



Second Quarter 2010 Results

ING reports underlying net profit of EUR 1,202 million

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CEO

Amsterdam – 11 August 2010
www.ing.com

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



ING's earnings momentum continued in 2Q10

Underlying net result EUR 1,202 million

- Strong business performance
- Shareholders' equity EUR 41.6 billion or EUR 11 per share
- Good progress on operational separation

Bank is making strong progress on Ambition 2013

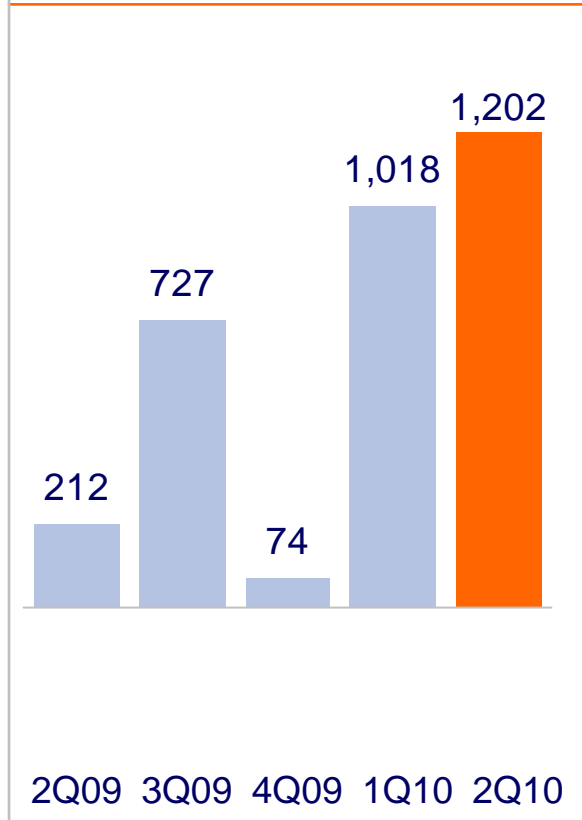
- Underlying pre-tax result EUR 1.6 billion
- C/I-ratio improves to 52.6%
- CEBS stress test comfortably passed, Basel III impact well manageable

Insurance: stable operational result but more progress required

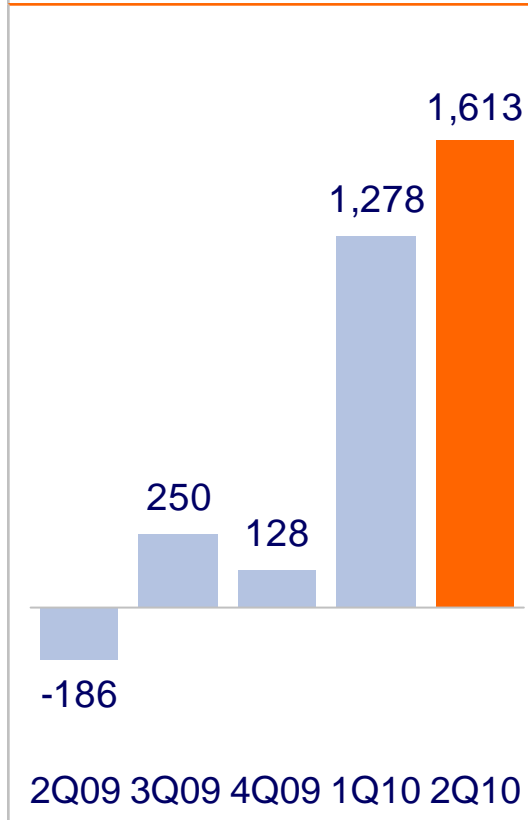
- Operating result stable at EUR 419 million
- Underlying result negatively impacted by equity market decline
- Continued strong sales: APE EUR 1.2 billion in the second quarter

ING's underlying result continues to increase, driven by strong Banking performance

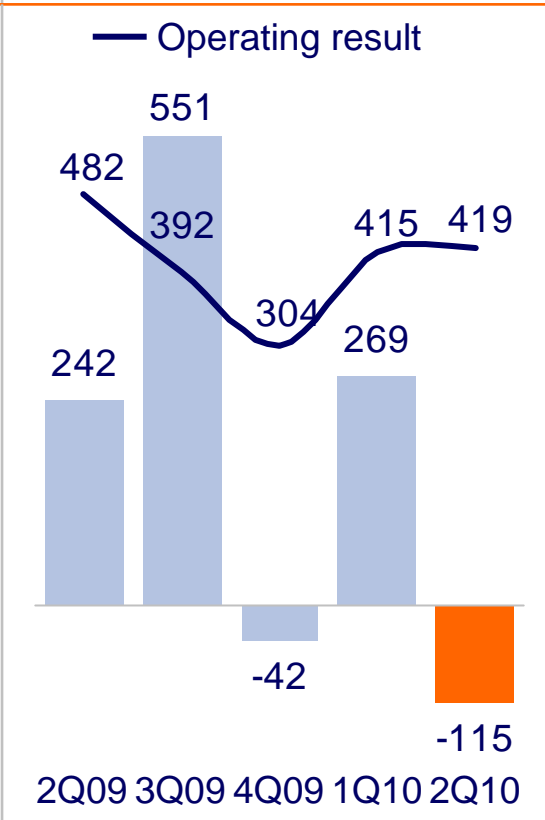
**Underlying net result
ING Group (in EUR mln)**



**Underlying pre-tax result
Bank (in EUR mln)**

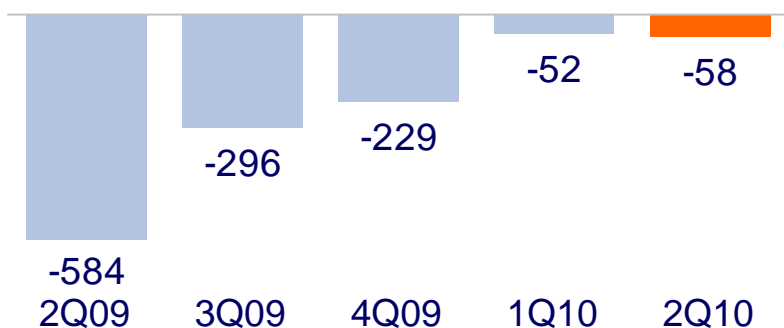


**Underlying pre-tax result
Insurance (in EUR mln)**

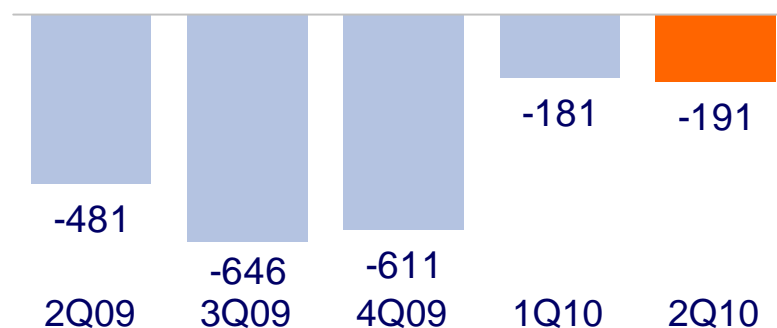


Impact impairments and revaluations diminishing

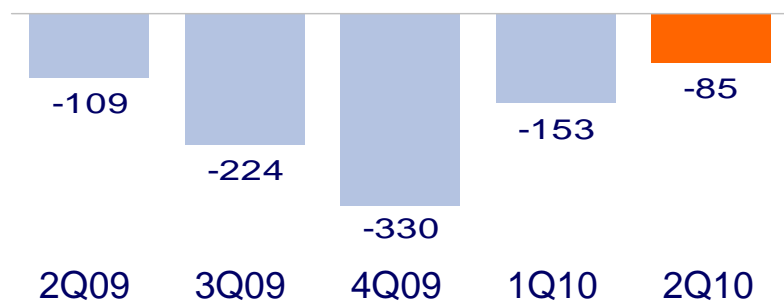
Real Estate revaluations via the P&L (in EUR million)



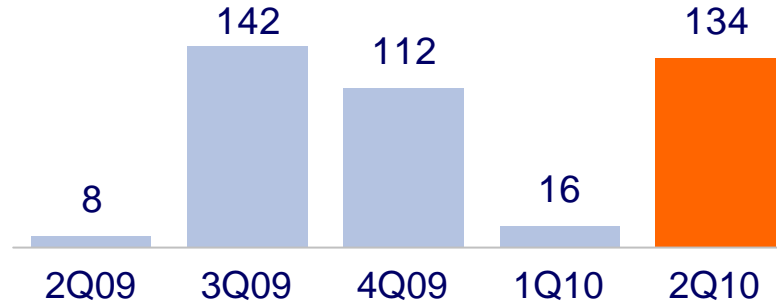
Debt securities: gains/losses and impairments (in EUR million)



Real Estate impairments (in EUR million)

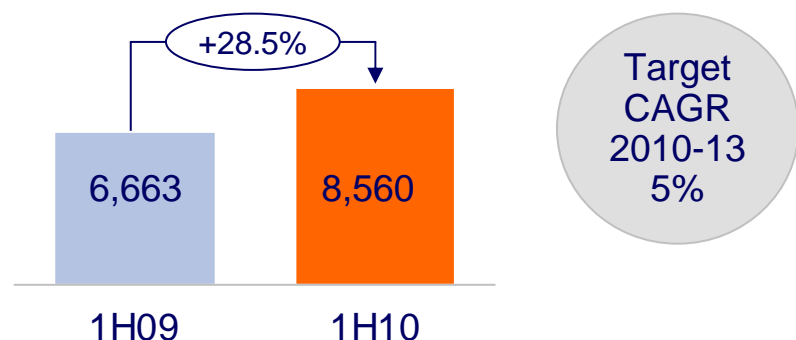


Equity securities: gains/losses and impairments (in EUR million)

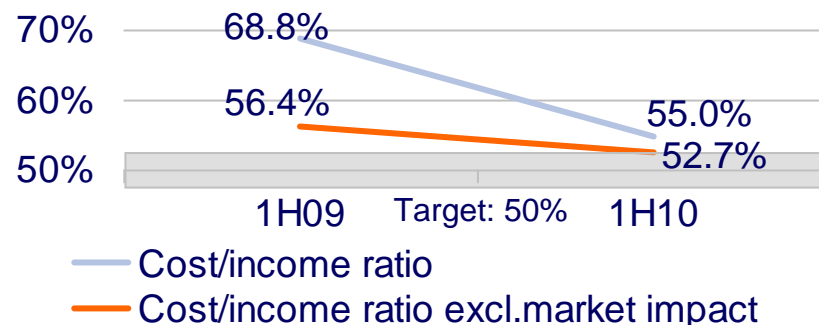


Bank is making progress on its Ambition 2013 plan

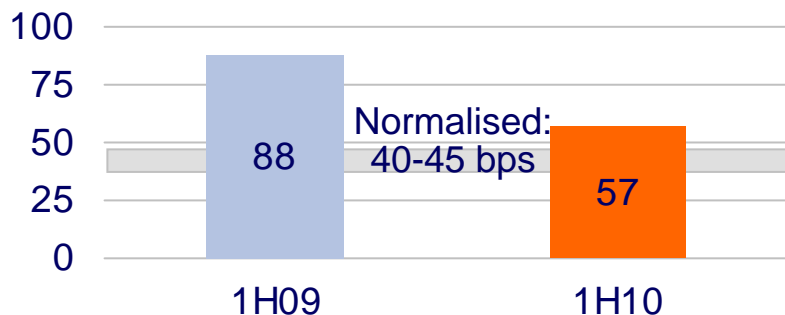
Underlying income (EUR million)



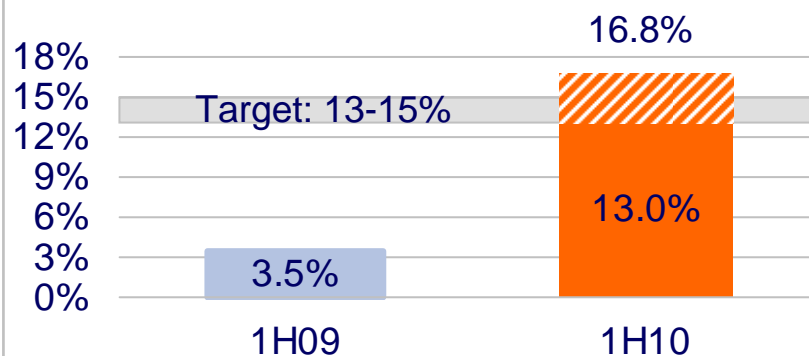
Underlying cost/income ratio (%)



Underlying risk costs in bps of average RWA



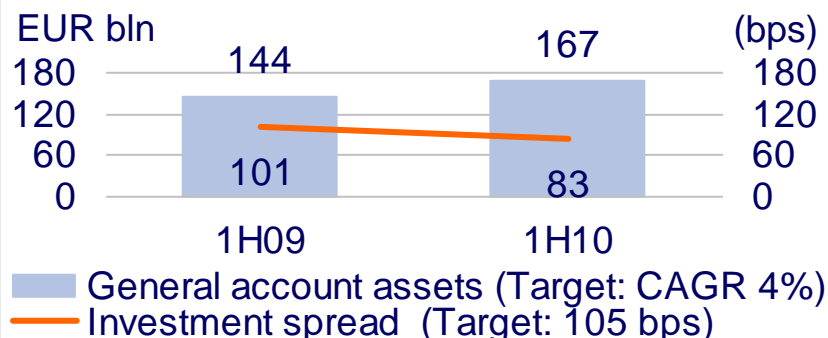
RoE* (%)



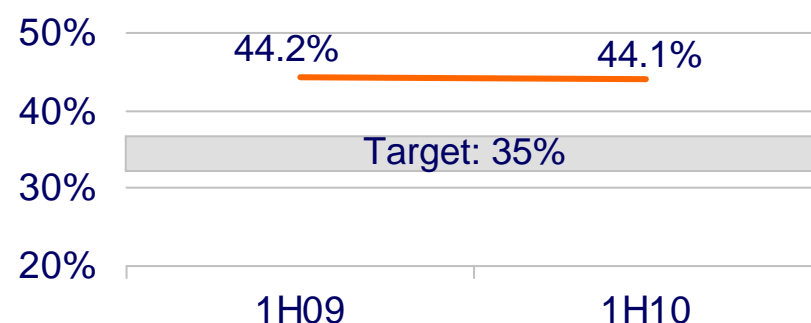
* Average equity based on Core tier-1 ratio of 7.5% Return on IFRS equity = 13% in 1H10 (4.3% in 1H09)

Insurance operations need to show more progress to hit their 2013 targets

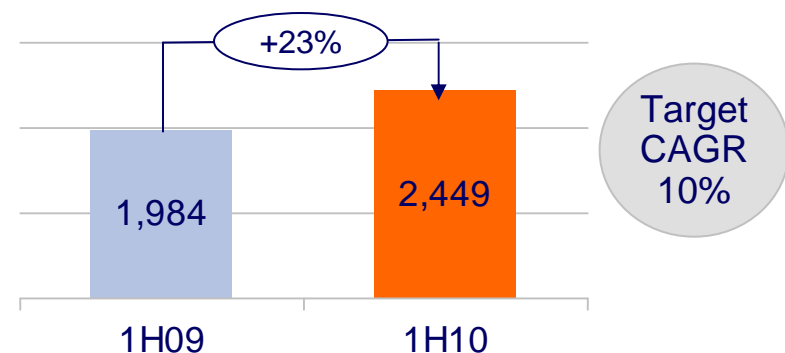
Life general account (EUR billion) and investment spread (bps)



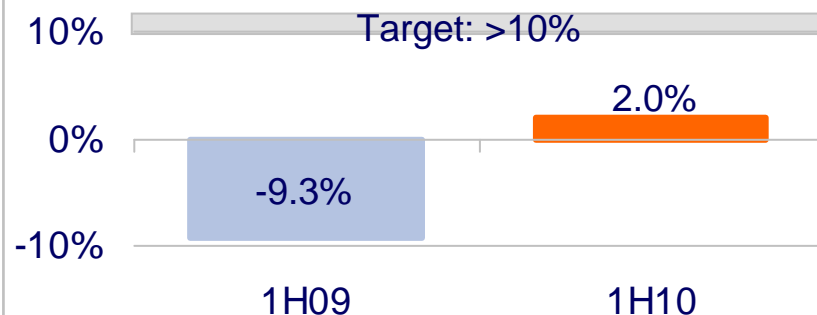
Life administrative expense / Life operating income (%)



APE* (EUR million)



RoE** (%)



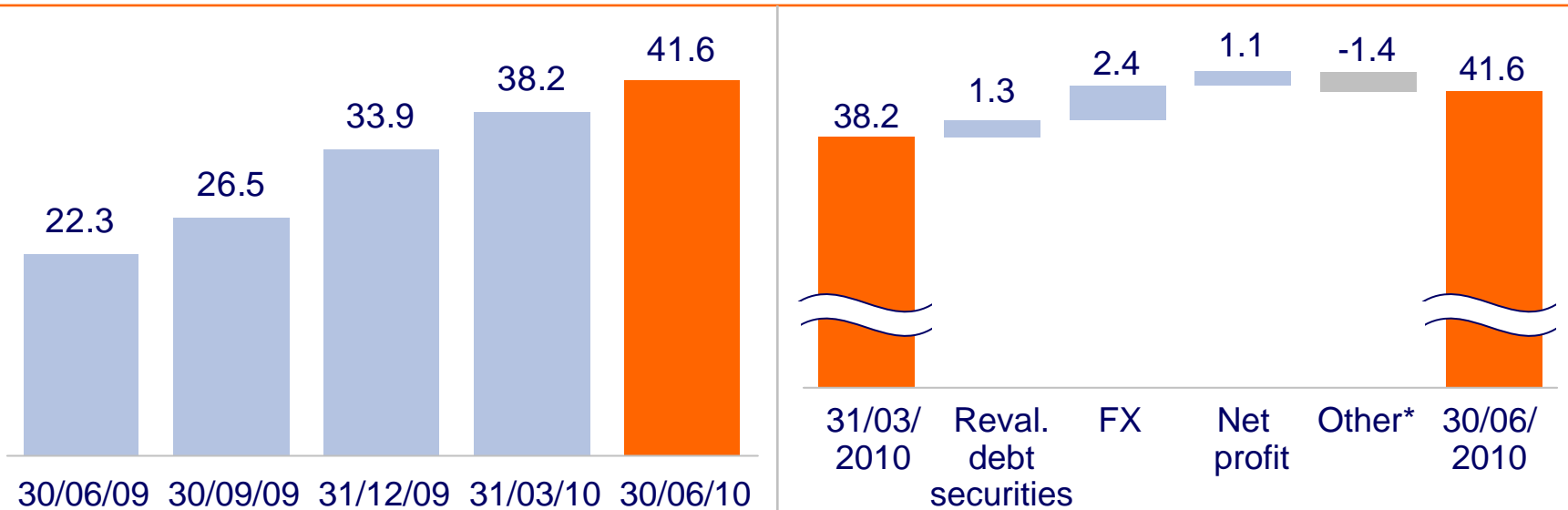
* Excluding closed blocks

** Annualised underlying net result is adjusted for the after-tax allocated cost of Group core debt injected as equity into Insurance, divided by average IFRS equity (annualised)



Shareholders' equity increased to EUR 41.6 billion

Shareholders' equity (in EUR billion)



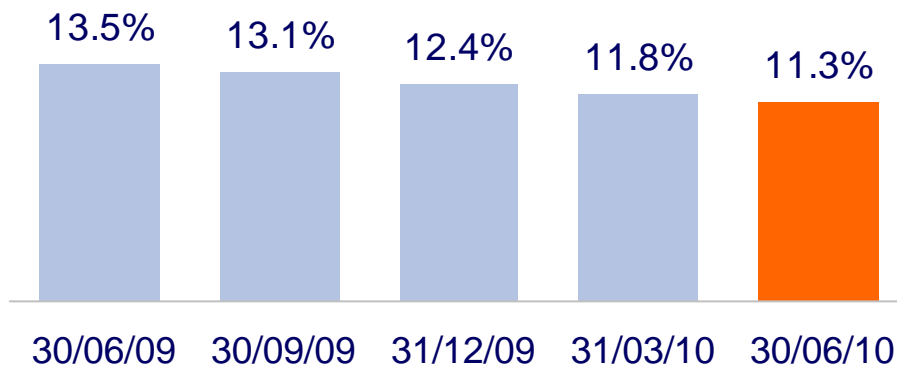
- Shareholders' equity EUR 11.02 per share at 30 June 2010
- Tangible book value EUR 10.12 per share at 30 June 2010**
- Positive after-tax revaluation reserve equity and debt securities EUR 4.3 billion

* Other includes revaluation reserve changes credited to life policyholders of EUR -0.8 billion

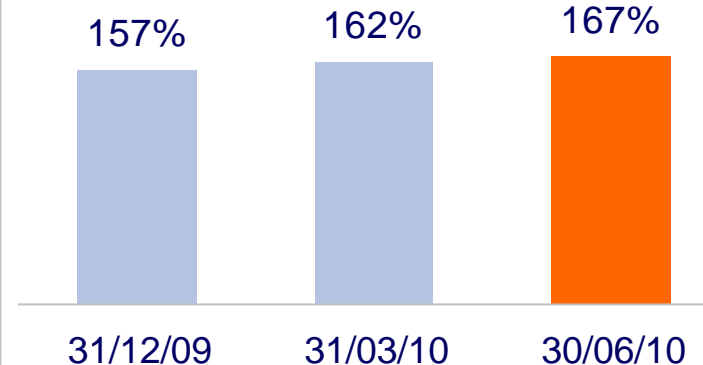
** = Tangible Net Asset Value (TNAV) = shareholders' equity - goodwill

All capital ratios further improved

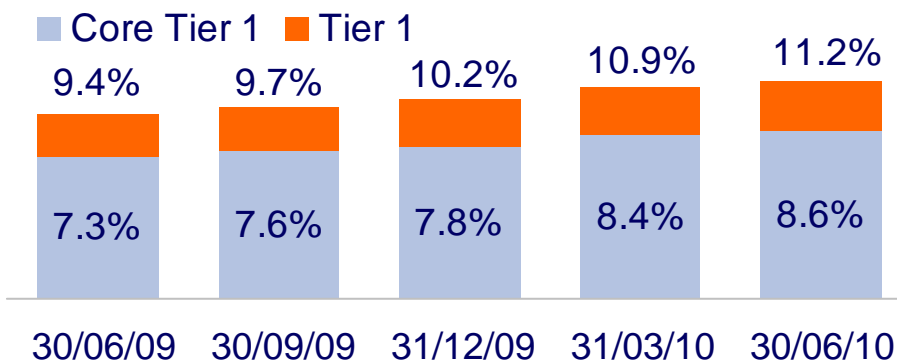
ING Group D/E ratio



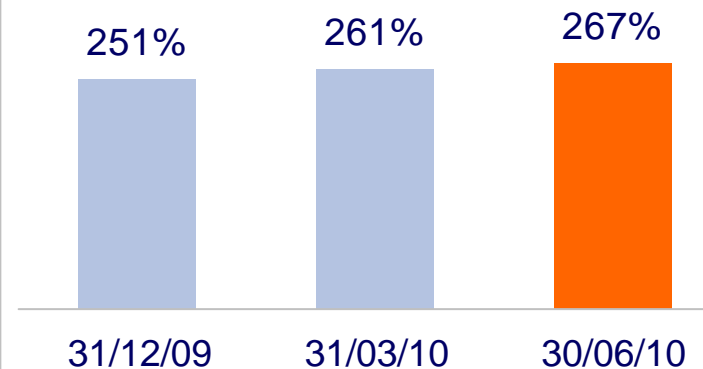
ING Group FiCo ratio



ING Bank Tier 1 ratio

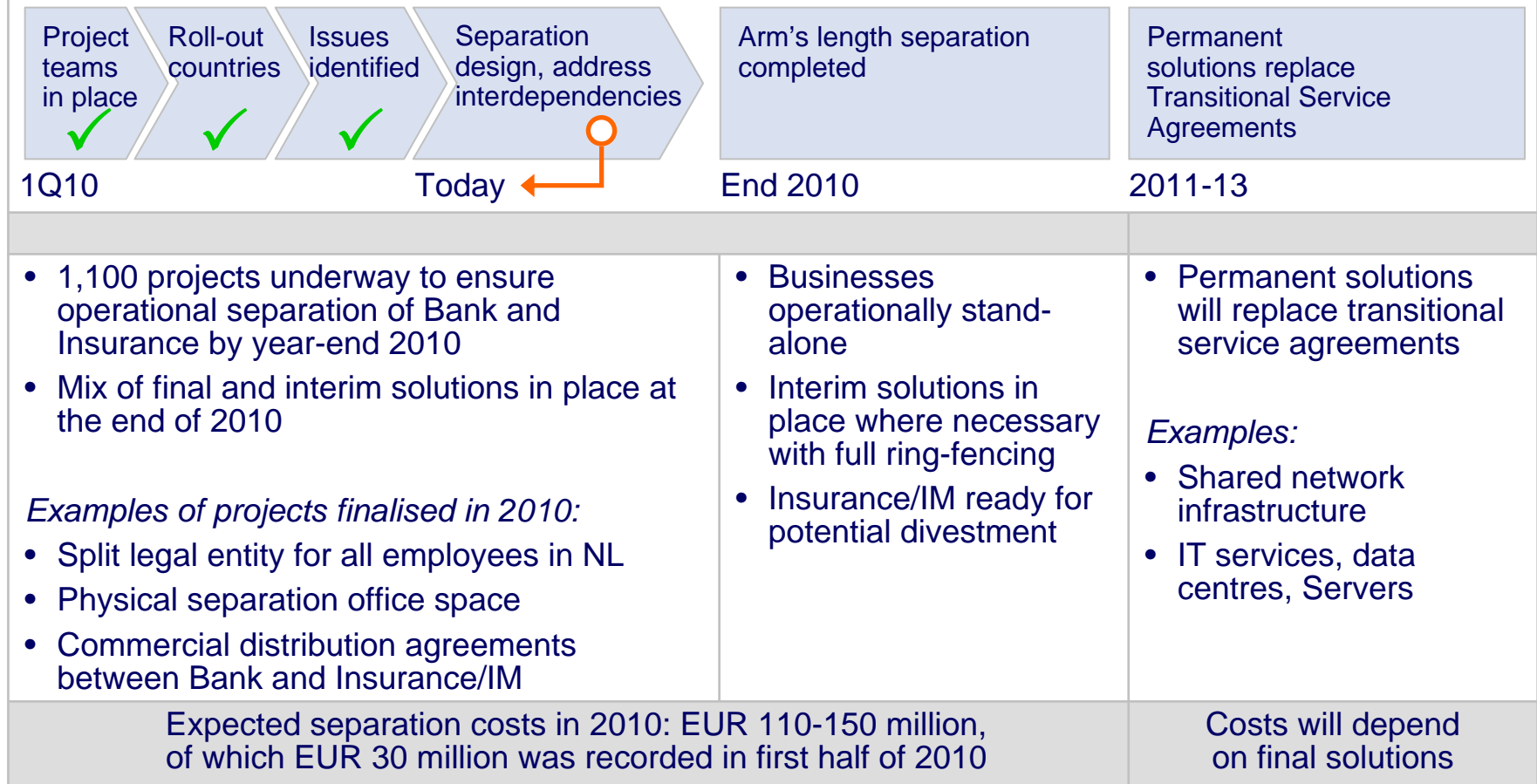


ING Insurance Solvency I ratio



Operational separation process on track, initial costs estimate available

Diligent process towards operational separation



Net Promoter Score will improve operational excellence and customer satisfaction

- Net Promoter Score (NPS) has been rolled out to 16 business units
- By mid 2011 we aim to have launched at 36 businesses
- NPS gathers feedback from customers immediately after a transaction
- NPS enables to identify specific triggers that influence client satisfaction to focus efforts for improvement

Net Promoter Score

“How likely would you be to recommend ING to family or friends, and why?”



$$\text{NPS} = \% \text{ Promoters} - \% \text{ Detractors}$$

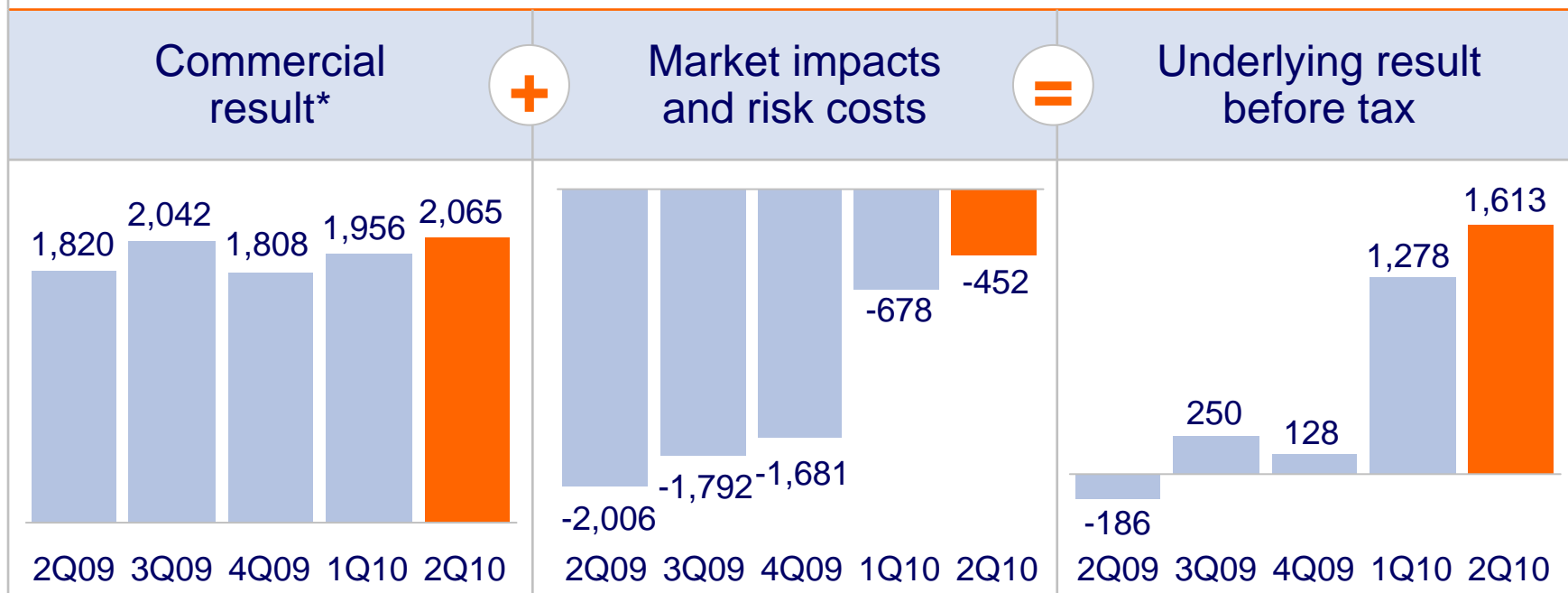
Priorities going forward

1. Complete operational separation of Bank and Insurance by year-end
2. Split staff departments over Bank and Insurance and streamline functions, maintaining lean Group function only where necessary
3. Optimise business model, improve efficiency and continue to integrate the balance sheet under One Bank strategy
4. Step up efforts to improve performance at the Insurance operations
5. Continue to work on various options for Insurance divestment, with one or two IPO(s) as base case

ING Bank

Banking result continues its upward trend

Banking (in EUR million)

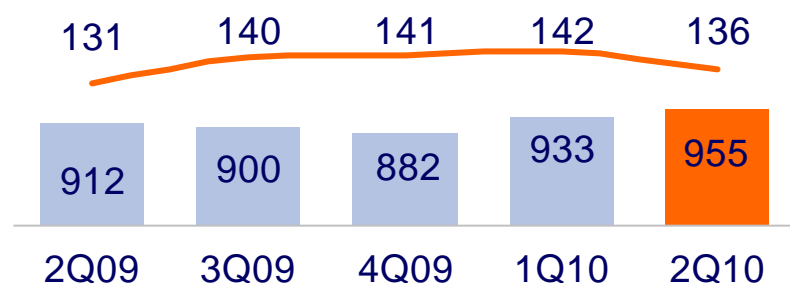


- Strong commercial result driven by net interest result
- Risk costs continued to decline

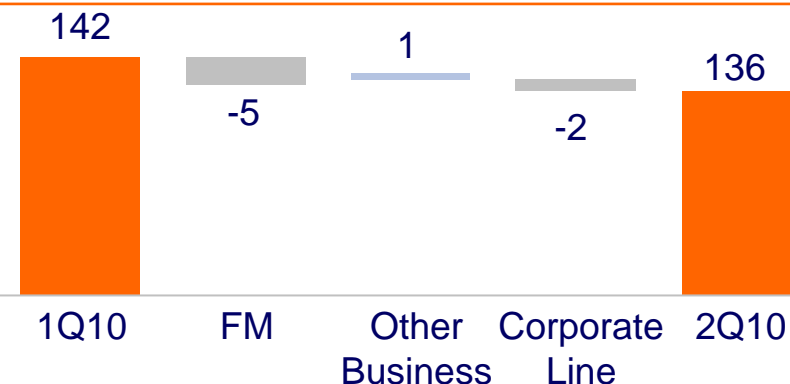
* Bank commercial result = underlying result before tax excluding market impact and risk costs

Strong interest result despite lower interest margin

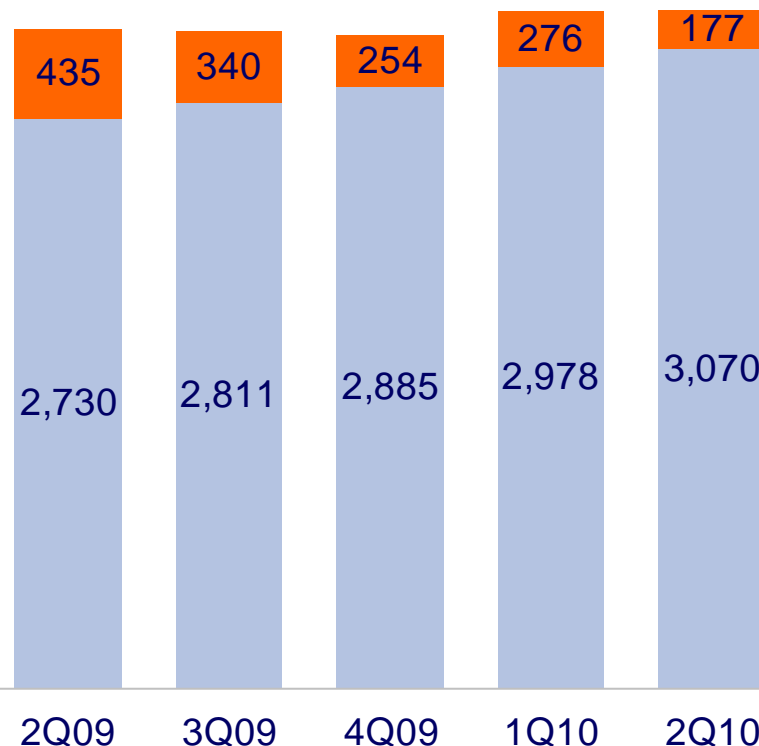
Interest margin by quarter* (in bps) and B/S total (end of quarter, EUR bln)



Interest margin, changes (in bps)



Interest result Bank (in EUR million)

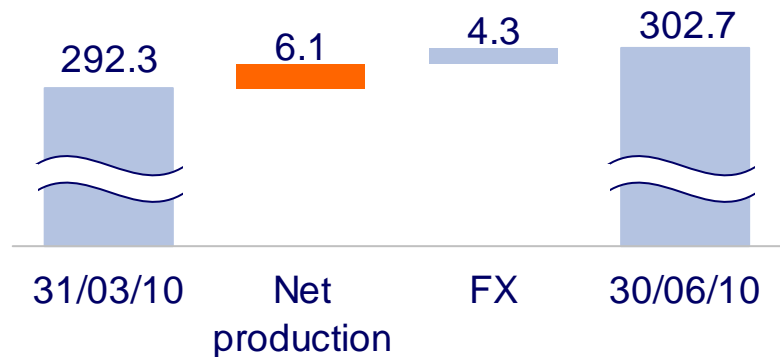


■ Interest result FM
■ Interest result Bank excl. FM

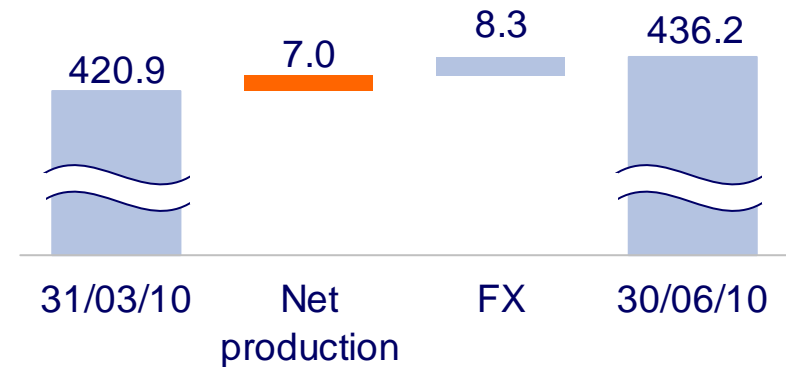
* Interest margin defined as total interest result bank divided by average total assets bank

Volumes increased across the Bank

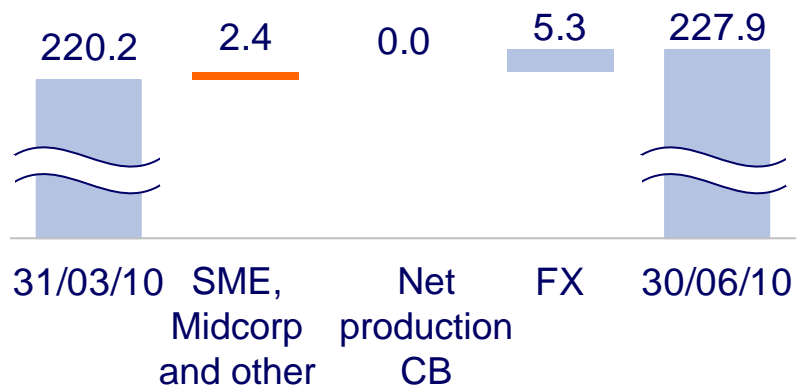
Residential mortgages (EUR bln)



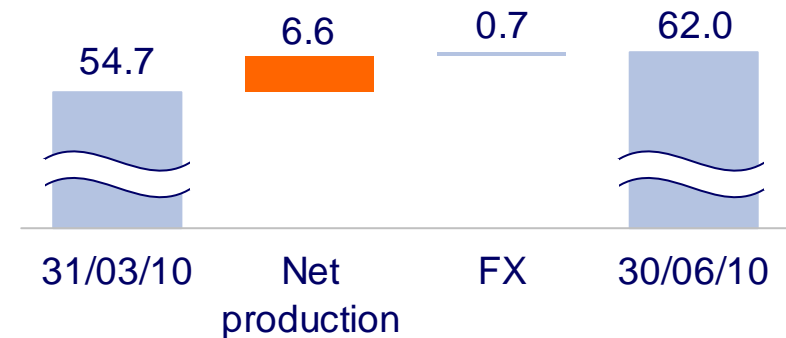
Funds entrusted Retail Bank (EUR bln)



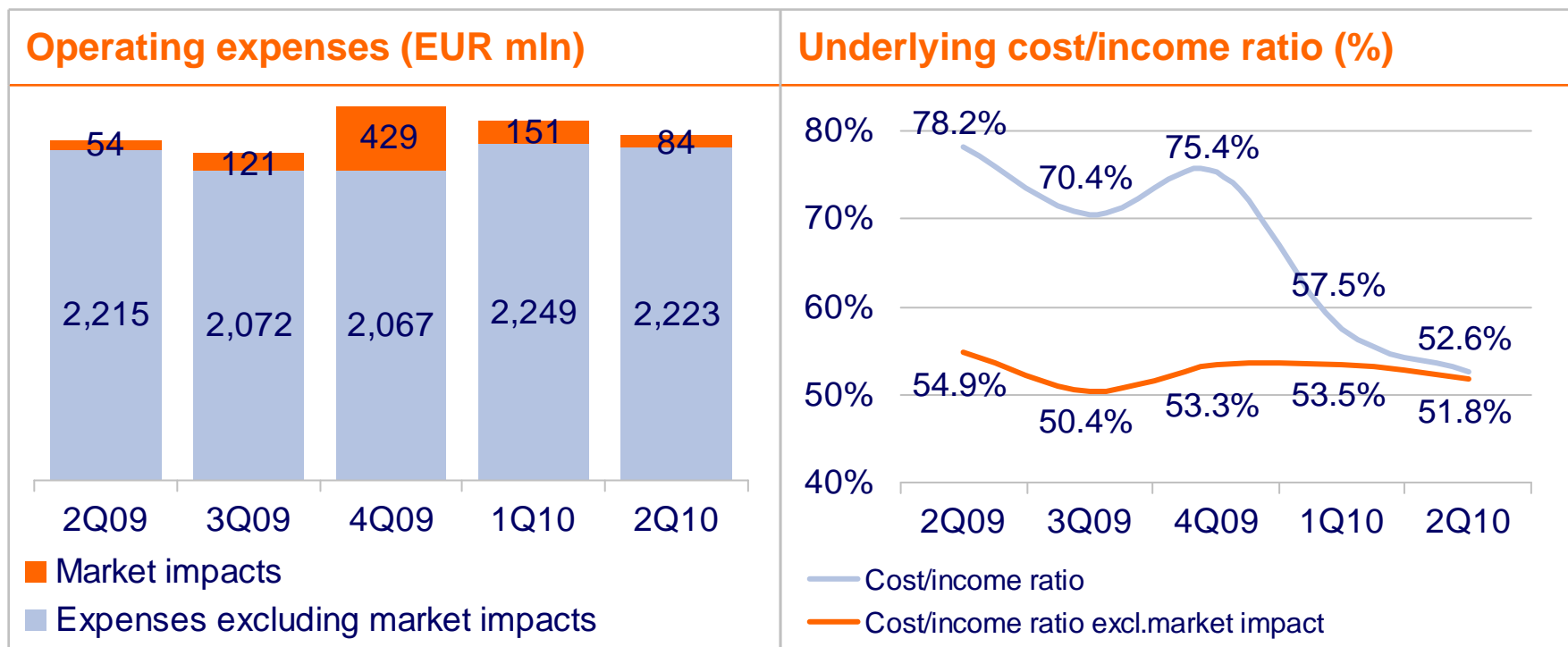
Corporate and other lending (EUR bln)



Funds entrusted Commercial Bank (EUR bln)



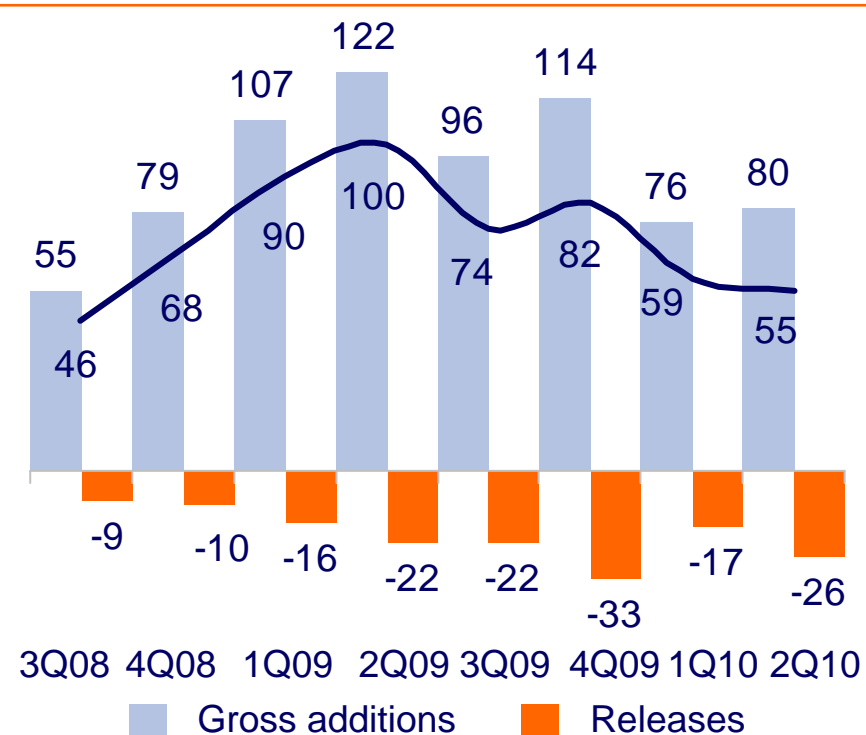
Cost/income ratio improves to 52.6%



- Expenses down 1.3% versus 2Q09, excluding FX, despite higher impairments on real estate development of EUR 84 million
- Cost/income ratio, adjusted for market impact, was 51.8% in 2Q10

Risk costs in the coming quarters expected at around 1H10 levels

Additions to loan loss provisions* (bps average RWA) trending down

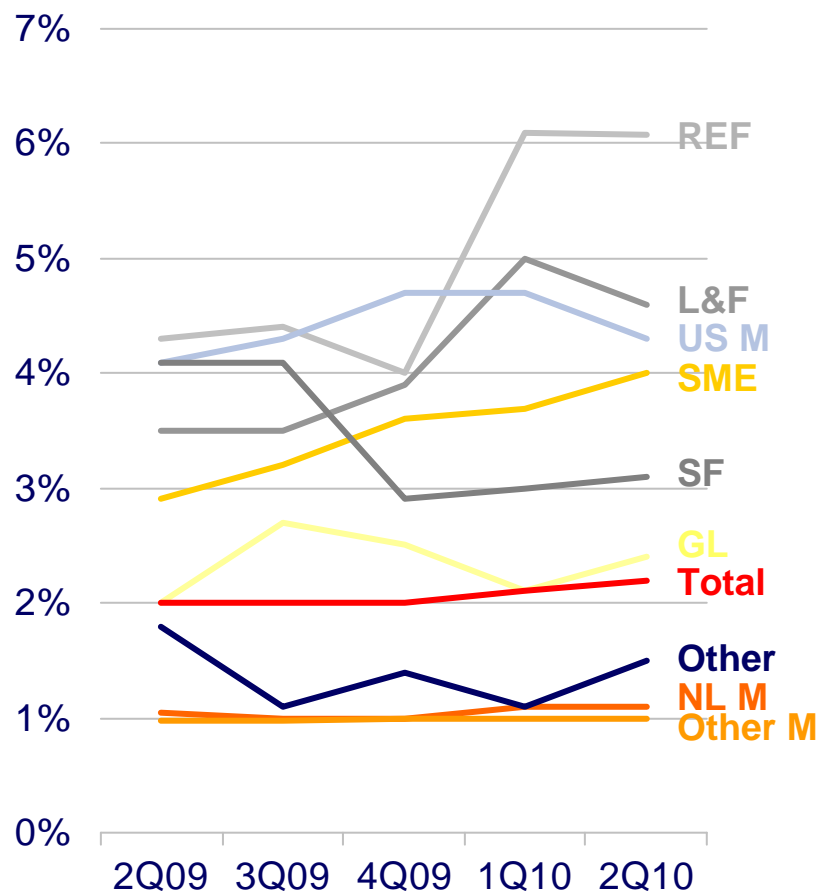


* Not adjusted for divestments and special items

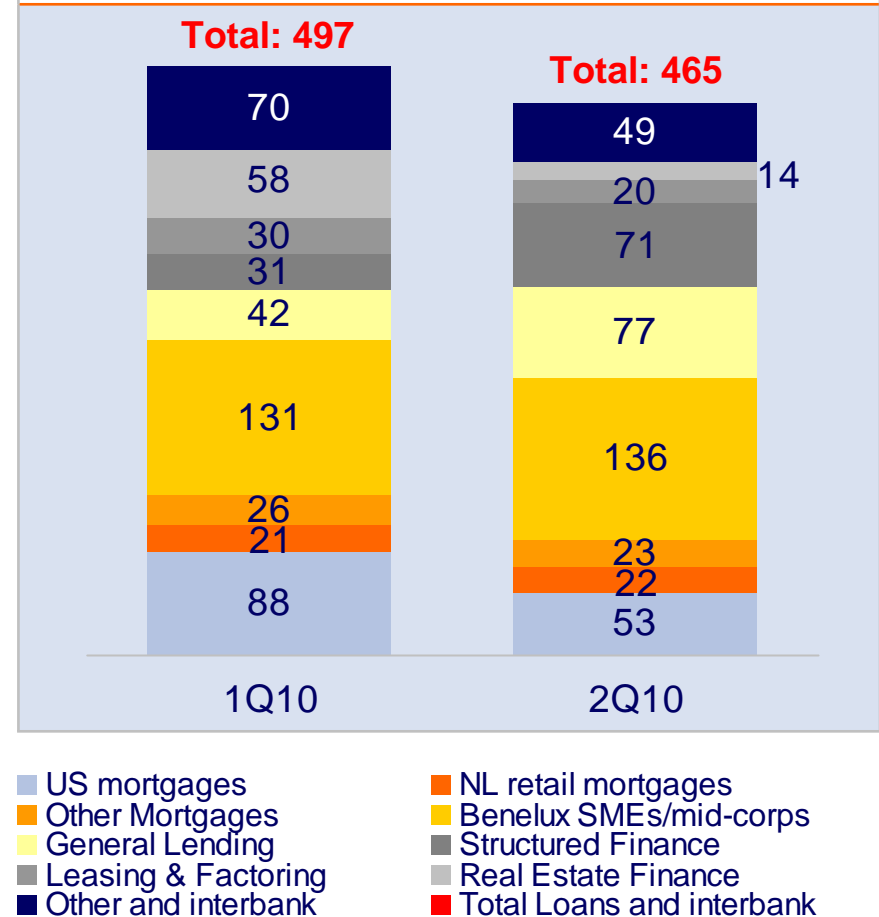
- Net addition to loan loss provisions 55 bps of average RWA or EUR 465 million in 2Q10
- In the coming quarters we expect risk costs to remain around 1H 2010 level
- Through-the-cycle we expect risk costs of 40-45 bps of average RWA under Basel II

Non-performing loans relatively stable while risk costs decline across the loan book

NPLs: modest increase to 2.2%



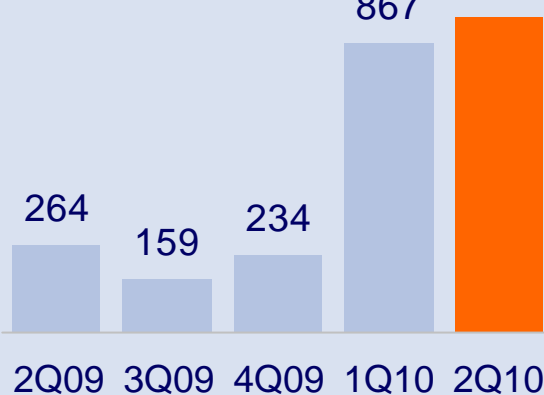
Risk cost per segment (EUR mln)



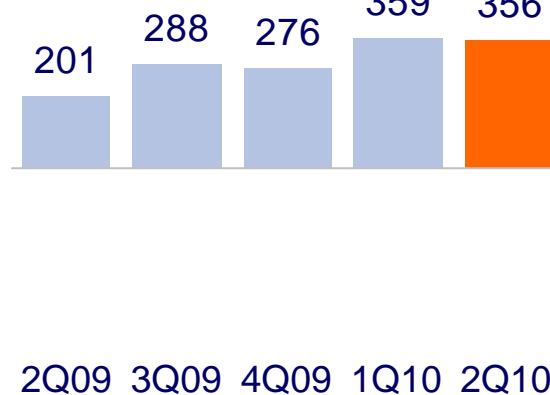
Improvement Retail banking driven by ING Direct and Retail Netherlands

Underlying result before tax (in EUR million)

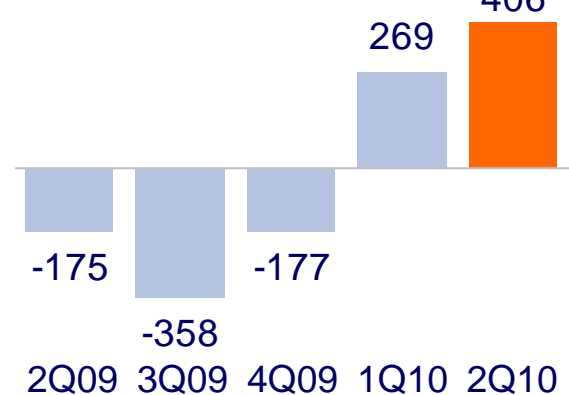
Retail Total



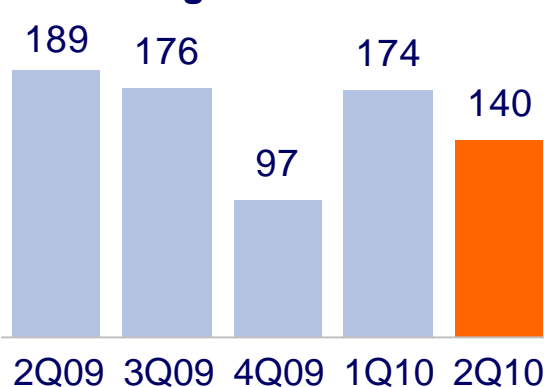
Retail Netherlands



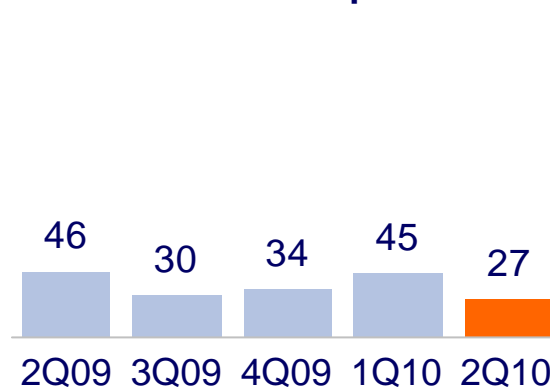
ING Direct



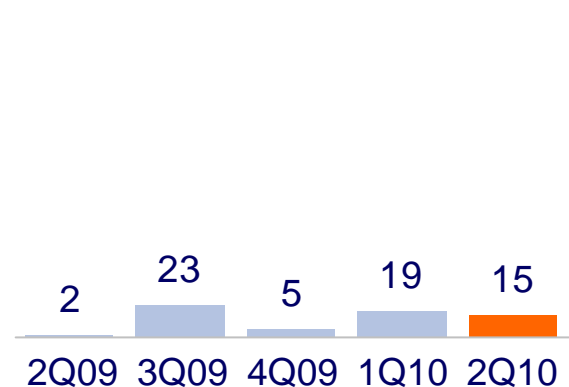
Retail Belgium



Retail Central Europe

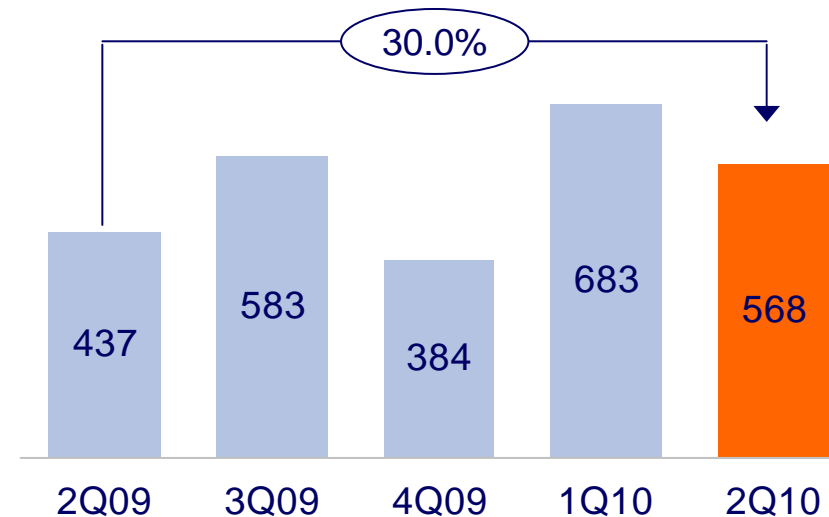


Retail Asia



Ongoing strong performance Commercial Banking, Real Estate nears break-even

Pre-tax profit Commercial Banking excluding Real Estate (EUR million)



Pre-tax profit Real Estate (EUR million)

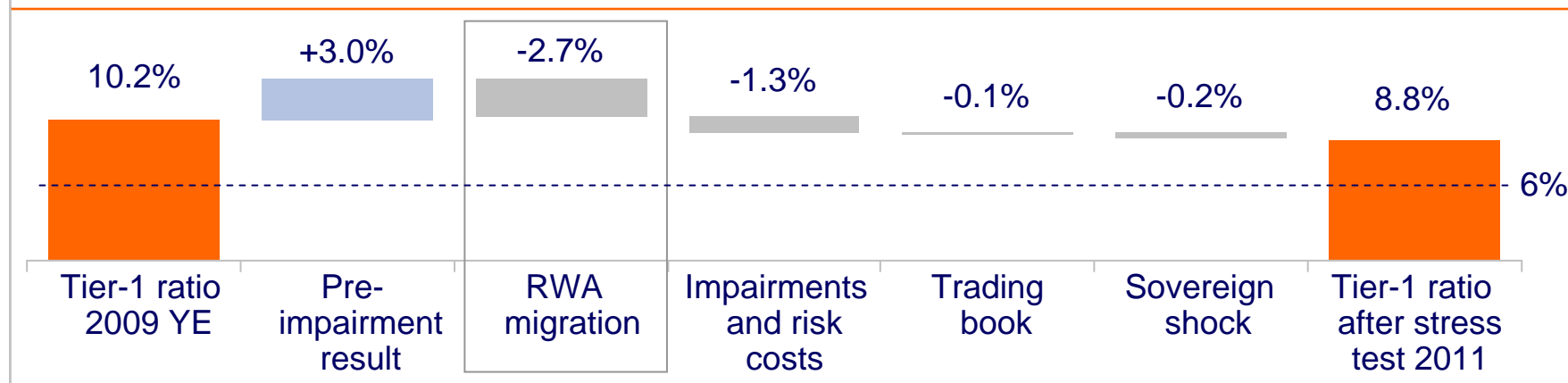


- Pre-tax result up 30% but down vs 1Q10 due to lower Financial Markets income
- C/I-ratio (ex-Real Estate) at 41.2% in 2Q10, risk costs down to 49 bps average RWA
- Real Estate improved to EUR -4 million as negative fair value changes diminished to EUR -32 million, while impairments were EUR 84 million
- Ongoing evaluation REIM and of development projects at RED

ING Bank comfortably passes CEBS stress test

- Pre-impairment results more than offset impairments, risk costs, trading losses and the sovereign shock
- Decline in Tier-1 ratio due to RWA increase. ING Bank applies the Basel II advanced IRB approach, under which increasing PDs and LGDs translate into higher RWA. Under the Basel II standardised approach RWA would have been much more stable

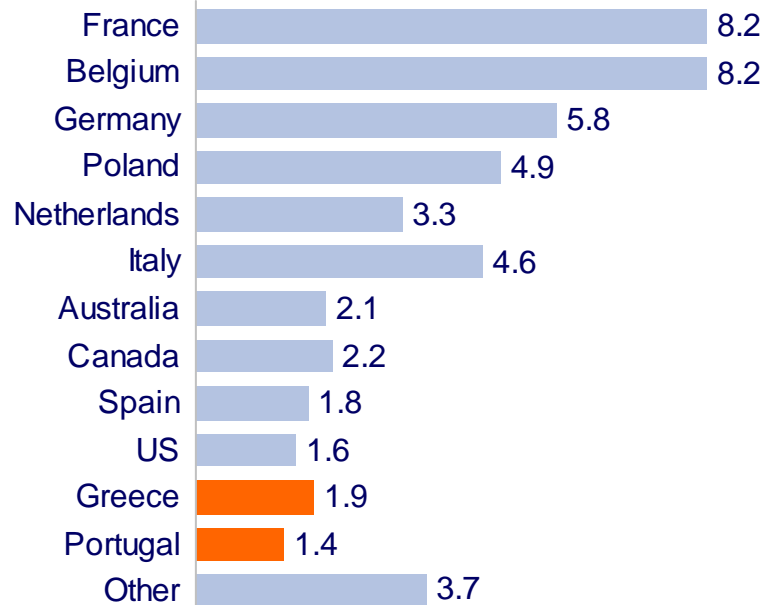
Factors contributing to core Tier-1 ratio change in CEBS stress scenario



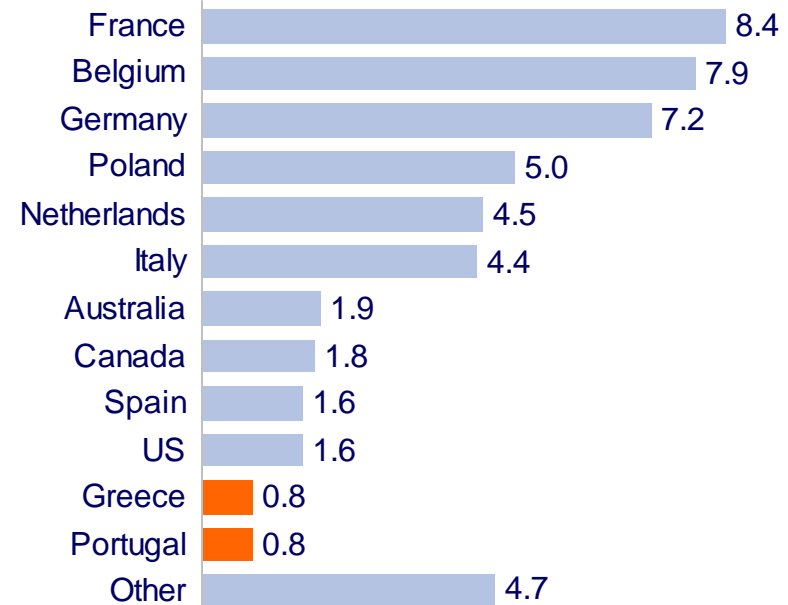
Significant reduction in Greek and Portuguese sovereign debt

Banking book: EUR 51 billion government bonds at 30 June 2010*

31 March 2010



30 June 2010



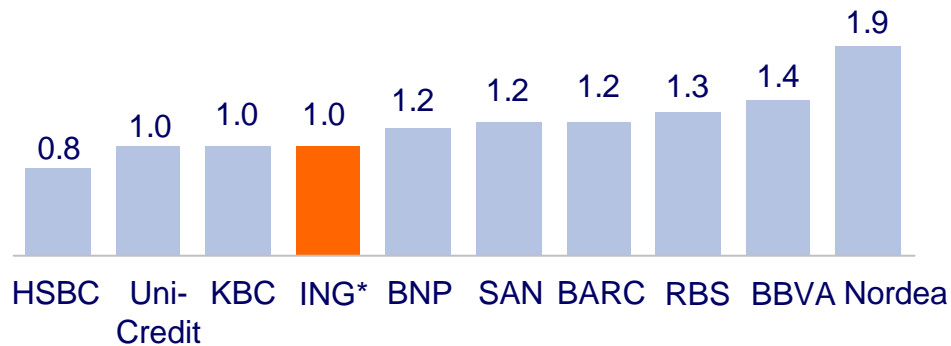
- ING Bank's Greek and Portuguese sovereign debt reduced to EUR 0.8 billion each at 30 June 2010 from EUR 1.9 billion and EUR 1.4 billion at 31 March 2010
- Positive after-tax revaluation reserve total debt and equity portfolio EUR 2.2 billion at 30 June 2010, of which EUR 0.9 billion in government bonds

* at amortised costs



ING Bank benefits from favourable funding profile and prudent liquidity management

Loan-to-Deposit ratio (30 June 2010)

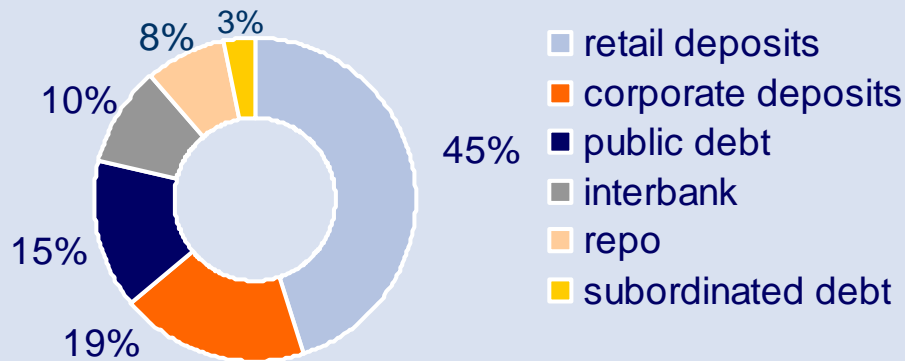


* Loans excluding securities and IABF

Comfortable position in professional funding markets

- Short-term: funding in money markets at attractive costs
- EUR 183 billion liquid assets as contingency buffer

Favourable funding mix (30 June 2010)



Long-term refinancing need full year 2010 already met

- ING Bank's 2010 refinancing need already met: EUR 10.2 billion raised year to-date, versus EUR 9.5 billion maturing in 2010

Basel III: Important changes on capital, leverage and liquidity ratios seem well manageable

Estimated 'static' impact based on current Basel III communications:

Core Tier-1 capital -75 bps

- Negative impact pensions and deferred tax assets (DTA) partially mitigated by inclusion of positive revaluations on financial stakes
- Impact well manageable and expected to come in more favourable

Asset leverage ratio meets requirement

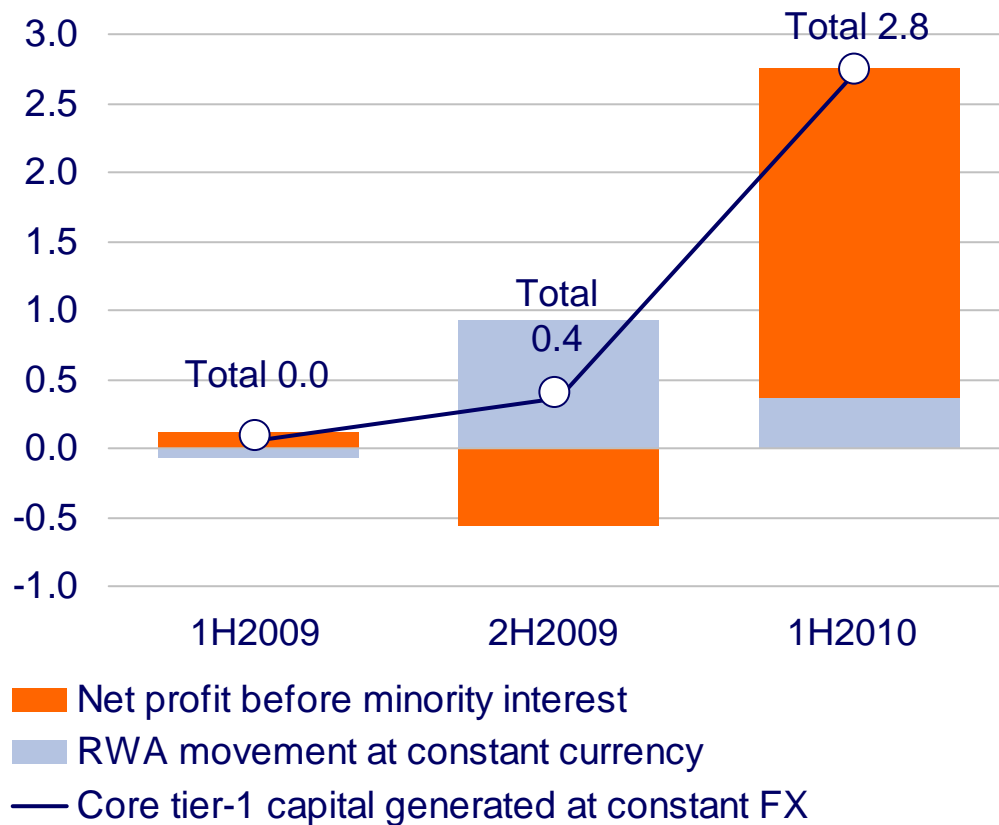
- Under Basel III definition ratio would be around 29 at 30 June 2010

Liquidity Coverage Ratio and Net Stable Funding Ratio > 90%

- Outcome can be improved by actions making more assets eligible
- Final implementation LCR in 2013, NSFR in 2018

ING Bank's core Tier-1 capital generation accelerated in 2010

Core Tier-1 capital generation at constant FX (in EUR billion)



- ING Bank generated EUR 2.8 billion core Tier-1 capital in 1H10, at constant currencies
- FX had a positive impact on core Tier-1 capital which was offset by an increase in RWA, also due to FX
- ING Bank applies a ratio hedge, making the core Tier-1 ratio largely independent of euro changes vs other currencies

(1) Core Tier-1 capital generated is defined net result before minority interest – 7.5% * RWA growth at constant currencies

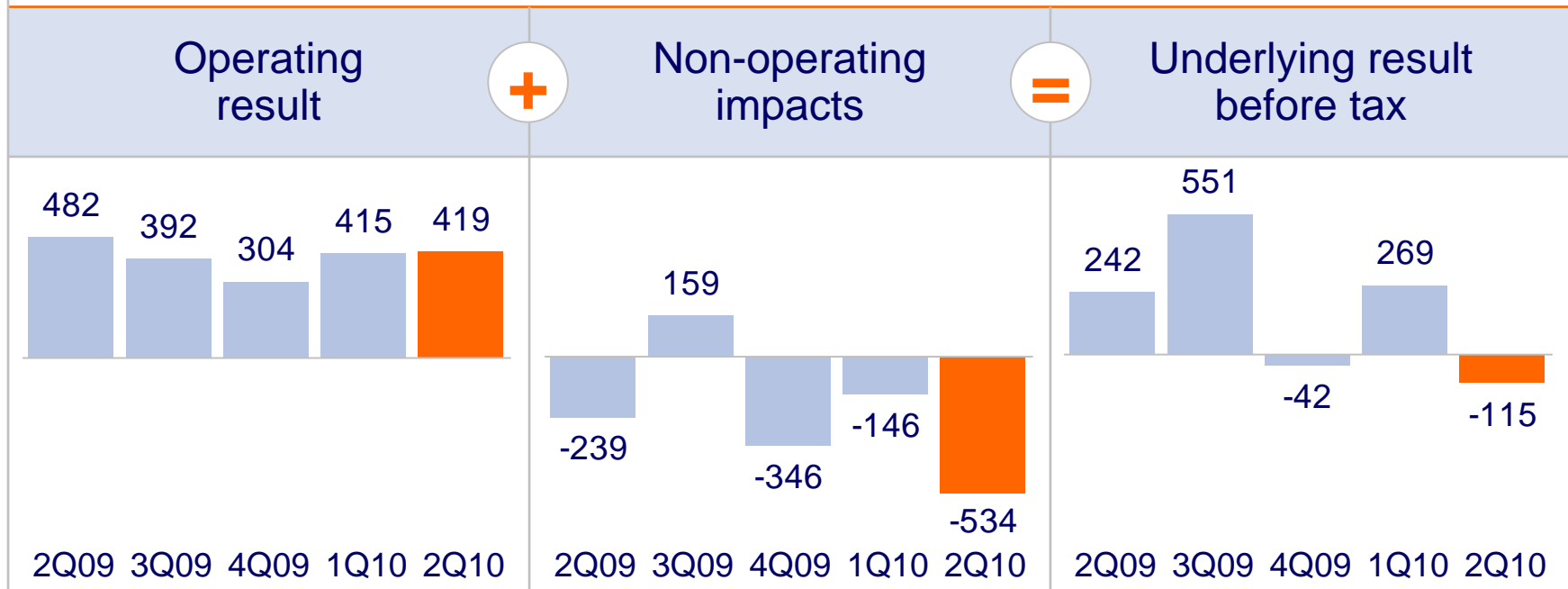
(2) 4Q09 profit was affected by EUR 0.8 billion accrual of additional future IABF payments as part of the EC agreement



ING Insurance

Operating result stable on the quarter, but underlying result declined

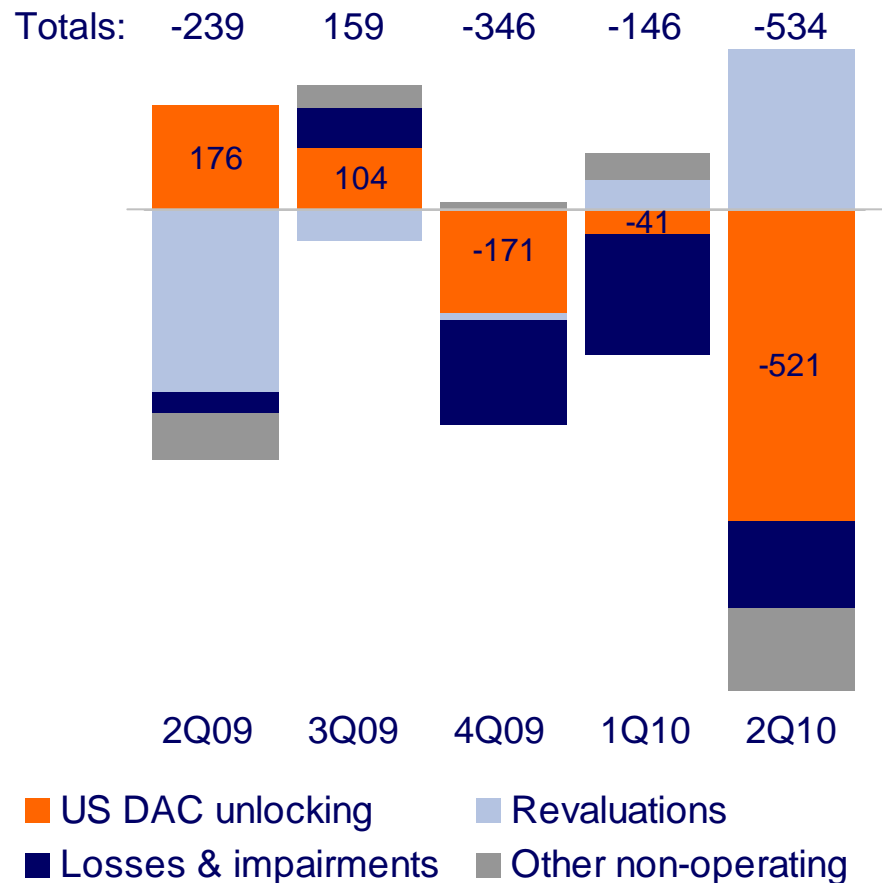
Insurance (in EUR million)



- Operating result up 1.0% versus 1Q10, down 13.1% versus 2Q09
- Non-operating impacts mainly due to EUR 521 million negative DAC unlocking in the US driven by the decline in equity markets

Insurance results impacted by EUR -521 million US DAC unlocking

Non-operating impacts (In EUR mln)



DAC unlocking remains a significant source of volatility

- Non-operating impacts in 2Q10 mainly related to US DAC unlocking of EUR -521 million
 - DAC unlocking primarily driven by closed block US VA, which had an underlying pre-tax loss of EUR 590 million
 - DAC balance declined by EUR 946 million to EUR 1.8 billion for closed block US VA
- Other volatile items generally diminished or turned positive

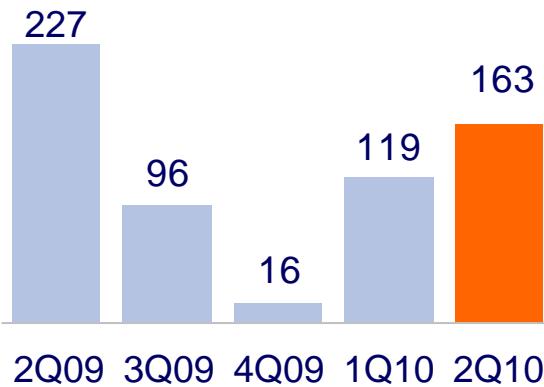
Closed block US VA: Prioritising regulatory capital preservation and reserve adequacy improvement

Priority #1: Regulatory capital	Priority #2: Reserve adequacy	Priority #3: Earnings stability																				
<ul style="list-style-type: none">The number one priority is to protect regulatory capital (US RBC)The US RBC ratio increased from 391% at 31 March to 393% at 30 June 2010, despite the 12% decline in the S&P 500The hedge programme was therefore effective in protecting RBC capital in 2Q10	<table><tr><th>Return of S&P 500 vs. 2.25% per quarter</th><th>Reserve adequacy impact (EUR million)</th></tr><tr><td><div><div>+15%</div><div>+10%</div><div>+5%</div></div></td><td><div>+700</div><div>+500</div><div>+200</div></td></tr><tr><td colspan="2">EUR -1.1 billion at 50th percentile</td></tr><tr><td><div><div>-5%</div><div>-10%</div><div>-15%</div></div></td><td><div>~ -100</div><div>~ -100</div><div>~ -100</div></td></tr><tr><td colspan="2"><ul style="list-style-type: none">DAC will not be written up when equity markets increase, thereby improving reserve adequacyDAC will be written down when equity markets decline, so reserve adequacy is not materially impacted</td></tr></table>	Return of S&P 500 vs. 2.25% per quarter	Reserve adequacy impact (EUR million)	<div><div>+15%</div><div>+10%</div><div>+5%</div></div>	<div>+700</div> <div>+500</div> <div>+200</div>	EUR -1.1 billion at 50th percentile		<div><div>-5%</div><div>-10%</div><div>-15%</div></div>	<div>~ -100</div> <div>~ -100</div> <div>~ -100</div>	<ul style="list-style-type: none">DAC will not be written up when equity markets increase, thereby improving reserve adequacyDAC will be written down when equity markets decline, so reserve adequacy is not materially impacted		<table><tr><th>Return of S&P 500 vs. 2.25% per quarter</th><th>Pre-tax earnings impact (EUR million)</th></tr><tr><td><div><div>+15%</div><div>+10%</div><div>+5%</div></div></td><td><div>-300</div><div>-200</div><div>-100</div></td></tr><tr><td colspan="2">2.25%</td></tr><tr><td><div><div>-5%</div><div>-10%</div><div>-15%</div></div></td><td><div>-100</div><div>-400</div><div>-700</div></td></tr><tr><td colspan="2"><ul style="list-style-type: none">In rising equity markets, hedge losses are only partially offset by reserve decreases, resulting in P&L lossesDAC write-downs negatively impact earnings when equity markets fall</td></tr></table>	Return of S&P 500 vs. 2.25% per quarter	Pre-tax earnings impact (EUR million)	<div><div>+15%</div><div>+10%</div><div>+5%</div></div>	<div>-300</div> <div>-200</div> <div>-100</div>	2.25%		<div><div>-5%</div><div>-10%</div><div>-15%</div></div>	<div>-100</div> <div>-400</div> <div>-700</div>	<ul style="list-style-type: none">In rising equity markets, hedge losses are only partially offset by reserve decreases, resulting in P&L lossesDAC write-downs negatively impact earnings when equity markets fall	
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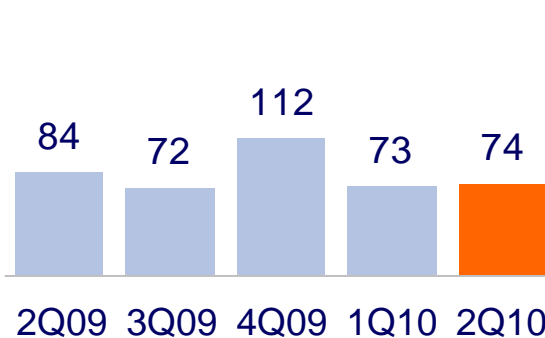
Most Insurance business lines show stable operating performance versus 1Q10

Life & Investment Management operating result (in EUR million)

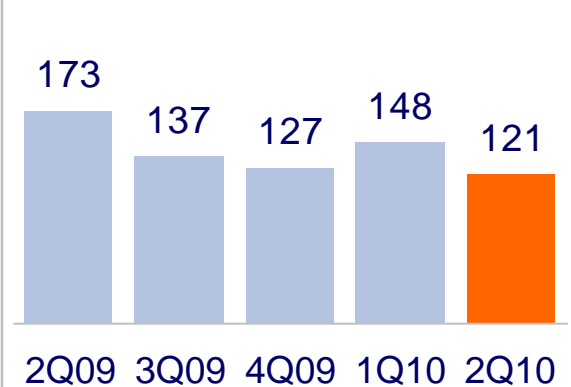
Insurance Benelux



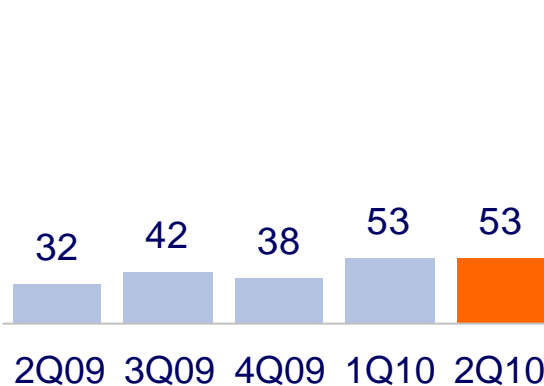
Insurance Central & Rest of Europe



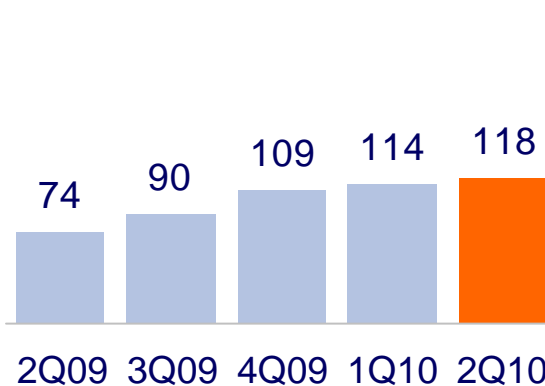
Insurance United States



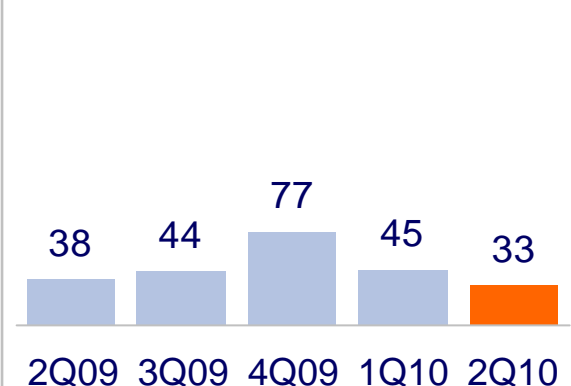
Insurance Latin America



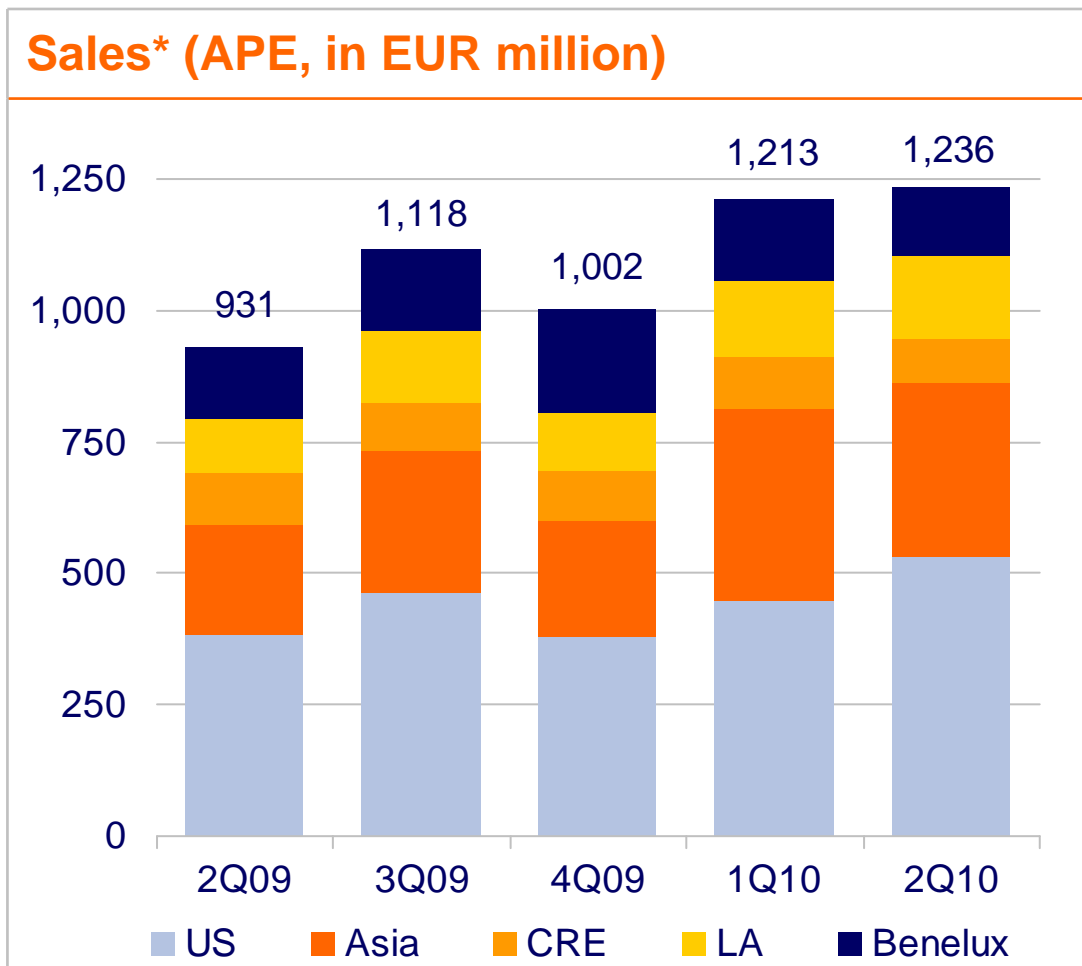
Insurance Asia/Pacific



Investment Management



New sales (APE) continue to be strong

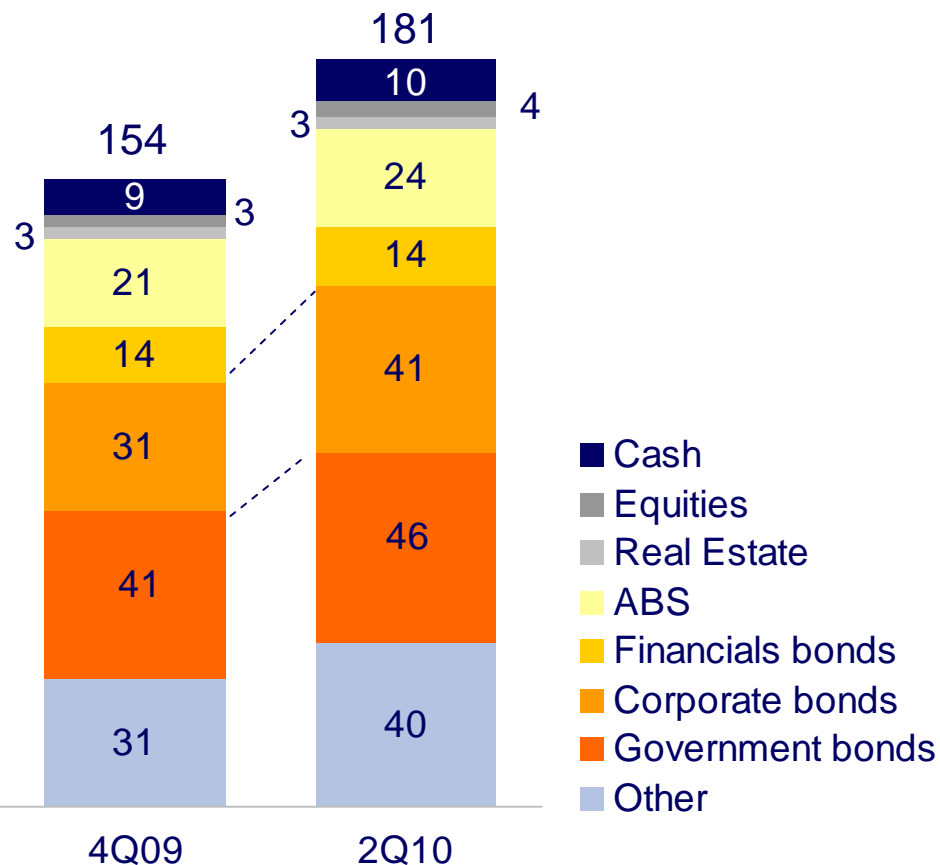


* Excluding the US closed block and the Japan SPVA closed block

- New sales up 22.2% from 2Q09, excluding FX and closed blocks in the US and Japan
- Asia/Pacific recorded a 36.9% sales increase (excl. closed block and FX), driven by ongoing strong COLI sales
- US sales rose 29.5% (excl. closed block and FX) driven by stable value retirement plans
- In Latin America, sales increased 31.7% (excluding FX) driven by higher pension sales

Ongoing selective de-risking general account

General account assets (in EUR billion)



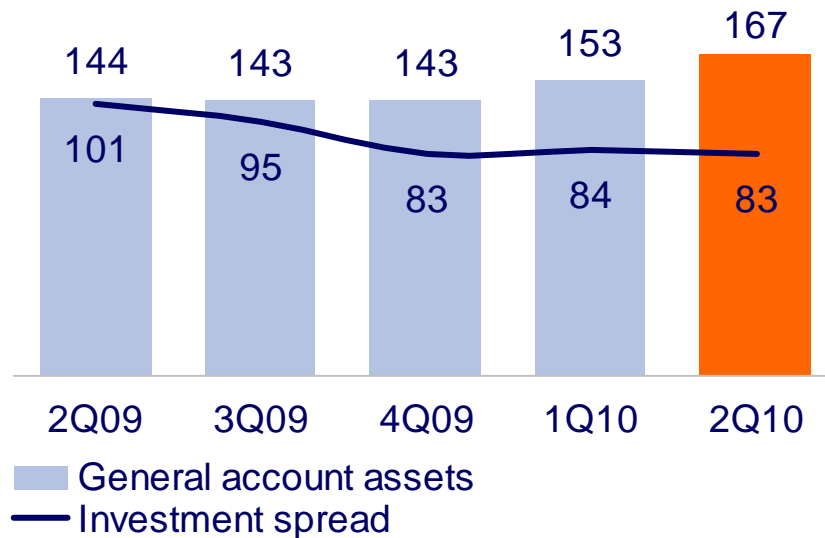
Insurance general account (in EUR billion per asset class)

- Asset growth driven by FX and revaluations
- New investment mainly in investment grade corporate bonds
- Selective de-risking in 2Q10: sold EUR 0.6 billion Greek government bonds and EUR 0.2 billion US CMBS
- Investment portfolio has EUR 2.1 billion positive after-tax revaluation reserve

Investment spread stable, technical margin declined due to one-off provision adjustments

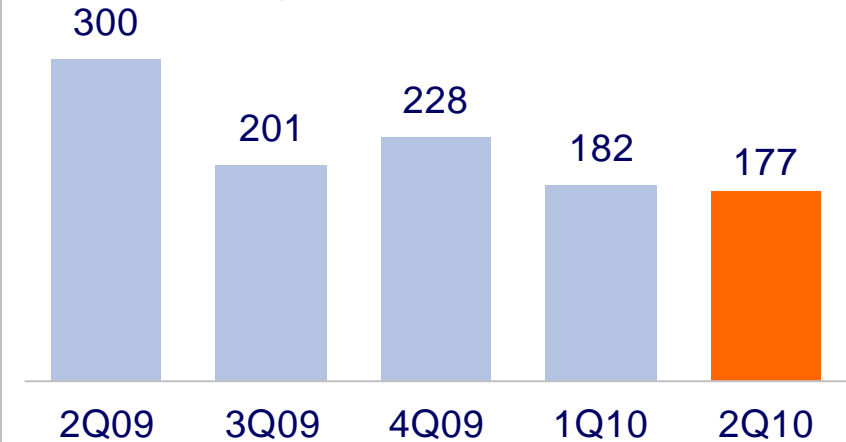
Life Insurance & ING Investment Management (IM)

General account (in EUR bln), spread* (bps)



- Investment spread (four-quarter rolling average) stable at around 83 bps
- On a stand-alone quarterly basis, the investment spread remained stable at 92 bps in the second quarter

Technical margin (in EUR million)



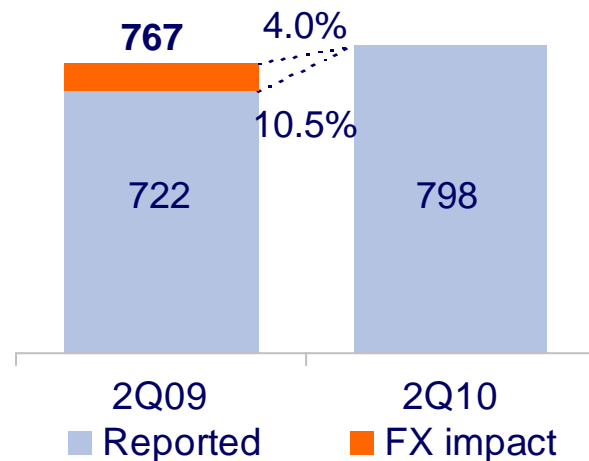
- Technical margin declined mainly due to EUR 54 million one-off release in 2Q09 and a EUR 24 million one-off provision increase in 2Q10, both in the Benelux

* Four quarters rolling average

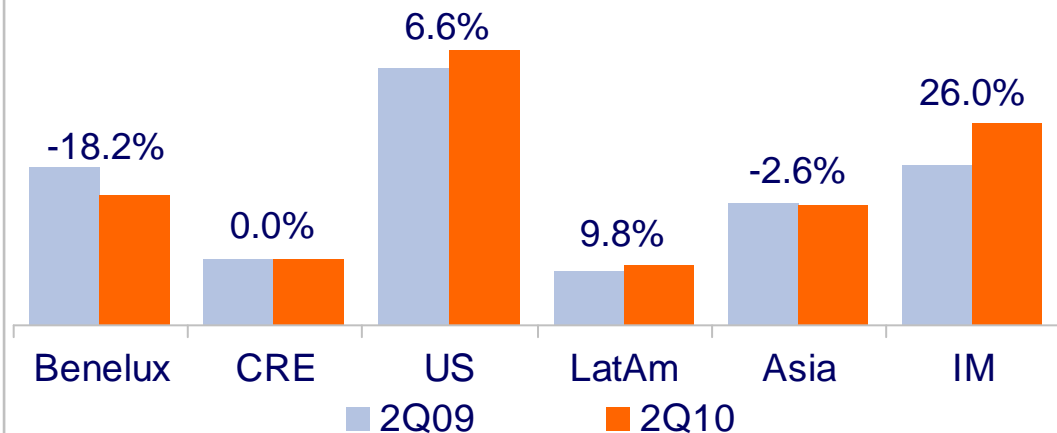


Administrative expenses excluding FX up 4%

Life & ING IM administrative expenses (EUR million)



Life & ING IM administrative expenses at constant FX (changes)



- At constant FX, administrative expenses up 4.0% due to:
 - roll-out of the wealth management strategy in Latin America
 - lower capitalisation of expenses in the US, which resulted from the change in the business mix
 - higher expenses at Investment Management
- Decline in the Benelux is partially driven by one-off items of EUR 25 million

ING's earnings momentum continued in 2Q10

Underlying net result EUR 1,202 million

- Strong business performance
- Shareholders' equity EUR 41.6 billion or EUR 11 per share
- Good progress on operational separation

Bank is making strong progress on Ambition 2013

- Underlying pre-tax result EUR 1.6 billion
- C/I-ratio improves to 52.6%
- CEBS stress test comfortably passed, Basel III impact well manageable

Insurance: stable operational result but more progress required

- Operating result stable at EUR 419 million
- Underlying result negatively impacted by equity market decline
- Continued strong sales: APE EUR 1.2 billion in the second quarter

Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the 2009 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) the implementation of ING's restructuring plan to separate banking and insurance operations, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, and (15) ING's ability to achieve projected operational synergies. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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