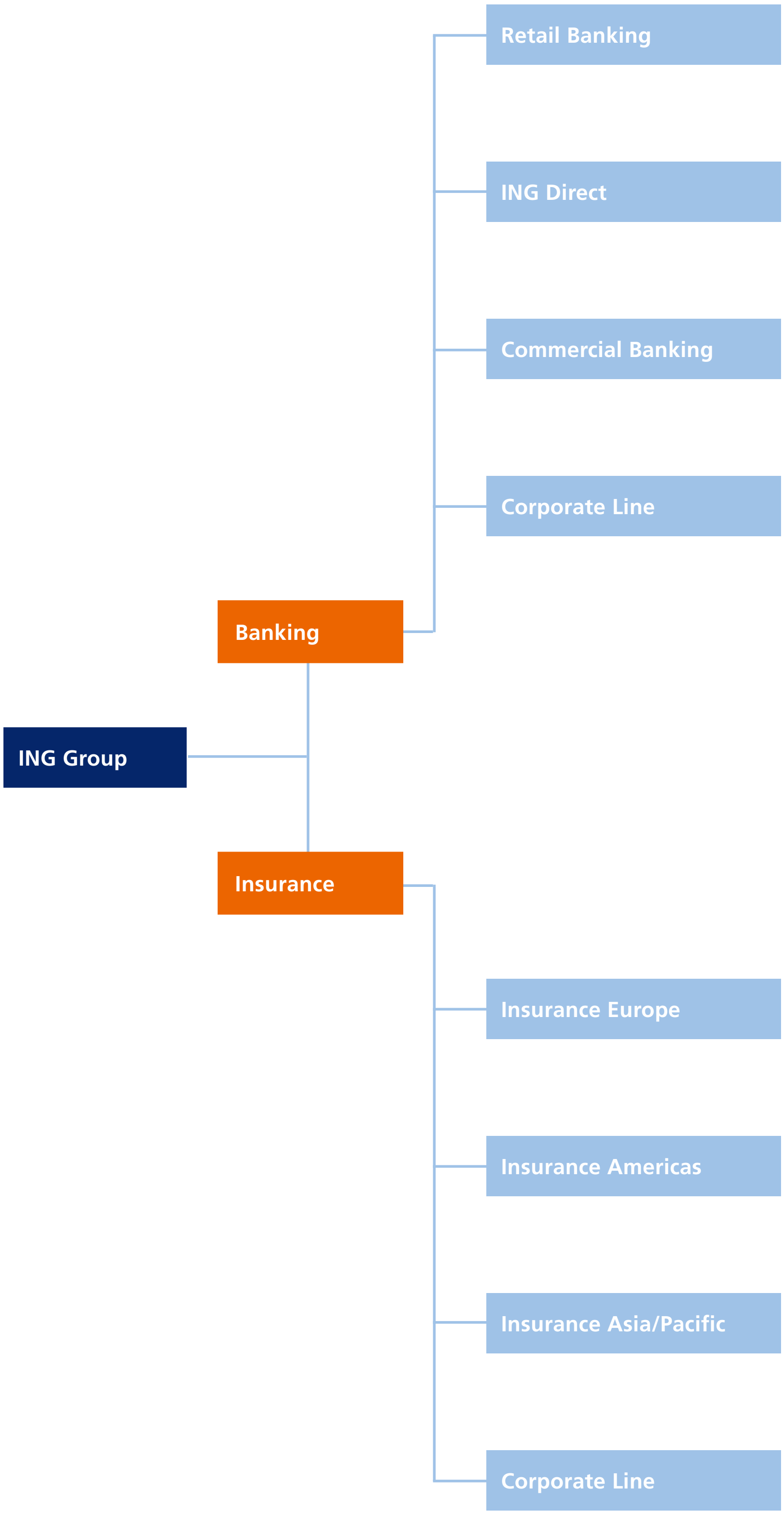
2009

ING GROUP

Quarterly Report
Third quarter 2009

GROUP REPORTING STRUCTURE



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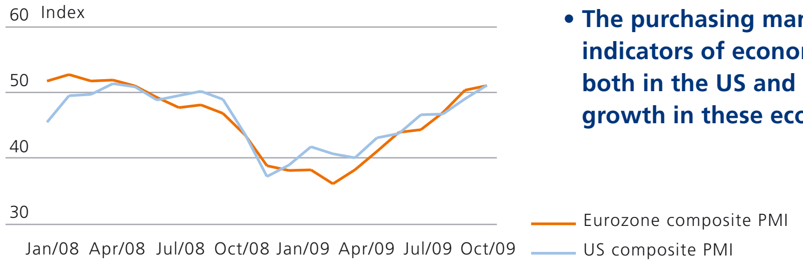
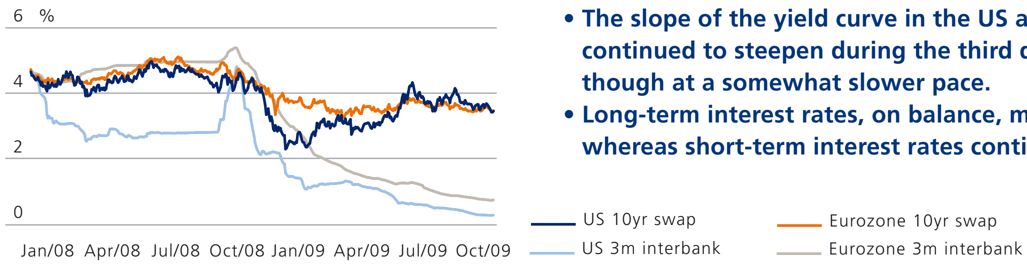
ECONOMIC ENVIRONMENT

ECONOMIC ACTIVITY



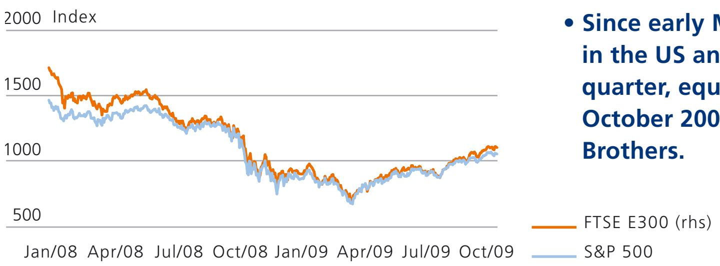
- **The purchasing managers' indices (PMIs), regarded as leading indicators of economic activity, have continued to improve, both in the US and in the eurozone, pointing to a return to growth in these economies in the third quarter.**

YIELD CURVE



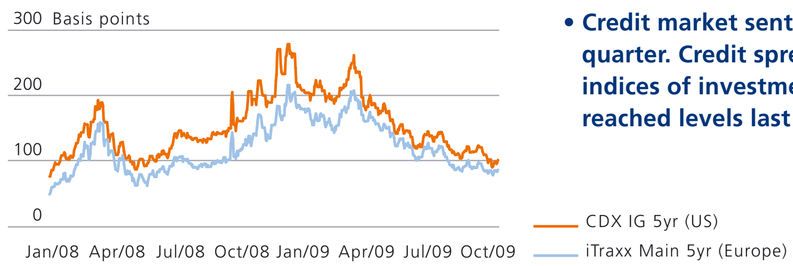
- **The slope of the yield curve in the US and the eurozone continued to steepen during the third quarter of 2009, though at a somewhat slower pace.**
- **Long-term interest rates, on balance, moved sideways whereas short-term interest rates continued to drift lower.**

STOCK MARKETS



- **Since early March, equity indices have advanced considerably in the US and the euro area. Towards the end of the third quarter, equity indices were back at levels last seen in October 2008, a few weeks after the bankruptcy of Lehman Brothers.**

CREDIT MARKETS



- **Credit market sentiment improved further during the third quarter. Credit spreads, as measured by the CDX and iTraxx indices of investment-grade borrowers' credit-default swaps, reached levels last seen in the second quarter of 2008.**

Source: ING Economics Department

CHAIRMAN'S STATEMENT

'ING achieved a strong commercial performance in the third quarter, illustrating the strength of our Banking and Insurance franchises even in this challenging economic environment,' said Jan Hommen, CEO of ING Group. 'The Bank continued to benefit from resilient interest results and strong Financial Markets performance. Insurance sales improved from the second quarter, although investment margins were under pressure following de-risking measures taken earlier this year. Negative market impacts were less severe than in previous quarters as equity markets improved; however, results continued to be impacted by impairments on mortgage-backed securities and negative revaluations on real estate investments. This resulted in an underlying net profit of EUR 778 million for the Group in the third quarter, supported by our ongoing efforts to drive down expenses.'

'We have achieved most of the targets set out in the first phase of our Back to Basics programme thanks to the enormous efforts of our management and staff. Operating expenses have been reduced by EUR 1 billion on a comparable basis, and we expect to reach our EUR 1.3 billion target for the full year. We exceeded our target for de-leveraging the Bank's balance sheet, reaching a 16% reduction over the past 12 months, while improving our margins. Divestments of non-core activities gained pace in the third quarter, and we have demonstrated a disciplined approach to achieve attractive prices even in the current market environment.'

'In the fourth quarter, we announced plans to take our Back to Basics programme a step further and move towards a full separation of Banking and Insurance. This was not a decision we took lightly, but I strongly believe it is the right choice and the right time. The financial services industry will be transformed as a result of the crisis and the winners will be those institutions that can regain their customers' trust, offering transparent products, value for money and superior service. The split will enable both the Bank and the Insurer to adapt more quickly and emerge from the crisis more efficient, more agile, and more focused on meeting our customers' needs.'

'In the Netherlands we have proven that ING can achieve attractive returns in the most competitive retail banking market in Europe. ING Direct has set the global standard for internet banking with high customer satisfaction and one of the lowest cost bases in the industry. Our One Bank strategy will leverage these skills across the organisation to grow our retail banking franchise, offering customers a different kind of banking experience while delivering attractive returns for shareholders.'

'Our insurance company is a leader in retirement services with an attractive mix of mature and growth markets. We will take great care to ensure the separation of the business goes smoothly and that we continue to deliver business as usual for our customers. The divestment of insurance will be done carefully to ensure value for shareholders is protected while balancing the interests of all stakeholders.'

'We have a lot of work ahead, but this is the beginning of an exciting new phase for ING. Our resolution with the European Commission on restructuring will put behind uncertainty and enable us to focus on the future. We are also raising equity to repay the first half of the capital support received from the Dutch State a year ago, which is an important milestone on our road to recovery. It is time to move forward, and I look forward to the journey ahead.'

ING GROUP

ING's third-quarter results showed an improvement, supported by cost savings and a strong commercial performance of the Banking business. Market impacts, however, remained substantial, including impairments on debt securities and real estate revaluations.

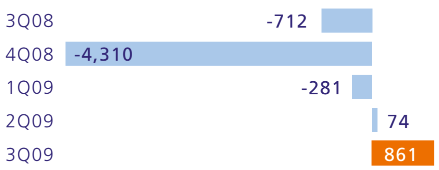
CLIENT BALANCES (IN EUR BILLION)

- Client balances up 1% versus 2Q09
- Negative net production of EUR -2 billion more than offset by market increases and currency impacts
- Insurance showed a net outflow of EUR -3.9 billion, while Bank recorded a net inflow of EUR 2.1 billion

OPERATING EXPENSES (IN EUR MILLION)

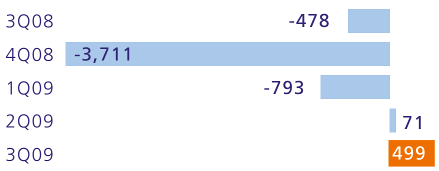
- Operating expenses -9.3% versus 3Q08; -2.4% versus 2Q09
- EUR 0.9 billion of targeted EUR 1.3 billion already achieved
- Headcount reduction of 10,239 well ahead of full-year expected reduction of 7,000 FTEs

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



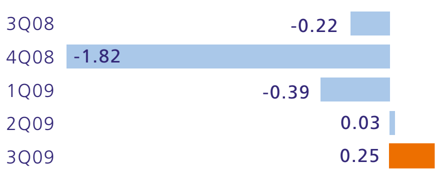
- Underlying result before tax improved to EUR 861 million driven by strong interest results and expense efficiency
- Negative market impacts diminished as equity markets improved
- Impairments on debt securities and revaluations and impairments on real estate continue to weigh on results

NET RESULT (IN EUR MILLION)



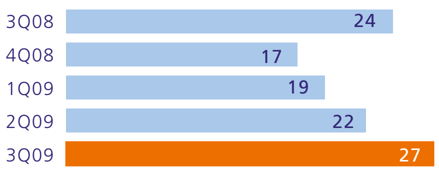
- Net result improved to EUR 499 million, notwithstanding a 16% or EUR 176 billion de-leveraging of the balance sheet
- Net result includes EUR -172 million loss on divestments and EUR -106 million of restructuring provisions

EARNINGS PER SHARE (IN EUR)



- Earnings per share EUR 0.25 versus EUR 0.03 in 2Q09
- Average shares outstanding in the market of 2,025 million, almost equal to 2Q09

SHAREHOLDERS' EQUITY (IN EUR BILLION)



- Shareholders' equity increased by 19%, or EUR 4.2 billion, to EUR 26.5 billion
- Increase driven by positive revaluations on debt and equity securities

CONSOLIDATED RESULTS

ING Group: Key Figures

in EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Underlying[1] result before tax								
Retail Banking	548	420	30.5%	426	28.6%	1,113	1,616	-31.1%
ING Direct	-358	-47		-175		-489	286	-271.0%
Commercial Banking	267	40	567.5%	-148		625	975	-35.9%
of which Commercial Banking excluding ING Real Estate	577	53	988.7%	432	33.6%	1,704	1,024	66.4%
of which ING Real Estate	-309	-13		-580		-1,079	-49	
Corporate Line Banking	-184	-629		-307		-481	-587	
Underlying result before tax from Banking	**274**	**-216**		**-204**		**768**	**2,290**	**-66.5%**
Insurance Europe	358	101	254.5%	134	167.2%	416	838	-50.4%
Insurance Americas	307	-316		256	19.9%	53	155	-65.8%
Insurance Asia/Pacific	223	19	1073.7%	201	10.9%	274	325	-15.7%
Corporate Line Insurance	-301	-300		-312		-857	-81	
Underlying result before tax from Insurance	**587**	**-496**		**278**	**111.2%**	**-114**	**1,236**	**-109.2%**
Underlying result before tax	**861**	**-712**		**74**	**1,063.5%**	**654**	**3,526**	**-81.5%**
Taxation	91	-140		-71		63	672	-90.6%
Minority interests	-8	-3		-83		-111	-28	
Underlying net result	**778**	**-568**		**229**	**239.7%**	**702**	**2,883**	**-75.7%**
Net gains/losses on divestments	-168	178		8		-216	225	
Net result from divested units	-4	-13		-6		-5	70	
Special items after tax	-106	-74		-161		-704	-196	
Net result	**499**	**-478**		**71**	**602.8%**	**-223**	**2,982**	**-107.5%**
Result per share (in EUR)	**0.25**	**-0.22**		**0.03**	**733.3%**	**-0.11**	**1.46**	**-107.5%**
Key figures								
Client balances (end of period, EUR billion)	1,497	1,527	-2.0%	1,479	1.2%	1,497	1,527	-2.0%
Number of staff (FTEs end of period, adjusted for divestments)	108,933	119,827	-9.1%	111,201	-2.1%	108,933	119,827	-9.1%
Shares outstanding in the market (average, for EPS calculation)						2,025	2,048	-1.1%

[1] Underlying result before tax and underlying net result are non-GAAP measures for result excluding divestments and special items.
Note: small differences are possible in the tables due to rounding

- **Underlying net result improves to EUR 778 million**
- **Market-related impacts less severe than in 2Q2009 as equity markets improved**
- **Cost-containment programme on track: expenses -9.3%**

ING Group Highlights

ING posted an underlying net result of EUR 778 million in the third quarter of 2009. Operating conditions continued to gradually improve and cost-containment initiatives generated further expense savings during the quarter, supporting the Group's strong commercial performance.

Negative market-related impacts were lower than in the previous quarters of 2009 as financial markets continued to stabilise. The improvement in equity markets led to realised gains which helped to temper losses from other equity-related impacts. Still, global real estate markets remained depressed leading to negative revaluations on that asset class, and the weak US housing market and rising delinquencies again resulted in impairments on mortgage-backed securities.

During the third quarter of 2009, the Group recorded market-related impacts totalling EUR 882 million. Excluding these impacts and risk costs, results were robust at EUR 2.4 billion.

The underlying net result of the Bank was EUR 264 million, compared to EUR -101 million in the third quarter of 2008 and EUR -25 million in the previous quarter. The Bank's performance in the current quarter was driven by higher interest margins, an improvement in other income, and lower expenses thanks to cost-containment initiatives and one-time events. The interest margin rose 40 basis points from last year to 1.40%, supported by balance sheet de-leveraging.

Market-related impacts at the Bank were EUR -1,121 million and consisted primarily of impairments on debt securities of EUR -664 million and real estate revaluations and impairments of EUR -423 million. Impairments on debt securities mainly related to the retained portion of ING Direct's Alt-A RMBS portfolio.

Risk costs improved compared with the previous quarter, but remained elevated, reflecting the persistently challenging credit environment. Risk costs in the third quarter totalled EUR 662 million, or 87 bps of average credit-risk weighted assets, compared to 118 basis points in the second quarter. ING expects risk costs in the coming quarters to be around the levels of the first three quarters of 2009.

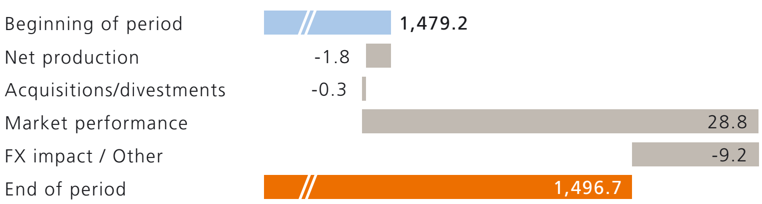
Excluding the impact of market-related items and risk costs, the Bank's result was strong at EUR 2,056 million. Results excluding market-related impacts and risk costs were EUR 1,243 million in the same quarter last year, and EUR 1,838 million in the second quarter of 2009.

Results at Insurance were under pressure in the third quarter due to lower sales and margin pressure—partially a consequence of de-risking—while expenses were on par with the previous quarter.

The underlying net result of Insurance was EUR 514 million, compared to EUR -467 million in the third quarter of the previous year and EUR 254 million in the second quarter of 2009.

On balance, market-related impacts had a positive contribution of EUR 240 million at Insurance in the third quarter. Favourable market-related impacts included realised gains on equity and debt securities of EUR 235 million (net of impairments),

CLIENT BALANCES 3Q2009 - ING GROUP (EUR billion)



DAC unlocking of EUR 104 million, private equity revaluations of EUR 82 million and other positive impacts totalling EUR 286 million. These items more than offset EUR -366 million of hedge results and EUR -101 million of real estate revaluations.

Excluding the favourable effect of market impacts, Insurance recorded a result of EUR 346 million in the third quarter. Results excluding market impacts were EUR 446 million in the same quarter last year, and EUR 501 million in the previous quarter.

The Group's third-quarter underlying result before tax was EUR 861 million. Taxation was EUR 91 million and minority interests were EUR -8 million. Including the EUR -172 million impact of divestments and EUR -106 million of special items, the Group's quarterly net result was EUR 499 million.

The net result per share was EUR 0.25. Total shares outstanding in the market were 2,028 million at the end of September 2009, compared with 2,027 million at the end of June. The average number of shares used to calculate earnings per share over the third quarter of 2009 is 2,025 million.

Back to Basics Update

In April 2009, ING initiated its strategic "Back to Basics" programme to address the fundamental changes in the financial services industry resulting from the global crisis. Over the past several months, ING has made significant progress in delivering on its various strategic priorities.

Cost-containment initiatives are on track to reach a EUR 1.3 billion reduction in costs in 2009, versus 2008 levels. By the end of September 2009, EUR 1,049 million of the targeted cost reduction had already been realised, excluding impairments on real estate development which are recorded as expenses. Cumulative headcount reductions were 10,239 by the end of the third quarter, surpassing the full-year expected reduction of 7,000 FTEs.

De-risking measures have progressed well and have become ingrained throughout the Group. Within Insurance, ING stopped selling SPVAs in Japan as of 31 July 2009. In the US, variable annuity products have been de-risked through measures including product adaptations and increased hedging. Meanwhile, the Bank has selectively tightened its loan underwriting criteria.

ING Group: Consolidated Income Statement

in EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Gross premium income	7,632	9,085	-16.0%	7,269	5.0%	23,816	29,190	-18.4%
Interest result banking operations	3,099	2,611	18.7%	3,143	-1.4%	9,278	7,812	18.8%
Commission income	1,215	1,246	-2.5%	1,161	4.7%	3,460	3,699	-6.5%
Total investment & other income	173	1,075	-83.9%	-1,329		717	6,702	-89.3%
Total underlying income	**12,119**	**14,017**	**-13.5%**	**10,244**	**18.3%**	**37,271**	**47,403**	**-21.4%**
Underwriting expenditure	7,192	10,549	-31.8%	5,816	23.7%	23,830	31,845	-25.2%
Operating expenses	3,225	3,555	-9.3%	3,304	-2.4%	9,912	10,561	-6.1%
Other interest expenses	162	228	-28.9%	177	-8.5%	533	711	-25.0%
Addition to loan loss provisions / impairments	680	398	70.9%	870	-21.8%	2,341	760	208.0%
Total underlying expenditure	**11,258**	**14,729**	**-23.6%**	**10,169**	**10.7%**	**36,617**	**43,877**	**-16.5%**
Underlying result before tax	**861**	**-712**		**74**	**1,063.5%**	**654**	**3,526**	**-81.5%**
Taxation	91	-140		-71		63	672	-90.6%
Minority interests	-8	-3		-83		-111	-28	
Underlying net result	**778**	**-568**		**229**	**239.7%**	**702**	**2,883**	**-75.7%**
Net gains/losses on divestments	-168	178		8		-216	225	
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Special items after tax	-105	-74		-161		-704	-196	
Net result	**499**	**-478**		**71**	**602.8%**	**-223**	**2,982**	**-107.5%**
Net result per share (in EUR)	**0.25**	**-0.22**		**0.03**	**733.3%**	**-0.11**	**1.46**	**-107.5%**

De-leveraging efforts, supported by the netting of current accounts, have advanced rapidly. By the end of September 2009, ING Bank had reduced its balance sheet by EUR 176 billion, or 16.3% compared with the end of September 2008, well ahead of its targeted reduction of 10% by year-end 2009. The reduction has mainly been driven by the non-lending portion of the balance sheet and has had only limited earnings implications.

Divestments will be executed as market conditions permit. ING has announced or completed the divestment of the following businesses in 2009: ING's 70% stake in ING Canada, Russian non-state pension fund, Annuities in Argentina, Annuities and Mortgages in Chile, Insurance Australia and New Zealand, Investment Management New Zealand, Swiss Private Banking, Asian Private Banking, ING Reinsurance US, and the majority of the ING Advisors Network in the US. The total proceeds of these announced or completed divestments are approximately EUR 4.1 billion, and the expected capital release is approximately EUR 3 billion of the estimated capital release of EUR 4 billion announced in April.

Subsequent Events

On 26 October, ING announced that it had finalised negotiations with the European Commission regarding ING's Restructuring Plan. A formal approval by the European Commission is expected prior to an extraordinary General Meeting of Shareholders (EGM), scheduled for 25 November 2009.

As the next logical step in Back to Basics, and in light of the discussion with the European Commission, ING has decided to separate its Banking and Insurance operations. ING intends to achieve this over the next four years by divesting all Insurance operations (including Investment Management). ING will explore all options, including initial public offerings, sales or combinations thereof. The strategic decision to split the company and to divest all Insurance operations (including Investment Management) is subject to shareholder approval at the EGM on 25 November 2009.

ING has a proud history as a global financial services leader and has been a strong advocate for combining banking and insurance in one company. The combination has afforded the Group advantages of scale, capital efficiency and earnings stability through a diversified portfolio of businesses. However, the financial crisis has diminished these benefits, and the widespread demand for greater simplicity, reliability and transparency has made a split the optimal course of action which will preserve the strategic integrity of both businesses. ING will work carefully in the coming months and years to manage the separation in a way that will support the success of all businesses and that is in the interests of all stakeholders.

In order to obtain the approval of the EC for the Restructuring Plan, ING also committed to make a series of additional payments to the Dutch State, corresponding to adjustments to the fees under the Illiquid Assets Back-up Facility. These additional payments will amount to a net present value of EUR 1.3 billion, which will be reflected in a one-time pre-tax charge in the fourth quarter of 2009. A provision related to the deposit guarantee scheme in the Netherlands following the fall of DSB Bank is also expected to be reflected in the fourth quarter.

ING also announced on 26 October that an agreement had been reached with the Dutch State to alter the repayment terms of the core Tier 1 securities, in order to facilitate early repayment. This early repayment option is valid until the end of January 2010. ING intends to use this window of opportunity to repurchase EUR 5 billion of core Tier 1 securities in December 2009, financed by a EUR 7.5 billion underwritten rights issue. The rights issue is subject to shareholder approval at the EGM which will be held on 25 November 2009.

ING has also agreed with the European Commission on the divestment of ING Direct US and a carve out in the Dutch retail banking market, as well as to certain restrictions on acquisitions and price leadership. Please refer to the 26 October announcements for further details on ING's Restructuring Plan.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	30 Sep. 09	30 June 09		30 Sep. 09	30 June 09
Assets			**Equity**		
Cash and balances with central banks	14,316	20,794	Shareholders' equity	26,515	22,276
Amounts due from banks	51,373	51,355	Minority interests	1,067	1,075
Financial assets at fair value through P&L	243,063	238,852	Non-voting equity securities ("Core Tier 1 securities")	10,000	10,000
Investments	208,225	207,518	**Total equity**	**37,582**	**33,351**
Loans and advances to customers	577,931	589,439	**Liabilities**		
Reinsurance contracts	5,376	5,656	Subordinated loans	10,018	10,238
Investments in associates	3,811	3,946	Debt securities in issue	117,369	122,891
Real estate investments	4,071	4,141	Other borrowed funds	25,187	26,363
Property and equipment	6,180	6,368	Insurance and investment contracts	236,829	238,015
Intangible assets	6,056	6,594	Amounts due to banks	96,885	104,135
Deferred acquisition costs	11,048	11,393	Customer deposits and other funds on deposits	459,193	461,796
Assets held for sale	16,901		Financial liabilities at fair value through P&L	146,672	149,305
Other assets	39,566	41,866	Liabilities held for sale	16,669	
			Other liabilities	41,514	41,829
			Total liabilities	**1,150,334**	**1,154,570**
Total assets	**1,187,915**	**1,187,921**	**Total equity and liabilities**	**1,187,915**	**1,187,921**

- **ING Group's total assets remain stable in 3Q**
- **Shareholders' equity up 19%, or EUR 4.2 billion, in 3Q09**
- **Positive revaluations on debt and equity securities drive increase in shareholders' equity**

ING Group's total assets remained at the same level of EUR 1,188 billion compared with 30 June 2009. Efforts to reduce the size of the balance sheet of the Bank continued, although the 10% reduction targetted for 2009 was more than achieved. Total assets of ING Bank N.V. decreased by EUR 12 billion, or 1.3%, since June 2009, mainly due to a decrease in corporate lending outside the Netherlands. Total assets of ING Verzekeringen N.V. increased by EUR 11 billion, or 4.0%, mainly due to revaluations in Investments and Financial assets at fair value.

Assets and liabilities held for sale comprise divestments that have been announced but not yet completed. These are the Swiss and Asian Private Banking activities, the annuity and mortgage businesses in Chile as well as the Australian and New Zealand insurance businesses.

Pages 25 and 43 describe key developments in the balance sheets of ING Bank N.V. and ING Verzekeringen N.V., respectively.

Shareholders' equity

ING's shareholders' equity increased by 19%, or EUR 4.2 billion, to EUR 26.5 billion at the end of the third quarter. This increase is mainly driven by an improvement in the unrealised revaluation reserves of equity securities of EUR 0.7 billion and of debt securities of EUR 5.2 billion. The increase in debt revaluations was partly offset by a decrease of EUR 1.8 billion in the revaluation reserve crediting to life policyholders.

The revaluation reserve of debt securities improved by EUR 5.2 billion, from EUR -7.9 billion at the end of June 2009 to EUR -2.8 billion at the end of September 2009. The revaluation reserve on asset-backed securities improved in the third quarter by EUR 1.9 billion after tax as the impairments in the third quarter are removed from the revaluation reserve. The remaining unrealised revaluation reserve on ABS amounted to EUR - 4.2 billion after-tax at 30 September 2009. The revaluation reserve on corporate bonds and bonds from financial institutions rose in the third quarter by EUR 2.1 billion due to a tightening of credit spreads. The remaining increase was mainly due to government bonds.

The unrealised revaluation reserve on debt securities of EUR -2.8 billion after-tax has no impact on ING's regulatory capital ratios or ING's debt/equity ratios.

ING Group: Change in shareholders' equity

	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	3Q09	2Q09	3Q09	2Q09	3Q09	2Q09	3Q09	2Q09
Shareholders' equity beginning of period	**22,276**	**19,370**	**27,653**	**26,475**	**12,203**	**10,451**	**-17,580**	**-17,556**
Net result for the period	499	71	239	-62	319	194	-59	-61
Unrealised revaluations of equity securities	840	997	305	587	535	410		
Unrealised revaluations of debt securities	4,746	3,759	892	447	3,855	3,312	-1	
Deferred interest crediting to life policyholders	-1,799	-869			-1,799	-869		
Realised gains/losses equity securities released to P&L	-113	-5	10	5	-123	-10		
Realised gains/losses debt securities released to P&L	409	101	394	229	15	-128		
Change in cashflow hedge reserve	140	-631	-140	-15	289	-624	-9	8
Other revaluations	-44	5	3	-9	-48	8	1	6
Changes in treasury shares	31	132					31	132
Exchange rate differences	-452	-520	-80	-37	-364	-476	-8	-7
Cash dividend					-350		350	
Employee stock option and share plans	14	11	12	11	10	8	-8	-8
Exercise of warrants/capital injections			150				-150	
Other	-32	-145	3	22	-12	-73	-23	-94
Total changes	**4,239**	**2,906**	**1,788**	**1,178**	**2,327**	**1,752**	**124**	**-24**
Shareholders' equity end of period	**26,515**	**22,276**	**29,441**	**27,653**	**14,530**	**12,203**	**-17,456**	**-17,580**

ING Group: Shareholders' equity

	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	30 Sep. 09	30 June 09	30 Sep. 09	30 June 09	30 Sep. 09	30 June 09	30 Sep. 09	30 June 09
Revaluation reserve equity securities	3,230	2,503	2,273	1,958	913	501	44	44
Revaluation reserve debt securities	-2,774	-7,929	-334	-1,620	-2,414	-6,284	-26	-25
Revaluation reserve crediting to life policyholders	160	1,959			160	1,959		
Revaluation reserve cashflow hedge	171	31	-580	-440	839	550	-88	-79
Share premium/capital	9,677	9,677	17,067	16,917	9,998	9,998	-17,388	-17,238
Retained earnings and other	16,051	16,035	11,015	10,838	5,034	5,479	2	-282
Total	**26,515**	**22,276**	**29,441**	**27,653**	**14,530**	**12,203**	**-17,456**	**-17,580**

The revaluation reserve of equity securities was EUR 3.2 billion at the end of September 2009, up from EUR 2.5 billion at the end of June 2009. The market value of equity securities improved throughout the portfolio, with a significant contribution from ING's 5% stake in Kookmin Bank. In addition, ING sold several equity securities in the third quarter, realising a EUR 113 million gain, which is taken out from the unrealised revaluation reserve.

Number of shares

The total number of shares outstanding in the market increased slightly from 2,027 million at the end of June 2009 to 2,028 million at the end of September 2009. The total number of shares outstanding in the market equals the total number of shares minus the treasury shares. The number of treasury shares fell from 36.3 million at the end of the second quarter to 34.9 million at the end of the third quarter, due to a lower number of shares held as a hedge for employee share options.

CAPITAL MANAGEMENT

ING's Capital Base

	ING Group		ING Bank		ING Insurance	
In EUR million	30 Sep. 09	30 June 09	30 Sep. 09	30 June 09	30 Sep. 09	30 June 09
Shareholders' equity	26,515	22,276	29,441	27,653	14,530	12,203
Core Tier 1 securities	10,000	10,000				0
Group hybrid capital	11,337	11,646	6,935	7,118	4,392	4,519
Core debt	7,126	7,258				
Total capitalisation	**54,978**	**51,180**	**36,376**	**34,771**	**18,922**	**16,722**
Adjustments to equity:						
• revaluation reserve debt securities	2,774	7,929	334	1,619	2,414	6,284
• revaluation reserve crediting to life policyholders	-160	-1,959			-160	-1,959
• revaluation reserve cashflow hedge	-171	-31	580	438	-839	-550
• goodwill	-3,167	-3,224	-1,613	-1,633	-1,801	-1,841
Revaluation reserves fixed income etc.	-724	2,715	-699	424	-386	1,934
Rev. reserves equity and real estate excluded from Tier 1			-2,908	-2,700		
Insurance hybrid capital					2,250	2,250
Minorities			1,099	1,112	82	74
Deductions Tier 1			-1,145	-1,150		
Available capital			**32,722**	**32,457**	**20,867**	**20,980**
Other qualifying capital			10,956	10,822		
DAC/ViF adjustment (50%)					3,158	2,574
Group leverage (core debt)	-7,126	-7,258				
Adjusted equity	**47,128**	**46,637**	**43,678**	**43,279**	**24,025**	**23,554**

- **ING Bank core Tier 1 ratio improves to 7.6%**
- **Group D/E ratio reduced to 13.1% and Insurance D/E ratio decreases to 11.5%**
- **ING Group shareholders' equity increases to EUR 26.5 billion**

Key capital and leverage ratios

ING's key capital ratios improved further in the third quarter, supported by improvements in financial markets and a net decrease in risk-weighted assets. During the quarter, ING Bank's Tier 1 ratio increased from 9.4% to 9.7%, and the core Tier 1 ratio increased from 7.3% to 7.6%. Risk-weighted assets showed a net decrease of EUR 8 billion as a decline in lending, FX impacts and reductions in market risk more than offset the impact of risk migration. The amount of available Tier 1 capital increased by EUR 0.3 billion due to the reported net result and FX impacts. The BIS capital ratio increased from 12.5% to 12.9%.

The debt/equity ratio of ING Insurance improved from 12.4% to 11.5% as Insurance core debt decreased by EUR 0.2 billion. EUR 1.0 billion of total dividends, mainly from ING's Dutch insurance companies, were mostly offset by a dividend of EUR 0.35 billion from ING Insurance to ING Group, FX impacts on hybrids and the net result of the Insurance holding. Adjusted equity of Insurance increased by EUR 0.5 billion to EUR 24.0 billion mainly due to a EUR 0.6 billion increase in the DAC/VIF credit.

During the quarter, adjusted equity of ING Group increased by EUR 0.5 billion to EUR 47.1 billion, mainly due to the reported net profit. Group core debt decreased to EUR 7.1 billion as a result of the EUR 0.35 billion dividend upstream from ING Insurance not being fully offset by the EUR 0.15 billion capital injection to ING Bank. As a result, the Group debt/equity ratio improved to 13.1% from 13.5% during the quarter.

Capital market operations

During the third quarter, ING issued EUR 2.0 billion of 5 year covered bonds at mid swaps plus 0.30%. This transaction received strong demand in the market. Earlier in 2009, ING issued EUR 1.25 billion of 10 year covered bond at mid swaps plus 1.25%.

Acquisitions and divestments

In the third quarter of 2009, ING announced the sale of its 51% equity stakes in ING Australia and ING New Zealand to its joint venture partner ANZ. In addition, ING agreed to sell its annuity and

Capital base: ING Group		
In EUR million	30 Sep. 09	30 June 09
Shareholders' equity	26,515	22,276
Core Tier 1 securities	10,000	10,000
Group hybrid capital	11,337	11,646
Group leverage (core debt)	7,126	7,258
Total capitalisation (Bank + Insurance)	**54,978**	**51,180**
Revaluation reserves fixed income, goodwill & other	724	-2,715
Group leverage (core debt) (d)	7,126	7,258
Adjusted equity (e)	47,128	46,637
Debt/equity ratio (d/(d+e))	**13.1%**	**13.5%**

Capital ratios: ING Bank		
In EUR million	30 Sep. 09	30 June 09
Core Tier 1	25,787	25,340
Hybrid Tier 1	6,935	7,118
Total Tier 1 capital	**32,722**	**32,457**
Other capital	10,956	10,822
BIS capital	**43,678**	**43,279**
Risk-weighted assets	337,338	345,068
Required capital Basel II	26,987	27,605
Required capital based on Basel I floor	29,427	29,945
Basel II core Tier 1 ratio	**7.6%**	**7.3%**
Basel II Tier 1 ratio	**9.7%**	**9.4%**
Basel II BIS ratio*	**12.9%**	**12.5%**

*) pre-floor

Capital ratios: ING Insurance		
In EUR million	30 Sep. 09	30 June 09
Core debt (d)	3,122	3,345
Adjusted equity (e)	24,025	23,554
Debt/equity ratio (d/(d+e))	**11.5%**	**12.4%**
Available capital (a)	20,867	20,980
EU required capital (b)	8,161	8,156
Capital coverage ratio (a/b)	**256%**	**257%**

Main credit ratings of ING at 3 November 2009						
	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A	Stable	A1	Negative	A	Stable
ING Bank N.V.	A+	Stable	Aa3	Negative	A+	Stable
ING Verzekeringen NV	A-	Negative	Baa1	Developing	A-	Negative

mortgage businesses in Chile to Corp Group Vida Chile, S.A. Both transactions are expected to be closed in the fourth quarter of 2009.

The announced sale of ING's Asian private banking business to OCBC is also expected to close in the fourth quarter. The divestment of the Swiss private bank to Julius Bear and the transfer of the US Group Reinsurance business are expected to be completed in the first quarter of 2010.

Together these transactions are expected to free up roughly EUR 1.6 billion of capital.

Subsequent events

On 26 October 2009, ING announced a number of important changes. The key items that will impact the future capital position of ING include a planned rights issue of EUR 7.5 billion during the fourth quarter of 2009, an expected repurchase of EUR 5 billion of principal of the Core Tier 1 securities, additional payments of EUR 1.3 billion (pre-tax) to be booked in the fourth quarter of 2009 related to the Alt-A transaction with the Dutch state and the planned divestment of all insurance and asset management businesses by the end of 2013. For more explanation on the important changes, see also the "Subsequent events" section on page 10.

Ratings

In the third quarter, both S&P and Fitch downgraded ING Group, ING Bank and ING Insurance by one notch. Following the announcements of 26 October 2009, S&P, Moody's and Fitch reduced their ratings of ING Insurance by one notch (to A-, Baa1 and A- respectively).

RISK MANAGEMENT

Pre-tax P&L impact impairments, fair value changes and other market impacts ING Group

EUR million	3Q2009	3Q2008	2Q2009
Subprime RMBS	-151	-30	-49
Alt-A RMBS	-580	-198	-323
Prime RMBS	-26	0	-21
Other ABS	-18	0	-19
CDO/CLO	73	-181	85
Other debt securities and monoliners	-5	-499	-80
Impairments / fair value changes debt securities	**-707**	**-908**	**-407**
Equity securities impairments	-29	-535	-64
Capital gains on equity securities	182	192	72
Hedges on direct equity exposure	-232	199	-417
Hedges on indirect equity exposure	-134	0	-346
DAC unlocking	104	-233	176
Equity related impact	**-109**	**-377**	**-579**
Real Estate revaluations / impairments	-524	-213	-694
Private equity revaluations	82	-125	8
Real Estate / Private equity	**-442**	**-338**	**-686**
Capital gains on debt securities	165	-18	36
Other market impact	211	-387	223
Other	**376**	**-405**	**259**
Total market impacts	**-882**	**-2,028**	**-1,413**
Loan loss provisions Bank	-662	-373	-852
Total market volatility and risk costs	**-1,544**	**-2,401**	**-2,265**

- **Impairments on debt securities total EUR -707 million**
- **Equity hedges lead to EUR -366 million pre-tax P&L impact**
- **Real Estate revaluations/impairments of EUR -524 million**
- **Additions to loan loss provisions decline to 87 bps average CRWA**

Market-related impacts remained substantial in the third quarter. Pre-tax impairments and fair value changes on debt securities were EUR -707 million in the third quarter, of which EUR -580 million were on Alt-A RMBS. The remainder of the impairments were on US prime RMBS, US subprime RMBS and Canadian ABCP.

ING's de-risking actions shielded the balance sheet from a more profound impact, while hedges on (in) direct equity exposure with a nominal value of EUR 4.6 billion had a negative EUR -366 million pre-tax impact on the P&L.

Asset-backed securities

The US housing market showed signs of recovery, as demonstrated by the S&P Case-Schiller index for US house prices, which rose 3% in the period July through August after a 6% decline in first half of 2009 and a 20% decline in 2008. However, the Bloomberg's 60+ days delinquencies index of Alt-A mortgages continued to rise from 23.9% to 25.7%. Delinquencies in mortgages underlying ING Direct's Alt-A RMBS portfolio increased from 20.9% to 24.1% in the quarter.

The higher number of delinquencies, foreclosures and loss severities triggered further impairments on the US RMBS portfolio. The pre-tax impairment of Alt-A RMBS was EUR -580 million in the third quarter, of which EUR -575 million was taken in ING Direct's portfolio. ING Direct's Alt-A RMBS impairment comprises EUR -44 million of impairments of previously impaired assets and EUR -531 million of impairments to market value on newly impaired bonds, which were triggered by EUR -145 million of estimated credit losses until the maturity of these securities. ING Direct's overall estimated credit losses increased by EUR -237 million. The difference between the estimated credit loss and the impairment can be attributed to market and illiquidity factors. IFRS requires that any security with an estimated credit loss be impaired to its market price.

ING's Alt-A RMBS portfolio reduced slightly from EUR 3.1 billion to EUR 3.0 billion at the end of the third quarter, driven by pre-payments and redemptions of underlying Alt-A mortgages (partly offset by positive revaluations). The market value increased to 58.9% of the purchase price, up from 57.4% at 30 June 2009.

At the end of September, the remaining negative revaluation reserve on Alt-A RMBS that has not passed through P&L amounted to EUR -609 million before tax, or EUR -394 million after tax.

ING's subprime RMBS portfolio amounted to EUR 1.3 billion at the end of the third quarter. The market value of ING's subprime RMBS increased to 48.6% of the purchase price from 44.8% at 30 June 2009. ING took EUR -151 million pre-tax impairments on subprime RMBS in the quarter.

ING's CDO/CLO portfolio was EUR 4.3 billion at 30 September 2009. The CDOs in ING's portfolio generally reference to investment-grade corporate credit. Insurance Americas recorded a EUR 73 million positive fair value adjustment through the P&L on (synthetic) CDOs. This was driven by corporate credit-spread tightening in the quarter.

The commercial mortgage-backed securities (CMBS) portfolio had a market value of EUR 7.6 billion at 30 September 2009. ING's CMBS

Subprime RMBS, Alt-A RMBS and CDO/CLO

In EUR million	30 September 2009			Change in 3Q2009			30 June 2009		
Business Line	Market value	Revaluations through Equity (pre-tax)	Market value in % purchase price	Writedowns through P&L (pre-tax)	Revaluation through Equity (pre-tax)	Other changes 1)	Market value	Revaluations through Equity (pre-tax)	Market value in % purchase price
Insurance Europe	14	0			0	1	13	0	
Insurance Americas	1,271	-969		-109	283	-132	1,229	-1,252	
Insurance Asia	-	0			0	0	-	0	
Commercial Banking	16	-8		-20	23	-4	17	-31	
ING Direct	35	-15		-22	25	0	32	-40	
Total Subprime RMBS	**1,336**	**-992**	**48.6%**	**-151**	**331**	**-136**	**1,291**	**-1,323**	**44.8%**
Insurance Americas	322	-121		-3	-5	44	286	-116	
Insurance Asia	4	0			0	1	3	-0	
Commercial Banking	269	-82		-2	18	-25	278	-100	
ING Direct	2,420	-406		-575	768	-312	2,539	-1,174	
Total Alt-A RMBS	**3,015**	**-609**	**58.9%**	**-580**	**781**	**-293**	**3,107**	**-1,390**	**57.4%**
Insurance Europe	612	-37			7	4	601	-44	
Insurance Americas	2,830	-43		73	48	-220	2,929	-91	
Insurance Asia	81	-4			2	-3	81	-6	
Commercial Banking	780	-62			37	50	693	-99	
ING Direct	-	0			0	0	-	0	
Total CDOs/CLOs 2)	**4,303**	**-146**	**98.3%**	**73**	**95**	**-168**	**4,304**	**-241**	**95.3%**
Total	**8,654**	**-1,747**		**-658**	**1,207**	**-597**	**8,702**	**-2,954**	

1) Including FX changes, purchases, sales, redemptions and reclassifications
2) Includes Synthetic CDOs at notional value

portfolio was fair valued at 79%, up from 74% at the end of the second quarter. The marked-to-market improvements seen during the previous quarters, driven amongst others by the additional liquidity on the back of the US government's troubled legacy asset programmes, continued during the third quarter of 2009. With the super senior tranches already trading at nearly par, the improvement was mainly visible in the mezzanine AAA and junior AAA tranches. The majority of ING's CMBS remain senior AAA tranches with significant credit enhancement, although underlying performance indicators have deteriorated. There have been no impairments on ING'S CMBS portfolio to date.

ING's exposure to asset-backed securities declined to EUR 61.1 billion at 30 September 2009 from EUR 64.6 billion at the end of June. ING's ABS portfolio mainly consists of US agency RMBS and European RMBS and also includes prime RMBS, Alt-A RMBS, subprime RMBS, CMBS and other ABS. ABS in the Available-for-Sale (AFS) investment portfolio declined from EUR 29.0 billion to EUR 27.7 billion at the end of the third quarter

Other market impacts

In the third quarter of 2009, further credit-spread tightening on part of ING Bank's own Tier 2 debt resulted in EUR -75 million of negative fair value changes compared with a negative impact of EUR -168 million in the previous quarter. This fair value change is recorded in the Corporate Line Banking and under 'Other' in the table on the previous page. 'Other' further comprises the separate account shortfall in the Dutch insurance business, variable annuity hedging volatility in Japan, both of which had a positive P&L impact in the third quarter and other smaller factors.

Equity risk

ING is exposed to equity risk directly through its AFS equity portfolio and indirectly through equity-linked fee income and equity-related DAC unlocking in the insurance business.

In the third quarter, the S&P 500 index gained 17%, while the Dutch AEX index increased 20%. ING's listed equity portfolio increased to EUR 6.1 billion at 30 September 2009, up from EUR 5.5 billion at 30 June 2009. The unrealised revaluation reserve on equities, taken through shareholders' equity, increased from EUR 2.5 billion per 30 June to EUR 3.2 billion at 30 September 2009. ING holds put options on the Eurostoxx 50 to hedge ING Insurance's listed equity portfolio. The total nominal hedged amount was EUR 3.9 billion at 30 September 2009. The impact of these hedges on the P&L was EUR -232 million. Despite the equity market recovery, impairments on equity securities were EUR -29 million in the third quarter as the market value for several securities remained below the purchase value for more than six months, triggering an impairment.

Higher stock markets led to a favourable EUR 104 million in DAC unlocking in the US insurance business. However, temporary hedges (short S&P futures, which have been reduced to EUR 0.7 billion during the third quarter) to protect the Insurance US regulatory capital position had an impact of EUR -134 million.

ING Insurance had EUR 1.7 billion in private equity and alternative investments at quarter-end. In the third quarter of 2009, the positive pre-tax revaluations, which are taken through the P&L, were EUR 82 million.

Real Estate risk

ING's direct real estate exposure at 30 September 2009 was EUR 14.4 billion, of which EUR 8.6 billion is subject to revaluation through the P&L. The ongoing negative revaluation of direct properties led to a negative P&L contribution from real estate assets. In the third quarter ING recorded a EUR -298 million pre-tax negative revaluation through the P&L on this portfolio, of which EUR -58 million was in ING Insurance and EUR -240 million within ING Bank. Almost half of the EUR -240 million was related to the Summit portfolio of Canadian industrial properties. The remaining negative revaluations were primarily in Australia, the US and Asia. EUR 0.2 billion of real estate was sold during the quarter.

Separately, ING recorded EUR -226 million of pre-tax impairments on real estate projects, of which EUR -183 million was in ING Bank and EUR -43 million in ING Insurance. The impairments mainly stem from development projects in Spain, the Netherlands and Australia.

Loan portfolio

Provisions for loan losses remained elevated in the third quarter. Underlying net additions to loan loss provisions were EUR 662 million, which is lower than the EUR 852 million in the second quarter and EUR 772 million in the first quarter. This translates into (annualised) 87 basis points of average credit risk weighted assets (CRWA) versus 118 basis points in the second quarter and 108 basis points in the first quarter of 2009. ING expects risk costs in the coming quarters to be around the levels they were in the first three quarters of 2009.

Additions to loan loss provisions are evenly spread across the three lines of business. At ING Direct, risk costs were EUR 238 million (an increase from EUR 170 million in the second quarter). The biggest contributor was EUR 176 million from own-originated US mortgages, which included EUR 34 million from losses from individual mortgage loan modifications. The aim of these loan modifications is to prevent a forced sale in the already distressed US residential real estate market. At Commercial Banking, risk costs were EUR 234 million (a decrease from EUR 478 million in the previous quarter). The main contributors were Structured Finance (EUR 77 million) and Real Estate Finance (EUR 67 million). Risk costs in Retail Banking were EUR 190 million compared with the EUR 205 million in the second quarter. Risk costs for mid-corporates and SME segments lending increased from EUR 67 million to EUR 109 million.

ING Bank's coverage ratio of loan loss provisions over provisioned loans was 35% at 30 September 2009, as the proportion of collateralised lending in ING Bank's loan book is relatively high.

Risk-weighted assets

RWA decreased by EUR 8 billion to EUR 337 billion in the third quarter. Credit rating migration added around EUR 5 billion of RWA in the quarter, largely due to rating downgrades of ABS held by the Bank. Management actions offset the increase in RWA by EUR 7 billion, mainly due to a reduction of the balance sheet. Other factors, including the shift to the Basel II advanced rating-based approach in a business unit that was still under the standardised approach, reduced RWA by EUR 3 billion in the third quarter. Currency effects, mainly the depreciation of the US dollar versus the euro, contributed EUR 3 billion in lower RWA.

Liquidity

Throughout the credit and liquidity crisis, ING has maintained its liquidity position within conservative internal targets. ING Bank's loan-to-deposit ratio decreased from 1.19 at the end of June to 1.18 at 30 September 2009. Excluding securities reclassified from AFS to loans and receivables, the loan-to-deposit ratio was 1.10 at 30 September 2009 compared with 1.11 at 30 June 2009. ING continues to benefit from its diversified funding profile and strong liquidity position.

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BANKING

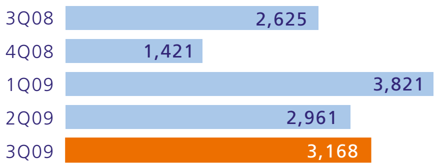
The Banking result returned to profit despite continued high negative market volatility. The underlying result before market impacts and risk costs rose to more than EUR 2 billion. The Bank continues to drive down costs and de-leverage its balance sheet.

BANKING

CLIENT BALANCES (IN EUR BILLION)

- EUR 2.1 billion net production of client balances
- Increase driven by ING Direct and Retail Banking
- Positive market performance partly offset by negative FX

UNDERLYING INCOME (IN EUR MILLION)

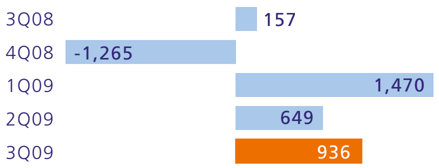


- Income up 20.7% on 3Q08 despite continued impairments and negative revaluations
- Interest result up strongly driven by margin improvements
- Financial Markets results continue to be strong

OPERATING EXPENSES (IN EUR MILLION)

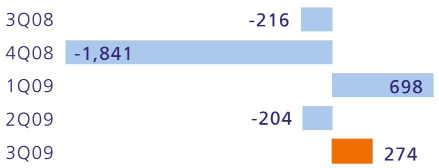
- 4,105 FTE reduction realised out of 2,800 planned for 2009
- Underlying expenses -9.6% versus 3Q08; -3.5% versus 2Q09
- Especially Retail Banking contributes to reduction, supported by one-offs

GROSS RESULT (IN EUR MILLION)



- Gross result improves driven by higher interest results and cost containment
- Strong increases in all business lines except ING Direct
- Result excluding market impacts and risk costs rises to more than EUR 2 billion

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



- Underlying profit supported by strong income growth and cost cuts
- Continued strong Financial Markets results and further recovery in Retail Banking
- Loan loss provisions decline to 87 bps of average CRWA

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

- Total RWA declines by EUR 7.7 billion versus June 2009
- Credit rating migration added EUR 5 billion of RWA in 3Q09
- Impact of rating migration more than offset by volume reductions, model changes and FX effects

CONSOLIDATED RESULTS

Banking: Key Figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Interest result	3,165	2,643	19.8%	3,182	-0.5%	9,387	7,869	19.3%
Commission income	717	704	1.8%	665	7.8%	1,991	2,176	-8.5%
Investment income	-674	-517		-602		-1,427	-613	
Other income	-40	-205		-284		-1	878	-100.1%
Total underlying income	**3,168**	**2,625**	**20.7%**	**2,961**	**7.0%**	**9,950**	**10,310**	**-3.5%**
Operating expenses	2,232	2,468	-9.6%	2,312	-3.5%	6,896	7,316	-5.7%
Gross result	936	157	496.2%	649	44.2%	3,055	2,994	2.0%
Addition to loan loss provision	662	373	77.5%	852	-22.3%	2,287	704	224.9%
Underlying result before tax	**274**	**-216**		**-204**		**768**	**2,290**	**-66.5%**
Taxation	26	-118		-93		135	533	-74.7%
Minority interests	-16	4	-500.0%	-86		-125	-29	
Underlying net result	**264**	**-101**		**-25**		**758**	**1,786**	**-57.6%**
Net gains/losses on divestments	0	0		0		0	0	
Net result from divested units	0	0		0		0	0	
Special items after tax	-75	-27		-93		-338	-148	
Net result from Banking	**188**	**-128**		**-118**		**420**	**1,638**	**-74.4%**
Client balances								
Beginning of period	1,087.8	1,055.7	3.0%	1,088.8	-0.1%	1,073.5	1,012.6	6.0%
Net production	2.1	38.6	-94.6%	-2.4		12.4	92.0	-86.5%
Acquisitions/divestments	0.0	2.7	-100.0%	-0.5		-0.5	13.1	-103.8%
Market performance	5.7	-4.3		3.0	90.0%	2.0	-11.5	
FX impact and other	-4.8	11.5	-141.7%	-1.2		3.5	-2.0	
End of period Client balances	**1,090.9**	**1,104.2**	**-1.2%**	**1,087.8**	**0.3%**	**1,090.9**	**1,104.2**	**-1.2%**
- of which Residential Mortgages	277.8	256.3	8.4%	272.3	2.0%	277.8	256.3	8.4%
- of which Other Lending	221.3	246.3	-10.2%	231.4	-4.4%	221.3	246.3	-10.2%
- of which Funds Entrusted	458.6	455.4	0.7%	456.6	0.4%	458.6	455.4	0.7%
- of which AUM/Mutual Funds	133.3	146.1	-8.8%	127.6	4.5%	133.3	146.1	-8.8%
Key figures								
Interest margin	1.40%	1.00%		1.31%		1.29%	1.02%	
Underlying cost/income ratio	70.5%	94.0%		78.1%		69.3%	71.0%	
Underlying cost/income ratio excl. ING Real Est.	62.9%	93.5%		64.9%		61.9%	69.7%	
Risk costs in bp of average CRWA	87	54		118		104	36	
Risk-weighted assets (end of period)	337,338	329,568	2.4%	345,068	-2.2%	337,338	329,568	2.4%
Underlying RAROC before tax	8.2%	-4.2%		3.7%		10.4%	13.5%	
Underlying RAROC after tax	6.4%	-1.9%		3.0%		7.7%	10.4%	
Economic Capital (average over period)	23,419	18,963	23.5%	22,647	3.4%	22,826	18,649	22.4%
Underlying tax rate	9.5%	54.8%		45.8%		17.5%	23.3%	
Staff (FTEs end of period)	70,844	75,142	-5.7%	72,137	-1.8%	70,844	75,142	-5.7%

- **Return to profit despite continuing negative market impacts**
- **Underlying income up 20.7% driven by higher interest results**
- **Cost containment on track: operating expenses -9.6%**

Business update

Despite some improvements in operating conditions, markets remained challenging in the third quarter of 2009. Interest results were strong thanks to higher margins and favourable yield curve developments. However, the weakness in the US housing market persisted with rising delinquencies, foreclosure and loss severities, leading to higher impairments compared with the previous quarter. The ongoing negative revaluation of direct properties led to a negative contribution for real estate. Furthermore, the result was impacted by negative fair value changes on part of ING Bank's own Tier 2 debt following a further tightening in credit spreads. The total impact of the market volatility in the quarter was EUR -1,121 million. This compared with a total negative impact of EUR -1,189 million in the second quarter of 2009 and EUR -1,086 million in the third quarter of 2008. Excluding these impacts, results before risk costs rose to more than EUR 2 billion, driven by an improvement of the interest margin and the cost-containment initiatives. Client balances were up slightly despite a further reduction of the balance sheet total.

Due to fewer incidents in Commercial Banking, risk costs declined to EUR 662 million, or an annualised 87 basis points of average credit risk-weighted assets, compared with EUR 852 million (or 118 basis points) in the second quarter of 2009. Risk costs at Retail Banking were somewhat lower, showing a relatively stable situation in its portfolios. At ING Direct risk costs were up, largely driven by the US housing market and the impact of loan modifications. Based on the current economic outlook, ING expects risk costs in the coming quarters to be around the levels they were in the first three quarters of 2009.

Commercial activity in the third quarter increased compared with the second quarter of 2009. Total client balances rose by EUR 3.1 billion to EUR 1,090.9 billion at the end of September. Excluding EUR -4.8 billion of currency effects and EUR 5.7 billion from positive market performance, the net production was EUR 2.1 billion compared with a negative net production of EUR -2.4 billion in the second quarter of 2009.

As part of the Back to Basics programme, ING continues to drive costs down and de-leverage the balance sheet. Cost-containment initiatives aimed at cutting banking operating expenses by EUR 725 million in 2009 are on track, with a total of EUR 510 million realised, excluding the higher impairments on real estate development projects. At the end of September, the number of banking FTEs had been reduced by 4,105, exceeding the announced headcount reduction of 2,800. This excludes a reduction of 900 FTEs in the first nine months of 2009 due to the integration of the Dutch retail activities.

ING's target to reduce the bank balance sheet by 10% at the end of 2009 from EUR 1,075.6 billion at 30 September 2008 has already been exceeded. At the end of September 2009, the balance sheet total of ING Bank N.V. was EUR 900.1 billion, which is 16% lower than a year ago. The reduction in the third quarter was EUR 11.9 billion.

Financial update

Total underlying income

Total underlying income rose 20.7% compared with the third quarter of 2008, driven by higher interest results. Compared with the second quarter of 2009, income was up 7.0%.

The interest result rose 19.8%, driven by an improvement of the interest margin. The total interest margin rose to 1.40%, up 40 basis points compared with the third quarter of 2008, supported by the de-leveraging of the balance sheet. The increase of the interest result was mainly in Commercial Banking and ING Direct, reflecting increased margins and a more favourable yield curve. The interest result of Retail Banking rose 6.7% as the impact of volume growth and margin improvements, especially in Belgium, was largely offset by the impact of fierce competition for savings in the Netherlands. Compared with the second quarter of 2009, the total interest result decreased slightly by 0.5%, while the interest margin was up 9 basis points due to the further de-leveraging of the balance sheet. In the Netherlands, margins on savings started to improve.

Commission income increased 1.8%, as a decline in Retail Banking was more than offset by higher fees in Commercial Banking and ING Direct. Compared with the second quarter of 2009, commission income rose 7.8% due to higher fees on asset management activities and brokerage & advisory.

Investment income declined from EUR -517 million in the third quarter of 2008 to EUR -674 million this quarter. This included EUR -673 million of impairments, primarily on debt securities at ING Direct and EUR -133 million of negative fair value changes on direct real estate investments. In the third quarter of 2008, the impairments amounted to EUR -545 million, while the negative fair value changes were EUR -66 million.

'Other income' improved from EUR -205 million in the third quarter of 2008 to EUR -40 million. This improvement was mainly caused by a strong increase in net trading income, which more than offset negative valuation results on non-trading derivatives and higher losses from associates (mainly at ING Real Estate due to the downward valuation of listed funds). This quarter, 'other income' included a EUR -75 million negative impact of fair value changes on the Bank's own Tier 2 debt as well as EUR -61 million of impairments on assets held for sale by ING Real Estate.

Operating expenses

Underlying operating expenses decreased 9.6%, or EUR 236 million, due to the positive impact of the cost-containment initiatives, a one-off settlement of a vendor contract and a release of an employee benefits provision in Belgium. This was partly offset by EUR 111 million of higher impairments on real estate development projects and a EUR 29 million increase of deposit insurance premiums paid by ING Direct, especially in the US. Operating expenses were 3.5% lower than the previous quarter. In the third quarter of 2009, the number of internal staff was reduced by 1,293 FTEs to 70,844. On top of this, the number of external staff was reduced in the third quarter by about 1,000 FTEs.

Despite the continued high negative impact from the market turmoil, the underlying cost/income ratio improved to 70.5% from 94.0% in the third quarter of last year.

ING Bank added EUR 662 million to the loan loss provisions compared with EUR 852 million in the second quarter of 2009 and EUR 373 million in the third quarter of 2008. Gross additions to the loan loss provisions were EUR 846 million in the third quarter of 2009, while releases increased to EUR 184 million. The decline in risk costs compared with the previous quarter was driven by Commercial Banking, especially due to fewer incidents in Structured Finance and General Lending. At ING Direct, risk costs increased as a result of a further deterioration of the US housing market and the costs of loan modifications in the US mortgage portfolio.

Underlying result before tax

The banking operations recorded an underlying profit before tax of EUR 274 million in the third quarter compared to a loss of EUR -216 million in the same quarter last year. The improvement is driven by higher interest results and the positive impact of the cost-containment initiatives, partly offset by higher additions to the loan loss provisions. The negative impact of the market volatility was in both quarters around EUR -1.1 billion.

The net underlying result of EUR 264 million was positively affected by a partial charge of ING Real Estate losses to minority interests. The underlying effective tax rate was 9.5%.

The total net result of the banking operations was EUR 188 million. This includes EUR -75 million of special items, of which EUR -46 million related to the combination of the Dutch retail activities and EUR -29 million to additional restructuring costs as part of the Group initiative to reduce operating expenses by EUR 1.3 billion in 2009.

Key figures

The underlying risk-adjusted return on capital (RAROC) after tax improved to 6.4% from -1.9% in the third quarter of 2008, despite continued high negative impacts from the market turmoil and a strong increase in economic capital. The improvement is driven by a significant increase of the commercial performance.

Average economic capital rose to EUR 23.4 billion from EUR 19.0 billion in the third quarter of 2008. Half of this increase was due at the Corporate Line Bank due to the inclusion of the risk associated with the long-term investment of bank equity (previously taken at Group level). The other half was mainly driven by Retail Banking and ING Direct. Economic capital is a non-GAAP measure which is subject to assumption changes and updates. ING is recalibrating its economic capital models to reflect the extreme market conditions experienced over recent quarters in order to align them more closely with regulatory measures.

Total risk-weighted assets (RWA) declined by EUR 7.7 billion in the third quarter to EUR 337.3 billion. Credit rating migration added around EUR 5 billion of RWA in the third quarter, largely in the Bank's asset-backed securities portfolio, following downgrades of securities. Management actions helped offset the increase in RWA by EUR 7 billion, mainly due to the reduction of the balance sheet, while a model shift contributed another EUR -2 billion. Market risk-weighted assets declined in the quarter by EUR 1 billion, due to a risk reduction in the trading book. Currency effects resulted in EUR 3 billion lower risk-weighted assets.

CONSOLIDATED BALANCE SHEET

ING Bank N.V. : Consolidated balance sheet

in EUR million	30 Sep. 09	30 June 09		30 Sep. 09	30 June 09
Assets			**Equity**		
Cash and balances with central banks	10,960	17,222	Shareholders' equity	29,441	27,653
Amounts due from banks	51,373	51,355	Minority interests	1,132	1,150
Financial assets at fair value through P&L	135,821	133,313	**Total equity**	**30,573**	**28,803**
- trading assets	122,144	118,627	**Liabilities**		
- non-trading derivatives	9,999	9,717	Subordinated loans	20,567	20,929
- other	3,678	4,970	Debt securities in issue	106,753	111,265
Investments	105,039	105,893	Amounts due to banks	96,885	104,135
- debt securities available-for-sale	86,933	88,028	Customer deposits and other funds on deposits	467,399	471,368
- debt securities held-to-maturity	14,717	14,862	- savings accounts	297,194	292,777
- equity securities available-for-sale	3,390	3,004	- credit balances on customer accounts	109,137	109,090
Loans and advances to customers	551,240	561,249	- corporate time deposits	54,211	62,522
Investments in associates	1,454	1,559	- other	6,857	6,979
Real estate investments	2,696	2,709	Financial liabilities at fair value through P&L	143,819	146,350
Property and equipment	5,637	5,776	- trading liabilities	113,174	117,528
Intangible assets	2,380	2,441	- non-trading derivatives	18,825	16,931
Assets held for sale	4,936		- other	11,820	11,891
Other assets	28,553	30,454	Liabilities held for sale	5,657	
			Other liabilities	28,436	29,122
			Total liabilities	**869,516**	**883,169**
Total assets	**900,089**	**911,972**	**Total equity and liabilities**	**900,089**	**911,972**

- **Balance sheet further reduced by EUR 12 billion in 3Q09**
- **Balance-sheet reduction EUR 176 billion in past 12 months**
- **Loan-to-deposit ratio decreases slightly from 1.19 to 1.18**

In the third quarter, ING Bank's balance sheet further decreased by EUR 12 billion, or 1.3%, to EUR 900 billion at 30 September 2009. This represents the continued efforts of ING to reduce the balance sheet total. Compared with September 2008, the balance sheet total decreased by EUR 176 billion, or 16.3%.

ING Bank's loan-to-deposit ratio decreased slightly to 1.18 at the end of the third quarter, compared with 1.19 at the end of June 2009, as 'loans and advances to customers' decreased by EUR 10 billion to EUR 551 billion, while 'customer deposits and other funds on deposits' decreased by EUR 4 billion to EUR 467 billion. Excluding securities reclassified from AFS to loans and receivables, the loan-to-deposit ratio was 1.10 at 30 September 2009 versus 1.11 at 30 June 2009.

ING Bank's asset leverage ratio at the end of the third quarter improved slightly to 28.7 from 28.9 at the end of June 2009. This includes EUR 1.9 billion of adjusting ING Bank's own debt to market valuations compared with EUR 3.9 billion at the end of the second quarter.

Assets

'Cash and balances with central banks' was reduced by EUR 6 billion to EUR 11 billion. The reduction was fully attributable to ING Belgium, due to incidentally high balances with central banks at the end of June 2009.

'Financial assets at fair value through P&L' increased by EUR 3 billion. Securities borrowing and reverse repo activities stabilised at EUR 40 billion (after the strong decline of EUR 18 billion in the first six months), while the market value of the trading portfolio debt securities increased by EUR 3 billion.

'Loans and advances to customers' decreased by EUR 10 billion to EUR 551 billion. Without the EUR -3 billion impact of the announced divestment of the private banking businesses in Switzerland and Asia, the decline is EUR 7 billion. In the Netherlands, loans and advances decreased slightly by EUR 1 billion; corporate lending decreased by EUR 3 billion, only partly offset by EUR 2 billion growth in residential mortgages. Excluding the impact of the announced divestments, loans and advances in the international operations decreased by EUR 5 billion, as a EUR 9 billion decline in corporate lending was partly offset by EUR 4 billion growth in personal lending (largely residential mortgages, of which EUR 3 billion at ING Direct).

The total assets and liabilities of the announced divestments are now recorded separately as ‘held for sale’ in the balance sheet.

Liabilities

Debt securities in issue in the banking operations decreased by EUR 5 billion, mainly attributable to the redemption of short-term bonds.

‘Amounts due to banks’ declined by EUR 7 billion, mainly due to EUR 8 billion of lower bank deposits related to the ongoing efforts to reduce the balance sheet total.

ING Bank’s ‘customer deposits and other funds on deposits’ decreased by EUR 4 billion to EUR 467 billion at the end of the third quarter. The decrease of EUR 8 billion in corporate deposits, of which EUR 4 billion in the Netherlands and EUR 2 billion in ING Belgium, was only partly offset by the EUR 4 billion increase in savings. ING Direct grew EUR 6 billion in savings, while the announced divestments had a negative impact of EUR 3 billion.

Financial liabilities at fair value through P&L in the banking operations decreased by EUR 3 billion, mainly attributable to the repo business, where short-term deposits placed as collateral for securities lending and repos decreased by EUR 2 billion.

Retail Banking: Key Figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Interest result	1,439	1,349	6.7%	1,412	1.9%	4,253	4,129	3.0%
Commission income	341	391	-12.8%	332	2.7%	997	1,216	-18.0%
Investment income	23	15	53.3%	11	109.1%	47	70	-32.9%
Other income	20	69	-71.0%	60	-66.7%	73	293	-75.1%
Total underlying income	**1,823**	**1,825**	**-0.1%**	**1,815**	**0.4%**	**5,371**	**5,709**	**-5.9%**
Operating expenses	1,085	1,311	-17.2%	1,184	-8.4%	3,530	3,899	-9.5%
Gross result	738	513	43.9%	631	17.0%	1,841	1,810	1.7%
Addition to loan loss provision	190	93	104.3%	205	-7.3%	728	194	275.3%
Underlying result before tax	**548**	**420**	**30.5%**	**426**	**28.6%**	**1,113**	**1,616**	**-31.1%**
Key figures								
Underlying cost/income ratio	59.5%	71.9%		65.2%		65.7%	68.3%	
Risk costs in bp of average CRWA	91	49		100		119	35	
Risk-weighted assets (end of period)	98,939	90,655	9.1%	98,577	0.4%	98,939	90,655	9.1%
Underlying RAROC after tax	25.4%	22.5%		21.6%		21.6%	26.9%	
Economic Capital (average over period)	6,801	5,782	17.6%	6,527	4.2%	6,462	5,824	11.0%
Staff (FTEs end of period)	47,156	49,683	-5.1%	48,017	-1.8%	47,156	49,683	-5.1%

- **Pre-tax results rose 30.5% year-over-year, and up 28.6% on previous quarter**
- **Interest result increases due to positive margin development**
- **Operating expenses -17.2% from 3Q08 due to one-offs and focus on cost efficiency**

Business update

The retail banking market further normalised in the third quarter of 2009. Competition for savings remained strong, but there was a general downward movement in clients rates, which was followed by ING. Demand for lending remained subdued in most markets, illustrating the economic environment. Margins on lending rose, reflecting higher risk premiums. Risk costs remained at elevated levels but came down from the level of previous quarters. Costs showed a clear downward trend, also supported by one-offs this quarter. Of the targeted EUR 200 million in cost savings for the Retail Bank, EUR 192 million were realised at the end of the third quarter of 2009. The related reduction in staff numbers was 2,013 FTEs. On top of this, another 900 FTEs have been reduced in the first nine months of 2009 due to the merger of ING Bank and Postbank in the Netherlands.

CLIENT BALANCES 3Q2009 - RETAIL BANKING (EUR billion)

In the Netherlands, the shift from fixed deposits to variable savings continued. In this environment, ING lowered interest rates, giving priority to margins over volumes. The interest margin on savings started to recover. While demand for credit remained weak, ING focused on sensible asset growth while proactively managing risk. Various new initiatives focused on improving the customer experience. This resulted in a sharp increase in the percentage of consumers considering doing business with ING. ING now scores higher than Postbank before the merger of both banks.

In Belgium, competitive pressure increased. Savings and deposits inflows continued thanks to ING's varied product offering. However, compared with the previous quarter, the inflows decreased. Fee business is picking up, reflecting improving stock markets and a shift to investment products.

In Central Europe, ING gave preference to savings margins over volumes. In Poland, ING Bank Slaski did not participate in the price war for savings as it is clearly in a comfortable liquidity position. In Romania, rates were further reduced. The greenfield is now expected to reach profitability in December 2009. In Turkey, interest rates decreased rapidly following central bank rate cuts. At the same time, ING Bank Turkey reduced business lending in line with ING's policy of de-risking and de-leveraging.

In October 2009, ING announced the sale of its Private Banking activities in Asia and Switzerland to

Retail Banking: Key Figures

	Netherlands		Belgium		Central Europe		Asia	
In EUR million	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008
Total underlying income	973	1,078	531	455	228	203	90	89
Operating expenses	561	657	305	376	167	219	53	59
Gross result	413	421	226	79	61	-16	38	30
Addition to loan loss provision	124	52	36	15	31	25	-1	1
Underlying result before tax	**289**	**369**	**190**	**64**	**30**	**-41**	**39**	**28**
Key figures								
Underlying cost/income ratio	57.6%	60.9%	57.5%	82.7%	73.1%	108.1%	58.3%	66.6%
Underlying RAROC after tax	35.4%	48.8%	54.4%	20.8%	-3.1%	-19.6%	8.7%	7.9%
Economic Capital (average over period)	2,873	2,392	1,108	982	1,163	957	1,657	1,451

OCBC and Julius Bear. The sale of Private Banking in Asia is expected to generate roughly EUR 1 billion in proceeds and free up EUR 370 million of capital. The divestment of the Swiss private banking activities are expected to result in EUR 344 million proceeds and free up EUR 200 million in capital. The transactions are expected to be closed at year-end and in the first quarter of 2010.

Client balances increased by EUR 3.7 billion due to higher equity markets, which contributed EUR 4.0 billion. Net production was EUR -0.3 billion, as net inflow in mortgages was more than offset by net outflows in other lending and funds entrusted. Funds entrusted decreased by EUR 1.0 in the Netherlands, while they remained flat in Belgium. In Central Europe, ING attracted EUR 0.4 billion.

Financial update

Total underlying income

Underlying income remained almost flat compared with the same quarter last year, but increased slightly versus the previous quarter reflecting an improvement in margins.

The interest result rose 6.7% compared with the third quarter of 2008, driven by Belgium and Central Europe due to an improvement of margins and higher volumes. This was partly offset by lower margins on savings and deposits in the Netherlands. The competition for savings remained strong, but there was a tendency in the Dutch market to align client rates more to the ECB rates, leading to a gradual improvement of margins.

Commission income declined 12.8% as a result of lower fees on asset management and financial markets related products. The downward trend has already been reversed, due to increased appetite for asset management related products following the improvement of equity markets.

Other income dropped EUR 49 million compared with the same quarter of 2008. This was mainly due to lower income on financial markets related products for SMEs and Mid-corporates. Compared with the previous quarter, other income declined by EUR 40 million. This is mainly explained by higher negative fair value changes on derivatives not eligible for hedge accounting at ING Bank Turkey following lower interest rates and lower income on financial markets related products.

Operating expenses

Operating expenses declined by EUR 226 million, or 17.2%, compared with the third quarter of 2008. In the Benelux, operating expenses declined 16.2%, reflecting some one-offs and the continuous focus on cost efficiency. Besides the settlement of a vendor contract, a release of an employee benefits provision was taken in Belgium. Outside the Benelux, operating expenses decreased 21.3%, reflecting the cost-containment measures combined with favourable currency impacts and the closing of the Retail activities in Ukraine.

The addition to the loan loss provision increased by EUR 97 million to EUR 190 million, reflecting the economic downturn. This was especially visible in the SME and mid-corporate segment in the Benelux, while risk costs for mortgages remained low. Compared with the second quarter of 2009, risk costs declined by EUR 15 million. This was driven by proactive risk management and a net release at Private Banking Asia as a result of more favourable equity markets.

Underlying result before tax

The underlying result before tax rose 30.5% compared with the third quarter of 2008 and 28.6% on the previous quarter. The strong increase compared with the second quarter of

2009 was fully driven by lower expenses due to good progress on cost-containment measures and supported by one-offs.

Netherlands

The underlying result before tax in the Netherlands declined 21.7% compared with the same quarter last year, due to lower income and increased risk costs. Income declined, driven by margin pressure on savings and deposits and lower income on financial markets related products. Compared with the second quarter of 2009, the result before tax rose 43.1% as margins on savings started to improve and operating expenses fell.

Funds entrusted showed a net outflow of EUR -1.0 billion against an inflow in the previous quarter, illustrating that priority was given to margin instead of volumes. Net production in the lending portfolio was EUR 1.0 billion, of which EUR 1.3 billion was in residential mortgages, partly offset by a net outflow in SME's and mid-corporates, reflecting the lower demand in the market as clients tend to use their treasury buffers instead of bank lending.

Operating expenses declined 14.6% compared with the third quarter of 2008, mainly driven by the cost-containment measures and the one-off settlement of a vendor contract. The addition to loan loss provision was EUR 124 million compared with EUR 52 million in the third quarter of 2008, mainly as a result of higher additions for defaulted borrowers in the mid-corporate segment.

Belgium

Belgium's underlying result before tax almost tripled compared with the same quarter last year, supported by some one-offs in expenses combined with strong growth in funds entrusted.

Due to the economic downturn and consequently the lower demand, the lending portfolio declined, especially in the SME and mid-corporate segment. This quarter, funds entrusted remained flat as competition intensified again, but the strong inflow of previous quarters could be retained.

Operating expenses declined 18.9% as the cost-containment measures were supported by a release of an employee benefits provision and the settlement of a vendor contract. The addition to loan loss provision rose to EUR 36 million from EUR 15 million in the prior-year quarter, mainly due to defaults in the SME and mid-corporates segments.

Central Europe

Central Europe posted an underlying result before tax of EUR 30 million compared to a loss of EUR -41 million in the same quarter last year.
The underlying result before tax at ING Bank Turkey improved to EUR 17 million from a loss of EUR -59 million. The improvement is driven by lower negative fair value changes on derivatives not eligible for hedge accounting combined with an improvement in margins, especially in lending.

Excluding currency impacts, the underlying result before tax of Poland remained almost flat. The margin improvement was offset by defaults on forex derivatives products and lower income on financial markets related products.

Operating expenses dropped 23.7%, supported by favourable currency impacts and continuous cost containment. In this quarter, all retail activities of Ukraine were discontinued. Risk costs were EUR 31 million, up from EUR 25 million in the third quarter last year. The increase was mainly due to model-driven provisions.

Asia

The underlying result before tax in Asia rose by EUR 11 million compared with the same quarter last year to EUR 39 million. Compared with the previous quarter, the underlying result before tax rose by EUR 65 million, mainly driven by EUR 16 million in dividends from Bank of Beijing combined with lower risk costs at Private Banking Asia.

Operating expenses declined 10.2% due to lower performance-related payments and other cost-containment initiatives. Assets under management of Private Banking Asia declined to EUR 10.9 billion from EUR 11.0 billion at the end of June, fully explained by the weakening US dollar.

Key figures

Underlying RAROC after tax improved to 25.4% from 22.5% in the third quarter of 2008, as higher results driven by lower expenses more than offset a 17.6% increase in average economic capital due to lending growth, credit rating migration and higher market risk for the Asian equity investments.

Risk-weighted assets (RWA) rose by EUR 0.4 billion in the third quarter. All regions contributed to the increase except the Netherlands, where RWA declined due to slightly higher house price indices.

ING Direct: Key Figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Interest result	820	647	26.7%	813	0.9%	2,338	1,821	28.4%
Commission income	54	21	157.1%	44	22.7%	128	46	178.3%
Investment income	-597	-207		-351		-1,016	-212	
Other income	6	-2		-80		-128	62	-306.5%
Total underlying income	**282**	**458**	**-38.4%**	**425**	**-33.6%**	**1,322**	**1,716**	**-23.0%**
Operating expenses	402	420	-4.3%	431	-6.7%	1,246	1,262	-1.3%
Gross result	-120	38	-415.8%	-5		77	455	-83.1%
Addition to loan loss provision	238	85	180.0%	170	40.0%	565	168	236.3%
Underlying result before tax	**-358**	**-47**		**-175**		**-489**	**286**	**-271.0%**
Key figures								
Interest margin	1.16%	0.96%		1.14%		1.09%	0.92%	
Underlying cost/income ratio	142.5%	91.7%		101.2%		94.2%	73.5%	
Risk costs in bp of average CRWA	134	77		117		120	53	
Risk-weighted assets (end of period)	70,082	51,260	36.7%	70,385	-0.4%	70,082	51,260	36.7%
Underlying RAROC after tax	-9.6%	-0.7%		-0.4%		-0.6%	9.1%	
Economic capital (average over period)	4,461	3,484	28.0%	3,957	12.7%	4,145	3,252	27.5%
Staff (FTEs end of period)	9,401	9,744	-3.5%	9,521	-1.3%	9,401	9,744	-3.5%

- **Production of client balances of EUR 11.9 billion**
- **Pre-tax loss caused by impairments and risk costs in US**
- **Operating expenses down 13% excluding deposit insurance premiums and FX effects**

Business update

ING Direct posted a third-quarter underlying loss before tax, driven by significant impairments on the investment portfolio and a further increase in loan loss provisions in the US. These factors more than offset higher interest and commission income, which were up strongly compared with the year-ago quarter.

The strong increase in interest result reflected higher volumes and an increase in the interest margin to 1.16%. During the quarter, Canada, the US and France lowered their core client savings rates, while central bank rates remained unchanged.

Net production of client balances was EUR 11.9 billion in the third quarter. Total client balances increased by EUR 11.1 billion (including currency effects) to EUR 341.1 billion at the end of September. During the quarter ING Direct attracted EUR 8.3 billion in funds entrusted, while net production in own-originated mortgages was EUR 3.1 billion. Mortgage production in all countries decreased compared with last year, while the margins increased. Assets under management increased by EUR 1.2 billion to EUR 8.6 billion, driven by positive stock market performance and a net inflow.

CLIENT BALANCES 3Q2009 - ING DIRECT (EUR billion)

Rising unemployment and the continued weakness in the US housing market resulted in significant impairments, mainly on the retained Alt-A portfolio. Risk costs related to the US own-originated mortgage portfolio also increased. ING Direct continues to adhere to strict mortgage underwriting policies and acceptance criteria. Furthermore, ING Direct US has a loan modification programme in place, which is designed to help borrowers stay in their homes and mitigate risk costs associated with mortgages that roll into foreclosure. The loan modifications mainly relate to interest rate reductions for certain eligible borrowers.

Cost reductions progressed well. Of the targeted reduction of 600 internal full-time positions, 644 were achieved by the end of September. In addition, external staff was reduced by 280 FTEs. ING Direct also continued to contribute to the de-risking and de-leveraging of ING Bank's balance sheet by reducing Financial Institutions exposures and wholesale funding. The Illiquid Assets Back-up Facility with the Dutch government continues to mitigate both potential losses and increases of risk-weighted assets on the Alt-A RMBS portfolio.

ING Direct added 150,000 new clients during the third quarter, bringing the total to 22.8 million worldwide. ING Direct Australia extended its product offering by launching the payment account. Six out of nine countries now offer payment accounts, totalling 1.5 million accounts globally.

Financial update

Total underlying income

Total underlying income decreased 38.4% to EUR 282 million. This includes EUR -642 million of impairments on the investment portfolio, which are reported as negative investment income. Excluding these impairments, underlying income was up 37% to EUR 924 million.

The interest result was EUR 820 million, a 26.7% increase compared with the third quarter of last year, driven by higher volumes and improved margins. The interest margin improved to 1.16% from 0.96% in the same quarter of 2008. The main contributors to the increase were the UK, the US and Australia. Commission income increased by EUR 33 million to EUR 54 million in the third quarter, generated mainly in the US, Germany and Spain.

Investment income included EUR 45 million of capital gains and EUR -642 million of impairments on the investment portfolio. This includes EUR -575 million of impairments related to the 20% of the Alt-A RMBS portfolio retained by ING, EUR -22 million on subprime RMBS, EUR -26 million on prime RMBS and EUR -18 million on Canadian asset-backed commercial paper. Of the Alt-A impairments, EUR -531 million was triggered by estimated credit losses of EUR 145 million on newly impaired bonds. IFRS requires that any security with an estimated credit loss be impaired to market price.

'Other income' remained relatively stable compared with the third quarter of 2008. 'Other income' was positively impacted by a release of a provision for interest costs related to the UK deposit guarantee scheme but partly offset by prepayments on fixed term mortgages.

Operating expenses

Operating expenses were EUR 402 million in the quarter, down 4.3% compared with the third quarter of 2008 and down 6.7% on the second quarter of 2009. Operating expenses declined by EUR 18 million despite EUR 29 million in higher deposit insurance premiums in the US and Germany and EUR 5 million in negative currency effects. Excluding these effects, operating expenses were down EUR 52 million, a 13% decline compared with the third quarter of 2008. This decline reflects strong cost control in all business units as a result of reduced marketing expenses, lower upfront costs in mortgage production and renegotiated supplier contracts.

The operating expenses-to-client balances ratio (excluding marketing costs) was 39 basis points in the third quarter, down 1 basis point compared to the third quarter of 2008 and down 5 basis points compared to the second quarter of 2009. Excluding impairments, the underlying cost/income ratio further improved to 43.5% from 62.2% in the same quarter last year thanks to higher interest results and lower operating expenses.

The addition to loan loss provision was EUR 238 million, EUR 153 million higher than in the same quarter last year and EUR 68 million higher than in the second quarter of 2009. This increase is mainly explained by a higher rate of delinquencies and loss severities in the US mortgage market as well as EUR 34 million in costs of loan modifications in the US mortgage portfolio.

In the US, ING Direct's non-performing loans (90+ Days Past Due) rose from 4.1% at the end of June to 4.3% at the end of September. This represents a slowdown compared to previous quarters, which is partly due to the loan modifications. The mortgage portfolio continues to perform better than the US industry average of 15.8% NPLs for prime adjustable-rate mortgages as at the end of August 2009. ING Direct US' overall portfolio consists of quality customers with an average loan-to-value ratio of 78% (indexed for changes in property values); 96% of the mortgages are owner-occupied.

Underlying result before tax

ING Direct reported an underlying loss before tax of EUR -358 million compared with a loss of EUR -47 million in the third quarter last year. Excluding EUR -642 million of impairments, the underlying result amounted to EUR 284 million versus EUR 170 million in the same quarter last year. This 67% increase is mainly driven by the increased interest result combined with lower operating expenses.

Germany's result (including Austria) rose by EUR 11 million to EUR 84 million. This improvement was mainly driven by lower expenses and higher commission income. Results were partly offset by a lower interest margin due to a competitive market for savings. Compared with the second quarter of 2009, results in Germany improved due to higher income combined with lower expenses.

Compared with last year, Australia's result was up EUR 26 million to EUR 38 million due to higher margins on mortgages. Compared with the second-quarter results, Australia reported lower results caused by higher funding costs and increased risk costs.

The UK result was up from a EUR -21 million loss in the third quarter of last year to a EUR 43 million profit this quarter. Results were positively impacted by higher net interest income and a release of a provision for interest costs related to the UK deposit guarantee scheme.

In Spain, results climbed to EUR 32 million from EUR 7 million in the third quarter of 2008 thanks to an improved interest margin and lower expenses. Results in France and Italy improved, driven by an increased interest margin.

The US reported an underlying profit before tax, excluding impairments and risk costs, of EUR 180 million, up from EUR 140 million in the third quarter of 2008. An improvement in the interest result, driven by lower client rates, was partly offset by lower income due to the Illiquid Assets Back-Up Facility and higher deposit insurance premiums. Risk costs increased to EUR 177 million compared with EUR 62 million last year due to the deterioration in the US housing market.

Canada reported a EUR 49 million profit before impairments compared with EUR 15 million last year. Results were positively impacted by an improved interest result, higher other income and lower expenses.

Key figures

ING Direct's after-tax RAROC decreased to -9.6%. Excluding impairments, it improved to 27.2% from 15.6% in the third quarter of 2008. Average economic capital rose 28% to EUR 4.5 billion compared with the third quarter of 2008, and 12.7% compared to the second quarter 2009 due to enhancements in methodology and economic capital drivers.

Compared with a year ago, risk-weighted assets (RWA) rose 36.7% to EUR 70.1 billion. In the third quarter of 2009, RWA slightly decreased by EUR 0.3 billion due to the impact of credit rating migration being offset by model changes and negative currency impacts.

BANKING COMMERCIAL BANKING

Commercial Banking: Key Figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Interest result	942	738	27.6%	1,020	-7.6%	2,945	2,095	40.6%
Commission income	324	293	10.6%	289	12.1%	868	916	-5.2%
Investment income	-103	-141		-270		-460	-189	
Other income	50	60	-16.7%	-48		291	613	-52.5%
Total underlying income	**1,213**	**950**	**27.7%**	**991**	**22.4%**	**3,644**	**3,435**	**6.1%**
Operating expenses	712	715	-0.4%	661	7.7%	2,026	2,119	-4.4%
Gross result	502	234	114.5%	330	52.1%	1,618	1,317	22.9%
Addition to loan loss provision	234	195	20.0%	478	-51.0%	993	342	190.4%
Underlying result before tax	**267**	**40**	**567.5%**	**-148**		**625**	**975**	**-35.9%**
of which Comm.Banking excl. ING Real Est.	577	53	988.7%	432	33.6%	1,704	1,024	66.4%
of which ING Real Estate	-309	-13		-580		-1,079	-49	
Key figures								
Underlying cost/income ratio	58.6%	75.3%		66.7%		55.6%	61.7%	
Underlying cost/income ratio excl. ING Real Est.	39.1%	70.1%		37.0%		37.6%	56.1%	
Risk costs in bp of average CRWA	66	51		131		91	31	
Risk-weighted assets (end of period)	164,873	185,951	-11.3%	172,325	-4.3%	164,873	185,951	-11.3%
Underlying RAROC after tax	9.6%	4.3%		3.9%		10.8%	9.6%	
Economic Capital (average over period)	9,444	9,253	2.1%	9,728	-2.9%	9,695	9,091	6.6%
Staff (FTEs end of period)	14,288	15,715	-9.1%	14,600	-2.1%	14,288	15,715	-9.1%

- **Underlying result of EUR 267 million despite EUR -455 million negative market impacts**
- **Income rises 28% driven primarily by Financial Markets**
- **Excluding real estate impairments, expenses decline 16%**

Business update

Commercial Banking returned to profit in the third quarter, booking an underlying result before tax of EUR 267 million. Excluding ING Real Estate, Commercial Banking posted a profit before tax of EUR 577 million, continuing the strong performance of the first half of the year. ING Real Estate recorded a loss of EUR -309 million in the current quarter, driven entirely by negative revaluations and impairments.

Borrowers continued to repay debt obligations using cash flow or capital market refinancing. Repayments, combined with the depreciation of the US dollar relative to the euro, reduced the size of Commercial Banking's loan portfolio by EUR 8.8 billion. Despite the lower lending volumes, interest result increased in both General Lending and Structured Finance thanks to the effects of re-pricing. Margins for new business have begun to stabilise at a higher level than before the crisis. Loan loss provisions declined from their peak in the second quarter of 2009.

Financial Markets showed strong results in the third quarter, especially when compared with the same quarter last year, which was characterised by unprecedented market conditions, leading to EUR -211 million of fair value losses and impairments. In the current quarter, impairments were limited to EUR -22 million. Clients & Products results were higher thanks to favourable market conditions for bonds and interest rate derivatives. Proprietary trading results improved significantly compared with the third quarter of 2008.

Real estate markets remained depressed in many parts of the world. Given the difficult operating environment, ING Real Estate recorded substantial negative revaluations of EUR -240 million in the third quarter, albeit lower than the EUR -493 million booked in the second quarter. Almost half of the negative revaluations were related to the Summit portfolio of Canadian industrial properties. The impact on the underlying net profit was tempered by the fact that the Summit portfolio is

CLIENT BALANCES 3Q2009 - COMMERCIAL BANKING (EUR billion)

Commercial Banking: Key Figures

	GL & PCM		Structured Finance		Leasing & Factoring		Financial Markets		Other products		ING Real Estate	
In EUR million	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008
Total underlying income	288	277	304	272	97	101	431	111	103	38	-9	150
Operating expenses	120	145	78	92	49	58	161	179	71	86	233	155
Gross result	168	133	226	180	48	43	271	-68	32	-49	-242	-5
Addition to loan loss provision	53	126	77	48	36	12	1	-0	-0	-1	67	9
Underlying result before tax	**115**	**7**	**149**	**132**	**12**	**31**	**270**	**-68**	**32**	**-48**	**-309**	**-13**
Key figures												
Underlying cost/income ratio	41.7%	52.1%	25.6%	34.0%	50.4%	57.3%	37.2%	161.1%	69.3%	229.3%	n.a.	103.0%
Underlying RAROC after tax	12.5%	11.2%	31.4%	31.4%	23.1%	24.3%	33.7%	-7.4%	40.4%	-24.1%	-47.3%	-6.1%
Economic Capital (average over period)	2,290	2,249	1,523	1,496	468	425	2,652	2,541	370	476	2,140	2,064

not fully owned by ING Real Estate and therefore a 41% deduction of underlying results after tax is reflected in minority interests. Impairments of EUR -183 million adversely affected ING Real Estate's Investment and Development portfolios. A substantial part of these impairments related to Development's land positions in Spain.

Excluding impairments, which are partly recorded in the expenses of ING Real Estate, costs declined 16% compared with the third quarter of 2008. This reflects the progress of cost-containment programmes and lower staff levels. By the end of the third quarter, headcount had been reduced by 1,448 since September 2008, exceeding the expected reduction of 1,400 FTEs for 2009. The decline in the third quarter was 312 FTEs, mainly attributable to ING Lease and ING Real Estate.

Financial update

Total underlying income

Income increased 27.7% compared with the third quarter of 2008. This included EUR -334 million of negative revaluations, impairments and other market impacts versus EUR -282 million in the third quarter of 2008. The corresponding amount for the second quarter of 2009 was EUR -629 million. The interest result rose 27.6% driven by Financial Markets and the lending activities, where higher margins more than compensated for a decline in volumes. Payments & Cash Management recorded a lower interest result, as margins remained under pressure.

Commission income was up 10.6%, supported by higher fees in General Lending and Real Estate Investment Management.

Investment income was negative in the third quarter of 2009, driven by negative market impacts. This included EUR -165 million of negative fair value changes on direct real estate investments and impairments compared with EUR -193 million in the year-ago quarter.

'Other income' decreased slightly. The remaining EUR -169 million of negative revaluations, impairments and other market impacts for the quarter was booked in 'other income', compared with EUR -89 million in the same quarter of 2008.

Operating expenses

Expenses fell 16.2% excluding impairments, thanks to headcount reductions and other cost-containment measures. Expenses in the third quarter of 2009 were heavily impacted by EUR 121 million of impairments on real estate development projects compared with EUR 10 million in the third quarter of 2008. In the second quarter of 2009, EUR 54 million of impairments were included in costs. The decrease in costs on the prior quarter was 2.6%, excluding impairments.

The addition to loan loss provision in the third quarter was EUR 234 million, or the equivalent of 66 basis points of average credit risk-weighted assets. Risk costs were 20.0% higher than in the third quarter of 2008, which contained an addition of EUR 72 million following the collapse of three major banks in Iceland. Risk costs in the current quarter were less than half the amount posted in the second quarter of 2009. Both in General Lending and in Structured Finance, risk costs declined significantly. This was the result of lower new additions coupled with releases on prior provisions.

Underlying result before tax
Commercial Banking posted a result before tax of EUR 267 million in the third quarter of 2009, up sharply from the EUR 40 million booked in the third quarter of 2008. Excluding negative market impacts, the third-quarter result more than doubled on the third quarter of 2008. Negative revaluations, impairments and other market impacts amounted to EUR -455 million, compared with EUR -292 million in the third quarter of 2008.

Excluding negative market impacts, third-quarter results were 35% higher than the second quarter of 2009. The second quarter of 2009 showed a loss before tax of EUR -148 million, as negative revaluations, impairments and other market impacts took a toll of EUR -683 million.

General Lending & PCM
Underlying result before tax for General Lending & Payments and Cash Management (PCM) increased strongly to EUR 115 million compared with EUR 7 million in the third quarter of 2008. This was mainly driven by lower loan loss provisions, as the third quarter of 2008 contained the addition related to Icelandic banks. Compared with the second quarter of 2009, risk costs were EUR 97 million lower. Income for General Lending was up strongly from the third quarter of 2008, reflecting the impact of re-pricing. This was partially offset by lower income from PCM, where margins were under pressure due to low interest rates and competition for liabilities. Compared with the previous quarter, income declined 17.2% as fees for several large deals were booked in the second quarter of 2009. Costs remained under control, with expenses down 17.2% on the third quarter of 2008, mainly reflecting lower headcount and project costs.

Structured Finance
Structured Finance posted an underlying result before tax of EUR 149 million, 12.9% higher than the third quarter of 2008. Income was up 11.8% on the prior-year quarter and 9.7% on the second quarter of 2009. The effects of portfolio re-pricing continued, while significant commissions were earned. Expenses were 15.2% lower year-on-year, supported by substantial headcount reductions. Risk costs increased by EUR 29 million on the third quarter of 2008, but dropped by EUR 137 million from the previous quarter. Most additions to loan loss provisions were related to existing provisions rather than new files, while the third quarter also contained some releases from prior provisions.

Leasing & Factoring
The result before tax for Leasing & Factoring in the third quarter declined to EUR 12 million from EUR 31 million in the prior-year quarter. The decrease was largely attributable to higher loan loss provisions, particularly for the General Lease activities in Germany and the UK. New business volumes declined due to weak economic conditions. Income was down 4.0% on the third quarter of 2008 due to accelerated depreciations on the operational car lease fleet, reflecting the deteriorating market for used vehicles. Excluding a one-off gain of EUR 5 million booked in the second quarter of 2009, income was flat on the prior quarter. Operating expenses fell 15.5% from the third quarter of 2008 and remained on the same level as in the second quarter of 2009.

Financial Markets
Financial Markets posted a profit of EUR 270 million before tax, compared to a loss of EUR -68 million in the same quarter last year. The sharp

ING Real Estate

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Underlying result before tax								
Investment Management	27	3	800.0%	9	200.0%	58	75	-22.7%
Investment Portfolio	-246	-62		-524		-974	-326	
Finance	48	76	-36.8%	28	71.4%	92	169	-45.6%
Development	-139	-31		-93		-255	33	-872.7%
Total underlying result before tax	**-309**	**-13**		**-580**		**-1,079**	**-49**	
Portfolio (in EUR billion)								
Investment Management	65.6	74.3	-11.7%	64.7	1.4%	65.6	74.3	-11.7%
Development AuM	2.9	3.2	-9.4%	3.2	-9.4%	2.9	3.2	-9.4%
Real Estate Finance portfolio	35.8	37.4	-4.3%	36.7	-2.5%	35.8	37.4	-4.3%

increase was mainly driven by improved results from Clients & Products and proprietary trading, coupled with lower impairments. In the third quarter of 2008, the deterioration of financial and corporate asset prices led to EUR -211 million of credit-related markdowns and impairments. This figure included losses on Lehman Brothers and Washington Mutual and a EUR -87 million impairment on a CDO. In the current quarter, total impairments were limited to EUR -22 million. Clients & Products results were higher than a year ago, mainly in bonds and interest rate derivatives. Expenses declined 10.1% on the third quarter of 2008 and 4.7% on the second quarter of 2009.

ING Real Estate

ING Real Estate booked a loss of EUR -309 million before tax in the third quarter, as unfavourable market conditions led to EUR -423 million of negative fair value changes and impairments compared with EUR -98 million in the third quarter of 2008. Excluding revaluations and impairments, the result before tax increased 34.1% compared with the third quarter last year.

Underlying income was EUR -9 million. This included EUR -240 million of negative revaluations, mainly in the Investment Portfolio. Almost half of this amount was related to the Summit portfolio. Impairments to assets held for sale were EUR -61 million, which is reflected as negative income. Before fair value changes and impairments, income rose 22.7% from the third quarter of 2008.

Excluding impairments, expenses dropped 22.8%, attributable to a significant reduction in headcount and tight cost control. Third-quarter expenses included EUR 121 million of impairments, mainly due to Development's projects in Spain, the Netherlands and Australia, compared with EUR 10 million in the same quarter of 2008.

Real Estate Investment Management reported an underlying result before tax of EUR 27 million, up from EUR 3 million in the third quarter of 2008. This was the result of higher performance and incentive fees, combined with lower operating expenses. Assets under management rose to EUR 65.6 billion, an increase on the second quarter of 1.4%. However, assets under management were still 11.7% below the level of September 2008.

Income for Real Estate Finance increased 21.1% on the third quarter of 2008, fuelled by higher interest margins and commission income. The Finance portfolio was EUR 35.8 billion at 30 September, a decline of 4.3% compared with a year earlier. Reductions in both personnel and general expenses led to a 21.7% drop in expenses. Despite a 36.5% increase in gross result, profit before tax declined 36.8% because of higher risk costs. Loan loss provisions in the current quarter amounted to EUR 67 million compared with EUR 9 million in the third quarter of 2008. This reflects the difficult market conditions, mainly in the US and Spain, while risk costs in the Netherlands remained limited.

Despite higher sales results and lower operating expenses, Real Estate Development posted a loss before tax of EUR -139 million compared with EUR -31 million in same quarter of 2008. Impairments increased to EUR 134 million from EUR 10 million last year. Negative fair value changes were EUR -17 million in the current quarter. Assets under management were EUR 2.9 billion at the end of September, a decline of 9.4% from a year ago.

Other Products

Other Products posted a profit before tax of EUR 32 million in the third quarter compared to a loss of EUR -48 million in the same quarter of 2008. Income increased by EUR 65 million, driven by positive revaluations on participations in ING Investment Management in the US and on equity swap positions. Corporate Finance income rose 40.4% as ING participated in a number of M&A deals in the Benelux. Expenses fell 17.4% on cost control and headcount reductions.

Key figures

Economic capital fell for the third consecutive quarter and came out 2.9% below the level of the second quarter of 2009. The decline in the third quarter was attributable to a lower market risk capital, as exposures were reduced in Financial Markets, the Real Estate Investment Portfolio and in Real Estate Development. Compared with the third quarter of 2008, economic capital rose 2.1%. Underlying RAROC after tax rose to 9.6% from 4.3% in the third quarter of 2008.

Risk-weighted assets decreased 4.3% compared with the end of the second quarter. Credit rating migration had an upwards effect, albeit much lower than in the prior quarter, and was more than offset by a reduction of the balance sheet. The decrease was further supported by lower market and operational risk-weighted assets.

Banking Corporate Line: Underlying result before tax

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Income on capital surplus	60	-4	63	42	17	114	59	55
Solvency costs	-29	-28	-2	-26	-3	-83	-60	-23
Financing charges	-74	-50	-25	-79	5	-206	-110	-96
Amortisation intangible assets	-8	-8	-0	-8	-0	-24	-23	-1
FX-results, fair value changes and other	-97	-405	308	-193	96	-196	-258	63
Total Capital Management	-149	-494	345	-264	115	-394	-392	-2
Other	-35	-134	100	-42	8	-88	-196	109
Underlying result before tax	**-184**	**-629**	**445**	**-307**	**123**	**-481**	**-588**	**107**

Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses, including Formula 1 sponsoring costs.

ING applies a system of capital charging for its banking operations which aims to create a comparable basis for evaluating the results of banking business units, irrespective of the amount of physical equity they hold. ING's policy is that equity is invested notionally at the local currency risk-free rate. The Corporate Line charges business units for its nominal income earned on physical equity held. However, business units receive a credit being the risk-free euro currency return on economic capital used.

Solvency costs represent the subordination premium on hybrid Tier 1 capital. Hybrid capital issued by ING Group is on-lent on a back to back basis to ING Bank and ING Insurance.

The financing charges reflect mainly the costs of core debt from ING Group and are allocated pro rata to ING Bank and ING Insurance on a quarterly basis using the respective IFRS Equity as an allocation key.

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

Financial update

The Corporate Line Banking reported an underlying result before tax of EUR -184 million compared with EUR -629 million in the third quarter of 2008.

'Income on capital surplus' was EUR 63 million higher, despite the lower capital charge received on the invested book equity as a result of lower interest rates. This was more than compensated by positive results on the interest risk hedges, which benefitted from lower floating interest rates compared with the previous year.

'Financing charges' and 'solvency costs' were respectively EUR 25 million and EUR 2 million higher.

'FX-results, fair value changes and other' improved by EUR 308 million compared with the third quarter of 2008, which included an accounting loss of EUR -292 million on an FX hedge and an EUR -184 million impairment taken on a equity stake. The third quarter of 2009 included EUR -75 million of negative fair value changes on part of ING Bank's own Tier 2 debt due to further tightening of credit spreads.

The result of 'Other' improved by EUR 100 million, as the third quarter of 2008 included a deposits guarantee provision related to Icelandic banks.

Compared with the second quarter of 2009, the result before tax improved by EUR 123 million as negative fair value changes on ING Bank's own Tier 2 debt declined to EUR -75 million compared with a negative impact of EUR -168 million in the previous quarter. 'Income on capital surplus' was EUR 17 million higher, driven by higher results on the interest risk hedge.

INSURANCE

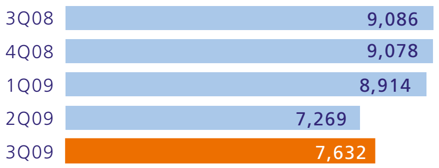
Insurance results improved in the third quarter, bolstered by favourable equity returns, narrower credit spreads and lower expenses

INSURANCE

CLIENT BALANCES (IN EUR BILLION)

- **Client Balances increased EUR 14.4 billion**
- **Net production of EUR -3.9 billion due to third party asset management withdrawals in the Americas and Asia/Pacific**
- **Market performance added EUR 23.0 billion and FX had EUR -4.4 billion impact**

GROSS PREMIUM INCOME (IN EUR MILLION)

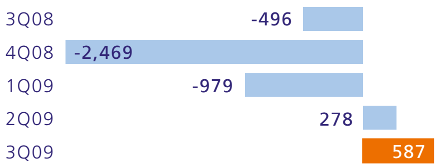


- **Gross premium income down 16.0% from 3Q 2008, or 19.2% excluding currency effects**
- **Decline reflects lower sales of single premium investment-oriented products, particularly VA sales in the Americas and Asia/Pacific**

OPERATING EXPENSES (IN EUR MILLION)

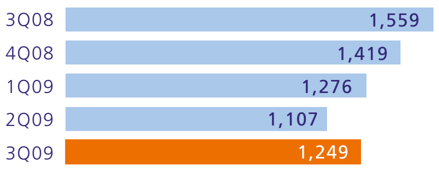
- **Operating expenses decrease 8.7% from 3Q08, or 10.1% excluding currency effects**
- **FTEs reduced by 6,134, exceeding 4,200 target**

UNDERLYING RESULT BEFORE TAX (IN EUR MILLION)



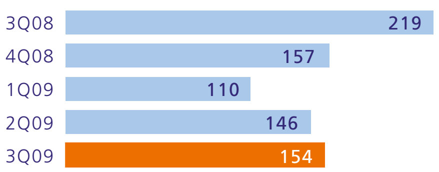
- **3Q09 underlying result improved on 3Q08 and 2Q09 due to improved market conditions**
- **Underlying result excluding market volatility of EUR 346 million**
- **Impact of market volatility of EUR 240 million in 3Q09**

SALES (APE) (IN EUR MILLION)



- **Sales down 19.9% from 3Q08, due to lower customer appetite for investment-oriented products, lower sales of US VAs and the termination of VA sales in Japan**
- **Sales increased 12.8% from 2Q09, largely attributable to the US and Latin America**

VALUE OF NEW BUSINESS (IN EUR MILLION)



- **VNB down 29.7%, or 27.0% on a constant currency basis**
- **Decline on 2008 primarily due to lower sales and margins**
- **5.5% increase in VNB from 2Q09 on higher sales**

CONSOLIDATED RESULTS

Insurance: Key Figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Gross premium income	7,632	9,085	-16.0%	7,269	5.0%	23,816	29,190	-18.4%
Commission income	498	542	-8.1%	496	0.4%	1,469	1,523	-3.5%
Direct investment income	1,876	2,183	-14.1%	2,184	-14.1%	6,096	6,504	-6.3%
Realised gains and fair value changes on inv.	-973	-338	n.a.	-2,584	n.a.	-3,807	73	-5315.1%
Total investment and other income	903	1,845	-51.1%	-400	n.a.	2,289	6,577	-65.2%
Total underlying income	**9,033**	**11,473**	**-21.3%**	**7,365**	**22.6%**	**27,574**	**37,289**	**-26.1%**
Underwriting expenditure	7,192	10,549	-31.8%	5,816	23.7%	23,830	31,845	-25.2%
Operating expenses	992	1,086	-8.7%	993	-0.1%	3,017	3,245	-7.0%
Other interest expenses	244	309	-21.0%	259	-5.8%	786	907	-13.3%
Other impairments	18	25	-28.0%	18	0.0%	54	56	-3.6%
Total underlying expenditure	**8,447**	**11,969**	**-29.4%**	**7,087**	**19.2%**	**27,688**	**36,053**	**-23.2%**
Underlying result before tax	**587**	**-496**	**n.a.**	**278**	**111.2%**	**-114**	**1,236**	**-109.2%**
of which result before tax life insurance	438	-637	n.a.	228	92.1%	-330	859	-138.4%
of which result before tax non-life insurance	149	141	5.7%	51	192.2%	216	378	-42.9%
Taxation	65	-22	n.a.	22	195.5%	-72	139	-151.8%
Minority interests	8	-7	n.a.	3	166.7%	14	1	1300.0%
Underlying net result	**514**	**-467**	**n.a.**	**254**	**102.4%**	**-56**	**1,097**	**-105.1%**
Net gains/losses on divestments	-168	178		8		-217	225	
Net result from divested units	-4	-13		-6		-5	71	
Special items after tax	-30	-47		-68		-366	-47	
Net result	**311**	**-350**	**n.a.**	**189**	**64.6%**	**-644**	**1,345**	**-147.9%**
Client balances (in billion)								
Beginning of period	391.4	423.5	-7.8%	378.0	3.5%	381.9	437.8	-12.8%
Deposits	23.9	32.1	-25.0%	24.9	-4.0%	71.1	102.8	-30.8%
Withdrawals/Benefits	-27.8	-33.1	n.a.	-27.5	n.a.	-79.1	-94.8	n.a.
Net production	**-3.9**	**-0.9**	**n.a.**	**-2.6**	**n.a.**	**-7.9**	**8.0**	**-198.8%**
Acquisition/divestments/transfers	-0.3	-0.6	n.a.	-0.0	n.a.	-0.4	9.3	-104.3%
Market performance/Interest credited	23.1	-17.6	n.a.	22.4	3.1%	39.0	-36.4	n.a.
Fx impact and other	-4.4	18.7	-123.5%	-6.3	n.a.	-6.9	4.4	-256.8%
End of period	**405.8**	**423.1**	**-4.1%**	**391.4**	**3.7%**	**405.8**	**423.1**	**-4.1%**
New Business								
Value of new life business [1]	154	219	-29.7%	146	5.5%	411	699	-41.2%
Internal rate of return (YTD)[1]				12.9%		12.8%	14.5%	
Single premiums	4,560	6,540	-30.3%	3,663	24.5%	12,200	20,190	-39.6%
Annual premiums	793	905	-12.4%	741	7.0%	2,412	2,873	-16.0%
New sales (APE)	1,249	1,559	-19.9%	1,107	12.8%	3,632	4,892	-25.8%
Other key figures								
Tax ratio	11.0%	4.4%		7.8%		63.1%	11.2%	
Staff (FTEs end of period)	38,088	44,685	-14.8%	39,064	-2.5%	38,088	44,685	-14.8%

1) The value of new business and internal rate of return for all prior periods in the US beginning January 1, 2008 have been restated to reflect the corrected application of capital factors for the variable annuity business and modest adjustments to expense factors for both the variable annuity and fixed annuity businesses.

- **Underlying profit before tax of EUR 587 million**
- **Strict expense control helps drive costs down 9%**
- **VNB declines 30% on lower sales and margin pressure**

Business update

Equity market gains and narrower credit spreads in the third quarter led to an improvement in the results for all three Insurance regions.

Client balances also benefited from the uptick in equity markets, more than offsetting negative net production in the Americas and Asia/Pacific, which has decreased mainly due to ING's actions to reduce SPVA sales in the Americas and because of the termination of sales of SPVA's in Japan in July 2009.

Sales declined 19.9% from third quarter 2008, but increased 12.8% from the second quarter of 2009. Notable increases in sales were experienced in retirement-related products in the Americas and traditional products in Asia, with a smaller overall increase posted in Europe than in the other two regions.

Client balances increased by EUR 14.4 billion in the third quarter, reflecting the positive impact of the equity markets on unit-linked balances. Net production of EUR -3.9 billion was mainly due to the management actions taken to reduce VA sales in the US and the decision to stop variable annuity sales in Japan as of 31 July 2009.

As part of ING's cost-containment programme, ING Insurance reduced the number of full-time equivalent positions by 6,134 in the year ending 30 September 2009, exceeding the 2009 year-end target of 4,200.

On 31 July, ING announced the sale of its annuity and mortgage business in Chile. Terms of the agreement were not disclosed. The sale does not impact ING's pension, life insurance, and investment management businesses in Chile.

On 25 September 2009, ING announced the sale of its insurance and wealth management venture in Australia and New Zealand, resulting in a profit of EUR 300 million and capital release of EUR 900 million. Subject to regulatory approval, the transaction is expected to close in the fourth quarter of 2009.

In October, ING reached an agreement to transfer its US reinsurance business to RGA Incoporated. Terms of the agreement were not disclosed.

On 3 November 2009, ING announced the sale of a majority of the ING Advisors Network. Terms of the agreement were not disclosed. The transaction is expected to close in the first quarter of 2010.

Financial update

Total underlying income

Gross premium income was down 16.0%, or 19.2% excluding currency effects, mainly due to lower sales, most notably in the US and Asia/Pacific, where actions were taken to reduce variable annuity sales. In Europe, premiums increased 19.6% excluding the currency impact, with EUR 436 million related to a change in the recognition of premiums in the Netherlands.

Commission income decreased 8.5% on a constant currency basis, most notably in the Americas and Asia/Pacific. This was caused by lower average assets under management.

'Investment and other income' dropped 51.1%, mainly as a result of negative fair value changes on derivatives that hedge equity exposures and guaranteed benefits in the US and Japan's variable annuity businesses (largely offset in underwriting expenditure).

Underwriting expenditure

Underwriting expenditure dropped 31.8% from the third quarter of 2008 as the recovery in the equity markets resulted in lower provisioning and DAC amortisation on variable annuities in the US and Japan. Higher equity markets also led to lower provisioning for guarantees on separate account products in the Netherlands. In addition, underwriting expenditure was lower due to the decline in gross premium income, which leads to a smaller increase to the technical provisions.

Operating expenses

Operating expenses fell 8.7%, or 10.1% excluding the impact of currency movements. All business lines contributed to this result through cost-containment measures. Also, sales-related expenses were down on lower production. Compared with the second quarter, operating expenses were flat.

Underlying result before tax

Insurance recorded an underlying profit before tax of EUR 587 million versus a loss of EUR 496 million in the same period last year. On balance, market volatility had a positive impact of EUR 240 million in the third-quarter of 2009, while the third quarter of 2008 saw negative market impacts of EUR 942 million.

Insurance had capital gains of EUR 183 million and recorded impairments of EUR 20 million on equity securities, while fair value changes of derivatives used to hedge ING's equity portfolio resulted in a loss of EUR 232 million. In the third quarter of 2008, impairments on equity securities totalled

EUR 351 million, which were offset by capital gains of EUR 176 million and positive fair value changes on equity hedges of EUR 199 million.

Impairments on debt securities were EUR 115 million. This was in part compensated by positive fair value changes on CDO/CLO of EUR 73 million. By comparison, in the third quarter of 2008, impairments on debt securities and negative fair value changes on CDO/CLO were EUR 480 million.

Negative revaluations and impairments on real estate investments were EUR 101 million compared with EUR 115 million in the third quarter of 2008. Revaluations on private equity and alternative assets resulted in a gain of EUR 82 million compared to a loss of EUR 125 million in the second quarter last year.

In the Benelux, results were positively impacted by a EUR 66 million contribution of the provision for guarantees on separate account pension contracts (net of hedging) in the Netherlands. This compares to a loss of EUR 83 million in the second quarter of 2008.

Deferred acquisition cost (DAC) unlocking had a positive impact of EUR 104 million in the US. However, this was more than offset by a EUR 134 million loss on equity hedges to protect regulatory capital. During the same quarter last year, DAC unlocking was a negative EUR 233 million.

In Japan, the SPVA business recorded a gain of EUR 80 million driven by results on hedges. By comparison, in the third quarter last year Japan's SPVA business recorded a loss of EUR 17 million.

The net result for Insurance in the third quarter was EUR 311 million. This included a EUR 119 million after-tax loss on the sale of Nationale-Nederlanden's industry pension fund portfolio, an estimated EUR 50 million loss on the sale of the annuity and mortgage business in Chili, as well as EUR 30 million after tax in restructuring expenses.

New business

New sales (APE) decreased 19.9% following lower sales in the US, Central Europe and Asia/Pacific mainly caused by lower demand for investment-oriented products. In the Benelux, sales increased 66.1%, largely due to a change in premium recognition in the Netherlands and annuity sales in Belgium.

VNB declined 29.7%, or 27.0% on a constant currency basis, following declines in all lines of business. This was caused by lower sales and margin pressure.

The value of new business and the internal rate of return for all prior periods in the US beginning 1 January 2008 have been restated to reflect the corrected application of capital factors for the variable annuity business and modest adjustments to expense factors for both the variable annuity and fixed annuity businesses. This restatement lowered the US VNB by EUR 69 million for 2008 to EUR 130 million and EUR 13 million for six months 2009 to EUR 56 million.

CONSOLIDATED BALANCE SHEET

ING Verzekeringen N.V. : Consolidated balance sheet

in EUR million	30 Sep. 09	30 June 09		30 Sep. 09	30 June 09
Assets			**Equity**		
Cash and balances with central banks	9,853	11,245	Shareholders' equity	14,530	12,203
Financial assets at fair value through P&L	107,895	106,231	Minority interests	81	74
- trading assets	403	443	**Total equity**	**14,611**	**12,277**
- non-trading derivatives	3,915	3,392	**Liabilities**		
- investments for risk of policyholders	101,212	99,900	Subordinated loans	6,731	6,868
- other	2,365	2,497	Debt securities in issue	4,057	4,094
Investments	103,185	101,624	Other borrowed funds	8,688	9,555
- debt securities available-for-sale	98,068	96,472	Insurance and investment contracts	236,829	238,015
- equity securities available-for-sale	5,117	5,152	- life insurance provisions	125,451	126,428
Loans and advances to customers	30,202	30,924	- non-life insurance provisions	3,715	3,909
Reinsurance contracts	5,376	5,656	- provision for risk of policyholders	101,749	100,470
Investments in associates	2,535	2,567	- other	5,914	7,208
Real estate investments	1,083	1,140	Financial liabilities at fair value through P&L	3,453	3,547
Property and equipment	543	592	- non-trading derivatives	3,453	3,547
Intangible assets	3,903	4,384	Liabilities held for sale	11,012	
Deferred acquisition costs	11,048	11,393	Other liabilities	13,075	12,686
Assets held for sale	11,964		**Total liabilities**	**283,844**	**274,764**
Other assets	10,868	11,285			
Total assets	**298,455**	**287,041**	**Total equity and liabilities**	**298,455**	**287,041**

- **Total assets increase 4% to EUR 298 billion**
- **Investments for risk of policyholders increase by EUR 8 billion, partly accounted for as 'Assets held for sale'**
- **Shareholders' equity up by EUR 2.3 billion, mainly driven by positive revaluations on debt securities**

Assets

Total assets increased by EUR 11.4 billion, or 4.0%, to EUR 298.5 billion due to EUR 5.1 billion of positive revaluations on investments (mainly debt securities available-for-sale) and EUR 9.2 billion of positive revaluations on financial assets at fair value through P&L (mainly investments for risk of policyholders). The assets of the announced divestments of the annuity and mortgage businesses in Chile as well as the Australian and New Zealand insurance businesses were recorded as assets held for sale in the balance sheet. The main part of the EUR 12.0 billion assets held for sale represents investments for the risk of policyholders. FX differences had a EUR 2.9 billion negative impact on investments and financial assets at fair value through P&L.

Shareholders' equity

Shareholders' equity of ING Verzekeringen N.V increased by EUR 2.3 billion to EUR 14.5 billion. Positive revaluations on equity securities of EUR 0.5 billion and EUR 3.9 billion on debt securities contributed to the increase, partly offset by negative deferred profit sharing for life policyholders (EUR -1.8 billion) and negative currency effects (EUR -0.4 million).

At the end of September 2009, ING Verzekeringen N.V. had a negative revaluation reserve associated with debt securities of EUR -2.4 billion, mainly due to revaluations in the asset-backed security portfolio. The unrealised revaluation reserve of debt securities improved by EUR 3.9 billion in the third quarter of 2009.

Liabilities

'Liabilities held for sale' represents the liabilities of the announced divestment of the annuity and mortgage businesses in Chile as well as the Australian and New Zealand insurance businesses.

Insurance Europe: Key figures								
In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Gross premium income	2,428	2,089	16.2%	2,166	12.1%	7,545	7,724	-2.3%
Commission income	117	119	-1.7%	121	-3.3%	345	369	-6.5%
Direct investment income	783	950	-17.6%	863	-9.3%	2,562	2,977	-13.9%
Realised gains and fair value changes on inv.	-64	-94	n.a.	-659	n.a.	-731	-67	n.a.
Total investment and other income	719	857	-16.1%	204	252.5%	1,831	2,910	-37.1%
Total underlying income	**3,264**	**3,064**	**6.5%**	**2,491**	**31.0%**	**9,721**	**11,003**	**-11.7%**
Underwriting expenditure	2,504	2,401	4.3%	1,918	30.6%	7,947	8,516	-6.7%
Operating expenses	345	417	-17.3%	359	-3.9%	1,104	1,284	-14.0%
Other interest expenses	57	148	-61.5%	81	-29.6%	253	364	-30.5%
Other impairments	-0	-3	n.a.	0	n.a.	0	0	n.a.
Total underlying expenditure	**2,906**	**2,963**	**-1.9%**	**2,358**	**23.2%**	**9,304**	**10,165**	**-8.5%**
Underlying result before tax	**358**	**101**	**254.5%**	**134**	**167.2%**	**416**	**838**	**-50.4%**
New Business								
Value of new life business	35	91	-61.5%	55	-36.4%	140	304	-53.9%
Internal rate of return (YTD)				16.1%		15.1%	17.9%	
Single premiums	685	639	7.2%	621	10.3%	2,014	2,330	-13.6%
Annual premiums	179	169	5.9%	172	4.1%	488	521	-6.3%
New sales (APE)	247	233	6.0%	234	5.6%	689	754	-8.6%
Other key figures								
Staff (FTEs end of period)	13,402	14,430	-7.1%	13,704	-2.2%	13,402	14,430	-7.1%

- **Strong underlying result before tax**
- **Economic crisis impacts top-line growth**
- **Confirmation of lower expense run-rate**

Business update

Financial markets continued to recover in the third quarter of 2009, whereas the real economy was increasingly impacted by the recession. In Central Europe sales remained sluggish, also due to the slower summer season, and premium income was down due to rising unemployment. Lapses and surrenders showed signs of stabilisation after an upward trend in the first half of the year.

Actions taken to de-risk the balance sheet and the reduction in credit spreads continued to improve the capital position of Insurance Europe. As a result, EUR 790 million in capital was upstreamed to ING Insurance in the third quarter.

In line with ING's Back to Basic strategy, ING decided to discontinue its life insurance activities in Russia. ING also announced that, as of the third quarter of 2010, a new shared services centre in Cluj-Napoca (Romania) will begin operating for the entire Central European region. Over time, the back-office activities of the region will be concentrated in that centre. This initiative is part of a long-term strategic change programme, in which ING aims to create a single operating model throughout Central Europe, Spain and Greece. The programme started in mid-2008 and will take about another four years to complete. The shared services centre is expected to lower cost per policy and improve customer service.

Financial update

Total underlying income

Premium income increased 16.2% from EUR 2,089 million in the third quarter of 2008 to EUR 2,428 million in the third quarter of 2009. This was entirely due to a change in the recognition of life premiums in the Netherlands. Excluding this change in premium recognition, premium income decreased 4.6%. In Belgium, life premiums increased by EUR 117 million to EUR 269 million, mainly due to EUR 63 million in higher sales of the Optima product, which offers a 3% guarantee and has become increasingly attractive as interest rates decline. Furthermore, the variable annuity product launched last February contributed EUR 35 million to sales in Belgium. In the Netherlands, life premiums increased by EUR 308 million to EUR 1,381 million as the third quarter of 2009 retroactively included EUR 436 million in premiums due but not yet processed in the insurance administration. Excluding this change in premium recognition, life premiums in the Netherlands decreased by EUR 128 million, driven by lower indexation and back-service in the individual and corporate pension business. In Central & Rest of Europe, life premium income fell by EUR 81

Insurance Europe: Key figures

	Benelux Life		Benelux Non-Life		Central and Rest of Europe	
In EUR million	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008
Gross premium income	1,650	1,225	309	312	470	552
Total investment and other income	586	709	38	33	97	114
Operating expenses	174	220	92	115	79	82
Underlying result before tax	**160**	**-104**	**123**	**104**	**74**	**101**
New Business						
Value of new life business	7	18			28	73
Internal rate of return (YTD)	10.4%	12.3%			23.8%	24.5%
Single premiums	565	364			119	275
Annual premiums	101	59			77	110
New sales (APE)	158	95			89	138

million, especially in Hungary and Poland. The premium decline resulted from a EUR 61 million negative currency impact in Central Europe and lower single premium sales. Non-life premiums in Europe fell by EUR 5 million, or 1.7%, on the third quarter of 2008, due to lower short-term disability (sickness) insurance premiums in the Netherlands, which was driven by lower insurance rates caused by competitive pressure as well as fewer insured individuals due to the weakening labour market.

'Total investment and other income' was EUR 719 million, which was EUR 138 million, or 16.1%, lower than in the same quarter of last year. This was caused by EUR 167 million lower direct investment income, partly offset by EUR 30 million in lower negative revaluations. Direct investment income from fixed income investments declined by EUR 101 million to EUR 595 million due to lower new money rates on bond investments and EUR 30 million of lower dividends on equity investments after de-risking. Negative revaluations on investments improved by EUR 30 million, as EUR 44 million of higher gains on debt securities, EUR 17 million of higher gains on fixed income funds, a EUR 14 million higher result from hedge ineffectiveness (inflation-linked swaps) and a positive swing of EUR 140 million in private equity revaluations were largely offset by negative swings

CLIENT BALANCES 3Q2009 - INSURANCE EUROPE (EUR billion)

of EUR 114 million in the revaluation of equity index options that hedge equity investments and EUR 70 million in the derivatives that hedge Nationale-Nederlanden's separate account pension contracts.

Operating expenses

Operating expenses fell from EUR 417 million to EUR 345 million, or 17.3%, compared with the third quarter of 2008. The depreciation of Central European currencies against the euro accounted for EUR 7 million in lower expenses in the third quarter of 2009. Changes in the allocation of group overhead caused another EUR 13 million in lower operating expenses, partly compensated by EUR 8 million of higher expenses due to organisational changes and the acquisition of the Turkish pension fund Oyak Emiklilik. The remaining decline in expenses was due to ongoing cost-containment efforts, affecting in particular salaries, third-party staff, marketing and consultancy expenses, including EUR 15 million in favourable one-off expense items. In the third quarter, EUR 39 million was added to a reorganisation provision for the integration of the Dutch insurance operations, which was announced in early July. This amount is not included in underlying operating expenses.

Underlying result before tax

Insurance Europe posted a strong underlying profit before tax of EUR 358 million in the third quarter of 2009, which was EUR 257 million higher than last year. This was driven by EUR 45 million of higher gains on debt securities, positive swings of EUR 140 million to EUR 71 million in private equity revaluations and of EUR 149 million to EUR 66 million in the provision for guarantees on separate account pension contracts (net of hedging), as well as EUR 72 million in lower operating expenses. These positive result items were partly offset by a EUR 114 million negative swing to EUR -73 million in the revaluation of equity index options that hedge equity investments and a EUR 52 million drop in notional income on equity investments to EUR 17 million after de-risking actions since the start of the economic crisis. Negative real estate revaluations of EUR 97 million were EUR 15 million better than last year. The underlying result before tax excludes a EUR 160 million pre-tax loss on divestment (EUR 119 million after tax) of the so-called industry pension fund portfolio of Nationale-Nederlanden.

Life Insurance Benelux

The underlying result before tax for life insurance in the Benelux was a profit of EUR 160 million compared to a loss of EUR 104 million a year ago. This sharp result improvement mainly stemmed from EUR 38 million of higher gains on debt securities, positive swings of EUR 121 million in private equity revaluations and of EUR 149 million in the provision for guarantees on separate account pension contracts (net of hedging), as well as EUR 46 million of lower operating expenses. These positive result items were partly offset by a EUR 104 million negative swing in the revaluation of equity index options that hedge equity investments.

Non-Life Insurance Benelux

The underlying result before tax from non-life insurance in the Benelux was EUR 123 million, an increase of EUR 19 million compared with the same quarter last year and basically due to EUR 23 million in lower operating expenses. Underwriting results in the lines Fire and Motor insurance declined, largely offset by higher results in the lines Income & Accident and Liability insurance.

Central & Rest of Europe

The underlying result before tax in Central & Rest of Europe declined by EUR 27 million to EUR 74 million, as EUR 12 million of lower commission income and EUR 17 million of lower investment income were only slightly compensated by EUR 3 million in lower operating expenses. Commission income declined by EUR 12 million, largely reflecting lower pension fund inflows in Poland. The EUR 13 million increase in direct investment income was more than offset by EUR 31 million in lower fair value changes, especially due to a EUR 16 million swing in the result on the hedge for variable annuity products, which was effectively offset by a decrease in the provisions for enhanced benefit guarantees embedded in these products. Another EUR 4 million negative investment result relates to the impairment of a real estate fund in Hungary.

New business information

Life sales (APE) in Insurance Europe were EUR 247 million, an increase of EUR 14 million, or 6.0%, on the third quarter of last year. This increase was mostly due to the change in the recognition of premiums in the Netherlands, which had a one-time favourable impact of EUR 31 million on APE. Excluding the change in premium recognition, APE in the Netherlands increased by EUR 19 million to EUR 99 million due to higher sales in the group pension business, also after the acquisition of a group contract generating EUR 13 million APE. In Belgium, life sales increased by EUR 13 million to EUR 28 million, propelled by the introduction of a variable annuity product in February, which generated EUR 4 million in APE, and through EUR 6 million of higher sales for the Optima product. Central & Rest of Europe saw its sales drop by EUR 49 million to EUR 89 million, despite the contribution of EUR 5 million APE from the recently acquired Turkish pension fund. Negative currency effects in Central Europe explain EUR 17 million of the APE decrease. All businesses in the region contributed to the lower sales this quarter, especially the businesses in the Czech Republic, Hungary, Poland and Romania, where the decrease was driven by lower sales in single premiums.

The value of new business (VNB) of Insurance Europe declined to EUR 35 million from EUR 91 million a year ago. In the Netherlands, VNB decreased by EUR 11 million to EUR 4 million, after lower realised spreads on investments. All countries in Central & Rest of Europe reported sharply lower VNB compared with last year, in line with decreased sales. Lower exchange rates for Central European currencies contributed EUR 9 million to the decline and higher assumed discount rates EUR 11 million. The Romanian second pillar pension fund contributed EUR 12 million in VNB last year compared with EUR 1 million this quarter, following a lottery that allocated some 60,000 new participants to ING’s pension fund in August 2008. Margins in the Central European pension business continued to be under pressure due to changes in the fee structure, partly triggered by local legislative changes.

Insurance Americas: Key figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Gross premium income	3,531	4,678	-24.5%	3,413	3.5%	10,934	14,455	-24.4%
Commission income	305	339	-10.0%	300	1.7%	909	888	2.4%
Direct investment income	848	1,162	-27.0%	1,005	-15.6%	2,891	3,151	-8.3%
Realised gains and fair value changes on inv.	-739	-520	n.a.	-1,197	n.a.	-2,105	-782	n.a.
Total investment and other income	109	642	-83.0%	-191	n.a.	786	2,369	-66.8%
Total underlying income	**3,945**	**5,660**	**-30.3%**	**3,521**	**12.0%**	**12,630**	**17,713**	**-28.7%**
Underwriting expenditure	3,201	5,448	-41.2%	2,786	14.9%	11,170	16,102	-30.6%
Operating expenses	407	462	-11.9%	424	-4.0%	1,244	1,285	-3.2%
Other interest expenses	30	66	-54.5%	55	-45.5%	163	171	-4.7%
Other impairments	0	-0	n.a.	-0	n.a.	0	0	n.a.
Total underlying expenditure	**3,638**	**5,975**	**-39.1%**	**3,265**	**11.4%**	**12,576**	**17,558**	**-28.4%**
Underlying result before tax	**307**	**-316**	**n.a.**	**256**	**19.9%**	**53**	**155**	**-65.8%**
New Business								
Value of new life business [1]	66	63	4.8%	52	26.9%	146	201	-27.4%
Internal rate of return (YTD)[1]				10.9%		11.7%	12.8%	
Single premiums	3,122	4,388	-28.9%	2,015	54.9%	7,571	13,026	-41.9%
Annual premiums	336	404	-16.8%	345	-2.6%	1,178	1,321	-10.8%
New sales (APE)	649	843	-23.0%	547	18.6%	1,935	2,624	-26.3%
Other key figures								
Staff (FTEs end of period)	16,792	21,276	-21.1%	17,030	-1.4%	16,792	21,276	-21.1%

1) The value of new business and internal rate of return for all prior periods in the US beginning January 1, 2008 have been restated to reflect the corrected application of capital factors for the variable annuity business and modest adjustments to expense factors for both the variable annuity and fixed annuity businesses.

- **Improved results due to recovery in credit and equity markets**
- **Expenses decline 15.2% excluding currency effects**
- **VNB improves 26.9% from 2Q09**

Business update

Insurance Americas' performance benefitted from the ongoing market recovery, led by a 15.0% increase in the S&P 500 and a narrowing of credit spreads. Pressure on sales continued as customers remained cautious, although caution abated from the second quarter of 2009.

Sales of retirement services (corporate 401(k), education and IRA) declined 1.7% from the prior year, but nearly doubled from the second quarter of 2009. Individual life sales were down 34.4% from the prior year due to rate increases, but were down just 16.7% compared with the previous quarter as application and proposal activity increased towards the end of the third quarter. Sales of fixed annuity products were strong, while variable annuity sales decreased as ING sought to limit sales of its existing variable annuities until a new rollover product is introduced.

Latin America posted another strong quarter, primarily due to continued growth in fee income from the mandatory pension businesses and better investment returns, which benefited from the recent market recovery.

Gross credit-related losses of EUR 149 million improved substantially from EUR 421 million in the third quarter of 2008, which included significant impairments in the financial sector. The current quarter primarily reflects impairments of subprime mortgage-backed securities.

On 31 July, ING announced the sale of its annuity and mortgage business in Chile. The terms of the agreement were not disclosed. The sale does not impact ING's pension, life insurance, and investment management businesses in Chile. The transaction is expected to close in the fourth quarter of 2009.

In October, ING reached an agreement to transfer the US reinsurance business to RGA Incorporated. The transaction will release approximately EUR 100 million in capital in the US. The transaction is expected to close in the first quarter of 2010.

INSURANCE INSURANCE AMERICAS

Insurance Americas: Key figures

	United States		Latin America	
In EUR million	3Q3009	3Q3008	3Q3009	3Q3008
Gross premium income	3,479	4,561	51	118
Total investment and other income	24	455	85	187
Operating expenses	358	408	50	53
Underlying result before tax	**221**	**-376**	**86**	**60**
New Business				
Value of new life business	45	37	21	26
Internal rate of return (YTD)	10.9%	11.5%	17.9%	19.0%
Single premiums	2,670	3,891	452	497
Annual premiums	243	296	93	108
New sales (APE)	510	685	138	158

On 3 November 2009, ING announced the sale of the majority of ING Advisors Network. Terms of the agreement were not disclosed. The transaction is expected to close in the first quarter of 2010.

Financial update

Total underlying income

Gross premium income across the Americas declined 24.5%, or 28.5% excluding currency effects, as sales of variable annuity products decreased by 81.3%. In the US, gross premiums were down 27.8% excluding currencies from the third quarter of 2008 as strong sales in fixed annuity could not overcome the decline in variable annuity sales. However, gross premiums were up 8.6% compared with the second quarter 2009. In Latin America, gross premiums were lower due to a decline in annuity sales in Chile.

Operating expenses

Lower staff and benefit costs throughout the region led to a 11.9% decline in operating expenses (down 15.2% excluding currency effects). In the US, expenses were down 16.9% compared with the third quarter of 2008. Latin America's expenses increased 2.0%.

Underlying results before tax

The ongoing market recovery helped Insurance Americas deliver an underlying profit before tax of EUR 307 million, a substantial improvement from the loss reported in the third quarter of 2008. Excluding a loss of EUR 134 million on the equity hedge to protect regulatory capital, results improved to EUR 441 million. The hedge position was reduced from EUR 5 billion notional at 30 June to EUR 700 million notional as of 30 September.

CLIENT BALANCES 3Q2009 - INSURANCE AMERICAS (EUR billion)

United States

The US continued its return to profitability, posting a profit of EUR 221 million as the easing of market pressures positively impacting results, despite the EUR 134 loss on the equity hedge. Excluding the impact of these hedges, results improved by EUR 752 million from the loss reported in the third quarter of 2008, reflecting positive DAC unlocking and improved investment gains/losses, including lower impairments. Lower operating expenses helped mitigate lower fee income and investment margins and support the profit improvement.

Investment gains for the quarter were EUR 57 million before DAC (compared to investment losses of EUR 421 million in the third quarter of 2008), which includes EUR 205 million of interest/spread-related gains and EUR 149 million of impairments and credit-related losses on disposals. EUR 109 million of the losses in the third quarter were related to subprime securities. Alt-A impairments were negligible at EUR 3 million. EUR 17 million related to commercial mortgages, while the remaining EUR 20 million was from all other asset classes.

Total positive DAC unlocking amounted to EUR 104 million, up EUR 337 million from the negative DAC unlocking in the third quarter of 2008.

Despite the recent equity market recovery from the March 2009 lows and favourable persistency, average equity-related AUM levels are down 10.5% from the third quarter of 2008. The lower AUM levels resulted in higher guaranteed benefit costs and lower fee income, which combined to drive the net asset-based fee income down by EUR 76 million on a pre-DAC basis. While still lower than the first half of 2009, the cost of guaranteed benefits in variable annuity at 203 basis points remained higher than the 124 basis points from the third quarter of 2008.

Results in retirement services were EUR 100 million, up from the marginal loss reported in the third quarter of 2008. Positive equity-related DAC unlocking was due to separate account fund performance of 14.6% for the quarter. Results also benefited from lower operating expenses and improved investment margins, mitigating the decline in fee income.

In annuities, results recovered from the year-earlier loss to EUR 130 million, excluding the loss related to the equity hedge, as the continued equity market recovery resulted in positive DAC unlocking. Asset-based fee income continued to come under pressure, as a 9.5% decline in AUM levels from the same quarter of 2008 resulted in higher guaranteed benefit costs and lower fee income.

In the Insurance segment, profit more than doubled to EUR 77 million, reflecting a recovery from the adverse claims experience in group insurance and lower operating expenses.

In Asset Management, the loss for the quarter reflected lower investment margins and a decline in asset-based fee income.

Latin America

Underlying profit before tax improved for the second consecutive quarter, with results up 43.3% (or 53.6% excluding currency effects) to EUR 86 million as strong performance in the pension businesses helped mitigate lower results in Brazil and Chile's annuity business. Local equity markets continued their recovery as returns were up sharply from the negative experience in the third quarter of 2008. This led to a EUR 45 million improvement on the legally-required investment in the pension business. Additionally, pension fee income improved 7% during the quarter, led mainly by Mexico's continued growth in AUM base. Brazil's results declined due to higher health claims frequency and a lower tax reserve release, while lower inflation led to a decline of EUR 10 million in the Chile result, compared to a positive impact from inflation in the year-earlier quarter.

New business information

The value of new business (VNB) and the internal rate of return in the US have been restated for all previous quarters beginning 1 January 2008 to reflect the corrected application of capital factors for the variable annuity business and modest adjustments to expense factors for both the variable and fixed annuity business. This restatement lowered US VNB by EUR 69 million for the twelve months ending 31 December 2008 to EUR 130 million and EUR 13 million for the six months ending 30 June 2009 to EUR 56 million.

On a restated basis, VNB in the Americas was up 4.8% compared with the third quarter of 2008.

In the US, VNB improved 15.4% excluding currency effects, due to improved margins in fixed annuity as well as higher demand for fixed rate products and a better mix of business. Lower equity-related product sales in variable annuity and retirement services along with the impact of lower interest rates on variable annuity margins partially offset the improvement.

In Latin America, VNB declined 19.2%, or 8.7% excluding currency effects, to EUR 21 million, due to lower sales in Peru from less aggressive commercial activity and lower productivity and margins in Chile's annuity business. Higher quality of sales in Mexico helped partially offset this decline.

On a restated basis, the internal rate of return (IRR) in the Americas declined by 110 basis points to 11.7%. The decline was driven by the US, where market impacts, including lower interest rates, continued to diminish variable annuity returns. In Latin America, returns declined by 110 basis points to 17.9%.

Insurance Asia/Pacific: Key figures

In EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9M2009	9M2008	Change
Gross premium income	1,665	2,308	-27.9%	1,684	-1.1%	5,312	6,983	-23.9%
Commission income	75	82	-8.5%	73	2.7%	210	262	-19.8%
Direct investment income	352	354	-0.6%	361	-2.5%	1,204	986	22.1%
Realised gains and fair value changes on inv.	29	382	-92.4%	-398	n.a.	-504	434	n.a.
Total investment and other income	381	736	-48.2%	-38	n.a.	700	1,420	-50.7%
Total underlying income	**2,120**	**3,126**	**-32.2%**	**1,720**	**23.3%**	**6,223**	**8,664**	**-28.2%**
Underwriting expenditure	1,484	2,699	-45.0%	1,104	34.4%	4,694	7,227	-35.0%
Operating expenses	202	211	-4.3%	186	8.6%	573	650	-11.8%
Other interest expenses	212	197	7.6%	229	-7.4%	681	463	47.1%
Other impairments	0	-0	n.a.	0	n.a.	0	-0	n.a.
Total underlying expenditure	**1,897**	**3,107**	**-38.9%**	**1,519**	**24.9%**	**5,948**	**8,339**	**-28.7%**
Underlying result before tax	**223**	**19**	**1073.7%**	**201**	**10.9%**	**274**	**325**	**-15.7%**
New Business								
Value of new life business	53	64	-17.2%	39	35.9%	124	194	-36.1%
Internal rate of return (YTD)				12.9%		14.0%	15.1%	
Single premiums	753	1,513	-50.2%	1,027	-26.7%	2,616	4,834	-45.9%
Annual premiums	278	332	-16.3%	223	24.7%	745	1,031	-27.7%
New sales (APE)	353	484	-27.1%	326	8.3%	1,007	1,514	-33.5%
Other key figures								
Staff (FTEs end of period)	7,833	8,926	-12.2%	8,269	-5.3%	7,833	8,926	-12.2%

- **Further improvement in underlying result before tax**
- **Targeted annual cost reduction increased to EUR 125 million**
- **New sales for continuing business up 29.8% on 2Q09**

Business update

On 25 September 2009, ING announced the sale of its insurance and wealth management venture in Australia and New Zealand to its joint venture partner, ANZ, for EUR 1.1 billion. The sale is estimated to generate approximately EUR 300 million in net profits and free up to EUR 900 million of capital. Subject to regulatory approval, the transaction is expected to be booked and closed in the fourth quarter of 2009.

Insurance Asia/Pacific made a strong commercial recovery in the third quarter with new sales up 29.8% (compared with the second quarter) excluding the discontinued SPVA business in Japan and the divested units in Australia and New Zealand. All major businesses across the region contributed to this growth. New sales declined 13.7% (excluding Japan SPVA, Australia and New Zealand) compared with the same period last year. Traditional products accounted for 66% of new sales in the third quarter from 55% a year ago, reflecting stronger consumer sentiment for lower-risk products.

In South Korea, sales-promotion efforts and campaigns through the tied agency channel supported sales. ING Life Korea maintained its market position as the largest foreign life insurer with a market share of over 6%.

In Malaysia, ING's ranking for the individual life business improved to fourth position. A new single-premium product was launched via Public Bank to gain further market share. In Thailand, new sales rose driven by product launches via TMB.

In Japan, COLI sales were up on seasonality and reinforced confidence in ING's commitment to this business. ING Life Japan maintained its top 3 market position in the COLI business. The sale of SPVA products ceased as of 31 July 2009.

Client balances increased by EUR 3.2 billion due to market performance, which contributed EUR 3.8 billion. Furthermore, currency effects positively impacted client balances by EUR 2.1 billion. The net production was EUR -2.4 billion. .

CLIENT BALANCES 3Q2009 - INSURANCE ASIA/PACIFIC (EUR billion)

Insurance Asia/Pacific: Key figures

	Australia & New Zealand		Japan		Malaysia		South Korea		Rest of Asia	
In EUR million	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008	3Q2009	3Q2008
Gross premium income	119	112	478	1,054	181	147	710	821	177	174
Total investment and other income	9	34	208	608	29	18	83	57	51	19
Operating expenses	58	52	43	42	13	12	43	54	45	51
Underlying result before tax	**22**	**24**	**104**	**-29**	**18**	**16**	**63**	**35**	**15**	**-27**
New Business										
Value of new life business	12	11	4	12	7	5	25	26	5	10
Internal rate of return (YTD)	21.5%	19.2%	7.9%	11.8%	20.2%	15.0%	20.2%	19.2%	11.1%	13.5%
Single premiums	489	615	112	723	63	42	69	93	21	40
Annual premiums	23	37	47	52	25	19	138	178	46	46
New sales (APE)	72	99	58	124	31	23	145	187	48	50

Sound commercial growth was coupled with continued progress with cost containment in the third quarter. The original targeted annual cost reduction of EUR 75 million was already achieved, with operating expenses down EUR 77 million year to date. A new target of EUR 125 million has been set. ING also eliminated over 1,000 full-time positions (FTEs), exceeding the planned reduction of 900 FTEs for 2009, including 200 FTEs from the cessation of the SPVA business in Japan.

Financial update

Total underlying income

The total underlying income for the quarter was EUR 2,120 million, 32.2% lower than the third quarter of 2008. This was driven by the decline in gross premium income of 27.9%, or 2.9% excluding SPVA products in Japan. The premium income for COLI was up 6.8%. In South Korea, premium income fell 13.5%, or 7.2% excluding currency effects, over the prior-year quarter, reflecting the decline in investment-linked product sales. In contrast, premium income rose 6.3% in Australia & New Zealand, driven by favourable in-force business retention and robust life-risk sales. In Malaysia and Thailand, continued new business growth led to a significant increase in premium income, up 23.1% and 41.9% respectively. Total investment and other income fell 48.2%, due to fair value changes on the derivatives used to hedge Japan's SPVA guaranteed benefits with an offset in underwriting expenditure.

Operating expenses

During the third quarter, operating expenses declined 4.3% to EUR 202 million. Excluding currency effects and one-off provisions, operating expenses fell 11.1% compared with the prior-year quarter. The decline was primarily driven by South Korea, where operating expenses fell 14.0% excluding currency effects, on lower personnel expenses as well as reduced accommodation costs due to branch restructuring. Operating expenses increased slightly in Japan, but were down 14.0% excluding currency effects, on lower personnel expenses due to business reorganisation and the cessation of SPVA product sales. In contrast, operating expenses in Australia & New Zealand were up 11.5%, due to one-off administrative provisions and strategic projects. In Malaysia, operating expenses rose 8.3% in line with new business growth. In Rest of Asia, operating expenses fell 15.1%, excluding currency effects, driven by cost-containment measures.

Underlying result before tax

The underlying profit before tax for the quarter was EUR 223 million compared with EUR 19 million in the same period a year ago, as the drag on earnings due to volatile market conditions subsided. In the third quarter of 2008, results were impacted by EUR 54 million in impairments and EUR 47 million in negative investment revaluations. The increase in profits was further augmented by a positive EUR 97 million swing in SPVA results in Japan. Excluding Japan SPVA, the underlying profit before tax was EUR 143 million, up EUR 107 million from a year ago, on improved investment results and active expense management.

Australia & New Zealand

Australia & New Zealand recorded an underlying ofit before tax of EUR 22 million, 8.3% lower than the previous-year quarter. In the third quarter of 2008, the underlying profit before tax included EUR 9 million in profits from ING Australia

Holdings, which was transferred to the Corporate Line at the start of 2009. Excluding ING Australia Holdings, the underlying profit before tax rose 46.7%, primarily reflecting favourable market movement on reserves related to capital-guaranteed products.

Japan

The underlying profit before tax was EUR 104 million compared to a EUR 29 million loss in the prior-year quarter. The SPVA business posted a profit of EUR 80 million compared to a loss of EUR 17 million, driven by favourable results on basis risk and gains on unhedged exposures, partly offset by accounting asymmetries. COLI profits were up EUR 38 million compared to a loss of EUR 13 million in the third quarter of 2008, which included EUR 33 million in impairments on exposures to financial institutions a year ago; results were further supported by lower expenses.

Malaysia

The underlying profit before tax in the current quarter rose 12.5% compared with the same quarter in 2008. This development primarily reflects a higher in-force base, complemented by solid new business growth.

South Korea

The underlying profit before tax was EUR 63 million, up 80.0% from the third quarter of 2008, when results were impacted by EUR 31 million in market-related investment losses. In the current quarter, results were driven by improved investment returns, lower operating expenses and EUR 10 million in positive one-offs from reserve adjustments.

Rest of Asia

In Rest of Asia, the underlying profit before tax rose to EUR 15 million from a loss of EUR 27 million a year ago. This loss was mainly due to EUR 10 million in negative revaluations and impairments in Hong Kong and EUR 8 million adjustment in deferred acquisition costs in Thailand. The current quarter had an impairment reversal of EUR 12 million in fixed-income investments. Improved market conditions and lower expenses contributed to higher underlying profit before tax in India and China.

New business

New sales (APE) were EUR 353 million, 8.3% higher than in the second quarter of 2009. The increase was driven by South Korea and Malaysia. APE declined 27.1% compared with the third quarter of 2008. Excluding SPVA sales in Japan, new sales declined 17.0%, mainly on lower investment-linked product sales in South Korea and Australia, partly offset by solid new sales in Malaysia and Thailand. This development reflects a shift in consumer demand from equity-related products to those offering guarantees and capital protection.

In South Korea, new sales fell 22.5%, or 16.7% excluding currency effects, due to continued pressure on investment-linked product sales and a reduction in the tied agency sales force by approximately 20%. In Australia & New Zealand, new sales were EUR 72 million, down 27.3%, due to lower wealth management inflows.

New sales in Malaysia rose 34.8% to EUR 31 million, driven by robust sales of investment-linked products through Public Bank and higher traditional product sales through tied agents.

In Rest of Asia, new sales fell 4.0%. The decline was mainly attributable to Hong Kong, where new sales were 35.0% lower than the third quarter of 2008 as major bank distributors took a cautious approach toward selling investment-linked products while awaiting the implementation of new regulations governing the sale of those products. In contrast, new sales in Thailand were up 33.3% to EUR 16 million, driven by successful new product launches through TMB bank.

The value of new business (VNB) was EUR 53 million, up 35.9% compared with the previous quarter. This increase was driven by new business in South Korea, Malaysia and Thailand and the suspension of SVPA sales in Japan that generated negative VNB. VNB was down 17.2% from a year ago, less than the 27.1% fall in new sales primarily due to the cessation of SPVA sales in Japan and improved value generation in South Korea.

The internal rate of return (IRR) in Asia/Pacific declined 110 basis points to 14.0% compared with the third quarter of 2008. However, the IRR was up 110 basis points compared with the previous quarter on the closure of SPVA product sales in Japan. Excluding SPVA products in Japan, the IRR for the region was 16.8%.

Corporate Line Insurance

EUR million	3Q2009	3Q2008	Change	2Q2009	Change	9m2009	9m2008	Change
Interest on hybrids and core debt	-194	-185	-9	-175	-19	-509	-570	61
Fair value changes equity derivatives	-158	158	-317	-204	46	-160	349	-509
Fair value changes other derivatives	-31	-11	-20	53	-84	-4	-20	16
Amortisation intangible assets	-18	-28	10	-18	-0	-54	-56	2
Investment income & fees (ING Insurance holding)	2	2	0	1	1	3	27	-24
Other results Capital Management	-10	-2	-8	4	-14	-4	20	-24
Capital Management	-410	-65	-345	-339	-71	-728	-250	-478
Capital gains on public equity	158	180	-21	59	100	206	930	-724
Impairments on public equity	-11	-330	319	-5	-6	-188	-527	338
Notional income	-21	-81	60	-21	0	-64	-247	183
Gains/impairments on public equity after notional income	127	-231	358	33	94	-46	157	-203
Results from reinsurance run-off portfolios	1	14	-13	-1	2	0	17	-17
Other	-19	-18	-1	-5	-14	-85	-6	-79
Underlying result before tax	**-301**	**-300**	**-1**	**-312**	**10**	**-858**	**-81**	**-777**

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

The Corporate Line had an underlying loss before tax of EUR 301 million in the third quarter, almost equal to the EUR 300 million loss in the third quarter of 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. Amortisation of intangible assets is also transferred from the business units to the Corporate Line.

The Capital Management result declined by EUR 345 million, mainly driven by EUR 317 million lower fair value changes on EUR 1.9 billion in put options used to hedge ING's equity portfolio. The notional amount of the put options is unchanged from second quarter 2009.

All capital gains and losses on public equities net of equity impairments realised in the business units are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the business units. The remainder is presented on the Corporate Line as 'Gains/impairments on public equity after notional income'. The dividends received on the equity portfolio are not transferred to the Corporate Line but stay within the business units. The capital gains on the sale of public equity amounted to EUR 158 million versus gains of EUR 180 million in the third quarter last year. Impairments on public equity decreased to EUR 11 million from EUR 330 million last year reflecting improved equity markets. The notional income amount transferred to the business units decreased from EUR 81 million in the third quarter of 2008 to EUR 21 million reflecting the smaller equity portfolios held by the business units driven by active de-risking.

The result from reinsurance run-off portfolios decreased as last year's results included one-off releases of actuarial provisions.

Compared with the previous quarter, the underlying result is up EUR 10 million. Higher capital gains on public equity and lower negative results from equity derivatives were largely offset by lower results on other derivatives and higher interest on hybrids and core debt.

SHARE INFORMATION

Financial calendar

Extraordinary General Meeting of Shareholders
Wednesday, 25 November 2009

Publication results 4Q 2009
Wednesday, 17 February 2010

Annual General Meeting of Shareholders
Tuesday, 27 April 2010

(All dates are provisional)

Investor relations

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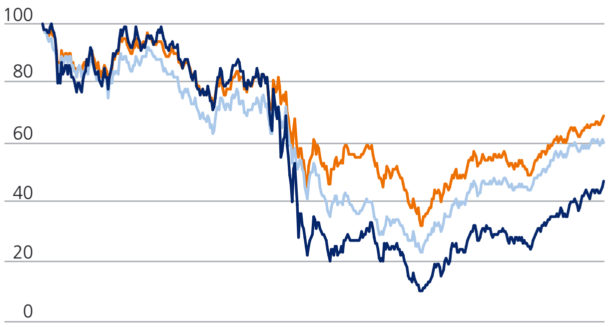
Listing information

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

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

Comparative performance of share price

1 January 2008 to 30 September 2009



American Depositary Receipts (ADRs)

For questions regarding your ADRs please contact the depositary:
JPMorgan Chase & Co.
P.O. Box 64504
St. Paul, MN 55164-0504

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From outside the US: (651) 453-2128
Global Invest Direct: (800) 428-4237
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Internet: www.adr.com

OUR QUARTERLY PUBLICATIONS

This ING Group Quarterly Report contains our quarterly financial reporting and analysis, including comment on the progress of our businesses and key strategic initiatives. Other quarterly financial publications:

Press release
The press release on ING's quarterly results contains the Chairman's Statement, financial highlights by business line and key developments on the balance sheet, capital management and risk management.

Analyst presentation
The analyst presentation of ING's quarterly results contains a detailed review of the drivers of results and addresses key issues raised by analysts and investors.

ING Group Statistical Supplement
The Group Statistical Supplement contains quarterly financial data and should be read in conjunction with the ING Group Quarterly Report. The supplement is available in both PDF and Excel format.

ING Group Historical Trend Data
In addition to the Group Statistical Supplement, this document, available in PDF and Excel format, includes trended information and details of restatements.

ING Group Interim Accounts
These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". ING publishes Interim Accounts under IAS 34, including a review report of E&Y, on a quarterly basis.

ING US Statistical Supplement
The US Statistical Supplement contains quarterly financial data for the life insurance activities in the US.

All figures in the quarterly financial publications are unaudited. The quarterly financial publications are available on the internet at www.ing.com/investorrelations in the Quarterly results section.

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