

ING GROUP



Condensed consolidated interim financial information for the period ended 30 September 2010

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Condensed consolidated interim accounts

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Condensed consolidated balance sheet of ING Group

as at

amounts in millions of euros	30 September 2010	31 December 2009
ASSETS		
Cash and balances with central banks	13,342	15,390
Amounts due from banks	59,108	43,397
Financial assets at fair value through profit and loss 2	277,592	233,190
Investments 3	232,720	212,112
Loans and advances to customers 4	605,580	578,946
Reinsurance contracts	5,759	5,480
Investments in associates	3,761	3,699
Real estate investments	2,041	3,638
Property and equipment	6,115	6,119
Intangible assets 5	5,203	6,021
Deferred acquisition costs	10,867	11,398
Assets held for sale 6	1,879	5,024
Other assets	36,731	39,229
Total assets	1,260,698	1,163,643
EQUITY		
Shareholders' equity (parent)	42,476	33,863
Non-voting equity securities	5,000	5,000
	47,476	38,863
Minority interests	997	915
Total equity	48,473	39,778
LIABILITIES		
Subordinated loans	10,635	10,099
Debt securities in issue	130,956	119,981
Other borrowed funds	26,530	23,151
Insurance and investment contracts	264,859	240,858
Amounts due to banks	78,869	84,235
Customer deposits and other funds on deposit	502,496	469,508
Financial liabilities at fair value through profit and loss 7	157,356	129,789
Liabilities held for sale 6	1,224	4,890
Other liabilities	39,300	41,354
Total liabilities	1,212,225	1,123,865
Total equity and liabilities	1,260,698	1,163,643

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated profit and loss account of ING Group for the three and nine month period ended

amounts in millions of euros	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
	2010	2009	2010	2009
Interest income banking operations	17,844	19,703	50,154	64,165
Interest expense banking operations	-14,457	-16,604	-40,331	-54,886
Interest result banking operations	3,387	3,099	9,823	9,279
Gross premium income	6,554	7,632	21,612	23,815
Investment income 8	1,808	1,142	5,292	3,601
Commission income	1,173	1,215	3,395	3,460
Other income 9	-163	-981	2,375	-2,918
Total income	12,759	12,107	42,497	37,237
Underwriting expenditure 10	7,243	7,352	25,547	24,016
Addition to loan loss provision	374	665	1,336	2,289
Intangible amortisation and other impairments 11	670	151	990	286
Staff expenses	1,980	1,751	5,755	5,636
Other interest expenses	148	163	464	533
Other operating expenses	1,562	1,480	4,441	4,952
Total expenses	11,977	11,562	38,533	37,712
Result before tax	782	545	3,964	-475
Taxation	380	55	1,109	-140
Net result (before minority interests)	402	490	2,855	-335
Attributable to:				
Equityholders of the parent	370	499	2,786	-223
Minority interests	32	-9	69	-112
	402	490	2,855	-335

amounts in euros	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
	2010	2009	2010	2009
Basic earnings per ordinary share 12	0.10	0.19	0.62	-0.08
Diluted earnings per ordinary share 12	0.10	0.19	0.62	-0.08

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated statement of comprehensive income of ING Group for the three and nine month period ended

amounts in millions of euros	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
	2010	2009	2010	2009
Result for the period	402	490	2,855	-335
Unrealised revaluations after taxation	3,692	5,515	5,515	11,517
Realised gains/losses transferred to profit and loss	82	292	246	1,017
Changes in cash flow hedge reserve	487	140	1,182	-1,006
Transfer to insurance liabilities/DAC	-1,587	-1,799	-3,456	-2,075
Exchange rate differences	-2,283	-448	2,269	-208
Total amount recognised directly in equity (other comprehensive income)	391	3,700	5,756	9,245
Total comprehensive income	793	4,190	8,611	8,910
Comprehensive income attributable to:				
Equityholders of the parent	773	4,194	8,554	9,002
Minority interests	20	-4	57	-92
	793	4,190	8,611	8,910

For the three month period 1 July 2010 to 30 September 2010 the Unrealised revaluations after taxation comprises EUR 9 million (1 July 2009 to 30 September 2009: EUR -7 million) related to the share of other comprehensive income of associates.

For the nine month period 1 January 2010 to 30 September 2010 the Unrealised revaluations after taxation comprises EUR -11 million (1 January 2009 to 30 September 2009: EUR 19 million) related to the share of other comprehensive income of associates.

For the three month period 1 July 2010 to 30 September 2010 the Exchange rate differences comprises EUR -134 million (1 July 2009 to 30 September 2009: EUR -25 million) related to the share of other comprehensive income of associates.

For the nine month period 1 January 2010 to 30 September 2010 the Exchange rate differences comprises EUR 181 million (1 January 2009 to 30 September 2009: EUR 89 million) related to the share of other comprehensive income of associates.

Condensed consolidated statement of cash flows of ING Group

for the nine month period ended

amounts in millions of euros	30 September 2010	30 September 2009
Result before tax	3,964	-475
Adjusted for		
– depreciation	1,266	1,239
– deferred acquisition costs and value of business acquired	472	-971
– increase in provisions for insurance and investment contracts	2,869	2,652
– addition to loan loss provisions	1,336	2,289
– other	1,878	4,083
Taxation paid	-369	-41
Changes in		
– amounts due from banks, not available on demand	-7,550	4,860
– trading assets	-30,253	41,798
– non-trading derivatives	-3,317	-930
– other financial assets at fair value through profit and loss	1,387	1,709
– loans and advances to customers	-14,533	9,648
– other assets	1,189	4,904
– amounts due to banks, not payable on demand	-4,216	-57,570
– customer deposits and other funds on deposit	15,891	14,603
– trading liabilities	23,060	-39,391
– other financial liabilities at fair value through profit and loss	5,350	-2,380
– other liabilities	-3,528	-8,249
Net cash flow from (used in) operating activities	-5,104	-22,222
Investments and advances		
– available-for-sale investments	-120,361	-116,905
– investments for risk of policyholders	-40,781	-46,658
– other investments	-1,895	-1,846
Disposals and redemptions		
– available-for-sale investments	115,549	120,459
– investments for risk of policyholders	43,232	45,386
– other investments	5,507	3,318
Net cash flow from (used in) investing activities	1,251	3,754
Proceeds from borrowed funds and debt securities	321,545	360,802
Repayments of borrowed funds and debt securities	-312,834	-346,557
Other net cash flow from financing activities	-29	399
Net cash flow from financing activities	8,682	13,846
Net cash flow	4,829	-4,622
Cash and cash equivalents at beginning of period	20,959	31,271
Effect of exchange rate changes on cash and cash equivalents	167	-32
Cash and cash equivalents at end of period	25,955	26,617
Cash and cash equivalents comprises the following items:		
Treasury bills and other eligible bills	5,211	9,218
Amounts due from/to banks	7,402	3,083
Cash and balances with central banks	13,342	14,316
Cash and cash equivalents at end of period	25,955	26,617

Condensed consolidated statement of changes in equity of ING Group

for the nine month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2010	919	16,034	16,910	33,863	5,000	915	39,778
Unrealised revaluations after taxation			5,521	5,521		-6	5,515
Realised gains/losses transferred to profit and loss			246	246			246
Changes in cash flow hedge reserve			1,182	1,182			1,182
Transfer to insurance liabilities/DAC			-3,456	-3,456			-3,456
Exchange rate differences			2,275	2,275		-6	2,269
Total amount recognised directly in equity			5,768	5,768		-12	5,756
Net result for the period			2,786	2,786		69	2,855
			8,554	8,554		57	8,611
Changes in the composition of the group						30	30
Dividends						-5	-5
Purchase/sale of treasury shares			34	34			34
Employee stock option and share plans			25	25			25
Balance at 30 September 2010	919	16,034	25,523	42,476	5,000	997	48,473

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2009	495	9,182	7,657	17,334	10,000	1,594	28,928
Unrealised revaluations after taxation			11,516	11,516		1	11,517
Realised gains/losses transferred to profit and loss			1,017	1,017			1,017
Changes in cash flow hedge reserve			-1,006	-1,006			-1,006
Transfer to insurance liabilities/DAC			-2,075	-2,075			-2,075
Exchange rate differences			-227	-227		19	-208
Total amount recognised directly in equity			9,225	9,225		20	9,245
Net result for the period			-223	-223		-112	-335
			9,002	9,002		-92	8,910
Changes in the composition of the group						-433	-433
Dividends						-2	-2
Purchase/sale of treasury shares			142	142			142
Employee stock option and share plans			37	37			37
Balance at 30 September 2009	495	9,182	16,838	26,515	10,000	1,067	37,582

1. BASIS OF PRESENTATION

These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting principles used to prepare these condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union and are consistent with those set out in the notes to the 2009 Consolidated Annual Accounts of ING Group, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with ING Group's 2009 Annual Accounts.

The following standards, interpretations and amendments to standards and interpretations became effective in 2010:

- Amendment to IFRS 1 'First-time adoption of IFRS'
- IFRS 3 'Business Combinations' (revised) and IAS 27 'Consolidated and Separate Financial Statements' (amended)
- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' – 'Eligible Hedged Items'
- IFRIC 17 'Distributions of Non-cash Assets to Owners'
- IFRIC 18 'Transfers of Assets from Customers'
- 2009 Annual improvements to IFRS
- Amendment to IFRS 2 'Group Cash-settled Share-based Payment Transactions'

None of these new or revised standards and interpretations had a significant effect on the condensed consolidated interim accounts for the period ended 30 September 2010.

The following new or revised standards and interpretations were issued by the IASB, which become effective for ING Group as of 2011, unless otherwise indicated, if and when endorsed by the EU:

- Classification of Rights Issues (Amendment to IAS 32)
- Amendment to IAS 24 'Related Party Disclosures'
- Amendment to IFRIC 14 'Prepayments of a Minimum Funding Requirement'
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'
- Amendment to IFRS 1 'Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters'
- 2010 Annual improvements to IFRS
- Amendments to IFRS 7 'Disclosures – Transfers of Financial Assets', effective as of 2012.

ING Group does not expect the adoption of these new or revised standards and interpretations to have a significant effect on the consolidated financial statements.

Furthermore, in 2009 IFRS 9 'Financial Instruments' was issued, which is effective as of 2013. However, this standard was not yet endorsed by the EU and, therefore, is not yet part of IFRS-EU. Implementation of IFRS 9 – if and when endorsed by the EU – may have a significant impact on equity and/or result of ING Group.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Group's accounting principles under International Financial Reporting Standards as adopted by the EU and its decision on the options available are set out in the section "Principles of valuation and determination of results" in the 2009 Annual Accounts.

Certain amounts recorded in the condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

Adequacy test

The adequacy of the Provision for life insurance, net of unamortised interest rate rebates, DAC and VOBA (the net insurance liabilities), is evaluated regularly by each business unit for the business originated in that business unit. The test considers current estimates of all contractual and related cash flows, and future developments. It includes investment income on the same basis as it is included in the profit and loss account.

If, for any business unit, it is determined, using a best estimate (50%) confidence level, that a shortfall exists, and there are no offsetting amounts within other business units in the Business Line, the shortfall is recognised immediately in the profit and loss account.

If, for any business unit, the net insurance liabilities are not adequate using a prudent 90% confidence level, but there are offsetting amounts within other Group business units, then the business unit is allowed to take measures to strengthen the net insurance liabilities over a period no longer than the expected life of the policies. To the extent that there are no offsetting amounts within other Group business units, any shortfall at the 90% confidence level is recognised immediately in the profit and loss account.

If the net insurance liabilities are determined to be adequate at above the 90% confidence level, no reduction in the net insurance liabilities is recognised.

Notes to the condensed consolidated interim accounts

The Legacy Variable Annuity business in the US is inadequate at the 90% confidence level both at 31 December 2009 and 30 September 2010. As there are offsetting amounts within other Group business units, the Group remains adequate at the 90% confidence level. In line with the above policy, specific measures were defined in the first quarter of 2010 to mitigate the inadequacy in the Legacy Variable Annuity business in the US. These specific measures are effective as of 2010 and disallow recognising additions to DAC that would otherwise result from negative amortisation and unlocking. Interest and new deferrals, as well as amortisation/unlocking that reduce DAC, continue to be recognised unchanged. This cap on DAC is applied on a quarterly basis and in any year if and when a reserve inadequacy exists at the start of the year. The impact on the nine month period ended 30 September 2010 was EUR 610 million lower DAC and consequently lower result before tax.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets at fair value through profit and loss		
amounts in millions of euros	30 September 2010	31 December 2009
Trading assets	142,431	111,444
Investment for risk of policyholders	114,034	104,597
Non-trading derivatives	15,892	11,632
Designated as at fair value through profit and loss	5,235	5,517
	277,592	233,190

3. INVESTMENTS

Investments		
amounts in millions of euros	30 September 2010	31 December 2009
Available-for-sale		
– equity securities	9,419	8,853
– debt securities	211,560	188,850
	220,979	197,703
Held-to-maturity		
– debt securities	11,741	14,409
	11,741	14,409
	232,720	212,112

Held-to-maturity debt securities – sale and reclassification to available-for-sale investments

In the second quarter of 2010, EUR 51 million of Greek government bonds that were classified as held-to-maturity investments were sold. Furthermore, EUR 282 million of Greek government bonds were reclassified from held-to-maturity to available-for-sale investments. As the decisions to sell and reclassify were based on the significant deterioration in the issuer's creditworthiness compared to the credit rating at initial recognition, this sale and reclassification does not impact the intent for the remainder of the held-to-maturity investment portfolio.

Reclassifications to investments held to maturity (2009)

During the second quarter of 2009 the Group reclassified EUR 0.7 billion of available-for-sale investments to held-to-maturity. The reclassification resulted from reduction in market liquidity for these assets; the Group has the intent and ability to hold these assets until maturity.

Reclassifications to Loans and advances to customers and Amounts due from banks (2009 and 2008)

Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS as of the third quarter of 2008. In the second and first quarter of 2009 and in the fourth quarter of 2008 ING Group reclassified certain financial assets from Investments available-for-sale to Loans and advances to customers and Amounts due from banks. The Group identified assets, eligible for reclassification, for which at the reclassification date it had an intent to hold for the foreseeable future. The table below provides information on the three reclassifications made in the first and second quarter of 2009 and the fourth quarter of 2008. Information is provided for each of the three reclassifications (see columns) as at the date of reclassification and as at the end of the subsequent reporting periods (see rows). This information is disclosed under IFRS as long as the reclassified assets continue to be recognised in the balance sheet.

Notes to the condensed consolidated interim accounts

Reclassifications to Loans and advances to customers and Amounts due from banks			
amounts in millions of euros	Q2 2009	Q1 2009	Q4 2008
As per reclassification date			
Fair value	6,135	22,828	1,594
Effective interest rate (weighted average)	1.4%–24.8%	2.1%–11.7%	4.1%–21%
Expected recoverable cash flows	7,118	24,052	1,646
Unrealised fair value losses in shareholders' equity (before tax)	-896	-1,224	-69
Recognised fair value gains (losses) in shareholders' equity (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	173	nil	-79
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	nil	nil	nil
2010			
Carrying value as at 30 September	6,417	17,414	919
Fair value as at 30 September	6,605	16,956	967
Unrealised fair value losses in shareholders' equity (before tax) as at 30 September	-546	-705	-71
Effect on shareholders' equity (before tax) for the nine month period ended 30 September if reclassification had not been made	188	-458	47
Effect on result (before tax) for the nine month period ended 30 September if reclassification had not been made	nil	nil	nil
Effect on result (before tax) for the nine month period ended 30 September (mainly interest income)	84	362	27
Recognised impairments (before tax) for the nine month period ended 30 September	1	nil	nil
Recognised provision for credit losses (before tax) for the nine month period ended 30 September	1	nil	nil
2009			
Carrying value as at 31 December	6,147	20,551	1,189
Fair value as at 31 December	6,472	20,175	1,184
Unrealised fair value losses in shareholders' equity (before tax) as at 31 December	-734	-902	-67
Effect on shareholders' equity (before tax) if reclassification had not been made	325	-376	-5
Effect on result (before tax) if reclassification had not been made	nil	nil	nil
Effect on result (before tax) after the reclassification till 31 December (mainly interest income)	54	629	47
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	nil	nil	nil
2008			
Carrying value as at 31 December			1,592
Fair value as at 31 December			1,565
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	-971	-192	-79
Effect on shareholders' equity (before tax) if reclassification had not been made	n/a	n/a	-28
Effect on result (before tax) if reclassification had not been made	n/a	n/a	nil
Effect on result (before tax) after the reclassification till 31 December (mainly interest income)	n/a	n/a	9
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	n/a	n/a	nil
2007			
Unrealised fair value losses recognised in shareholders' equity (before tax) during the year			-20
Recognised impairments (before tax)			nil

ING Group Condensed consolidated interim financial information for the period ended 30 September 2010
Unaudited

Notes to the condensed consolidated interim accounts

4. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers by banking and insurance operations

amounts in millions of euros	30 September 2010	31 December 2009
Banking operations	582,430	554,682
Insurance operations	34,257	29,060
	616,687	583,742
Eliminations	-11,107	-4,796
	605,580	578,946

Loans and advances to customers by type – banking operations

amounts in millions of euros	30 September 2010	31 December 2009
Loans to, or guaranteed by, public authorities	53,882	51,082
Loans secured by mortgages	330,801	306,526
Loans guaranteed by credit institutions	8,892	10,229
Personal lending	21,295	19,960
Mortgage backed securities	15,851	17,814
Corporate loans	156,745	153,424
	587,466	559,035
Loan loss provisions	-5,036	-4,353
	582,430	554,682

Changes in loan loss provisions

amounts in millions of euros	Banking		Insurance		Total	
	9 month period ended	year ended	9 month period ended	year ended	9 month period ended	year ended
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Opening balance	4,399	2,611	111	59	4,510	2,670
Changes in the composition of the group		-3		-3		-6
Write-offs	-846	-1,217	-23	-13	-869	-1,230
Recoveries	78	148	-3	1	75	149
Increase in loan loss provisions	1,336	2,973	37	67	1,373	3,040
Exchange rate differences	129	-47	5		134	-47
Other changes	-21	-66	-1		-22	-66
Closing balance	5,075	4,399	126	111	5,201	4,510

Changes in loan loss provisions relating to insurance operations are presented under Investment income. Changes in the loan loss provisions relating to banking operations are presented on the face of the profit and loss account.

The loan loss provision relating to banking operations at 30 September 2010 of EUR 5,075 million (31 December 2009: EUR 4,399 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for EUR 5,036 million (31 December 2009: EUR 4,353 million) and EUR 39 million (31 December 2009: EUR 46 million) respectively.

5. INTANGIBLE ASSETS

Intangible assets

amounts in millions of euros	30 September 2010	31 December 2009
Value of business acquired	1,124	1,502
Goodwill	2,761	3,071
Software	747	803
Other	571	645
	5,203	6,021

Notes to the condensed consolidated interim accounts

Goodwill impairment reporting unit Insurance US

Goodwill is tested for impairment by comparing the book value of the relevant reporting unit (including goodwill) to the best estimate of the recoverable amount of the reporting unit. The recoverable amount is estimated as the higher of fair value less cost to sell and value in use. Several methodologies are applied to arrive at the best estimate of the recoverable amount. Goodwill is tested for impairment annually (in the fourth quarter) or more frequently if there are indicators of impairment.

Due to the unfavourable market circumstances for Insurance, including the low interest rate environment, there were indications in the third quarter of 2010 that the recoverable amount of the reporting unit Insurance US had fallen below book value. As a result, a full goodwill impairment review was performed for the reporting unit Insurance US in the third quarter of 2010. The reporting unit Insurance US equals the segment Insurance US as disclosed in Note 13. The 2009 impairment test for Insurance US showed that the recoverable amount based on fair value (using market multiples for Price/Book and Price/Earnings of listed peer companies) was at least equal to book value. The outcome of the impairment test performed in the third quarter of 2010 indicated that the fair value has become less than book value by an amount that exceeds the goodwill of Insurance US, indicating that the full amount of goodwill relating to Insurance US is impaired. Further analysis of the recoverable amount confirmed the impairment. As a result, the goodwill of EUR 540 million (pre-tax) was written down. The related charge is included in the profit and loss account in the line 'Intangibles amortisation and other impairments'. Goodwill is administered in the Corporate Line segment and, therefore, this charge is included in the segment reporting in the Corporate Line Insurance segment.

Other changes in goodwill are caused by foreign exchange rate differences.

6. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale include disposal groups whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This relates to businesses for which a sale is agreed or highly probable at balance sheet date but for which the transaction has not yet fully closed. For 30 September 2010 this relates to Pacific Antai Life Insurance Company Ltd. (PALIC) in China and ING Summit Industrial Fund LP. Pacific Antai Life Insurance Company Ltd. (PALIC) in China was also held for sale at 31 December 2009 but has not been closed yet. Transactions closed during the first three quarters but included in Assets and liabilities held for sale at 31 December 2009 included Swiss and Asian Private Banking business, three U.S. independent retail broker-dealer units and non-life insurance operations in Greece. Reference is made to Note 14 'Acquisitions and disposals'.

Assets held for sale		
	30 September 2010	31 December 2009
amounts in millions of euros		
Cash and balances with central banks	17	264
Amounts due from banks	39	474
Financial assets at fair value through profit and loss	9	389
Available-for-sale investments	140	458
Loans and advances to customers	57	3,242
Reinsurance contracts		3
Real estate investments	1,510	
Property and equipment	1	37
Intangible assets	19	3
Deferred acquisition costs	40	35
Other assets	47	119
	1,879	5,024

Liabilities held for sale		
	30 September 2010	31 December 2009
amounts in millions of euros		
Insurance and investments contracts	201	191
Amounts due to banks	951	31
Customer deposits and other funds on deposit		4,480
Financial liabilities at fair value through profit and loss		36
Other liabilities	72	152
	1,224	4,890

Notes to the condensed consolidated interim accounts

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial liabilities at fair value through profit and loss

amounts in millions of euros	30 September 2010	31 December 2009
Trading liabilities	121,308	98,245
Non-trading derivatives	23,265	20,070
Designated as at fair value through profit and loss	12,783	11,474
	157,356	129,789

8. INVESTMENT INCOME

Investment income

3 month period	Banking		Insurance		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Income from real estate investments	38	39	17	11	55	50
Dividend income	37	22	49	38	86	60
Income from investments in debt securities			1,471	1,254	1,471	1,254
Income from loans			270	429	270	429
Realised gains/losses on disposal of debt securities	20	51	63	115	83	166
Impairments of available-for-sale debt securities	-15	-664	-179	-109	-194	-773
Realised gains/losses on disposal of equity securities	22	-1	41	184	63	183
Impairments of available-for-sale equity securities	-6	-8	-11	-68	-17	-76
Change in fair value of real estate investments	1	-132	-10	-19	-9	-151
	97	-693	1,711	1,835	1,808	1,142

Investment income

9 month period	Banking		Insurance		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Income from real estate investments	113	123	56	41	169	164
Dividend income	54	36	162	146	216	182
Income from investments in debt securities			4,245	4,159	4,245	4,159
Income from loans			1,006	1,111	1,006	1,111
Realised gains/losses on disposal of debt securities	144	250	-26	-34	118	216
Reversals/Impairments of available-for-sale debt securities	-121	-1,219	-464	-364	-585	-1,583
Realised gains/losses on disposal of equity securities	137	4	113	289	250	293
Impairments of available-for-sale equity securities	-27	-37	-22	-315	-49	-352
Change in fair value of real estate investments	-34	-502	-44	-87	-78	-589
	266	-1,345	5,026	4,946	5,292	3,601

In Reversals/Impairments of available-for-sale debt securities is EUR 10 million (1 January 2009 to 30 September 2009: EUR 2 million) included for reversals of impairments.

Notes to the condensed consolidated interim accounts

9. OTHER INCOME

Other income						
3 month period	Banking		Insurance		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Net result on disposal of group companies	-60	19	-5	-11	-65	8
Valuation results on non-trading derivatives	-425	-455	-758	-1,080	-1,183	-1,535
Net trading income	557	307	261	144	818	451
Result from associates	31	-73	54	16	85	-57
Other income	65	181	117	-29	182	152
	168	-21	-331	-960	-163	-981

Result from associates						
3 month period	Banking		Insurance		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Share of results from associates	32	-72	54	16	86	-56
Impairments	-1	-1			-1	-1
	31	-73	54	16	85	-57

Other income						
9 month period	Banking		Insurance		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Net result on disposal of group companies	325	10	-3	-58	322	-48
Valuation results on non-trading derivatives	-656	-938	938	-3,172	282	-4,110
Net trading income	1,224	971	-258	299	966	1,270
Result from associates	45	-353	130	-94	175	-447
Other income	225	329	405	88	630	417
	1,163	19	1,212	-2,937	2,375	-2,918

Valuation results on non-trading derivatives in Insurance is mainly a result of positive fair value changes on derivatives used to hedge direct and indirect equity exposures and foreign exchange exposures without applying hedge accounting. Indirect equity exposures relate to certain guaranteed benefits in insurance liabilities in the US, Japan, and the Netherlands. In the first three quarters of 2010 the fair value changes on these derivatives were positive, as stock market returns became negative. In the first three quarters of 2009 the impact was the opposite as fair value changes on these derivatives were negative as stock market returns became positive. Foreign exchange derivatives are used to offset foreign exchange results that are recognised in Net trading income.

Result from associates						
9 month period	Banking		Insurance		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2010	2009	2010	2009	2010	2009
amounts in millions of euros						
Share of results from associates	48	-351	130	-94	178	-445
Impairments	-3	-2			-3	-2
	45	-353	130	-94	175	-447

Notes to the condensed consolidated interim accounts

10. UNDERWRITING EXPENDITURE

Underwriting expenditure

3 month period	1 July to 30 September	
	2010	2009
Gross underwriting expenditure		
– before effect of investment result for risk of policyholders	7,650	7,577
– effect of investment result risk of policyholders	7,630	9,736
	15,280	17,313
Investment result for risk of policyholders	-7,630	-9,736
Reinsurance recoveries	-407	-225
Underwriting expenditure	7,243	7,352

Underwriting expenditure by class

3 month period	1 July to 30 September	
	2010	2009
Expenditure from life underwriting		
Reinsurance and retrocession premiums	488	451
Gross benefits	6,546	5,308
Reinsurance recoveries	-405	-224
Change in life insurance provisions for risk of company	-865	281
Costs of acquiring insurance business	190	-445
Other underwriting expenditure	119	278
Profit sharing and rebates	809	765
	6,882	6,414
Expenditure from non-life underwriting		
Reinsurance and retrocession premiums	7	10
Gross claims	282	253
Reinsurance recoveries	-3	-2
Change in provision for unearned premiums	-115	-108
Change in claims provision	-5	-60
Costs of acquiring insurance business	73	72
Other underwriting expenditure	-21	1
	218	166
Expenditure from investment contracts		
Costs of acquiring investment contracts	1	1
Profit sharing and rebates		
Other changes in investment contract liabilities	142	771
	143	772
	7,243	7,352

The Change in life insurance provisions for risk of company includes an amount related to variable annuity assumption changes in the United States and Japan of approximately EUR 356 million in the third quarter of 2010. These assumptions were updated to reflect lower-than-expected surrenders on policies where the value of the benefit guarantees is significant.

Underwriting expenditure

9 month period	1 January to 30 September	
	2010	2009
Gross underwriting expenditure		
– before effect of investment result for risk of policyholders	26,802	25,161
– effect of investment result risk of policyholders	5,593	14,663
	32,395	39,824
Investment result for risk of policyholders	-5,593	-14,663
Reinsurance recoveries	-1,255	-1,145
Underwriting expenditure	25,547	24,016

Notes to the condensed consolidated interim accounts

Underwriting expenditure by class

9 month period	1 January to 30 September	
	2010	2009
Expenditure from life underwriting		
Reinsurance and retrocession premiums	1,530	1,376
Gross benefits	18,802	18,036
Reinsurance recoveries	-1,250	-1,141
Change in life insurance provisions for risk of company	1,303	2,208
Costs of acquiring insurance business	1,594	216
Other underwriting expenditure	353	337
Profit sharing and rebates	1,877	790
	24,209	21,822
Expenditure from non-life underwriting		
Reinsurance and retrocession premiums	57	61
Gross claims	797	752
Reinsurance recoveries	-6	-5
Change in provision for unearned premiums	121	138
Change in claims provision	27	-23
Costs of acquiring insurance business	215	220
Other underwriting expenditure	-21	1
	1,190	1,144
Expenditure from investment contracts		
Costs of acquiring investment contracts	3	2
Profit sharing and rebates	11	11
Other changes in investment contract liabilities	134	1,037
	148	1,050
	25,547	24,016

11. INTANGIBLE AMORTISATION AND OTHER IMPAIRMENTS

Intangible amortisation and (reversals of) impairments

3 month period	Impairment losses		Reversals of impairments		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2010	2009	2010	2009	2010	2009
Property and equipment	2	3	-2	-1		2
Property held for sale (development projects)	100	125		-6	100	119
Goodwill	540				540	
Other						
(Reversals of) other impairments	642	128	-2	-7	640	121
Amortisation of other intangible assets					30	30
					670	151

In the third quarter of 2010 a goodwill impairment of EUR 540 million is recognised. Reference is made to Note 5 Intangible assets.

Notes to the condensed consolidated interim accounts

Intangible amortisation and (reversals of) impairments

9 month period

	Impairment losses		Reversals of impairments		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2010	2009	2010	2009	2010	2009
Property and equipment	13	8	-4	-6	9	2
Property held for sale (development projects)	336	198		-7	336	191
Goodwill	540				540	
Other	18	1			18	1
(Reversals of) other impairments	907	207	-4	-13	903	194
Amortisation of other intangible assets					87	92
					990	286

12. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share

3 month period

	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2010	2009	2010	2009	2010	2009
Net result	370	499	3,779.1	2,027.1		
Attribution to non-voting equity securities						
Impact of rights issue ⁽¹⁾				612.8		
Basic earnings	370	499	3,779.1	2,639.9	0.10	0.19
Dilutive securities:						
Stock option and share plans			2.3	8.5		
Diluted earnings	370	499	3,781.4	2,648.4	0.10	0.19

- (1) The rights issue, which was finalised on 15 December 2009 has an effect on the basic earnings per share and the diluted earnings per share, as defined in IFRS. All weighted average number of shares outstanding before the rights issue are restated with an adjustment factor of approximately 1.3 that reflects the fact that the exercise price of the rights issue was less than the fair value of the shares. The effect of the rights issue on the dilutive securities is adjusted as well.

Notes to the condensed consolidated interim accounts

Earnings per ordinary share

9 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2010	2009	2010	2009	2010	2009
Net result	2,786	-223	3,781.4	2,025.3		
Attribution to non-voting equity securities ⁽¹⁾	-425					
Impact of rights issue ⁽²⁾				612.2		
Basic earnings	2,361	-223	3,781.4	2,637.5	0.62	-0.08
Dilutive securities:						
Stock option and share plans			2.3	8.5		
Diluted earnings	2,361	-223	3,783.7	2,646.0	0.62	-0.08

(1) As a net profit is reported in the first three quarters of 2010 an attribution to non-voting equity securities is included. As a loss was reported in the first three quarters of 2009 no attribution to non-voting equity securities was included. This attribution represents the amount that would be payable to the holders of the non-voting equity securities if and when the entire net profit for the first three quarters of 2010 would be distributed as dividend. This amount is only included for the purpose of determining earnings per share under IFRS and does not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

(2) The rights issue, which was finalised on 15 December 2009 has an effect on the basic earnings per share and the diluted earnings per share, as defined in IFRS. All weighted average number of shares outstanding before the rights issue are restated with an adjustment factor of approximately 1.3 that reflects the fact that the exercise price of the rights issue was less than the fair value of the shares. The effect of the rights issue on the dilutive securities is adjusted as well.

Diluted earnings per share data are calculated as if the stock options and share plans outstanding at the end of the period had been exercised at the beginning of the period. It is also assumed that ING Group uses the cash received from exercised stock options and share plans or converted non-voting equity securities to buy its own shares against the average market price in the financial year. The net increase in the number of shares resulting from exercising stock options and share plans or converting non-voting equity securities is added to the average number of shares used for the calculation of diluted earnings per share. The potential conversion of the non-voting equity securities has an antidilutive effect on the earnings per share calculation in 2010 and 2009 (the diluted earnings per share becoming higher than the basic earnings per share). Therefore, the potential conversion is not taken into account in determining the weighted average number of shares for the calculation of diluted earnings per share for these years.

13. SEGMENT REPORTING

ING Group's operating segments relate to the internal segmentation by business lines; segments include the thirteen business lines and two corporate lines. As a result of changes in the internal management and reporting structure the operating segments have changed as from 1 January 2010. ING Group identifies the following operating segments:

Operating segments of ING Group	
Banking	Insurance
Retail Netherlands	Insurance Benelux
Retail Belgium	Insurance Central and Rest of Europe (CRE)
ING Direct	Insurance US
Retail Central Europe (CE)	Insurance Latin America
Retail Asia	Insurance Asia/Pacific
Commercial Banking (excluding ING Real Estate)	ING Investment Management (IM)
ING Real Estate	Corporate Line Insurance
Corporate Line Banking	

In 2009 ING Group consisted of the following business lines: Retail Banking, ING Direct, Commercial Banking, Insurance Europe, Insurance Americas and Insurance Asia/Pacific.

ING Group has adopted IFRS 8 'Operating Segments' including the amendment following the issue of 'Improvements to IFRSs' in 2009 with effect from 1 January 2009.

Notes to the condensed consolidated interim accounts

The Executive Board of ING Group, the Management Board Banking and the Management Board Insurance set the performance targets and approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategy and performance targets set by the Executive Board, the Management Board Banking and the Management Board Insurance.

The accounting policies of the operating segments are the same as those described in the Annual Accounts 2009. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income and/or assets of the segment.

ING Group evaluates the results of its operating segments using a financial performance measure called underlying result. Underlying result is defined as result under IFRS excluding the impact of divestments and special items.

As of 2010:

- Capital gains on public equity securities (net of impairments) are reported in the relevant business line. Until 2009 capital gains on public equity securities in Insurance were reported in the Corporate Line Insurance, whereas a notional return was allocated to the Insurance business lines.
- An arms' length fee is charged by ING IM to the relevant business line. Until 2009 a cost-based fee was charged.
- The Corporate Line Insurance includes reinsurance to ING Re of ING Life Japan guaranteed benefits associated with SPVA contracts, along with the corresponding SPVA hedging results. Until 2009 these were reported under Insurance Asia/Pacific.

The comparative figures were adjusted accordingly.

The following table specifies the main sources of income of each of the segments:

Specification of the main sources of income in each of the segments	
Segment	Main source of income
Retail Netherlands	Income from retail and private banking activities in the Netherlands. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending.
Retail Belgium	Income from retail and private banking activities in Belgium. The main products offered are similar to those in the Netherlands.
Retail CE	Income from retail and private banking activities in Central Europe. The main products offered are similar to those in the Netherlands.
Retail Asia	Income from retail activities in Asia. The main products offered are similar to those in the Netherlands.
ING Direct	Income from direct retail banking activities. The main products offered are savings accounts and mortgages.
Commercial Banking (excluding ING Real Estate)	Income from wholesale banking activities. A full range of products is offered from cash management to corporate finance.
ING Real Estate	Income from real estate activities.
Insurance Benelux	Income from life insurance, non-life insurance and retirement services in the Benelux.
Insurance CRE	Income from life insurance, non-life insurance and retirement services in Central and Rest of Europe.
Insurance US	Income from life insurance and retirement services in the US.
Insurance Latin America	Income from life insurance and retirement services in Latin America.
Insurance Asia/Pacific	Income from life insurance and retirement services in Asia/Pacific.
ING IM	Income from investment management activities.
Corporate Line Banking	Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses. ING Group 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.
Corporate Line Insurance	The Corporate Line Insurance mainly includes items related to capital management, run-off portfolios and ING Re.

Notes to the condensed consolidated interim accounts

Operating segments Banking

3 month period
1 July to 30 September 2010

amounts in millions of euros

	Retail Nether- lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer- cial Banking	Real Estate	Cor- porate Line Banking	Total Banking segments	Elimi- nations	Total Banking
Underlying income:											
– Net interest result	965	404	973	139	42	780	99	2	3,404		3,404
– Commission income	127	74	40	73	15	242	80	-6	645		645
– Total investment and other income	6	38	-22	42	38	184	30	-24	292		292
Total underlying income	1,098	516	991	254	95	1,206	209	-28	4,341		4,341
Underlying expenditure:											
– Operating expenses	587	340	469	193	53	546	106	47	2,341		2,341
– Additions to loan loss provision	135	36	100	17	5	65	16		374		374
-Other impairments*	-1		11	1			93	9	113		113
Total underlying expenses	721	376	580	211	58	611	215	56	2,828		2,828
Underlying result before taxation	377	140	411	43	37	595	-6	-84	1,513		1,513
Taxation	96	24	136	6	8	110	23	-17	386		386
Minority interests		1		5	7	7	5	1	26		26
Underlying net result	281	115	275	32	22	478	-34	-68	1,101		1,101

*analysed as a part of operating expenses

Operating segments Insurance

3 month period
1 July to 30 September 2010

amounts in millions of euros

	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi- nations	Total Insurance
Underlying income:										
– Gross premium income	1,378	465	2,963	45	1,697		89	6,637	-83	6,554
– Commission income	42	38	112	112	1	223		528		528
– Total investment and other income	806	97	314	76	239	-2	-102	1,428	45	1,473
Total underlying income	2,226	600	3,389	233	1,937	221	-13	8,593	-38	8,555
Underlying expenditure:										
– Underwriting expenditure	1,760	456	3,048	67	1,651	1	342	7,325	-83	7,242
– Operating expenses	241	68	295	54	145	184	37	1,024		1,024
– Other interest expenses	31		23	1	1	2	151	209	45	254
– Other impairments							17	17		17
Total underlying expenses	2,032	524	3,366	122	1,797	187	547	8,575	-38	8,537
Underlying result before taxation	194	76	23	111	140	34	-560	18		18
Taxation	34	19	66	21	38	13	-122	69		69
Minority interests	3	2		3		1	-2	7		7
Underlying net result	157	55	-43	87	102	20	-436	-58		-58

While the reserves for the segment Insurance US are adequate at the 50% confidence level, a net reserve inadequacy exists using a prudent (90%) confidence level. In line with Group Policy, Insurance US is taking measures to improve adequacy in that region. This inadequacy was offset by reserve adequacies in other segments, such that at the Group level there is a net adequacy at the prudent (90%) confidence level.

Notes to the condensed consolidated interim accounts

Operating segments Total

3 month period
1 July to 30 September 2010

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Eliminations	Total
Underlying income:					
– Gross premium income		6,554	6,554		6,554
– Net interest result - banking operations	3,404		3,404	-17	3,387
– Commission income	645	528	1,173		1,173
– Total investment and other income	292	1,473	1,765	-89	1,676
Total underlying income	4,341	8,555	12,896	-106	12,790
Underlying expenditure:					
– Underwriting expenditure		7,242	7,242		7,242
– Operating expenses	2,341	1,024	3,365		3,365
– Other interest expenses		254	254	-106	148
– Additions to loan loss provision	374		374		374
– Other impairments*	113	17	130		130
Total underlying expenses	2,828	8,573	11,365	-106	11,259
Underlying result before taxation	1,513	18	1,531		1,531
Taxation	386	69	455		455
Minority interests	26	7	33		33
Underlying net result	1,101	-58	1,043		1,043

*for Banking analysed as a part of operating expenses

Operating segments Banking

3 month period
1 July to 30 September 2009

amounts in millions of euros	Retail Netherlands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commercial Banking	Real Estate	Corporate Line Banking	Total Banking segments	Eliminations	Total Banking
Underlying income:											
– Net interest result	833	390	819	175	28	827	115	-36	3,151		3,151
– Commission income	134	87	54	67	15	220	108	-2	683		683
– Total investment and other income	6	25	-591	-15	21	180	-232	-113	-719		-719
Total underlying income	973	502	282	227	64	1,227	-9	-151	3,115		3,115
Underlying expenditure:											
– Operating expenses	561	289	399	166	33	477	111	25	2,061		2,061
– Additions to loan loss provision	124	37	238	31	8	167	67		672		672
– Other impairments*	-1		3				122	9	133		133
Total underlying expenses	684	326	640	197	41	644	300	34	2,866		2,866
Underlying result before taxation	289	176	-358	30	23	583	-309	-185	249		249
Taxation	74	46	-126	5	2	103	-20	-61	23		23
Minority interests		1		4	3	9	-33		-16		-16
Underlying net result	215	129	-232	21	18	471	-256	-124	242		242

*analysed as a part of operating expenses

Notes to the condensed consolidated interim accounts

Operating segments Insurance

3 month period
1 July to 30 September 2009

amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi- nations	Total Insurance
Underlying income:										
– Gross premium income	1,958	467	3,479	23	1,546		79	7,552	-69	7,483
– Commission income	8	36	110	83	6	198	-4	437		437
– Total investment and other income	622	97	38	63	178	12	101	1,111	-253	858
Total underlying income	2,588	600	3,627	169	1,730	210	176	9,100	-322	8,778
Underlying expenditure:										
– Underwriting expenditure	2,051	451	3,106	41	1,488	1	-30	7,108	-69	7,039
– Operating expenses	216	73	269	44	134	155	35	926		926
– Other interest expenses	49	8	26	3	1	1	409	497	-253	244
– Other impairments							17	17		17
Total underlying expenses	2,316	532	3,401	88	1,623	157	431	8,548	-322	8,226
Underlying result before taxation	272	68	226	81	107	53	-255	552		552
Taxation	24	14	50	15	32	13	-89	59		59
Minority interests	6	2		1	1	1	-3	8		8
Underlying net result	242	52	176	65	74	39	-163	485		485

Operating segments Total

3 month period
1 July to 30 September 2009

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi- nations	Total
Underlying income:					
– Gross premium income		7,483	7,483		7,483
– Net interest result - banking operations	3,151		3,151	-65	3,086
– Commission income	683	437	1,120		1,120
– Total investment and other income	-719	858	139	-17	122
Total underlying income	3,115	8,778	11,893	-82	11,811
Underlying expenditure:					
– Underwriting expenditure		7,039	7,039		7,039
– Operating expenses	2,061	926	2,987		2,987
– Other interest expenses		244	244	-82	162
– Additions to loan loss provision	672		672		672
– Other impairments*	133	17	150		150
Total underlying expenses	2,866	8,226	11,092	-82	11,010
Underlying result before taxation	249	552	801		801
Taxation	23	59	82		82
Minority interests	-16	8	-8		-8
Underlying net result	242	485	727		727

*for Banking analysed as a part of operating expenses

Reconciliation between IFRS-EU and Underlying income, expenses and net result

3 month period	1 July to 30 September 2010			1 July to 30 September 2009		
amounts in millions of euros	Income	Expenses	Net result	Income	Expenses	Net result
Underlying	12,790	11,259	1,043	11,811	11,010	727
Divestments	-31	5	-36	296	414	-122
Special items		713	-637		138	-106
IFRS-EU	12,759	11,977	370	12,107	11,562	499

ING Group Condensed consolidated interim financial information for the period ended 30 September 2010
Unaudited

Notes to the condensed consolidated interim accounts

Divestments in the first quarter of 2010 relates mainly to the sale of ING's 50% stake in ING Summit Industrial Fund LP.

Special items net result in the third quarter of 2010 mainly includes the impairment of the US related goodwill of EUR 513 million, reference is made to Note 5 Intangible assets, and restructuring costs of EUR 117 million.

Operating segments Banking

9 month period

1 January to

30 September 2010

amounts in millions of euros

Underlying income:

– Net interest result

– Commission income

– Total investment and other income

Total underlying income

Underlying expenditure:

– Operating expenses

– Additions to loan loss provision

– Other impairments*

Total underlying expenses

Underlying result before taxation

Taxation

Minority interests

Underlying net result

*analysed as a part of operating expenses

	Retail Nether- lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer- cial Banking	Real Estate	Cor- porate Line Banking	Total Banking segments	Elimi- nations	Total Banking
– Net interest result	2,813	1,186	2,790	491	129	2,316	294	-114	9,905		9,905
– Commission income	393	262	119	217	40	671	267	-11	1,958		1,958
– Total investment and other income	4	104	-131	34	56	796	72	103	1,038		1,038
Total underlying income	3,210	1,552	2,778	742	225	3,783	633	-22	12,901		12,901
Underlying expenditure:											
– Operating expenses	1,703	979	1,358	571	133	1,600	339	90	6,773		6,773
– Additions to loan loss provision	400	119	317	54	22	337	87		1,336		1,336
– Other impairments*	15		16	1		1	330	26	389		389
Total underlying expenses	2,118	1,098	1,691	626	155	1,938	756	116	8,498		8,498
Underlying result before taxation	1,092	454	1,087	116	70	1,845	-123	-138	4,403		4,403
Taxation	280	91	355	20	15	420	17	-34	1,164		1,164
Minority interests		-6	1	14	18	24	9		60		60
Underlying net result	812	369	731	82	37	1,401	-149	-104	3,179		3,179

Operating segments Insurance

9 month period

1 January to 30 September

2010

amounts in millions of euros

Underlying income:

– Gross premium income

– Commission income

– Total investment and other income

Total underlying income

Underlying expenditure:

– Underwriting expenditure

– Operating expenses

– Other interest expenses

– Other impairments

Total underlying expenses

Underlying result before taxation

Taxation

Minority interests

Underlying net result

	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi- nations	Total Insurance
– Gross premium income	5,975	1,530	9,049	113	4,925		277	21,869	-257	21,612
– Commission income	34	114	332	293	9	642	2	1,426		1,426
– Total investment and other income	2,584	256	2,081	230	664	20	981	6,816	-436	6,380
Total underlying income	8,593	1,900	11,462	636	5,598	662	1,260	30,111	-693	29,418
Underlying expenditure:										
– Underwriting expenditure	7,144	1,505	10,976	169	4,804	2	1,203	25,803	-257	25,546
– Operating expenses	698	194	901	155	398	533	84	2,963		2,963
– Other interest expenses	103		60	50	2	3	906	1,124	-436	688
– Other impairments							50	50		50
Total underlying expenses	7,945	1,699	11,937	374	5,204	538	2,243	29,940	-693	29,247
Underlying result before taxation	648	201	-475	262	394	124	-983	171		171
Taxation	125	44	-67	43	109	43	-219	78		78
Minority interests	3	7		5	1	1	-7	10		10
Underlying net result	520	150	-408	214	284	80	-757	83		83

While the reserves for the segment Insurance US are adequate at the 50% confidence level, a net reserve inadequacy exists using a prudent (90%) confidence level. In line with Group Policy, Insurance US is taking measures to improve adequacy in that region. This inadequacy was offset by reserve adequacies in other segments, such that at the Group level there is a net adequacy at the prudent (90%) confidence level.

Underwriting expenditure includes an equity market related DAC unlocking charge of EUR 584 million in the first three quarters of 2010, compared with a DAC unlocking charge of EUR 344 million in the first three quarters of 2009.

Notes to the condensed consolidated interim accounts

Operating segments Total

9 month period
1 January to 30 September 2010

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi- nations	Total
Underlying income:					
– Gross premium income		21,612	21,612		21,612
– Net interest result - banking operations	9,905		9,905	-83	9,822
– Commission income	1,958	1,426	3,384		3,384
– Total investment and other income	1,038	6,380	7,418	-141	7,277
Total underlying income	12,901	29,418	42,319	-224	42,095
Underlying expenditure:					
– Underwriting expenditure		25,546	25,546		25,546
– Operating expenses	6,773	2,963	9,736		9,736
– Other interest expenses		688	688	-224	464
– Additions to loan loss provision	1,336		1,336		1,336
– Other impairments*	389	50	439		439
Total underlying expenses	8,498	29,247	37,745	-224	37,521
Underlying result before taxation	4,403	171	4,574		4,574
Taxation	1,164	78	1,242		1,242
Minority interests	60	10	70		70
Underlying net result	3,179	83	3,262		3,262

*for Banking analysed as a part of operating expenses

Operating segments Banking

9 month period
1 January to 30 September
2009

amounts in millions of euros	Retail Nether- lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commer- cial Banking	Real Estate	Cor- porate Line Banking	Total Banking segments	Elimi- nations	Total Banking
Underlying income:											
– Net interest result	2,397	1,225	2,338	505	77	2,663	282	-148	9,339		9,339
– Commission income	400	262	128	189	32	604	276	-4	1,887		1,887
– Total investment and other income	50	76	-1,144	-64	36	718	-884	-236	-1,448		-1,448
Total underlying income	2,847	1,563	1,322	630	145	3,985	-326	-388	9,778		9,778
Underlying expenditure:											
– Operating expenses	1,883	949	1,237	485	99	1,488	332	71	6,544		6,544
– Additions to loan loss provision	359	133	565	95	25	773	220		2,170		2,170
– Other impairments*	-2		9			1	200	23	231		231
Total underlying expenses	2,240	1,082	1,811	580	124	2,262	752	94	8,945		8,945
Underlying result before taxation	607	481	-489	50	21	1,723	-1,078	-482	833		833
Taxation	153	124	-189	9	3	365	-168	-138	159		159
Minority interests		1		4	8	24	-162		-125		-125
Underlying net result	454	356	-300	37	10	1,334	-748	-344	799		799

*analysed as a part of operating expenses

Notes to the condensed consolidated interim accounts

Operating segments Insurance

9 month period
1 January to 30 September 2009

amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance Latin America	Insurance Asia/Pacific	ING IM	Corporate Line Insurance	Total Insurance segments	Elimi- nations	Total Insurance
Underlying income:										
– Gross premium income	6,071	1,464	10,730	130	5,082		251	23,728	-222	23,506
– Commission income	45	110	301	272	17	558	-12	1,291		1,291
– Total investment and other income	1,534	295	549	216	507	-26	25	3,100	-891	2,209
Total underlying income	7,650	1,869	11,580	618	5,606	532	264	28,119	-1,113	27,006
Underlying expenditure:										
– Underwriting expenditure	6,509	1,428	10,871	210	4,931	2	-238	23,713	-222	23,491
– Operating expenses	750	202	841	126	400	432	86	2,837		2,837
– Other interest expenses	225	28	91	68	9	9	1,246	1,676	-891	785
– Other impairments							52	52		52
Total underlying expenses	7,484	1,658	11,803	404	5,340	443	1,146	28,278	-1,113	27,165
Underlying result before taxation	166	211	-223	214	266	89	-882	-159		-159
Taxation	52	46	-51	42	79	33	-280	-79		-79
Minority interests	9	8		5	1	1	-10	14		14
Underlying net result	105	157	-172	167	186	55	-592	-94		-94

Operating segments Total

9 month period
1 January to 30 September 2009

amounts in millions of euros	Total Banking	Total Insurance	Total segments	Elimi- nations	Total
Underlying income:					
– Gross premium income		23,506	23,506		23,506
– Net interest result - banking operations	9,339		9,339	-109	9,230
– Commission income	1,887	1,291	3,178		3,178
– Total investment and other income	-1,448	2,209	761	-143	618
Total underlying income	9,778	27,006	36,784	-252	36,532
Underlying expenditure:					
– Underwriting expenditure		23,491	23,491		23,491
– Operating expenses	6,544	2,837	9,381		9,381
– Other interest expenses		785	785	-252	533
– Additions to loan loss provision	2,170		2,170		2,170
– Other impairments*	231	52	283		283
Total underlying expenses	8,945	27,165	36,110	-252	35,858
Underlying result before taxation	833	-159	674		674
Taxation	159	-79	80		80
Minority interests	-125	14	-111		-111
Underlying net result	799	-94	705		705

*for Banking analysed as a part of operating expenses

Reconciliation between IFRS-EU and Underlying income, expenses and net result

9 month period	1 January to 30 September 2010			1 January to 30 September 2009		
amounts in millions of euros	Income	Expenses	Net result	Income	Expenses	Net result
Underlying	42,095	37,521	3,262	36,532	35,858	705
Divestments	403	30	363	720	970	-224
Special items	-1	982	-839	-15	884	-704
IFRS-EU	42,497	38,533	2,786	37,237	37,712	-223

Notes to the condensed consolidated interim accounts

Divestments in 2010 mainly include the impact of the sale of Private Banking businesses in Asia and Switzerland and of ING's 50% stake in ING Summit Industrial Fund LP.

Special items net result 2010 mainly includes the impairment of the US related goodwill of EUR 513 million, reference is made to Note 5 Intangible assets, and restructuring costs of EUR 299 million.

Impairments and reversals of impairments on investments are presented within Investment income, which is part of Total income. This can be specified for each segment as follows:

Impairments/ reversals of impairments on investments per operating segment				
amounts in millions of euros	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
	2010	2009	2010	2009
ING Direct	8	642	86	1,132
Commercial Banking (excluding ING Real Estate)	12	31	60	112
Insurance Benelux	9	54	34	115
Insurance CRE		4	11	7
Insurance US	177	121	445	352
Insurance Asia/Pacific	4		4	5
ING IM		-12	-8	10
Corporate Line Banking		10	1	12
Corporate Line Insurance				190
	210	850	633	1,935

14. ACQUISITIONS AND DISPOSALS

Acquisitions

There were no acquisitions in the first three quarters of 2010.

Disposals

In October 2009 ING reached an agreement to sell its Swiss Private Banking business to Julius Baer for a consideration of EUR 344 million (CHF 520 million) in cash. The sale was completed in January 2010. The transaction generates a profit for ING of EUR 73 million in the first three quarters of 2010.

In October 2009 ING reached an agreement to sell its Asian Private Banking business for a consideration of USD 1,463 million (approximately EUR 1,000 million). The Asia franchise offers private banking services in 11 markets, including Hong Kong, the Philippines and Singapore. The sale was completed in January and September 2010 for Private Banking business in Korea. The transaction generated a profit for ING of EUR 332 million in the first three quarters of 2010.

In November 2009 ING reached an agreement to sell three of its U.S. independent retail broker-dealer units to Lightyear Capital LLC. The transaction concerns Financial Network Investment Corporation, based in El Segundo, California., Multi-Financial Securities Corporation, based in Denver, Colorado., PrimeVest Financial Services, Inc., based in St. Cloud, Minnesota, and ING Brokers Network LLC, the holding company and back-office shared services supporting those broker dealers, which collectively do business as ING Advisors Network. The sale was completed in February 2010.

In December 2009 ING announced it will sell its entire stake in China's Pacific Antai Life Insurance Company Ltd. (PALIC) to China Construction Bank. This is the outcome of a strategic review announced in April 2009 as part of ING's Back to Basics program. The stake in PALIC is included in the segment Insurance Asia/Pacific. The transaction is expected to be closed in the second half of 2010. PALIC will be deconsolidated in 2010 when ING loses control. It qualifies as a disposal group held for sale at 30 September 2010 as ING expects to recover the carrying amount principally through the sale transactions. It is available for sale in its immediate condition subject to terms that are usual and customary for sales of such assets and the sale is highly probable.

In 2009 ING reached an agreement to sell the non-life insurance operations in Greece. The transaction resulted in a loss of EUR 6 million in 2009.

In August 2010 ING announced that it has agreed to sell its 50% stake in ING Summit Industrial Fund LP ("Summit"), a Canadian light industrial property portfolio to a joint venture between KingSett Capital and Alberta Investment Management Corporation (AIMCo). The transaction value for 100% of Summit is approximately CAD 2.0 billion and

includes assumed debt. In addition to its direct investment in Summit, ING has an indirect participation through its 7.8% unit holding of ING Industrial Fund (IIF), an ING-managed listed property fund in Australia which owns the remaining 50% in Summit. As part of the transaction, IIF has agreed to simultaneously sell its stake in Summit to KingSett/AIMCo. Consequently, ING's indirect participation in Summit will end as well. Separately, ING has agreed to sell ING Real Estate Canada, the manager of Summit, to KingSett/AIMCo. The transaction is not expected to have a material impact on ING Group's results and capital ratios and closed on 1 November 2010. Summit will be deconsolidated in the fourth quarter of 2010. It qualifies as a disposal group held for sale at 30 September 2010 as ING expects to recover the carrying amount principally through the sale transactions. It is available for sale in its immediate condition subject to terms that are usual and customary for sales of such assets and the sale is highly probable.

15. IMPORTANT EVENTS AND TRANSACTIONS

ING Group transferred its U.S. group reinsurance business to Reinsurance Group America Inc. in 2010 by means of a reinsurance agreement. The transaction resulted in a EUR 70.4 million ceding commission which is required to be recorded as a deferred gain and amortised over the life of the underlying business. EUR 39 million of the gain was amortised into income during the first three quarters of 2010.

16. FAIR VALUE OF FINANCIAL ASSETS

The methods used to determine fair value of financial assets and liabilities are disclosed in the 2009 Annual Accounts, including a breakdown of fair value determined by Reference to published price quotations in active markets (Level 1), by using Valuation techniques supported by observable inputs (Level 2) and by using Valuation techniques supported by unobservable inputs (Level 3). The classification by Levels was impacted in the first three quarters of 2010 by a transfer of available-for-sale investments of EUR 2.6 billion from Level 3 to Level 2, relating to mortgage backed securities in the US. Previously these were classified in Level 3 because of the dispersion between prices obtained for the same security from different price sources. In 2010 prices supported by market observable inputs became available and were used in determining fair value.

17. RELATED PARTY TRANSACTIONS

In the normal course of business, the Group enters into various transactions with related companies. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Transactions have taken place on an arm's length basis and include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral.

Transactions with related parties (Joint ventures and associates) and Key management personnel compensation are disclosed in Note 33 'Related Parties' in the ING Group 2009 Annual Accounts. Following the transactions as disclosed in Note 33 'Related Parties' the Dutch State is also a related party of ING Group. All other transactions between ING Group and the Dutch State are of a normal business nature and on an at arm's length basis. No other material changes in related party disclosures occurred.

18. DIVIDEND PAID

No dividend was paid in the first three quarters of 2010.

19. ISSUANCES, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES IN ISSUE

Delta hedge portfolio for employee options

On 6 April 2010 ING Groep N.V. announced that it has bought 13,670,000 (depository receipts for) ordinary shares for its delta hedge portfolio, which is used to hedge employee options and facilitate employee share programmes. The shares were bought in the open market between 23 March and 6 April 2010 at an average price of EUR 7.47 per share.

On 2 June 2010 ING Groep N.V. announced that it has bought 2,080,000 (depository receipts for) ordinary shares for its delta hedge portfolio, which is used to hedge employee options and facilitate employee share programmes. The shares were bought in the open market on 1 and 2 June 2010 at an average price of EUR 6.33 per share.

On 8 September 2010 ING Groep N.V. announced that it has sold 3,590,000 (depository receipts for) ordinary shares for its delta hedge portfolio, which is used to hedge employee options and facilitate employee share programmes. The shares were sold in the open market on 7 and 8 September at an average price of EUR 7.39 per share.

Issue of debt securities in issue

In total ING Bank issued EUR 15.7 billion in the capital markets (including both unsecured debt and covered bonds) during the first three quarters of 2010. All issues are part of ING's regular medium term funding operations.

20. SUBSEQUENT EVENTS

As of the fourth quarter of 2010, in order to improve transparency for both the legacy and ongoing businesses and in line with the revised internal reporting, ING intends to report the US Legacy Variable Annuity (Legacy VA) business as a separate business line.

Under ING's existing accounting policies, the net insurance liability of any business line must be adequate at the 50% confidence level. The separation of the Legacy VA business into a separate business line will trigger a charge in the fourth quarter of approximately EUR 1 billion pre tax (EUR 0.7 billion after tax) based on the reserve inadequacy at the 50% confidence level at the end of the third quarter. This charge will be reflected as a write-down of DAC. Any deterioration of reserve adequacy bringing it below the 50% level at the end of the fourth quarter will result in an additional charge in the fourth quarter result, bringing the adequacy back to the 50% level.

Review report

To the Shareholders, the Supervisory Board and the Executive Board of ING Groep N.V.

REVIEW REPORT

Introduction

We have reviewed the accompanying condensed consolidated interim accounts for the nine month period ended 30 September 2010, of ING Groep N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 September 2010 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the related notes for the nine month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim accounts in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these interim accounts based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim accounts as at 30 September 2010 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

AMSTERDAM, 9 NOVEMBER 2010

Ernst & Young Accountants LLP
Signed by C.B. Boogaart

Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, the same accounting principles are applied as in the 2009 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) the implementation of ING's restructuring plan to separate banking and insurance operations, (4) 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, 5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (15) ING's ability to achieve projected operational synergies, (16) reporting the US Legacy VA business as a separate business line, and (17) implementation of fair value accounting for Guaranteed Minimum Withdrawal Benefits for the US insurance businesses. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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