

2008

ING Group

Quarterly report



Quarterly report Third quarter 2008

ING Group

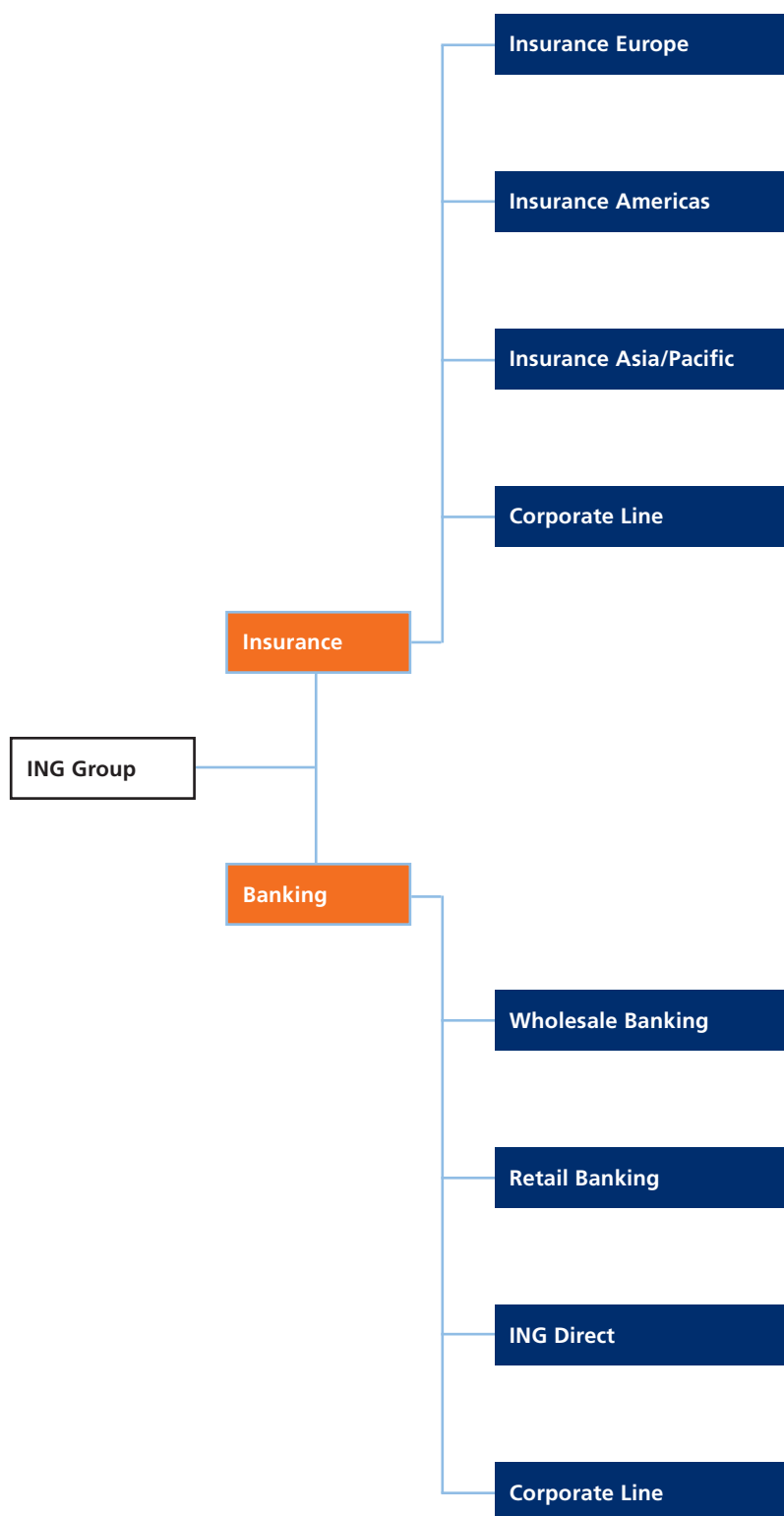


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Note

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

ING Group





Disclaimer

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

Chairman's Statement



'The third quarter was extremely challenging for financial institutions. Financial markets deteriorated rapidly toward the end of the quarter, with steep declines in equity markets, widening credit spreads, declining property prices and the failure of several banks. Against this background, ING reported its first ever quarterly loss, following EUR 1.7 billion of impairments and asset revaluations. That brought our underlying net profit for the first nine months of the year to EUR 2.9 billion,' said Michel Tilmant, CEO of ING.

'In these increasingly turbulent times, ING acted proactively to reinforce its capital base after the Dutch government made funds available to help stabilise the financial system and create a level playing field. The financial services industry is about trust, and as our customers face uncertain times it is essential that they have no reason to be concerned about the strength of ING as their financial partner. The EUR 10 billion capital injection from the Dutch State helped to reassure our customers who entrust their savings and investments to ING. In addition, the sale of our Taiwan life business will significantly reduce our exposure to long-term interest rates, reducing risks within the company. Following these transactions, our capital position is stronger than it has ever been before and we have substantial capacity to absorb the impact of a further deterioration in financial markets.'

'ING's commercial performance remains robust, even in this challenging and highly competitive environment. Net production of client balances, excluding the impact of currencies, was EUR 38 billion in the third quarter, driven by savings and lending growth. Sales of life insurance proved resilient despite reduced demand for investment products, with new sales down 8.5% excluding currency impacts, as ING's broad product expertise enabled us to respond to customers' changing needs.'

'As we approach the end of 2008, markets continue to be turbulent, so we expect pressure on asset prices to continue to impact results in the fourth quarter, while weakening economic conditions will put pressure on results into 2009. Our priority is to sustain commercial momentum by remaining focused on our customers, while managing our risks, capital and expense base with the discipline that these exceptional times require.'

Key figures

ING Group: Key Figures						
	Annual Figures					
	9M2008	9M2007	FY2007	FY2006	FY2005	FY2004
Income (in EUR million)						
Insurance operations	42,954	45,762	62,208	59,642	57,403	55,614
Banking operations	10,310	10,917	14,602	14,195	13,848	12,678
Total income ¹	53,068	56,526	76,587	73,621	71,120	68,171
Operating expenses						
Insurance operations	4,027	4,110	5,515	5,275	5,195	4,746
Banking operations	7,514	7,334	9,967	9,087	8,844	8,795
Total operating expenses	11,541	11,444	15,481	14,362	14,039	13,541
Addition to loan loss provision banking operations	704	93	125	103	88	465
Insurance result before tax	1,476	4,751	6,533	4,935	3,978	4,322
Banking result before tax	2,091	3,490	4,510	5,005	4,916	3,418
Total result before tax	3,567	8,241	11,043	9,940	8,894	7,740
Taxation	576	1,268	1,534	1,907	1,379	1,709
Minority interests	9	214	267	341	305	276
Net result	2,982	6,759	9,241	7,692	7,210	5,755
Figures per ordinary share (EUR)						
Net result	1.46	3.14	4.32	3.57	3.32	2.71
Distributable net result	1.46	3.14	4.32	3.57	3.32	2.71
Dividend	0.74	0.66	1.48	1.32	1.18	1.07
Shareholders' equity (in parent)	11.67	18.27	17.73	17.78	16.96	12.95
Balance sheet (in EUR billion)						
Total assets	1,376	1,306	1,313	1,226	1,159	964
Shareholders' equity (in parent)	24	39	37	38	37	28
Capital ratios (%)						
ING Group debt/equity ratio	14.4%	9.1%	9.5%	9.0%	9.4%	12.6%
Insurance capital coverage ratio	260%	280%	244%	274%	255%	204%
Insurance debt/equity ratio	8.0%	13.4%	13.6%	14.2%	13.4%	14.4%
Bank Tier-1 ratio	8.51%	7.39%	7.39%	7.63%	7.32%	6.92%
Market capitalisation (in EUR billion)	31	69	60	74	65	49
Ordinary shares outstanding (million)	2,081	2,226	2,226	2,205	2,205	2,205
Preference shares outstanding (million)	6	35	16	63	87	87
Key performance indicators (KPIs)						
- Net return on equity (ROE)	11.2%	23.8%	24.2%	23.5%	26.6%	25.4%
- Net result growth	-56%	21%	20%	7%	25%	n.a.
Insurance						
- Value of new life business	855	665	1,124	807	805	632
- Internal rate of return	15.0%	13.4%	14.3%	13.3%	13.2%	12.1%
- Combined ratio (non-life)	94%	97%	97%	91%	95%	94%
Banking						
- Cost/income ratio (total)	72.9%	67.2%	68.3%	64.0%	63.9%	69.4%
- RAROC after tax (total)	9.6%	21.7%	19.9%	19.7%	22.6%	14.5%
Assets under management (in EUR billion)	608	638	643	600	547	492
Staff (FTEs end of period)	130,629	123,026	124,634	119,801	116,614	112,195

1. Including inter-company eliminations

Main events

NRG

On 28 December 2007, ING reached an agreement with Berkshire Hathaway Group to sell its reinsurance unit NRG N.V. for EUR 272 million. The sale resulted in net capital losses for ING of EUR 144 million, of which EUR 129 million are booked in 4Q 2007, EUR 17 million in 1Q2008 and a profit of EUR 2 million in 2Q2008. The 2008 results were predominantly caused by currency exchange rate changes. The sale was closed in 2Q2008.

Chile health business

Consistent with its increasing focus on wealth management, ING completed the sale of its health business in Chile, ING Salud, to Said Group and Linzor Capital Partners on 10 January 2008. The sale resulted in a net capital gain of EUR 62 million in 1Q2008.

Latin American pension business

On 17 January 2008, ING closed the final transaction to acquire 100% of Banco Santander's pension and annuity businesses in Mexico, Chile, Colombia, Uruguay and Argentina for a total consideration of EUR 1.1 billion.

Retail Netherlands

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

CitiStreet

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

Interhyp

On 19 May 2008, ING Direct announced its plan to launch a public tender offer for Interhyp AG, Germany's largest independent residential mortgage distributor, at EUR 64 per share, reflecting a valuation of the company at EUR 416 million. The public takeover was successfully closed on 18 August. The transaction was booked in 3Q2008.

Buyback

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

Oyak Emeklilik

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

Mexican insurance business

On 22 July 2008, ING announced that it had received regulatory approval to complete the sale of part of its Mexican business, Seguros ING SA de CV and subsidiaries, to AXA as announced on 12 February 2008, for a total consideration of EUR 950 million (USD 1.5 billion). The sale will allow ING to focus on growing its existing Mexican pension (Afore) and annuities businesses. The capital gain of EUR 182 million was booked in 3Q2008.

Strengthening core capital

On 19 October 2008, ING announced that it had reached an agreement with the Dutch government to strengthen its capital position. ING will issue non-voting core Tier-1 securities for a total consideration of EUR 10 billion to the Dutch State. The transaction will bring

ING Bank's core Tier-1 ratio to around 8%, strengthen the insurance balance sheet, and reduce ING Group's debt/equity ratio to under 10%.

Taiwan

On 20 October 2008, ING announced the sale of its Taiwanese life insurance business to Fubon Financial Holding Co. Ltd. for a total consideration of EUR 447 million. ING will be paid in shares and subordinated debt securities of Fubon Financial Holding. Upon closing of the transaction, ING will be a 5% shareholder of Fubon Financial Holding, which represents a value of approximately EUR 165 million. The transaction will result in a net book loss of EUR 427 million and is expected to be closed in the first quarter of 2009, but will be booked in the fourth quarter of 2008 pending regulatory approval.

Ratings

On 22 October 2008, ING's ratings were affirmed by Standard & Poor's but downgraded by Moody's. S&P affirmed its AA-/A-1+ counterparty credit ratings on ING Group and ING Insurance and its AA/A-1+ counterparty credit rating on ING Bank. Moody's downgraded ING Group by one notch from Aa2 to Aa3; ING Insurance by one notch Aa3 to A1; and ING Bank by one notch from Aa1 to Aa2. Fitch Ratings confirmed the ratings of ING Group (AA-), ING Bank N.V. (AA) and ING Verzekeringen N.V. (AA-) and revised their outlook from stable to negative, due to a deteriorating macro economic outlook.

Argentina

In October, the government of Argentina proposed legislation to nationalise the private pension system. The carrying value of ING's business activities in Argentina is currently EUR 225 million, of which EUR 137 million relates directly to the pension fund business.

Consolidated income statement

ING Group: Consolidated Income Statement								
in EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	10,380	11,107	-6.5%	10,802	-3.9%	33,448	33,242	0.6%
Interest result banking operations	2,610	2,257	15.6%	2,662	-2.0%	7,812	6,703	16.5%
Commission income	1,261	1,224	3.0%	1,244	1.4%	3,743	3,654	2.4%
Total investment & other income	1,207	3,530	-65.8%	2,346	-48.6%	7,132	10,932	-34.8%
Total underlying income	15,458	18,117	-14.7%	17,055	-9.4%	52,136	54,531	-4.4%
Underwriting expenditure	11,831	11,714	1.0%	10,648	11.1%	35,907	34,568	3.9%
Operating expenses	3,757	3,627	3.6%	3,689	1.8%	11,154	10,885	2.5%
Other interest expenses	228	311	-26.7%	218	4.6%	711	861	-17.4%
Addition to loan loss provisions / impairments	404	69	485.5%	253	59.7%	773	94	722.3%
Total underlying expenditure	16,221	15,720	3.2%	14,808	9.5%	48,545	46,408	4.6%
Underlying result before tax	-763	2,397	-131.8%	2,247	-134.0%	3,591	8,123	-55.8%
Taxation	-185	375	-149.3%	329	-156.2%	653	1,345	-51.4%
Underlying result before minority interests	-578	2,022	-128.6%	1,918	-130.1%	2,938	6,778	-56.7%
Minority interests	8	72	-88.9%	-23	-134.8%	9	214	-95.8%
Underlying net result	-585	1,950	-130.0%	1,941	-130.1%	2,928	6,564	-55.4%
Net gains/losses on divestments	178	444		2		225	444	
Net result from divested units	4	-5		5		24	22	
Special items after tax	-74	-83		-28		-196	-271	
Net result (attributable to shareholders)	-478	2,306	-120.7%	1,920	-124.9%	2,982	6,759	-55.9%
Net result per share (in EUR)	-0.22	1.08	-120.4%	0.94	-123.4%	1.46	3.14	-53.5%

The global credit and liquidity crisis intensified during the third quarter of 2008. Financial markets weakened as the failure of several major financial institutions unfolded, triggering a further deterioration in asset prices, a rise in credit spreads and a shift among customers to low-risk investments.

Within this context, ING reported its first-ever quarterly loss. The third quarter underlying net result was EUR -585 million compared with a profit of EUR 1,950 million a year earlier.

Results were negatively impacted by EUR 1,505 million of pre-tax impairments and losses on equities, pressurised assets and other debt securities. Of this amount, listed equity securities accounted for EUR 628 million. Impairments on pressurised assets including US subprime RMBS, Alt-A RMBS and CDO/CLOs totalled EUR 409 million. EUR 468 million was attributable to other debt securities, of which EUR 416 million related to financial institutions' debt.

Revaluations on real estate and private equity were EUR -333 million. Other market impacts, including DAC unlocking, equity and foreign exchange hedge results, and other market-related items, totalled EUR -265 million.

Negative revaluations on ING's Alt-A, subprime and CDO investments of EUR 1.6 billion after tax were reflected in shareholders' equity.

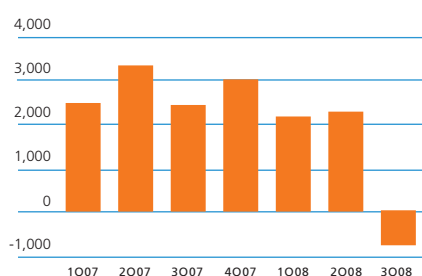
Commercial results were generally sound. However, results were affected as volatile financial markets reduced customer demand for investment products, while declining asset values led to lower fee-based income, and margins on savings and deposits were under pressure.

Loan loss provisioning at the Bank increased to EUR 373 million due to the market turmoil and exposure to Icelandic banks.

ING's commercial growth was robust, with

ING GROUP

Underlying result before tax (EUR million)



ING Group: Key Figures

in EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Underlying ¹ result before tax								
Insurance Europe	101	362	-72.1%	397	-74.6%	838	1,483	-43.5%
Insurance Americas	-214	490	-143.7%	375	-157.1%	458	1,623	-71.8%
Insurance Asia/Pacific	19	151	-87.4%	124	-84.7%	325	463	-29.8%
Corporate Line Insurance	-453	291		250		-320	738	
Underlying result before tax from Insurance	-547	1,294	-142.3%	1,146	-147.7%	1,301	4,307	-69.8%
Wholesale Banking	40	279	-85.7%	365	-89.0%	975	1,547	-37.0%
Retail Banking	420	651	-35.5%	558	-24.7%	1,616	1,881	-14.1%
ING Direct	-47	120	-139.2%	179	-126.3%	286	456	-37.3%
Corporate Line Banking	-629	53		-2		-587	-69	
Underlying result before tax from Banking	-216	1,103	-119.6%	1,101	-119.6%	2,290	3,816	-40.0%
Underlying result before tax	-763	2,397	-131.8%	2,247	-134.0%	3,591	8,123	-55.8%
Taxation	-185	375	-149.3%	329	-156.2%	653	1,345	-51.4%
Result before minority interests	-578	2,022	-128.6%	1,918	-130.1%	2,938	6,778	-56.7%
Minority interests	8	72	-88.9%	-23	-134.8%	9	214	-95.8%
Underlying net result	-585	1,950	-130.0%	1,941	-130.1%	2,928	6,564	-55.4%
Net gains/losses on divestments	178	444		2		225	444	
Net result from divested units	4	-5		5		24	22	
Special items after tax	-74	-83		-28		-196	-271	
Net result (attributable to shareholders)	-478	2,306	-120.7%	1,920	-124.9%	2,982	6,759	-55.9%
Net result per share (in EUR)	-0.22	1.08	-120.4%	0.94	-123.4%	1.46	3.14	-53.5%

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

² Year to date

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

EUR 38 billion net production of client balances, excluding currency effects. Including the impact of currencies, total client balances rose to EUR 1,528 billion at 30 September. Client savings and deposits accounted for EUR 12.9 billion of the net production (excluding currency effects), of which EUR 6.7 billion was from retail customers, underscoring ING's position of strength as one of the world's largest savings banks.

ING supported clients' lending needs, carefully balancing disciplined loan growth with higher margins. Of the client balance net production, bank lending contributed EUR 22.9 billion.

On a constant currency basis, new life sales (APE) declined 8.5% due to lower demand for investment-linked and spread

lending products. The value of new business (VNB) declined 3.3%.

Operating expenses increased 3.6% from the third quarter of 2007. The increase in mature markets was 3.1%, while expenses in growth businesses increased 10.1% to support expansion. Compared to the second quarter of 2008, operating expenses were flat excluding the acquisition of CitiStreet.

The effective tax rate was 24.2%. The Group's effective tax rate for the full year is expected to be below 20%.

ING recorded a net loss of EUR 478 million for the quarter, compared to a profit of EUR 2,306 million in the comparable period of 2007. The loss in this quarter includes a EUR 182 million

sales gain from the Mexican insurance business, a EUR 47 million integration provision for the CitiStreet acquisition and EUR 27 million in restructuring costs for the Dutch retail bank.

The net loss per share was EUR 0.22, versus a profit of EUR 1.08 in the third quarter of 2007. The total number of shares outstanding decreased by 4.4% from a year earlier to 2,033 million.

Consolidated balance sheet

ING Group: Consolidated Balance Sheet

in EUR million	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	30 Sept. 08	30 June 08	30 Sept. 08	30 June 08	30 Sept. 08	30 June 08	30 Sept. 08	30 June 08
Cash and balances with central banks	20,747	13,162	4,662	4,569	16,899	9,399	-814	-806
Amounts due from banks	68,575	69,834			68,575	69,834		
Financial assets at fair value through P&L	294,127	341,638	112,614	112,633	182,566	230,259	-1,052	-1,254
Investments	271,868	271,699	119,960	120,025	151,909	151,676		
Loans and advances to customers	631,474	592,642	30,469	29,291	608,286	567,399	-7,282	-4,048
Reinsurance contracts	5,966	5,684	5,966	5,684				
Investment in associates	5,052	5,205	3,014	3,188	2,172	2,139	-135	-122
Investment property	4,694	4,567	1,422	1,392	3,271	3,175		
Property and equipment	6,361	6,318	818	855	5,544	5,463		
Intangible assets	7,549	6,086	5,187	4,255	2,449	1,911	-87	-80
Deferred acquisition costs	12,295	11,055	12,295	11,055				
Other assets	47,106	42,057	14,179	11,479	33,969	30,759	-1,042	-181
Total assets	1,375,814	1,369,946	310,586	304,426	1,075,640	1,072,013	-10,412	-6,492
Shareholders' equity (in parent)	23,723	28,060	12,292	14,179	19,024	19,348	-7,593	-5,467
Minority interests	1,911	1,905	785	790	1,323	1,300	-196	-185
Total equity	25,634	29,965	13,077	14,969	20,346	20,648	-7,789	-5,652
Preference shares		2						2
Subordinated loans	10,178	9,635	7,364	7,000	20,498	19,595	-17,684	-16,960
Debt securities in issue	99,978	94,023	4,752	4,664	87,876	83,052	7,349	6,307
Other borrowed funds	26,426	26,099	9,309	9,495			17,117	16,604
Insurance and investment contracts	259,752	253,587	259,752	253,587				
Amounts due to banks	178,290	161,299			178,290	161,299		
Customer deposits and other funds on deposits	557,203	535,881			565,760	542,631	-8,557	-6,750
Financial liabilities at fair value through P&L	172,614	217,858	2,229	2,085	170,531	215,888	-146	-115
Other liabilities	45,738	41,598	14,102	12,625	32,339	28,901	-703	72
Total liabilities	1,350,179	1,339,982	297,509	289,456	1,055,293	1,051,365	-2,623	-839
Total equity and liabilities	1,375,814	1,369,946	310,586	304,426	1,075,640	1,072,013	-10,412	-6,492

- **Commercial loan growth ING Bank EUR 41 billion, or 7.2%**
- **Customer deposits ING Bank increased by EUR 23 billion, or 4.3%**
- **Loan-to-deposit ratio of 1.08**

The total balance sheet of ING Group increased by EUR 6 billion, or 0.4%, to EUR 1,376 billion at 30 September 2008 compared with EUR 1,370 billion at the end of the second quarter of 2008.

The ING Bank loan-to-deposit ratio was 1.08 at 30 September 2008, as loans to customers (EUR 608 billion) were slightly higher than customer deposits (EUR 566 billion) at the end of the third quarter.

Asset growth

Cash and balances with central banks increased by EUR 8 billion. ING Bank attracts significant amounts of short-term money at rates below EURIBOR in the interbank market and deposited a portion

of that at central banks.

Amounts due from banks, which consists primarily of short-term loans to other banks and regular settlement flows, decreased slightly to EUR 68.6 billion.

Financial assets at fair value through P&L decreased by EUR 48 billion. This decline is mirrored on the liability side. The decrease in the banking operations is mainly due to unwinding of securities borrowing (EUR - 38 billion).

Loans and advances to customers in the banking operations increased by EUR 41 billion, or 7.2%, to EUR 608 billion. The increase was driven by robust commercial

growth in the banking operations booked in the Netherlands (EUR 17 billion, of which EUR 13 billion came from corporate lending), at ING Direct (EUR 10 billion, mostly residential mortgages) and in Belgium (EUR 3 billion). The growth was supported by a EUR 4.4 billion positive impact from currencies and the of mortgage portfolios worth EUR 2.6 billion from the investments from ING Verzekeringen N.V. to ING Bank N.V.

Liability growth

Balance sheet growth on the liability side is mainly driven by customer deposits and

amounts due to banks.

Debt securities in issue in the banking operations increased by EUR 5 billion, or 5.8%, to EUR 88 billion. The increase is mainly due to long-term bonds (EUR 6 billion). Short-term debt securities decreased by EUR 2 billion.

Insurance and investment contracts grew by EUR 6 billion mainly due to FX effects.

Amounts due to banks increased by EUR 17 billion as other banks provided additional short-term money to ING Bank.

Customer deposits and other funds on deposits in the banking operations increased by EUR 23 billion, or 4.3%, to EUR 566 billion. Retail savings grew by EUR 9 billion (of which EUR 6 billion came from ING Direct) and current accounts increased by EUR 7 billion (of which EUR 5 billion in the Netherlands).

Financial liabilities at fair value through P&L in the banking operations declined by EUR 45 billion, fully due to unwinding of securities lending.

Reclassification of Residential Mortgage Backed Securities investments

in EUR million

Breakdown ING Group by classification	Total assets at fair value					
	30 Sept. 08	%	30 June 08	%	31 March 08	%
A Published price quotations in an active market	367,710	67%	418,548	70%	426,011	74%
B Valuation techniques supported by observable market data	153,700	28%	175,164	29%	144,354	25%
C Valuation techniques not supported by observable market inputs	28,658	5%	3,613	1%	3,382	1%
Total	550,068 *	100%	597,325	100%	573,747	100%

Asset Backed Securities (ABS, part of total assets at fair value)

Breakdown ING Group by classification	30 Sept. 08	%	30 June 08	%	31 March 08	%
A Published price quotations in an active market	30,698	38%	57,634	73%	54,581	72%
B Valuation techniques supported by observable market data	24,525	31%	20,611	26%	21,269	28%
C Valuation techniques not supported by observable market inputs	25,096	31%	470	1%	450	1%
Total	80,319	100%	78,715	100%	76,300	100%

Subprime RMBS, Alt-A RMBS and CDOs (part of ABS)

Breakdown ING Group by classification	30 Sept. 08	%	30 June 08	%	31 March 08	%
A Published price quotations in an active market	4,926	18%	23,948	85%	21,895	81%
B Valuation techniques supported by observable market data	373	1%	4,279	15%	5,293	19%
C Valuation techniques not supported by observable market inputs	22,362	81%	19	0%	10	0%
Total	27,661	100%	28,246	100%	27,198	100%

*) breakdown by item on the balance sheet:

Financial assets at fair value through P&L	294,127
Investments (fair value and Held To Maturity)	271,868
adjustment for HTM part in Investments	-15,927
Total	550,068

For Residential Mortgage Backed Securities (RMBS) fair values are primarily based on prices and quotes from pricing services. Until 3Q2008 these represented prices and quotes in an active market. As a result, ING included such investments in "Published price quotations". In 3Q2008, ING continued to use the same valuation methodology but, given that these markets are less liquid, the prices and quotes obtained can no longer be considered as prices and quotes in an active market. As a result ING reclassified the RMBS investments, with a value of approximately EUR 25 billion, held from "Published price quotations" to "Valuation techniques not supported by market inputs".

Group shareholders' equity

ING Group: Change in Shareholders' Equity

in EUR million	ING Group*		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	3Q 2008	9M2008	3Q 2008	9M2008	3Q 2008	9M2008	3Q 2008	9M2008
Shareholders' equity beginning of period	28,060	37,208	14,179	17,911	19,348	25,511	-5,467	-6,214
Net result for the period	-478	2,982	-476	1,260	-49	1,771	47	-49
Unrealised revaluations of equity securities	-1,698	-4,251	-916	-2,677	-614	-1,406	-168	-168
Unrealised revaluations of debt securities	-3,844	-10,103	-2,321	-5,210	-1,523	-4,893		
Deferred interest crediting to life policyholders	769	1,815	769	1,815				
Realised gains equity securities released to P&L	377	-154	252	-286	70	77	55	55
Realised gains debt securities released to P&L	530	598	292	348	238	250		
Change in cashflow hedge reserve	127	78	356	260	-184	-201	-45	19
Other revaluations	-106	158	-110	147	4	11		
Changes in treasury shares:								
- due to the share buyback programme and hedge portfolio employee options	195	-1,966					195	-1,966
- due to the cancellation of shares		4,455						4,455
Change in other reserves/share capital:								
- due to the cancellation of shares		-4,455						-4,455
Exchange rate differences	1,229	59	688	-37	522	96	19	
Exercise of warrants and options/capital injections		448	400	1,400	2,200	2,200	-2,600	-3,152
Cash dividend	-1,459	-3,175	-1,000	-2,800	-850	-4,250	391	3,875
Employee stock option and share plans	-16	36	36	58	27	57	-79	-79
Other	37	-10	143	103	-165	-199	59	86
Total changes	-4,337	-13,485	-1,887	-5,619	-324	-6,487	-2,126	-1,379
Shareholders' equity end of period	23,723	23,723	12,292	12,292	19,024	19,024	-7,593	-7,593

Shareholders' equity

Shareholders' equity decreased by EUR 4.3 billion, or 15.5%, in 3Q2008. This decrease is mainly due to unrealised revaluations of debt and equity securities and the interim cash dividend over 2008, in turn partly offset by the positive impact of currencies, mainly the US dollar. The unrealised revaluation reserve of debt securities fell by EUR 3.3 billion in 3Q2008. The decrease is the net effect of unrealised and realised (through P&L) revaluations, mainly due to the credit spreads in the US and Europe which widened further compared with 2Q2008. At the end of September 2008, the revaluation reserve debt securities was EUR -11.4 billion compared with EUR -8.1 billion at the end of June 2008. The negative unrealised revaluation reserve debt securities has no impact on regulatory solvency or on the leverage ratios of ING.

The unrealised revaluations of equity securities were negatively impacted by the ongoing credit crisis which deteriorated further in 3Q, despite government support. At the end of September 2008, unrealised revaluations of equity securities amounted to EUR 1.4 billion. This is EUR 1.3 billion down from EUR 2.7 billion at the end of June 2008, due to a decrease in unrealised revaluations of EUR 1.7 billion offset by EUR -0.4 billion of impairments and capital gains.

Number of shares

The total number of shares outstanding in the market declined from 2,098 million at the end of 2007 to 2,033 million at the end of September 2008. The total number of shares outstanding in the market is the total number of shares minus the treasury shares. The number of treasury shares decreased from 128.4 million at year-end 2007 to 48.5 million at

the end of September 2008 due to the cancellation of shares acquired through the share buyback programme which was completed in the second quarter and a decrease in the amount of shares held as a hedge for employee share options. The average number of shares used to calculate the result per share in the first nine months 2008 is 2,048 million.

Number of outstanding shares in the market

in million	
Balance 31 December 2007	2,098
Exercised warrants B	18
Issued for share awards	2
Delta hedge portfolio	7
Share buyback programme	-92
Balance 30 September 2008	2,033
Average (for EPS calculation)	2,048

ING Group: Shareholders' Equity

in EUR million	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	30 Sept. 08	30 June 08	30 Sept. 08	30 June 08	30 Sept.08	30 June 08	30 Sept.08	30 June 08
Share capital	499	499	174	174	525	525	-200	-200
Share premium	9,182	9,182	5,774	5,374	11,392	8,723	-7,984	-4,915
Revaluation reserve equity securities	1,424	2,745	503	1,167	861	1,405	60	173
Revaluation reserve debt securities	-11,442	-8,128	-5,702	-3,673	-5,740	-4,455		
Revaluation reserve crediting to life policyholders	1,857	1,088	1,857	1,088				
Revaluation reserve cashflow hedge	509	382	270	-86	226	410	13	58
Other revaluation reserve	733	768	306	345	427	423		
Currency translation reserve	-1,295	-2,524	-1,123	-1,811	77	-445	-249	-268
Treasury shares reserve	-1,251	-1,446					-1,251	-1,446
Other reserves	23,507	25,494	10,233	11,601	11,256	12,762	2,018	1,131
Shareholders' equity	23,723	28,060	12,292	14,179	19,024	19,348	-7,593	-5,467
Minority interests	1,911	1,905	785	790	1,323	1,300	-196	-185
Total equity	25,634	29,965	13,077	14,969	20,346	20,648	-7,789	-5,652

ING Group revaluation reserve debt securities

in EUR million	Balance 30 September 2008 (after tax)			
	Total	Asset Backed Securities		Remaining debt sec.
		Pressurised	Other	
ING Bank	-5,740	-4,125	-993	-622
ING Insurance	-5,702	-1,028	-1,301	-3,373
ING Group	-11,442	-5,153	-2,294	-3,995
Crediting to life policyholders	1,857	335	424	1,099
Revaluation reserve debt securities, including crediting to life policyholders	-9,585	-4,818	-1,870	-2,896

Risk management

- EUR 1.5 billion pre-tax impairments, trading losses and fair value changes through the P&L
- Equities, financial institutions and ABS largest components
- Alt-A RMBS: EUR 198 million pre-tax impairment and EUR 1.6 billion after-tax revaluation via equity

Pre-tax P&L impact impairments, fair value changes and trading losses in 3Q2008

EUR million	ING Group	ING Insurance	ING Bank
Equity securities	628	444	184
Debt securities:			
Financial institutions	416	245	171
Subprime RMBS	30	11	19
Alt-A RMBS	198	47	151
CDO/CLO	181	94	87
Other debt securities	52	52	0
Total	1,505	893	612

The turmoil in financial markets intensified towards the end of the third quarter, with falling prices across most major asset classes throughout the world. Equity markets were lower: the S&P-500 declined 9% and the Dutch Amsterdam Exchange Index (AEX) 22%. Real estate prices were generally under pressure. In the US the S&P's Case-Shiller index was 16.6% lower in August 2008 compared with August 2007. Moreover, credit spreads widened significantly, both in the US and in Europe. Long-term interest rates declined in the US and more profound in the eurozone. However, short-term interest rates increased in the third quarter, most notably in the US. Moreover, a number of financial institutions failed in the third quarter.

Credit portfolios

Against this backdrop, ING Group recorded EUR 1,505 million pre-tax impairments, trading losses and negative fair value changes through the P&L in the third quarter. Of this amount, EUR 409 million is due to US subprime RMBS, Alt-A RMBS and CLO/CDO combined, while EUR 468 million is due to other fixed income instruments, including debt securities and derivatives from financial institutions.

The ABX index for AAA and AA 2007 subprime RMBS modestly rebounded in the third quarter after a steep decline in the first half of 2008. However, the fair value of ING's subprime RMBS declined from 79.7% to 75.2%, as higher short-term interest rates more than offset the modest narrowing of subprime credit spreads. The market value of ING's subprime RMBS portfolio remained at EUR

2.2 billion as the appreciation of the US dollar versus the euro offset the negative revaluation. The after tax revaluation reserve decreased by EUR 109 million to EUR – 480 million at the end of the third quarter. The after tax revaluation reserve is reflected in shareholders' equity on the balance sheet. ING recorded a EUR 30 million pre-tax loss on subprime RMBS, including a small trading loss.

ING's US Alt-A RMBS portfolio declined from EUR 22.0 billion at 30 June 2008 to EUR 21.1 billion at 30 September 2008. The EUR 0.9 billion decline is mainly due to a EUR 1.6 billion negative after-tax revaluation, which was partially offset by the appreciation of the US dollar versus the euro. At 30 September, 87% of ING's Alt-A RMBS was AAA rated.

ING's Alt-A portfolio was fair valued at 75.0% of amortised costs at the end of the third quarter, down from 82.7% at 30 June. The market prices of Alt-A RMBS are hampered by a lack of liquidity in the US RMBS market. Nevertheless, ING maintains its policy to mark the Alt-A securities to market via shareholders' equity, unless the RMBS is impaired. The after tax revaluation, reflected in shareholders' equity on the balance sheet, was EUR -4.6 billion at 30 September, down from EUR -3.0 billion at 30 June 2008.

ING recorded a EUR 198 million pre-tax impairment on the Alt-A RMBS portfolio in the third quarter. Of this amount, ING Direct impaired EUR 130 million, Insurance Americas EUR 47 million, while Wholesale Banking recorded EUR 21 million

Subprime RMBS, Alt-A RMBS and CDO/CLO at 30 September 2008

	amortised cost in EUR billion	market value in EUR billion	fair value in %	pre-tax revaluation in EUR million	after-tax revaluation in EUR million	change vs 2Q
Subprime RMBS	2.9	2.2	75.2	-728	-480	-109
Alt-A RMBS	28.1	21.1	75.0	-7,006	-4,554	-1,563
CDO/CLO	5.2	4.7	91.5	-177	-119	-8

impairments. ING's Alt-A portfolio continues to benefit from the high level of attachment points. The attachment points provide structural credit protection, which is equal to the overcollateralisation plus the subordinated tranches in the RMBS. Losses from underlying mortgage pools are first absorbed by the overcollateralisation and the subordinated RMBS tranches.

A credit loss occurs when the underlying losses breach, or are expected to breach, the attachment point. An estimated credit loss triggers an impairment of the specific RMBS tranche. IFRS requires that the impairment reflects a full writedown to the market value. As the current Alt-A RMBS prices are hampered by illiquid markets, an impairment is significantly higher than the expected credit loss of the RMBS tranche.

For the first time, ING Direct impaired 13 of the 734 Alt-A bonds in their portfolio in the third quarter. The impairments are driven by a relatively small credit loss. At 30 September, ING Direct calculated an estimated credit loss of EUR 40 million on these 13 Alt-A RMBS, which triggered EUR 130 million pre-tax impairments.

ING uses a conservative definition for collateralised debt and loan obligations (CDO/CLO): ING includes derivatives on corporate indices and credits as synthetic CDOs in its CDO/CLO exposure. The vast majority of the CDOs/CLOs has investment grade corporate credit as underlying assets. Only EUR 1 million has US subprime mortgages as underlying assets.

ING's net exposure to CDO/CLO increased from EUR 4.3 billion to EUR 4.7 billion at the end of the third quarter. Insurance Americas wrote credit protection on EUR 0.7 billion high grade corporate credits in

the third quarter. The fair value of the CDO/CLO portfolio declined from 94.6% at 30 June to 91.5% at 30 September, mainly due to higher credit spreads on corporate credits.

ING recorded a EUR 181 million pre-tax loss on CDO/CLO exposure in the third quarter. EUR 87 million of the loss is due to the impairment of one CDO at Wholesale Banking, where 83% of the value was impaired due to losses on underlying credits from financial institutions. Secondly, there was a negative revaluation through the P&L of EUR 84 million on written derivatives in Insurance Americas. This fair value change is mainly due to the widening of corporate credit spreads.

Counterparties: banks

In the third quarter, counterparty risk materialised as a number of financial institutions were no longer expected to fulfil their obligations. ING suffered EUR 416 million pre-tax losses (excluding loan losses) on Lehman Brothers, Washington Mutual and the Icelandic banks. The loss includes impairments of debt securities, trading losses and derivative positions, including the costs to replace derivatives on which the banks were counterparty.

Equity securities

ING generally decides to impair an listed equity security based on two broad guidelines: when the market value is below 75% of the cost price or when the market price of the security is below the cost price for longer than six months. This caused EUR 628 million of pre-tax impairments on equity securities in the third quarter. At 30 September, ING Group had EUR 8.6 billion of equity exposure for risk of shareholders. The equity exposure declined by EUR 2.6 billion in the third quarter, due

to negative revaluations, sales and impairments. At 30 September, EUR 2.5 billion of ING's listed equity exposure was hedged via put options.

Real Estate

ING has long-term investments of EUR 11.5 billion in real estate that are subject to revaluation through the P&L. In the third quarter, ING recorded EUR 214 million pre-tax negative revaluations and impairments through the P&L, of which EUR 116 million in Insurance Europe and EUR 98 million in Wholesale Banking. ING's real estate portfolio benefits from diversification over sectors and geographies but is clearly affected by the negative real estate markets throughout the world.

Risk costs

Total net additions to loan loss provisions were EUR 373 million or 54 bps of average credit risk-weighted assets (CRWA). This compares to 36 bps of average CRWA in the second quarter. There is no major concentration of risk cost as the core lending books in the Benelux continue to perform well. The increase in risk costs is driven by higher additions to loan loss provisions in Wholesale Banking and to a lesser extent ING Direct. Of the 54 bps of average CRWA, 10 bps or EUR 72 million, are due to exposure to Icelandic banks in Wholesale Banking.

Liquidity

ING's liquidity position is sound. ING Bank has a favourable funding profile. At 30 September, 58% of ING Bank's funding stems from client deposits. In addition, ING Bank had EUR 100 billion of untapped liquidity at the end of the third quarter. ING Bank continued to fund itself in the money market at prices well below the interbank offered rate.

Capital management

ING's Capital Base

In EUR million	ING Group		ING Insurance		ING Bank	
	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08
Shareholders' equity	23,723	28,060	12,292	14,179	19,023	19,348
Core Tier-1 securities	0	0	0	0	0	0
Group hybrid capital	11,590	10,948	5,026	4,667	6,554	6,279
Core debt	6,882	4,553				
Total capitalisation	42,195	43,561	17,318	18,846	25,578	25,627
Adjustments to equity:						
• revaluation reserve debt securities	11,441	8,128	5,701	3,673	5,740	4,455
• revaluation reserve crediting to life policyholders	-1,858	-1,088	-1,858	-1,088		
• Revaluation reserve cashflow hedge	-508	-382	-270	86	-226	-411
• goodwill	-3,410	-2,451	-1,769	-1,224	-1,724	-1,306
Revaluation reserves fixed income etc.	5,665	4,207	1,804	1,447	3,790	2,738
Rev. reserves equity and real estate excluded from Tier-1					-1,422	-2,136
Insurance hybrid capital			2,250	2,250		
Minorities			785	789	1,295	1,288
Deductions Tier-1			0	0	-1,185	-1,213
Regulatory capital			22,157	23,332	28,056	26,303
Other qualifying capital					12,409	11,942
DAC/VIF adjustment (50%)			3,588	3,953		
Group leverage (core debt)	-6,882	-4,553				
Adjusted equity	40,978	43,215	25,744	27,285	40,465	38,245

- **Bank and Insurance key capital and leverage ratios within target**
- **Group leverage has been allowed to rise to 14.4%**
- **Available financial resources decrease due to adverse market circumstances**
- **ING Group raises EUR 10 billion Core equity from Dutch State in 4Q**

Key capital and leverage ratios

Market conditions deteriorated throughout the third quarter. Credit spreads widened dramatically and interest rates declined. Equity markets fell. The euro weakened against other currencies. The adjusted equity of ING Group fell by EUR 2.2 billion during the third quarter due to the payment of the interim dividend, the decline in the equity markets and the loss reported for the quarter. Spare leverage, defined as cash that can be generated at Group level if all ratios are brought to target, declined from EUR 3.9 at the end of the second quarter to EUR 1.8 billion at the end of the third quarter. Spare leverage is measured using a 10% target for Group leverage. If a 15% target was used, spare leverage would be EUR 4.3 billion. Group leverage was allowed to rise to 14.4% during the quarter by injecting EUR 1.35 billion into Bank, compensated by a modest dividend upstream from Insurance of EUR

0.6 billion. Group also paid a EUR 1.5 billion interim dividend. The debt/equity ratio of Insurance improved from 9.2% to 8.0% as operating subsidiaries up-streamed dividends, compensating the decline of Insurance adjusted equity. Also the effect of divestments versus acquisitions led on balance to a decline of Insurance leverage. ING Bank's Tier-1 ratio increased from 8.2% to 8.5% as the growth of risk-weighted assets from EUR 323 billion to EUR 330 billion was compensated by an injection of capital from Group. The BIS Capital ratio improved from 11.9% to 12.3%.

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

AFR Bank increased from EUR 28.1 billion to EUR 30.7 billion during the third quarter, partly due to a methodology change. The expected loss from our internal economic capital model is lower than provisions. The expected loss from the Basel II pillar 1 calculation is significantly in excess of provisions. Under Basel II this shortfall is deducted from Tier-1 capital. Given the fact that AFR and EC reflect our own internal economic approach, it was decided to stop deducting a Basel II pillar 1 shortfall from internally measured AFR. EC Bank held steady at EUR 18.9 billion. The free surplus

improved at Bank from EUR 9.1 billion to EUR 11.7 billion. AFR Insurance declined in light of the adverse market circumstances (higher credit spreads, lower interest rates and lower equity markets) from EUR 21.5 billion to EUR 18.9 billion during the third quarter. EC Insurance increased from EUR 21.3 billion to EUR 23.0 billion, in spite of actions implemented to reduce risk, as a result of lower interest rates and the weakening of the euro. This means that the small capital surplus, which was EUR 0.2 billion at the end of the second quarter, turned into a significant deficit of EUR 4.1 billion at the end of the third quarter. An adjustment to AFR has been made to reflect illiquidity in the insurance portfolios. This adjustment has been proxied by applying a AAA covered bond spread to the insurance liability cash flows. ING will continue to review and refine this methodology. AFR Group declined from EUR 45.0 billion to EUR 42.7 billion during the third quarter, while EC Group increased from EUR 35.2 billion to EUR 36.7 billion. This means that the capital buffer has fallen from 128% at the end of the second quarter to 116% at the end of the third quarter. Going forward we expect the AFR and EC numbers, given that they are market value based, to continue to be quite volatile.

Capital base: ING Group

In EUR million unless stated otherwise	30 Sep 08	30 Jun 08
Shareholders' equity	23,723	28,060
+ Core tier-1 securities	0	0
+ Group hybrid capital	11,590	10,948
+ Group leverage (core debt)	6,882	4,553
Total capitalisation (Bank + Insurance)	42,195	43,561
-/- Revaluation reserves fixed income & other	-5,665	-4,207
-/- Group leverage (core debt) (d)	6,882	4,553
Adjusted equity (e)	40,978	43,215
Debt/equity ratio (d/(d+e))	14.4%	9.5%
Economic Capital		
EC ING Group (EUR billion)	36,654	35,216
AFR ING Group (EUR billion)	42,695	45,020
AFR/EC ratio	116%	128%

Capital ratios: ING Insurance

In EUR million unless stated otherwise	30 Sep 08	30 Jun 08
Adjusted equity (e)	25,744	27,285
Core debt (d)	2,253	2,779
Debt/equity ratio (d/(d+e))	8.0%	9.2%
Available regulatory capital (a)	22,157	23,332
EU required regulatory capital (b)	8,523	8,313
Capital coverage ratio (a/b)	260%	281%
Economic Capital		
EC ING Insurance (EUR billion)	23,006	21,277
AFR ING Insurance (EUR billion)	18,905	21,505

Capital ratios: ING Bank

In EUR million unless stated otherwise	30 Sep 08	30 Jun 08
Core Tier-1	21,501	20,025
Hybrid Tier-1	6,554	6,279
Total Tier-1 capital	28,056	26,303
Other capital	12,409	11,942
BIS Capital	40,465	38,245
Risk-weighted assets	329,568	322,582
Required capital Basel II	26,365	25,807
Required capital floor based on Basel I	33,853	31,591
Core Tier-1	6.52%	6.21%
Tier-1 ratio	8.51%	8.15%
BIS ratio	12.28%	11.86%
Economic Capital		
EC ING Bank (EUR billion)	18,940	18,977
AFR ING Bank (EUR billion)	30,663	28,068

Capital market operations

ING Group cancelled the remaining 18 million shares from the buyback in early October. At the end of September 2,081.3 million shares were in issue. Treasury shares were in total 48.5 million as 6.4 million were sold during the quarter in delta hedge rebalancings. Shares outstanding in the market were therefore 2,032.8 million. By the end of September no A preference shares remained outstanding. ING Group and ING Bank were active raising funding

in the market during the third quarter. ING Bank raised EUR 3.5 billion senior unsecured debt through a three-year floating rate note and ING Group raised EUR 1 billion with a five-year fixed rate issue. In the third quarter the sale of the Mexican property and casualty Insurance business was completed. The acquisition of CitiStreet was closed as well. Also the public tender offer for InterHyp was successfully concluded.

Recent events

From mid-September onwards the deterioration of market conditions accelerated. The landscape changed rapidly, with financial institutions going bankrupt or taken over and governments on both sides of the Atlantic intervening to support the capitalisation of financial institutions and the liquidity of the system. During the weekend of 18/19 October ING Group took advantage of previously announced capital support facilities by issuing 1 billion of Core Tier-1 Securities for a consideration of EUR 10 billion to the Dutch State. This capital injection, which takes place on 12 November, will significantly enhance the capital position of ING Group going forward. The Tier-1 of ING Bank is expected to increase to over 10%. Also, on Monday 20 October it was announced that ING had sold ING Life Taiwan. This transaction will significantly reduce ING Group's exposure to long term interest rates, thus reducing capital required. Below the impact of the capital injection is shown on a pro-forma basis, using third quarter data as a starting point. Of the EUR 10 billion raised by Group, EUR 5 billion is injected into Bank and EUR 2.8 billion into Insurance.

Proforma key ratios

	30 Sep 08	30 Sep 08
In EUR billion	as reported	pro forma
Core Tier-1 ratio Bank	6.52%	8.04%
Tier-1 ratio Bank	8.51%	10.03%
BIS ratio Bank	12.28%	13.80%
AFR Bank	30.7	35.7
EC Bank	18.9	18.9
AFR/EC ratio Bank	162%	188%
Debt/equity ratio Insurance	8.0%	-2.0%
AFR Insurance	18.9	21.7
EC Insurance	23.0	23.0
AFR/EC ratio Insurance	82%	94%
Debt/equity ratio Group	14.4%	8.4%
AFR Group	42.7	52.7
EC Group	36.7	36.7
AFR/EC ratio Group	116%	144%
Spare leverage*	4.3	16.1

* based upon 15% Group leverage

Assets under management

Assets under Management distributed per Business Line

In EUR billion	Total		AUM by Business Line, 30 September 2008					
	30 Sep 08	30 Jun 08	Insurance Europe	Insurance Americas	Insurance Asia/Pacific	Wholesale Banking	Retail Banking	ING Direct
Third-party AUM								
- for insurance policyholders	114.9	117.1	23.2	59.6	32.1	0.0	0.0	0.0
- for institutional clients	155.1	152.5	49.0	27.7	13.6	62.1	2.6	0.0
- for retail clients	102.7	111.0	6.9	46.3	24.2	0.4	17.3	7.5
- for private banking clients	68.7	67.2	0.0	0.0	0.0	0.0	68.7	0.0
Total third-party AUM	441.3	447.7	79.1	133.6	70.0	62.5	88.6	7.5
Proprietary assets	166.8	166.3	59.9	71.9	26.5	8.5	0.0	0.0
Total assets under management	608.1	614.1	139.0	205.6	96.4	71.0	88.6	7.5
Net inflow (in quarter)	2.5	3.6	-3.0	2.1	-1.6	3.7	1.2	0.0

Assets under Management by Manager

In EUR billion	Total		Third-party Assets		Proprietary Assets	
	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08
ING Investment Management Europe	135.6	140.7	88.6	93.4	47.0	47.3
ING Investment Management Americas	155.0	152.8	88.5	87.8	66.5	65.0
ING Investment Management Asia/Pacific	75.8	78.2	50.7	53.8	25.1	24.5
ING Investment Management	366.4	371.8	227.8	235.0	138.6	136.8
ING Real Estate	77.5	75.8	64.6	61.8	12.9	14.0
ING Private Banking	58.9	57.5	58.9	57.5	0.0	0.0
Other	26.6	27.9	11.9	12.9	14.6	15.0
Assets managed internally	529.4	533.0	363.2	367.2	166.2	165.8
Funds managed externally	78.7	81.1	78.1	80.6	0.5	0.5
Total assets under management	608.1	614.1	441.3	447.7	166.8	166.3

- Net inflow EUR 2.5 billion despite turbulent markets
- Total AUM down EUR 6.0 billion to EUR 608.1 billion
- Lower markets reduced AUM by EUR 24.7 billion

Assets under management

Despite difficult financial markets ING achieved a net inflow of EUR 2.5 billion in the third quarter. Total assets under management (AUM) declined by EUR 6.0 billion, or 1.0%, in the third quarter. Lower asset prices for equity and fixed income securities had a negative impact of EUR 24.7 billion, while exchange rate fluctuations had a positive impact of EUR 18.4 billion. The divestment of the Mexican insurance business had a net negative impact of EUR 2.2 billion.

Net inflow

The net inflow of EUR 2.5 billion was achieved despite turbulent financial markets, which caused many clients to seek lower risk products. Wholesale Banking led the net inflow with EUR 3.7 billion, whereas ING Real Estate attracted

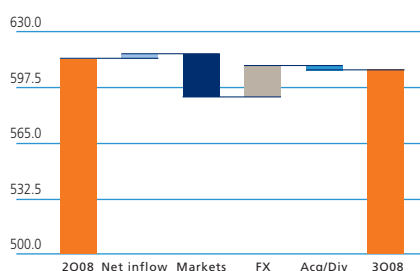
capital through its Multi Manager and Security products. Insurance Americas raised a net inflow of EUR 2.1 billion, mainly as a result of ongoing strong variable annuity sales. Retail Banking contributed EUR 1.2 billion, driven by strong net inflow of EUR 2.5 billion at ING Private Banking. Insurance Europe registered a net outflow of EUR 3.0 billion, which is mainly due to the redemption of short-term funding of EUR 2.0 billion and a net outflow at ING IM Europe of EUR 0.6 billion.

Assets under management by manager

Of the EUR 608.1 billion in AUM accumulated by ING's distribution channels, EUR 78.7 billion is managed by external asset managers. The balance, EUR 529.4 billion, reflects the assets

ASSETS UNDER MANAGEMENT

Movement in AUM (EUR billion)



managed by ING's various investment management units.

ING Investment Management

ING Investment Management (ING IM) oversees both third-party assets and proprietary assets of ING Group. At the end of September 2008, ING IM managed EUR 366.4 billion in total assets. The total third-party assets at ING IM declined 3.1% in the third quarter to EUR 227.8 billion. The net inflow of EUR 0.6 billion in the institutional client segment was offset by a net outflow of EUR 3.1 billion related to retail investors. Exchange rates positively impacted EUR 2.3 billion to the AUM as a result of the appreciation of the US dollar against the euro, while declining asset prices had a negative impact of EUR 7.8 billion.

At ING IM Europe, third-party AUM declined by EUR 4.8 billion to EUR 88.6 billion, driven by lower asset prices. Continuing volatile financial markets also had an impact on the clients' risk appetite and resulted in a net outflow amongst retail investors of EUR 1.9 billion. A special focus on client retention minimised the net outflow in the institutional segment. During the quarter the first set of Postbank funds and ING funds were merged. As of 2009 the two retail banking businesses in the Netherlands - Postbank and ING Bank - will operate under one ING brand. Furthermore, ING IM Europe has become a signatory to the United Nations Principles for Responsible Investment (UNPRI), which is designed to help investment decision-making and ownership practices.

ING IM Americas increased its third-party AUM by EUR 0.7 billion to EUR 88.5 billion. Depressed financial markets had a negative impact of EUR 3.4 billion, while exchange rate fluctuations – mainly a stronger US dollar – had a positive impact of EUR 3.3 billion. Despite the difficult market, ING IM Americas successfully attracted a net inflow of EUR 0.9 billion from institutional investors mainly

through the investment products Stable Value and Senior Bank Loans. The latter attracted investors as a result of relatively cheap valuations and an increased interest among investment consultants in the US.

At ING IM Asia/Pacific, third-party assets decreased by EUR 3.1 billion to EUR 50.7 billion, mainly due to lower asset prices and the decline of the Australian dollar. Throughout the region, net outflows were recorded in the retail segment, totalling EUR 1.1 billion in the third quarter, while the institutional segment showed a small outflow of EUR 0.1 billion.

At the end of the third quarter, ING IM delivered an investment performance with 62% of the mutual fund assets outperforming their peer median and 42% of mutual fund assets outperforming their benchmark on a 3-year basis. Morningstar awarded 73% of ING's rated mutual funds with 3 stars or higher.

ING Real Estate

The total business portfolio of ING Real Estate grew 3.2% during the third quarter to EUR 115.0 billion. Assets under management, which excludes the real estate finance portfolio, increased 2.2% to EUR 77.5 billion.

At ING Real Estate Investment Management, AUM increased 2.1% to EUR 74.3 billion, driven by a net inflow of EUR 3.7 billion. Lower markets and exchange rates fluctuations had a combined negative impact of EUR 2.1 billion. The challenging market conditions resulting from the unprecedented turmoil in the global financial markets have put net inflows under pressure, mainly in the US and the UK. The larger real estate funds are seeing slower growth. Nonetheless, the Multi Manager funds and the Security and Debt funds attracted net inflows from institutional investors as these asset classes were undervalued.

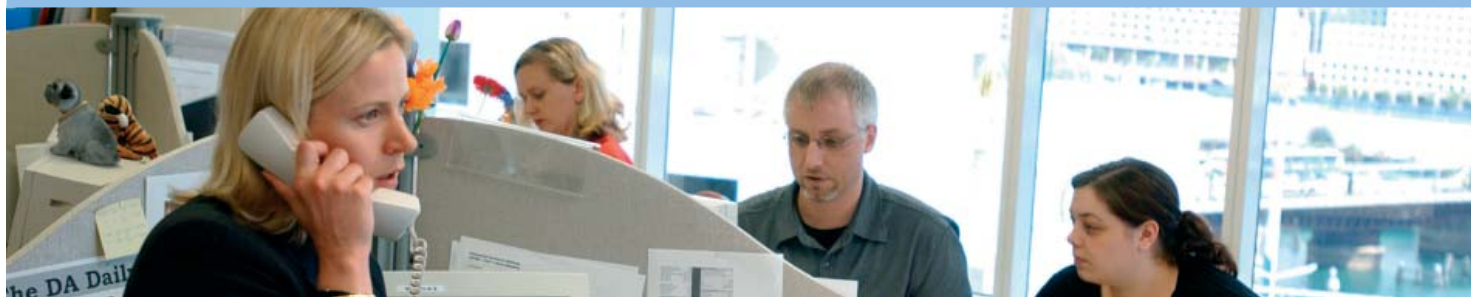
At ING Real Estate Development, AUM increased 4.6% to EUR 3.2 billion, with a total project value of EUR 10.9 billion, up

2.8% from the end of the previous quarter. ING Real Estate has been selected to redevelop the former site of the Norfolk Line and northern breakwater at Scheveningen Harbour (NL) in a joint venture with other parties. Furthermore, a letter of intent was signed to develop the new 23,000 square meters headquarters of UPC near Amsterdam Airport Schiphol (NL), for which the completion is scheduled for 2010.

ING Private Banking

ING Private Banking administers EUR 68.7 billion of client assets, of which EUR 7.1 billion is invested in ING mutual funds and EUR 3.5 billion in externally managed funds. Total administered assets increased by EUR 1.5 billion during the third quarter. In spite of the difficult market circumstances, a net inflow of EUR 2.5 billion was raised in the third quarter, which was offset by a negative market performance of EUR 2.6 billion. Within the Dutch market, EUR 1.3 billion net inflow was raised, followed by Belgium with EUR 0.8 billion. At the end of the third quarter, the assets within ING Private Banking were spread geographically as follows: the Netherlands (EUR 20.5 billion), Belgium (EUR 14.8 billion), Asia (EUR 14.5 billion), Switzerland (EUR 11.2 billion), Luxembourg (EUR 6.9 billion) and other regions (EUR 0.8 billion).

Insurance





Deteriorating market conditions lead to significant decline in investment income. Sales in developing markets and retirement services remain strong.

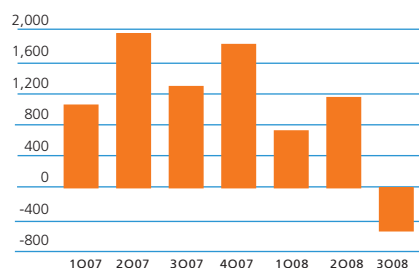
Insurance Total

Insurance: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	10,380	11,107	-6.5%	10,802	-3.9%	33,448	33,242	0.6%
Commission income	557	471	18.3%	491	13.4%	1,567	1,416	10.7%
Direct investment income	2,436	2,574	-5.4%	2,230	9.2%	7,051	7,733	-8.8%
Realised gains and fair value changes on inv.	-459	517	-188.8%	-171	-168.4%	-44	1,372	-103.2%
Total investment and other income	1,977	3,091	-36.0%	2,058	-3.9%	7,007	9,104	-23.0%
Total underlying income	12,914	14,668	-12.0%	13,351	-3.3%	42,022	43,763	-4.0%
Underwriting expenditure	11,831	11,714	1.0%	10,648	11.1%	35,907	34,568	3.9%
Operating expenses	1,289	1,305	-1.2%	1,258	2.5%	3,839	3,872	-0.9%
Other interest expenses	309	355	-13.0%	279	10.8%	907	1,015	-10.6%
Other impairments	31	-0	n.a.	20	55.0%	69	1	n.a.
Total underlying expenditure	13,461	13,374	0.7%	12,206	10.3%	40,721	39,455	3.2%
Underlying result before tax	-547	1,294	-142.3%	1,146	-147.7%	1,301	4,307	-69.8%
of which result before tax life insurance	-730	966	-175.6%	985	-174.1%	779	3,392	-77.0%
of which result before tax non-life insurance	184	329	-44.1%	161	14.3%	522	915	-43.0%
Taxation	-67	167	-140.1%	80	-183.8%	120	622	-80.7%
Result before minority interests	-480	1,127	-142.6%	1,066	-145.0%	1,180	3,686	-68.0%
Minority interests	4	39	-89.7%	22	-81.8%	38	128	-70.3%
Underlying net result	-484	1,089	-144.4%	1,044	-146.4%	1,142	3,558	-67.9%
Net gains/losses on divestments	178	418	-57.4%	2	n.a.	225	418	-46.2%
Net result from divestments	4	-5	n.a.	5	-20.0%	24	22	9.1%
Special items after tax	-47	-	-	-	n.a.	-47	-	-
Total net result	-350	1,502	-123.3%	1,051	-133.3%	1,344	3,997	-66.4%
Assets under Management (in EUR bln)						441	477	-7.5%
Operating expenses Greenfields	27	28	-3.6%	27	0.0%	87	74	17.6%
Tax ratio	12.2%	12.9%		7.0%		9.3%	14.4%	
Staff (FTEs end of period)						55,486	57,550	-3.6%

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

- **Underlying net loss of EUR 484 million**
- **Investment income impacted by impairments and negative fair value changes**
- **Sales decreased 8.5% on a constant currency basis**

INSURANCE TOTAL
Underlying result before tax (EUR million)



Deteriorating market conditions led to a significant decline in investment income, which was impacted by impairments and negative fair value changes, in the third quarter.

Market conditions also reduced demand for investment-linked products. New sales declined 8.5% in the third quarter (on a constant currency basis). Nonetheless, commercial growth in developing markets remained strong. New sales increased 117.5% in Latin America, primarily due to the acquisition of pension business from Santander in 2007. New sales in Central & Eastern Europe and in Rest of Asia were up 22.2% (excluding the Romanian second-pillar pension fund) and 23.7%, respectively, driven by new products introduced in Poland and Malaysia. Value

of new business increased 177.8% in Latin America, 52.5% in Central & Eastern Europe (excluding the Romanian second-pillar pension fund) and 66.7% in Rest of Asia.

Net flows in retirement services and variable annuities in the US also remained strong, up 55.2% compared to last year. The pension funds inflows in Central & Rest of Europe were up 48.9% driving growth. However, consumer appetite for investment-linked products dampened due to faltering equity markets. In Europe and in Asia Pacific, consumers shifted away to more traditional life products. In the US, new sales of fixed annuities jumped by 53.2%, reflecting caution amongst retail investors.

In response to the challenging market environment ING continued to evolve its product offering to meet customer demand for guarantees and capital protection. In the US, variable annuity sales increased by 11.5% on continued success of LifePay plus. In Poland, the introduction of a savings product via banks was well received. In Japan, Smart Design 55, the next generation of SPVA product with improved ratchet and accumulation benefit features, was launched in August.

ING also continued to expand its distribution platform. The acquisition of CitiStreet LLC in the US was completed in July making ING #3 in defined contribution business based on assets under management and administration in the US and #2 based on plan participants. In Poland about 900 agents from ING's Bank Slaski were trained and licensed, on top of 1,500 existing agents. In Asia/Pacific, bank distribution was strengthened by an exclusive distribution agreement with the Royal Bank of Scotland (ABN AMRO) in Hong Kong. Furthermore, sales through TMB Bank in Thailand were expanded from the Bangkok region to cover the TMB's entire branch network.

On 20 October 2008, ING reached agreement with Fubon Financial Holding Co. Ltd. to sell ING Life Taiwan for a consideration of USD 600 million (EUR 447 million). The transaction will result in a net book loss of EUR 427 million and is expected to be closed in the first quarter of 2009, but will be booked in the fourth quarter of 2008 pending normal regulatory approval.

Insurance recorded an **underlying net loss** of EUR 484 million versus a profit of EUR 1,089 million in the third quarter last year. This loss was driven by impairments on equity and debt securities, as well as negative fair value changes on investments as financial markets deteriorated sharply towards the end of the quarter.

Capital gains on equity securities of EUR 144 million were more than offset by EUR 444 million in impairments on equity securities. This was partially compensated by EUR 204 million in positive fair value changes of derivatives used to hedge ING's equity portfolio. In the third quarter last year, capital gains were EUR 589 million, which included EUR 455 million of capital gains on ABN AMRO shares.

Impairments and fair value changes on exposures to Lehman Brothers, Washington Mutual and Icelandic banks were EUR 245 million. Impairments on pressurised assets were EUR 152 million, while those on other debt securities amounted to EUR 52 million. Last year impairments on pressurised assets and other debt securities were EUR 22 million.

Revaluations on real estate investments of EUR -116 million more than offset positive rental income, resulting in a EUR 69 million loss on this asset class, while negative revaluations on private equity & alternative asset resulted in a loss of EUR 119 million. The same quarter last year saw results on real estate investments of EUR 63 million (of which EUR 33 million in positive revaluations) and on private equity & alternative assets of EUR 56 million.

Furthermore, the result in the Netherlands was impacted by a EUR 83 million increase in the provision for guarantees on separate account pension contracts (net of hedging), while in the US, equity-related DAC unlocking had a EUR 130 million negative impact in the quarter.

Insurance's **total net loss** was EUR 350 million which included a EUR 182 million capital gain on the sale of Mexico's non-core insurance business and a EUR 4 million loss related to the sale of the Chile health business in the first quarter of 2008, as well as a negative special item of EUR 47 million after-tax, reflecting CitiStreet and other integration expenses in the Americas.

Gross premium income was down 6.5% but flat on a constant currency basis. Increases in the US were offset by decreases in Japan, Taiwan, the Benelux, and Central Europe as sales of investment-linked products were under pressure.

Commissions increased 23.5% on a constant currency basis due to increases in the US and Latin America mainly caused by the CitiStreet and the Latin American pension business acquisitions.

Investment and other income declined 33.4% (constant currencies) largely due to lower capital gains and negative revaluations on real estate and (private) equity investments, as well as higher impairments on equities and debt securities. This was partly compensated by positive fair value changes on derivatives used to hedge Japan's SPVA guaranteed benefits, which however, are offset in underwriting expenditure.

Underwriting expenditure reflects incurred insurance claims and increases in insurance policy reserves, offset by increases in the deferred acquisition cost (DAC) asset. Underwriting expenditure rose 1.0% following an increase in variable annuity guaranteed benefit reserves that were impacted by negative equity market performance (note that hedge program offsets are reflected in investment income), and DAC unlocking in the US. This was partly offset by a lower addition of net premiums to the reserves reflecting lower gross premium income, as well as the divestment of the Chile health business.

Operating expenses were down 1.2%, but increased 4.0% excluding the currency impact, led by the US following the acquisitions of CitiStreet and the Latin American pension business. Expenses in the Netherlands declined 8.1% reflecting continued cost control.

Life & Non-life Insurance

Life Insurance: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	9,332	9,971	-6.4%	9,704	-3.8%	29,954	29,483	1.6%
Commission income	536	437	22.7%	477	12.4%	1,500	1,307	14.8%
Direct investment income	2,308	2,410	-4.2%	2,091	10.4%	6,600	7,242	-8.9%
Realised gains and fair value changes on inv.	-394	445	-188.5%	-155	-154.2%	49	1,115	-95.6%
Total investment and other income	1,913	2,854	-33.0%	1,936	-1.2%	6,650	8,357	-20.4%
Total underlying income	11,782	13,263	-11.2%	12,117	-2.8%	38,103	39,146	-2.7%
Underwriting expenditure	11,137	10,926	1.9%	9,840	13.2%	33,290	31,740	4.9%
Operating expenses	1,034	1,016	1.8%	994	4.0%	3,063	3,000	2.1%
Other interest expenses	311	356	-12.6%	279	11.5%	907	1,014	-10.6%
Other impairments	30	-0	n.a.	19	57.9%	65	1	n.a.
Total underlying expenditure	12,512	12,298	1.7%	11,132	12.4%	37,324	35,754	4.4%
Underlying result before tax	-730	966	-175.6%	985	-174.1%	779	3,392	-77.0%
Taxation	-101	105	-196.2%	50	-302.0%	27	459	-94.1%
Result before minority interests	-629	860	-173.1%	934	-167.3%	752	2,933	-74.4%
Minority interests	-7	17	-141.2%	1	-800.0%	2	42	-95.2%
Underlying net result	-622	844	-173.7%	933	-166.7%	751	2,890	-74.0%
Value of new life business	266	298	-10.7%	267	-0.4%	852	673	26.6%
Internal rate of return (YTD)						15.0%	13.4%	
Single premiums	6,575	8,992	-26.9%	7,206	-8.8%	20,819	23,052	-9.7%
Annual premiums	969	1,041	-6.9%	930	4.2%	3,067	2,997	2.3%
New sales (APE)	1,627	1,940	-16.1%	1,651	-1.5%	5,149	5,302	-2.9%
Investment in new business	432	541	-20.1%	414	4.3%	1,309	1,490	-12.1%
Assets under Management (in EUR bln)						441	477	-7.5%
Expenses as % of AUM (YTD)						0.79%	0.73%	
Expenses as % of gross premiums (YTD)						13.4%	14.7%	
Gross life reserves						251,769	262,079	-3.9%

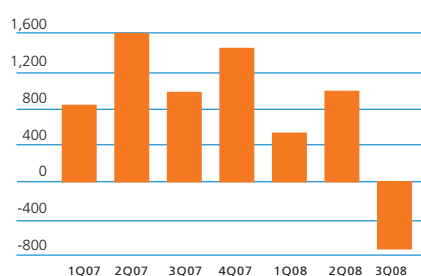
Only P&L figures were restated for the divestment of the non-core Mexico insurance business; e.g. ratios and number of staff were not adjusted.

Life Insurance

The **underlying loss before tax** from life insurance was EUR 730 million compared with a profit of EUR 966 million in the same quarter last year. Investment income was negatively impacted by impairments on equity and debt securities as well as negative fair value changes on derivatives caused by the financial market turmoil.

LIFE INSURANCE

Underlying result before tax (EUR million)



Capital gains on equity securities of EUR 148 million were more than offset by EUR 427 million of impairments. This was in part compensated by EUR 204 million revaluations of derivatives used to hedge the equity portfolio.

Impairments and fair value changes on pressurised assets and other debt securities were EUR 363 million, of which EUR 245 million related to Lehman Brothers, Washington Mutual and Icelandic banks. Last year, impairments on pressurised assets and other debt securities were EUR 22 million.

Returns on real estate investments were EUR -64 million, of which EUR 105 million from negative revaluations, while private equity & alternative asset returns were EUR -109 million. The same quarter last year saw returns on real estate of EUR 59 million (of which EUR 31 million in

positive revaluations) and returns on private equity & alternative assets of EUR 54 million.

Furthermore, life results in the Netherlands were impacted by a EUR 83 million increase in the provision for guarantees on separate account pension contracts (net of hedging), while in the US, equity-related DAC unlocking had a EUR 130 million negative impact in the quarter.

Gross life premium income was flat on a constant currency basis as decreases in Japan, Taiwan, the Netherlands, and Central Europe due to lower sales of investment-linked products, were compensated by increases in the US due to higher sales in Wealth Management.

Operating expenses increased 7.5% on a constant currency basis mainly due to

Non-life Insurance: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	1,048	1,135	-7.7%	1,098	-4.6%	3,494	3,759	-7.0%
Commission income	21	33	-36.4%	14	50.0%	67	110	-39.1%
Direct investment income	129	165	-21.8%	139	-7.2%	451	491	-8.1%
Realised gains and fair value changes on inv.	-65	72	-190.3%	-17	n.a.	-93	256	-136.3%
Total investment and other income	64	237	-73.0%	123	-48.0%	358	747	-52.1%
Total underlying income	1,133	1,405	-19.4%	1,235	-8.3%	3,919	4,616	-15.1%
Underwriting expenditure	695	788	-11.8%	808	-14.0%	2,617	2,828	-7.5%
Operating expenses	255	289	-11.8%	265	-3.8%	776	872	-11.0%
Other interest expenses	-2	-0	n.a.	0	n.a.	0	1	-100.0%
Other impairments	1	-	n.a.	1	0.0%	4	0	n.a.
Total underlying expenditure	949	1,076	-11.8%	1,074	-11.6%	3,397	3,701	-8.2%
Underlying result before tax	184	329	-44.1%	161	14.3%	522	915	-43.0%
Taxation	35	62	-43.5%	30	16.7%	94	163	-42.3%
Result before minority interests	149	267	-44.2%	131	13.7%	428	753	-43.2%
Minority interests	11	22	-50.0%	21	-47.6%	36	86	-58.1%
Underlying net result	138	245	-43.7%	110	25.5%	392	667	-41.2%
Expense ratio (YTD)						29.8%	30.8%	
Claims ratio (YTD)						63.6%	65.7%	
Combined ratio (YTD)						93.3%	96.5%	
Gross non-life reserves						7,983	9,667	-17.4%

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

the US and Latin America following the acquisitions of CitiStreet and the Latin American pension business. In the Netherlands, expenses fell 4.6%.

New sales (APE) declined 16.1% (down 8.5% on a constant currency basis) relative to the third quarter last year due to lower sales of investment-linked products in Asia/Pacific and spread-lending products in the US. This was mainly caused by the impact of the market turmoil, and high sales in the same quarter last year in part driven by anticipation of regulatory changes in Taiwan, and one-off tax incentives

in Australia.

Relative to the second quarter of 2008, sales were down 1.5% led by Belgium and the US due to lower sales of investment-linked products.

VNB decreased 10.7% (down 3.3% on a constant currency basis) mainly due to lower sales in Asia/Pacific. The exclusion of certain corporate, strategic IT and restructuring expenses added EUR 12 million to VNB relative to the third quarter last year.

The year-to-date **IRR** improved to 15.0% due to a more profitable business mix in the US and Central & Rest of Europe.

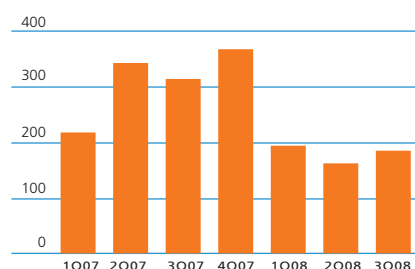
down 2.5% on a constant currency basis due to the impact of the sale of the Chile health business. In the Netherlands and Canada premiums were up 4.5% and 3.6% respectively on a constant currency basis.

Operating expenses decreased 8.3% on a constant currency basis due to a 13.4% decline in the Netherlands reflecting continued expense control, as well as the impact of the sale of Chile Health.

The year-to-date **combined ratio** improved 3.2 percentage points as the expense ratio improved 1.0 percentage point due to lower operating expenses in the Benelux, while the claims ratio improved 2.2 percentage points reflecting the sale of the Chili health business and the Mexico non-life business.

NON-LIFE INSURANCE

Underlying result before tax (EUR million)



Non-life Insurance

The **underlying profit before tax** from non-life insurance declined 44.1% to EUR 184 million, largely caused by EUR 106 million in lower capital gains on equity securities. Furthermore, the third quarter last year included a EUR 26 million release of disability provisions in the Netherlands.

Gross non-life premium income was

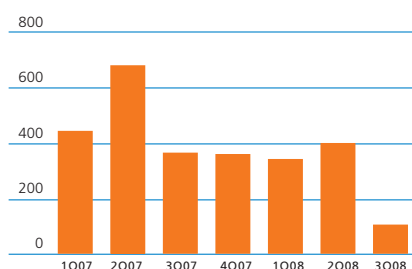
Insurance Europe

Insurance Europe: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	2,089	2,197	-4.9%	2,366	-11.7%	7,724	7,871	-1.9%
Commission income	119	114	4.4%	127	-6.3%	369	360	2.5%
Direct investment income	950	879	8.1%	1,083	-12.3%	2,977	3,090	-3.7%
Realised gains and fair value changes on inv.	-94	99	-194.9%	-44	n.a.	-67	528	-112.7%
Total investment and other income	857	978	-12.4%	1,039	-17.5%	2,910	3,618	-19.6%
Total underlying income	3,064	3,289	-6.8%	3,532	-13.3%	11,003	11,848	-7.1%
Underwriting expenditure	2,401	2,321	3.4%	2,581	-7.0%	8,516	8,545	-0.3%
Operating expenses	417	446	-6.5%	451	-7.5%	1,284	1,337	-4.0%
Other interest expenses	148	159	-6.9%	100	48.0%	364	483	-24.6%
Other impairments	-3	0	n.a.	3	-200.0%	0	1	-100.0%
Total underlying expenditure	2,963	2,927	1.2%	3,135	-5.5%	10,165	10,365	-1.9%
Underlying result before tax	101	362	-72.1%	397	-74.6%	838	1,483	-43.5%
of which result before tax life insurance	-5	227	-102.2%	349	-101.4%	580	1,675	-65.4%
of which result before tax non-life insurance	106	135	-21.5%	48	120.8%	258	574	-55.1%
Taxation	59	60	-1.7%	31	90.3%	146	196	-25.5%
Underlying net result	42	302	-86.1%	366	-88.5%	691	1,287	-46.3%
Minority interests	-4	4	-200.0%	-4	0.0%	-5	12	n.a.
Underlying net result	47	298	-84.2%	370	-87.3%	697	1,275	-45.3%
Value of new life business	91	92	-1.1%	89	2.2%	304	200	52.0%
Internal rate of return (YTD)						17.9%	14.3%	
Single premiums	639	640	-0.2%	765	-16.5%	2,330	2,385	-2.3%
Annual premiums	169	168	0.6%	174	-2.9%	521	423	23.2%
New sales (APE)	233	232	0.4%	250	-6.8%	754	662	13.9%
Investment in new business	79	106	-25.5%	95	-16.8%	268	269	-0.4%
Assets under Management (in EUR bln)						139	158	-12.0%
Operating expenses Greenfields	5	8	-37.5%	5	0.0%	17	13	30.8%
Gross life reserves						77,157	80,545	-4.2%
Tax ratio	58.1%	16.6%		7.8%		17.4%	13.2%	
Staff (FTEs end of period)						14,430	14,286	1.0%

- **Underlying profit before tax down 72.1%**
- **Pension inflows in Central Europe increase 48.9%**
- **Operating expenses decline 6.5%**

INSURANCE EUROPE

Underlying result before tax (EUR million)



Insurance Europe's performance was significantly impacted by negative fair value changes on real estate and private equity investments as well as impairments on bond investments as the turmoil on the financial markets deepened in the third quarter. Insurance Europe has responded to the recent market developments by managing the business efficiently and prudently, resulting in lower operating expenses. Measures have been taken to further de-risk the investment portfolio through equity hedges.

Commercial performance remained favourable, especially in Central Europe, which continued to see strong net

pension inflows and traditional life sales. In the Netherlands, sales in the SME pension market improved, whereas the retail life market faced headwinds as a result of weak equity markets and increased competition from banks for retail savings. Sales of unit-linked products and variable annuities were negatively impacted by market performance across Europe.

Underlying profit before tax at

Insurance Europe dropped sharply by 72.1%, or EUR 261 million, to EUR 101 million, in a challenging financial environment. Income from real estate of EUR -69 million decreased from EUR 63 million a year ago due to negative

revaluations of properties in the United Kingdom and continental Europe. Income on private equity of EUR -68 million compares to EUR 12 million in the third quarter 2007, which reflected significant realised gains and dividend income. Financial market distress also led to an EUR 20 million impairment on an equity investment in a bank loan fund and a EUR 83 million increase in the provision for guarantees on separate account pension contracts (net of hedging), which is reflected in underwriting expenditure. Last year's EUR 5 billion capital upstream negatively affected investment income in the third quarter by an estimated EUR 32 million. These negative factors were partly offset by a EUR 46 million revaluation of derivatives hedging the equity exposure in the Netherlands and EUR 29 million lower operating expenses. Taxation was high in the third quarter due to the absence of tax exempt income and the reversal of a tax benefit for tax losses related to Swedish real estate.

Lower investment income in the third quarter particularly affected the life insurance results in the Benelux, which declined by EUR 247 million (-172.7%) for a quarterly loss of EUR 104 million. Non-life results in the Benelux were down 23.0% to EUR 104 million, mainly due to EUR 26 million in releases of disability provisions in the third quarter of 2007. The underlying pre-tax profit of Central & Rest of Europe rose 18.8% to EUR 101 million due to business growth in Poland. The net inflow of pension funds in Central & Rest of Europe grew 48.9% to EUR 543 million during the third quarter.

Gross premium income of Insurance Europe was down 4.9% to EUR 2,089 million, as sales of wealth accumulation products suffered across Europe due to poor equity market performance and increased competition from bank deposits. Specifically for the Netherlands, life premiums were under pressure due to negative publicity around cost loadings and the termination of certain low-return group contracts for industry pension funds. Non-life premiums in the Benelux

increased 3.7% to EUR 312 million, driven by income and accident. Premiums in Central & Rest of Europe decreased marginally to EUR 552 million, mainly due to the reclassification of some products from insurance to investment type contracts, resulting in an EUR 72 million reduction in premiums. Excluding this reclassification, premium growth was 12.2% in Central & Rest of Europe.

Operating expenses fell by 6.5%, mainly due to cost containment in the Netherlands, which was reflected in lower external staffing levels, as well as lower pension and technology expenses. Expenses in Central & Rest of Europe decreased 4.7% to EUR 82 million mainly due to EUR 3 million lower greenfield expenses.

New Sales (APE) and value of new business (VNB) of Insurance Europe were flat compared with last year, which was boosted by the launch of a new second-pillar pension fund in Romania. Excluding this, Insurance Europe sales increased 16.4% and VNB 36.2% and sales and VNB in Central Europe increased 22.2% and 52.5% respectively due to higher pension inflows. Although sharply lower than last year, the Romanian pension fund contributed EUR 6 million in sales and EUR 12 million in VNB in the third quarter, following the first quarterly lottery that allocated some 60,000 new participants to ING's pension fund in August. Sales and VNB in the Benelux declined after adjusting for the inclusion of group life renewals in the Netherlands as of 2008, which contributed EUR 15 million to sales and EUR 3 million to VNB. The sales decline was primarily in Belgium due to competition from bank deposits. This sales decline adversely impacted the VNB.

'Strong pension inflows in Central Europe'

Life Insurance The Benelux*

Life Insurance The Benelux: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	1,225	1,340	-8.6%	1,432	-14.5%	4,554	4,808	-5.3%
Total investment and other income	709	817	-13.2%	867	-18.2%	2,409	3,075	-21.7%
Operating expenses	220	229	-3.9%	238	-7.6%	680	701	-3.0%
Underlying result before tax	-104	143	n.a.	261	n.a.	304	886	-65.7%
Value of new life business	18	18	0.0%	27	-33.3%	66	57	15.8%
Internal rate of return (YTD)						12.3%	11.7%	
Single premiums	364	473	-23.0%	453	-19.6%	1,531	1,746	-12.3%
Annual premiums	59	40	47.5%	69	-14.5%	179	127	40.9%
New sales (APE)	95	87	9.2%	114	-16.7%	332	302	9.9%
Investment in new business	48	42	14.3%	56	-14.3%	154	130	18.5%
Expenses as % of AUM (YTD)						0.88%	0.74%	
Expenses as % of gross premiums (YTD)						26.7%	28.9%	
Gross life reserves						67,041	71,037	-5.6%

- **Market turmoil impacts real estate and private equity returns**
- **Weak financial climate and bank competition hurt retail sales**
- **Solid sales in SME pension market in the Netherlands**

In an increasingly difficult commercial and financial environment, the life insurance operations in the Benelux continued their cost control in the third quarter of 2008. The individual life market in the Benelux continued to face headwinds caused by the unfavourable financial climate and increased competition from banks for retail savings. In the Netherlands, sales in the SME pension market were solid.

Underlying profit before tax declined EUR 247 million to a loss of EUR 104 million, primarily in the Netherlands. Income from real estate of EUR -64 million decreased from EUR 58 million a year ago due to negative revaluations of properties in the United Kingdom and continental Europe. Income on private equity of EUR -62 million compares to EUR 10 million in the third quarter 2007, which reflected significant realised gains and dividend income. Financial market distress also led to an EUR 20 million impairment on an equity investment in a bank loan fund and a EUR 83 million increase in the provision for guarantees on separate account pension contracts (net of hedging). Last year's EUR 5 billion capital upstream negatively affected investment income in the third quarter by an estimated EUR 32 million. These negative factors were partly offset by a EUR 46 million revaluation of derivatives hedging the equity exposure in the Netherlands and EUR 29 million lower operating expenses.

Gross premium income in the Benelux declined 8.6% to EUR 1,225 million. The weak investment climate, greater competition from banks for retail savings, and media attention around cost loadings in unit-linked contracts in the Netherlands all contributed to lower sales. Additionally, premiums were reduced by EUR 31 million due to the non-renewal of low-return group contracts for industry pension funds.

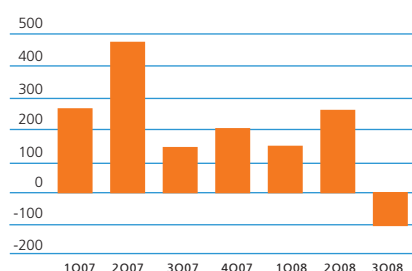
Operating expenses decreased 3.9% primarily caused by lower external staffing levels and lower pension and technology expenses in the Netherlands. Expenses in Luxembourg increased by EUR 3 million, reflecting the implementation of a European back-office for cross-border sales of variable annuities.

New sales (APE) increased 9.2% to EUR 95 million driven by the Netherlands.

Value of new business (VNB) was flat, as an increase in the Netherlands was offset by a decline in Belgium due to sharply lower sales of investment-linked products driven by negative market sentiment. Excluding the EUR 15 million APE and EUR 3 million VNB impact from the inclusion of group life contract renewals in the Netherlands as of 2008, sales and VNB decreased EUR 7 million and EUR 3 million respectively. VNB in the Netherlands benefited for EUR 2 million from lower morbidity assumptions.

LIFE INSURANCE THE BENELUX

Underlying result before tax (EUR million)



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

Non-life Insurance The Benelux*

Non-life Insurance The Benelux: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	312	301	3.7%	311	0.3%	1,373	1,381	-0.6%
Total investment and other income	33	60	-45.0%	59	-44.1%	164	244	-32.8%
Operating expenses	115	132	-12.9%	125	-8.0%	353	406	-13.1%
Underlying result before tax	104	135	-23.0%	47	121.3%	254	343	-25.9%
Expense ratio (YTD)						36.6%	38.0%	
Claims ratio (YTD)						55.8%	51.6%	
Combined ratio (YTD)						92.4%	89.6%	
Gross non-life reserves						3,458	3,567	-3.1%

- **Continued commercial success of car insurance product in Belgium**
 - **Expenses under control**
- **Market share in the Netherlands maintained despite fierce competition**

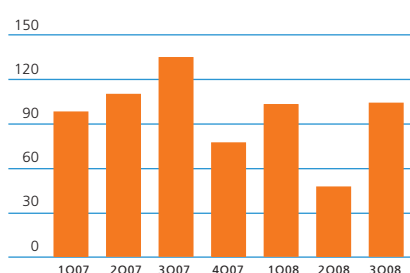
In Belgium, ING continued to have commercial success with its new car insurance product, as more than 50,000 policies were sold through the retail bank operations this year. In the Netherlands, the car insurance product was off to a slower start, with some 11,500 policies distributed through Postbank since the launch of the product in March. Despite the competitive market conditions, Nationale-Nederlanden maintained its non-life market share due to multi-channel distribution and competitive pricing.

Underlying profit before tax from non-life insurance in the Benelux was down 23.0%, or EUR 31 million, to EUR 104 million due to EUR 9 million lower real estate and EUR 12 million lower private equity results as well as EUR 28 million higher claims. This was partly offset by EUR 17 million lower operating expenses. Higher claims were predominantly caused by last year's release of EUR 26 million disability insurance provisions at Movir due to changes in the assumed mortality and recovery rates.

Operating expenses decreased 12.9% to EUR 115 million, driven largely by the Netherlands following the full implementation of an integrated insurance administration platform at Nationale-Nederlanden in December 2007. This was reflected in lower staffing and technology expenses.

The **combined ratio** increased 2.8% points to 92.4% due to a 4.2% points higher claims ratio, partly offset by a 1.4% points lower expense ratio. The claims experience deteriorated this quarter due to the EUR 26 million release of disability provisions in the third quarter of 2007.

NON-LIFE INSURANCE THE BENELUX
Underlying result before tax (EUR million)



Premium income increased 3.7% to EUR 312 million, mainly through the increase of premium income from income and accident. The Dutch operations were able to maintain their market share, despite fierce competition in the non-life market due to new market entrants and an increasing number of insurers offering their services through the internet.

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

Life Insurance Central & Rest of Europe

Life Insurance Central & Rest of Europe: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	544	548	-0.7%	613	-11.3%	1,765	1,650	7.0%
Total investment and other income	113	99	14.1%	111	1.8%	334	296	12.8%
Operating expenses	79	83	-4.8%	86	-8.1%	243	222	9.5%
Underlying result before tax	99	84	17.9%	88	12.5%	276	249	10.8%
Value of new life business	73	74	-1.4%	63	15.9%	237	143	65.7%
Internal rate of return (YTD)						24.5%	16.8%	
Single premiums	275	168	63.7%	312	-11.9%	798	639	24.9%
Annual premiums	110	128	-14.1%	105	4.8%	342	296	15.5%
New sales (APE)	138	145	-4.8%	136	1.5%	422	360	17.2%
Investment in new business	31	64	-51.6%	39	-20.5%	114	138	-17.4%
Operating expenses Greenfields	5	8	-37.5%	5	0.0%	17	13	30.8%
Expenses as % of AUM (YTD)						0.71%	0.67%	
Expenses as % of gross premiums (YTD)						13.9%	15.1%	
Gross life reserves						10,116	9,508	6.4%

- **Net pension inflows in Central & Rest of Europe increase 48.9%**
- **Successful introduction of the Optima product in Poland**
- **Launch of a regular premium variable annuity in Hungary**

Insurance Central & Rest of Europe continued to steadily expand its position in the region. In Poland, which accounts for about half the region's profit, ING is the number two ranked pension provider with 2.6 million customers and over EUR 9 billion in assets under management. ING received a license this year to begin life operations in the Ukraine. Due to the global financial turmoil and the impact on the Ukrainian economy, ING has decided for the moment to postpone the launch of its these operations in the Ukraine.

Underlying profit before tax continued to develop favourably on business fundamentals, despite the turmoil on the financial markets. Life profit before tax increased EUR 15 million due to a EUR 16 million increase in Poland, driven by EUR 5 million higher fee income due to increased pension inflows, a EUR 5 million release of expense provisions, as well as EUR 5 million favourable currency effects. Higher pension inflows were the result of a higher average contribution per client due to wage inflation and an increased number of clients. For other countries in the region, lower fee income overall was due to unfavourable equity markets and lower sales of investment products.

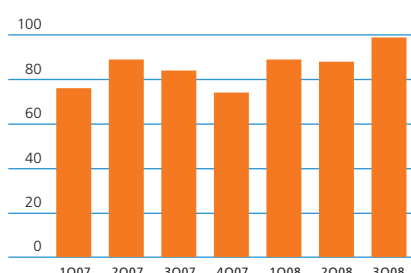
Life premium income of EUR 544 million

was slightly down compared with the third quarter of 2007. In general, this marginal decline was due to lower sales of unit-linked products and variable annuities related to unfavourable equity market conditions. In addition, premium income was negatively impacted by the reclassification for accounting purposes of some insurance products to investment products. However, premium income in Poland increased EUR 90 million due to the successful introduction of a single premium investment product sold through the bank channel.

Expenses decreased 4.8% to EUR 79 million. Greenfield expenses were EUR 3 million lower than in the third quarter of 2007, due to decreased costs in the Russian greenfield.

New sales and **VNB** decreased slightly, although excluding the Romanian second-pillar pension fund that was launched in September of 2007, sales increased 22.2% and VNB 52.5%. The successful launch of the banc-assurance product in Poland drove the sales increase, whereas lottery sales in Romania's second-pillar pension fund added EUR 12 million of VNB based on some 60,000 new participants.

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



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Insurance Americas

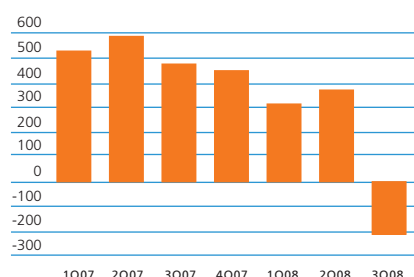
Insurance Americas: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	5,411	5,447	-0.7%	5,550	-2.5%	16,564	15,813	4.7%
Commission income	354	257	37.7%	277	27.8%	933	770	21.2%
Direct investment income	1,233	1,350	-8.7%	905	36.2%	3,392	3,760	-9.8%
Realised gains and fair value changes on inv.	-510	-127	-301.6%	-162	-214.8%	-730	-140	-421.4%
Total investment and other income	723	1,223	-40.9%	742	-2.6%	2,662	3,619	-26.4%
Total underlying income	6,488	6,926	-6.3%	6,569	-1.2%	20,159	20,202	-0.2%
Underwriting expenditure	6,024	5,846	3.0%	5,623	7.1%	17,799	16,686	6.7%
Operating expenses	611	544	12.3%	548	11.5%	1,726	1,653	4.4%
Other interest expenses	66	46	43.5%	22	200.0%	171	240	-28.8%
Other impairments	1	-		1	0.0%	4	-	
Total underlying expenditure	6,702	6,437	4.1%	6,195	8.2%	19,701	18,579	6.0%
Underlying result before tax	-214	490	-143.7%	375	-157.1%	458	1,623	-71.8%
of which result before tax life insurance	-346	359	-196.4%	247	-240.1%	101	1,222	-91.7%
of which result before tax non-life insurance	132	130	1.5%	128	3.1%	357	401	-11.0%
Taxation	-18	131	-113.7%	72	-125.0%	109	438	-75.1%
Underlying net result	-196	359	-154.6%	303	-164.7%	349	1,185	-70.5%
Minority interests	22	26	-15.4%	26	-15.4%	68	90	-24.4%
Underlying net result	-218	333	-165.5%	277	-178.7%	282	1,095	-74.2%
Value of new life business	81	73	11.0%	84	-3.6%	255	159	60.4%
Internal rate of return (YTD)						13.3%	10.8%	
Single premiums	4,402	5,704	-22.8%	4,685	-6.0%	13,071	13,666	-4.4%
Annual premiums	419	388	8.0%	399	5.0%	1,360	1,301	4.5%
New sales (APE)	859	958	-10.3%	867	-0.9%	2,667	2,667	0.0%
Investment in new business	222	293	-24.2%	209	6.2%	663	814	-18.6%
Assets under Management (in EUR bln)						206	211	-2.4%
Gross life reserves						120,417	129,357	-6.9%
Tax ratio	8.6%	26.7%		19.2%		23.7%	27.0%	
Staff (FTEs end of period)						29,527	30,939	-4.6%

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

- Market turmoil triggers underlying loss of EUR 214 million
- Net credit- and interest-related losses amount to EUR 365 million
- VNB up 22.7% excluding currencies

INSURANCE AMERICAS

Underlying result before tax (EUR million)



Market turmoil in the third quarter led to significant credit- and interest-related losses, resulting in a net loss for the region.

Wealth management and insurance sales and the value of new business showed solid growth despite the challenging markets, reflecting Insurance Americas' continued focus on profitable long-term growth through innovative product development and distribution expansion.

Insurance Americas posted an **underlying pre-tax loss** of EUR 214 million driven by EUR 365 million in interest- and credit-related losses, and EUR 130 million in negative equity-related DAC unlocking,

which was reflected in underwriting expenditure. The US incurred EUR 357 million in net impairments and interest-related losses, the EUR 130 million negative equity-related DAC unlocking, as well as negative returns on alternative assets. This led to an underlying loss before tax in the US of EUR 376 million.

Latin America's profit before tax decreased 9.7%, or 7.1% excluding currency effects, to EUR 65 million. This decrease resulted from a decline of EUR 41 million in the life insurance investment income where results fell 40.0%, or 34.8% excluding currencies, to EUR 30 million. These investment results included lower returns on legally required capital in

the pension businesses and lower investment gains in Mexico. Life operating performance remained strong, including a positive contribution from the acquired pension businesses.

An increase of EUR 12 million in Latin America's non-life result reflected a tax reserve release in Brazil and the absence of the loss-making Chile health business which was sold in the first quarter of 2008.

Results in Canada declined a modest 3.0% excluding currencies to EUR 97 million as lower investment results from market volatility offset improved underwriting results and favourable prior-year reserve development. The year-to-date combined ratio was 96.6%, an increase of 340 basis points.

In the third quarter of 2008, the US recorded a tax valuation allowance of EUR 109 million against deferred tax benefit associated with realised capital losses.

Gross premium income across the region was flat, but excluding currencies, increased 8.6%. The US delivered higher annuity and retirement services sales, while Latin America and Canada saw higher sales overall.

Life premium income rose 1.3% or 11.0% excluding currencies, led by higher annuity sales in the US. Variable annuity sales increased 11.5% driven by the LifePay Plus product introduced in August 2007. Variable annuity sales declined 14.5% sequentially, mirroring slowing industry sales caused by market volatility. Sales of fixed annuities, however, jumped 53.2%, as consumers sought safety in fixed products. Retirement services (corporate 401(k), education and IRA) sales increased 0.3%, or 4.8% on a US basis, as plan sponsors delayed decision making amid the market volatility. Sales of individual life fell 3.5%, or 1.9% on a US basis, as strong sales of term life were more than offset by lower sales of investment-related variable universal life

and universal life products.

Net flows in retirement services (corporate 401(k), education and IRA) and variable annuity remained strong at EUR 1,331 million, up 55.2% from the previous-year quarter.

Gross premiums in Latin America declined 25.8%, or 18.0% excluding currencies, primarily due to the divestment of the Chile health business in the first quarter of 2008. Excluding the impact of this divested business, gross premiums increased 32.0% due to solid annuity sales in Chile and Argentina.

In Canada, premium income increased 3.6% excluding currency effects, on higher average premiums in personal lines.

Operating expenses increased 12.3% or 22.0% excluding currencies. This includes the acquired Latin American pension business and CitiStreet, which were not part of ING in the third quarter of 2007. CitiStreet expenses accounted for 14.2 percentage points of the increase while the acquired businesses in Latin America contributed approximately 6.0 percentage points. The remaining 1.8 percentage point increase is attributable to higher wealth management and insurance sales and investments in technology and distribution.

Value of new business increased 11.0%, or 22.7% excluding the impact of currencies, on a tripling of results in Latin America due to higher sales and improving IRRs. Value of new business in the US declined 3.4% excluding currencies on substantially lower sales of spread-lending products, which fell because of adverse market conditions. The value of new business in retirement services (corporate 401(k), education and IRA) increased 12.3%, excluding currency and risk adjustments, led by improving IRRs.

The **internal rate of return** in the

'Solid sales despite market volatility'

Americas rose 250 basis points to 13.3% on broadly improving results across the region.

On 22 July 2008, ING closed the sale of part of its Mexico business for EUR 949 million in proceeds and a gain of EUR 182 million, which is not reflected in the underlying result. On 1 July 2008, ING closed the acquisition of CitiStreet LLC. ING took an after-tax charge of EUR 47 million in the third quarter of 2008 due primarily to the integration of the CitiStreet business, including EUR 27 million related to redundant technologies and EUR 20 million severance and other integration expenses. This is shown as a special item under Insurance Total.

Life Insurance United States

Life Insurance United States: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	4,561	4,522	0.9%	4,649	-1.9%	14,123	13,200	7.0%
Total investment and other income	455	950	-52.1%	550	-17.3%	1,951	2,946	-33.8%
Operating expenses	408	357	14.3%	345	18.3%	1,110	1,098	1.1%
Underlying result before tax	-376	309	-221.7%	201	-287.1%	-14	1,084	n.a.
Value of new life business	56	64	-12.5%	57	-1.8%	177	138	28.3%
Internal rate of return (YTD)						12.4%	10.7%	
Single premiums	3,891	5,654	-31.2%	4,604	-15.5%	12,411	13,521	-8.2%
Annual premiums	296	313	-5.4%	269	10.0%	976	1,076	-9.3%
New Sales (APE)	685	879	-22.1%	729	-6.0%	2,217	2,428	-8.7%
Investment in new business	185	267	-30.7%	176	5.1%	564	737	-23.5%
Expenses as % of AUM (YTD)						0.82%	0.72%	
Expenses as % of gross premiums (YTD)						14.8%	14.1%	
Gross life reserves						117,169	126,225	-7.2%

- Loss triggered by the global financial crisis
- Net credit- and interest-related losses are EUR 357 million
- VNB down 3.4% excluding FX on lower spread-lending sales

Although top-line growth remained solid in the wealth management businesses, volatile financial markets, particularly in September, caused ING US to post a loss during the quarter.

Credit-related losses and impairments – gross of EUR 41 million in DAC offsets – totaled EUR 330 million, EUR 217 million of which related to distressed financial institutions, including Icelandic banks, Lehman Brothers, Washington Mutual, Fannie Mae and Freddie Mac. Impairments on subprime and Alt-A residential mortgage-backed securities accounted for an additional EUR 58 million. The balance of the losses and impairments related to a broad mix of corporate bonds, commercial mortgages and private placements.

Wealth management

The acquisition of CitiStreet LLC was completed on 1 July 2008, making ING the third-largest defined contribution business in the US based on assets under management and administration, and the second-largest based on plan participants.

Despite weak market conditions, sales of retirement services (corporate 401(k), education and IRA) increased 0.3%, or 4.8% on a US basis. In the second quarter of 2008, ING maintained its industry-

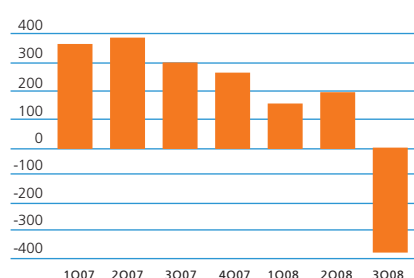
leading sales ranking: #1 in retirement services kindergarten through 12th grade education market sales, and #2 in small corporate plan sales.

Variable annuity sales improved 11.5% on the continued success of the LifePay Plus product introduced in August 2007. Sequentially, sales declined 14.5% as market conditions for equity-related product sales deteriorated and at the same time competitors introduced products with similar features. In the second quarter of 2008, ING's variable annuity sales ranking remained at #3 in new sales compared with #12 a year earlier.

Net flows in variable annuities and retirement services (corporate 401(k), education and IRA) jumped 55.2% to EUR 1,331 million led by strong sales.

Sales of fixed annuities improved 53.2% as customers sought fixed-rate products in the current volatile market environment. In addition, higher crediting rates have made pure fixed annuities more attractive to customers. At the end of second quarter of 2008, ING improved its sales ranking to #13 from #16 a year earlier.

LIFE INSURANCE UNITED STATES
Underlying result before tax (EUR million)



Insurance

Individual life sales fell 3.5%, or 1.9% on a US basis, but were in line with the industry. Higher sales of term products were more than offset by weaker sales of variable universal life and universal life products amid challenging market conditions.

Individual life continued to increase the volume of policies it issued, which helped reduce per policy costs. More than 39,000 new policies were issued during the third quarter of 2008, up 67.6% from a year earlier.

At the end of the second quarter of 2008, ING ranked #9 in individual life sales, up four positions from the second quarter of 2007.

Asset management

Despite difficult market conditions, retail mutual fund sales for the quarter were down only 1.2%.

Underlying result and key figures

The **underlying loss before tax** in the US was EUR 376 million. Unprecedented market disruption led to EUR 357 million of net investment losses, including EUR 289 million of credit-related impairments net of DAC and credit derivatives. The loss also included EUR 130 million of negative equity-related DAC unlocking and EUR 51 million negative return on alternative assets.

Wealth management segment results declined to a loss for the quarter due to negative equity-related DAC unlocking and lower alternative asset returns. Fee income also fell as growth in account balances from strong net flows was overshadowed by the market's impact on account balances and hedging costs. Specifically, the US variable annuity hedging program experienced negative tracking error of EUR 50 million, and EUR 26 million of higher hedge costs due to significant market volatility. As these costs are reflected in IFRS results over time, the P&L loss associated with the

hedging program was EUR 9 million in the third quarter.

Within the insurance segment, improved net mortality in individual life was more than offset by higher claims and lower investment returns in group insurance.

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

Gross premium income increased 10.5% excluding currency effects, to EUR 4,561 million as all lines of business, especially the wealth management segment, generated growth compared with the previous-year quarter.

Excluding currency effects, **operating expenses** increased 25.2% compared with the third quarter of 2007, as the recently acquired CitiStreet business accounted for 21.2 percentage points of the increase. The remaining expense increase reflected the cost of higher sales.

Value of new business declined 3.4% excluding currency effects to EUR 56 million due to substantially lower sales of spread-lending products in light of unfavorable market conditions. This was partially offset by higher sales volumes in the remaining businesses and better margins.

In the wealth management segment, higher sales of variable annuity and retirement services as well as improved margins in fixed annuity helped offset the adverse impact of interest rates on the variable annuity business.

Value of new business in the insurance segment more than tripled to EUR 13 million as margins in individual life improved due to product design enhancements.

The **internal rate of return** in the US improved 140 basis points to 13.1% (on a US basis), mainly driven by better margins in individual life and fixed annuity. IRR in

individual life was up 180 basis points to 9.6%. IRRs in retirement services (corporate 401(k), education and IRA business) and variable annuity remained strong at 19.1% and 13.3%, respectively. The marginal decline in variable annuity reflects the lower interest rate environment.

Non-life Insurance Canada

Non-life Insurance Canada: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	718	747	-3.9%	771	-6.9%	2,061	2,118	-2.7%
Total investment and other income	60	89	-32.6%	60	0.0%	227	257	-11.7%
Operating expenses	137	143	-4.2%	133	3.0%	408	416	-1.9%
Underlying result before tax	97	108	-10.2%	108	-10.2%	283	357	-20.7%
Expense ratio (YTD)						28.8%	27.8%	
Claims ratio (YTD)						67.7%	65.3%	
Combined ratio (YTD)						96.6%	93.2%	
Gross non-life reserves						4,316	4,507	-4.2%

- **Underlying profit before tax down 3.0% excluding FX**
- **Combined ratio up 340 basis points to 96.6%**
- **Solid underwriting profit in all lines except personal property**

The Canadian property and casualty market remains fragmented and well capitalised. Premiums are increasing in personal property and auto, and the commercial environment continues to be competitive. ING Canada's leading market position and underwriting discipline position the company well in this environment.

Underlying profit before tax declined 10.2%, or 3.0% excluding currency effects, to EUR 97 million reflecting lower investment results associated with increased market volatility. Improvements in underwriting profit in all lines, except personal property, which was hampered by a more active storm season, partly offset the decline. Underwriting profit improved by EUR 26 million, as a more favourable prior-year reserve development of EUR 21 million helped to mitigate higher claims frequency in property lines resulting from excessive rain in central Canada. In personal auto insurance, underwriting profit improved, as more favourable prior-year reserve development, lower catastrophe claims and lower frequency sufficiently overcame an increase in severity, resulting in a claims ratio improvement of 380 basis points to 66.8%. Investment results were down in the quarter following a negative revaluation of derivatives and held-for-trading bonds.

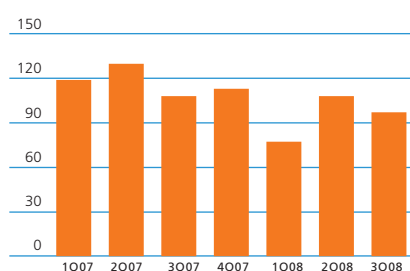
Excluding currency effects, **gross premium income** increased 3.6% to EUR 718 million led by growth in personal

lines, where pricing discipline and rate increases in personal lines drove a decline in units sold, which was more than offset by growth in insured amounts. Commercial premiums declined slightly, even as units increased, reflecting a greater number of smaller accounts with lower annual premiums.

Operating expenses increased 3.0% excluding currency effects, due to increased claims handling costs and higher expenses associated with the direct distribution network.

The year-to-date **combined ratio** increased 340 basis points to 96.6% on improvements in all lines of business except personal property, which was negatively affected by strong storms in Quebec and Ontario and hail, rain and wind storms in central Canada. Combined ratios in commercial lines remained below 90.0%. The impact of changes in interest rates on claims reserves resulted in a 150 basis point increase in the combined ratio.

NON-LIFE INSURANCE CANADA
Underlying result before tax (EUR million)



Insurance Latin America

Insurance Latin America: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	132	178	-25.8%	130	1.5%	380	494	-23.1%
Total investment and other income	208	184	13.0%	132	57.6%	484	417	16.1%
Operating expenses	66	44	50.0%	70	-5.7%	208	139	49.6%
Underlying result before tax	65	72	-9.7%	65	0.0%	189	182	3.8%
of which result before tax life insurance	30	50	-40.0%	46	-34.8%	116	138	-15.9%
of which result before tax non-life insurance	35	22	59.1%	19	84.2%	74	44	68.2%
Value of new life business	25	9	177.8%	26	-3.8%	78	21	271.4%
Internal rate of return (YTD)						17.7%	11.9%	
Single premiums	511	51	902.0%	81	530.9%	660	146	352.1%
Annual premiums	123	75	64.0%	130	-5.4%	384	225	70.7%
New sales (APE)	174	80	117.5%	138	26.1%	450	240	87.5%
Investment in new business	37	26	42.3%	33	12.1%	99	77	28.6%
Expenses as % of AUM (YTD)						0.69%	0.67%	
Expenses as % of gross premiums (YTD)						27.1%	20.7%	
Gross life reserves						3,247	3,132	3.7%

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

- **Underlying profit before tax down 7.1% excluding FX**
- **VNB triples to EUR 25 million**
- **IRR improves 580 basis points to 17.7%**

ING's strong market positions in life and pension businesses across Latin America allowed it to post robust top-line growth, but investment returns declined due to the ongoing financial market crisis.

The government of Argentina recently proposed legislation to nationalise the private pension system. Under the proposal, the pension system assets would be transferred to the state-run system and the company's pension business would be terminated. The proposal is being debated in the Argentine Congress and its outcome and impact to ING are uncertain. The business has a carrying value of EUR 137 million. ING's annuity company is not subject to the proposed nationalisation; but the indirect impact to the company (carrying value of EUR 89 million) would also need to be evaluated.

lower investment gains in Mexico. A tax reserve release in Brazil of EUR 24 million partially mitigated the decline. Excluding these items, operating performance improved throughout the region, including a positive contribution from the acquired pension businesses.

Gross premiums declined 25.8%, or 18.0% excluding currencies, primarily due to the divestment of the Chile health business in the first quarter of 2008. Excluding this impact, gross premiums increased 32.0% due to annuity sales in Chile and Argentina.

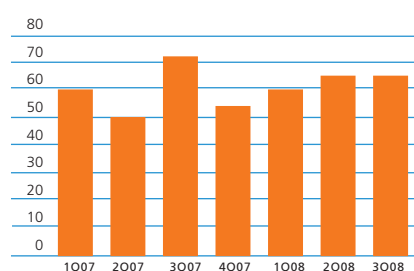
Operating expenses rose EUR 24 million, or 61.0% excluding currencies, reflecting costs of the acquired pension businesses and higher sales, partially offset by the divestment of the Chile health business.

Value of new business tripled to EUR 25 million, primarily due to increased sales, including a positive impact of the acquired pension businesses, as well as improved quality of business in Mexico and Peru. Higher annuity and individual life sales in Chile also contributed to the increase.

Underlying profit before tax decreased 9.7%, or 7.1% excluding currencies, to EUR 65 million reflecting a reduction of EUR 41 million in investment results, all of which was reflected in the life result. Poor financial market conditions throughout the region led to a EUR 22 million decline in returns on legally required capital in the pension businesses and EUR 19 million of

INSURANCE LATIN AMERICA

Underlying result before tax (EUR million)

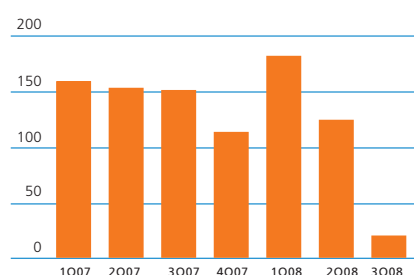


Insurance Asia/Pacific

Insurance Asia/Pacific: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	2,873	3,454	-16.8%	2,883	-0.3%	9,139	9,538	-4.2%
Commission income	82	99	-17.2%	86	-4.7%	262	282	-7.1%
Direct investment income	537	426	26.1%	439	22.3%	1,293	1,115	16.0%
Realised gains and fair value changes on inv.	399	58	587.9%	-433	n.a.	499	-262	290.5%
Total investment and other income	935	484	93.2%	6	n.a.	1,792	853	110.1%
Total underlying income	3,890	4,036	-3.6%	2,975	30.8%	11,193	10,673	4.9%
Underwriting expenditure	3,408	3,543	-3.8%	2,450	39.1%	9,598	9,311	3.1%
Operating expenses	266	292	-8.9%	257	3.5%	807	804	0.4%
Other interest expenses	197	50	294.0%	144	36.8%	464	94	393.6%
Other impairments	-0	-0	n.a.	-0	n.a.	-0	-0	n.a.
Total underlying expenditure	3,871	3,885	-0.4%	2,851	35.8%	10,868	10,209	6.5%
Underlying result before tax	19	151	-87.4%	124	-84.7%	325	463	-29.8%
of which result before tax life insurance	18	151	-88.1%	123	-85.4%	323	455	-29.0%
of which result before tax non-life insurance	1	1	0.0%	1	0.0%	2	8	-75.0%
Taxation	-35	44	-179.5%	40	n.a.	66	151	-56.3%
Underlying net result	54	107	-49.5%	84	-35.7%	259	312	-17.0%
Minority interests	3	10	-70.0%	6	-50.0%	16	32	-50.0%
Underlying net result	51	97	-47.4%	78	-34.6%	243	280	-13.2%
Value of new life business	93	133	-30.1%	93	0.0%	293	314	-6.7%
Internal rate of return (YTD)						16.4%	16.7%	
Single premiums	1,534	2,647	-42.0%	1,757	-12.7%	5,418	7,002	-22.6%
Annual premiums	382	485	-21.2%	358	6.7%	1,186	1,274	-6.9%
New sales (APE)	535	750	-28.7%	534	0.2%	1,728	1,974	-12.5%
Investment in new business	131	142	-7.7%	110	19.1%	378	406	-6.9%
Assets under Management (in EUR bln)						96	108	-11.1%
Operating expenses Greenfields	22	20	10.0%	21	4.8%	70	60	16.7%
Gross life reserves						54,191	52,175	3.9%
Tax ratio	n.a.	28.9%		32.5%		20.2%	32.6%	
Staff (FTEs end of period)						11,476	12,251	-6.3%

- Sales decline 28.7%
- Profit before tax declines to EUR 19 million
- Agreement to sell ING Life Taiwan

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



New sales were impacted by the significant deterioration in investment markets in the third quarter, which reduced demand for investment products in many countries. The contribution to sales by investment-linked products dropped to 39.5% from 73.4% in the third quarter of 2007, reflecting the shift in consumer preferences toward lower-risk products.

Despite the difficult market environment, ING maintained or improved market positions across the Asia-Pacific region, a sign of its strong product portfolio and distribution network. In Japan, ING holds top-three positions in both the single-premium variable annuity (SPVA) and corporate-owned life insurance (COLI)

markets. In Australia, ING ranked second in risk in-force premiums and fifth in retail funds under management, based on the latest available market data. In South Korea, ING continues to be the largest foreign life insurer with a 6.1% market share of in-force premiums. In Malaysia, ING ranks third in the life business, up from sixth a year ago.

ING continued to introduce successful new products adapted to the turbulent market environment. The Smart Design 55 SPVA product was introduced in Japan, offering improved ratchet and accumulation benefit features. An asset-linked interest-sensitive annuity product was launched in Korea, and a capital guaranteed single-premium product was

introduced in Malaysia.

Commercial performance was robust in the Rest of Asia with sales up 37.7%, excluding currency effects. These markets accounted for 13.7% of new sales in the third quarter of 2008, up from just 7.8% in the third quarter of 2007, highlighting the growing diversification of ING's regional business base.

An exclusive distribution agreement with the Royal Bank of Scotland (formerly ABN AMRO) in Hong Kong strengthened ING's bank distribution platform. Sales through TMB Bank, the fourth largest bank in Thailand, were expanded from the Bangkok region to cover TMB's entire branch network of 472 branches and 5 million customers. New sales via banks reached EUR 145 million during the quarter and sales growth through this channel was especially strong in the Rest of Asia, where it was up 147.5% over the same quarter last year.

On 20 October 2008, ING reached an agreement with Fubon Financial Holding Co. Ltd. to sell ING Life Taiwan for a consideration of USD 600 million (EUR 447 million). The transaction will result in a net book loss of EUR 427 million and is expected to be closed in the first quarter of 2009, but will be booked in the fourth quarter of 2008 pending normal regulatory approval. As a consequence of this divestment, the separate Taiwan page has been eliminated from the Quarterly Report.

Underlying profit before tax declined 87.4% to EUR 19 million from EUR 151 million the same period last year. This decline was primarily attributable to faltering investment and credit markets. Impairments on equity and bond investments, pressurised asset classes, losses attributable to financial counterparties resulted in an impact of EUR 54 million while other negative revaluations and one-offs had an additional impact of EUR 47 million.

Japan recorded a loss before tax of EUR 29 million. This was mainly driven by a market-related loss on SPVA and EUR 33 million of impairments on Lehman Brothers and Icelandic bank debt, which was in turn offset by strong profits before impairments from the COLI business.

Profit in Korea declined to EUR 35 million, compared with EUR 69 million in the third quarter last year. This reflected negative revaluations of equity securities and other impairments of EUR 31 million, again offset by profits from a higher premium base.

Profit in Australia/New Zealand declined to EUR 24 million from EUR 49 million in the same quarter last year, driven by a EUR 18 million charge related to a capital guaranteed product, lower fee income on assets under management and reduced capital earnings on weak investment markets.

Gross premium income declined 16.8%, or 10.4% excluding currency effects, driven by the decline in sales. In Japan, premium income fell 29.7% to EUR 1,054 million as SPVA sales weakened due to the effects of the financial crisis. In Australia, income increased 16.7% from the third quarter last year to EUR 112 million, driven by in-force business retention across all risk products and the annual renewal on a large group scheme which increased its cover basis in July 2008. In Taiwan, premium income fell 21.1% to EUR 564 million due to a decline in single premiums from the sales of investment-linked products. Finally, in South Korea premium income rose 17.6%, excluding currency effects, to EUR 821 million. Higher sales in South Korea continue to grow the in-force base and persistency remains strong.

Total investment and other income included fair value changes on derivatives used to hedge Japan's guaranteed SPVA benefits which were offset in **underwriting expenditure**.

'ING maintains its market positions amid market turmoil'

Operating expenses declined 8.9%, or 0.4% excluding currency effects, thanks to disciplined expense management. However, ING continues to selectively invest in distribution initiatives and infrastructure investments to expand its presence across the region.

New sales (APE) for the region declined 28.7%, or 21.0% excluding currency effects, compared with a strong third quarter in 2007 when sales in Australia, Japan and Taiwan grew strongly due to tax incentives, new product introductions and regulatory changes. This quarter, sales in Australia, Japan and Taiwan were driven by the poor market conditions.

Nonetheless, ING maintained its market leadership positions in these markets. Sales were stable in South Korea, excluding currency impacts, and continued to grow strongly in the Rest of Asia.

Consistent with the declines in new sales, the **value of new business** fell 30.1%, or 22.5% excluding currency effects. The overall internal rate of return remained high at 16.4%, broadly consistent with that achieved in 2007.

Life Insurance Australia & New Zealand

Life Insurance Australia & New Zealand: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	112	96	16.7%	54	107.4%	217	193	12.4%
Total investment and other income	34	25	36.0%	27	25.9%	92	78	17.9%
Operating expenses	52	56	-7.1%	48	8.3%	156	160	-2.5%
Underlying result before tax	24	49	-51.0%	38	-36.8%	108	161	-32.9%
Value of new life business	11	15	-26.7%	11	0.0%	33	41	-19.5%
Internal rate of return (YTD)						19.2%	21.3%	
Single premiums	615	1,224	-49.8%	715	-14.0%	2,011	3,407	-41.0%
Annual premiums	37	16	131.3%	26	42.3%	87	65	33.8%
New sales (APE)	99	138	-28.3%	97	2.1%	289	406	-28.8%
Investment in new business	17	14	21.4%	10	70.0%	40	50	-20.0%
Expenses as % of AUM (YTD)						0.53%	0.54%	
Expenses as % of gross premiums (YTD)						19.7%	20.7%	
Gross life reserves						7,818	9,637	-18.9%

- Sales down 28.3% on market deterioration
- ING maintains market positions
- Profit before tax declines to EUR 24 million

Deteriorating investment markets continued to adversely impact the retail funds management sector in Australia in the third quarter. Although assets under management declined 11.8% from the second quarter, ING Australia maintained its ranking as the country's fifth largest retail fund manager. The new term deposit option added to ING Australia's core OneAnswer investment platform attracted 18% of OneAnswer inflows in the third quarter, reflecting the tone of caution among retail investors. ING Australia improved its market position for risk in-force premium, rising from third to second place with a market share of about 13%.

ING also maintained its number one position in the retail funds management market in New Zealand and a leading position in the KiwiSaver market with a 19% market share.

Underlying profit before tax dropped 51.0% to EUR 24 million. Primary contributors to the decline were an EUR 18 million charge related to a capital guaranteed product, lower investment earnings from capital, and reduced fee income due to a decline in assets under management. These negative impacts were partially offset by positive insurance claims experience and lower expenses. ING Australia Holdings saw its profit before tax

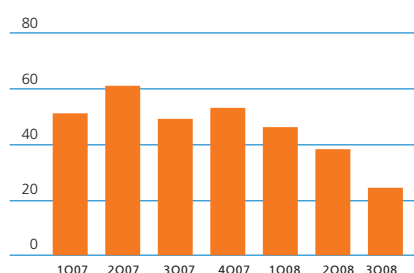
drop due to lower interest income on certain inter-company loan arrangements.

Gross premium income increased 16.7% from the third quarter last year to EUR 112 million. This was driven by in-force business retention across all risk products and the annual renewal on a large group scheme, which increased its cover basis in July 2008. Commission income decreased to EUR 54 million, down 26.0% from the third quarter of 2007, due to lower fee income from assets under management combined with lower fund management sales amid weak financial markets.

Operating expenses decreased 7.1% due to lower volume-driven expenses. Operational restructuring in ING Australia enabled employment and overhead expenses to remain flat compared with last year.

New business sales decreased 28.3% to EUR 99 million, as fund management inflows continue to reflect a significant degree of caution from investors amid market volatility. In addition, sales in the third quarter last year were boosted by one-off incentives for Australian consumers to direct more money into superannuation funds. The value of new business for the quarter declined 26.7% to EUR 11 million, consistent with the decline in APE.

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



Life Insurance Japan

Life Insurance Japan: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	1,054	1,500	-29.7%	1,098	-4.0%	3,227	3,678	-12.3%
Total investment and other income	608	194	213.4%	-275	321.1%	956	90	962.2%
Operating expenses	42	47	-10.6%	46	-8.7%	135	130	3.8%
Underlying result before tax	-29	25	n.a.	27	n.a.	76	37	105.4%
Value of new life business	12	12	0.0%	12	0.0%	42	38	10.5%
Internal rate of return (YTD)						11.8%	11.5%	
Single premiums	723	1,162	-37.8%	778	-7.1%	2,242	2,869	-21.9%
Annual premiums	52	57	-8.8%	41	26.8%	183	170	7.6%
New sales (APE)	124	173	-28.3%	119	4.2%	407	456	-10.7%
Investment in new business	51	53	-3.8%	41	24.4%	147	142	3.5%
Expenses as % of AUM (YTD)						0.50%	0.58%	
Expenses as % of gross premiums (YTD)						6.4%	6.5%	
Gross life reserves						20,146	17,413	15.7%

- **New sales decline 28.3%**
- **ING maintains top 3 positions in COLI and SPVA**
- **Underlying loss before tax of EUR 29 million**

ING maintained its top-three market position in the SPVA market despite adverse market conditions that impacted sales across the industry and increased competition for access to distribution. ING introduced its upgraded Smart Design 55 SPVA product in August, with improved ratchet and accumulation benefit features. By September Smart Design 55 was being distributed through 33 banks and accounted for 29.0% of third-quarter SPVA sales. Cancer products remain the mainstay of the COLI market and accounted for 59.0% of ING Life Japan's COLI sales during the quarter.

ING Life Japan recorded an **underlying loss before tax** of EUR 29 million in the third quarter of 2008, compared with a profit of EUR 25 million the same quarter last year. The SPVA business posted a loss of EUR 17 million. Significant market volatility resulted in direct hedge losses of EUR 93 million. This, combined with other negative market impacts on liabilities that are marked to market, was partially offset by continued accounting asymmetries on the minimum guaranteed death benefit (MGDB) reserves. The pre-tax core technical margin, fees for the cost of guaranteed benefits, expense and insurance charges for the SPVA products amounted to EUR 8 million, or approximately 24 basis points of assets under management on an annualised

basis. COLI profits declined by EUR 34 million compared with the third quarter of 2007, mainly driven by fixed income impairments of EUR 33 million.

Gross premium income was EUR 1,054 million, down 29.7% compared with the third quarter of 2007. The decrease was primarily attributable to lower SPVA sales on weak investment market conditions. COLI premium income remained stable thanks to growth of the in-force base.

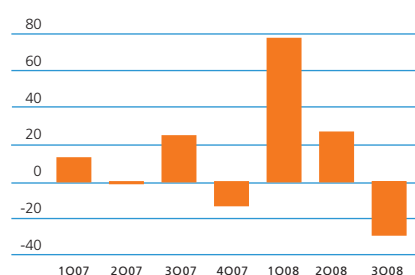
Operating expenses were EUR 42 million, down by 10.6% compared with the same quarter last year, mainly due to lower volumes and cost containment.

New sales declined 28.3% to EUR 124 million compared with the third quarter of 2007, in line with the decline seen industry-wide. SPVA sales were down 37.3% due to volatile stock markets and competitor products being sold through some of ING Life Japan's key distributors. COLI sales were down 8.7%, mainly attributable to the shrinking increasing-term market and increased competition in the cancer product segment.

The **value of new business** remained level at EUR 12 million. A decrease in the value of new business for SPVA products on lower sales and higher hedge costs was offset by increase for COLI products.

LIFE INSURANCE JAPAN

Underlying result before tax (EUR million)



Life Insurance South Korea

Life Insurance South Korea: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	821	896	-8.4%	789	4.1%	2,588	2,741	-5.6%
Total investment and other income	57	89	-36.0%	84	-32.1%	234	255	-8.2%
Operating expenses	54	67	-19.4%	57	-5.3%	175	181	-3.3%
Underlying result before tax	35	69	-49.3%	52	-32.7%	143	222	-35.6%
Value of new life business	26	43	-39.5%	27	-3.7%	81	102	-20.6%
Internal rate of return (YTD)						19.2%	24.8%	
Single premiums	93	77	20.8%	63	47.6%	335	320	4.7%
Annual premiums	178	239	-25.5%	183	-2.7%	574	640	-10.3%
New sales (APE)	187	247	-24.3%	190	-1.6%	607	673	-9.8%
Investment in new business	20	22	-9.1%	18	11.1%	73	64	14.1%
Expenses as % of AUM (YTD)						1.45%	4.36%	
Expenses as % of gross premiums (YTD)						9.6%	8.8%	
Gross life reserves						7,893	8,769	-10.0%

- **New sales resilient despite market conditions**
- **ING maintains position as largest foreign life insurer in Korea and increases market share**
- **Underlying profit before tax declines 49.3%**

Despite equity market declines impacting investment-linked product sales, new sales were almost flat compared with the same quarter last year, down 2.6% excluding currency effects. ING Life Korea maintained its position as the largest foreign life insurer in South Korea with a 6.1% market share as of 30 June 2008, up slightly from 6.0% last year. A new asset-linked interest-sensitive product was introduced in the quarter and accounted for about 13% of third-quarter sales. Sales via banks continued to grow strongly by 28%, mainly through Kookmin Bank. ING Life Korea, together with KB Life, has reached the maximum allowable combined sales limit of 33% through Kookmin Bank. The company led the market in terms of new business production through banks with a market share of about 11%, as of September year to date.

Underlying profit before tax declined to EUR 35 million, down 49.3%, or 35.2% excluding currency effects. Ongoing adverse market conditions led to EUR 31 million in investment losses, which reflect negative revaluations of EUR 19 million on an equity derivative fund, EUR 9 million on a CDO, and EUR 3 million in impairments on debt securities. Morbidity experience also continued to be unfavourable. However these impacts were partially offset by the increase in

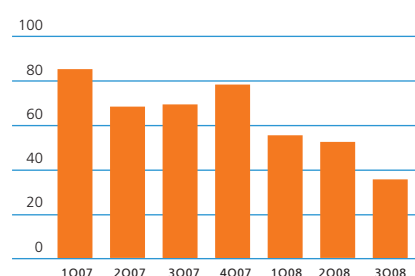
profit resulting from a higher in-force premium base.

Gross premium income decreased 8.4% but increased 17.6%, excluding currency effects, as sales continued to grow the in-force base and persistency remained strong. Total investment and other income declined 36.0% to EUR 57 million and reflected revaluations and impairments.

Operating expenses decreased by 19.4%, but were up 3.8% excluding currency effects, despite the impact of a higher premium base as active cost management helped to control the growth in expenses.

New sales fell 24.3%, or 2.6%, excluding currency effects, to EUR 187 million. This relatively resilient performance amid the difficult market environment was driven by strong sales at KB Life, which were up 119.5% excluding currency effects. The value of new business declined 39.5%, or 21.2% excluding currency effects, to EUR 26 million, primarily due to a shift in consumer preferences away from higher-margin variable products.

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



Life Insurance Rest of Asia

Life Insurance Rest of Asia: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Gross premium income	315	239	31.8%	281	12.1%	933	691	35.0%
Total investment and other income	37	57	-35.1%	51	-27.5%	137	186	-26.3%
Operating expenses	63	59	6.8%	56	12.5%	182	161	13.0%
Underlying result before tax	-12	8	-250.0%	5	n.a.	-4	41	-109.8%
Value of new life business	15	9	66.7%	12	25.0%	39	8	387.5%
Internal rate of return (YTD)						13.9%	9.1%	
Single premiums	82	30	173.3%	57	43.9%	247	74	233.8%
Annual premiums	65	56	16.1%	59	10.2%	187	147	27.2%
New sales (APE)	73	59	23.7%	65	12.3%	212	154	37.7%
Investment in new business	24	15	60.0%	23	4.3%	68	56	21.4%
Operating expenses Greenfields	22	20	10.0%	21	4.8%	70	60	16.7%
Expenses as % of AUM (YTD)						0.82%	0.73%	
Expenses as % of gross premiums (YTD)						14.1%	14.8%	
Gross life reserves						4,059	3,482	16.6%

- **New sales up 37.7% excluding currency impact**
- **Exclusive bank distribution alliance with the RBS in Hong Kong**
- **VNB up to EUR 15 million on robust sales growth**

Commercial growth remained strong in the Rest of Asia despite falling stock markets and political instability in some countries. New sales growth via banks was especially robust at over 100%. ING extended its distribution capabilities in this channel by signing an exclusive distribution agreement with the RBS (formerly ABN AMRO) in Hong Kong and expanding production through TMB Bank in Thailand from the Bangkok region to the entire country. New sales in China doubled for the third consecutive quarter. In Malaysia, ING launched a highly successful single-premium capital-guaranteed investment-linked product through Public Bank, with premium income of approximately EUR 30 million within a month of launch.

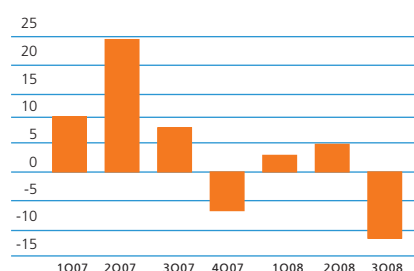
The **Underlying loss before tax** was EUR 12 million compared to a profit before tax of EUR 8 million in the third quarter of 2007. This decline was mainly due to EUR 10 million in negative revaluations and debt impairments and a EUR 8 million adjustment to the deferred acquisition cost balance in Thailand. In Malaysia, the EUR 4 million profit improvement was largely offset by increased expenses to support the rapid growth in sales in the region.

Gross premium income increased 31.8%, or 42.5% excluding currency effects, to EUR 315 million driven by new sales, especially in Malaysia and Hong Kong. Gross premium income in Malaysia rose 34.8% to EUR 147 million while Hong Kong saw its premium income grow 34.6% to EUR 93 million.

Operating expenses increased 6.8%, or 16.7% excluding currency effects driven by investments. The rise in expenses supported the robust growth in new business.

New sales were up 23.7%, or 37.7% excluding currency effects, with all markets in the region contributing solid double-digit growth rates. Malaysia was the largest contributor to sales, with production up 25.3%, excluding currency effects, to EUR 23 million on the success of its capital guaranteed investment-linked product. ING ranked third in the life business in Malaysia through June 2008, up from sixth a year ago while maintaining its top ranking in the employee benefits business. The value of new business increased to EUR 15 million compared with EUR 9 million in the third quarter of 2007 on higher sales and improved product mix.

LIFE INSURANCE REST OF ASIA
Underlying result before tax (EUR million)



Corporate Line Insurance

Corporate Line Insurance									
EUR million	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	3Q vs 3Q	3Q vs 2Q
Interest on hybrids and core debt	-185	-218	-167	-196	-157	-174	-160	-27	33
Fair value changes equity derivatives	158	61	130	-27	-2	-13	-23	160	97
Fair value changes other derivatives	-11	38	-47	-34	-36	15	-3	26	-49
Amortisation intangible assets	-33	-16	-16	0	0	0	0	-33	-17
Other results Capital Management	-0	17	30	31	12	14	9	-12	-17
Capital Management	-70	-118	-71	-226	-184	-157	-178	114	48
Capital gains on public equity	148	669	92	1,283	590	803	246	-442	-521
Impairments on public equity	-416	-197	-37	-25	-1	-1	-8	-415	-220
Notional income	-112	-112	-114	-104	-103	-112	-114	-9	1
Gains/impairments on public equity after notional income	-380	360	-58	1,154	486	690	123	-866	-740
Results from reinsurance run-off portfolios	14	0	3	5	8	2	-20	6	14
Other	-17	7	9	-36	-19	-4	-10	2	-24
Underlying result before tax	-453	250	-117	896	291	532	-84	-744	-702
Taxation	-72	-63	-65	-39	-67	-32	-64	-5	-9
Minority interests	-17	-7	-17	-16	-2	2	-6	-14	-10
Underlying net result	-364	319	-35	951	361	561	-15	-725	-683
Net gains/losses on divestments		2	-17	-129				0	-2
Net profit from divestments									
Special items after tax									
Total net result	-364	321	-52	822	361	561	-15	-725	-685

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

The Corporate Line had an **underlying loss before tax** of EUR 453 million versus a profit of EUR 291 million in the third quarter last year.

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

The Capital Management result improved

EUR 114 million, mainly due to EUR 158 million in positive revaluations of derivatives used to hedge ING's equity portfolio (this excludes EUR 46 million in revaluations on additional equity hedges in the Netherlands), which were partly offset by EUR 33 million in amortisation of intangible assets related to the acquisition of the Latin American pension business including a EUR 17 million catch-up effect due to a change in the amortisation pattern.

All capital gains and losses on public equities net of equity impairments realised in the lines of business are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the business units. The remainder is presented on the Corporate Line as 'Gains on equities after notional income'.

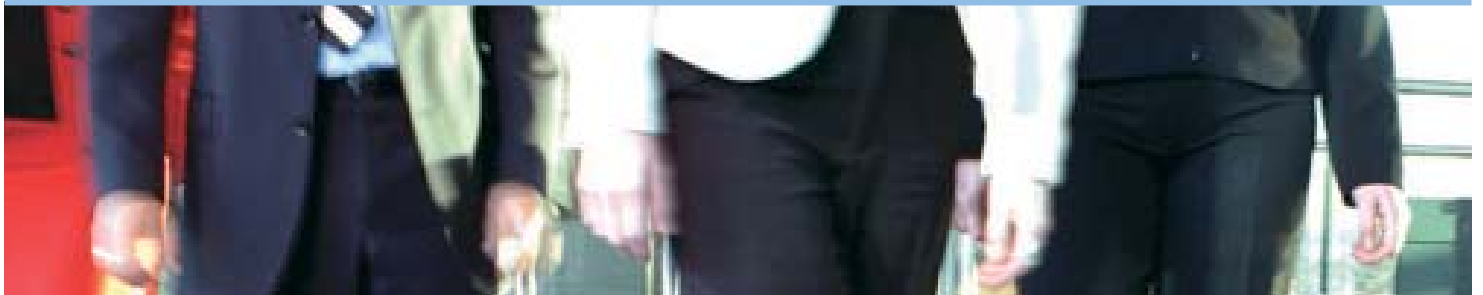
The dividends received on the equity portfolio are not transferred to the Corporate Line but stay within the business units. Capital gains on public equity amounted to EUR 148 million

versus gains of EUR 590 million last year, which included EUR 455 million gains on ABN AMRO shares. Impairments on equity increased to EUR 416 million versus EUR 1 million last year.

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Banking





Third quarter results in ING's banking business reflect impairments and negative fair value changes on assets combined with higher risk costs. Commercial performance was still solid with both higher client balances and an improved interest margin.

Banking Total

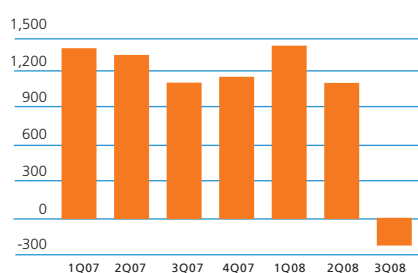
Banking: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Interest result	2,643	2,274	16.2%	2,666	-0.9%	7,869	6,754	16.5%
Commission income	704	753	-6.5%	753	-6.5%	2,176	2,238	-2.8%
Investment income	-517	158	-427.2%	-185		-613	743	-182.5%
Other income	-205	309	-166.3%	530	-138.7%	878	1,187	-26.0%
Total underlying income	2,625	3,493	-24.8%	3,765	-30.3%	10,310	10,922	-5.6%
Operating expenses	2,468	2,321	6.3%	2,430	1.6%	7,316	7,013	4.3%
Gross result	157	1,172	-86.6%	1,334	-88.2%	2,994	3,909	-23.4%
Addition to loan loss provision	373	69	440.6%	234	59.4%	704	93	657.0%
Underlying result before tax	-216	1,103	-119.6%	1,101	-119.6%	2,290	3,816	-40.0%
Taxation	-118	208	-156.7%	249	-147.4%	533	723	-26.3%
Result before minority interests	-98	895	-110.9%	852	-111.5%	1,757	3,093	-43.2%
Minority interest	4	33	-87.9%	-45		-29	86	-133.7%
Underlying net result	-101	862	-111.7%	897	-111.3%	1,786	3,006	-40.6%
Net gains/losses on divestments	0	26		0		0	26	
Net result from divested units	0	0		0		0	0	
Special items after tax	-27	-83		-28		-148	-271	
Net result from Banking	-128	805	-115.9%	869	-114.7%	1,638	2,761	-40.7%
Net return on equity (year-to-date)				14.7%		9.1%	17.6%	
Interest margin	1.00%	0.91%		1.05%		1.02%	0.94%	
Underlying cost/income ratio	94.0%	66.5%		64.6%		71.0%	64.2%	
Risk costs in bp of average CRWA	54	8		36		36	4	
Risk-weighted assets (end of period)	329,568	373,209	-11.7%	322,582	2.2%	329,568	373,209	-11.7%
Underlying RAROC before tax	-4.2%	24.6%		20.2%		13.5%	27.9%	
Underlying RAROC after tax	-1.9%	20.6%		15.7%		10.4%	23.4%	
Economic capital (average over period)	18,963	13,995	35.5%	18,818	0.8%	18,649	14,322	30.2%
Underlying tax rate	54.8%	18.8%		22.6%		23.3%	18.9%	
Staff (FTEs end of period)	75,142	65,475	14.8%	73,393	2.4%	75,142	65,475	14.8%

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

- **Underlying net result of EUR -101 million in 3Q2008**
- **Excluding impact of market turmoil, underlying result before tax down 14.1%**
- **Risk costs increased to 54 bps**

BANKING TOTAL

Underlying result before tax (EUR million)



Turmoil in the financial markets, declining asset prices and the appreciation of the US dollar affected the banking results in the third quarter. These factors resulted in EUR 545 million of impairments on bonds and equity investments, EUR 155 million of negative fair value changes on financial counterparties and real estate, an accounting loss of EUR 292 million on an FX hedge due to the strong appreciation of the US dollar (offset by an increase in the currency translation reserve), and a provision for the deposits guarantee related to Icelandic banks.

The volatile items affected the Financial Markets activities at Wholesale Banking, ING Real Estate, ING Direct and the Corporate Line Banking. At ING Direct, the market turmoil resulted in EUR 217 million of impairments, of which EUR 130

million were related to the Alt-A residential mortgage-backed securities portfolio in the US. The Wholesale Financial Markets activities recorded EUR 211 million of impairments and fair value losses mainly related to financial counterparties, while the market turmoil resulted in a EUR 88 million downward valuation of ING Real Estate's assets and of the associated value of listed funds. The Corporate Line recorded a loss of EUR 576 million due to an impairment of an equity stake, a provision for the deposits guarantee and the loss on the FX hedge.

Risk costs increased from EUR 69 million in the third quarter of 2007 to EUR 373 million this quarter, including EUR 72 million for defaulted Icelandic banks.

An underlying result before tax of EUR

-216 million was recorded in the third quarter of 2008 compared with a profit of EUR 1,103 million in the same quarter last year. This loss was driven by the above-mentioned impact from the market turmoil and the increase in risk costs. This was only in part offset by an improvement of the interest margin and higher valuation results on non-trading derivatives. Excluding the impact of the market turmoil and the related risk costs for Icelandic banks, underlying result before tax declined 14.1% to EUR 948 million from EUR 1,103 million in the third quarter of 2007.

The net underlying result of EUR -101 million in the third quarter was positively affected by the revision of tax returns from previous years. Year-to-date, the underlying net result declined 40.6% to EUR 1,786 million from EUR 3,006 million in the first nine months of 2007.

The total net result of EUR -128 million in the third quarter includes EUR 27 million of one-off charges booked as a special item related to the combining of ING Bank and Postbank in the Netherlands.

Total underlying income declined 24.8% compared with the third quarter of 2007. In the first nine months of 2008, the decrease was limited to 5.6% as the first half of 2008 showed an underlying income growth of 3.4%.

The interest result rose 16.2%, driven by a further increase in volumes and an improvement of the interest margin. The total interest margin increased to 1.00%, up 9 basis points compared with the third quarter of 2007, of which 1 basis point was due to the inclusion of ING Bank Turkey and 6 basis points to a higher margin at ING Direct. The interest margin of ING Direct increased 22 basis points to 0.96%, mainly thanks to the improved interest rate environment in the US.

Total loans and advances to customers of the banking operations increased by EUR 40.9 billion in the third quarter to EUR

608.3 billion at the end of September, supported by a EUR 4.4 billion positive impact from currencies. Corporate lending rose 9.6%, or EUR 28.2 billion, of which EUR 15.4 billion was outside the Netherlands. Residential mortgages were up EUR 12.2 billion, of which EUR 3.8 billion was in the Netherlands including EUR 2.6 billion from the transfer of a portfolio from ING Insurance to ING Bank. At ING Direct residential mortgages grew by EUR 7.5 billion, supported by a EUR 1.1 billion positive impact from currencies.

Customer deposits and other funds on deposit of the banking operations rose by EUR 23.1 billion in the third quarter to EUR 565.8 billion, supported by a positive impact from currencies of EUR 5.0 billion. Total savings increased by EUR 9.4 billion, mainly at ING Direct, while current accounts were EUR 6.5 billion higher compared with the end of June.

Commission income declined 6.5% due to lower fees from the securities business and asset management activities, while brokerage & advisory fees increased. The increase in funds transfer commission was caused by a reclassification from other commission. Investment income declined from EUR 158 million in the third quarter of 2007 to EUR -517 million in the third quarter of 2008, which included EUR 545 million of impairments on bonds and equity securities and EUR 66 million of negative fair value changes on real estate. Other income decreased from EUR 309 million in the third quarter of 2007 to EUR -205 million. The negative other income in this quarter was mainly caused by the FX loss due to the appreciation of the US dollar, losses on Lehman Brothers and the provision for the deposits guarantee, as well as EUR 22 million negative fair value changes at real estate associates.

Underlying operating expenses increased 6.3%, or EUR 147 million. Excluding the acquisition of ING Bank Turkey and Interhyp in Germany, non-recurring expenses, and the impact of currencies, operating expenses were up

5.6% mainly due to investments to support the growth of the business at ING Direct and the retail banking activities in developing markets. In the mature businesses, recurring operating expenses were up 3.4%. The number of employees rose to 75,142 from 65,475 at the end of September 2007, of which 6,776 come from ING Bank Turkey and Interhyp.

The continued turmoil in the credit markets, including the impact of defaulted Icelandic banks, led to an increase of net risk costs. ING Bank added EUR 373 million to the **loan loss provisions**, compared with EUR 69 million in the third quarter of 2007 and EUR 234 million in the second quarter of 2008. Gross additions to the loan loss provisions were EUR 449 million in the third quarter of 2008 compared with EUR 335 million in the second quarter. Releases declined to EUR 76 million, the lowest level in the past few years.

The **underlying risk-adjusted return on capital (RAROC) after tax** decreased to -1.9% from 20.6% in the third quarter last year, reflecting the negative impact from the market turmoil and a strong increase in economic capital. Average economic capital rose to EUR 19.0 billion from EUR 14.0 billion, of which EUR 0.9 billion was due to the inclusion of ING Bank Turkey and TMB Bank in Thailand. Economic capital of Wholesale Banking rose by EUR 3.1 billion, including EUR 0.8 billion at ING Real Estate, partly due to methodology refinements. Excluding the impact of the market turmoil, RAROC after tax in the third quarter of 2008 would have been approximately 15%.

Total risk-weighted assets rose 2.2% in the third quarter to EUR 329.6 billion at 30 September 2008. Compared with a year ago, risk-weighted assets declined 11.7%. This decline is fully caused by the implementation of Basel II as from 2008 due to the relatively low risk profile of ING Bank's balance sheet, while the 2007 figures were still based on Basel I.

Wholesale Banking

Wholesale Banking: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Interest result	738	426	73.2%	746	-1.1%	2,095	1,299	61.3%
Commission income	293	333	-12.0%	335	-12.5%	916	954	-4.0%
Investment income	-141	141	-200.0%	-88		-189	615	-130.7%
Other income	60	103	-41.7%	186	-67.7%	613	733	-16.4%
Total underlying income	950	1,003	-5.3%	1,178	-19.4%	3,435	3,601	-4.6%
Operating expenses	715	697	2.6%	695	2.9%	2,119	2,106	0.6%
Gross result	234	306	-23.5%	483	-51.6%	1,317	1,495	-11.9%
Addition to loan loss provision	195	28	596.4%	117	66.7%	342	-52	
Underlying result before tax	40	279	-85.7%	365	-89.0%	975	1,547	-37.0%
- of which General Lending & PCM	7	97	-92.8%	137	-94.9%	250	335	-25.4%
- of which Structured Finance	132	38	247.4%	47	180.9%	246	290	-15.2%
- of which Leasing & Factoring	31	36	-13.9%	40	-22.5%	112	120	-6.7%
- of which Financial Markets	-68	1		275	-124.7%	474	312	51.9%
- of which Other Wholesale products	-48	-61		9	-633.3%	-58	-29	
- of which ING Real Estate	-13	168	-107.7%	-143		-49	519	-109.4%
Taxation	-17	23	-173.9%	106	-116.0%	275	160	71.9%
Result before minority interests	57	256	-77.7%	259	-78.0%	700	1,387	-49.5%
Minority interest	-7	20	-135.0%	-60		-67	53	-226.4%
Underlying net result	64	235	-72.8%	320	-80.0%	767	1,334	-42.5%
Underlying cost/income ratio	75.3%	69.5%		59.0%		61.7%	58.5%	
Risk costs in bp of average CRWA	51	8		32		31	-5	
Risk-weighted assets (end of period)	185,951	153,256	21.3%	178,951	3.9%	185,951	153,256	21.3%
Underlying RAROC before tax	4.1%	12.6%		14.0%		13.3%	22.9%	
Underlying RAROC after tax	4.3%	12.9%		9.9%		9.6%	22.2%	
Economic capital (average over period)	9,253	6,250	48.0%	9,020	2.6%	9,091	6,657	36.6%
Staff (FTEs end of period)	15,715	14,855	5.8%	15,416	1.9%	15,715	14,855	5.8%

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

- **Result before tax down 85.7%, but excluding impact market turmoil up 47.3%**
- **ING Real Estate and Financial Markets affected by turmoil**
- **Substantially higher income in General Lending and Structured Finance**

Wholesale Banking posted a pre-tax result of EUR 40 million in what was a highly turbulent quarter. Income remained fairly resilient compared with the same quarter last year. Credit related markdowns and impairments negatively impacted the results of Financial Markets and ING Real Estate, while revenues in the lending business were strong. Higher loan loss provisions in General Lending were driven by a EUR 72 million addition due to the collapse of three major banks in Iceland.

The deterioration of the financial markets in September resulted in EUR 211 million of fair value losses and impairments within the Financial Markets business line. This figure includes losses on Lehman Brothers and Washington Mutual, and impairments on a collateralised debt obligation (CDO) due to significant losses on underlying credits from financial

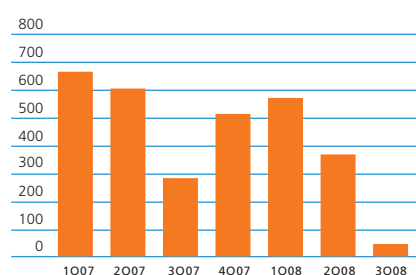
institutions. Excluding these items, underlying business development remained solid. Sales income continued to rise, while income from Asset & Liability Management increased, supported by interest rate volatility.

Real estate markets remained vulnerable to further declines in many parts of the world, particularly in Canada and Australia. This resulted in EUR 88 million negative revaluations in ING Real Estate's Investment Portfolio. The total portfolio of ING Real Estate in the third quarter grew by EUR 3.6 billion to EUR 115.0 billion, of which EUR 1.9 billion was in ING Real Estate Finance.

The credit crisis has significantly reshaped the financial landscape, including in ING's home markets. There was a drastic reduction in the availability of credit and a

WHOLESALE BANKING

Underlying result before tax (EUR million)



sharp increase in spreads. Structured Finance saw strong demand from borrowers. Selective volume growth in both General Lending and Structured Finance could be coupled with higher margins.

Operational performance in the third quarter was strong. Structured Finance posted its best quarterly result ever, while General Lending and Financial Markets continued to increase their client income. This strong underlying performance was offset by the turmoil on the financial markets and declining market prices as well as the collapse of the Icelandic banks, which taken together had a negative impact on result before tax of EUR 371 million. Wholesale Banking posted a **pre-tax result** of EUR 40 million. Excluding the negative impact from the turmoil, underlying result before tax rose 47.3% compared with the third quarter of 2007.

Income declined 5.3% compared with the third quarter last year, due to EUR 211 million credit related markdowns and impairments within Financial Markets and the EUR 88 million negative fair value changes at ING Real Estate. In the third quarter of 2007, ING Real Estate had posted a EUR 94 million positive fair value change. Excluding fair value changes in both quarters, income for ING Real Estate improved 11.2%, mainly thanks to portfolio growth in Finance.

Income for Wholesale Banking excluding ING Real Estate increased 15.1%. Structured Finance had a very strong quarter, with income doubling on the year before. ING benefited in particular from high demand for credit in Natural Resources, International Trade & Export Finance and Asset Based Finance.

General Lending & PCM continued their upward trend, with income increasing 38.5% on last year and 3.7% on the previous quarter. This was supported by selective disciplined asset growth in General Lending, at higher margins.

Leasing & Factoring income rose 7.4%. The general lease portfolio continued to grow despite the difficult market circumstances. Car Lease income was adversely impacted by lower prices on the used vehicle market.

Sales income in ING's Financial Markets business line increased further. Revenues from Asset & Liability Management were also up, fuelled by interest rate volatility. However, this could not fully compensate a loss of EUR 211 million on pressurised assets. These losses include a EUR 87 million loss on a CDO and EUR 124 million of impairments, fair value adjustments and losses on financial institutions.

Income for Other Wholesale products declined, including a decrease in Corporate Finance fees as well as lower sales and trading results for the Equity Markets business line.

Operating expenses were well under control, increasing just 2.6% in the third quarter. This includes the favourable impact of lower compliance costs and the strengthening of the euro compared to 2007. The cost/income ratio was 75.3% compared with 69.5% in the same quarter last year. Excluding the credit crisis related impact on income, the cost/income ratio in the third quarter would have been 57.3%.

The net addition to loan loss provisions increased to EUR 195 million from EUR 28 million in the third quarter of 2007. For General Lending risk costs increased to EUR 126 million, including EUR 72 million for the Icelandic banks, while the third quarter of 2007 still showed a net release. Additions to the loan loss provision for Structured Finance rose to EUR 48 million from EUR 13 million, but declined compared with the second quarter of 2008, which included relatively high additions in two specific areas.

The **RAROC after tax** declined to 4.3% from 12.9%. This was attributable to the

'Income growth in General Lending and Structured Finance'

market turmoil and a 48.0% increase in economic capital, which was heavily impacted by model changes due to the implementation of Basel II. Compared with the prior quarter, economic capital increased 2.6%.

General Lending & PCM

Wholesale Banking General Lending & PCM: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	277	200	38.5%	267	3.7%	786	661	18.9%
Operating expenses	145	127	14.2%	145	0.0%	428	408	4.9%
Gross result	133	72	84.7%	122	9.0%	358	253	41.5%
Addition to loan loss provision	126	-25		-16		108	-82	
Underlying result before tax	7	97	-92.8%	137	-94.9%	250	335	-25.4%
Underlying cost/income ratio	52.1%	63.7%		54.3%		54.4%	61.8%	
Underlying RAROC before tax	13.2%	8.8%		10.8%		11.1%	7.8%	
Underlying RAROC after tax	11.2%	8.1%		8.4%		9.0%	7.9%	
Economic capital (average over period)	2,249	1,465	53.5%	1,907	17.9%	2,134	1,653	29.1%

- **Strong income growth with both higher volumes and margins**
- **Loan loss provisions include EUR 72 million for Icelandic banks**
- **RAROC after tax up to 11.2% from 8.1%**

The turbulent market circumstances, especially in the Netherlands and Belgium, offered General Lending the opportunity to pursue selective growth. General Lending results were particularly strong in the Netherlands and in Central & Eastern Europe. The balance between growth of the loan portfolio and margins continues to be strictly managed given the market circumstances. The favourable trend in income for General Lending was offset by high loan loss provisions in the third quarter, of which EUR 72 million referred to Icelandic banks. ING's Payments & Cash Management (PCM) business obtained outsourcing agreements with a number of smaller financial institutions. This was attributable to the bank's increasing recognition as one of the most advanced providers of PCM services within the SEPA zone.

The low **underlying result before tax** of EUR 7 million in the third quarter of 2008 was fully attributable to higher additions to the provision for loan losses. Large provisions were booked on a few specific files, especially for Icelandic banks. The gross result increased 84.7% compared with the third quarter of 2007 and 9.0% over the previous quarter, fuelled by a considerable growth in income.

Income rose 38.5% compared with the same quarter in 2007. Higher income was supported by growth in volumes, particularly in General Lending, which was driven by a strong demand for credit.

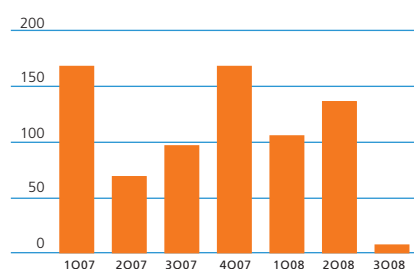
The selective asset growth was disciplined in both risk and price, which led to higher interest margins. Compared with the previous quarter income rose 3.7% as higher interest results were partly offset by lower investment income.

Operating expenses remained flat compared with the previous quarter. Compared with the third quarter of 2007, expenses rose 14.2%. This was driven, amongst others, by the strengthening of the sales force.

Loan loss provisions amounted to EUR 126 million after six consecutive quarters with net releases. The majority of the increase in risk costs was EUR 72 million related to provisions taken on three major Icelandic banks.

After-tax RAROC came out at 11.2% in the third quarter. This was well above the 8.1% posted in the third quarter of 2007 and the 8.4% reported in the previous quarter. The increase was driven by higher income.

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



Structured Finance

Wholesale Banking Structured Finance: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	272	134	103.0%	231	17.7%	675	546	23.6%
Operating expenses	92	83	10.8%	88	4.5%	263	251	4.8%
Gross result	180	51	252.9%	143	25.9%	412	295	39.7%
Addition to loan loss provision	48	13	269.2%	97	-50.5%	166	5	
Underlying result before tax	132	38	247.4%	47	180.9%	246	290	-15.2%
Underlying cost/income ratio	34.0%	62.3%		38.0%		39.0%	46.0%	
Underlying RAROC before tax	36.5%	7.0%		28.7%		28.5%	32.6%	
Underlying RAROC after tax	31.4%	10.0%		22.2%		24.1%	30.0%	
Economic capital (average over period)	1,496	987	51.6%	1,360	10.0%	1,366	891	53.3%

- Record quarter with increasing income
- Underlying result before tax more than tripled
- RAROC after tax improves to 31.4%

Demand from borrowers remained strong in Structured Finance due to the market-wide reduction in available credit. ING continued to support clients' funding needs. The scarcity of lending resulted in further increases in margins, especially in the US. In Western Europe and Asia, price increases were more modest in absolute terms, but high by historical comparisons. Deal flow was particularly robust in Natural Resources, where ING has established advisory teams in London and Singapore to extend its capability. International Trade & Export Finance again posted strong results, particularly in the commodity finance area. Leveraged Finance led a number of European transactions, which were successfully syndicated.

At the end of the third quarter, ING had a total leveraged finance exposure of EUR 8.3 billion, against EUR 8.2 billion at 30 June 2008. ING's leveraged finance underwriting pipeline declined from EUR 1.0 billion at 30 June 2008 to EUR 0.3 billion at 30 September 2008.

Underlying result before tax increased 247.4% compared with the third quarter of 2007, which included a EUR 29 million markdown on Leveraged Finance positions. Excluding this markdown, result before tax almost doubled. The strong result was driven by both higher interest and commission income. This could more than compensate for higher loan loss provisions, although risk costs were lower

than in the second quarter.

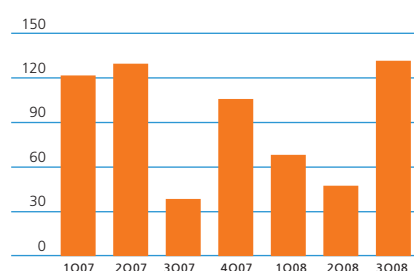
Income reached a record level and more than doubled on the same quarter last year. This was partly attributable to the EUR 29 million markdown booked in the third quarter of 2007. Excluding this markdown, revenues jumped 67%, driven by higher demand from borrowers against higher margins. Strong results were achieved in International Trade & Export Finance, Natural Resources and Asset Based Finance. Compared with the previous quarter, income rose 17.7%.

Operating expenses increased 10.8% reflecting headcount growth in specific areas to meet rising demand and the impact of salary increases. This was partly offset by a strengthening of the euro. In comparison with the previous quarter, expenses increased 4.5%.

The **net addition to loan loss provisions** amounted to EUR 48 million compared with EUR 13 million in the third quarter of 2007. The higher risk costs were attributable to three specific files within Leveraged Finance.

After-tax RAROC increased to 31.4% from 10.0% on the back of the strong growth in income. Compared with last year, economic capital rose 51.6%. This partly reflects growth in the lending portfolio, but was mainly caused by model changes in 2008 due to the implementation of Basel II.

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



Leasing & Factoring

Wholesale Banking Leasing & Factoring: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	101	94	7.4%	108	-6.5%	314	297	5.7%
Operating expenses	58	52	11.5%	60	-3.3%	178	161	10.6%
Gross result	43	42	2.4%	48	-10.4%	137	136	0.7%
Addition to loan loss provision	12	6	100.0%	7	71.4%	25	16	56.3%
Underlying result before tax	31	36	-13.9%	40	-22.5%	112	120	-6.7%
Underlying cost/income ratio	57.3%	55.3%		55.7%		56.5%	54.2%	
Underlying RAROC before tax	32.3%	33.3%		35.4%		31.2%	29.2%	
Underlying RAROC after tax	24.3%	21.7%		24.4%		22.3%	18.1%	
Economic capital (average over period)	425	389	9.3%	431	-1.4%	465	451	3.1%

- **Income up 7.4% on the back of volume growth**
- **Higher risk costs for the general lease activities**
- **RAROC after tax improves to 24.3% from 21.7%**

The general lease portfolio continued to grow during the third quarter. Gradual margin increases on new lease production progressively compensated for rising funding costs. In the Netherlands a new e-leasing tool was successfully introduced, speeding up the application and credit process. ING Car Lease experienced challenging market circumstances in the third quarter, with downward pressure on prices in the used vehicle market. ING Car Lease is actively searching for new remarketing channels for used cars. The factoring business again benefited from being an attractive alternative to general lending, although margin pressure remained. There were higher factoring volumes in all markets, and ING strengthened its market leadership in the Netherlands and Poland.

Underlying result before tax declined 13.9% on the comparable quarter of 2007, as higher income could not fully compensate higher risk costs. Compared with the previous quarter, result before tax declined 22.5%, driven by higher risk costs and lower income.

Including the transfer of mid-corporate clients to Retail Banking, the total underlying result before tax of Leasing & Factoring within the bank was EUR 42 million in the third quarter of 2008, and total income was EUR 138 million.

Income increased 7.4% on the third quarter of 2007. Growth was driven by

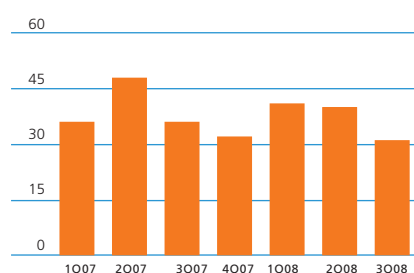
higher volumes, supported by the acquisition of Citileasing in Hungary end of last year and the integration of the structured commercial finance activities. Compared with the previous quarter income declined 6.5%. This was attributable to lower gains on the sale of leased assets, which was partially caused by a deterioration of prices on the used vehicle market.

Operating expenses increased 11.5%. This was fully attributable to business growth and includes the impact of the aforementioned acquisition and integration of activities. Compared with the previous quarter expenses declined 3.3%.

Loan loss provisions increased EUR 6 million compared with last year. This was due to higher additions for the General Lease activities and lower releases.

After-tax RAROC rose to 24.3% from 21.7%, partly fuelled by a lower average tax rate.

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



Financial Markets

Wholesale Banking Financial Markets: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	111	174	-36.2%	451	-75.4%	1,009	833	21.1%
Operating expenses	179	172	4.1%	175	2.3%	533	519	2.7%
Gross result	-68	2		275	-124.7%	475	314	51.3%
Addition to loan loss provision	-0	2	-100.0%	0		1	2	-50.0%
Underlying result before tax	-68	1		275	-124.7%	474	312	51.9%
Underlying cost/income ratio	161.1%	98.7%		38.9%		52.9%	62.3%	
Underlying RAROC before tax	-12.8%	-2.7%		38.0%		22.0%	16.5%	
Underlying RAROC after tax	-7.4%	-1.2%		28.8%		14.4%	19.5%	
Economic capital (average over period)	2,541	1,959	29.7%	2,683	-5.3%	2,641	2,141	23.4%

- **Credit related markdowns and impairments had an impact of EUR 211 million**
- **Excluding impact of the market turmoil, operational performance was strong**
- **Costs are under control**

The already weak equity markets declined even further during the third quarter, leading to unprecedented conditions around the world. The failure of several major financial institutions triggered a rise in credit spreads and general risk aversion, causing a paralysis in the interbank lending markets. The effects of subsequent government actions are still being digested by the markets. The dramatic deterioration of financial and corporate asset prices resulted in material marked-to-market credit losses and impairments. Asset & Liability Management continued to perform strongly in the face of interest rate volatility. The difficult market conditions affected results in proprietary trading.

Underlying result before tax turned from a slightly positive EUR 1 million last year into a loss of EUR 68 million in the third quarter this year. This was fully related to the credit related markdowns and impairments totalling EUR 211 million.

Income fell 36.2% compared with the third quarter of 2007, driven by the EUR 211 million credit related markdowns and impairments. This figure includes losses on Lehman Brothers and Washington Mutual and an EUR 87 million impairment on a collateralised debt obligation (CDO). The CDO has now been written down to 17 cents on the dollar. Excluding these exceptional items, the underlying business development remained sound. Sales

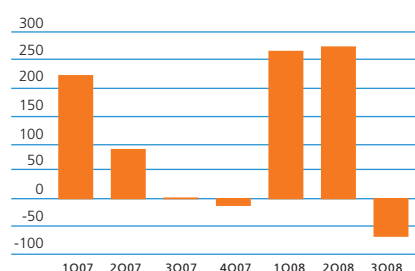
income remained on a high level, while income from Asset & Liability Management increased, supported by interest rate volatility.

Compared with the previous quarter, income dropped 75.4%. This was predominantly a result of the credit related markdowns and impairments, while the third quarter is seasonally lower. Thanks to a strong first half of the year, Financial Markets income is still 21.1% ahead of 2007 on a year-to-date basis, despite the credit crisis related losses.

Operating expenses increased 4.1% on the back of business growth, particularly in Central Europe and Asia. Compared with the second quarter of 2008, expenses rose 2.3% as the impact of higher volume-related costs was partly offset by decreasing performance-related staff costs.

Losses related to the credit crisis resulted in an **after-tax RAROC** of -7.4%. Economic capital declined compared with the previous quarter, but was up 29.7% over last year as a higher average Value-at-Risk led to an increase in market risk capital.

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



ING Real Estate

Wholesale Banking ING Real Estate: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	150	308	-51.3%	14	971.4%	425	893	-52.4%
Operating expenses	155	138	12.3%	128	21.1%	430	377	14.1%
Gross result	-5	170	-102.9%	-114		-5	517	-101.0%
Addition to loan loss provision	9	2	350.0%	29	-69.0%	44	-3	
Underlying result before tax	-13	168	-107.7%	-143		-49	519	-109.4%
- of which Investment Management	3	45	-93.3%	34	-91.2%	75	117	-35.9%
- of which Investment Portfolio	-62	74	-183.8%	-214		-326	224	-245.5%
- of which Finance	76	52	46.2%	35	117.1%	169	163	3.7%
- of which Development	-31	-4		2		33	15	120.0%
Underlying net result	-14	109	-112.8%	-64		1	362	-99.7%
Underlying cost/income ratio	103.0%	44.8%		912.6%		101.3%	42.2%	
Underlying RAROC before tax	-4.0%	50.2%		-24.8%		-3.3%	51.4%	
Underlying RAROC after tax	-6.1%	37.8%		-23.2%		-5.5%	40.1%	
Economic capital (average over period)	2,064	1,280	61.3%	2,175	-5.1%	2,049	1,252	63.7%
Staff (FTEs end of period)	2,810	2,463	14.1%	2,766	1.6%	2,810	2,463	14.1%

- **EUR 13 million loss in third quarter due to negative revaluations**
- **Excluding revaluations, result before tax up 1% to EUR 75 million**
- **Total portfolio of ING Real Estate up 3.2% in 3Q2008**

Real estate markets remained vulnerable to further declines in many parts of the world, particularly in Canada and Australia. As a result, ING Real Estate posted a loss before tax of EUR 13 million. This was driven by EUR 88 million in negative revaluations before tax compared with negative revaluations of EUR 238 million in the previous quarter and EUR 94 million positive revaluations in the third quarter of 2007.

The total portfolio of ING Real Estate grew 3.2% in the quarter to EUR 115.0 billion. ING Real Estate Finance made a significant contribution to this growth. Compared with a year ago, the total portfolio increased 11.1%.

Assets under management in the investment management business increased 2.1% in the third quarter to EUR 74.3 billion. ING Real Estate opened its first office in Brazil, the world's tenth largest economy.

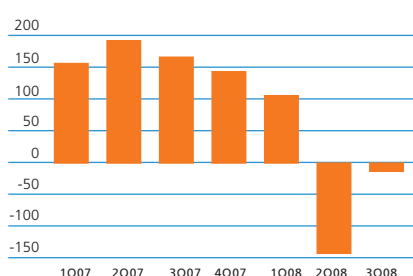
In spite of the volatile market conditions and tight liquidity in the capital markets, ING Real Estate Finance saw its loan portfolio grow 5.1% in the third quarter of 2008 to EUR 37.4 billion. While funding costs continued to increase, this

was paired with increases in margins.

Assets under management in Development increased by EUR 0.1 billion to EUR 3.2 billion, bringing its total project value to EUR 10.9 billion. The Development business was selected to redevelop the former site of the Norfolk Line and northern breakwater at Scheveningen Harbour (NL) in a joint venture with other parties. Further, a letter of intent was signed to develop the new 23,000m² European headquarters of UPC Broadband near Amsterdam Airport Schiphol (NL).

ING Real Estate posted a third-quarter **result before tax** of EUR -13 million compared with EUR -143 million in the second quarter of 2008 and a profit of EUR 168 million in the third quarter last year. Excluding the fair value changes on real estate, result before tax was EUR 75 million, up EUR 1 million on the third quarter of 2007 and EUR 20 million below the second quarter of 2008. The decrease from the previous quarter is largely attributable to lower fee income from investment management activities as well as higher impairments on development projects which have resulted in higher expenses.

WHOLESALE BANKING ING REAL ESTATE
Underlying result before tax (EUR million)



The Investment Portfolio generated a loss of EUR 62 million in the third quarter, representing a EUR 137 million decline from the same period last year. This is fully explained by the EUR 88 million of fair value losses against EUR 81 million in positive fair value changes in the third quarter of 2007.

Result before tax from the Investment Management business declined to EUR 3 million from EUR 45 million in the third quarter of 2007 due to lower fee income, which was mainly caused by lower transaction fees and a one-off reversal of previously accrued out-performance fees. Assets under management in the third quarter increased by EUR 1.5 billion, or 2.1%. Investment Management funds and separate accounts in the US, Asia and Europe had inflows. This growth was partially offset by the negative impact of market movements.

The Finance loan portfolio grew by EUR 1.9 billion, or 5.2%, in the third quarter to EUR 37.4 billion. The total loan portfolio has an average loan-to-value ratio of 68%. Compared with a year ago, the growth is 32.2%. As a result, gross result increased 56%. In combination with relatively low risk costs (EUR 9 million in the third quarter) this resulted in a result before tax of EUR 76 million, which is 46.2% higher than in the same period last year.

In the absence of substantial development sales combined with a number of small impairments totalling EUR 10 million, ING Real Estate Development generated a loss of EUR 31 million in the third quarter. The quarterly results from the development activities are by nature volatile due to the timing of sales. Year-to-date, the result before tax is EUR 33 million, which is EUR 18 million higher than in the same period of 2007.

Total income declined EUR 158 million, or 51.3%. Excluding revaluations in both years, total income rose 11.2% to EUR 238 million compared with EUR 214

million in the third quarter of 2007. The interest result rose by EUR 53 million, driven by the strong growth of the Finance loan portfolio. Commission income declined EUR 23 million, or 18.3%, reflecting the market slowdown within the Investment Management fee business.

Operating expenses were 21.1% higher than in the second quarter of 2008 and 12.3% higher compared with the same period last year, mainly driven by impairments within Development. Excluding these impairments, operating expenses increased 6.6% from the second quarter, largely as a result of the stronger dollar and a number of extraordinary items. Year-on-year, the 6.6% cost increase (excluding impairments) reflects the continued growth of Investment Management's fee business and higher business activity by Finance.

Risk costs within Real Estate Finance were modest given the market turmoil. Compared with the third quarter of 2007, risk costs increased by EUR 7 million, but declined by EUR 20 million from the previous quarter.

RAROC figures were also heavily impacted by the negative revaluations, which resulted in an after-tax RAROC of -6.1% in the quarter. Excluding the negative revaluations, after-tax RAROC declined to 9.0% from 37.8% in the third quarter of 2007. Economic capital grew by EUR 0.8 billion caused by business growth and model changes for market risk.

Retail Banking

Retail Banking: Key Figures								
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Interest result	1,349	1,344	0.4%	1,368	-1.4%	4,129	4,026	2.6%
Commission income	391	396	-1.3%	408	-4.2%	1,216	1,209	0.6%
Investment income	15	17	-11.8%	10	50.0%	70	56	25.0%
Other income	69	103	-33.0%	152	-54.6%	293	304	-3.6%
Total underlying income	1,825	1,860	-1.9%	1,939	-5.9%	5,709	5,595	2.0%
Operating expenses	1,311	1,182	10.9%	1,314	-0.2%	3,899	3,610	8.0%
Gross result	513	678	-24.3%	625	-17.9%	1,810	1,986	-8.9%
Addition to loan loss provision	93	27	244.4%	66	40.9%	194	105	84.8%
Underlying result before tax	420	651	-35.5%	558	-24.7%	1,616	1,881	-14.1%
Taxation	79	150	-47.3%	114	-30.7%	331	429	-22.8%
Result before minority interests	341	501	-31.9%	445	-23.4%	1,285	1,452	-11.5%
Minority interest	10	13	-23.1%	13	-23.1%	35	33	6.1%
Underlying net result	330	488	-32.4%	431	-23.4%	1,249	1,419	-12.0%
Underlying cost/income ratio	71.9%	63.5%		67.8%		68.3%	64.5%	
Risk costs in bp of average CRWA	49	7		36		35	10	
Risk-weighted assets (end of period)	90,655	142,503	-36.4%	91,261	-0.7%	90,655	142,503	-36.4%
Underlying RAROC before tax	27.5%	51.6%		32.8%		33.5%	50.4%	
Underlying RAROC after tax	22.5%	39.7%		26.4%		26.9%	39.2%	
Economic capital (average over period)	5,782	4,627	25.0%	6,083	-4.9%	5,824	4,558	27.8%
Staff (FTEs end of period)	49,683	42,090	18.0%	48,883	1.6%	49,683	42,090	18.0%

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

- Growth in savings/deposits
- Continued pressure on margins
- ING Bank Turkey impacted by fair value changes on derivatives

The financial environment remained challenging throughout the quarter as the liquidity crisis intensified and signs of an economic slowdown became more visible. In these difficult conditions, ING adhered to its strategy in mature markets to reduce costs and maintain savings volumes through product innovation while investing for growth and increasing market share via the existing distribution channels in emerging markets.

Amid the fierce competition for savings, ING succeeded in increasing its deposits in the Benelux thanks to active marketing and new product introductions. In Belgium, ING increased its average savings and deposits volume by 1% compared with the previous quarter. In the Netherlands, average savings and deposits increased 4% on the previous quarter.

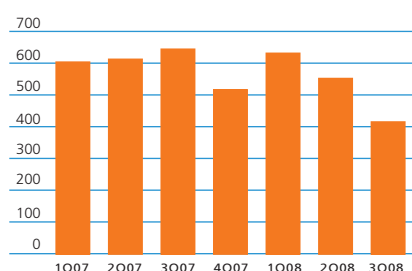
The restructuring in the Benelux is well underway. In the Netherlands, ING is fully on track to launch the combination of ING Bank and Postbank in the first quarter

of 2009. Most of the post offices and ATMs were rebranded during the quarter. The new direct distribution organisation became effective in July. As of August, systems and implementation plans are in the process of being tested and product systems were being made ready for use. In Belgium, there were 55 ING new-style branches up and running by the end of September.

The financial crisis had less impact on emerging markets in the third quarter of 2008, where economies slowed but growth remained close to 5%. In this environment, ING was able to show growth, further building on its position. In Poland, retail deposits increased 12.5% in the third quarter, bringing ING's market share to 9.5%. The Romanian greenfield grew its retail loans by 14%, bringing its market share to 3%. In savings, Romania's market share already stood at 5%. In Turkey, ING improved its market share in cash loans during the quarter from 3% to 3.2%, while keeping its market share in

RETAIL BANKING

Underlying result before tax (EUR million)



savings constant. In India, deposits were up 4.2% in the third quarter in a declining market. In Ukraine, ING opened its first 13 branches during the third quarter.

Retail Banking's **underlying result**

before tax declined 35.5% to EUR 420 million from the third quarter of last year. The liquidity shortage due to the financial crisis continued to intensify the competition for savings and deposits. Additionally, the underperformance in the equities market resulted in lower fees on asset management products. ING Bank Turkey made a loss of EUR 59 million including EUR 41 million negative fair value changes on interest derivatives which are not eligible for hedge accounting. Additional investments were made to rebrand the bank and to expand its branch network.

Underlying profit before tax in the Netherlands declined 22.2% compared with the third quarter last year due to continued pressure on margins amid fierce competition for savings. Average balances of savings and deposits grew 4% in this quarter but were down 3% compared with the same quarter last year. The average mortgage portfolio benefited from the marketing campaigns and grew 10% compared with the third quarter of 2007, of which 3%-points were due to transfers from ING Insurance.

In Belgium, the underlying result before tax dropped 42.3% to EUR 64 million. This also reflected the strong competition for savings volumes which led to margin compression. Average balances were up 6% compared with the same quarter last year supported by a 14% growth in mortgages and a 2% growth in savings and deposits, while stock market declines led to lower fees on asset management products.

In Central Europe (excluding the negative fair value change in ING Bank Turkey) underlying result before tax was nil. The decline compared with last year is mainly

explained by two factors: a net release in Poland of the loan loss provision in the third quarter of 2007 and continued investments in the growth markets. The average retail balances in Poland showed strong growth across all products. At the same time, the savings margins eroded as competition between banks intensified and fees on asset management products declined due to the unfavourable stock market performance.

Underlying result before tax in Asia increased 16.7%, boosted by a EUR 5 million result from TMB in Thailand and a EUR 12 million dividend received from the Bank of Beijing. Excluding TMB, underlying profit before tax declined 4.1%, primarily as a result of the poor stock market performance which resulted in lower income at Private Banking Asia. Despite this, assets under management of Asia grew to EUR 14.5 billion, up EUR 0.2 billion compared with the previous quarter, helped by the strengthening of the US dollar.

Excluding the negative fair value change in ING Bank Turkey, **underlying income** increased 0.3%. Competitive client offerings on fixed and variable savings increased volumes offsetting higher funding costs as a result of the liquidity crisis, especially in the Benelux. Declining equity markets resulted in a continued slowdown of transaction volumes on asset management products as well as clients shifting to lower-margin savings and term deposits. Compared with the same quarter last year, commission income declined 1.3%.

Operating expenses increased 10.9% compared with the same quarter last year. This was driven by the inclusion of ING Bank Turkey and investments in Romania, Ukraine and India. In the Netherlands, expenses declined 3.0% supported by a net release from provisions and cost efficiency improvements. In Belgium, expenses grew 8.0% compared with the third quarter of last year. This can be explained by advertising expenses for the

'Maintaining market share in competitive environment'

new Lion products, investments in the multi-channel approach and the impact of an increase in salaries to compensate for high inflation.

Outside the Benelux, expenses increased 77.7% or EUR 122 million, of which EUR 89 million due to the inclusion of ING Bank Turkey. Expense growth in the other countries was 21.0%, or EUR 33 million, reflecting the investments made to grow the branch network by opening 10 new outlets in Romania, 13 in Ukraine and 17 branches in India in the third quarter. The underlying cost/income rate increased to 71.9% from 63.5% in the third quarter last year due to the growth of expenses, while income declined.

The addition to the loan loss provision increased by EUR 66 million to EUR 93 million, including EUR 16 million at ING Bank Turkey. The third quarter of 2007 was supported by net releases in Poland. Furthermore, risk costs increased due to portfolio growth and some specific files in the mid-corporate client segment in the Netherlands and Belgium.

Underlying RAROC after tax decreased to 22.5% from 39.7% in the third quarter of 2007 due to lower results combined with a EUR 1.2 billion increase in economic capital. ING Bank Turkey added EUR 0.7 billion and TMB added EUR 0.2 billion.

The Netherlands

Retail Banking The Netherlands: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	1,078	1,183	-8.9%	1,117	-3.5%	3,335	3,527	-5.4%
Operating expenses	657	677	-3.0%	692	-5.1%	2,021	2,124	-4.8%
Gross result	421	507	-17.0%	425	-0.9%	1,314	1,403	-6.3%
Addition to loan loss provision	52	33	57.6%	61	-14.8%	160	103	55.3%
Underlying result before tax	369	474	-22.2%	363	1.7%	1,153	1,300	-11.3%
Underlying cost/income ratio	60.9%	57.2%		62.0%		60.6%	60.2%	
Underlying RAROC before tax	62.2%	73.8%		59.9%		64.4%	66.5%	
Underlying RAROC after tax	48.8%	56.6%		47.5%		50.6%	51.0%	
Economic capital (average over period)	2,392	2,480	-3.5%	2,407	-0.6%	2,356	2,498	-5.7%
Staff (FTEs end of period)	15,596	16,278	-4.2%	15,783	-1.2%	15,596	16,278	-4.2%

- **Competition for savings leads to margin compression**
- **Savings and deposits volumes up 4% this quarter**
- **Stock market declines put pressure on fee income**

As the liquidity crisis persists, competition for savings is growing and the shift from high-margin variable products to low-margin fixed products continues. New marketing campaigns were launched to increase savings volumes by offering highly competitive fixed and variable saving products for both retail and business banking customers. Average retail balances on savings and deposits increased 4% on the second quarter of 2008, but declined 3% compared with the same quarter last year.

A new mortgage campaign was launched for Postbank and ING Bank in the third quarter. ING's focus is to manage revenues of the total mortgage portfolio without sacrificing volumes and market share. The average mortgage portfolio increased 10% compared with the same quarter last year, of which 3%-points were due to transfers from ING Insurance.

Further progress has been made in combining ING Bank and Postbank. By the end of the third quarter, 58% of post offices, 70% of Postbank service shops and 32% of all ATMs were rebranded. In addition, ING reconstructed 21 branches in line with ING's new bankshop formula.

Underlying result before tax in the Netherlands declined 22.2% compared with the third quarter of 2007 driven by margin compression as clients continued to shift to low-margin savings accounts

and term deposits. Result before tax rose 1.7% compared with previous quarter.

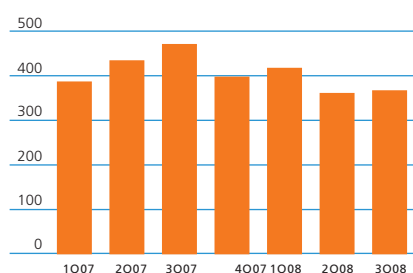
Underlying income declined 8.9% compared with the third quarter of 2007. This was mainly due to lower margins on savings and deposits combined with lower securities and asset management income reflecting stock market declines.

Operating expenses declined 3.0% compared with the third quarter of 2007 due to cost efficiency improvements related to the combining of ING Bank and Postbank as well as a net release from provisions of EUR 21 million. Compared with the previous quarter, expenses declined 5.1% helped by this release and despite a salary increase that took effect on 1 September. Combined with lower income, the cost/income ratio increased 3.7%-points to 60.9% from 57.2% in the third quarter of 2007, but improved 1.1%-points on the previous quarter.

The addition to the loan loss provision increased by EUR 19 million reflecting some specific files in the mid-corporate segment combined with growth of the lending portfolio.

The **underlying after tax RAROC** declined to 48.8% from 56.6% reflecting the lower profit. Staff decreased by 682 FTEs compared with a year ago, mainly as a result of combining ING Bank and Postbank.

RETAIL BANKING THE NETHERLANDS
Underlying result before tax (EUR million)



Belgium

Retail Banking Belgium: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	455	466	-2.4%	467	-2.6%	1,396	1,438	-2.9%
Operating expenses	376	348	8.0%	367	2.5%	1,100	1,040	5.8%
Gross result	79	118	-33.1%	100	-21.0%	296	398	-25.6%
Addition to loan loss provision	15	7	114.3%	5	200.0%	4	21	-81.0%
Underlying result before tax	64	111	-42.3%	94	-31.9%	292	377	-22.5%
Underlying cost/income ratio	82.7%	74.7%		78.7%		78.8%	72.3%	
Underlying RAROC before tax	23.9%	47.3%		36.6%		34.7%	50.9%	
Underlying RAROC after tax	20.8%	36.5%		29.7%		28.3%	38.6%	
Economic capital (average over period)	982	830	18.3%	858	14.5%	905	881	2.7%
Staff (FTEs end of period)	9,569	9,770	-2.1%	9,451	1.2%	9,569	9,770	-2.1%

- Average volumes savings and deposits up 2%
- Stock market performance affects commission income
- Income declines 2.4% as volumes offset margin pressure

The conditions in Belgium remain tough. The interest rate environment is challenging with a rise in client savings rates across the board and a shift from variable savings to lower-margin term products. The historic high margins on regular savings have attracted a number of aggressive new entrants. Additionally, the negative stock market performance puts pressure on commission income.

ING has introduced a multi-channel approach to address developments in the savings market. This has resulted in a range of savings products for different target groups. ING launched the Lion Deposit account, an online-only savings account, at the end of the second quarter of 2008. This attractive offering in combination with the special market circumstances in Belgium resulted in 55,175 account openings. The ING Lion Fidelity Account, an unregulated savings account, attracted EUR 1.4 billion by the end of September. ING Lion Account and ING Long Term Account also managed to attract substantial inflows and new clients. Average savings and deposits volumes increased 2% compared with the same quarter last year and 1% compared with the previous quarter.

The competition for savings and deposits puts pressure on margins. That, combined with turbulence on the stock market resulted in a 42.3% decline in ING Belgium's **underlying result before tax**.

Underlying income declined 2.4% due to margin compression on savings as clients continued to shift from high-margin variable savings accounts to low-margin savings accounts and term deposits. Furthermore, the poor stock market performance contributed to lower commission income on asset management products. The average lending portfolio grew 14% compared with the third quarter of 2007.

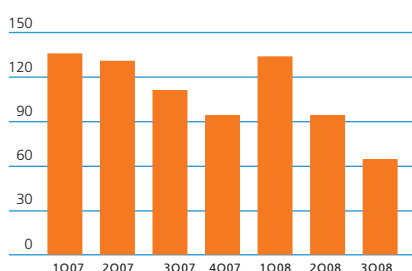
Compared with the third quarter of 2007, **operating expenses** increased 8.0%. This was affected by marketing campaigns for the new Lion products, the high inflation effect on salaries as well as investments (mainly IT-related) in the multi-channel approach. As a result of branch network rationalisation and outsourcing initiatives, staff numbers were reduced by 201 FTEs.

The addition to the loan loss provision more than doubled compared with the third quarter of 2007 reflecting portfolio growth and some specific files in the mid-corporate segment.

The **underlying RAROC after tax** declined to 20.8% from 36.5%. This is predominately explained by lower results whereas the economic capital increased due to model changes and growth of the lending portfolio.

RETAIL BANKING BELGIUM

Underlying result before tax (EUR million)



Central Europe

Retail Banking Central Europe: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	203	127	59.8%	274	-25.9%	709	370	91.6%
Operating expenses	219	99	121.2%	198	10.6%	603	284	112.3%
Gross result	-16	27	-159.3%	76	-121.1%	106	86	23.3%
Addition to loan loss provision	25	-15		-4		21	-22	
Underlying result before tax	-41	43	-195.3%	80	-151.3%	85	108	-21.3%
- of which Poland	25	46	-45.7%	46	-45.7%	100	116	-13.8%
- of which Turkey	-59	0		40	-247.5%	-0	0	
- of which Rest of Central Europe	-7	-3		-6		-15	-8	
Underlying cost/income ratio	108.1%	78.4%		72.2%		85.1%	76.8%	
Underlying RAROC before tax	-25.0%	45.2%		12.9%		-0.4%	49.8%	
Underlying RAROC after tax	-19.6%	35.0%		10.5%		-0.4%	39.8%	
Economic capital (average over period)	957	201	376.1%	1,056	-9.4%	918	197	366.0%
Staff (FTEs end of period)	14,776	7,462	98.0%	14,477	2.1%	14,776	7,462	98.0%

- Negative fair value changes of EUR 41 million affect results at ING Bank Turkey
- Continued volume growth across the region
- 10 outlets in Romania and 13 in Ukraine launched in 3Q

Growth, though slowing in markets in Central and Eastern Europe, is still reasonable given the market circumstances. In this environment ING continues to invest while growing prudently in existing distribution channels.

In Turkey, ING opened another 23 full-service branches and expects to have more than 50 new branches by the end of the year. In Romania, ING opened 10 more outlets to bring the total to 198. The rollout of retail banking operations in Ukraine started in June 2008 and now includes 13 outlets.

ING continues to grow volumes in its existing distribution channels through product development and advertisement campaigns. The average retail balances in Poland showed strong growth with savings and deposits up 44% compared with the same quarter of 2007 and retail loans up 61%. Stock market turbulence resulted in lower sales of mutual funds and lower fees. Client growth in Romania accelerated, reaching 626,000. The average volumes of savings and deposits increased by EUR 75 million while lending rose by EUR 95 million in this quarter. ING Bank Turkey improved its market share in cash loans while its market share in deposits remained stable at 2.5%.

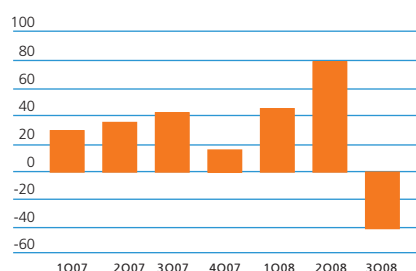
Underlying result before tax was negatively influenced by ING Bank Turkey, which can be predominately explained by EUR 41 million of negative fair value changes on interest derivatives as well as investments in branches and re-branding. The underlying result before tax was nil excluding the negative fair value change in Turkey. The decline compared with last year reflects investments in growth markets and provision releases last year.

Underlying income increased 59.8% due to volume growth in all markets.

Operating expenses jumped 121.2% compared with last year reflecting the inclusion of ING Bank Turkey and investments in Poland, Romania and Ukraine. The addition to the loan loss provisions amounted to EUR 25 million, up EUR 40 million from last year, of which EUR 16 million from the inclusion of ING Bank Turkey. The third quarter of 2007 was supported by EUR 17 million in net releases in Poland.

The **underlying RAROC after tax** dropped mainly due to the inclusion of ING Bank Turkey. Excluding ING Bank Turkey, RAROC after tax declined to 18.5% from 35.0%, explained by the investments in growth markets.

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



Asia

Retail Banking Asia: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	89	83	7.2%	81	9.9%	269	260	3.5%
Operating expenses	59	57	3.5%	57	3.5%	175	161	8.7%
Gross result	30	26	15.4%	24	25.0%	95	99	-4.0%
Addition to loan loss provision	1	1	0.0%	4	-75.0%	9	4	125.0%
Underlying result before tax	28	24	16.7%	20	40.0%	86	96	-10.4%
- of which Private Banking Asia	10	16	-37.5%	12	-16.7%	38	61	-37.7%
- of which ING Vysya Bank	3	6	-50.0%	2	50.0%	10	10	0.0%
- of which Other	16	1		6	166.7%	38	25	52.0%
Underlying cost/income ratio	66.6%	68.9%	0.0%	70.0%	0.0%	64.8%	61.8%	
Underlying RAROC before tax	7.2%	6.5%		6.0%		7.6%	9.3%	
Underlying RAROC after tax	7.9%	5.4%		5.4%		7.4%	9.5%	
Economic capital (average over period)	1,451	1,117	29.9%	1,763	-17.7%	1,645	983	67.3%
Staff (FTEs end of period)	9,741	8,579	13.5%	9,171	6.2%	9,741	8,579	13.5%

• **Stock markets put asset management income under pressure**

• **AUM at Private Banking Asia up by EUR 0.2 billion**

• **EUR 12 million dividend received from Bank of Beijing**

ING has been selectively building its retail banking presence in Asia, benefiting from its activities in high-growth areas.

Deposit mobilisation remains key in India. In a market growing 4.2%, ING Vysya Bank managed to increase its market share. ING Vysya Bank further enlarged its footprint during the third quarter with 17 new branches and 30 new ATMs, primarily in cities in the north, east and west of India. By the end of September, the bank opened 22 branches. The opening of the remaining 34 branches is planned for the fourth quarter.

Underlying result before tax increased 16.7% boosted by a EUR 5 million result from TMB and a EUR 12 million dividend from Bank of Beijing, both reported under Other. Excluding TMB, underlying profit before tax declined 4.1%, mainly as a result of the turbulence on the stock market which resulted in lower commission income at Private Banking Asia. The EUR 3 million decline of underlying profit before tax at ING Vysya Bank is mainly due to investments in the branch network and ATMs.

Total **underlying income** rose 7.2% compared with the third quarter of last year, reflecting the inclusion of ING's stake in TMB. The EUR 12 million dividend from

the Bank of Beijing doubled compared with 2007. Private Banking Asia grew its assets under management in the third quarter by EUR 0.2 billion to EUR 14.5 billion, helped by the strengthening of the US dollar.

The lending portfolio at ING Vysya Bank grew 5.3% and liabilities 1.9% compared with a year ago. Margins on savings and deposits were under pressure reflecting the fierce competition for savings.

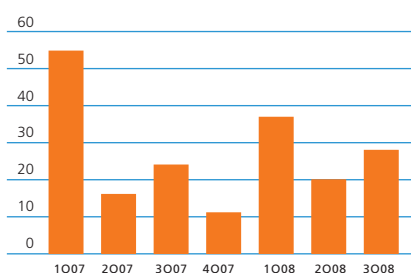
Operating expenses increased 3.5% as a result of continued investments for growth in India and expansion of the Private Banking Asia network. That was partly mitigated by lower bonus expenses.

The addition to loan loss provision remained stable at EUR 1 million, but declined by EUR 3 million on the previous quarter, as that quarter contained model changes at ING Vysya Bank.

The **RAROC after tax** improved by 2.5%-points to 7.9% compared with the third quarter of 2007. Average economic capital rose by EUR 0.3 billion, mainly due to the inclusion of TMB. Compared with the previous quarter, economic capital declined by EUR 0.3 billion, which was caused by a lower value of ING's stake in the Bank of Beijing.

RETAIL BANKING ASIA

Underlying result before tax (EUR million)



Private Banking

Retail Banking - Private Banking segment: Key Figures

In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Total underlying income	134	163	-17.8%	151	-11.3%	444	523	-15.1%
Operating expenses	108	107	0.9%	105	2.9%	316	323	-2.2%
Gross result	26	56	-53.6%	46	-43.5%	129	199	-35.2%
Addition to loan loss provision	3	1	200.0%	0		6	1	500.0%
Underlying result before tax	22	55	-60.0%	46	-52.2%	122	198	-38.4%
- of which Netherlands	0	15	-100.0%	7	-100.0%	25	46	-45.7%
- of which Belgium (incl. Switzerland & Luxembourg)	12	24	-50.0%	26	-53.8%	57	90	-36.7%
- of which Asia	10	15	-33.3%	13	-23.1%	41	61	-32.8%
Underlying cost/income ratio	80.8%	65.8%		69.5%		71.1%	61.8%	
Underlying RAROC before tax	39.2%	116.5%		74.0%		69.8%	124.5%	
Underlying RAROC after tax	29.4%	86.0%		58.1%		55.4%	94.4%	0.0%
Economic capital (average over period)	244	189	29.1%	233	4.7%	235	207	13.5%
Assets under Admin. (in € bln, end of period)	68.7	66.8	3.0%	67.2	3.0%	68.7	66.8	2.8%

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

- **Profit down 60% due to falling stock markets**
- **Net inflow of EUR 2.5 billion partly offset by negative market performance**
- **Clients continue to shift to cash and deposits**

In response to stock market declines, clients are shifting towards deposits, resulting in lower interest income, securities brokerage and asset management commissions. Despite adverse market conditions, Private Banking managed to increase its asset base by EUR 1.5 billion to EUR 68.7 billion at the end of September. Continued inflows in savings products, term deposits and money market funds, and positive impact from the strengthening of the US dollar compensated for the negative market impact on securities portfolios.

As a result of the continuing growth in cash and deposits and the adverse market impact on off-balance assets, the on-balance liabilities represented over 38% of total AUM. Assets are equally distributed between the domestic markets (Belgium and The Netherlands) and operations in Switzerland, Luxembourg and Asia. The balance-sheet driven domestic operations accounted for the net inflow in the third quarter of 2008. Equity-driven offshore entities were affected by the negative market performance, only partly mitigated by the currency impact.

The **underlying result before tax** fell 60.0% compared with the third quarter of last year and 52.2% compared with

the previous quarter. Despite volume growth, margins are impacted negatively by market conditions. Expenses were almost at the same level as last year. The RAROC after tax declined to 29.4% due to lower revenues and higher economic capital caused by changes in risk drivers for operational risks.

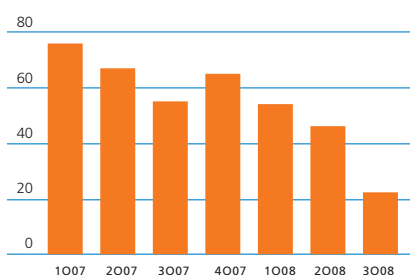
In **the Netherlands**, result before tax decreased to nil on lower fees and interest income and despite higher client balances. Lower income was partly offset by lower branch network costs.

Belgium reported a 50% lower result before tax. Continued growth of savings and deposits products and money market funds generated net inflow in the third quarter, only partly mitigating the impact from lower margins and commissions. Expenses increased because of costs for the restructuring in Belgium.

Result before tax in **Asia** declined 33.3% on lower fees. Operating expenses decreased 1.0%, despite organisational growth including Korea Securities.

PRIVATE BANKING

Underlying result before tax (EUR million)



ING Direct: Key Figures

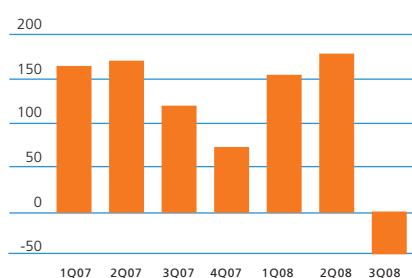
In EUR million	3Q2008	3Q2007	Change	2Q2008	Change	9M2008	9M2007	Change
Interest result	647	483	34.0%	608	6.4%	1,821	1,445	26.0%
Commission income	21	23	-8.7%	10	110.0%	46	72	-36.1%
Investment income	-207	3	-107.4%	-14	-104.3%	-212	77	-375.3%
Other income	-2	27	-107.4%	46	-104.3%	62	72	-13.9%
Total underlying income	458	536	-14.6%	650	-29.5%	1,716	1,667	2.9%
Operating expenses	420	401	4.7%	421	-0.2%	1,262	1,170	7.9%
Gross result	38	135	-71.9%	228	-83.3%	455	497	-8.5%
Addition to loan loss provision	85	15	466.7%	50	70.0%	168	41	309.8%
Underlying result before tax	-47	120	-139.2%	179	-126.3%	286	456	-37.3%
Taxation	-6	16	-137.5%	65	-109.2%	118	94	25.5%
Result before minority interests	-42	104	-140.4%	113	-137.2%	168	362	-53.6%
Minority interest	0	0		2	-100.0%	2	0	
Underlying net result	-42	104	-140.4%	111	-137.8%	166	362	-54.1%
Interest margin	0.96%	0.74%		0.93%		0.92%	0.75%	
Cost/income ratio	91.7%	74.9%		64.8%		73.5%	70.2%	
Risk costs in bp of average CRWA	77	8		47		53	7	
Total risk-weighted assets (end of period)	51,260	76,511	-33.0%	50,293	1.9%	51,260	76,511	-33.0%
Underlying RAROC before tax	1.0%	15.8%		25.4%		15.3%	19.6%	
Underlying RAROC after tax	-0.7%	13.9%		16.0%		9.1%	15.8%	
Economic capital (average over period)	3,484	2,843	22.5%	3,222	8.1%	3,252	2,839	14.5%
Staff (FTEs end of period)	9,744	8,530	14.2%	9,094	7.1%	9,744	8,530	14.2%

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

- Client retail balances up EUR 7.0 billion
- 455,000 new clients
- Excluding impairments of EUR 217 million, result before tax up 42% on 3Q2007

ING DIRECT

Underlying result before tax (EUR million)



ING Direct continued to show solid commercial results and net inflows amid the ongoing market turmoil and intense competition for savings in the third quarter. However, results were severely impacted by impairments of EUR 217 million on ING Direct's investment portfolio. This figure consists of EUR 130 million for Alt-A RMBS, EUR 81 million on Washington Mutual, and EUR 6 million on subprime RMBS.

ING Direct's commercial results in the third quarter were sound; production of client retail balances reached EUR 7.0 billion, driven by growth in funds entrusted and residential mortgages. In addition there was a positive currency effect of EUR 5.4 billion leading to total client retail balances of EUR 330 billion at the end of September.

Funds entrusted increased by EUR 2.1 billion at comparable exchange rates, mainly driven by strong growth in

Germany resulting from successful promotional campaigns.

As the financial crisis deepened, consumers worldwide became more active in re-allocating their account balances among multiple financial institutions to maximise protection from government guarantees. On the back of its strong brand, ING Direct added 455,000 new clients, an increase of 13% compared with the second quarter and bringing the total number of clients to 21.7 million worldwide. This trend supports ING Direct's continued focus on broadening its client base, aiming at a large number of accounts with medium sized balances.

At ING Direct UK, the repositioning of the business continued to show good progress, with solid growth of 27,000 new customers. Despite this, a net outflow of GBP 0.5 billion was recorded as high-balance customers rebalanced

ING Direct: Geographical Breakdown

	Underlying result before tax (in EUR million)		Number of clients (x 1,000)		Funds entrusted (in EUR billion)		Residential mortgages (in EUR billion)		Off balance sheet funds (in EUR billion)	
	3Q2008	3Q2007	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08	30 Sep 08	30 Jun 08
Canada	15	6	1,554	1,544	15.1	13.7	14.8	12.9	0.2	0.2
Spain	7	10	1,809	1,758	14.2	13.8	7.7	7.4	1.7	1.7
Australia	12	22	1,357	1,343	11.0	11.7	19.2	20.3		
France	6	10	745	735	12.3	13.0			1.5	1.5
United States	78	17	7,346	7,102	48.3	43.2	23.0	19.0	1.8	1.8
Italy	10	11	1,068	1,036	15.0	15.4	4.6	4.1	0.3	0.3
Diba (Germany/Austria)	73	87	6,646	6,579	64.6	62.5	40.7	38.7	10.7	11.9
United Kingdom	-21	-37	1,176	1,149	18.9	19.6	1.6	1.7		
Japan	-10	-7								
Subtotal	170	120	21,700	21,245	199.2	193.0	111.7	104.3	16.2	17.4
Impairments	-217	0								
Total	-47	120	21,700	21,245	199.2	193.0	111.7	104.3	16.2	17.4

accounts. At the beginning of October, ING Direct UK acquired GBP 2.5 billion of deposits from Kaupthing Edge and an additional GBP 0.5 billion from Heritable Bank.

During the quarter, residential mortgages grew by EUR 6.4 billion at comparable exchange rates. The main contributors were Germany and the US. The e-brokerage segment showed a strong performance with a peak in transactions and new account openings. Sharebuilder in the US added 61,000 new accounts, up 111% over the third quarter of 2007. Total balances of off-balance sheet funds, however, declined by EUR 1.2 billion to EUR 16.2 billion as a result of stock market deterioration.

The ongoing housing market deterioration in the US has led to an increase in ING Direct's non-performing loans (90+ Days Past Due) to 1.9% from 1.4% at the end of June. However, the mortgage loan portfolio continues to perform better than the US industry average of 6.4% for prime ARMs as at the end of August 2008. ING Direct US continues to adhere to strict underwriting guidelines and further aligned its acceptance policy as well as arrears and collection management over the past year. The overall portfolio consists of

quality customers with an average loan-to-value ratio of 69%, and 97% of the mortgages are to owner-occupiers.

As an integral part of its ongoing credit monitoring process, ING Direct comprehensively assessed the creditworthiness of its Alt-A RMBS portfolio. The outcome of the assessment was that 13 bonds would not receive full payment of interest and/or repayment of principal at some point in the future. As a result, these 13 bonds (out of a total of 738) have been impaired. ING Direct calculated a EUR 40 million estimated credit loss. This relatively small credit loss triggered a EUR 130 million pre-tax impairment as IFRS requires to impair down to current market value when there is a credit loss. The fair value of the total Alt-A RMBS portfolio declined to 76% from 82% at the end of the second quarter in increasingly illiquid markets.

ING Direct continues to invest to build its franchise and expand the product range. Total investments of EUR 88 million were made in the third quarter, including EUR 60 million to grow the residential mortgage portfolio. Investments of EUR 18 million were made to diversify the product range with projects underway to roll out payment accounts in three more countries: Australia, France and Italy. The

number of payment account customers grew by 92,000 in the third quarter, bringing the total to 1.2 million accounts in the US, Spain and Germany. Investments also included EUR 10 million of start-up costs for the launch of ING Direct in Japan, which is in the process of obtaining its final banking license.

During the third quarter, ING Direct's public offer for Interhyp, Germany's largest independent residential mortgage distributor, was successfully closed. In October, ING Direct announced to seek transfer of the remaining stake in compliance with German law. Interhyp's business model and sophisticated technology platform offer significant potential for enhancing ING's distribution platforms in Europe. Interhyp will continue to be run as an independent company.

Underlying result before tax amounted to EUR -47 million, compared with EUR 120 million in the third quarter of 2007 and EUR 179 million in the second quarter of 2008. Results were severely impacted by impairments amounting to EUR 217 million, reported as negative investment income. Results excluding impairments were EUR 170 million, an increase of 42% versus the third quarter of 2007 and a decrease of 5% on the prior quarter.

'Solid commercial results offset by market turmoil'

Investments remained stable at EUR 88 million compared with the second quarter of 2008 and were EUR 11 million less than the third quarter of 2007.

On a country basis, excluding impairments, results in the US and Canada strongly improved due to a steepening of the yield curve in combination with solid growth of funds entrusted. Profit before tax in the US was up to EUR 78 million from EUR 17 million in the third quarter of 2007. Compared with the second quarter of 2008, however, profit was down 15% largely due to intensified competition. In Germany, profit declined to EUR 73 million from EUR 87 million in the third quarter of 2007, but grew 12% compared with the previous quarter as a result of successful campaigning and the inclusion of Interhyp. The UK reported a loss of EUR 21 million, unchanged compared with the previous quarter, but an improvement of EUR 16 million compared with the third quarter of 2007.

Total **underlying income** was EUR 458 million, a decline of 14.6% compared with the same quarter last year and 29.5% lower on the previous quarter. Excluding impairments, income was EUR 675 million, up 25.9% compared with the third quarter of 2007 and 3.8% higher on the previous quarter. This was driven by interest result growth, especially in the US and Canada. Despite the ongoing competition for retail funds and higher funding costs as a result of the global liquidity crisis, the interest margin increased to 0.96% from 0.93% in the previous quarter and 0.74% in the third quarter of 2007.

During the quarter, the ECB increased its rate by 25 bps to 4.25% and ING Direct Germany subsequently increased its core client rate by 25 bps to 3.50%. Moreover, the RBA in Australia decreased the rate by 25 bps to 7%, whereas ING Direct Australia kept its core client rate constant, thereby improving its relative competitive position.

Operating expenses were EUR 420 million, an increase of 4.7% compared with the same period last year. This was predominantly a result of a larger workforce supporting the growth of ING Direct and the inclusion of Interhyp from August 2008, partly offset by the impact of currencies. The number of full-time staff rose to 9,744 from 8,530 a year earlier, of which 479 came from Interhyp.

The operational cost-to-client retail balance ratio, which excludes marketing expenses, was 0.38%, up 1 basis point from the third quarter of 2007, but down 1 basis point compared with the previous quarter. As a result of impairments, the cost/income ratio increased to 91.7% from 74.9% in the third quarter of 2007 and 64.8% in the previous quarter. Without impairments, the ratio improved to 62.2% due to the strong increase in interest result.

The provision for loan losses was EUR 85 million, an increase of EUR 35 million compared with the previous quarter and EUR 70 million compared with the same quarter last year. The higher risk costs were largely due to increases in the US and Germany, which were a result of a higher rate of delinquencies in the mortgage market and ongoing growth of ING Direct's mortgage loan portfolios.

The **after-tax RAROC** of ING Direct declined to -0.7% from 16.0% in the previous quarter and 13.9% in the third quarter of 2007, mainly due to impairments. Excluding impairments, the after-tax RAROC would have been 15.6%. Average economic capital rose 22.5% compared with the third quarter of 2007 to EUR 3.5 billion, due to enhancements in methodology. The 8.1% increase compared with the second quarter of 2008 was mainly a result of business growth.

Corporate Line Banking

Banking Corporate Line									
In EUR million	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007	1Q2007	Change Q3 vs Q3	Change Q3 vs Q2
Income on capital surplus	-4	-7	69	98	76	52	26	-79	3
Solvency costs	-28	-16	-16	-18	-23	-9	-11	-5	-12
Financing charges	-50	-22	-38	-37	-17	-23	-20	-33	-28
Amortisation intangible assets Oyak Bank	-8	-7	-8					-8	-1
FX-results, fair value changes and other	-405	71	76	32	57	-47	-1	-462	-477
Total Capital Management	-494	19	83	75	93	-27	-6	-587	-514
Other	-134	-21	-41	-30	-40	-38	-50	-95	-113
Underlying result before tax	-629	-2	43	45	53	-65	-56	-682	-627
Taxation	-175	-36	20	-66	19	-1	22	-194	-139
Result before minority interests	-453	34	23	111	34	-64	-78	-488	-488
Minority interest	0	0	0	0	0	0	0	0	0
Underlying net result	-453	34	23	110	34	-64	-78	-488	-488

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

ING applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the book equity which business units have and the currency they operate in.

ING's policy is that equity held locally must be invested notionally at the local risk-free rate. The Corporate Line charges business units for the income they make on the book equity invested. Business units receive a benefit equivalent to the risk-free euro rate on the economic capital they employ. Consequently, the results of the businesses as disclosed are the local results after Group overhead charges, while the investment returns on equity are based on the risk-free euro rate on economic capital.

Last year, the capital book of the Corporate Line became increasingly positive as the capitalisation of ING Bank increased. In the third quarter of 2008, ING Bank received a capital injection of EUR 1.35 billion from ING Group.

Another capital management item on the Corporate Line is solvency costs. This is

the negative carry that results when hybrid Tier-1 capital and lower Tier-2 debt are raised and subsequently passed on as funding at the applicable funds transfer price (which is usually linked to LIBOR). Capital management stabilises the Tier-1 ratio through FX hedging. Liquidity costs reflect provision for contingent liquidity. The costs of equity leverage (financing charges) at ING Group are passed on to both ING Bank and ING Insurance.

The Corporate Line Banking reported a **result before tax** of EUR -629 million, compared with a profit of EUR 53 million in the third quarter of 2007.

'FX results, fair value changes and other' decreased by EUR 462 million compared with the third quarter of 2007. This sharp decrease was mainly caused by an accounting loss of EUR 292 million on an FX hedge due to the appreciation of the US dollar, which was offset by an increase in the currency translation reserve, and an impairment of EUR 184 million on an equity stake. Income on capital surplus (the difference between core capital and economic capital used by the business) was EUR 79 million lower. Financing charges increased by EUR 33 million.

The result of Other, which also includes Formula One sponsoring costs, was EUR 95 million lower, mainly due to a provision

for the deposits guarantee related to Icelandic banks.

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Appendices

ING Group: Consolidated Cash Flow Statement

in EUR million	ING Group ¹		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
	3Q2008	3Q2007	3Q2008	3Q2007	3Q2008	3Q2007	3Q2008	3Q2007
Net cash flow from operating activities	13,601	22,533	2,242	5,721	12,700	15,315	-1,341	1,497
Investments and advances:								
Group companies	-996	-599	-578	-599	-418			
Associates	-273	-96	-207	19	-66	-115		
Available for sale investments	-47,910	-65,720	-25,020	-48,638	-22,890	-17,082		
Held-to-maturity investments								
Investments properties	-264	-239	-241	-182	-23	-57		
Property and equipment	-135	-42	-30	57	-105	-99		
Assets subject to operating leases	-361	-346			-361	-346		
Investments for risk policyholders	17,744	-15,316	17,744	-15,316				
Other investments	-145	-46	-15	-19	-2,730	-27	2,600	
Disposals and redemptions:								
Group companies	945	915	945	890		25		
Associates	452	275	402	244	50	31		
Available for sale investments	48,045	64,486	25,030	46,841	23,015	17,620		25
Held to maturity investments	114	462			114	462		
Investment properties	85	53	67	6	18	47		
Property and equipment	5	25	2	12	3	13		
Assets subject to operating leases	110	98			110	98		
Investments for risk policyholders	-18,988	12,706	-18,988	12,706				
Other investments	6	-1	5	-1	1			
Net cash flow from investing activities	-1,566	-3,385	-884	-3,980	-3,282	570	2,600	25
Proceeds from issuance of subordinated loans	10	32			405	138	-395	-106
Repayment of subordinated loans					-4	-4	4	4
Proceeds from borrowed funds and debt securities	92,746	156,616	6,935	12,424	86,258	144,737	-447	-545
Repayment from borrowed funds and debt securities	-88,171	-168,706	-7,638	-12,558	-82,196	-156,025	1,663	-123
Issuance of ordinary shares		42	400		2,200		-2,600	42
Purchase of treasury shares	-22	-624	-18	-4			-4	-620
Sale of treasury shares	163	-281	18	2			145	-283
Dividends paid/received	-1,444	-1,422	-962	-1,708	-850		368	286
Net cash flow from financing activities	3,282	-14,343	-1,265	-1,844	5,813	-11,154	-1,266	-1,345
Net cash flow	15,317	4,805	93	-103	15,231	4,731	-7	177
Cash and equivalents at beginning of period	-4,353	-4,215	4,569	3,323	-8,116	-7,041	-806	-497
Effect of exchange rate on cash and equivalents	78	58		-267	79	377	-1	-52
Cash and equivalents at end of period	11,042	648	4,662	2,953	7,194	-1,933	-814	-372
- of which Treasury bills and other eligible bills	5,561	6,437			5,561	6,437		
- of which Amounts due to/from banks	-15,266	-19,186			-15,266	-19,186		
- of which Cash and balances with central banks	20,747	13,397	4,662	2,953	16,899	10,816	-814	-372

¹ Including inter-company eliminations

Equity market indices (quarterly averages)

	3Q2008	3Q2007	Change	2Q2008	Change
Dow Jones Industrial (US)	11,322	13,492	-16.1%	12,508	-9.5%
S&P 500 (US)	1,252	1,491	-16.0%	1,372	-8.7%
AEX (The Netherlands)	395	532	-25.8%	467	-15.4%

Interest rates (quarterly averages)

	3Q2008	3Q2007	Change	2Q2008	Change
10-year rates:					
EMU	4.29	4.35	-0.06	4.26	0.03
USA	3.89	4.72	-0.83	3.86	0.03
3-months rates:					
EMU	4.98	4.52	0.46	4.87	0.11
USA	2.91	5.45	-2.54	2.76	0.15
spread:					
EMU	-0.69	-0.17		-0.61	
USA	0.98	-0.73		1.10	

Profit and loss account on total basis - 9 months comparison

	Insurance operations			Banking operations			ING Group *		
in EUR million	9M2008	9M2007	Change	9M2008	9M2007	Change	9M2008	9M2007	Change
Gross premium income	34,109	34,604	-1.4%				34,109	34,604	-1.4%
Interest result banking operations				7,869	6,729	16.9%	7,812	6,678	17.0%
Commission income	1,565	1,412	10.8%	2,176	2,238	-2.8%	3,741	3,650	2.5%
Total investment & other income	7,280	9,746	-25.3%	264	1,950	-86.5%	7,405	11,593	-36.1%
Total income	42,954	45,762	-6.1%	10,310	10,917	-5.6%	53,068	56,526	-6.1%
Underwriting expenditure	36,475	35,877	1.7%				36,475	35,877	1.7%
Operating expenses	4,027	4,110	-2.0%	7,514	7,334	2.5%	11,541	11,444	0.8%
Other interest expenses	907	1,025	-11.5%				711	871	-18.4%
Addition to loan loss provisions / impairments	69	1	n.a.	704	93	657.0%	773	94	722.3%
Total expenditure	41,478	41,012	1.1%	8,219	7,427	10.7%	49,501	48,285	2.5%
Result before tax	1,476	4,750	-68.9%	2,091	3,490	-40.1%	3,567	8,241	-56.7%
Taxation	94	625	-85.0%	482	643	-25.0%	576	1,268	-54.6%
Result before minority interests	1,382	4,125	-66.5%	1,609	2,847	-43.5%	2,991	6,973	-57.1%
Minority interests	38	128	-70.3%	-29	86	-133.7%	9	214	-95.8%
Net result	1,344	3,998	-66.4%	1,638	2,761	-40.7%	2,982	6,759	-55.9%
Net gains/losses on divestments	-225	-418			-26		-225	-444	
Net result from divested units	-24	-23					-24	-22	
Special items after tax	47			149	271		196	271	
Underlying net result	1,142	3,558	-67.9%	1,786	3,006	-40.6%	2,928	6,564	-55.4%

*) including intercompany eliminations

Glossary

AVAILABLE FINANCIAL RESOURCES ("AFR")

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

BASEL I

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

BASEL II

Regulatory requirements issued by the Basel Committee on Banking Supervision for the solvency calculation, which, for ING, apply from 2008 onwards.

Basel II is an international standard for calculating the required capital based on internal models that take into account the financial and operational risks.

BIS

An international organisation which fosters international monetary and financial co-operation and serves as a bank for central banks. BIS has set a minimum for the solvency ratio reflecting the relationship between capital and risk weighted assets. The ratio should at least be 8%.

CLAIMS RATIO – NON-LIFE

Claims, including claims handling expenses, expressed as a percentage of net earned premiums.

COMBINED RATIO

The sum of the claims ratio and the expense ratio for a non-life insurance company or a reinsurance company. A combined ratio of more than 100% does not necessarily mean that there is a loss on non-life insurance policies, because the result also includes allocated investment income.

CORE DEBT ING GROUP AND ING INSURANCE

Investments in ING Group subsidiaries minus the equity of the holding company including hybrids.

COST/INCOME RATIO BANKING

Operating expenses expressed as a percentage of income.

COST OF CAPITAL

(Weighted Average Cost of Capital, "WACC")

The costs related to owning capital can be split into the cost of equity, hybrids and debt, taking a target leverage into account. The WACC is used as the discount rate for calculating the present value of future cash flows.

ECONOMIC CAPITAL

The minimum amount of capital that is required to absorb

unexpected losses in times of severe stress. Given ING Group's AA target rating, ING calculates economic capital requirements at a 99.95% level of confidence over one year. This confidence level is derived from the historical default frequency of AA-rated companies (probability of default of 1 in 2000 or 0.05%).

EMBEDDED VALUE ("EV")

Embedded value is the present value of all future cash flows from the contracts being owned today (embedded value does not take into account future sales). The discount rate used is equal to WACC.

EMBEDDED VALUE PROFIT ("EVP")

Embedded value profit is the change in embedded value over a given period over and above the amount related to the unwinding of the discount rate.

In formula: $EVP = \text{Embedded value (start of period)} \times (\text{RoEV} - \text{WACC})$.

EXPENSE RATIOS LIFE INSURANCE

Investment Oriented Products (IOP): Operating expenses expressed as a percentage of Assets under management.
Other Life Insurance Products (OLIP): Operating expenses expressed as a percentage of gross premiums.

EXPENSE RATIO INSURANCE – NON-LIFE

Underwriting costs expressed as a percentage of premiums written.

GROSS PREMIUMS WRITTEN

Total premiums (whether or not earned) for insurance contracts written or assumed (including deposits for investment contracts with limited or no life contingencies written) during a specific period, without deduction for premiums ceded.

IMPAIRMENT LOSS

The amount by which the carrying amount of an asset exceeds its recoverable amount.

IRR

Internal rate of return is the discount rate at which the present value of distributable earnings from new business equals the investment in new business. i.e., the projected return on the investment in new business.

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

NET PREMIUMS WRITTEN

Gross premiums written for a given period less premiums ceded to retrocessionaires during such period.

NEW SALES

New sales of life insurance, measured as Annual Premium Equivalent (APE), have been defined as the total of annual premiums and 10% of single premiums received on production in a given period.

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

PRESSURISED ASSETS

Pressurised assets have been defined as subprime ABS exposures, Alt-A ABS exposures, CDO/CLOs, SIVs, ABCP investments, leveraged finance and exposures on monoliners.

REINSURANCE

The practice whereby one party, called the reinsurer, in consideration for a premium paid to him, agrees to indemnify another party, called the reinsured or ceding company, for part or all of the liability assumed by the reinsured under a contract or contracts of insurance which the reinsured has issued. The reinsured may also be referred to as the original or primary insurer, the direct writing company, or the ceding company.

RETURN ON EMBEDDED VALUE ("RoEV")

Return on embedded value is the change in embedded value over a given period, expressed as a percentage of beginning period embedded value. The change in embedded value is the total of the value on New Business (the present value of the new business sold in a given period) and the change in value of existing business.

RETURN ON EQUITY ("RoE")

The return on equity is the net profit as percentage of the average equity (shareholders capital + reserves).

RISK ADJUSTED RETURN ON CAPITAL ("RAROC")

A performance indicator that measures revenues in the perspective of the risks that had to be taken to obtain that revenue. RAROC is calculated by dividing the risk-adjusted return by economic capital. In the RAROC calculation, the actual credit-risk provisioning is replaced by statistically expected losses reflecting the average credit losses over the entire economic cycle.

RISK-WEIGHTED ASSETS ("RWA" under Basel I)

Assets which are weighted for credit risk according to a formula used by the Dutch Central Bank (De Nederlandsche Bank), which conforms to the capital adequacy guidelines of the BIS (Bank of International Settlements). On and off-balance-sheet items are weighted for risk, with off-balance-sheet items converted to

balance-sheet equivalents (using credit-conversion factors) before being allocated a risk weight.

RISK-WEIGHTED ASSETS ("RWA" UNDER BASEL II)

Assets which are weighted for credit, market and operational risk in accordance with the Basel II methodology. The risk-weighted assets are calculated using internal models approved by The Dutch Central Bank (De Nederlandsche Bank).

SPARE LEVERAGE

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

SURRENDER

The termination of a life or retirement contract at the request of the policyholder after which the policyholder receives the cash surrender value, if any, on the contract.

TIER-1 CAPITAL

Also referred to as the core capital of ING Bank. It comprises paid up share capital, reserves excluding revaluation reserves, retained earnings, minority interests and hybrid Tier-1.

TIER-1 RATIO

Reflecting the tier-1 capital of ING Bank as a percentage of its total risk-weighted assets. The minimum set by the Dutch central bank is 4%.

TOTAL AND UNDERLYING NET PROFIT

The variance between Total and Underlying net profit is caused by divestments and special items.

TRADING PORTFOLIO

Comprises those financial instruments which are held to obtain short-term transaction results, to facilitate transactions on behalf of clients or to hedge other positions in the trading portfolio.

UNDERWRITING EXPENDITURE

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

VALUE CREATION

Value creation is measured by Economic Profit (regarding non-life and asset management business and banking operations) and Embedded Value Profit (regarding life and long term health business).

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