2009

ING INSURANCE

Condensed consolidated interim financial information for the period ended 30 June 2009

ING

In this report

ING VERZEKERINGEN N.V.

Overview
ING Verzekeringen N.V., together with ING Bank N.V., is part of ING Groep N.V. The business lines for the insurance activities are Insurance Europe, Insurance Americas and Insurance Asia/Pacific.

Income
Total income from insurance operations for the six months ended 30 June 2009 decreased by EUR 11,466 million, or 38.4% to EUR 18,394 million from EUR 29,860 million for the six months ended 30 June 2008. Total premium income decreased by 31.8%, or EUR 7,546 million, most notably in the United States and Asia/Pacific caused by lower sales of single premium investment-oriented products and the divestment of ING Canada.

Commission income decreased by EUR 37 million or 3.7% to EUR 971 million in the first six months of 2009 as compared to EUR 1,008 million in the first six months of 2008 mainly due to lower asset balances in Asia/Pacific and Europe.

Investment and other income decreased by EUR 3,883 million or 75.8% to EUR 1,240 million in the first six months of 2009 as compared to EUR 5,123 million in the first six months of 2008 due to negative revaluations of real estate, impairments and capital losses on equity and debt securities as well as negative fair value changes on hedge positions in all business lines. Losses on the hedges related to variable annuity guarantees were largely offset by favourable developments in the variable annuity guaranteed benefit reserves, DAC amortisation and DAC unlocking, which are reflected in underwriting expenditure.

Expenses
Operating expenses of the insurance operations over the first six months of 2009 decreased by EUR 372 million, or –13.9%, to EUR 2,307 million, from EUR 2,679 million for the first six months of 2008.
All business lines contributed to this result through cost-containment measures; sales-related expenses were also down on lower production.

Result before tax and net result
The result before tax for the six months ended 30 June 2009 decreased by EUR 3,076 million, or 155.5%, to EUR –1,098 million, from EUR 1,978 million for the six months ended 30 June 2008. Net result before minority interests for the six months ended 30 June 2009 decreased by EUR 2,747 million, or 154.6%, to EUR –970 million, from EUR 1,777 million for the six months ended 30 June 2008.

Underlying result before tax
ING manages its business on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items. A reconciliation of net result to underlying result can be found in Note 8 'Segment reporting'.

Underlying result before tax decreased by 137.1% or EUR 2,462 million to EUR –666 million from EUR 1,796 million in the first six months of 2008. Underlying result of Insurance Europe decreased by EUR 677 million, or 90.8%, to EUR 69 million due to lower direct investment income, negative revaluations on equity options to hedge equity investments, higher non-life claims and an addition to the provision for guaranteed pension contracts, partly offset by lower operating expenses. Underlying result before tax of Insurance Americas decreased by 159.2% from EUR 471 million in the first six months of 2008 to EUR –279 million in the first six months of 2009 due to investment losses, DAC unlocking, lower fee income and higher guaranteed benefit costs. Underlying result of Insurance Asia/Pacific decreased by 83.0%% to EUR 52 million mainly due to a negative swing on SPVAs in Japan due to intense market volatility, a provision on a buyback guarantee in New Zealand and an impairment on debt holdings in India. Corporate Line decreased by 286.1% from EUR 273 million to EUR –508 million mainly due to lower gains and higher impairments on public equity, and lower fair value changes on equity derivatives.

Key capital and leverage ratios
ING Insurance's debt/equity (D/E) ratio increased from 8.8% to 12.4%.

RISK MANAGEMENT
ING Insurance is taking de-risking measures to preserve shareholders' equity and limit earnings volatility. Key measures in place to support both are the Illiquid Assets Back-up Facility with the Dutch State on the Alt-A RMBS portfolio and equity hedges on ING Insurance direct and indirect equity exposure.

ING Insurance's exposure to Asset Backed Securities (ABS) declined to EUR 24 billion at 30 June 2009 from EUR 29 billion at the end of December 2008. ABS in the available for sale (AFS) investment portfolio declined from EUR 29 billion at the end of December 2008 to EUR 14 billion at the end of June. Pre-tax impairments on ABS were EUR 109 million in the first six months 2009, of which EUR 90 million in the Alt-A RMBS portfolio

ING Insurance's Alt-A RMBS portfolio declined from EUR 2.1 billion at the end of December 2008 to EUR 0.3 billion at the end of June 2009 largely due to the Iliquid Assets Back-up Facility which was agreed during the first quarter with the Dutch State.

ING's CDO/CLO portfolio was EUR 3.6 billion at the end of June 2009. The CDOs in ING's portfolio generally reference to investment-grade corporate credit. Insurance Americas recorded a EUR 49 million positive fair value adjustment through the P&L on (synthetic) CDOs. This was mainly driven by corporate credit spread tightening in the second quarter.

The impact of equity hedges on P&L was a loss of EUR 318 million. ING Insurance is exposed to equity risk directly through its AFS equity portfolio and indirectly through equity-related DAC unlocking in the insurance business. The favourable stock market performance led to EUR 439 million negative equity-related DAC unlocking in the US insurance business in the first six months of 2009. Hedges to protect Insurance US regulatory capital positions had an impact of EUR 280 million. ING Insurance holds put options on the Eurostoxx 50 to hedge ING Insurance's listed equity portfolio. The nominal hedge amount was EUR 3.9 billion at the end of June 2009. The impact of these hedges on P&L was a loss of EUR 38 million. Despite rising equity markets, impairments on equity securities were EUR 230 million in the first six months of 2009 due to the fact that for several securities the market value remained below the purchase value for more than six months, triggering the impairment.

ING Insurance's direct real estate exposure at 30 June 2009 was EUR 6.4 billion, of which EUR 4.7 billion is subject to revaluation through the P&L. In the first six months of 2009 ING took a EUR 270 million pre-tax negative revaluation through the P&L on this portfolio.

Looking ahead

We have made strides to reduce risk, stabilise the capital base and simplify our organisation in the first half. The programme to integrate ING's Dutch insurance operations has been announced with positive earnings contribution in 2010. In line with our Back to Basics strategy, we have also agreed to sell several non-core or sub-scale businesses in our efforts to streamline the Group and sharpen our strategic focus. We are currently reviewing additional strategic options to facilitate our continued transformation and realise our ambition to repay the Dutch State. The process will also support ING's efforts to meet the restructuring requirements set out by the European Commission for financial institutions that received state aid in the context of the financial crisis. In the meantime, we continue to focus on providing first-rate service to our customers and providing them with simpler and more transparent products.

Conformity statement

Conformity statement pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)*

The Management Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his or her knowledge:

- the ING Verzekeringen N.V. Interim Accounts for the period ended 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Verzekeringen N.V. and the enterprises included in the consolidation taken as a whole;
- the ING Verzekeringen N.V Interim Report for the period ended 30 June 2009 gives a true and fair view of the position at the balance sheet date, the development and performance of the business during the first half year of 2009 of ING Verzekeringen N.V and the enterprises included in the consolidation taken as a whole, as well as of the other information required pursuant to article 5:25d, subsection 8 of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)*.

AMSTERDAM, 12 AUGUST 2009

Jan Hommen
Chairman of the Management Board

Patrick Flynn
CFO, member of the Management Board

Koos Timmermans
CRO, member of the Management Board

Tom McInerney
Member of the Management Board

Hans van der Noordaa
Member of the Management Board

Jacques de Vaucleroy
Member of the Management Board

Condensed consolidated balance sheet* of ING Insurance
as at

amounts in millions of euros	30 June 2009	31 December 2008
ASSETS		
Cash and balances with central banks	**11,245**	14,440
Financial assets at fair value through profit and loss 2	**106,231**	106,036
Available-for-sale investments 3	**101,624**	109,487
Loans and advances to customers	**30,924**	25,635
Reinsurance contracts	**5,656**	5,797
Investments in associates	**2,567**	2,723
Real estate investments	**1,140**	1,118
Property and equipment	**592**	710
Intangible assets 4	**4,384**	4,731
Deferred acquisition costs	**11,393**	11,843
Other assets	**11,285**	29,700
Total assets	**287,041**	312,220
EQUITY		
Shareholders' equity (parent)	**12,203**	11,893
Minority interests	**74**	520
Total equity	**12,277**	12,413
LIABILITIES		
Subordinated loans	**6,868**	6,928
Debt securities in issue	**4,094**	4,728
Other borrowed funds	**9,555**	13,153
Insurance and investment contracts	**238,015**	240,790
Financial liabilities at fair value through profit and loss 5	**3,547**	5,217
Other liabilities	**12,685**	28,991
Total liabilities	**274,764**	299,807
Total equity and liabilities	**287,041**	312,220

*Unaudited

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 Insurance for the three and six month period ended

amounts in millions of euros	3 month period 1 April to 30 June 2009	 2008	6 month period 1 January to 30 June 2009	 2008
Gross premium income	**7,269**	11,155	**16,183**	23,729
Investment income 6	**1,971**	2,438	**3,206**	4,999
Commission income	**496**	490	**971**	1,008
Other income 7	**-2,353**	-356	**-1,966**	124
Total income	**7,383**	13,727	**18,394**	29,860
Underwriting expenditure	**5,808**	10,964	**16,664**	24,645
Intangible amortisation and other impairments	**18**	20	**36**	37
Staff expenses	**493**	708	**1,121**	1,431
Other interest expenses	**234**	238	**485**	521
Other operating expenses	**608**	625	**1,186**	1,248
Total expenses	**7,161**	12,555	**19,492**	27,882
Result before tax	**222**	1,172	**-1,098**	1,978
Taxation	**21**	80	**-128**	201
Net result (before minority interests)	**201**	1,092	**-970**	1,777
Attributable to:				
Shareholders of the parent	**194**	1,067	**-982**	1,737
Minority interests	**7**	25	**12**	40
	201	1,092	**-970**	1,777

*Unaudited

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 Insurance for the three and six month period ended

amounts in millions of euros	3 month period 1 April to 30 June 2009	2008	6 month period 1 January to 30 June 2009	2008
Result for the period	**201**	1,092	**-970**	1,776
Unrealised revaluations after taxation	**3,679**	-2,384	**1,869**	-4,295
Realised gains/losses transferred to profit and loss	**-142**	-348	**477**	-467
Changes in cash flow hedge reserve	**-624**	-125	**-810**	-96
Transfer to insurance liabilities/DAC	**-869**	758	**-276**	1,049
Exchange rate differences	**-486**	-35	**28**	-992
Total amount recognised directly in equity	**1,558**	-2,134	**1,288**	-4,801
Total comprehensive income	**1,759**	-1,042	**318**	-3,025
Comprehensive income attributable to:				
Shareholders of the parent	**1,744**	-1,031	**290**	-2,954
Minority interests	**15**	-11	**28**	-71
	1,759	-1,042	**318**	-3,025

For the three month period of 1 April 2009 to 30 June 2009 the Unrealised revaluations after taxation comprises EUR 31 million (1 April 2008 to 30 June 2008: EUR 55 million) related to the share of other comprehensive income of associates.

For the six month period of 1 January 2009 to 30 June 2009 The Unrealised revaluations after taxation comprises EUR 5 million (1 January 2008 to 30 June 2008: EUR 225 million) related to the share of other comprehensive income of associates.

For the three month period of 1 April 2009 to 30 June 2009 the Exchange rate differences comprises EUR 37 million (1 April 2008 to 30 June 2008: EUR 14 million) related to the share of other comprehensive income of associates.

For the six month period of 1 January 2009 to 30 June 2009 the Exchange rate differences comprises EUR 54 million (1 January 2008 to 30 June 2008: EUR -35 million) related to the share of other comprehensive income of associates.

*Unaudited

Condensed consolidated statement of cash flows* of ING Insurance for the six month period ended

amounts in millions of euros		6 month period 30 June 2009	6 month period 30 June 2008
Result before tax		**-1,098**	1,978
Adjusted for	– depreciation	**108**	115
	– deferred acquisition costs and value of business acquired	**-339**	-668
	– increase in provisions for insurance and investment contracts	**1,715**	6,614
	– other	**-362**	1,534
Taxation paid		**-7**	59
Changes in	– trading assets	**94**	246
	– non-trading derivatives	**-405**	-5
	– other financial assets at fair value through profit and loss	**114**	-533
	– loans and advances to customers	**3,078**	-3,145
	– other assets	**3,816**	65
	– other financial liabilities at fair value through profit and loss	**-1,278**	-384
	– other liabilities	**-3,433**	-2,154
Net cash flow from (used in) operating activities		**2,003**	3,722
Investments and advances	– available-for-sale investments	**-55,510**	-84,156
	– investments for risk of policyholders	**-31,217**	-47,631
	– other investments	**-179**	-947
Disposals and redemptions	– available-for-sale investments	**54,143**	84,867
	– investments for risk of policyholders	**30,294**	43,892
	– other investments	**1,400**	1,114
Net cash flow from (used in) investing activities		**-1,069**	-2,861
Proceeds from borrowed funds and debt securities		**9,005**	19,228
Repayments of borrowed funds and debt securities		**-13,157**	-20,494
Other net cash flows from financing activities		**2**	1,773
Net cash flow from financing activities		**-4,150**	507
Net cash flow		**-3,216**	1,368
Cash and cash equivalents at beginning of period		**14,440**	3,115
Effect of exchange rate changes on cash and cash equivalents		**21**	86
Cash and cash equivalents at end of period		**11,245**	4,569

*Unaudited

Condensed consolidated statement of changes in equity* of ING Insurance for the six month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
						6 months ending 30 June 2009
Balance at beginning of period	**174**	**9,824**	**1,895**	**11,893**	**520**	**12,413**
Unrealised revaluations after taxation	**-**	**-**	**1,869**	**1,869**	**-**	**1,869**
Realised gains/losses transferred to profit and loss	**-**	**-**	**477**	**477**	**-**	**477**
Changes in cash flow hedge reserve	**-**	**-**	**-810**	**-810**	**-**	**-810**
Transfer to insurance liabilities/DAC	**-**	**-**	**-276**	**-276**	**-**	**-276**
Exchange rate differences	**-**	**-**	**12**	**12**	**16**	**28**
Total amount recognised directly in equity			**1,272**	**1,272**	**16**	**1,288**
Net result for the period	**-**	**-**	**-982**	**-982**	**12**	**-970**
	-	**-**	**290**	**290**	**28**	**318**
Changes in the composition of the group	**-**	**-**	**-**	**-**	**-463**	**-463**
Dividends	**-**	**-**	**-**	**-**	**-11**	**-11**
Employee stock option and share plans	**-**	**-**	**20**	**20**	**-**	**20**
Balance at end of period	**174**	**9,824**	**2,205**	**12,203**	**74**	**12,277**

Unrealised revaluations after taxation are positively affected by EUR 700 million as a result of the Illiquid Asset Back-up Facility which effectively transferred 80% of ING Insurance's Alt-A' RMBS to the Dutch State.

amounts in millions of euros	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total
						6 months ending 30 June 2008
Balance at beginning of period	174	4,374	13,363	17,911	889	18,800
Unrealised revaluations after taxation	-	-	-4,269	-4,269	-26	-4,295
Realised gains/losses transferred to profit and loss	-	-	-467	-467	-	-467
Changes in cash flow hedge reserve	-	-	-96	-96	-	-96
Transfer to insurance liabilities/DAC	-	-	1,047	1,047	2	1,049
Exchange rate differences	-	-	-905	-905	-87	-992
Total amount recognised directly in equity	-	-	-4,690	-4,690	-111	-4,801
Net result for the period	-	-	1,736	1,736	40	1,776
	-	-	-2,954	-2,954	-71	-3,025
Changes in the composition of the group	-	-	-	-	17	17
Dividends	-	-	-1,800	-1,800	-46	-1,846
Capital injection	-	1,000	-	1,000	-	1,000
Employee stock option and share plans	-	-	22	22	-	22
Balance at end of period	174	5,374	8,631	14,179	789	14,968

*Unaudited

Notes to the condensed consolidated interim accounts*

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 2008 Consolidated Annual Accounts of ING Insurance, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with ING Insurance’s 2008 Annual Accounts.

The following standards, interpretations and amendments to standards and interpretations become effective in 2009 if and when endorsed by the EU:

- Amendment to IFRS 2 ‘Share-based Payments’ – ‘Vesting Conditions and Cancellations’
- IFRS 8 ‘Operating Segments’
- IAS 1 ‘Presentation of Financial Statements’
- IAS 23 ‘Borrowing Costs’
- Amendments to IAS 32 ‘Financial Instruments: Presentation’ and IAS 1 ‘Presentation of Financial Statements’ – ‘Puttable Financial Instruments and Obligations Arising on Liquidation’
- Amendments to IFRS 1 ‘First-time Adoption of IFRS’ and IAS 27 ‘Consolidated and Separate Financial Statements’ – Determining the cost of an Investment in the Separate Financial Statements’
- IFRIC 13 ‘Customer Loyalty Programmes’
- IFRIC 15 ‘Agreements for the Construction of Real Estate’
- IFRIC 16 ‘Hedges of a Net Investment in a Foreign Operation’
- 2008 Annual Improvements to IFRS
- Amendment to IFRS 7 ‘Improving Disclosures about Financial Instruments’
- Amendment to IFRIC 9 and IAS 39 – ‘Embedded Derivatives’

The following new and revised standards and interpretations were issued by the IASB, which become effective for ING Insurance as of 2010 if and when endorsed by the EU:

- 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'
- Improvements to IFRSs (several small amendments to different Standards and Interpretations)
- Amendment to IFRS 2 ‘Group Cash-settled Share-based Payment Transactions’

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

On 14 July 2009 the IASB issued the Exposure draft (ED) “Financial instruments: Classification and measurement”. The objective of this Exposure Draft is to replace the current IAS 39 ‘Financial Instruments: Recognition and Measurement’. It focusses on classification and measurement only. Impairments of financial instruments, hedge accounting and derecognition are not addressed. ING is currently assessing the contents of this Exposure Draft. Mandatory implementation is not expected before 2012.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Insurance'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 2008 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.

In 2009, the methodology for determining the liability for insurance contracts in Japan was revised. The liability for certain guarantees is now based on the fair value. The impact of this change in accounting policy was not material to shareholders’ equity and Net result of ING Insurance.

*Unaudited

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

amounts in millions of euros	30 June 2009	31 December 2008
Trading assets	**442**	537
Investment for risk of policyholders	**99,900**	95,366
Non-trading derivatives	**3,392**	6,344
Designated as at fair value through profit and loss	**2,497**	3,789
	106,231	106,036

3. AVAILABLE-FOR-SALE INVESTMENTS

amounts in millions of euros	30 June 2009	31 December 2008
Equity securities	**5,152**	6,959
Debt securities	**96,472**	102,528
	101,624	109,487

Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS as of the third quarter of 2008. During the second quarter of 2009 ING Insurance reclassified certain financial assets from Investments to Loans and advances to customers. ING Insurance identified assets, eligible for reclassification, for which at the reclassification date it had an intent to hold for the foreseeable future.

At the reclassification date the fair value of the reclassified assets amounted to EUR 6.1 billion for reclassification made during the second quarter 2009.

Reclassifications to Loans and advances to customers in the second quarter

For amounts reclassified during the second quarter of 2009, as of the reclassification date 1 June 2009, the (weighted average) effective interest rates on reclassified assets were in the range from 1.42% to 24.82% and expected recoverable cash flows were EUR 7.1 billion. Unrealised fair value losses recognised in shareholders' equity amounted to EUR 0.9 billion. This amount will be released from equity and amortised to the profit and loss account over the remaining life of the assets on an effective interest rate basis. From 1 January 2009 until the reclassification date EUR 0.2 billion unrealised fair value gains were recognised in shareholders' equity, no impairment was recognised.

As at 30 June 2009 the carrying value in the balance sheet and the fair value of the reclassified financial assets amounted to EUR 6.1 billion.

If the reclassification had not been made, profit before tax would have been unchanged and shareholders' equity would have been EUR 42 million after tax higher due to a decrease in unrealised losses since the date of reclassification.

After the reclassification, the reclassified financial assets contributed EUR 10 million to result before tax for the period ended 30 June 2009, which fully consisted of Interest income. No provision for credit losses was recognised.

In the year ended 31 December 2008 no impairment on reclassified financial assets available-for-sale was recognised. Unrealised fair value losses of EUR 1.1 billion were recognised directly in shareholders' equity.

Derecognition of available-for-sale debt securities

See note 10 for the derecognition of certain available-for-sale debt securities as a result of the transaction with the Dutch Government.

*Unaudited

4. INTANGIBLE ASSETS

amounts in millions of euros	30 June 2009	31 December 2008
Value of business acquired	**1,866**	2,084
Goodwill	**1,841**	1,889
Software	**153**	200
Other	**524**	558
	4,384	4,731

5. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

amounts in millions of euros	30 June 2009	31 December 2008
Trading liabilities	**-**	4
Non-trading derivatives	**3,547**	5,213
	3,547	5,217

6. INVESTMENT INCOME

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Income from real estate investments	**15**	21
Dividend income	**86**	295
Income from investments in debt securities	**1,424**	1,393
Income from loans	**352**	458
Realised gains/losses on disposal of debt securities	**163**	-81
Reversals/Impairments of available-for-sale debt securities	**-58**	-60
Realised gains/losses on disposal of equity securities	**72**	675
Impairments of available-for-sale equity securities	**-60**	-252
Change in fair value of real estate investments	**-23**	-11
	1,971	2,438

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Income from real estate investments	**30**	34
Dividend income	**108**	455
Income from investments in debt securities	**2,905**	3,165
Income from loans	**817**	945
Realised gains/losses on disposal of debt securities	**-175**	26
Reversals/Impairments of available-for-sale debt securities	**-256**	-112
Realised gains/losses on disposal of equity securities	**90**	775
Impairments of available-for-sale equity securities	**-246**	-288
Change in fair value of real estate investments	**-67**	-1
	3,206	4,999

*Unaudited

7. OTHER INCOME

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Net gains/losses on disposal of group companies	**-5**	2
Valuation results on non-trading derivatives	**-2,626**	-382
Net trading income	**205**	-35
Result from associates	**-6**	30
Other income	**79**	29
	-2,353	-356

Result from associates includes:

3 month period	1 April to 30 June	
amounts in millions of euros	2009	2008
Share of results from associates	**-6**	30
Impairments	**-**	-
	-6	30

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Net gains/losses on disposal of group companies	**-47**	48
Valuation results on non-trading derivatives	**-2,086**	140
Net trading income	**154**	-243
Result from associates	**-104**	70
Other income	**117**	109
	-1,966	124

Result from associates includes:

6 month period	1 January to 30 June	
amounts in millions of euros	2009	2008
Share of results from associates	**-104**	70
Impairments	**-**	-
	-104	70

*Unaudited

Notes to the condensed consolidated interim accounts*

8. SEGMENT REPORTING

ING Insurance's operating segments relate to the internal segmentation by business lines. These include the business lines: Insurance Europe, Insurance Americas and Insurance Asia/Pacific. Other mainly includes items not directly attributable to the business lines. Each business line is headed by a member of the Management Board.

The Corporate Line Insurance is included in Other. This is not separate a reportable segment as it does not qualify as an operating segment that engages in business activities from which it may earn revenue and incur expenses.

The Corporate Line Insurance includes items such as those related to capital management and capital gains on public equities (net of impairments).

The Management Board sets the performance targets and approves and monitors 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 Management Board.

ING Insurance 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.

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

Segment	Main source of income
Insurance Europe	Premium and investment income from life insurance, non-life insurance, investment management, asset management and retirement services in Europe.
Insurance Americas	Premium and investment income from life insurance, investment management, asset management and retirement services in the US and Latin America.
Insurance Asia/Pacific	Premium and investment income from life insurance, investment management, asset management and retirement services in Asia/Pacific.

3 month period
1 April to 30 June 2009

amounts in millions of euros	Insurance Europe	Insurance Americas	Insurance Asia/ Pacific	Other	Total segments	Elimi- nations	Total
Underlying income:							
– Gross premium income	**2,166**	**3,412**	**1,684**	**19**	**7,281**	**-12**	**7,269**
– Commission income	**121**	**300**	**74**	**1**	**496**	**-**	**496**
– Total investment and other income	**208**	**-191**	**-38**	**382**	**361**	**-746**	**-385**
Total underlying income	**2,495**	**3,521**	**1,720**	**402**	**8,138**	**-758**	**7,380**
Underlying expenditure:							
– Underwriting expenditure	**1,918**	**2,786**	**1,104**	**20**	**5,828**	**-12**	**5,816**
– Operating expenses	**359**	**424**	**186**	**27**	**996**	**-**	**996**
– Other interest expenses	**81**	**55**	**229**	**615**	**980**	**-746**	**234**
– Other impairments	**-**	**-**	**-**	**18**	**18**	**-**	**18**
Total underlying expenses	**2,358**	**3,265**	**1,519**	**680**	**7,822**	**-758**	**7,064**
Underlying result before taxation	**137**	**256**	**201**	**-278**	**316**	**-**	**316**
Taxation	**9**	**67**	**46**	**-74**	**48**	**-**	**48**
Minority interests	**4**	**2**	**1**	**-**	**7**	**-**	**7**
Underlying net result	**124**	**187**	**154**	**-204**	**261**	**-**	**261**

*Unaudited

Notes to the condensed consolidated interim accounts*

3 month period
1 April to 30 June 2008

amounts in millions of euros	Insurance Europe	Insurance Americas	Insurance Asia/ Pacific	Other	Total segments	Elimi- nations	Total
Underlying income:							
– Gross premium income	2,366	4,762	2,227	13	9,368	-8	9,360
– Commission income	127	272	86	-	485	-	485
– Total investment and other income	1,030	661	-112	836	2,415	-540	1,875
Total underlying income	3,523	5,695	2,201	849	12,268	-548	11,720
Underlying expenditure:							
– Underwriting expenditure	2,581	5,009	1,725	5	9,320	-8	9,312
– Operating expenses	440	404	208	33	1,085	-	1,085
– Other interest expenses	100	22	144	512	778	-540	238
– Other impairments	3	-	-	14	17		17
Total underlying expenses	3,124	5,435	2,077	564	11,200	-548	10,652
Underlying result before taxation	399	260	124	285	1,068	-	1,068
Taxation	32	45	32	-50	59	-	59
Minority interests	-4	2	6	-	4	-	4
Underlying net result	371	213	86	335	1,005	-	1,005

3 month period

amounts in millions of euros	1 April to 30 June 2009		1 April to 30 June 2008	
	Income	Net result	Income	Net result
Underlying	**7,380**	**261**	11,720	1,005
Divestments	**4**	**1**	2,007	62
Special items	**-1**	**-68**	-	-
IFRS as applied by ING Insurance	**7.383**	**194**	13,727	1,067

Impairments on investments are presented within Investment income, which is part of Total income. In the second quarter of 2009, total impairments of EUR 116 million (second quarter of 2008: EUR 312 million) are included in the following segments: EUR 55 million (second quarter of 2008: EUR 55 million) in Insurance Europe, EUR 59 million (second quarter of 2008: EUR 57 million) in Insurance Americas, EUR -2 million (second quarter of 2008: EUR 3 million) in Insurance Asia/Pacific and EUR 4 million (second quarter of 2008: EUR 197 million) in Other.

Divestments in 2009 reflects the net impact of divestments including the sale of ING's 70% stake in Canada.
Divestments in 2008 relate to the sale of Chile Health business (ING Salud), part of the Mexican business (ING Seguros SA) and the Taiwanese life insurance business (ING Life Taiwan).
Special items includes EUR 68 million relating to restructuring costs.

* Unaudited

Notes to the condensed consolidated interim accounts*

6 month period 1 January to 30 June 2009	Insurance Europe	Insurance Americas	Insurance Asia/ Pacific	Other	Total segments	Elimi- nations	Total
Underlying income:							
– Gross premium income	**5,117**	**7,403**	**3,648**	**55**	**16,222**	**39**	**16,183**
– Commission income	**228**	**604**	**136**	**3**	**971**	**-**	**971**
– Total investment and	**1,120**	**652**	**320**	**849**	**2,941**	**1,573**	**1,368**
Total underlying income	**6,465**	**8,659**	**4,104**	**907**	**20,134**	**1,612**	**18,522**
Underlying expenditure:							
– Underwriting expenditure	**5,443**	**7,969**	**3,210**	**55**	**16,677**	**39**	**16,638**
– Operating expenses	**756**	**836**	**371**	**66**	**2,029**	**-**	**2,029**
– Other interest expenses	**197**	**133**	**470**	**1,258**	**2,058**	**1,573**	**485**
– Other impairments	**-**	**-**	**-**	**36**	**36**	**-**	**36**
Total underlying expenses	**6,396**	**8,938**	**4,051**	**-1,415**	**20,800**	**1,612**	**19,188**
Underlying result before taxation	**69**	**-279**	**52**	**-508**	**-666**	**-**	**-666**
Taxation	**69**	**-55**	**23**	**-121**	**-83**	**-**	**-83**
Minority interests	**8**	**3**	**2**	**-**	**13**	**-**	**13**
Underlying net result	**-8**	**-228**	**27**	**-387**	**-596**	**-**	**-596**

6 month period 1 January to 30 June 2008	Insurance Europe	Insurance Americas	Insurance Asia/ Pacific	Other	Total segments	Elimi- nations	Total
Underlying income:							
– Gross premium income	5,635	9,777	4,674	53	20,139	35	20,104
– Commission income	250	549	180	1	980	-	980
– Total investment and other income	2,043	1,728	684	1,335	5,790	1,056	4,734
Total underlying income	7,928	12,054	5,538	1,389	26,909	1,091	25,818
Underlying expenditure:							
– Underwriting expenditure	6,115	10,654	4,527	36	21,332	35	21,297
– Operating expenses	848	823	438	63	2,173	-	2,173
– Other interest expenses	216	106	266	989	1,577	1,056	521
– Other impairments	3	-	-	28	31	-	31
Total underlying expenses	7,182	11,583	5,232	1,116	25,113	1,091	24,022
Underlying result before taxation	746	471	306	273	1,796	-	1,796
Taxation	90	78	95	-88	175	-	175
Minority interests	-1	3	13	-	15	-	15
Underlying net result	657	390	198	361	1,606	-	1,606

6 month period

amounts in millions of euros	1 January to 30 June 2009		1 January to 30 June 2008	
	Income	Net result	Income	Net result
Underlying	**18,522**	**-596**	25,818	1,606
Divestments	**-11**	**-50**	4,042	131
Special items	**-118**	**-336**	-	-
IFRS as applied by ING Insurance	**18,394**	**-982**	29,860	1,737

*Unaudited

Impairments on investments are presented within Investment income, which is part of Total income. In the first half year of 2009, total impairments of EUR 502 million (first half year of 2008: EUR 400 million) are included in the following segments: EUR 65 million (first half year of 2008: EUR 55 million) in Insurance Europe, EUR 231 million (first half year of 2008: EUR 107 million) in Insurance Americas, EUR 27 million (first half year of 2008: EUR 4 million) in Insurance Asia/Pacific and EUR 179 million (first half year of 2008: EUR 234 million) in Other.

Divestments in 2009 reflects the net impact of divestments including the sale of ING's 70% stake in Canada. Divestments in 2008 relate to the sale of Chile Health business (ING Salud), part of the Mexican business (ING Seguros SA) and the Taiwanese life insurance business (ING Life Taiwan).
Special items includes EUR 182 million relating to restructuring costs and the one-time EUR 154 million transaction result on the Illiquid Asset Back-up Facility.

9. ACQUISITIONS AND DISPOSALS

In October 2008 ING announced that it had reached agreement to sell its entire Taiwanese life insurance business, ING Life Taiwan, to Fubon Financial Holding Co. Ltd. for approximately EUR 447 million. As at 31 December 2008 ING Life Taiwan qualified as a disposal group held for sale. The sale was completed on 13 February 2009. Consequently ING Life Taiwan is deconsolidated in the first quarter of 2009. ING was paid in a fixed number of shares with the difference between the fair value of those shares at the closing date and the sale price being paid in subordinated debt securities of the acquirer. The shares have a lock-up period of one year. ING Life Taiwan is included in the segment Insurance Asia/Pacific. This transaction resulted in a loss of EUR 292 million. The loss was recognised in 2008 in the profit and loss account.

In February 2009, ING announced that it had agreed to sell its 70% stake in ING Canada for net proceeds of approximately EUR 1,316 million (CAD 2,099 million). The transaction was closed on 19 February 2009. This transaction resulted in a decrease in Total assets of approximately EUR 5,471 million and a decrease of Total liabilities of approximately EUR 3,983 million.

On 31 July 2009 ING announced that it had reached an agreement to sell its non-core Annuity and Mortgage businesses in Chile to Corp Group Vida Chile, S.A. Terms of the agreement were not disclosed. In 2008, the Annuity and Mortgage businesses in Chile generated combined pre-tax earnings of approximately EUR 35 million. This sale does not impact ING's Pension, Life Insurance, and Investment Management businesses in Chile where ING remains committed to developing leadership positions. This transaction is subject to various national regulatory approvals and is expected to be closed and booked in the fourth quarter of 2009.

*Unaudited

10. IMPORTANT EVENTS AND TRANSACTIONS

ING Group and the Dutch government ('State') reached an agreement on an Illiquid Assets Back-Up Facility ('Facility') on 26 January 2009; the transaction closed on 31 March 2009. The Facility covers the Alt-A portfolios of ING Insurance Americas, with a par value of EUR 4 billion. Under the Facility, ING Insurance has transferred 80% of the economic ownership of their Alt-A portfolio to the Dutch State. As a result, an undivided 80% interest in the risk and rewards on the portfolio was transferred to the Dutch State. ING Insurance retained the legal ownership of its Alt-A portfolio. The transaction price was 90% of the par value with respect to the 80% proportion of the portfolio of which the Dutch State has become the economic owner. The transaction price remains payable by the State to ING and will be redeemed over the remaining life. Furthermore, under the Facility other fees will have to be paid by both ING and the State. As a result of the transaction 80% of the Alt-A portfolio has been derecognised from the balance sheet and a receivable has been recognised on the Dutch State.

The overall sales proceeds amounts to EUR 2.6 billion. The amortised cost (after prior impairments) at the date of the transaction was also approximately EUR 2.7 billion. The transaction (the difference between the sales proceeds and amortised cost) resulted in a loss of EUR 154 million after tax. The fair value under IFRS at the date of the transaction was EUR 1.7 billion. The difference between the sales proceeds and the fair value under IFRS is an integral part of the transaction and therefore accounted for as part of the result on the transaction. The transaction resulted in a reduction of the negative revaluation -and therefore increase equity- by approximately EUR 1 billion (after tax).

The results of ING Insurance are consolidated into ING Verzekeringen N.V.'s consolidated accounts. The valuation method of the 20% Alt-A securities in the IFRS balance sheet is not impacted by this transaction. The methodology used to determine the fair value for these assets in the balance sheet under IFRS is disclosed in the 2008 Consolidated annual accounts of ING Insurance.

The European Commission has temporarily approved ING Groep N.V.'s Core Tier 1 securities and the Illiquid Assets Back-up Facility with the Dutch State. Final approval requires ING Groep N.V. to submit a restructuring plan in accordance with guidelines published by the Commission on 22 July 2009 for financial institutions that received aid in the context of the financial crisis. ING Groep N.V. is currently reviewing strategic options to facilitate its continued transformation and realise its ambition to repay the Dutch State. The process will also support ING Groep N.V.'s efforts to meet the restructuring requirements set out in the guidelines published by the European Commission. The state aid process is formally one between the Dutch Ministry of Finance and the Commission, and ING Groep N.V. is working constructively with both parties to come to a resolution in the interest of all stakeholders. In-depth discussions will soon commence, the outcome of which can not be predicted, but could lead to significant changes for ING Group going forward.

11. FAIR VALUE OF FINANCIAL ASSETS

The methods used are disclosed in the 2008 Annual Accounts.

* Unaudited

Review report

To the Shareholders, the Supervisory Board and the Management Board of ING Verzekeringen N.V.

REVIEW REPORT

Introduction
We have reviewed the accompanying condensed consolidated interim accounts for the six months period ended 30 June 2009, of ING Verzekeringen N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2009, 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 for the six months period then ended and the related notes. 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 June 2009 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

AMSTERDAM, 12 AUGUST 2009

signed by C.B. Boogaart
for Ernst & Young Accountants LLP

Disclaimer

ING Verzekeringen N.V.
Amstelveenseweg 500
1081 KL Amsterdam
P.O. Box 810, 1000 AV Amsterdam
The Netherlands
Telephone: +31 20 5415411
Fax: +31 20 5415444
Internet: www.ing.com
Commercial Register of Amsterdam, no. 33260659

ING