during that quarter. Similarly, in South Korea new sales in the first quarter of 2008 had been buoyant partly on the strength of a special bank distribution campaign offering favourable crediting rates to consumers. New sales in Japan fell 30.5%, or 46.0% excluding currency effects, due changes in consumer and distributor sentiment and product redesign. In South Korea, new sales declined 50.9%, or 37.6% excluding currency effects. In Australia, life risk sales were up a robust 12.3%, or 33.1% excluding currency effects, reflecting increased protection demand from consumers. In Malaysia sales fell 11.1%, while in Rest of Asia sales were down 21.8%, primarily due to lower investment-linked product sales. Compared with the fourth quarter 2008, sales remained stable.

The value of new business (VNB) was down 53.6%; this was primarily driven by VNB in Japan coupled with a decline in sales in the rest of the region. However, VNB was up 14.3% on the fourth quarter 2008 thanks to improved value generation in Korea.

The internal rate of return (IRR) in Asia/Pacific declined by 260 basis points to 12.2%. This was driven by most countries and reflects a change in the business mix towards more traditional products.

Corporate Line Insurance

EUR million	1Q2009	1Q2008	Change	4Q2008	Change
Interest on hybrids and core debt	-140	-167	27	-226	86
Fair value changes equity derivatives	203	130	73	134	68
Fair value changes other derivatives	-27	-47	21	-120	93
Amortisation intangible assets	-18	-14	-4	-31	13
Investment income & fees (ING Insurance holding)	1	20	-19	6	-4
Other results Capital Management	2	10	-8	-13	14
Capital Management	21	-69	89	-249	270
Capital gains on public equity	-11	107	-117	-195	184
Impairments on public equity	-173	-9	-164	-463	290
Notional income	-21	-83	61	-82	61
Gains/impairments on public equity after notional income	-205	14	-219	-740	535
Results from reinsurance run-off portfolios	0	3	-2	11	-11
Other	-61	9	-69	-20	-40
Underlying result before tax	-245	-43	-202	-999	754

The Corporate Line Insurance includes items such as those related to capital management, capital gains on public equities (net of impairments), run-off portfolios as well as Formula 1 sponsoring costs.

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 the Group's core debt, which are passed on to both ING Bank and ING Insurance, as well as the costs of ING Insurance's core debt. The amortisation of the intangible assets is also transferred from the business units to the Corporate Line.

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/impairments on public equity after notional income'.

Financial update

The Corporate Line had an underlying loss before tax of EUR 245 million compared to a loss of EUR 43 million in the first quarter of 2008.

The Capital Management result improved by EUR 89 million; this was mainly driven by EUR 73 million in higher revaluation results from

derivatives used to hedge ING's equity portfolio.

The interest on hybrids and core debt improved thanks to higher interest received on intercompany loans despite higher funding costs on hybrids. The higher revaluation result on other derivatives was positively impacted by higher revaluations of interest rate swaps related to the core debt Americas.

The losses on the sale of public equity amounted to EUR 11 million versus gains of EUR 107 million in the first quarter last year. Impairments on public equity increased to EUR 173 million from EUR 9 million last year largely as a consequence of market value movements on previously impaired equity securities. The notional income amount transferred to the business units decreased from EUR 83 million in the first quarter of 2008 to EUR 21 million reflecting the smaller equity portfolios held by the business units driven by active de-risking.

The result for 'Other' decreased by EUR 69 million mainly due to lower reinsurance results driven by the effects of currency translation.

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SHARE INFORMATION

Financial calendar

Publication results 2Q 2009
Wednesday, 12 August 2009
Publication results 3Q 2009
Wednesday, 11 November 2009
Publication results 4Q 2009
Wednesday, 17 February 2010
Annual General Meeting of Shareholders
Tuesday, 27 April 2010
(All dates are provisional)

Listing information

ING ordinary shares are registered shares with a par value of EUR 0.24 per share. The (depository receipts for) ordinary shares ING Group are listed on the exchanges of Amsterdam, Brussels, and New York (NYSE).

Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam	INGA NA, ING.AS	NL0000303600, 7154782 NL
New York Stock Exchange	ING, ING.N	US456837103, 2452643 US

American Depositary Receipts (ADRs)

For questions regarding your ADRs please contact the depository:

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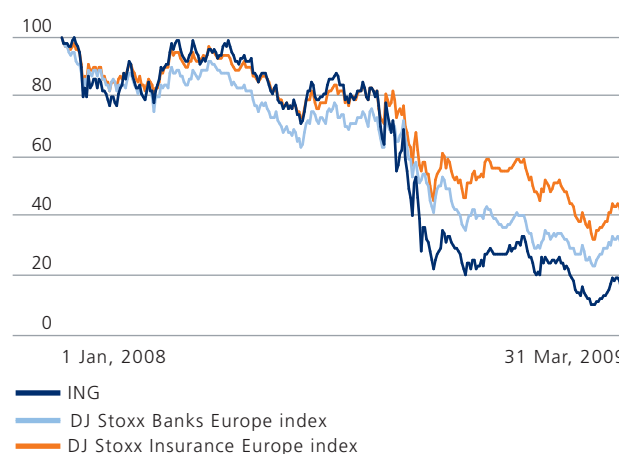
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Comparative performance of share price

1 Jan 2008 to 31 Mar 2009



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 2008 ING Group Annual Accounts.

All figures in this report are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained in this release are statements of future expectations and other forwardlooking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

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