Dated 18 May 2010

ING BANK N.V.

REGISTRATION DOCUMENT

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INTRODUCTION

This document constitutes a registration document ("Registration Document") for the purposes of Article 5 of Directive 2003/71/EC (the "Prospectus Directive") and has been prepared for the purpose of giving information with respect to ING Bank N.V. (the "Issuer" or the "Global Issuer") which, according to the particular nature of the Issuer and the securities which it may offer to the public within a member state ("Member State") of the European Economic Area (the "EEA") or apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document was approved by the Netherlands Authority for the Financial Markets (the "AFM") for the purposes of the Prospectus Directive on 18 May 2010.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

This Registration Document should not be considered as a recommendation by the Issuer that any recipient of this Registration Document should purchase any securities of the Issuer. Each investor contemplating purchasing any securities of the Issuer should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Registration Document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any securities of the Issuer.

The delivery of this Registration Document shall not in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should carefully review and evaluate, *inter alia*, the most recent financial disclosure of the Issuer from time to time incorporated by reference herein when deciding whether or not to purchase any securities of the Issuer.

The distribution of this Registration Document and the offer or sale of any securities of the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any securities of the Issuer come must inform themselves about, and observe, any such restrictions.

Any securities to be issued by the Issuer in connection with this Registration Document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, any such securities may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

Any securities to be issued by the Issuer in connection with this Registration Document have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of any such securities or the accuracy or the adequacy of this Registration Document. Any representation to the contrary is a criminal offence in the United States.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Registration Document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this Registration Document, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Registration Document or as of such earlier date at which such statements are expressed to be given. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Registration Document and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Registration Document; this Registration Document should be read and construed in conjunction with such documents:

(a) the Articles of Association (*statuten*) of the Issuer;

(b) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2007, 2008 and 2009, including the audited financial statements and auditors' reports in respect of such years; and

(c) pages 2 to 26 (inclusive) of the unaudited ING Group 2010 quarterly report for the first quarter of 2010, as published by ING Groep N.V. on 12 May 2010 (the "Q1 Report"). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three month period ended, 31 March 2010, as well as information about recent developments during this period in the banking business of ING Groep N.V., which is conducted substantially through the Issuer and its consolidated group,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

With respect to the Q1 Report, prospective investors should note that the Issuer's consolidated operations, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Groep N.V. as described in the Q1 Report. The Q1 Report also reflects the introduction of a new reporting structure for the Issuer reflecting two main business lines within the banking business of ING Groep N.V.: Retail Banking and Commercial Banking. For further information on the new reporting structure in the context of ING Bank N.V., see the section "Operating and Financial Review and Prospects – Segment Reporting – New Reporting Structure" in this Registration Document. ING Groep N.V. is not responsible for the preparation of this Registration Document.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Registration Document shall not form part of this Registration Document, except where such information or other documents are specifically incorporated by reference into this Registration Document.

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209). In addition, this Registration Document and all of the documents which are incorporated herein by reference will be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

RISK FACTORS

Set out below are risk factors which could affect the future financial performance of the Issuer and its subsidiaries ("ING Bank") and thereby potentially affect the Issuer's ability to fulfil its obligations in respect of securities issued or guaranteed by it. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties ING Bank's businesses face. The Issuer has described only those risks relating to its operations of which it is aware and that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware and any of these risks could have the effects set forth above. Investors should note that they bear the Issuer's solvency risk.

Because ING Bank is part of an integrated financial services group conducting business on a global basis, the financial performance of ING Bank is affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the financial condition of ING Bank

Factors such as interest rates, securities prices, credit (including liquidity) spreads, exchange rates, consumer spending, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, and terrorism all impact the business and economic environment and, ultimately, the amount and profitability of business ING Bank conducts in a specific geographic region. For example, in an economic downturn, such as the one that has affected world economies since mid-2007, characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investment and consumer spending, the demand for banking products is adversely affected and ING Bank's reserves and provisions are likely to increase, resulting in lower earnings. Securities prices, real estate valuations and private equity valuations may be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. In particular, a downturn in the equity markets causes a reduction in commission income ING Bank earns from managing portfolios for third parties, income generated from its own proprietary portfolios and its capital base. ING Bank also offers a number of financial products that exposes it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads.

In case one or more of the factors mentioned above adversely affects the profitability of ING Bank's business this might also result, among other things, in the following:

- the write down of tax assets impacting net results; and/or
- impairment expenses related to goodwill and other intangible assets, impacting net results.

In 2008 and 2009, shareholders' equity and net result of ING Bank were significantly impacted by the turmoil and the extreme volatility in the worldwide financial markets. Further negative developments in financial markets and/or economies may have a material adverse impact on ING Bank's shareholders' equity and net result in future periods, including as a result of the potential consequences listed above. In the normal course of business ING Bank continues to develop, recalibrate and refine the various models that support risk metrics (see the section "Risk Management" in the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009), which may result in changes to the risk metrics as disclosed. Recalibration based on the recently experienced market turbulence may have a material impact on ING Bank's economic capital.

Adverse capital and credit market conditions may impact ING Bank's ability to access liquidity and capital, as well as the cost of credit and capital

The capital and credit markets have been experiencing extreme volatility and disruption for more than two years. In the second half of 2008, the volatility and disruption reached unprecedented levels. In some cases, market developments have resulted in restrictions on the availability of liquidity and credit capacity for certain issuers.

ING Bank needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt and any dividends on its capital stock; maintain its securities lending activities; and replace certain of its maturing liabilities. The principal sources of liquidity of ING Bank are deposit funds and cash flow from its investment portfolio and assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium- and long-term debt, junior subordinated debt securities, capital securities and shareholders' equity.

In the event that current resources do not satisfy ING Bank's needs, it may need to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects. Similarly, ING Bank's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If ING Bank's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available on unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit ING Bank's access to capital required to operate its business. Such market conditions may limit the ability of ING Bank to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force ING Bank to (1) delay raising capital, (2) reduce, cancel or postpone interest payments on its securities, (3) issue capital of different types or under different terms than it would otherwise or (4) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both ING Bank's profitability and its financial flexibility. ING Bank's financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

In the course of 2008 and 2009, governments around the world, including the Dutch government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments nationalised companies or parts thereof. The measures adopted in The Netherlands consist of both liquidity provision and capital reinforcement, and a Dutch Credit Guarantee Scheme. The liquidity and capital reinforcement measures expired on 10 October 2009, while the Credit Guarantee Scheme of The Netherlands is now scheduled to run through 30 June 2010. To date, ING Bank has been able to benefit from these measures, but ING Bank's participation in these measures has resulted in certain material restrictions on it, including those agreed to with the European Commission ("EC") as part of ING's restructuring plan (the "Restructuring Plan"). The Restructuring Plan as well as any potential future transactions with the Dutch State or other government, if any, or actions by such government regarding ING Bank or

ING (as defined in the section “Description of ING Bank N.V. – General” in this Registration Document) generally could adversely impact the position or rights of ING Bank’s shareholder, bondholders, customers or creditors and ING Bank’s results, operations, solvency, liquidity and governance.

In addition, ING Bank has built its liquidity risk framework on the premise that its liquidity is most efficiently and effectively managed by a centralised group function. However, ING Bank is subject to the jurisdiction of a variety of banking regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder ING Bank’s ability to manage its liquidity in such a centralised manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which ING Bank operates are generally becoming more stringent, undermining ING Bank’s efforts to maintain this centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing ING Bank’s liquidity, and hinder its efforts to integrate its balance sheet, which is an essential element of ING’s Back to Basics programme and its Restructuring Plan.

The default of a major market participant could disrupt the markets

Within the financial services industry the default of any one institution could lead to defaults by other institutions. The failure of a sufficiently large and influential institution could disrupt securities markets or clearance and settlement systems in ING Bank’s markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect ING Bank and its contract counterparties. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, as was the case after the bankruptcy of Lehman Brothers, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by ING Bank or by other institutions. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom ING Bank interacts on a daily basis. Systemic risk could have a material adverse effect on ING Bank’s ability to raise new funding and on its business, financial condition and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

ING Bank believes that despite increased attention recently, systemic risk to the markets in which it operates continues to exist, and dislocations caused by the interdependency of financial market participants continue to be a potential source of material adverse changes to ING Bank’s business and financial condition.

Because ING Bank’s businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, ING Bank may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition

Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities and ING Bank’s business operations may be subject to losses resulting from such disruptions. Losses can relate to property, financial assets, trading positions, insurance and pension benefits to employees and also to key personnel. If ING Bank’s business continuity plans are not able to be put into action or do not take such events into account, such events could adversely affect ING Bank’s financial condition.

ING Bank operates in a highly regulated industry. There could be an adverse change or increase in the financial services laws and/or regulations governing ING Bank's business

ING Bank is subject to detailed banking and other financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, anti-money laundering, privacy, record keeping, and marketing and selling practices. Banking and other financial services laws, regulations and policies currently governing ING Bank may also change at any time in ways which have an adverse effect on ING Bank's business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, bank regulators and other supervisory authorities in the European Union ("EU"), the United States and elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulation is becoming increasingly more extensive and complex and regulators are focusing increased scrutiny on the industries in which ING Bank operates, often requiring additional resources of ING Bank. These regulations can serve to limit ING Bank's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which ING Bank can operate or invest. If ING Bank fails to address, or appears to fail to address, appropriately any of these matters, ING Bank's reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against ING Bank or subject it to enforcement actions, fines and penalties.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most of the principal markets where ING Bank conducts its business have adopted, or are currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. In particular, governmental and regulatory authorities in The Netherlands, the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation and financial reporting, among other areas. For example, on 17 December 2009 the Basel Committee issued two consultative documents proposing reforms to bank capital and liquidity regulation and the EC is also considering increasing the capital requirements for banks. In addition, the International Accounting Standards Board ("IASB") is considering changes to several IFRS standards, including significant changes to the standard on financial instruments (IAS 39) and to the standard on pensions (IAS 19). These changes could have a material impact on ING Bank's financial condition.

Governments in The Netherlands and abroad have also intervened on an unprecedented scale, responding to stresses experienced in the global financial markets. Some of the measures adopted subject ING Bank and other institutions for which they were designed to additional restrictions, oversight or costs. As a result of having received state aid through the Core Tier-1 Securities and the Illiquid Assets Back-Up Facility (together, the "Dutch State Transactions"), ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions. The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank. ING Bank cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have on its business and financial condition.

Despite ING Bank's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, there are a number of risks in areas where applicable regulations may be unclear, subject to multiple interpretation or under development or may conflict with one another, where regulators revise their previous guidance or courts overturn previous rulings, or ING Bank fails to meet applicable standards. Regulators and other authorities have the power to bring administrative or judicial proceedings against ING Bank, which could result, amongst other things, in suspension or revocation of ING Bank's licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm ING Bank's financial condition.

Ongoing turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so

ING Bank's financial performance is materially impacted by conditions in the global capital markets and the economy generally. The stress experienced in the global capital markets that started in the second half of 2007 continued and substantially increased throughout 2008 and, although market conditions improved, volatility continued in 2009, particularly the early part of the year. The crisis in the mortgage market in the United States, triggered by a serious deterioration of credit quality, led to a revaluation of credit risks. These conditions resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities ("ABS") and other structured products significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities(even certain investment grade securities and certain government bonds), the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. As a result, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets also have experienced heightened volatility and turmoil, with issuers, including ING Bank, that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on ING Bank's financial performance, in part because it has a large investment portfolio and extensive real estate activities around the world. In addition, the confidence of customers in financial institutions is being tested. Consumer confidence in financial institutions may, for example, decrease due to ING Bank's or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on ING Bank's financial condition, including, in particular, through a withdrawal of deposits. Because a significant percentage of ING Bank's customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007 and 2008, ING Bank incurred substantial negative revaluations on its investment portfolio, which have impacted its earnings and shareholders' equity. During 2009, however, the revaluation reserve position improved substantially, positively impacting shareholders' equity.

Such impacts have arisen primarily as a result of valuation issues arising in connection with ING Bank's investments in real estate (both in and outside the United States) and private equity, exposures to US mortgage-related structured investment products, including sub-prime and Alt-A residential and commercial mortgage-backed securities ("RMBS" and "CMBS", respectively), collateralised debt obligations ("CDOs") and collateralised loan obligations ("CLOs"), monoline insurer guarantees and other investments. In many cases, the markets for such investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. While ING Bank continues to monitor its exposures in this area, in light of the ongoing market environment and the resulting uncertainties concerning valuations, there can be no assurances that ING Bank will not experience further negative impacts to its shareholders' equity or profit and loss accounts from such assets in future periods.

The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank

In November 2008 the Dutch State purchased the Core Tier-1 Securities, and in the first quarter of 2009 ING and the Dutch State entered into the Illiquid Assets Back-Up Facility (the "Illiquid Assets Back-Up Facility") pursuant to which ING transferred to the Dutch State the economic risks and rewards of 80% of the approximately EUR 30 billion par value Alt-A residential mortgage-backed securities (RMBS) portfolios of ING Direct US and ING Insurance Americas.

As a result of having received state aid through the Dutch State Transactions, ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions under the EC state aid rules. On 26 October 2009, ING announced its Restructuring Plan, pursuant to which it is required to divest by the end of 2013 all of its insurance business, including the investment management business, as well as ING Direct US, which operates ING Bank's direct banking business in the United States, and certain portions of ING Bank's retail banking business in The Netherlands. The EC's approval of the Restructuring Plan was issued on 18 November 2009. On 28 January 2010 ING lodged an appeal with the General Court of the European Union against specific elements of the EC's decision regarding the Restructuring Plan. Notwithstanding this appeal, ING is committed to executing the Restructuring Plan as announced on 26 October 2009. In addition, in order to obtain approval of the Restructuring Plan, ING committed to make a series of additional payments to the Dutch State, corresponding to adjustments to the net fees payable under the Illiquid Assets Back-Up Facility. These payments significantly increased the cost of the Illiquid Assets Back-Up Facility to ING and have resulted in a one-time, pre-tax charge of EUR 1.3 billion recorded in the fourth quarter of 2009 which has in turn adversely affected ING's financial condition.

Although ING believes in the merit of its appeal lodged with the General Court of the European Union, there can be no assurance as to its success or as to any consequences resulting from its rejection.

In connection with the Restructuring Plan, ING has also agreed not to be a price leader in certain EU markets with respect to certain retail, private and direct banking products and to refrain from acquisitions of financial institutions and of businesses that would delay its repurchase of the Core Tier-1 Securities not purchased with the proceeds of its rights issue announced in October 2009. Those limitations may last until 18 November 2012 and could adversely affect ING Bank's ability to maintain or grow market share in key markets as well as its financial condition.

ING has announced that it will consider making its required divestments by means of initial public offerings, sales, spin-offs, combinations of the foregoing or other means. There can be no assurance that ING will be able to implement the Restructuring Plan successfully or complete the announced divestments on favourable terms or at all, particularly in light of both the plan's 2013 deadline and expected challenging market conditions in which other financial institutions may place similar assets for sale during the same time period and may seek to dispose of assets in the same manner. Any failure to successfully implement the Restructuring Plan may result in EC enforcement actions and may have a material adverse impact on the assets, profitability, capital adequacy and business operations of ING Bank. Moreover, in connection with the implementation of the Restructuring Plan, including any proposed divestments, ING or potential buyers may need to obtain various approvals, including of shareholders, works councils and regulatory and competition authorities, and ING and potential buyers may face difficulties in obtaining these approvals in a timely manner or at all. In addition, the implementation of the Restructuring Plan may strain relations with ING Bank's employees, and specific proposals in connection with the implementation may be opposed by labour unions or works councils. Furthermore, following the announcement of the Restructuring Plan, several of ING's subsidiaries, including ING Bank N.V., have been downgraded or put on credit watch by rating agencies.

Other factors that may impede ING's ability to implement the Restructuring Plan successfully include an inability of prospective purchasers to obtain funding due to deterioration of credit markets, insufficient access to equity capital markets, a general unwillingness of prospective purchasers to commit capital in the current market environment, antitrust concerns, any adverse changes in market interest rates or other borrowing costs and any declines in the value of the assets to be divested. It may even be difficult to divest all or part of ING's insurance or investment management business through one or more initial public offerings. There can also be no assurance that ING could obtain favourable pricing for a sale of all or part of its insurance or investment management business in the public markets or succeed in turning the relevant subsidiaries into viable standalone businesses. A divestment may also release less regulatory capital than ING would otherwise expect. Any failure to complete the divestments on favourable terms, whether by sale, through an initial public offering, a spin-off or otherwise, could have a material adverse impact on ING Bank's assets, profitability, capital adequacy and business operations. If ING is unable to complete the announced divestments in a timely manner, it would be required to find alternative ways to reduce its leverage, and it could be subject to enforcement actions or proceedings by the EC. In particular, if ING does not succeed in completing divestitures contemplated by the Restructuring Plan within the timelines set out therein, the EC may request the Dutch State to appoint a divestiture trustee with a mandate to complete the relevant divestiture with no minimum price.

In addition, it is possible that a third party will challenge the EC decision to approve the Restructuring Plan in the European Courts. ING does not believe that any such challenge would be likely to succeed, but if it were to succeed the EC would need to reconsider its decision which may have an adverse impact on ING Bank's financial condition.

The implementation of the divestments announced in connection with ING's Restructuring Plan, including the separation of its insurance and the investment management operations from its banking operations, will also give rise to additional costs related to the legal and financial assessment of potential transactions. The implementation may also result in increased operating and administrative costs. The process of completing the steps contemplated by the Restructuring Plan may be disruptive to ING Bank's business and the businesses to be sold and may cause an interruption or reduction of its business and the businesses to be sold as a result of, among other factors, the loss of key employees or customers and the diversion of management's attention from ING Bank's day-to-day business as a result of the divestment process as well as any disruptions or difficulties that arise during the course of the divestment process. ING may face other difficulties in implementing the Restructuring Plan and completing the planned divestments. For instance, the divestments, individually or in the aggregate, may trigger provisions in various contractual obligations, including debt instruments, which could require ING to modify, restructure or refinance the related obligations. ING may not be able to effect any such restructuring or refinancing on similar terms as the current contractual obligations or at all. In addition, the announced divestments could be the subject of challenges or litigation, and a court could delay any of the divestment transactions or prohibit them from occurring on their proposed terms, or from occurring at all, which could adversely affect ING's ability to use the funds of the divestments to repurchase the Core Tier-1 Securities, reduce or eliminate its double leverage and strengthen its capital ratios as anticipated and eliminate the constraints on competition imposed by the EC.

The limitations agreed with the EC on ING's ability to compete and to make acquisitions or call certain debt instruments could materially impact ING Bank

As part of ING's Restructuring Plan, it has undertaken with the EC to accept certain limitations on its ability to compete in certain retail, private and direct banking markets in the EU and on its ability to acquire financial institutions and businesses that would delay its repurchase of the Core Tier-1 Securities held by the Dutch State. These restrictions apply until the earlier of: (1) 18 November 2012, and (2) the date upon which ING repurchases all remaining Core Tier-1 Securities held by the Dutch State. ING has also agreed to limitations on its ability to call Tier-2 capital and Tier-1 hybrid debt instruments. If the EC does not approve the calling of Tier-2 capital and Tier-1 hybrid debt instruments in the future, this may have adverse consequences for ING, result in additional payments on these instruments and limit ING's ability to seek refinancing on more favourable terms. The limitations described above will impose significant restrictions on ING Bank's business operations and on its ability to take advantage of market conditions and growth opportunities. Such restrictions could adversely affect ING Bank's ability to maintain or grow market share in key markets, as well as its financial condition.

Upon the implementation of the Restructuring Plan, ING will be less diversified and ING Bank may experience competitive and other disadvantages

Following completion of the planned divestments under the Restructuring Plan, ING expects to become a significantly smaller, regional financial institution focused on retail, direct and commercial banking in the Benelux region and certain other parts of Europe, as well as selected markets outside Europe. Although ING will remain focused on banking operations, it may become a smaller bank than that represented by the current banking operations of ING Bank. In the highly competitive Benelux market and the other markets in which ING Bank operates, its competitors may be larger, more diversified and better capitalised and have greater geographical reach than ING Bank, which could have a material adverse effect on ING Bank's ability to compete, as well as on its financial performance. The divested businesses may also compete with the retained businesses, on their own or as part of the purchasers' enlarged businesses. In addition, the restrictions on ING's ability to be a price leader and make acquisitions and on its compensation policies could further hinder ING Bank's capacity to compete with competitors not burdened with such restrictions, which could have a material adverse effect on its financial condition. There can be no assurance that the implementation of the Restructuring Plan will not have a material adverse effect on the market share, business and growth opportunities and financial condition for ING Bank's remaining core banking businesses.

ING's Back to Basics Programme and its Restructuring Plan may not yield intended reductions in costs, risk and leverage

In April 2009, ING announced its Back to Basics programme to reduce its costs, risk and leverage. In addition to restructuring the ING banking and insurance businesses so that they are operated separately under the ING umbrella, the Back to Basics programme included cost-reduction measures, as well as plans for divestments. On 26 October 2009, ING announced that it had reached an agreement with the EC on its Restructuring Plan, pursuant to which it announced further divestments. Projected cost savings and impact on ING Bank's risk profile and capital associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- divestments planned in connection with the Restructuring Plan may not yield the level of net proceeds expected;
- initiatives ING is contemplating may require consultation with various regulators as well as employees and labour representatives, and such consultations may influence the timing, costs and extent of expected savings;
- the loss of skilled employees in connection with the initiatives; and
- projected savings may fall short of targets.

While ING has begun and expects to continue to implement these strategies, there can be no assurance that ING will be able to do so successfully or that ING Bank or ING generally will realise the projected benefits of these and other restructuring and cost saving initiatives. If ING is unable to realise these anticipated cost reductions, ING Bank's business may be adversely affected. Moreover, continued implementation of restructuring and cost saving initiatives may have a material adverse effect on ING Bank's business and financial condition.

Because ING Bank operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its financial performance

There is substantial competition in The Netherlands and the other countries in which ING Bank does business for the types of commercial banking, investment banking, insurance and other products and services ING Bank provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If ING Bank is not able to match or compete with the products and services offered by its competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect ING Bank's financial condition. Such competition is most pronounced in ING Bank's more mature markets of The Netherlands, Belgium, other parts of Western Europe, the United States, Canada and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with ING Bank's competitors. The Netherlands and the United States are ING Bank's largest markets. ING Bank's main competitors in the banking sector in The Netherlands are ABN AMRO Bank/Fortis and Rabobank. Increasing competition in these or any of ING Bank's other markets may significantly impact ING Bank's financial performance if ING Bank is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. In 2008 and 2009, this trend accelerated considerably, as several major financial institutions consolidated, were forced to merge or received substantial government assistance, and this trend may continue in light of the EC's scrutiny of state aid transactions. These developments could result in ING Bank's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity. ING Bank may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices. In addition, under the Restructuring Plan ING has agreed to certain restrictions imposed by the EC, including with respect to its price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

ING's agreements with the Dutch State impose certain restrictions regarding the compensation of certain senior management positions

For so long as the Dutch State holds at least 25% of the Core Tier-1 Securities issued by ING Groep N.V. on 12 November 2008, for so long as the Illiquid Assets Back-Up Facility is in place, or for so long as any of the government guaranteed senior unsecured bonds issued by ING Bank N.V. under the Credit Guarantee Scheme of The Netherlands (the "Government Guaranteed Bonds") are outstanding, ING Bank N.V. is required to institute certain restrictions on the compensation of the members of its Management Board and senior management, including incentives or performance-based compensation. These restrictions could hinder or prevent ING Bank from attracting or retaining the most qualified management with the talent and experience to manage its business effectively. In connection with these transactions, the Dutch State was granted the right to nominate two candidates for appointment to the Supervisory Board of ING Groep N.V. The Dutch State's nominees have veto rights over certain material transactions. ING's agreements with the Dutch State have also led to certain restrictions imposed by the EC as part of the Restructuring Plan, including with respect to ING's price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

Because ING Bank does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on ING Bank's financial condition

Third-parties that owe ING Bank money, securities or other assets may not pay or perform under their obligations. These parties include issuers whose securities ING Bank holds, borrowers under loans originated, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to ING Bank due to, among other things, bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for ING Bank, and defaults by other institutions. In light of the significant constraints on liquidity and high cost of funds in the interbank lending market, which arose in 2008 and early 2009, particularly following the collapse of Lehman Brothers in September 2008, and given the high level of interdependence between financial institutions, ING Bank is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to ING Bank's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk.

ING Bank routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, ING Bank faces concentration risk with respect to specific counterparties and customers. ING Bank is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

With respect to secured transactions, ING Bank's credit risk may be exacerbated when the collateral held by it cannot be realised, or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it. ING Bank may also have exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, ING Bank holds certain hybrid regulatory capital instruments issued by financial institutions which permit the issuer to defer coupon payments on the occurrence of certain events or at their option. The EC has indicated that, in certain circumstances, it may require these financial institutions to defer payment. If this were to happen, ING Bank expects that such instruments may experience ratings downgrades and/or a drop in value and ING Bank may need to treat them as impaired, which could result in significant losses. There is no assurance that losses on, or impairments to the carrying value of, these assets would not materially and adversely affect ING Bank's business or financial condition.

In addition, ING Bank is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations ING Bank holds could result in losses and/or adversely affect ING Bank's ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of ING Bank's counterparties could also have a negative impact on ING Bank's income and risk weighting, leading to increased capital requirements. While in many cases ING Bank is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral ING Bank is entitled to receive and the value of pledged assets.

ING Bank's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to ING Bank, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those recently experienced. The termination of contracts and the foreclosure on collateral may subject ING Bank to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect ING Bank's business, financial condition and/or prospects.

Current market conditions have increased the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending

ING Bank is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. ING Bank may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This trend has led and may lead to further impairment charges on loans and other assets, higher costs and additions to loan loss provisions. The volume of impaired loans may continue if unfavourable economic conditions persist.

Furthermore, a significant increase in the size of ING Bank's provision for loan losses could have a material adverse effect on its financial condition. Due to worsening economic conditions in the past two years, ING Bank has experienced an increase of impaired loans.

The fall of commercial and residential real estate prices and lack of market liquidity during the past two years has had an adverse effect on the value of the collateral ING Bank holds. Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

Interest rate volatility may adversely affect ING Bank's financial condition

Changes in prevailing interest rates may negatively affect ING Bank's business including the level of net interest revenue it earns and its levels of deposits and demand for loans. In a period of changing interest rates, interest expense may increase at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in the interest rates may negatively affect the value of ING Bank's assets and its ability to realise gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In addition, an increase in interest rates may decrease the demand for loans.

ING Bank may incur losses due to failures of banks falling under the scope of state compensation schemes

In The Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("Compensation Schemes") have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which ING Bank operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, ING Bank expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, ING Bank is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Dutch Deposit Guarantee Scheme are allocated among the participating banks by the Dutch Central Bank, *De Nederlandsche Bank N.V.* (the "Dutch Central Bank"), based on an allocation key related to their market shares with respect to the deposits protected by the Dutch Deposit Guarantee Schemes. Given ING Bank's size, it may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme, which it may be unable to recover from the bankrupt estate. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remains uncertain, although they may be significant and these and the associated costs to ING Bank may have a material adverse effect on its financial condition.

ING Bank may be unable to manage its risks successfully through derivatives

ING Bank employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rate, equity markets and credit spread changes and changes in mortality and longevity. ING Bank seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts including from time to time macro hedges for parts of its business.

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate ING Bank from risks associated with those fluctuations. ING Bank's hedging strategies also rely on assumptions and projections regarding its assets, general market factors and the credit worthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, ING Bank's hedging activities may not have the desired beneficial impact on its financial condition. Poorly designed strategies or improperly executed transactions could actually increase ING Bank's risks and losses. If ING Bank terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. There have been periods in the past, and it is likely that there will be periods in the future, during which

ING Bank has incurred or may incur losses on transactions, perhaps significant, after taking into account its hedging strategies. Further, the nature and timing of ING Bank's hedging transactions could actually increase its risk and losses. In addition, hedging strategies involve transaction costs and other costs. ING Bank's hedging strategies and the derivatives that it uses and may use may not adequately mitigate or offset the risk of interest rate volatility, and ING Bank's hedging transactions may result in losses.

Because ING Bank uses assumptions to model client behaviour for the purpose of its market risk calculations, the difference between the realisation and the assumptions may have an adverse impact on the risk figures and future financial performance

ING Bank uses assumptions in order to model client behaviour for the risk calculations in its banking books. Assumptions are used to determine the price sensitivity of savings and current accounts and to estimate the embedded optional risk in the mortgage and investment portfolios. The realisation or use of different assumptions to determine the client behaviour could have a material adverse effect on the calculated risk figures and ultimately future financial performance.

ING Bank's risk management policies and guidelines may prove inadequate for the risks it faces

The methods ING Bank uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods did not predict the losses seen in the stressed conditions in recent periods, and may also not adequately allow prediction of circumstances arising due to the government interventions and stimulus packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to ING Bank. Such information may not always be correct, updated or correctly evaluated.

ING Bank may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations

ING operates various defined benefit retirement plans covering a significant number of its employees. The liability recognised in ING Bank's consolidated balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of each plan's assets, together with adjustments for unrecognised actuarial gains and losses and unrecognised past service costs. ING determines its defined benefit plan obligations based on internal and external actuarial models and calculations using the projected unit credit method. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, trend rates in health care costs, consumer price index, and the expected return on plan assets. These assumptions are based on available market data and the historical performance of plan assets, and are updated annually. Nevertheless, the actuarial assumptions may differ significantly from actual results due to changes in market conditions, economic and mortality trends and other assumptions. Any changes in these assumptions could have a significant impact on ING Bank's present and future liabilities to and costs associated with its defined benefit retirement plans.

ING Bank is subject to a variety of regulatory risks as a result of its operations in less developed markets

In the less developed markets in which ING Bank operates, judiciary and dispute resolution systems may be less developed. As a result, in case of a breach of contract ING Bank may have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against ING Bank, it might encounter difficulties in mounting a defence against such allegations. If ING Bank becomes party to legal proceedings in a market with an insufficiently developed judiciary system, it could have an adverse effect on ING Bank's operations and financial performance.

In addition, as a result of ING Bank's operations in less developed markets, it is subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities, in these markets. In addition, the current economic environment in certain of the less developed countries in which ING Bank operates may increase the likelihood for regulatory initiatives to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on ING Bank's ability to protect its economic interests in the event of defaults on residential mortgages.

Because ING Bank is comprised of financial services companies and continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and financial performance if clients' expectations are not met

When new financial products are brought to the market, communication and marketing aims to present a balanced view of the product (however there is a focus on potential advantages for the customers). Whilst ING Bank engages in a due diligence process when it develops products, if the products do not generate the expected profit, or result in a loss, or otherwise do not meet expectations, customers may file claims against ING Bank. Such claims could have an adverse effect on ING Bank's operations and financial performance.

Ratings are important to ING Bank's business for a number of reasons. Among these are the issuance of debt, the sale of certain products and the risk weighting of bank assets. Downgrades could have an adverse impact on ING Bank's operations and financial condition

ING Bank has credit ratings from Standard & Poor's Ratings Services ("Standard & Poor's"), a division of the McGraw-Hill Companies, Inc., Moody's Investor Service Limited ("Moody's") and Fitch Ratings Ltd. ("Fitch"). Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits from ING Bank following a downgrade, which could have an adverse effect on ING Bank's liquidity. Following the announcement of the Restructuring Plan, several of ING's subsidiaries, including ING Bank N.V., have been downgraded or put on credit watch by rating agencies.

In particular, ING Bank's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on ING Bank's competitive position.

ING Bank's businesses may be negatively affected by a sustained increase in inflation

A sustained increase in the inflation rate in ING Bank's principal markets would have multiple impacts on ING Bank and may negatively affect ING Bank's business, solvency position and financial performance. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may (1) decrease the value of certain fixed income securities it holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact its financial condition and (2) require ING Bank, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase ING Bank's interest expenses and adversely affect ING Bank's financial condition. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may (1) result in impairment charges to equity securities that it holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would adversely affect its financial performance and negatively impact its solvency position and (2) negatively impact performance, future sales and surrenders of its unit-linked products where underlying investments are often allocated to equity funds.

Operational risks are inherent in ING Bank's businesses

ING Bank's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud, or from external events that interrupt normal business operations. ING Bank depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in ING Bank's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of ING Bank's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardize ING Bank's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to ING Bank's reputation and hinder its operational effectiveness. ING Bank also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. ING Bank has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future. Furthermore, while recent widespread outbreaks of communicable diseases, such as the outbreak of the H1N1 influenza virus, also known as "swine flu," experienced world-wide in 2009, have not adversely affected ING Bank thus far, a worsening of this outbreak, or the occurrence of another outbreak of a different communicable disease, may impact the health of ING Bank's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact ING Bank's businesses.

ING Bank's businesses may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such businesses, other well-known companies or the financial services industry in general

Adverse publicity and damage to ING Bank's reputation arising from its failure or perceived failure to comply with legal and regulatory requirements, financial reporting irregularities involving other large and well known companies, increasing regulatory and law enforcement scrutiny of "know your customer" anti-money laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the mutual fund and banking industries, and litigation that arises from the failure or perceived failure by ING Bank to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputation harm, lead to increased regulatory supervision, affect ING Bank's ability to attract and retain customers, maintain access to the capital markets, result in cease and desist orders, suits, enforcement actions, fines and civil and criminal penalties, other disciplinary action or have other material adverse effects on ING Bank in ways that are not predictable.

DESCRIPTION OF ING BANK N.V.

GENERAL

ING Bank N.V. is part of ING Groep N.V. ("ING Group"). ING Group is the holding company for a broad spectrum of companies (together "ING"), offering banking, investments, life insurance and retirement services to about 85 million private, corporate and institutional clients in Europe, the United States, Canada, Latin America, Asia and Australia. Originating from The Netherlands, ING has a workforce of almost 109,000 people worldwide. ING Group holds all shares of ING Bank N.V., which is a non-listed 100% subsidiary of ING Group. On 26 October 2009 ING announced a new strategic direction. It will separate its banking operations and insurance operations (including investment management operations) and develop towards a mid-sized international bank, anchored in The Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. On the same date, ING announced that all insurance operations (including investment management operations) would be divested over the following four years. ING conducts its banking operations principally through ING Bank and its insurance operations (including investment management operations) principally through ING Verzekeringen N.V. and its subsidiaries ("ING Insurance").

ING Bank is represented in about 40 countries around the world through a large network of subsidiaries, offices and agencies. It offers its commercial and retail customers a full range of banking and financial services, including lending, stock-broking, insurance broking, fund management, leasing, factoring, investment banking and the provision of funds for venture capital purposes.

With almost 71,000 employees, ING Bank is active through the following business lines: Retail Banking, ING Direct (which as of 1 January 2010 is managed as part of Retail Banking) and Commercial Banking (formerly Wholesale Banking).

Retail Banking provides retail and private banking services to individuals and small and medium-sized enterprises in The Netherlands, Belgium, Luxembourg, Poland, Romania, Turkey, India, Thailand and China (through a stake in Bank of Beijing) with a multi-product, multi-channel distribution approach. In mature markets, Retail Banking focuses on wealth accumulation, savings and mortgages, with an emphasis on operational excellence, cost leadership and customer satisfaction. In developing markets, Retail Banking aims to become a prominent local player by offering simple but high quality products.

ING Direct offers direct banking services in Canada, Spain, Australia, France, the United States, Italy, Germany, the United Kingdom and Austria. ING Direct's focus is on offering five simple and transparent retail banking products at very low cost: savings, mortgages, payment accounts, investment products and consumer lending.

Commercial Banking primarily targets large corporations in The Netherlands, Belgium, Poland and Romania, where it offers a full range of products, from cash management to corporate finance. Commercial Banking's international network has a more selective approach. It is building leading positions in a number of key product areas, including Structured Finance, Financial Markets, Payments and Cash Management, and Leasing. Commercial Banking also manages ING Real Estate.

ING Bank is in the process of introducing a new reporting structure reflecting two main business lines: Retail Banking and Commercial Banking, with ING Direct being included within Retail Banking. This reporting structure has been applied in respect of the ING Group banking business disclosure included in the Q1 Report. See the section "Documents Incorporated by Reference" in this Registration Document.

INCORPORATION AND HISTORY

ING Bank was incorporated under Dutch law in The Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company as Nederlandsche Middenstandsbank N.V. (“NMB Bank”).

On 4 October 1989 NMB Bank merged with Postbank, the leading Dutch retail bank. The legal name of NMB Bank was changed into NMB Postbank Groep N.V. On 4 March 1991 NMB Postbank Groep N.V. merged with Nationale-Nederlanden N.V., the largest Dutch insurance group. On that date the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange the shares of NMB Postbank Groep N.V. and of Nationale-Nederlanden N.V. NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. continued as sub-holding companies of Internationale Nederlanden Groep N.V. An operational management structure ensured a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies remained legally separate. After interim changes of names the statutory names of the above mentioned companies were changed into ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. on 1 December 1995.

The registered office of ING Bank N.V. is at Bijlmerplein 888, 1102 MG Amsterdam Zuidoost, The Netherlands (telephone number: +31 20 501 3209). ING Bank N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33031431 and its corporate seat is in Amsterdam, The Netherlands. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 30 December 2009. According to its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the broadest sense of the word, including insurance brokerage, to acquire, construct and operate immovable properties, and furthermore to participate in, conduct the management of, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of whatever kind, but in particular enterprises and institutions active in the credit business, investments and/or other financial services, as well as to perform all that which is related or may be conducive to the foregoing.

As a non-listed company, ING Bank N.V. is not bound by the Dutch Corporate Governance Code. ING Group, as the listed holding company of ING Bank N.V. is in compliance with the Dutch Corporate Governance Code.

On 13 May 2009 ING announced that – in line with the April 2009 strategy announcement – it was taking measures to simplify its governance. These measures have been implemented. On 26 October 2009 ING announced that it will move towards a separation of its banking and insurance operations, clarifying the strategic direction for the bank and the insurance company going forward. This also leads to changes in the structure and composition of the respective Management Boards. Banking and Insurance now each have their own Management Board, consisting of the Group CEO, CFO and CRO and positions for three other members.

SUPERVISORY BOARD AND MANAGEMENT BOARD BANKING

ING Bank has a two-tier board system, consisting of a Supervisory Board and a Management Board Banking. The Supervisory Board consists of independent non-executives. The task of the Supervisory Board is to supervise the policy of the Management Board Banking and the general course of events in the company and to assist the Management Board Banking by providing advice. The Management Board Banking is responsible for the daily management of the company.

The composition of the Supervisory Board and the Management Board Banking is as follows:

- Supervisory Board: Peter A.F.W. Elverding (chairman), Jeroen van der Veer (vice-chairman), J.P. (Tineke) Bahlmann, Henk W. Breukink, Claus Dieter Hoffmann, Piet C. Klaver, Godfried J.A. van der Lugt, Aman Mehta, Joan E. Spero, Jackson P. Tai and Lodewijk J. de Waal.

- Management Board Banking: Jan H.M. Hommen (chairman), Patrick G. Flynn (CFO), J.V. (Koos) Timmermans (CRO), Eric F.C. Boyer de la Giroday, C.P.A. J. (Eli) Leenaars and Hans van der Noordaa.

The business address of all members of the Supervisory Board and the Management Board Banking is: ING Bank N.V., Amstelveenseweg 500 (ING House), P.O. Box 810, 1000 AV Amsterdam, The Netherlands.

In order to avoid potential conflicts of interest, ING Bank N.V. has a policy that members of its Management Board Banking do not accept corporate directorships with listed companies outside ING.

Details of relationships that members of the Management Board Banking may have with ING Group subsidiaries as ordinary, private individuals are not reported.

Listed below are the principal activities performed by members of the Supervisory Board outside ING. None of the members of the Supervisory Board have any conflict between their duties to ING and their other principal activities as listed below.

Elverding, P.A.F.W.

Chairman of the Supervisory Board of Océ N.V., The Netherlands.

Member of the Supervisory Board of SHV Holdings N.V., The Netherlands.

Vice-chairman of the Supervisory Board of Q-Park N.V., The Netherlands.

Member of the Supervisory Board of Koninklijke FrieslandCampina N.V., The Netherlands.

Chairman of the Supervisory Board of Oostwegel Holding BV, The Netherlands.

Member of the Board of Stichting Instituut GAK, The Netherlands.

Veer, J. van der

Vice-chairman and senior independent director of Unilever N.V., The Netherlands.

Non-executive director of Royal Dutch Shell plc, The Netherlands/United Kingdom.

Member of the Supervisory Board of Koninklijke Royal Philips Electronics, The Netherlands.

Member of the Supervisory Board of Het Concertgebouw N.V., The Netherlands.

Vice-chairman of a NATO Expert Group to work on NATO's new strategic concept.

Bahlmann, J.P.

Chairman of the Dutch Media Authority (Commissariaat voor de Media), The Netherlands.

Professor in Business Economics, University of Utrecht, The Netherlands.

Vice-chairman of the Supervisory Board of N.V. Nederlandsche Apparatenfabriek “Nedap”, The Netherlands.

Member of the Board of Maatschappelijk Verantwoord Ondernemen Nederland (CSR), The Netherlands.

Chairman of Stichting Max Havelaar, The Netherlands.

Member of the Board of De Baak, Management Centre VNO-NCW, The Netherlands.

Member of the Board of Trustees of Canisius-Wilhelmina Ziekenhuis (hospital), The Netherlands.

Member of the Board of Toneelgroep Amsterdam, (theatre) The Netherlands.

Breukink, H.W.

Non-executive/vice-chairman of VastNed Offices/Industrial (real estate fund), The Netherlands.

Non-executive director of F&C hedge funds, Ireland.

Non-executive director of Heembouw Holding B.V., The Netherlands.

Chairman of the Supervisory Board of Modulus VastGoed Ontwikkelingen, The Netherlands.

Member of the Supervisory Board of Omring (health care institution), Hoorn, The Netherlands.

Member of the Supervisory Board of HaagWonen (housing corporation), The Netherlands.

Associated as coach with TEC (Top Executive Coaching), The Netherlands.

Hoffmann, C.D.

Managing partner of H+H Senior Advisors, Stuttgart, Germany.

Chairman of the Supervisory Board of EnBW AG, Germany.

Member of the Supervisory Board of de Boer Structures Holding B.V, The Netherlands.

Member of the Supervisory Board of C.A. Leuze GmbH & Co. KG., Germany.

Chairman of the Charlottenklinik Foundation (hospital), Germany.

Chairman of the Board of Trustees (Vereinigung der Freunde) of Stuttgart University, Germany.

Klaver, P.C.

Chairman of the Supervisory Board of TNT N.V., The Netherlands.

Chairman of the Supervisory Board of Dekker Hout Groep B.V., The Netherlands.

Chairman of the Supervisory Board of Jaarbeurs Holding B.V., The Netherlands.

Chairman of the Supervisory Board of Credit Yard Financial Services B.V., The Netherlands.

Member of the Supervisory Board of SHV Holdings N.V., The Netherlands.

Member of the Supervisory Board of Dura Vermeer Groep N.V., The Netherlands.

Member of the African Parks Foundation, The Netherlands.

Chairman of the Utrecht School of the Arts, The Netherlands.

Lugt, G.J.A. van der

Chairman of the Supervisory Board of Stadsherstel Amsterdam NV, The Netherlands.

Chairman of the Advisory Board of Kasteel De Haar, The Netherlands.

Chairman of the Advisory Board of R.C. Oude Armenkantoor, The Netherlands.

Member of the Investment Advisory Committee of Stichting Instituut GAK, The Netherlands.

Mehta, A.

Non-executive director of Tata Consultancy Services.

Non-executive director of Jet Airways Ltd.

Non-executive director of PCCW Ltd.

Non-executive director of Vedanta Resources Plc.

Non-executive director of Wockhardt Ltd.

Non-executive director of Godrej Consumer Products Ltd.

Non-executive director of Cairn India Ltd.

Non-executive director of Emaar MGF Land Ltd.

Non-executive director of Max India Ltd.

Member of the governing board of Indian School of Business.

Member of the International Advisory Council of INSEAD.

Spero, J.E.

Non-executive director of IBM Corporation.

Trustee of Columbia University, Council on Foreign Relations.

Trustee of Wisconsin Alumni Research Foundation.

Tai, J.P.

Non-executive director of MasterCard Incorporated.

Non-executive director of CapitaLand.

Non-executive director of Cassis International.

Non-executive chairman of the Board of Directors of Brookstone, Inc.

Member of the Bloomberg Asia Pacific Advisory Board.

Trustee of Rensselaer Polytechnic Institute.

Waal, **L.J. de**

General manager of Humanitas.

Member of the Supervisory Board of PGGM N.V., The Netherlands.

Member of the Advisory Board of Zorgverzekeraars Nederland, The Netherlands.

Chairman of the Supervisory Council of SNV, The Netherlands.

Member of the Advisory Board of Stichting Nationaal Fonds Kunstbezit, The Netherlands.

President of the Hay Group Vision Society, The Netherlands.

There are no potential conflicts of interest between any duties owed by the members of the Supervisory Board or the Management Board Banking to ING Bank N.V. and any private interests or other duties which such persons may have.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four standing committees: the Audit Committee, the Risk Committee (as of 1 June 2009), the Remuneration Committee and the Nomination Committee (created from the split of the Remuneration and Nomination Committee on 1 January 2009).

The organisation, powers and modus operandi of the Supervisory Board are detailed in the Supervisory Board Charter. Separate charters have been drawn up for the Audit Committee, the

Risk Committee, the Remuneration Committee and the Nomination Committee. A short description of the duties for the four Committees follows below.

The Audit Committee assists the Supervisory Board in monitoring the integrity of the financial statements of ING Bank, in monitoring the compliance with legal and regulatory requirements, and in monitoring the independence and performance of ING Bank's internal and external auditors. The current members of the Audit Committee are Jackson Tai (chairman), Tineke Bahlmann, Henk Breukink, Godfried van der Lugt and Jeroen van der Veer.

The Risk Committee assists and advises the Supervisory Board in monitoring the risk profile of the company as well as the structure and operation of the internal risk management and control systems.

The Remuneration Committee, among other things, advises the Supervisory Board on the terms and conditions of employment (including remuneration) of the members of the Management Board Banking and the policies and general principles on which the terms and conditions of employment of the members of the Management Board Banking and of senior managers of ING Bank N.V. and its subsidiaries are based.

The Nomination Committee, among other things, advises the Supervisory Board on the composition of the Supervisory Board and Management Board Banking.

FIVE YEAR KEY CONSOLIDATED FIGURES ING BANK N.V. [4]

(amounts in millions of euros)	**2009**	2008	2007	2006	2005
Balance sheet[1]					
Total assets	**882,119**	1,034,689	994,113	894,985	834,035
Total equity	**31,217**	24,121	27,195	22,502	21,813
Deposits and funds borrowed[2]	**671,194**	774,220	751,159	685,078	661,683
Loans and advances	**551,774**	598,328	526,323	437,774	403,059
Results[3]					
Total income	**13,665**	12,177	14,592	14,190	13,819
Operating expenses	**10,192**	10,364	10,013	9,063	8,855
Additions to the provision for loan losses	**2,973**	1,280	125	103	88
Result before taxation	**500**	533	4,454	5,024	4,876
Taxation	**(43)**	(170)	753	1,211	876
Net result (before minority interests)	**543**	703	3,701	3,813	4,000
Attributable to Shareholders of the parent	**684**	772	3,589	3,753	3,950
Ratios (in %)					
BIS ratio	**13.46**	12.78	10.32	11.02	10.86
Tier-1 ratio	**10.23**	9.32	7.39	7.63	7.32

(1) As at 31 December.
(2) Figures including Banks and Debt securities.
(3) For the year ended 31 December.
(4) These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2005 to 2009, respectively.

SHARE CAPITAL AND PREFERENCE SHARES

The authorised share capital of ING Bank N.V. amounts to EUR 1,808 million, consisting of 1,600 million ordinary shares with a nominal value of EUR 1.13 each and 50 preference shares, with a nominal value of EUR 1.13 each. The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and 7 preference shares as at 31 December 2009.

SIGNIFICANT DEVELOPMENTS

ING entering into transactions with the Dutch State

The rapidly worsening economic conditions following the summer of 2008 fuelled an internationally recognised belief that capital requirements for financial institutions had to be increased. In order to build up its capital buffer to navigate the challenging environment, ING decided to strengthen its capital position in October 2008 by issuing EUR 10 billion of Core Tier 1 Securities to the Dutch State. Under the terms of the agreement ING had the right to buy back all or some of the securities at any time at 150% of the issue price. In addition, ING had the right to convert all or some of the securities into (depositary receipts for) ordinary shares on a one-for-one basis, from three years after the issuance onwards. It was also agreed that should ING choose to do so, the Dutch State would be able to opt for repayment of the securities at EUR 10 each in cash. The coupon on the Core Tier 1 Securities is only payable if a dividend – either interim or final – is paid on common shares over the financial year preceding the coupon date. This transaction enabled ING to strengthen its capital position significantly.

In the fourth quarter of 2008 market conditions deteriorated even further, making it the worst quarter for equity and credit markets in over half a century. Market prices for residential mortgage-backed securities (RMBS, including Alt-A classified RMBS), collateralised debt obligations (CDOs) and collateralised loan obligations (CLOs) fell sharply as liquidity dried up. This eventually affected ING's results and equity more than expected, in particular due to ING Bank's portfolio of Alt-A RMBS. ING therefore entered into an agreement with the Dutch State on an Illiquid Assets Back-up Facility covering 80% of its Alt-A RMBS.

Under the terms of the Illiquid Assets Back-up Facility, ING transferred 80% of the economic ownership of the Alt-A RMBS portfolio (which consisted of an approximately EUR 30 billion par value Alt-A RMBS portfolio at ING Direct US and ING Insurance Americas) to the Dutch State. As a result, an undivided 80% interest in the risks and rewards of the portfolio was transferred to the Dutch State. The transaction price was 90% of the par value with respect to the 80% proportion of the portfolio of which the Dutch State has become the economic owner. In exchange, the Dutch State was to pay a funding fee and principal payments on two government receivables to ING. The first receivable initially had a funding fee of 3.5%, the second receivable initially had a funding fee of Libor +50 basis points (these fees were revised following discussions with the EC, which is discussed below under "Rights issue and additional agreements with the Dutch State"). ING remained the legal owner of 100% of the securities with an exposure of 20% to the portfolio's results. The transaction significantly strengthened ING Bank's capital and balance sheet as it resulted in a reduction of equity volatility. Moreover, it had a positive impact on shareholders' equity amounting to EUR 5 billion through a reduction of the negative revaluation reserve.

Back to Basics first phases

In April 2009 ING introduced its 'Back to Basics' programme: a strategic change programme to stabilise ING, restore credibility and regain trust, with the ultimate objective of sharpening focus and creating a more coherent set of activities.

First, the implementation of the programme involved a series of measures to strengthen ING's financial position through cost containment, reductions of risk and capital exposures, and deleveraging the balance sheet by reducing asset exposures and preserving equity.

Over the course of 2009 ING Bank completed its first phase of the Back to Basics programme, exceeding each of the targets set. Operating expenses were reduced by EUR 802 million on a comparable basis, exceeding the original target of EUR 725 million. Headcount reductions at ING Bank totalled 4,425, including from divestments, surpassing the expected reduction of 2,800 FTEs.

De-risking measures progressed well throughout 2009. During the fourth quarter of 2009 ING Direct sold EUR 0.8 billion of its US prime RMBS portfolio, realising a loss of EUR 83 million, but releasing EUR 7 billion of risk weighted assets. Deleveraging of ING Bank's balance sheet also exceeded the original target, reaching EUR 194 billion, or 18.0%, compared with the end of September 2008 when the balance sheet reductions began.

Secondly, ING announced a strategic review of its portfolio with the objective of identifying measures to simplify ING, increase its strategic focus and create a more coherent set of activities. In order to simplify the organisation, ING decided to operationally separate the management of its businesses, into one bank (principally being ING Bank) aiming for an integrated balance sheet and one insurer/investment manager (principally being ING Insurance) under the ING umbrella. In addition, the portfolio review made clear that a group of smaller businesses within ING consumed a disproportionate amount of capital, given the fact that they did not have a clear outlook for market leadership. To address this over-extension, ING made a number of portfolio choices based on market leadership, capital intensity, return on capital, funding needs, earnings contribution and the overall coherence of ING.

ING decided to reduce its geographic and business scope by concentrating on positions in markets with the strongest franchises. As a consequence, ING announced and completed a number of significant divestments over the course of 2009 and early 2010. With respect to ING Bank, these included its Swiss Private Banking business and its Asian Private Banking business. See the section "Description of ING Bank N.V. – Significant Developments – Divestments" in this Registration Document.

Meanwhile, ING managed to turn around its commercial performance. While implementing the first phases of the Back to Basics programme and redefining the strategic direction of the company, ING also worked closely with the Dutch authorities and the EC to identify steps which would enable ING to get the EC's approval for the support received from the Dutch State. This process was finalised in the second half of 2009 and is further explained below.

See also the section "Description of ING Bank N.V. – Strategy" in this Registration Document.

Restructuring Plan submitted to the European Commission

Under European rules, state-supported companies need to demonstrate their long-term viability and take actions to prevent undue distortions of competition. As a result, concurrently with the introduction and implementation of the first phases of the Back to Basics programme, ING was required to develop and submit its Restructuring Plan to the EC. Against this backdrop ING had to devise a plan that would not only enable it to pay back the Dutch State and address the EC's requirements, but also return its focus to the business and its customers. This was a challenging exercise, especially since the relevant EC guidelines were only published in July 2009, which post-dated ING's transactions with the Dutch State.

ING's negotiations with the EC were finalised in October 2009. On 18 November 2009 the EC formally approved the Restructuring Plan, which ING had submitted. With this decision the EC also gave final approvals for the issuance of the Core Tier 1 Securities to the Dutch State and for the Illiquid Assets Back-up Facility. On 25 November 2009 the extraordinary General Meeting approved the resulting strategic shift of ING, as well as the proposed rights issue of EUR 7.5 billion to facilitate an early repayment of a portion of the Core Tier 1 Securities to the Dutch State. The Restructuring Plan's strategic implications for ING are explained below.

A key goal of the Back to Basics programme was to reduce ING's complexity by operating the bank and insurer/investment manager separately under one ING umbrella. The negotiations with the EC on the Restructuring Plan acted as a catalyst to accelerate this process, by completely separating ING's banking and insurance operations, and ultimately eliminating its double leverage. The backgrounds and objectives of this strategic shift are further explained in the section "Description of ING Bank N.V. – Strategy" in this Registration Document.

ING has had to make a number of commitments to obtain the EC's approval for the transactions with the Dutch State. One of these involves the divestment of ING Direct US. It is anticipated that this divestment will take several years and be completed before the end of 2013. In the meantime, ING will ensure that it continues to grow the value of the business and invest in a superior customer experience. ING regards ING Direct US as a very strong franchise and the United States market clearly offers potential for growth. The concession regarding ING Direct US has no impact on ING Direct in other countries. ING remains committed to the ING Direct franchise as a strong contributor to ING's growth. Its unique customer proposition, simple transparent products and market-leading efficiency are core elements of ING's banking strategy.

Also as part of the Restructuring Plan, a new company will be created in the Dutch retail market out of part of ING Bank's current operations, by combining the Interadvies banking division (including WestlandUtrecht Hypotheekbank and the mortgage activities of Nationale-Nederlanden) and the existing consumer lending portfolio of Retail Banking. This business, once separated, will be divested. The combined business is expected to be the number 5 financial institution in The Netherlands. It is expected to be profitable and is expected to have a balance sheet of EUR 37 billion, with around 200,000 mortgage contracts, 320,000 consumer lending accounts, 500,000 savings accounts and 76,000 securities contracts. The business has a mortgage portfolio amounting to approximately EUR 34 billion, which equates to a market share of around 6%.

Under the Restructuring Plan, ING has also agreed to refrain from being a price leader within the EU for certain retail and SME banking products, and must refrain from acquisitions of financial institutions that might delay the repayment of the Core Tier 1 Securities. These restrictions will apply until the earlier of 18 November 2012 and the date on which the Core Tier 1 Securities have been repaid in full to the Dutch State.

ING submitted its Restructuring Plan on the condition that the EC guarantees equal treatment of all state-supported financial institutions and safeguards the level playing field in the EU internal market. In January 2010, ING lodged an appeal with the General Court of the European Union against specific elements of the EC's decision of 18 November 2009. The first element involves ING and the Dutch State's agreement upon a reduction of the repayment premium for the first EUR 5 billion tranche of Core Tier 1 Securities. This agreement provided the Dutch State with an early repayment and at an attractive return. The EC views this reduction as additional state aid of approximately EUR 2 billion. Both ING and the Dutch State contest this element of the decision, as it could hamper discussions between ING and the Dutch State on repayment terms of the remaining Core Tier 1 Securities. ING also seeks a ruling on the price leadership restrictions and the proportionality of the restructuring requirements demanded by the EC. ING believes it is in the interest of all its stakeholders to use the opportunities provided by law to let the General Court of the European Union review these elements of the EC's decision. The appeal does not alter ING's commitment to execute its Restructuring Plan as announced on 26 October 2009. ING stands firmly behind its strategic decision to separate its banking and insurance (including investment management) operations and divest the latter. These processes are on track and will continue as planned.

The restructuring measures, including steps already taken as part of ING's Back to Basics programme, are expected to result in a pro forma balance sheet reduction of around EUR 600 billion by 2013, approximately the equivalent of 45% of the balance sheet at 30 September 2008. This will be achieved through divestments mentioned above and further deleveraging of ING Bank's balance sheet. Including estimated organic growth, it is expected that by the end of 2013

ING Group's balance sheet will be approximately 30% smaller than at 30 September 2008. The proceeds from divesting the insurance operations will be used to eliminate double leverage and further repay the Dutch State.

Rights issue and additional agreements with the Dutch State

In conjunction with the Restructuring Plan submitted to the EC, ING also reached an agreement with the Dutch State to modify the repayment terms of the Core Tier 1 Securities in order to facilitate early repayment, bringing the terms in line with Dutch peers. ING thereby made use of an early repayment option to repurchase half of the Core Tier 1 Securities before the end of January 2010. As a result of the agreement, ING was able to repurchase EUR 5 billion of the Core Tier 1 Securities at the issue price (EUR 10 per security). The total payment amounted to EUR 5,605 million and consisted of a repayment of the EUR 5 billion principal amount plus accrued coupon from 12 May 2009 to 20 December 2009 of EUR 259 million and a premium of EUR 346 million.

Furthermore, in order to obtain approval from the EC on ING's Restructuring Plan, additional payments will be made to the Dutch State for the Illiquid Assets Back-up Facility, corresponding to a reduction of 50 basis points on the funding fee monthly received by ING and an increase of 82.6 basis points on the guarantee fee annually paid by ING. In total, these annual extra payments amounted to a net present value of EUR 1.3 billion, which was booked as a one time pre-tax charge in the fourth quarter of 2009. Under the agreement, the Illiquid Assets Back-Up Facility as announced in January 2009, including the transfer price of the securities of 90%, will remain unaltered.

In order to finance the repayment of the Core Tier 1 Securities and to mitigate the EUR 1.3 billion pre-tax capital impact of the additional payments for the Illiquid Assets Back-up Facility, ING launched a EUR 7.5 billion rights issue. ING aims to finance any further repayments of Core Tier 1 Securities from internal resources, including proceeds from the divestment of the insurance (including investment management) operations.

Divestments

On 15 January 2010 ING announced that it had completed the sale of its Swiss Private Banking business (part of ING Bank) to Julius Baer Group Limited, the leading pure-play Swiss Private Banking group, for a consideration of CHF 520 million (EUR 344 million) in cash. As originally announced on 7 October 2009, the divestment is in line with ING's Back to Basics strategy to focus on fewer franchises and reduce the complexity of ING. ING Private Banking in the Benelux and Central Eastern Europe remains part of the core business of ING Bank.

On 29 January 2010 ING announced that it had completed the sale of its Asian Private Banking business to Overseas-Chinese Banking Corporation Limited ("OCBC Bank") for a consideration of USD 1,463 million (approximately EUR 1 billion) in cash. OCBC Bank is Singapore's longest established local bank and offers a wide range of specialist financial services. As originally announced on 15 October 2009, the divestment is in line with ING's Back to Basics strategy to focus on fewer franchises and reduce the complexity of ING.

ING BANK STRATEGY

Back to Basics programme

As part of the Back to Basics programme, ING's main priorities were on cost cutting, deleveraging the balance sheet and de-risking. Over the course of 2009, ING Bank made good progress on realising these priorities. Cost containment initiatives aimed at cutting operating expenses by EUR 725 million were successful with a total of EUR 802 million realised on a comparable basis. The number of employees was reduced by 4,425 exceeding the announced headcount reduction of

2,800. ING Bank's target to reduce the balance sheet by 10% at the end of 2009 was exceeded. At 31 December 2009 the balance sheet was 18% lower (EUR 194 billion) than at the end of September 2008 when the balance sheet reductions began.

In the second phase of the Back to Basics programme, ING focused on fewer, coherent and strong businesses. Therefore ING decided to divest some businesses. In 2009 ING Bank closed its retail banking activities in the Ukraine, a market it entered the year before. ING Bank also announced the sale of its private banking activities in Asia and Switzerland. As a consequence of EC requirements, ING Bank has planned to divest certain of its activities before the end of 2013. This involves ING Direct USA and a combination of activities from ING's Dutch retail operations. As part of the Restructuring Plan, a new company will be created in the Dutch retail market out of part of the current operations, by combining the Interadvies banking division (including WestlandUtrecht Hypotheekbank and the mortgage activities of Nationale-Nederlanden) and the existing consumer lending portfolio of ING Retail. Furthermore, ING Bank must refrain from being a price leader within the EU for certain retail and SME banking products, and must refrain from acquisitions of financial institutions.

In October 2009 ING announced the full split of the company into a bank and insurer. ING Bank's ambition is to be a leader in international retail, direct and commercial banking with attractive growth options in Central Europe, Turkey and selected markets throughout the Asia/Pacific region.

Separation of banking and insurance operations by ING

In October 2009 ING announced, for the reasons set forth below, the separation of its banking operations (as principally conducted by ING Bank) and insurance (including investment management) operations. ING is now implementing the operational separation of the banking and insurance (including investment management) operations, that was initiated within the scope of the Back to Basics programme launched in April 2009.

- Due to its rapid growth in recent years, managing ING was becoming increasingly complex, as its banking and insurance (including investment management) operations not only have different drivers in their business models, but they also face different challenges in managing and pricing risk as well as in managing balance sheet exposures and capital needs.
- In the past, especially in a benign economic environment, ING enjoyed a material capital benefit, as its diversification allowed it to utilise double leverage at its holding company. However, under less favourable market circumstances, this element of ING's capital structure has appeared to be less beneficial.
- There is insufficient geographic overlap of insurance manufacturing capabilities with bank distribution capabilities. Hence, banks today do not need to manufacture in house, the insurance products they distribute.
- Finally, ING is seeing an increased demand for greater simplicity, reliability and transparency.

In addition to these reasons, ING also wanted to reach a timely resolution in the discussions with the EC about the support received from the Dutch State. Expediting the decision to separate its banking and insurance (including investment management) operations enabled ING to meet EC demands to reduce its overall balance sheet, while maintaining as much as possible the strategic integrity of both parts of the business.

Repaying the Dutch State

In October 2008 and January 2009 ING entered into transactions with the Dutch State: the first time to strengthen its capital position and the second time to mitigate risk. In the fourth quarter of 2009 ING took action to start repaying this support. Through its rights issue ING successfully raised EUR 7.5 billion of new capital, which enabled it to repay EUR 5 billion of the Core Tier 1 Securities, representing half of the Core Tier 1 Securities, plus accrued coupon from 12 May 2009 to 20 December 2009 of EUR 259 million and a repayment premium of EUR 346 million. In addition, the capital raised provided ING with sufficient buffer to offset the negative capital impact of the additional payments to be made for the Illiquid Assets Back-up Facility.

A leader in international Retail, Direct and Commercial banking

The bank of tomorrow should be effective at attracting customer savings, especially as there is expected to be a revival of traditional savings banks with lower risk appetites in response to the unprecedented events in the past two years. ING Bank's product offering therefore needs to become less complicated. At the same time it remains ING Bank's ambition to provide high quality banking products that meet the expectations of its customers without doing harm to people or the environment and that are easy to access and understand. ING Bank will strive for strong and defendable market positions, a trusted brand and a strong marketing organisation.

ING Bank has a promising starting position. It is one of the largest savings banks in the world and its funding base is strong. ING Bank has a leading position in its home markets and its direct banking model is based on efficiency and innovative distribution, which are reflected in a low cost base and high customer satisfaction rates. On these strong foundations, ING Bank aims to build a leading retail, direct and commercial bank, anchored in the Benelux and predominantly focused on Europe with attractive growth options in Central Europe, Turkey and selected markets throughout Asia. ING Bank will build on its global presence and international network and capitalise on its leadership position in gathering savings, multi-channel distribution, simple propositions and marketing, in particular through ING Direct. Cost leadership, superior customer service, innovative distribution and good corporate citizenship will be the key levers for ING Bank's future development.

Although the actions needed to ensure success will vary across regions and product lines, ING Bank has determined the main features for each business line:

- Retail Banking: The transformation programmes in The Netherlands and Belgium will be continued to enhance customer centricity, streamline the business, reduce costs in ING Bank's branch networks, expand ING Bank's distribution capabilities and enhance cross-selling of different products to retail customers. Accordingly, ING Bank will further simplify its product lines in the rest of Europe and Asia and use its experience in direct banking to expand its innovative distribution platforms.
  - ING Direct: ING Bank will continue to serve the needs of its customers by delivering simple and transparent retail banking products at very low cost and further strengthen its competitive advantage through excellent service and cutting edge distribution capabilities ensuring maximum convenience. ING Bank will further deepen customer relationships and offer an even more complete range of products and services.
- Commercial Banking: ING Bank will serve large corporations in the Benelux and Central Europe by offering a full range of products, from cash management to corporate finance. Across its international network, ING Bank will pursue a more selective approach. ING Bank will concentrate on creating cost advantages by leveraging local scale and reducing

costs through IT and process improvement. Cross-selling efforts will be increased and ING Bank will capitalise on its expertise in fixed income products in emerging markets to further strengthen its financial markets business.

As a consequence of EC requirements, ING also plans to divest certain banking activities before the end of 2013. This particularly involves ING Direct US and a combination of activities from ING's Dutch retail operations. See also the section "Description of ING Bank N.V. – Restructuring Plan submitted to the European Commission" in this Registration Document.

Conclusions and ambitions

2009 was one of the most challenging years in the history of ING Bank. In recognition of the increased demand for simplicity, reliability and transparency, ING decided to start moving towards separation of its banking activities and insurance (including investment management) activities. This will help ING simplify the organisation, enabling it to adapt itself more quickly, improve its efficiency and serve its customers better. On top of that, ING took action to repay half of the capital it received from the Dutch State using a portion of the proceeds from its successfully completed rights issue.

ING Bank's goal is to reinforce its position as a leading international retail, direct and commercial bank. While realising this ambition, ING Bank will do its utmost to maintain the confidence of its stakeholders and be a good corporate citizen. In the pursuit of its universal ideal of delivering an easier customer experience, ING Bank will continue to deliver financial products and services in the way that its customers want them delivered: with exemplary service and convenience provided at attractive prices.

TRANSACTIONS WITH THE DUTCH STATE

On 12 November 2008 ING Group issued 1 billion Core Tier 1 Securities to the Dutch State against payment of EUR 10 per Core Tier 1 Security resulting in an increase of ING Group's core Tier 1 capital of EUR 10 billion. The Core Tier 1 Securities do not form part of ING Group's share capital; accordingly they do not carry voting rights in the General Meeting.

On 26 January 2009 ING Group reached an agreement with the Dutch State regarding the Illiquid Assets Back-Up Facility covering 80% of ING's Alt-A residential mortgage-backed securities (RMBS). During 2009 ING Bank N.V. issued various series of Government Guaranteed Bonds under the Credit Guarantee Scheme of The Netherlands in an aggregate total amount of approximately €10 billion.

As part of these transactions, certain arrangements with respect to corporate governance and executive remuneration were agreed with the Dutch State which will remain in place as long as the Dutch State owns at least 250 million Core Tier 1 Securities, as long as the Illiquid Assets Back-Up Facility continues or any of the Government Guaranteed Bonds is outstanding (whichever expires last).

These arrangements entail that:

- the Dutch State may recommend two candidates (the "State Nominees") for appointment to the Supervisory Board of ING Group. Certain decisions of the Supervisory Board of ING Group require approval of the State Nominees;

- ING Group will develop a sustainable remuneration policy for its Executive Board and senior management that is aligned to new international standards and submit this to its General Meeting for adoption. This remuneration policy shall include incentive schemes which are linked to long-term value creation, thereby taking account of risk and restricting the potential for ‘rewards for failure’. The new remuneration policy will include objectives relating to corporate and social responsibility;

- members of the Executive Board of ING Group will not receive any performance-related payment – either in cash, options, shares or depositary receipts for shares – for the years 2008, 2009 and subsequent years until the adoption of the new remuneration policy mentioned above;
- severance payments to members of the Executive Board of ING Group will be limited to a maximum of one year’s fixed salary, in line with the Dutch Corporate Governance Code; and
- appointment of the chief executive officer of the Executive Board of ING Group requires approval of the State Nominees.

For further information on the transactions entered into with the Dutch State see the section “Description of ING Bank N.V. – Significant Developments” in this Registration Document.

CORPORATE ORGANISATION

ING Bank N.V. has a Supervisory Board and a Management Board Banking. The Management Board Banking is responsible for the day-to-day management of ING Bank and its business lines (Retail Banking, ING Direct (which as of 1 January 2010 is managed as part of Retail Banking) and Commercial Banking). See the section “Description of ING Bank N.V. – Supervisory Board and Management Board Banking” in this Registration Document.

Each business line formulates the strategic, commercial and financial policies in conformity with the strategy and performance targets set by the Management Board Banking. Each business line is also responsible for the preparation of its annual budget, which is then approved and monitored by the Management Board Banking. In addition, each business line approves the strategy, commercial policy and the annual budgets of the business units in its business line and monitors the realisation of the policies and budgets of that business line and its business units.

RETAIL BANKING

The retail banking business focuses on retail banking services to individuals, and to small- and medium-sized businesses and on private banking. These businesses are supported by a multi-product, multi-channel distribution approach. ING Bank serves two types of retail markets, each reflecting its different market positions and therefore each requiring a slightly different approach with regard to the retail strategy. In the mature markets of The Netherlands and Belgium, ING Bank’s strategy is to assist its clients in areas such as wealth accumulation, savings and mortgages. ING Bank seeks to distribute these different products through an efficient mix of channels appropriate to the client segments and products. In a number of selected developing markets with the right demographics, economic growth potential and stable institutional environment, ING Bank’s strategy is to become a prominent player in the local retail banking markets, providing its clients with simple but quality products.

The Netherlands

ING combined ING Bank and Postbank under the ING brand in the first quarter of 2009. As of October 2009, it had over 8 million retail clients and 600,000 SME clients. The new bank has improved customer service by combining the direct banking model of Postbank with the professional advice capabilities of ING Bank.

Retail banking reaches its individual customers through home banking, telephone, call centers, internet banking, mailings and post offices. Using direct marketing methods, it leverages its position as a leading provider of current account services and payments systems to provide other financial services such as savings accounts, mortgage loans, consumer loans, credit card services, investment and insurance products. Mortgages are offered through a tied agents sale force and direct and intermediary channels.

ING Bank Netherlands currently operates through a branch network of over 250 branches. It offers a full range of commercial banking activities and also life and non-life insurance products. It also sells mortgages through the intermediary channel.

Belgium

ING Belgium provides banking, insurance (life, non-life) and asset management products and services to meet the needs of individuals, families, companies and institutions through a network of local head offices, 800 branches and direct banking channels (fully automated branches, home banking services and call centres). ING Belgium also operates a second network, Record Bank, which provides a full range of banking products through independent banking agents and credit products through a multitude of channels (agents, brokers, vendors).

Central Europe

In Poland, ING Bank Slaski provides a full range of banking services to business and individual customers through a network of 430 branches, supported by ATMs and telephone, internet and electronic banking. Since 2004 ING Bank has opened 200 fully automated outlets in Romania that provide selected banking products to individual clients. On 24 December 2007 the acquisition of Oyak Bank was completed and in July 2008 Oyak Bank was successfully rebranded into ING Bank. ING Bank is a leading bank in the Turkish market offering a full range of banking services with a focus on retail banking.

Asia

In India, ING Vysya Bank has a network of 460 branches supported by a sales force of tied agents, who provide a full range of banking services to 2 million business and individual clients. In China, ING acquired a 19.9% participation in Bank of Beijing in 2005, reduced by the IPO of the Bank of Beijing to 16.1%. In Thailand ING has a 30% stake (on a fully diluted basis) in TMB Bank, a universal banking platform with a nationwide network.

Private Banking

Private Banking provides wealth management services to high net worth individuals throughout the world. ING has continued to raise the visibility of the Private Banking activities in the Benelux to penetrate ING's existing client base in these markets. As discussed in the section "Description of ING Bank N.V. – Significant Developments – Divestments" in this Registration Document, ING has recently sold its Swiss Private Banking business and its Asian Private Banking business.

ING Direct

In connection with ING Bank's plans to bring together all its retail banking activities, ING Direct became part of the newly-formed Retail Banking Direct & International division on 1 January 2010. ING Bank expects to build on its global presence and international network and capitalise on its leadership position in gathering savings, multi-channel distribution, simple propositions and marketing, in particular through ING Direct.

ING Direct is a direct banking business, which is an important part of ING's international retail strategy. The strategy of ING Direct is to be a low-cost provider of financial services in large, mature markets by offering clients simple and transparent products and excellent service via call-centres, direct mail and the internet. The main products offered by ING Direct are saving accounts and mortgages. ING Direct also sells a focused range of financial products such as mutual funds, e-brokerage, payment accounts and pensions.

ING Direct's direct banking business is active in nine countries: Canada, Spain, Australia, France, the United States, Italy, Germany, Austria and the United Kingdom and as of the end of 2009, provides services to almost 23 million customers.

ING Direct in 2009 showed resilient commercial growth bringing the total client balances (includes funds entrusted, off balance sheet funds and retail lending) to EUR 354 billion at 31 December 2009 from EUR 308 billion at 31 December 2008. ING Direct is focusing on maintaining an attractive customer offering in savings and term deposits while continuing to balance its mortgage portfolio. In 2009 ING Direct further expanded its product range through the launch of payment accounts in several countries. At year-end 2009 total funds entrusted to ING Direct worldwide amounted to EUR 217 billion and total retail lending amounted to EUR 127 billion. At year-end 2008 total funds entrusted to ING Direct worldwide had amounted to EUR 191 billion and total retail lending had amounted to EUR 111 billion.

On 26 October 2009 ING announced its Restructuring Plan pursuant to which it intends to divest ING Direct US.

Until the completion of the divestment, ING intends to continue to manage its US direct banking business as though it will be the long-term owner, investing in growth opportunities when they are attractive and can be supported by the capital and management of the business. The divestment is expected to take several years and is not anticipated before the end of 2013. ING remains committed to the ING Direct franchise, which ING expects to be an important contributor to ING's growth going forward.

COMMERCIAL BANKING

Commercial Banking conducts operations for corporate clients – from large companies to major multinationals – as well as for governments and financial institutions. The primary focus is on The Netherlands, Belgium, Poland and Romania, where it offers a full range of products, from cash management to corporate finance. Elsewhere, it takes a more selective approach to clients and products. Commercial Banking is comprised of the following product groups: Lending, Payments and Cash Management (PCM), Structured Finance, Leasing & Commercial Finance, Financial Markets and ING Real Estate.

In 2009 Commercial Banking continued executing its own 'Fitter, Focused, Further' strategy for 2008-2010, with the aim of becoming a leader in several key markets and products by the end of 2010. The strategy includes becoming the market leader in the Benelux, a top 5 wholesale bank in selected Central and Eastern Europe markets, and a global or regional leader in a number of key product areas, including Structured Finance, Financial Markets, PCM and Leasing.

Throughout 2009 Commercial Banking worked hard to manage its capital, reduce risks and contain costs in line with the Back to Basics programme. Operating expenses decreased in 2009 compared with 2008 due to cost-containment programmes and reduced headcount. Commercial Banking significantly reduced risk in its Financial Market books, reflected by a lower Value at Risk measure. It also significantly reduced exposure to high-risk industries. In addition, the Financial Markets Emerging Markets initiative was put on hold, which also contributed to the Group's overall balance sheet reduction.

Volumes decreased at Lending over the course of the year; however, income increased due to repricing of the portfolio and widening lending margins in the first quarters of the year.

Income at PCM has been under pressure due to lower interest rates and competition for liabilities, especially in The Netherlands and Central & Eastern Europe, where volumes in transactions increased and fees were under pressure. Commercial Banking won the coveted TMI European Cash Management Award for 2009.

Structured Finance, ING's specialised finance arm, achieved solid income growth and a decrease in costs during 2009. However, these were more than offset by an increase in risk costs.

Leasing & Commercial Finance saw a decline in earnings due to weak economic conditions that resulted in a lower result on sale of leased assets and increased residual value provisioning, as well as an increase in risk costs. However, ING Lease moved up to 4th position in the ranking of Top European Leasing Companies by Leaseurope.

Financial Markets enjoyed a strong year due to the steep yield curve, increased spreads and favourable trading conditions. Margins on standardised flow products remained at elevated levels, as counterparty and credit risks were increasingly priced in. Financial Markets has sought cross-selling opportunities across product areas and client groups. Going forward, the Financial Markets Emerging Markets initiative will be relaunched to leverage the existing strong brand, reputation, skills and products in Central & Eastern Europe and Asia.

In 2009 the Finance and Development businesses of ING Real Estate were transferred to the Commercial Banking business. Although Real Estate Finance remained globally active, the difficult market circumstances resulted in lower transaction volumes and required a strong focus on portfolio management. Real Estate Development undertook several actions to counter the impact of the crisis and repositioned the business to take advantage of future market recovery.

Throughout 2009 ING completed high-profile deals that showcased its commitment to cross-selling and offering clients solutions across regions. These transactions included underwriting EUR 2.05 billion in a EUR 19 billion Jumbo Syndicated Loan to finance Gas Natural's acquisition of Union Fenosa in May 2009. ING played a leading role in the balance sheet restructuring of the Vandemoortele Group in Belgium in June 2009. ING also acted as sole financial advisor for Vopak in a EUR 110 million preference shares transaction, marking the first large corporate preference shares issuance for a listed company in The Netherlands since 2004.

In 2009 Commercial Banking achieved strong results, despite negative impairments and fair value changes in Real Estate and higher risks costs. Going forward, it will seek to continue to secure important mandates and transactions and leverage on its expertise and international network to meet client needs globally. Risk and expenses will be managed carefully and the strategic focus will continue on key markets and product areas where it has a competitive advantage.

REGULATION AND SUPERVISION

The banking and broker-dealer businesses of ING Bank are subject to detailed comprehensive supervision in all the jurisdictions in which ING Bank conducts business. This supervision is based in large part on EU directives and regulations, discussed more fully below.

The Dutch regulatory system for financial supervision consists of prudential supervision – monitoring the soundness of financial institutions and the financial sector, and conduct-of-business supervision – regulating institutions' conduct in the markets. Prudential supervision is exercised by the Dutch Central Bank, while conduct-of-business supervision is performed by The Netherlands Authority for the Financial Markets (the AFM).

A large number of national, regional and global bodies have presented in 2009 views and proposals of possible legislative and regulatory changes for the banking and investment industry. In February 2009 the High-Level Group on Financial Supervision in the EU chaired by Mr Jacques de Larosière submitted, in line with its October 2008 mandate, a report with recommendations to the EC on the need for stronger coordinated supervision and effective crisis management procedures in the EU. This report has resulted in various far reaching proposals by the EC to amend current legislation vis-à-vis the European supervisory architecture, but also on items such as capital, liquidity, securitisation and remuneration. On the issue of supervisory architecture there was the intended establishment of European supervisory agencies. Increased capital and liquidity standards and changes to the rules governing securitisation and remuneration may also have significant impact on the financial industry. There were many other bodies, including national legislators and supervisory authorities, presenting possible new legislation or guidelines on the abovementioned topics, these include for example the Dutch Government "vision document" on the future of the Dutch financial sector, the Turner and Walker Reviews in the UK, and various proposals by the Obama administration in the US. On a global level, in particular the Financial Stability Board and the Basel Committee on Banking Supervision have laid down proposals that may have a significant impact on the way financial institutions will operate going forward. The aggregated impact and possible interaction of all the proposals is hard to determine making it a necessity to align these proposals where possible. The financial industry has not stood silent and has also taken initiatives by means of guidelines and forms of self regulation. A prime example of the latter is the Banking Code as established by the Dutch Bankers' Association, which entails a set of principles on corporate governance, risk management, audit and remuneration that Dutch banks will have to apply on a comply or explain basis. As from the financial year 2010 ING Bank N.V. will report on the implementation of the Banking Code. Work has also been done on many other topics including deposit guarantee schemes and cross border crisis and resolution management.

Retail Banking, ING Direct and Commercial Banking

Basel II and EU Standards as currently applied by ING Bank

The Dutch Central Bank, ING Banks' home supervisor, has given ING Bank permission to use the most sophisticated approaches for solvency reporting under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Dutch legislation reflecting the Basel II Accord. The Dutch Central Bank has shared information with host regulators of relevant jurisdictions to come to a joint decision. In all jurisdictions where the bank operates through a separate legal entity, ING Bank must meet local Basel requirements as well.

ING Bank uses the Advanced IRB Approach for credit risk, an internal VaR model for its trading book exposures and the Advanced Measurement Approach for operational risk. During 2008 and 2009 a Basel I regulatory floor of 90% and 80%, respectively, still applied. A small number of portfolios are still reported under the Standardized Approach.

ING Bank files consolidated quarterly and annual reports of its financial position and results with the Dutch Central Bank in the Netherlands. ING Bank's independent auditors audit these reports on an annual basis.

Payment Services Directive

The Payment Services Directive (the "PSD") is a harmonized legal framework for the market for payment services in the EU, and a direct result of the so-called Lisbon Agenda to make the EU the most dynamic and competitive knowledge-based economy in the world by 2010. The PSD had to be implemented in the national laws of all EU Member States at the latest by 1 November 2009, but not all Member States were able to meet this deadline. The PSD pursues a threefold objective, being the enhancement of competition by removing payment market entry barriers, the enlargement of market transparency for all payment service users and the standardization of rights and obligations of both providers and users of payment services in the EU.

The PSD affects current as well as future payment products, including Single Euro Payments Area products. As a consequence, ING Bank businesses offering payment services in no less than 17 Member States of the EU are impacted. An extensive programme covering all these countries has been set up by ING Bank enabling ING Bank to face the challenges of the new post-PSD market for payment services and strengthen its position as a major European player in the payments arena.

Americas

United States

ING Bank has a limited direct presence in the United States through the facility of the ING Bank Representative Office in New York. Although the office's activities are strictly limited to essentially that of a marketing agent of bank products and services and a facilitator (i.e. the office may not take deposits or execute any transactions), the office is subject to the regulation of the State of New York Banking Department and the Federal Reserve. ING Bank also has a subsidiary in the United States, ING Financial Holdings Corp, which through several operating subsidiaries offers various financial products, including lending, and financial markets products. These entities do not accept deposits in the United States on their own behalf or on behalf of ING Bank.

A major part of ING's banking activities in the United States, ING Direct US, is regulated by the Office of Thrift Supervision (the "OTS"), a division of the United States Treasury Department and, to a lesser extent, by the Federal Deposit Insurance Corporation, an independent agency of the United States federal government that operates under the auspices of the Federal Deposit Insurance Act, a United States federal law. Because ING Direct US is a federally chartered savings bank, ING Bank is a savings and loan holding company and consequently its United States activities are subject to the consolidated supervision of the OTS under the Home Owners' Loan Act.

Within the legislative and executive branches, there are growing discussions regarding the need to reform the financial supervision framework and regulatory structure in the United States. The results and impact of this review and any likely changes are unclear, but any changes could have a material impact on the whole of the financial industry and banking institutions in particular.

Anti-Money Laundering Initiatives and countries subject to sanctions

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (the "USA PATRIOT Act") substantially broadened the scope of United States anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, creating new crimes and penalties and expanding the extra-territorial jurisdiction of the United States. The United States Treasury Department has issued a number of implementing regulations which apply various requirements of the USA PATRIOT Act to financial institutions such as ING Bank's bank, broker-dealer and investment adviser subsidiaries. Those regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. In addition, the bank regulatory agencies are imposing heightened standards, and law enforcement authorities have been taking a more active role. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious legal and reputation consequences for the institution.

As a result of ING Bank's frequent evaluation of all businesses from economic, strategic and risk perspectives ING Bank continues to believe that for business reasons doing business involving certain specified countries should be discontinued, which includes that ING Bank has a policy not to enter into new relationships with clients from these countries and processes remain in place to discontinue existing relationships involving these countries. At present these countries include Myanmar, North Korea, Sudan, Syria, Iran and Cuba. ING Bank has in 2009 liquidated the Netherlands Caribbean Bank, which had been a 100% owned subsidiary since 2007.

ING Bank has continued discussions with its Dutch bank regulator, the Dutch Central Bank, related to transactions involving persons in countries subject to sanctions by the EU, the United States and other authorities and its earlier review of transactions involving sanctioned parties. In connection with that review and related discussions ING Bank has undertaken to complete the global implementation of enhanced compliance and risk management procedures, and to monitor the implementation of such procedures on an ongoing basis, as instructed by DNB. ING Bank also remains in discussions with authorities in the United States and in other jurisdictions concerning these matters, including with respect to ongoing information requests, and it is not possible to predict at this time the outcome thereof. Financial institutions continue to experience close scrutiny by regulatory authorities, governmental bodies, shareholders, rating agencies, customers and others to ensure they comply with the relevant laws, regulations, standards and expectations. Bank and insurance regulators and other supervisory authorities in Europe, the United States and elsewhere continue to oversee the activities of financial institutions to ensure that they operate with integrity and conduct business in an efficient, orderly and transparent manner. ING Bank seeks to meet the standards and expectations of regulatory authorities and other interested parties through a number of initiatives and activities, including scrutinizing account holder information, payment processing and other transactions to support compliance with regulations governing money-laundering, economic and trade sanctions, bribery and other corrupt practices. The failure or perceived failure by ING Bank to meet applicable standards in these areas could result in, among other things, suspension or revocation of ING Bank's licenses, cease and desist orders, fines, civil or criminal penalties and other disciplinary action which could materially damage ING Bank's reputation and financial condition, and accordingly ING Bank's primary focus is to support good business practice through its Business Principles and group policies.

As a large multinational financial institution ING Bank is subject to reputational and other risks in connection with regulatory and compliance matters involving such countries.

Canada

ING Bank of Canada ("ING Direct Canada") is a federally regulated financial institution that is subject to the supervision of the Office of the Superintendent of Financial Institutions (the "OSFI"), which is the primary supervisor of federally chartered financial institutions (including banks and insurance companies) and federally administered pension plans.

ING Direct Canada operates a wholly-owned mutual fund dealer subsidiary, ING Direct Mutual Funds Limited that is subject to provincial regulation in the provinces in which it operates. ING Direct Mutual Funds Limited's home province supervisor is the Ontario Securities Commission, which regulates the sale of mutual funds and equities in Ontario. ING Direct Funds Limited is also a member of the Mutual Funds Dealer's Association, a mandatory self-regulatory body, which governs and oversees the conduct of mutual fund dealers in Canada.

Asia/Pacific

Australia

The Australian Prudential Regulation Authority is responsible for the prudential regulation of banks and other deposit taking institutions, life and general insurance companies, superannuation funds and Retirement Savings Account Providers.

BROKER-DEALER ACTIVITIES

United States

ING Bank's broker-dealer entities in the United States are regulated by the U.S. Securities and Exchange Commission, the states in which they operate, and the Financial Industry Regulatory Authority ("FINRA"), the self-regulatory organization which succeeded to the regulatory functions of the National Association of Securities Dealers and the New York Stock Exchange. The primary governing statutes for such entities are the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and state statutes and regulations, as applicable. These and other laws, and the regulations promulgated thereunder, impose requirements (among others) regarding minimum net capital, safeguarding of customer assets, protection and use of material, non-public (inside) information, record-keeping requirements, supervision of employee activities, credit to customers, suitability determinations in the context of recommending transactions to customers, clearance and settlement procedures and anti-money laundering standards and procedures. The rules of FINRA in some respects duplicate the above-mentioned legal requirements, but also impose requirements specific to the marketplaces that FINRA oversees. For example, FINRA imposes requirements relating to activities by market-makers in the over-the-counter market in equity securities and requirements regarding transactions effected in its listed securities market.

Certain ING Bank entities in the United States (including certain of its broker-dealers) also act in the capacity of a federally registered investment advisor (i.e., providing investment advice to customers for a fee), and are governed in such activities by the Investment Advisers Act of 1940, as amended. Moreover, certain ING Bank entities manage registered investment companies (such as mutual funds) and the Investment Company Act of 1940, as amended, regulates the governance and activities of those funds. These laws impose, among other things, record-keeping and disclosure requirements on ING Bank in the context of such activities. Moreover, the laws impose restrictions on transactions or require disclosure of transactions involving advisory clients and the advisor or the advisors' affiliates, as well as transactions between advisory clients. In addition, ERISA imposes certain obligations on investment advisors managing employee plan assets as defined in the Act.

Other federal laws affect ING Bank's United States financial services businesses in a variety of ways, including federal and state privacy legislation which requires safeguarding and confidentiality of customer information, federal tax laws, and the USA PATRIOT Act of 2001 requiring, among other things, the establishment of anti-money laundering monitoring programs. Certain sales and solicitation practices are also subject to United States Department of Labor and state regulation and disclosure obligations as well.

The failure of ING Bank to comply with these various requirements could result in civil and criminal sanctions and administrative penalties imposed by the U.S. Securities and Exchange Commission, the states, or FINRA. Moreover, employees who are found to have participated in the violations, and the managers of these employees, also may be subject to penalties by governmental and self-regulatory agencies.

SELECTED FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET OF ING BANK N.V.*

(amounts in millions of euros)	**31 December 2009**	31 December 2008	31 December 2007
Assets			
Cash and balances with central banks	**12,602**	18,169	9,829
Amounts due from banks	**43,397**	48,447	48,875
Financial assets at fair value through profit and loss:			
- trading assets	**110,981**	159,843	192,215
- non-trading derivatives	**8,610**	10,631	6,784
- designated as at fair value through profit and loss	**3,178**	4,548	9,146
Investments:			
- available-for-sale	**92,182**	133,365	143,632
- held-to-maturity	**14,409**	15,440	16,753
Loans and advances to customers	**551,774**	598,328	526,323
Investments in associates	**1,396**	1,813	2,010
Real estate investments	**2,283**	2,884	3,527
Property and equipment	**5,567**	5,686	5,330
Intangible assets	**2,377**	2,415	1,883
Assets held for sale	**4,583**		
Other assets	**28,780**	33,120	27,806
Total assets	**882,119**	1,034,689	994,113
Equity			
Shareholders' equity (parent)	**30,222**	22,889	25,511
Minority interests	**995**	1,232	1,684
Total equity	**31,217**	24,121	27,195
Liabilities			
Subordinated loans	**21,193**	21,657	18,786
Debt securities is issue	**109,357**	84,272	55,990
Amounts due to banks	**84,235**	152,265	166,972
Customer deposits and other funds on deposit	**477,602**	537,683	528,197
Financial liabilities at fair value through profit and loss:			
- trading liabilities	**98,245**	152,611	148,887
- non-trading derivatives	**16,777**	17,050	5,569
- designated as at fair value through profit and loss	**11,474**	14,009	13,882
Liabilities held for sale	**4,631**		
Other liabilities	**27,388**	31,021	28,635
Total liabilities	**850,902**	1,010,568	966,918
Total liabilities and equity	**882,119**	1,034,689	994,113

*These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2009, 2008 and 2007.

BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING BANK N.V.*

(amounts in millions of euros)	**31 December 2009**	31 December 2008	31 December 2007
Share capital	**525**	525	525
Share premium	**16,542**	16,392	9,192
Revaluation reserve	**2,329**	(3,857)	2,105
Currency translation reserve	**(241)**	(475)	(18)

Other reserves	**11,067**	10,304	13,707
Shareholders' equity (parent)	**30,222**	22,889	25,511

*These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial year ended 31 December 2009, 2008 and 2007.

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING BANK N.V.*

(amounts in millions of euros)		**2009**		2008		2007
Interest income	**80,348**		97,578		76,765	
Interest expense	**(67,586)**		(86,292)		(67,730)	
Interest result		**12,762**		11,286		9,035
Investment income		**(1,742)**		(2,386)		809
Net gains/losses on disposal of group companies		**(13)**		162		138
Gross commission income	**3,553**		3,994		4,166	
Commission expense	**(875)**		(1,099)		(1,240)	
Commission income		**2,678**		2,895		2,926
Valuation results on non-trading derivatives		**(921)**		343		126
Net trading income		**833**		(405)		740
Share of profit from associates		**(388)**		(210)		238
Other income		**456**		492		580
Total income		**13,665**		12,177		14,592
Addition to loan loss provisions		**2,973**		1,280		**125**
Intangible amortisation and other impairments		**496**		154		**(5)**
Staff expenses		**5,243**		5,988		**5,421**
Other operating expenses		**4,453**		4,222		**4,597**
Total expenses		**13,165**		11,644		**10,138**
Result before tax		**500**		533		**4,454**
Taxation		**(43)**		(170)		**753**
Net result (before minority interests)		**543**		703		**3,701**
Attributable to:						
Shareholders of the parent		**684**		772		**3,589**
Minority interests		**(141)**		(69)		**112**
		543		703		**3,701**

*These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial year ended 31 December 2009, 2008 and 2007.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following review and prospects should be read in conjunction with the consolidated financial statements and the notes thereto of ING Bank N.V. incorporated by reference in this Registration Document. These consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU.

FACTORS AFFECTING RESULTS OF OPERATIONS

ING Bank's results of operations are affected by demographics and by a variety of market conditions, including economic cycles, banking industry cycles and fluctuations in stock markets, interest and foreign exchange rates. See the section "Risk Factors" in this Registration Document for more factors that can impact ING Bank's results of operations.

Fluctuations in equity markets

ING Bank's operations are exposed to fluctuations in equity markets. ING Bank maintains an internationally diversified and mainly client-related trading portfolio. Accordingly, market downturns are likely to lead to declines in securities trading and brokerage activities which ING Bank executes for customers and therefore to a decline in related commissions and trading results. In addition to this, ING Bank also maintains equity investments in its own non-trading books. Fluctuations in equity markets may affect the value of these investments.

Fluctuations in interest rates

ING Bank's operations are exposed to fluctuations in interest rates. ING Bank's management of interest rate sensitivity affects the results of its operations. Interest rate sensitivity refers to the relationship between changes in market interest rates on the one hand and on the other hand to changes in both net interest income and the results of ING Bank's trading activities for its own account. Both the composition of ING Bank's assets and liabilities and the fact that interest rate changes may affect client behaviour in a different way than assumed in ING Bank's internal models result in a mismatch which causes the operations' net interest income and trading results to be affected by changes in interest rates.

Fluctuations in exchange rates

ING Bank is exposed to fluctuations in exchange rates. ING Bank's management of exchange rate sensitivity affects the results of its operations both through the trading activities for its own account and because of the fact that ING Bank publishes its consolidated financial statements in Euros. Because a substantial portion of ING Bank's income and expenses are denominated in currencies other than Euros, fluctuations in the exchange rates used to translate foreign currencies, particularly the U.S. dollar, the Australian dollar, the Canadian dollar, the Turkish lira, the Japanese yen, the Korean won, the Pound sterling and the Polish zloty into Euros will impact ING Bank's reported results of operations and cash flows from year to year. This exposure is mitigated by the fact that realised results in non-Euro currencies are translated into euro by monthly hedging. See the section "Accounting policies for the consolidated balance sheet and profit and loss account of ING Bank" in the ING Bank N.V. consolidated financial statements for a description of ING Bank's hedging activities with respect to foreign currencies. Fluctuations in exchange rates will also impact the value (denominated in euro) of ING Bank's investments in its non-Euro reporting subsidiaries. The impact of these fluctuations in exchange rates is mitigated to some extent by the fact that income and related expenses, as well as assets and liabilities, of each of ING Bank's non-euro reporting subsidiaries are generally denominated in the same currencies. For the main foreign currencies in which ING Bank's income and expenses are denominated, namely the U.S. dollar, Pound sterling, Canadian dollar, Australian dollar, Turkish lira and Polish zloty, the translation risk is managed taking into account the effect of translation results on the Tier-1 ratio. For all other currencies the translation risk is managed within a Value-at-Risk limit.

Market developments 2009

After the turmoil in the financial markets during 2008, the financial markets improved considerably during 2009, with the exception of direct and indirect Real Estate investments. The volatility levels came down sharply, with volatility levels at year end 2009 similar to the levels in the first half of 2008. Throughout the world the prices of most major asset classes recovered strongly. Equity markets went up significantly: year on year the S&P 500 increased 23% and the Dutch Amsterdam Exchange Index (AEX) increased 36%. Real Estate prices remained under pressure, however. At 31 December 2009 the S&P Case-Shiller Index, the most prominent Real Estate index in the United States, was 3% lower than at the end of 2008. In December 2009, the price index of Dutch owner-occupied residential real estate, as reported by Statistics Netherlands (CBS) and the Dutch Land Registry Office (Kadaster), was 5.3% lower than in December 2008. This decline pertained to all types of residential real estate and to all Dutch provinces. Furthermore, after the credit spread widening during 2008, the credit spreads in the financial and corporate sector narrowed in 2009, both in the United States and in Europe. Both in the United States and Europe short term interest rates decreased further during 2009, with the exception of the 3 month T-bill which remained at a near zero level. Long term interest rates increased in the United States, but in Europe they decreased slightly compared to year end 2008.

Impact of financial crisis

ING Bank continued to take risk mitigating measures, but was still negatively impacted by markets that remain illiquid, even though some markets improved during 2009. Primarily markets for real estate, and assets with underlying real estate, remain impacted by continued turmoil. 2009 was also the year of proposed changes of regulations, many of which may impact risk management, risk measurement and the financial condition of ING Bank. For details regarding the impact of the credit and liquidity crisis on ING Bank's assets and results, see the section "Risk Management" in the ING Bank N.V consolidated financial statements for the year ended 31 December 2009.

Critical Accounting Policies

See the section "Accounting policies for the consolidated balance sheet and profit and loss account of ING Bank" in the ING Bank N.V. consolidated financial statements.

CONSOLIDATED RESULTS OF OPERATIONS

The following information should be read in conjunction with, and is qualified by reference to, ING Bank N.V.'s consolidated financial statements and other financial information included elsewhere herein. ING Bank evaluates the results of its operations, including Retail Banking, ING Direct and Commercial Banking, using the financial performance measure of underlying result before tax. Underlying result before tax is defined as result before tax excluding either all or some of the following items: gains/losses from divested units, realised gains/losses on divestitures and special items such as certain restructuring charges and other non-operating income/expense.

While these excluded items are significant components in understanding and assessing ING Bank's consolidated financial performance, ING Bank believes that the presentation of underlying result before tax enhances the understanding and comparability of the performance of ING Bank by highlighting result before tax attributable to ongoing operations and the underlying profitability of ING Bank. For example, ING Bank believes that trends in the underlying profitability of its businesses can be more clearly identified without the effects of the realised gains/losses on divestitures as the timing is largely subject to ING Bank's discretion, influenced by market opportunities and ING Bank does not believe that they are indicative of future results. Underlying result before tax is not a substitute for result before tax as determined in accordance with IFRS-EU. ING Bank's definition of underlying result before tax may differ from those used by other companies and may change over time. For further information on underlying result before tax as well as the reconciliation of ING Bank's underlying result before tax to its result before taxation see the section "Operating and Financial Review and Prospects - Segment Reporting in this Registration Document and Note 43 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009.

The following table sets forth the consolidated results of the operations of ING Bank N.V. for the years ended 31 December 2009, 2008 and 2007:

	2009	**2008**	**2007**
		(EUR millions)	
Interest result	12,762	11,286	9,035
Commission income	2,678	2,895	2,926
Investment and Other income	(1,776)	(2,004)	2,631
Total income	**13,665**	**12,177**	**14,592**
Operating expenses	10,191	10,364	10,013
Additions to the provision for loan losses	2,973	1,280	125
Total expenditure	**13,165**	**11,644**	**10,138**
Result before tax	**500**	**533**	**4,454**
Taxation	(43)	(170)	753
Minority interests	(141)	(69)	112
Net result	**684**	**772**	**3,589**
Result before tax	**500**	**533**	**4,454**
Gains/losses on divestments(1)			(32)
Special items (2)	623	301	489
Underlying result before tax	**1,123**	**834**	**4,911**

1. Sale of RegioBank in 2007.

2. Special items: Retail Netherlands strategy (combining ING Bank and Postbank) (EUR 222 million in 2009, EUR 270 million in 2008, EUR 299 million in 2007), not launching ING Direct Japan (EUR 39 million in 2009, EUR 30 million in 2008), transaction result on Alt-A portfolio (EUR (69) million in 2009), restructuring provisions (EUR 430 million in 2009) and restructuring provisions and hedge on purchase price Oyak Bank acquisition (EUR 190 million in 2007).

Year ended 31 December 2009 compared to year ended 31 December 2008

Income

Total income increased 12.2%, or EUR 1,488 million, to EUR 13,665 million in 2009 from EUR 12,177 million in 2008. This increase was largely attributable to higher interest results, strong improvement in net trading income as well as lower losses from investments. These developments were partly offset by lower valuation results from non-trading derivatives, lower commission income and lower share of profit from associates.

The net interest result increased by EUR 1,476 million, or 13.1%, to EUR 12,762 million in 2009 from EUR 11,286 million in 2008, driven by higher interest results in all business lines, but especially in Commercial Banking and ING Direct. The interest margin in 2009 was 1.34%, an increase from 1.09% in 2008, supported by the de-leveraging of the balance sheet and due to higher margins in Commercial Banking (especially General Lending) and ING Direct (particularly influenced by lower central bank rates across the globe).

Commission income decreased 7.5%, or EUR 218 million, to EUR 2,678 million in 2009 from EUR 2,895 million in 2008. The decrease in commission income was primarily driven by EUR 205 million lower management fees (related to lower asset values, especially at ING Belgium and ING Real Estate). Fees from funds transfer decreased by EUR 45 million, but brokerage and advisory fees and insurance broking fees increased by EUR 22 million and EUR 9 million, respectively.

Investment income improved EUR 468 million to EUR (1,756) million in 2009 from EUR (2,224) million in 2008. Realised results on debt securities (including impairments) improved from EUR (2,087) million in 2008 to EUR (1,332) million in 2009 principally due to improving economic and market conditions. Fair value changes on real estate investments were EUR (589) million in 2009 compared with EUR (350) million in 2008. The further decline in real estate investments reflected continuing weakness primarily in commercial real estate. Realised results on equity securities (including impairments) improved by EUR 203 million to EUR (25) million in 2009 from EUR (228) million in 2008. The result on the sale of associates and consolidated companies was EUR (13) million compared with EUR 162 million in 2008. In addition, rental income decreased by EUR 38 million and dividend income dropped EUR 30 million in 2009 compared to 2008.

Other income decreased by EUR 240 million to EUR (20) million in 2009 from EUR 220 million in 2008. Net trading income increased EUR 1,238 million from EUR (405) million in 2008 to EUR 833 million in 2009. Valuation results from non-trading derivatives, for which hedge accounting is not applied under IFRS-EU, decreased by EUR 1,264 million to EUR (921) million in 2009 from EUR 343 million in 2008. The share of profit from associates decreased by EUR 177 million, mainly due to associates at ING Real Estate, and other revenues decreased by EUR 37 million, including lower income from operating lease.

Expenses

Total operating expenses decreased by EUR 173 million, or 1.7%, to EUR 10,191 million in 2009 from EUR 10,364 million in 2008. In 2009, special items amounted to EUR 725 million, including EUR 222 million in provisions and costs related to the Retail Netherlands strategy (combining ING Bank and Postbank), EUR 272 million in provisions and costs for restructurings at Commercial Banking, EUR 166 million for provisions and costs for restructurings at Retail Banking, EUR 58 million at ING Direct (including EUR 31 million for not launching ING Direct Japan) and EUR 7 million on the Corporate Line. In 2008, special items were EUR 271 million in provisions and costs related to the Retail Netherlands Strategy and EUR 30 million impairment costs relating to the decision not to launch ING Direct Japan. Excluding these special items, total operating expenses decreased by EUR 597 million, or 5.9%, driven by the cost containment initiatives as part of the Back to Basics program and despite higher impairments on real estate development projects, increased deposit insurance premiums at ING Direct and the provision taken for the deposits guarantee scheme in The Netherlands following the bankruptcy of DSB Bank.

The addition to the provision for loan losses

The total addition to the provision for loan losses in 2009 was EUR 2,973 million compared to EUR 1,280 million in 2008, an increase of 132% or EUR 1,694 million. Commercial Banking showed an increase of EUR 614 million, from EUR 596 million in 2008 to EUR 1,210 million in 2009, Retail Banking showed an increase of EUR 597 million, from EUR 401 million in 2008 to EUR 998 million in 2009, and ING Direct showed an increase of EUR 482 million, from EUR 283 million in 2008 to EUR 765 million in 2009. As a percentage of average credit-risk weighted assets, the addition to the provision for loan losses in 2009 was 102 basis points compared with 48 basis points in 2008.

Result before tax and net result

Total result before tax decreased by EUR 33 million, to EUR 500 million in 2009 from EUR 533 million in 2008. Special items (the provisions and costs related to the Retail Netherlands Strategy and several restructuring provisions) had in 2009 a negative impact of EUR 623 million on result before tax. In 2008, special items had a negative impact of EUR 301 million on result before tax.

Net result decreased by EUR 88 million from EUR 772 million in 2008 to EUR 684 million in 2009. The effective tax rate declined from 31.9% in 2008 to 8.7% in 2009, mainly due to a EUR 83 million tax benefit related to the intended sale of the Private Banking activities in Switzerland. The net result also included EUR (141) million of minority interests, mainly related to ING Real Estate, compared with EUR (69) million in 2008.

Underlying result before tax

Excluding special items, ING Bank showed an increase in underlying result before tax of EUR 289 million from EUR 834 million in 2008 to EUR 1,123 million in 2009.

Year ended 31 December 2008 compared to year ended 31 December 2007

Income

Total income from banking decreased 16.5%, or EUR 2,414 million, to EUR 12,177 million in 2008 from EUR 14,592 million in 2007. This decrease was experienced despite an increase in the interest result, which was primarily attributable to a sharp increase in margins. The sharp increase in margins was more than offset, however, by decreases in investment income and other income.

The net interest result increased by EUR 2,251 million, or 24.9%, to EUR 11,286 million in 2008 from EUR 9,035 million in 2007, driven by higher interest results in all business lines, but especially in Commercial Banking. The interest margin in 2008 was 1.09%, an increase from 0.94% in 2007, due to higher margins in Commercial Banking (especially Financial Markets and General Lending) and in ING Direct (particularly influenced by the more favourable interest rate environment in the US).

Commission income decreased 1.1%, or EUR 31 million to EUR 2,895 million in 2008 from EUR 2,926 million in 2007. The decrease in commission income was primarily due to the strong decline of management fees by EUR 145 million (related to lower asset values, especially ING Belgium, ING Real Estate and Retail Netherlands). Fees from securities business decreased by EUR 56 million (especially ING Belgium and Retail Netherlands), but funds transfer fees increased by EUR 102 million (mainly Commercial Banking and Retail Central Europe) and brokerage and advisory fees increased by EUR 23 million.

Investment income decreased by EUR 3,170 million to EUR (2,224) million in 2008 from EUR 946 million in 2007. The decrease was almost entirely due to results on securities (including impairments) and fair value changes on real estate investments, changing from EUR 487 million in 2007 to EUR (2,665) million in 2008. Of this loss, EUR 2,087 million relates to debt securities (mainly impairments on the Alt-A portfolio at ING Direct), EUR 228 million relates to equity securities and EUR 350 million is attributable to real estate investments. Furthermore, rental income decreased by EUR 45 million and other investment income increased by EUR 28 million in 2008 compared to 2007.

Other income decreased by EUR 1,465 million to EUR 220 million in 2008 from EUR 1,685 million in 2007. Net trading income declined EUR 1,145 million from EUR 740 million in 2007 to EUR (405) million in 2008. The share of profit from associates decreased by EUR 448 million from EUR 238 million in 2007 to a loss of EUR (210) million in 2008, mainly due to the downward valuation of listed funds at ING Real Estate. Other revenues, including income from operating lease, were EUR

88 million lower. These developments were partly compensated for by an increase of EUR 217 million in valuation results from non-trading derivatives, for which hedge accounting is not applied under IFRS-EU.

Expenses

Total operating expenses increased by EUR 351 million, or 3.5%, to EUR 10,364 million in 2008 from EUR 10,013 million in 2007. In 2008, special items were EUR 271 million in provisions and costs related to the Retail Netherlands strategy (combining ING Bank and Postbank) and EUR 30 million in impairment costs relating to the decision not to launch ING Direct Japan. In 2007, special items were EUR 295 million in provisions and costs related to the Retail Netherlands Strategy, EUR 94 million in restructuring provision for Commercial Banking and EUR 56 million in restructuring provision for Retail Banking. Excluding these special items, total operating expenses increased by EUR 496 million, or 5.2%, mainly at Retail Banking, due to the inclusion of ING Bank Turkey and investments to support activities in developing markets, and at ING Direct to support the growth of the business.

The addition to the provision for loan losses

The total addition to the provision for loan losses in 2008 was EUR 1,280 million compared to EUR 125 million in 2007, an increase of EUR 1,155 million reflecting the worsening of economic conditions. Retail Banking showed an increase of EUR 203 million, from EUR 198 million in 2007 to EUR 401 million in 2008 and ING Direct showed an increase of EUR 215 million, from EUR 68 million in 2007 to EUR 283 million in 2008. The net release in Commercial Banking of EUR 142 million in 2007 turned into an addition to the loan loss provision of EUR 596 million in 2008. As a percentage of average credit-risk weighted assets (based on Basel II), the addition to the provision for loan losses in 2008 was 48 basis points.

Result before tax and net result

Total result before tax decreased 88.0%, or EUR 3,921 million, to EUR 533 million in 2008 from EUR 4,454 million in 2007. Special items (mostly provision for the merger of Postbank and ING Bank Netherlands) had a negative impact of EUR 301 million on result before tax in 2008. In 2007, divestments and special items had a negative impact of EUR 458 million on result before tax, including EUR 489 million in special items, partly offset by EUR 32 million realised gains on divestments.

Net result declined 78.5%, or EUR 2,817 million, from EUR 3,589 million in 2007 to EUR 772 million in 2008. The decrease in net result is smaller than the decrease in result before tax due to the tax rebate of EUR 170 million for 2008, which was supported by the revision of tax returns from previous years, compared with the taxation of EUR 753 million for 2007 (effective tax rate 16.9%).

Underlying result before tax

Excluding the effects of divestments and excluding special items, ING Bank showed a decrease in underlying result before tax of EUR 4,077 million, or 83.0%, from EUR 4,911 million in 2007 to EUR 834 million in 2008.

CONSOLIDATED ASSETS AND LIABILITIES

The following table is a summary of the consolidated assets and liabilities of ING Bank N.V. for the years ended 31 December 2009, 2008 and 2007:

	2009	**2008**	**2007**
	(EUR billions, except amounts per share)		

Financial assets at fair value through the profit and loss account	122.8	175.0	208.1
Investments	106.6	148.8	160.4
Loans and advances to customers	551.8	598.3	526.3
Total assets	882.1	1034.7	994.1
Customer deposits and other funds on deposits (1)	477.6	537.7	528.2
Debt securities in issue/other borrowed funds	130.6	105.9	74.8
Total liabilities (including minority interests)	851.9	1,011.8	968.6
Shareholders' equity	30.2	22.9	25.5

1. Customer deposits and other funds on deposits consists of savings accounts, other deposits, bank funds and debt securities privately issued by ING Bank N.V.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total assets decreased in 2009 by 14.7%, or EUR 152.6 billion, to EUR 882.1 billion, mainly due to a EUR 42.2 billion decrease of investments, decreased financial assets at fair value through the profit and loss account of EUR 52.2 billion and loans and advances to customers which fell by EUR 46.6 billion almost entirely due to The Netherlands. During 2009, certain product features and internal procedures for current accounts were amended. As a result the balances on these current accounts meet the criteria under IFRS for netting of positive and negative balances per client in the balance sheet. This additional netting resulted in a decrease in Loans and advances to customers and a similar decrease in Customer deposits and other funds on deposit of approximately EUR 73.9 billion. The decline of total liabilities by EUR 159.9 billion is, next to the aforementioned netting, attributable to lower funding following the strong decline in assets.

Shareholders' equity increased by 32.0% or EUR 7,333 million to EUR 30,222 million at 31 December 2009 compared to EUR 22,889 million at 31 December 2008. The increase was due to revaluations of debt securities (EUR 4,208 million), revaluations of equities (EUR 1,494 million), realised gains debt and equity securities released to profit and loss (EUR 877 million) and the net result from the year 2009 (EUR 684 million).

Year ended 31 December 2008 compared to year ended 31 December 2007

Total assets increased by 4.1% in 2008 to EUR 1,034.7 billion, mainly due to increased loans and advances to customers, partly offset by decreased investments and financial assets at fair value through the profit and loss account. Investments decreased by EUR 11.6 billion, or 7.2%, to EUR 148.8 billion in 2008 from EUR 160.4 billion in 2007. Loans and advances to customers increased by EUR 72.0 billion, or 13.7%, rising to EUR 598.3 billion at the end of December 2008 from EUR 526.3 billion at the end of December 2007. The Netherlands operations increased by EUR 38.2 billion and the international operations by EUR 33.8 billion.

Shareholders' equity decreased by 10.3% or EUR 2,622 million to EUR 22,889 million at 31 December 2008 compared to EUR 25,511 million at 31 December 2007. The decrease was mainly due to unrealised revaluation losses on debt and equity securities (EUR (6,781) million) and the cash dividend paid to ING Group (EUR (4,250) million). This was partially offset by the net result from the year 2008 (EUR 772 million), realised gains on debt and equity securities released to profit and loss (EUR 1,523 million) and additional share premium received from ING Group to strengthen solvency (EUR 7,200 million).

SEGMENT REPORTING

ING Bank's segments are based on the management structure of ING Bank, which is different from its legal structure. The following table sets forth the contribution of ING Bank's three business lines to ING Bank's underlying result before tax for each of the years 2009, 2008 and 2007. See Note 43 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009 for further disclosure on ING Bank's segment reporting.

ING Bank is in the process of introducing a new reporting structure reflecting two main business lines: Retail Banking and Commercial Banking. Under this structure, ING Direct will be included within Retail Banking. This reporting structure has been applied in respect of the ING Group banking business disclosure included in the Q1 Report. See the section "Documents Incorporated by Reference" in this Registration Document.

2009 (EUR millions)	**Retail Banking**	**ING Direct**	**Commercial Banking**	**Other[1]**	**Total Bank**
Total income	**7,258**	**1,845**	**4,687**	**(126)**	**13,665**
Total expenditure	**6,094**	**2,487**	**4,265**	**319**	**13,165**
Result before tax	**1,164**	**(641)**	**422**	**(445)**	**500**
Gains/losses on divestments					
Result before tax from divested units					
Special items	369	(25)	272	7	623
Underlying result before tax	**1,534**	**(666)**	**694**	**(439)**	**1,123**

2008 (EUR millions)	**Retail Banking**	**ING Direct**	**Commercial Banking**	**Other[1]**	**Total Bank**
Total income	**7,399**	**878**	**4,107**	**(207)**	**12,177**
Total expenditure	**5,979**	**2,033**	**3,498**	**134**	**11,644**
Result before tax	**1,420**	**(1,155)**	**609**	**(341)**	**533**
Gains/losses on divestments					
Result before tax from divested units					
Special items	271	30		—	301
Underlying result before tax	**1,691**	**(1,125)**	**609**	**(341)**	**834**

2007 (EUR millions)	Retail Banking	ING Direct	Commercial Banking	Other[1]	Total Bank
Total income	**7,483**	**2,196**	**4,801**	**112**	**14,592**
Total expenditure	**5,405**	**1,667**	**2,836**	**230**	**10,138**
Result before tax	**2,079**	**530**	**1,965**	**(120)**	**4,454**
Gains/losses on divestments	(32)				(32)
Result before tax from divested units					
Special items	355		94	40	489
Underlying result before tax	**2,403**	**529**	**2,059**	**(79)**	**4,912**

1. Other mainly includes items not directly attributable to the business lines and in 2009 restructuring provisions booked as special items. See Note 43 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009 for further disclosure on ING Bank's segment reporting.

The business lines are analysed on a total basis for Income, Expenses and Result before tax and the geographical analyses are based on underlying figures. The segment data included in Note 43 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009 (see the section "Documents Incorporated by Reference" in this Registration Document) is also presented based on underlying figures.

RETAIL BANKING

	Retail Banking		
(EUR millions)	**2009**	**2008**	**2007**
Interest result	5,738	5,556	5,354
Commission income	1,331	1,535	1,591
Investment income	56	66	122
Other income	133	242	417
Total income	**7,258**	**7,399**	**7,483**
Operating expenses	5,096	5,578	5,206
Additions to the provision for loan losses	998	401	198
Total expenditure	**6,094**	**5,979**	**5,405**
Result before tax	**1,164**	**1,420**	**2,079**
Gains/losses on divestments			(32)
Special items	369	271	355
Underlying result before tax	**1,534**	**1,691**	**2,403**

Year ended 31 December 2009 compared to year ended 31 December 2008

Income

Total income decreased by 1.9%, or EUR 141 million, to EUR 7,258 million in 2009 from EUR 7,399 million in 2008. The interest result increased EUR 182 million or 3.3%, mainly driven by higher margins and volumes in Belgium, largely offset by the impact of lower margins in The Netherlands. Commission income decreased EUR 204 million or 13.3%, mainly due to lower fees on asset management related products. Investment and Other income decreased EUR 119 million or 38.5%, among other reasons due to lower financial markets products related income in the mid-corporate segment and lower dividend income from the Asian equity investments in Kookmin Bank, Bank of Beijing and TMB Bank.

Expenses

Operating expenses decreased by 8.6%, or EUR 482 million, to EUR 5,096 million in 2009 from EUR 5,578 million in 2008. In 2009, EUR 388 million of special items is included in operating expenses, mainly related to the Retail Netherlands Strategy (combining ING Bank and Postbank), and restructuring costs and provisions related to the Group initiative to reduce operating expenses. In 2008, EUR 271 million of special items is included related to the Retail Netherlands Strategy. Excluding these special items, operating expenses declined EUR 599 million or 11.3%, driven by the cost containment measures, the benefits from the transformation programmes in the Benelux and favourable currency impacts. The cost/income ratio improved to 70.2% in 2009 from 75.4% in 2008. Excluding special items, the underlying cost/income ratio improved to 65.0% from 71.7%.

The addition to the provision for loan losses increased by 149%, or EUR 597 million, to EUR 998 million in 2009 from EUR 401 million in 2008, mainly due to higher additions in the mid-corporate and SME segments and at Private Banking. All regions contributed to the increase. The total addition equalled 121 basis points of average credit-risk-weighted assets in 2009, compared to 53 basis points in 2008.

Result before tax and underlying result before tax

Result before tax decreased by 18.0%, or EUR 256 million, to EUR 1,164 million in 2009 from EUR 1,420 million in 2008. Special items, mainly the aforementioned provision and costs related to the Retail Netherlands Strategy and several other restructuring provisions, had a negative effect of EUR 98 million on result before tax compared with 2008. Excluding these special items, underlying result before tax decreased by EUR 157 million or 9.3%.

Netherlands

In The Netherlands, underlying result before tax declined by 30.2%, or EUR 383 million, to EUR 886 million in 2009 from EUR 1,269 million in 2008. Income declined by 10.6% to EUR 3,885 million in 2009 from EUR 4,346 million in 2008 as margins declined due to the continued competition for savings combined with lower fee income. Underlying operating expenses decreased by 12.6% to EUR 2,470 million, driven by cost containment measures and the benefits of the merger of ING Bank and Postbank. The addition to the loan loss provisions increased by EUR 277 million to EUR 529 million in 2009 mainly due to higher risk costs in the mid-corporate and SME segment.

Belgium

In Belgium, underlying result before tax increased 76.6%, or EUR 272 million, to EUR 627 million in 2009 from EUR 355 million in 2008, due to an 18.6% increase in total income and a decrease in operating expenses of 6.7%. The increase in income was driven by higher margins and volumes on savings and deposits. The decrease in operating expenses was a result of the cost containment initiatives and the benefits of the transformation programme. The net addition to the loan loss provisions increased from EUR 32 million in 2008 to EUR 199 million in 2009, mainly in the mid-corporate and SME segment.

Central Europe

In Central Europe, underlying result before tax increased EUR 71 million, or 418%, driven by lower expenses. Operating expenses decreased 17.0% or EUR 135 million, reflecting both cost containment measures and favourable currency movements, while total income declined 1.6%.

The addition to the loan loss provisions in 2009 was EUR 116 million compared with a net addition of EUR 65 million in 2008. In Poland, result before tax declined to EUR 19 million from EUR 75 million in 2008, driven by lower income and higher additions to the loan loss provisions. ING Bank Turkey reported a profit before tax of EUR 87 million, compared with a loss of EUR 17 million in 2008.

Asia

Asia reported an underlying loss before tax of EUR 67 million in 2009 versus a profit of EUR 50 million in 2008, driven by higher additions to the provision for loan losses and lower income. Income declined by 8.1% to EUR 306 million in 2009 from EUR 333 million in 2008, due to lower commissions and dividend income from equity investments. The addition to the provision for loan losses rose to EUR 153 million from EUR 52 million in 2008, mainly due to Private Banking as prices of assets that served as underlying collateral for loans decreased.

Year ended 31 December 2008 compared to year ended 31 December 2007

Income

Total income decreased by 1.1%, or EUR 84 million, to EUR 7,399 million in 2008 from EUR 7,483 million in 2007 as lower interest margins driven by the intensified competition for savings and a decline in asset management fees due to deterioration of equity markets offset the impact of the inclusion of ING Bank Turkey. Excluding the EUR 32 million gain on the divestment of RegioBank in 2007 , underlying income declined 0.8%.

Expenses

Operating expenses increased by 7.1%, or EUR 372 million, to EUR 5,578 million in 2008 from EUR 5,206 million in 2007. In 2008, EUR 271 million of special items is included related to the Retail Netherlands Strategy (combining ING Bank and Postbank). In 2007, special items amounted to EUR 351 million, of which EUR 295 million resulted from a provision and costs related to the Retail Netherlands Strategy and EUR 45 million to streamline the lending process in General Lending. Excluding these special items, operating expenses rose EUR 452 million or 9.3%, of which 6.3%-point can be attributed to the inclusion of ING Bank Turkey. The cost/income ratio increased to 75.4% in 2008 from 69.6% in 2007. Excluding divestments and special items, the underlying cost/income ratio rose to 71.7% from 65.1%.

The addition to the provision for loan losses increased by EUR 203 million, to EUR 401 million in 2008 from EUR 198 million in 2007, mainly caused by higher risk costs in the mid-corporate segment and at Private Banking (as underlying collateral for loans decreased significantly), and by the inclusion of ING Bank Turkey. The total addition equalled 53 basis points of average credit-risk-weighted assets in 2008.

Result before tax and underlying result before tax

Result before tax decreased by 31.7%, or EUR 659 million, to EUR 1,420 million in 2008 from EUR 2,079 million in 2007. Excluding divestments and special items, underlying result before tax decreased by EUR 711 million, or 29.6% to EUR 1,691 million.

Netherlands

In The Netherlands, underlying result before tax declined by 25.4%, or EUR 431 million, to EUR 1,269 million in 2008 from EUR 1,700 million in 2007. Income declined by 7.6% to EUR 4,346 million in 2008 from EUR 4,705 million in 2007 as margins declined due to the continued competition for savings combined with lower fee income. Average client balances were up 5%. Underlying operating expenses increased by 0.2% to EUR 2,826 million. The addition to the loan loss provisions increased by EUR 66 million to EUR 251 million in 2008 due to higher risk costs in the mid-corporate segment, small business lending and the residential mortgage portfolio.

Belgium

In Belgium, underlying result before tax declined by 24.8%, or EUR 117 million, to EUR 355 million in 2008 from EUR 472 million in 2007. Income decreased by 3.6% to EUR 1,842 million. The 7% growth in average client balances could not compensate for lower management and securities fees and the margin pressure on savings products. Operating expenses increased by 3.3% to EUR 1,455 million due to the inflation effect on salaries and investments in the branch network. The net addition to the loan loss provisions remained flat at EUR 32 million.

Central Europe

In Central Europe, underlying result before tax decreased by 86.3% to EUR 17 million in 2008 from EUR 124 million in 2007. Total income rose by 77.4% to EUR 878 million, largely due to the inclusion of ING Bank Turkey. Excluding ING Bank Turkey, income was up 9.5% to EUR 542 million. Operating expenses doubled to EUR 795 million in 2008, but excluding ING Bank Turkey they were 23.8% higher due to investments in distribution channels and advertising campaigns. The addition to the loan loss provisions in 2008 was EUR 65 million compared with a net release of EUR 24 million in 2007. In Poland, result before tax declined to EUR 75 million from EUR 146 million in 2007, driven by higher expenses and risk costs as a net release of EUR 27 million in 2007 turned into a EUR 5 million net addition in 2008. ING Bank Turkey reported a loss before tax of EUR 17 million.

Asia

In Asia, underlying result before tax decreased by 53.3% to EUR 50 million in 2008 from EUR 107 million in 2007 driven by a higher addition to the provision for loan losses and lower fee income. Income declined by 3.2% to EUR 333 million in 2008 as the financial crisis affected asset management and securities fees at Private Banking Asia. The addition to the provision for loan losses rose to EUR 52 million from EUR 5 million in 2007. The increase was mainly due to Private Banking Asia as prices of assets that served as underlying collateral for loans decreased significantly in the last quarter of 2008.

ING DIRECT

		ING Direct	
(EUR millions)	**2009**	**2008**	**2007**
Interest result	3,136	2,517	1,932
Commission income	167	150	98
Investment income	(1,276)	(1,853)	53
Other income	(182)	63	113
Total income	**1,845**	**878**	**2,196**
Operating expenses	1,722	1,750	1,598
Additions to the provision for loan losses	765	283	68
Total expenditure	**2,487**	**2,033**	**1,667**
Result before tax	**(641)**	**(1,155)**	**529**
Gains/losses on divestments			
Special items	(25)	30	
Underlying result before tax	**(666)**	**(1,125)**	**529**

Year ended 31 December 2009 compared to year ended 31 December 2008

Income

Total income increased by 110%, or EUR 967 million, to EUR 1,845 million in 2009 from EUR 878 million in 2008, mainly due to the EUR 619 million higher interest result and EUR 577 million improvement of investment income, partly offset by the EUR 245 million lower other income. The increase in the interest result was mainly driven by the improvement of the interest margin to 1.10% from 0.94% in 2008 supported by lower central bank rates across the globe and higher volumes. In 2009, total client balances grew by EUR 45.5 billion, or 14.8%, to EUR 353.8 billion at year-end. Commission income increased by 11.3% to EUR 167 million. Investment and other income was up EUR 332 million. This improvement was driven by EUR 497 million lower impairments on debt securities (mainly on the Alt-A RMBS portfolio in the US), EUR 82 million higher realised gains on the sale of bonds (including the results on the Illiquid Assets Back-up Facility transaction with the Dutch State) and higher net trading income, partly offset by lower valuation results on non-trading derivatives.

Expenses

Operating expenses decreased by 1.6%, or EUR 28 million, to EUR 1,722 million in 2009 from EUR 1,750 million in 2008 despite a sharp increase in deposit insurance premiums in the United States and Germany. The decline reflects strong cost containment, reduced marketing expenses and the cancellation of the Japan start up at the end of 2008. Excluding special items and impairments on debt securities, the underlying cost/income ratio decreased to 52.7% in 2009 from 62.1% in 2008. The number of full-time staff decreased by 5.3% to 9,448 at the end of 2009 from 9,980 a year earlier.

The addition to the provision for loan losses increased by 170%, or EUR 482 million, to EUR 765 million in 2009 from EUR 283 million in 2008 mainly driven by a higher rate of delinquencies in the United States mortgage market. The addition in 2009 equalled 124 basis points of average credit-risk-weighted assets, up from 63 basis points in 2008.

Result before tax

ING Direct's result before tax improved by EUR 514 million, to a loss of EUR 641 million in 2009 from a loss of EUR 1,155 million in 2008, primarily driven by higher interest results and lower impairments on debt securities, in part offset by higher additions to the loan loss provisions.

Underlying result before tax

In 2008, result before tax included a charge of EUR 30 million in special items related to the decision not to launch ING Direct Japan. In 2009, special items resulted in a profit of EUR 25 million, as additional expenses for not launching ING Direct Japan and other restructuring costs were more than offset by the result on the Illiquid Assets Back-Up Facility transaction. Excluding special items, underlying result before tax from ING Direct in 2009 improved by EUR 459 million, to a loss of EUR 666 million in 2009 from a loss of EUR 1,125 million in 2008.

Country developments

Excluding impairments on debt securities, ING Direct's underlying result before tax decreased by EUR 37 million, or 4.8%, to EUR 729 million. Higher results in the UK (+ EUR 138 million), Australia (+ EUR 102 million), Canada (+ EUR 70 million), Spain (+ EUR 32 million) and France (+ EUR 23 million) were more than offset by the development in the United States and Germany (including Austria). In the United States, ING Direct posted a pre-tax loss of EUR 7 million compared to a pre-tax profit of EUR 343 million in 2008, driven by higher additions to the provision for loan losses reflecting higher delinquencies and loss severities in the residential mortgage market. In Germany, result before tax declined EUR 80 million to EUR 217 million in 2009, mainly due to interest margin pressure in a highly competitive savings market.

Year ended 31 December 2008 compared to year ended 31 December 2007

Income

Total income decreased by 60.0%, or EUR 1,318 million, to EUR 878 million in 2008 from EUR 2,196 million in 2007. The decline was mainly due to EUR 1,906 million in lower investment income related to large impairments on the asset-backed portfolio which could only be partly offset by a EUR 585 million higher interest result. The increase in the interest result was mainly driven by the widening of the interest margin to 0.94% from 0.75% in 2007 as a result of significant rate cuts by central banks worldwide and despite the intensified competition for retail funds as a result of the global liquidity crisis. The total client retail balances grew in 2008 by EUR 12.6 billion or 4.1%, to EUR 322.7 billion at year-end, including the acquired deposits from Kaupthing Edge and Heritable Bank in October 2008. At comparable exchange rates, total client balances were up EUR 24.4 billion. Commission income increased supported by the acquisition of Sharebuilder Corporation in the United States in the fourth quarter of 2007 and Interhyp in Germany in the third quarter of 2008. Investment income was down EUR 1,906 million, due to lower realised gains on the sale of bonds and a sharp increase in impairments on the investment portfolio mainly driven by a strong deterioration in the United States housing market. Total impairments rose from EUR 29 million in 2007 to EUR 1,891 million in 2008. The impairments in 2008 consisted of EUR 1,776 million for the Alt-A RMBS portfolio, EUR 30 million on subprime RMBS, EUR 81 million on Washington Mutual and EUR 4 million on asset-backed commercial paper in Canada.

Expenses

Operating expenses rose by 9.5%, or EUR 152 million, to EUR 1,750 million in 2008 from EUR 1,598 million in 2007. Excluding EUR 30 million in special items in 2008, related to impairment costs following the Group's decision not to launch ING Direct in Japan, operating expenses rose by EUR 122 million, or 7.6%, to EUR 1,720 million. This increase is driven by higher expenses related in part to retention and win-back campaigns and the acquisitions of Sharebuilder and Interhyp. Excluding impairments, the underlying cost/income ratio improved to 62.1% in 2008 from 71.8% in 2007. The operational cost to client retail balance ratio, which excludes marketing expenses, rose to 0.40% compared with 0.37% in 2007. The number of full-time staff increased to 9,980 at the end of 2008 from 8,883 a year earlier, of which 479 came from Interhyp.

The addition to the provision for loan losses increased to EUR 283 million in 2008 from EUR 68 million in 2007, driven by an increase in the United States reflecting higher rate of delinquencies in the mortgages market and lower recovery.

Result before tax

Result before tax from ING Direct declined by EUR 1,685 million to a loss of EUR 1,155 million in 2008 from a profit of EUR 529 million in 2007. The decrease was fully caused by high impairments on the asset-backed portfolio, mainly driven by the deterioration of the United States housing market.

Underlying result before tax

The loss before tax from ING Direct in 2008 included EUR 30 million in special items related to the decision not to launch ING Direct Japan. Excluding special items, the underlying loss before tax was EUR 1,125 million compared with a profit of EUR 529 million in 2007.

Country developments

Excluding impairments, ING Direct's underlying result before tax rose by EUR 207 million, or 37.0%, to EUR 766 million in 2008 from EUR 559 million in 2007. In the US, result before tax (excluding impairments) increased to EUR 343 million from EUR 78 million in 2007, driven by the improved interest environment. In Canada (also excluding impairments), result before tax almost doubled to EUR 59 million from EUR 30 million in 2007. The UK showed good progress by reducing its loss (excluding impairments) to EUR 72 million in 2008 from a loss of EUR 120 million in 2007. All other countries reported lower results due to the intensified competition for retail funds and an increase in risk costs.

COMMERCIAL BANKING

(EUR millions)	**2009**	**2008**	**2007**
Interest result	3,821	3,240	1,748
Commission income	1,185	1,213	1,235
Investment income	(531)	(314)	780
Other income	213	(32)	1,038
Total income	**4,687**	**4,107**	**4,801**
Operating expenses	3,055	2,902	2,978
Additions to the provision for loan losses	1,210	596	(142)
Total expenditure	**4,265**	**3,498**	**2,836**
Result before tax	**422**	**609**	**1,965**
Gains/losses on divestments			
Result before tax from divested units			
Special items	272		94
Underlying result before tax	**694**	**609**	**2,059**

Year ended 31 December 2009 compared to year ended 31 December 2008

Income

Total income increased EUR 580 million to EUR 4,687 million in 2009 from EUR 4,107 million in 2008. The interest result increased 17.9%, or EUR 581 million, to EUR 3,821 million in 2009 from EUR 3,240 million in 2008, driven by higher margins in Structured Finance, General Lending and Real Estate Finance. Commission income declined 2.3%, or EUR 28 million, to EUR 1,185 million in 2009 from EUR 1,213 million in 2008. Investment and other income improved by EUR 28 million, to EUR (318) million in 2009 from EUR (346) million in 2008. Financial Markets showed an increase of EUR 693 million, driven by EUR 562 million higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU and EUR 142 million higher investment income. On the other hand, investment and other income at ING Real Estate decreased by EUR 771 million to EUR (1,018) million, of which EUR 228 million lower fair value changes on direct real estate investments, EUR 172 million lower result from associates, EUR 129 million lower valuation results from non-trading derivatives, EUR 93 million lower trading income and EUR 39 million lower rental income.

Expenses

Operating expenses increased by EUR 153 million, or 5.3%, to EUR 3,055 million in 2009 from EUR 2,902 million in 2008. Excluding EUR 272 million restructuring expenses booked as special items in 2009, operating expenses remained under control and decreased by EUR 119 million or 4.1% to EUR 2,783 million, despite EUR 385 million higher impairments on real estate development projects (in 2009 EUR 451 million, in 2008 EUR 66 million). The cost/income ratio improved to 65.2% in 2009 compared with 70.7% in 2008. Adjusted for the impact of special items, the underling cost/income ratio improved to 59.4% from 70.7% in 2008.

The addition to the provision for loan losses was EUR 1,210 million in 2009, an increase of EUR 614 million or 103% compared with 2008, reflecting the worsening economic conditions. The addition in 2009 equalled 85 basis points of average credit-risk-weighted assets (in 2008: 41 basis points).

Result before tax

Result before tax decreased EUR 187 million to EUR 422 million in 2009 from EUR 609 million in 2008. Special items in 2009 (restructuring costs and provisions) had a negative impact of EUR 272 million. Excluding these special items, underlying result before tax increased by EUR 85 million.

Underlying result before tax

Underlying result before tax from Commercial Banking increased EUR 85 million, to EUR 694 million in 2009 from EUR 609 million in 2008. Higher underlying results before tax were recorded in Financial Markets (largely due to higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU), General Lending & PCM and Other Products. Underlying results from Structured Finance and Leasing & Factoring both declined, fully attributable to the higher addition to the provision for loan losses. ING Real Estate result declined from EUR (297) million to EUR (1,389) million, driven by negative revaluations on real estate investments and impairments on development projects.

General Lending & PCM

In General Lending & Payments and Cash Management (PCM), underlying result before tax increased 40.6%, or EUR 123 million, to EUR 426 million in 2009 from EUR 303 million in 2008, as the higher addition to the loan loss provision was more than offset by higher income and lower operating expenses. Total income increased by 14.0%, or EUR 152 million, to EUR 1,235 million in 2009 from EUR 1,083 million in 2008, driven by an increase in interest margins and higher commission income. Operating expenses decreased by 11.9%, or EUR 70 million, to EUR 520 million in 2009 from EUR 590 million in 2008. The addition to the provision for loan losses rose to EUR 289 million in 2009 from EUR 190 million in 2008.

Structured Finance

In Structured Finance, underlying result before tax declined by 11.1%, or EUR 36 million, to EUR 287 million in 2009 from EUR 323 million in 2008. Income increased by 17.2% or EUR 165 million, to EUR 1,122 million in 2009 from EUR 957 million in 2008, driven by higher interest margins. Operating expenses decreased by 18.8%, or EUR 67 million, to EUR 290 million in 2009 from EUR 357 million in 2008. The addition to the loan loss provision rose by 96.8% from EUR 277 million in 2008 to EUR 545 million in 2009; excluding the addition to the loan loss provision the underlying result before tax was up 38.7%.

Leasing & Factoring

In Leasing & Factoring, underlying result before tax decreased by 43.7%, or EUR 52 million, to EUR 67 million in 2009 from EUR 119 million in 2008. Total income dropped slightly by 0.7%, or EUR 3 million, to EUR 403 million in 2009 from EUR 406 million in 2008. Operating expenses decreased by 15.9%, or EUR 38 million, to EUR 201 million in 2009 from EUR 239 million in 2008, as a result of the cost containment initiatives and the reorganisation of general lease activities in

Germany and France as well as car leasing in Spain. The addition to the loan loss provisions increased from EUR 48 million in 2008 to EUR 135 million in 2009, mainly related to general leasing.

Financial Markets

Underlying result before tax from Financial Markets increased by EUR 934 million, from EUR 355 million in 2008 to EUR 1,289 million in 2009. Total income increased by EUR 858 million, to EUR 1,923 million in 2009 from EUR 1,064 million in 2008, largely due to EUR 562 million higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU. Furthermore investment income improved by EUR 143 million, commission income improved by EUR 98 million and the interest result increased by 4.7% or EUR 66 million. Operating expenses decreased by 10.7%, or EUR 76 million.

Other Products

Underlying result before tax from the Other Products turned into a profit of EUR 14 million in 2009 from a loss of EUR 195 million in 2008. Income increased by EUR 86 million supported by positive revaluations on participations in ING Investment Management in the US and on equity swap positions. Operating expenses declined by EUR 116 million due to cost containment initiatives and EUR 30 million of restructuring costs taken in 2008.

ING Real Estate

Underlying result before tax of ING Real Estate decreased by EUR 1,092 million, to a loss of EUR 1,389 million in 2009 from a loss of EUR 297 million in 2008, mainly due to higher negative revaluations and impairments. Total income declined by 160%, or EUR 678 million, to EUR (253) million in 2009 from EUR 425 million in 2008, mainly due to negative revaluations caused by declining property values. Operating expenses increased by 39.7%, or EUR 255 million, to EUR 897 million from EUR 642 million in 2008, mainly driven by higher impairments on development projects. Result before tax of the Investment Management activities decreased by 8.8%, or EUR 7 million to EUR 73 million in 2009, due to lower fee income. The Investment Portfolio posted a loss of EUR 1,173 million in 2009 compared to a loss of EUR 695 million in 2008, reflecting higher negative revaluations. Result before tax at the Finance activities decreased by 24.6% to EUR 181 million in 2009, as higher margins could not compensate for the drop in volumes and higher additions to the loan loss provision. Result from Development turned from a profit of EUR 78 million in 2008 to a loss of EUR 470 million in 2009, mainly attributable to impairments on real estate projects.

Year ended 31 December 2008 compared to year ended 31 December 2007

Income

Total income decreased by 14.5%, or EUR 694 million, to EUR 4,107 million in 2008 from EUR 4,801 million in 2007. The total interest result increased by 85.4%, or EUR 1,492 million, to EUR 3,240 million in 2008 from EUR 1,748 million in 2007, due to both higher margins and increased volumes. Commission income declined 1.8%, or EUR 22 million, to EUR 1,213 million in 2008 from EUR 1,235 million in 2007. Investment and other income declined by EUR 2,164 million, to EUR (346) million in 2008 from EUR 1,818 million in 2007. ING Real Estate contributed EUR 947 million to this decrease, of which EUR 450 million was due to lower fair value changes in the direct real estate investments and EUR 415 million was due to lower result from associates. Investment and other income at Financial Markets was EUR 797 million lower, driven by EUR 720 million lower fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU; net trading income was EUR 259 million higher, but investment income EUR 298 million lower. The interest result of Financial Markets increased by EUR 901 million to EUR 1,396 million.

Expenses

Operating expenses decreased by EUR 76 million, or 2.6%, to EUR 2,902 million in 2008 from EUR 2,978 million in 2007. Excluding EUR 94 million in special items in 2007, operating expenses rose by EUR 18 million or 0.6% from EUR 2,884 million in 2007. This increase can be attributed to ING Real Estate whose expenses increased by EUR 72 million, or 12.6%, driven by impairments on development projects. The EUR 94 million in special items related to provisions for initiatives started in 2007 to stimulate growth and reduce operating expenses, including EUR 45 million for the reduction of 300 full-time functions across Commercial Banking and EUR 49 million to reinforce its Financial Markets business in selected developing markets. The cost/income ratio deteriorated to 70.7% in 2008 compared with 62.0% in 2007. Excluding the impact of special items, the underlying cost/income ratio deteriorated from 60.1% in 2007 to 70.7% in 2008.

The net addition to the provision for loan losses was EUR 596 million in 2008 compared with a net release of EUR 142 million in 2007, reflecting worsening economic conditions. The net addition in 2008 equalled 41 basis points of average credit-risk-weighted assets.

Result before tax

Result before tax decreased by EUR 1,356 million, or 69.0%, to EUR 609 million in 2008 from EUR 1,965 million in 2007. Special items in 2007 (provisions for initiatives to stimulate growth and reduce operating expenses) had a negative impact of EUR 94 million.

Underlying result before tax

Underlying result before tax from Commercial Banking declined by 70.4%, or EUR 1,450 million, to EUR 609 million in 2008 from EUR 2,059 million in 2007. Lower underlying results before tax were recorded in all product lines, except Financial Markets (lower fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU and lower investment income were more than compensated for by higher interest results and higher trading income). The results of General Lending & PCM and Structured Finance declined despite strong income growth due to higher additions to the provision for loan losses. Leasing & Factoring was down due to lower results in car leasing and higher risk costs in general leasing. ING Real Estate turned into a loss driven by negative revaluations on real estate investments and impairments on development projects.

General Lending & PCM

In General Lending & Payments and Cash Management (PCM), underlying result before tax declined 39.9%, or EUR 201 million, to EUR 303 million in 2008 from EUR 504 million in 2007, fully due to higher additions to the provision for loan losses. Total income increased by 24.5%, or EUR 214 million, to EUR 1,083 million in 2008 from EUR 870 million in 2007, driven by an increase in interest margins and growth in volumes. Operating expenses increased by 7.5%, or EUR 41 million, to EUR 590 million in 2008 from EUR 549 million in 2007. The addition to the provision for loan losses rose to EUR 190 million in 2008 from a net release of EUR 183 million in 2007.

Structured Finance

In Structured Finance, underlying result before tax declined by 18.2%, or EUR 72 million, to EUR 323 million in 2008 from EUR 395 million in 2007. Income increased by 30.2%, or EUR 222 million, to EUR 957 million in 2008 from EUR 735 million in 2007, mainly in the product lines Natural Resources and International Trade & Export Finance. Operating expenses increased by 5.6%, or EUR 19 million, to EUR 357 million in 2008 from EUR 338 million in 2007.The addition to the loan loss provision rose from EUR 2 million in 2007 to EUR 277 million in 2008, largely attributable to Leveraged Finance and Trade & Commodity Finance.

Leasing & Factoring

In Leasing & Factoring, underlying result before tax decreased by 22.2%, or EUR 34 million, to EUR 119 million in 2008 from EUR 153 million in 2007. Total income rose by 2.0%, or EUR 8 million, to EUR 406 million in 2008 from EUR 398 million in 2007, driven by growth in general leasing and factoring, partly offset by lower income in car leasing due to deterioration in the used vehicle market. Operating expenses increased by 8.6%, or EUR 19 million, to EUR 239 million in 2008 from EUR 220 million in 2007, due to investments to grow the business, including the impact of the acquisition of Citileasing in Hungary. The addition to the loan loss provisions increased from EUR 25 million in 2007 to EUR 48 million in 2008, mainly related to general leasing.

Financial Markets

Underlying result before tax from Financial Markets increased by EUR 55 million, to EUR 355 million in 2008 from EUR 300 million in 2007. Total income increased by EUR 81 million, to EUR 1,064 million in 2008 from EUR 983 million in 2007, as EUR 720 million lower fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU and EUR 298 million lower investment income were more than compensated for by EUR 901 million higher interest result and EUR 259 million higher trading income. Operating expenses increased by 4.1%, or EUR 28 million, to EUR 707 million in 2008 from EUR 679 million in 2007. The addition to the loan loss provisions in 2008 was only EUR 2 million.

Other Products

Underlying result before tax from the Other Products turned into a loss of EUR 195 million in 2008 from a profit of EUR 43 million in 2007. The decrease is mainly caused by lower results from the Asset Management and Equity Markets business as well as lower capital gains not allocated to the product groups.

ING Real Estate

Underlying result before tax of ING Real Estate decreased by EUR 961 million, to a loss of EUR 297 million in 2008 from a profit of EUR 664 million in 2007. Total income declined by 65.6%, or EUR 810 million, to EUR 425 million in 2008 from EUR 1,235 million in 2007, mainly due to negative revaluations caused by declining property values. Operating expenses increased by 12.6%, or EUR 72 million, to EUR 642 million from EUR 570 million in 2007, driven by impairments on development projects and EUR 18 million one-off restructuring costs. Result before tax of the Investment Management activities decreased by 48.7%, or EUR 76 million to EUR 80 million in 2008, due to lower fee income and restructuring costs. The result of the Investment Portfolio turned into a loss of EUR 695 million in 2008 reflecting negative revaluations on investments. Result at the Finance activities increased by 12.1% to EUR 240 million in 2008, driven by growth in the lending portfolio. Result from Development increased to EUR 78 million in 2008 from EUR 33 million in 2007, supported by EUR 60 million of positive fair value changes from a reclassification of some land positions in Spain from projects under construction to “available for sale” and higher gains on the sale of completed projects, which more than offset the impairments on development projects.

NEW REPORTING STRUCTURE

ING Bank is in the process of introducing a new reporting structure reflecting two main business lines: Retail Banking and Commercial Banking. Under this structure, ING Direct will be included within Retail Banking. The new reporting structure is expected to cause less duplication of information and enable improved analysis of results at both country and product level. Retail Banking will be divided into Retail Benelux and Retail Direct & International. Retail Benelux will consist of Retail Netherlands and Retail Belgium. Retail Direct & International will consist of ING

Direct, Retail Central and Eastern Europe and Retail Asia. Commercial Banking will be organised by product group: General Lending & PCM, Structured Finance, Leasing & Factoring, Financial Markets, Other products and ING Real Estate. This reporting structure has been applied in respect of the ING Group banking business disclosure included in the Q1 Report. See the section "Documents Incorporated by Reference" in this Registration Document.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

The principal sources of funds for ING Bank's operations are growth of the retail funding, which mainly consists of current accounts, savings and retail deposits, repayments of loans, disposals and redemptions of investment securities (mainly bonds), sales of trading portfolio securities, interest income and commission income. The major uses of funds are advances of loans and other credits, investments, purchases of investment securities, funding of trading portfolios, interest expense and administrative expenses.

ING Bank's Risk Management, including liquidity, is discussed in the section "Risk Management" of the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009.

The following table sets forth the consolidated statement of cash flows of ING Bank N.V. for the years ended 31 December 2009, 2008 and 2007.

amounts in millions of euros		2009	2008	2007
Result before tax		500	533	4,454
Adjusted for	– depreciation	1,488	1,224	1,169
	– addition to loan loss provisions	2,973	1,280	125
	– other	3,674	4,510	90
Taxation paid		(551)	(227)	(579)
Changes in	– amounts due from banks, not available on demand	8,611	7,162	(8,690)
	– trading assets	47,893	33,335	1,757
	– non-trading derivatives	827	7,977	94
	– other financial assets at fair value through profit and loss	1,878	3,321	(4,107)
	– loans and advances to customers	9,489	(76,154)	(73,866)
	– other assets	2,298	(9,308)	(5,107)
	– amounts due to banks, not payable on demand	(67,410)	13,210	15,414
	– customer deposits and other funds on deposit	14,266	18,750	32,748
	– trading liabilities	(54,366)	3,501	20,916
	– other financial liabilities at fair value through profit and loss	(2,557)	99	85
	– other liabilities	(4,733)	3,042	6,290
Net cash flow from operating activities		**(35,720)**	**12,255**	**(9,207)**

Investments and advances	– group companies	(5)	(592)	(2,026)
	– associates	(70)	(383)	(660)
	– available-for-sale investments	(58,424)	(95,036)	(95,546)
	– held-to-maturity investments		(314)	
	– real estate investments	(114)	(295)	(253)
	– property and equipment	(541)	(547)	(385)
	– assets subject to operating leases	(1,034)	(1,401)	(1,393)
	– loan portfolio		(2,526)	
	– other investments	(275)	(614)	(210)
Disposals and redemptions	– group companies		201	25
	– associates	108	140	223
	– available-for-sale investments	62,669	94,976	100,297
	– held-to-maturity investments	1,675	1,640	822
	– real estate investments	648	190	139
	– property and equipment	65	24	69
	– assets subject to operating leases	93	428	417
	– loan portfolio	18		
	– other investments	6	8	7
Net cash flow from investing activities		**4,819**	**(4,101)**	**(1,526)**
Proceeds from issuance of subordinated loans		**1,931**	3,643	2,622
Repayments of subordinated loans		**(1,985)**	(1,432)	(1,028)
Proceeds from borrowed funds and debt securities		**419,224**	355,942	407,289
Repayments of borrowed funds and debt securities		**(397,639)**	(322,055)	(417,186)
Issuance of ordinary shares/capital injection		**150**	7,200	2,200
Dividends paid			(4,250)	(1,300)
Net cash flow from financing activities		**21,681**	**39,048**	**(7,403)**
Net cash flow		**(9,220)**	**47,202**	**(15,084)**
Cash and cash equivalents at beginning of year		**27,395**	(19,389)	(4,352)
Effect of exchange rate changes on cash and cash equivalents		**(5)**	(418)	(47)
Cash and cash equivalents at end of year		**18,170**	27,395	(19,389)

As at 31 December 2009 Cash and cash equivalents includes Cash and balances with central banks of EUR 12,602 million (2008: EUR 18,169 million; 2007: EUR 9,829 million). See Note 47 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009.

Year ended 31 December 2009 compared to year ended 31 December 2008

At 31 December 2009 and 2008, ING Bank had EUR 18,170 million and EUR 27,395 million, respectively, of cash and cash equivalents. The decrease in Cash and Cash Equivalents is mainly attributable to the current account position with Central Banks and Short dated Government paper.

Specification of cash position (EUR millions):

	2009	2008
	(EUR millions)	
Cash and balances with central banks	12,602	18,169
Short dated government paper	3,181	7,009
Banks on demand	2,387	2,217
Cash and cash equivalents	**18,170**	**27,395**

The EUR 47,975 million decrease in ING Bank's net cash flow from operating activities, consisted of EUR 35,720 million cash outflow for the year ended 31 December 2009, compared to EUR 12,255 million cash inflow for the year ended 31 December 2008.

The cash flow from operating activities was largely affected by cash flows from Trading (cash outflow in 2009 of EUR 6,473 million compared to cash inflow in 2008 of EUR 36,836 million), from

Amounts due to and from Banks (cash outflow of EUR 58,799 million in 2009 compared to a cash inflow in 2008 of EUR 20,372 million) and offset by a cash inflow in 2009 related to loans and advances to customers of EUR 9,489 million as loan repayments exceeded new loans made (cash outflow in 2008 of EUR 76,154).

Net cash flow from investment activities was EUR 4,819 cash inflow and EUR 4,101 million cash outflow in 2009 and 2008, respectively. Investment in interest-earning securities was EUR 58,424 million and EUR 95,036 million in 2009 and 2008, respectively. Dispositions and redemptions of interest-earning securities was EUR 62,669 million and EUR 94,976 million in 2009 and 2008, respectively.

Net cash inflow from financing activities in 2009 amounted to EUR 21,681 compared to a cash inflow in 2008 amounting to EUR 39,048 million and was mainly attributable to less on balance cash inflow from debt securities in issue.

The operating, investment and financing activities described above resulted in a negative cash flow of EUR 9,220 million in 2009 compared to a positive net cash flow of EUR 47,202 million in 2008.

Year ended 31 December 2008 compared to year ended 31 December 2007

At 31 December 2008 and 2007, ING Bank had EUR 27,395 million and EUR (19,389) million, respectively, of cash and cash equivalents. The increase in Cash and Cash Equivalents in 2008 was mainly attributable to the overnight deposit and current account position with Central and Commercial Banks.

The EUR 21,462 million increase in ING Bank's cash flow from operating activities, consisted of EUR 12,255 million cash inflow for the year ended 31 December 2008, compared to EUR 9,207 million cash outflow for the year ended 31 December 2007. The improved cash flow from operating activities was largely due to improved cash flow from Trading (cash inflow in 2008 of EUR 36,836 million compared to cash inflow in 2007 of EUR 22,673 million), from Amounts due to and from Banks (cash inflow in 2008 of EUR 20,372 million compared to cash inflow in 2007 of EUR 6,724 million) and offset by a decrease in cash inflow from Customer deposits (cash inflow in 2008 of EUR 18,750 compared to cash inflow in 2007 of EUR 32,748 million).

Specification of cash position (EUR millions):

	2008	**2007**
	(EUR millions)	
Cash and balances with central banks	18,169	9,829
Short dated government paper	7,009	4,130
Banks on demand	2,217	(33,348)
Cash and cash equivalents	**27,395**	**(19,389)**

Net cash flow from investment activities was EUR 4,101 million cash outflow and EUR 1,526 million cash inflow in 2008 and 2007, respectively. Investment in interest-earning securities was EUR 95,036 million and EUR 95,546 million in 2008 and 2007, respectively. Dispositions and redemptions of interest-earning securities was EUR 94,976 million and EUR 100,297 million in 2008 and 2007, respectively.

Net cash inflow from financing activities in 2008 amounted to EUR 39,048 million compared to a cash outflow of EUR 7,403 million in 2007, as ING Bank started the Commercial Paper Funding Facility program in October 2008. The cash outflow in 2007 was related to the 'buy back program' of the own issued debt securities of securitisation vehicles Mane, Mont Blanc and Simba Funding Corporation, which was due to the financial crisis and the implementation of Basel 2 in 2007.

The operating, investment and financing activities described above resulted in a positive net cash flow of EUR 47,202 million in 2008 and a negative net cash flow of EUR 15,084 million in 2007.

CAPITAL ADEQUACY

Capital adequacy and the use of capital are monitored by ING Bank, employing techniques based on the guidelines developed by the Basel Committee on Banking Supervision and implemented by the EU and the Dutch Central Bank for supervisory purposes. Qualifying capital is based on IFRS-EU, as primary accounting basis, which is also the basis for statutory and regulatory reporting.

The following table sets forth the capital position of ING Bank N.V. as of 31 December 2009, 2008 and 2007.

Capital position of ING Bank N.V.

In EUR millions	**2009**	**2008**	**2007**
Shareholders' equity (parent)	30,222	22,889	25,511
Minority interests	960	1,198	1,668
Subordinated loans qualifying as Tier 1 capital [1]	8,057	7,085	6,397
Goodwill and intangibles deductible from Tier 1	(1,636)	(1,636)	(1,428)
Deductions Tier 1	(1,073)	(1,040)	(93)
Revaluation reserve [2]	(2,515)	3,523	(2,283)
Available capital – Tier 1	**34,015**	**32,019**	**29,772**
Supplementary capital – Tier-2 [3]	11,789	12,910	14,199
Available Tier-3 funds			
Deductions	(1,073)	(1,040)	(2,407)
BIS capital	**44,731**	**43,889**	**41,564**
Risk-weighted assets	332,375	343,388	402,727
Tier 1 ratio[4]	10.23%	9.32%	7.39%
BIS ratio[4]	13.46%	12.78%	10.32%
Required capital based on Basel I floor [5]	28,709	34,369	
BIS ratio based on Basel I floor	12.46%	10.22%	

1. Subordinated loans qualifying as Tier 1 capital have been placed by ING Groep N.V. with ING Bank N.V.
2. Includes revaluation debt securities, revaluation reserve cash flow hedge and revaluation reserves equity and real estate
3. Includes eligible lower Tier-2 loans and revaluation reserves equity and real estate revaluations removed from Tier 1 capital.
4. Using 80% and 90% of Basel I Risk Weighted Assets in 2009 and 2008 respectively.
5. Capital measures exclude the difference between IFRS-EU and IFRS-IASB as capital measures are based on IFRS-EU as primary accounting basis for statutory and regulatory reporting.

ING Bank's management believes that working capital is sufficient to meet the current and reasonably foreseeable needs of ING Bank.

OFF-BALANCE-SHEET-ARRANGEMENTS

See Note 24 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009.

	Total 2009	Less than one year	More than one year	Total 2008	Less than one year	More than one year
			(EUR millions)			
ING Bank N.V.						
Contingent liabilities in respect of:						
- discounted bills	1	1		1	1	
- guarantees	21,545	15,912	5,633	22,391	13,344	9,047
- irrevocable letters of credit	12,352	11,063	1,289	10,458	8,019	2,439
- other	202	190	12	453	406	47
Irrevocable facilities	85,835	62,174	23,661	89,081	38,568	50,513
Total	**119,935**	**89,340**	**30,595**	**122,384**	**60,338**	**62,046**

RISK MANAGEMENT

Taking measured risks is part of ING Bank's business. As a financial services company active in banking and investments, ING Bank is naturally exposed to a variety of risks. To ensure measured risk-taking ING Bank has integrated risk management in its daily business activities and strategic planning. Risk Management assists with the formulation of risk appetite, strategies, policies and limits and provides a review, oversight and support function throughout ING Bank on risk-related issues. The main financial risks ING Bank is exposed to are credit risk (including transfer risk), market risk (including interest rate, equity, real estate, and foreign exchange risks) and liquidity risk. In addition, ING Bank is exposed to non-financial risks, e.g. operational and compliance risks.

During 2009 the focus remained on risk mitigation and de-leveraging. However a number of upgrades to methodologies were implemented and, based on the experiences of 2007 and 2008, more effort was put in stress testing. Besides the regularly performed stress tests, stress testing was also used for the half-year planning of 2009. Furthermore the economic capital model for credit risk is being updated to bring it more in line with the regulatory capital framework which excludes diversification benefits. The updated model will be implemented in 2010.The risk appetite framework was revised as well and better aligned with the capital management targets for the capital ratios. Lastly, the most notable change in terms of risk governance during 2009 was the creation of the Risk Committee. The Risk Committee is a sub-committee of the Supervisory Board, dedicated to risk governance, risk policies and risk appetite setting.

For further information on ING Bank's risk management see the section entitled "Risk Management" in the ING Bank N.V. consolidated financial statements for the year ended 31 December 2009.

SELECTED STATISTICAL INFORMATION

The information in this section is unaudited and sets forth selected statistical information regarding the operations of ING Bank N.V. Information for 2009, 2008 and 2007 is prepared on the basis of IFRS-EU and is calculated based on figures included in the ING Bank N.V. consolidated financial statements for the respective financial year. Unless otherwise indicated, average balances, when used, are calculated from monthly data and the distinction between domestic and foreign is based on the location of the office where the assets and liabilities are booked, as opposed to the domicile of the customer. However, ING Bank believes that the presentation of these amounts based upon the domicile of the customer would not result in material differences in the amounts presented below.

	Year Ended 31 December		
	2009	**2008**	**2007**
Return on equity of the banking operations	(1.0)%	2.0%	15.7%
Return on assets of ING Bank	0.1%	0.1%	0.4%
Equity to assets of ING Bank	3.5%	2.4%	2.6%
Net interest margin of ING Bank	1.3%	1.1%	0.9%

AVERAGE BALANCES AND INTEREST RATES

The following tables show the average interest-earning assets and average interest-bearing liabilities, together with average rates, for the periods indicated. The interest income, interest expense and average yield figures do not reflect interest income and expense on derivatives and other interest income and expense not considered to be directly related to interest-bearing assets and liabilities. These items are reflected in the corresponding interest income, interest expense and net interest result figures in the consolidated financial statements. A reconciliation of the interest income, interest expense and net interest result figures to the corresponding line items in the consolidated financial statements is provided hereunder.

ASSETS

Interest-earning assets

	2009			2008			2007		
	Average balance (EUR millions)	**Interest income**	**Average yield %**	**Average balance (EUR millions)**	**Interest income**	**Average yield %**	**Average balance (EUR millions)**	**Interest income**	**Average yield %**
Time deposits with banks									
domestic	12,306	200	1.6	22,685	895	3.9	25,730	960	3.7
foreign	23,429	420	1.8	40,557	1,764	4.3	61,531	2,381	3.9
Loans and advances									
domestic	267,815	10,120	3.8	309,956	12,926	4.2	270,149	11,290	4.2
foreign	362,637	14,364	4.0	339,812	17,577	5.2	296,055	17,044	5.8
Interest-earning securities(1)									
domestic	29,790	1,082	3.6	30,398	1,234	4.1	34,993	1,295	3.7
foreign	106,673	4,807	4.5	158,844	8,747	5.5	173,248	8,660	5.0
Other interest-earning assets									
domestic	11,014	168	1.5	13,713	547	4.0	8,208	514	6.3
foreign	22,572	222	1.0	14,844	540	3.6	11,520	517	4.5
Total	**836,236**	31,383	**3.8**	**930,809**	44,230	**4.8**	**881,434**	42,661	**4.8**
Non-interest earning assets	60,073			73,994			57,980		
Derivatives assets	**66,750**			**49,042**			**33,025**		
Total assets(1)	**963,059**			**1,053,845**			**972,439**		
Percentage of assets applicable to foreign operations		61.8%			59.7%			61.1%	
Interest income on derivatives		48,828			53,037			33,622	
other		137			311			482	
Total interest income		**80,348**			**97,578**			**76,765**	

1. Substantially all interest-earning securities held by ING Bank are taxable securities.

LIABILITIES

	Interest-bearing liabilities								
	2009			2008			2007		
	Average balance	**Interest expense**	**Average yield**	**Average balance**	**Interest expense**	**Average yield**	**Average balance**	**Interest expense**	**Average yield**
	(EUR millions)		%	(EUR millions)		%	(EUR millions)		%
Time deposits from banks									
domestic	32,892	596	1.8	49,198	2,020	4.1	40,487	1,801	4.4
foreign	27,716	634	2.3	43,046	2,176	5.1	37,583	1,991	5.3
Demand deposits(1)									
domestic	64,220	117	0.2	115,827	1,574	1.4	106,597	1,682	1.6
foreign	50,236	599	1.2	46,832	766	1.6	40,173	1,060	2.6
Time deposits(1)									
domestic	32,101	619	1.9	35,048	1,449	4.1	28,535	1,388	4.9
foreign	26,848	694	2.6	33,303	1,671	5.0	35,281	1,338	3.8
Savings deposits(1)									
domestic	64,817	1,835	2.8	57,537	1,630	2.8	63,109	1,475	2.3
foreign	243,080	6,047	2.5	229,149	9,070	3.9	228,030	8,603	3.8
Short term debt									
domestic	14,791	208	1.4	11,511	558	4.8	5,557	285	5.1
foreign	48,246	732	1.5	40,760	1,927	4.7	46,548	2,685	5.8
Long term debt									
domestic	33,657	1,465	4.4	20,379	1,110	5.4	12,903	813	6.3
foreign	23,682	999	4.2	23,325	1,277	5.5	21,155	1,063	5.0
Subordinated liabilities									
domestic	21,558	999	4.6	20,238	1,124	5.6	18,938	1,079	5.7
foreign	1,113	59	5.3	1,293	61	4.7	1,574	82	5.2
Other interest-bearing liabilities									
domestic	51,811	642	1.2	92,042	3,174	3.4	77,426	3,220	4.2
foreign	64,863	793	1.2	100,179	3,527	3.5	90,157	5,131	5.7
Total	801,631	17,038	2.1	919,667	33,114	3.6	854,053	33,696	3.9
Non-interest bearing liabilities	58,758			63,236			64,649		
Derivatives liabilities	73,694			48,243			30,591		
Total Liabilities	934,083			1,031,146			949,293		
Group Capital	28,976			22,699			23,146		
Total liabilities and capital	**963,059**			**1,053,845**			**972,439**		
Percentage of liabilities applicable to foreign operations		60.6%			57.0%			59.2%	
Other interest expense: interest expenses on derivatives		50,334			52,790			33,298	
other		214			388			736	
Total interest expense		**67,586**			**86,292**			**67,730**	
Total net interest result		**12,762**			**11,286**			**9,035**	

1. These captions do not include deposits from banks.

ANALYSIS OF CHANGES IN NET INTEREST INCOME

The following table allocates changes in ING Bank's interest income and expense and net interest result between changes in average balances and rates for the periods indicated. Changes due to a combination of volume and rate have been allocated to changes in average volume. The net changes in interest income, interest expense and net interest result, as calculated in this table, have been reconciled to the changes in interest income, interest expense and net interest result in the consolidated financial statements. See introduction to "Average Balances and Interest Rates" for a discussion of the differences between interest income, interest expense and net interest result as calculated in the following table and as set forth in the consolidated financial statements.

	2009 over 2008 Increase (decrease) due to changes in			2008 over 2007 Increase (decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
	(EUR millions)			(EUR millions)		
Interest-earning assets						
Time deposits to banks						
domestic	(410)	(285)	(695)	(114)	49	(65)
foreign	(745)	(599)	(1,344)	(812)	195	(617)
Loans and advances						
domestic	(1,757)	(1,049)	(2,806)	1,664	(28)	1,636
foreign	1,181	(4,394)	(3,213)	2,519	(1,986)	533
Interest-earning securities						
Domestic	(25)	(127)	(152)	(170)	109	(61)
foreign	(2,873)	(1,067)	(3,940)	(720)	807	87
Other interest-earning assets						
domestic	(108)	(271)	(379)	345	(312)	33
foreign	281	(599)	(318)	149	(126)	23
Interest income						
domestic	(2,300)	(1,732)	(4,032)	1,725	(182)	1,543
foreign	(2,156)	(6,659)	(8,815)	1,136	(1,110)	26
Total	**(4,456)**	**(8,391)**	**(12,847)**	**2,861**	**(1,292)**	**1,569**
Other interest income			(4,383)			19,244
Total interest income			**(17,230)**			**20,813**

The following table shows the interest spread and net interest margin for the past two years.

	2009 Average rate	2008 Average rate
	%	%
Interest spread		
Domestic	1.6	1.0
Foreign	1.7	1.2
Total	1.6	1.2
Net interest margin		
Domestic	1.6	0.8
Foreign	1.8	1.5
Total	1.7	1.2

	2009 over 2008 Increase (decrease) due to changes in			2008 over 2007 Increase (decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
	(EUR millions)			(EUR millions)		
Interest-bearing liabilities						
Time deposits from banks						
domestic	(669)	(755)	(1,424)	388	(169)	219
foreign	(775)	(767)	(1,542)	289	(104)	185
Demand deposits						
domestic	(702)	(755)	(1,457)	146	(254)	(108)
foreign	56	(223)	(167)	176	(470)	(294)
Time deposits						
domestic	(122)	(708)	(830)	317	(256)	61
foreign	(323)	(654)	(977)	(75)	408	333
Savings deposits						
domestic	206	(1)	205	(130)	285	155
foreign	552	(3,575)	(3,023)	42	425	467
Short term debt						
domestic	159	(509)	(350)	305	(32)	273
foreign	354	(1,549)	(1,195)	(334)	(424)	(758)
Long term debt						
domestic	723	(368)	355	471	(174)	297
foreign	20	(298)	(278)	109	105	214
Subordinated liabilities						
domestic	73	(198)	(125)	74	(29)	45
foreign	(9)	7	(2)	(15)	(6)	(21)
Other interest-bearing liabilities						
domestic	(1,388)	(1,144)	(2,532)	608	(654)	(46)
foreign	(1,243)	(1,491)	(2,734)	570	(2,174)	(1,604)
Interest expense						
domestic	(1,720)	(4,438)	(6,158)	2,179	(1,283)	896
foreign	(1,368)	(8,550)	(9,918)	762	(2,240)	(1,478)
Total	**(3,088)**	**(12,988)**	**(16,076)**	**2,941**	**(3,523)**	**(582)**
Other interest expense			(2,630)			19,144
Total interest expense			**(18,706)**			**18,562**
Net interest						
domestic	(580)	2,706	2,126	(454)	1,101	647
Foreign	(788)	1,891	1,103	374	1,130	1,504
Net interest	**(1,368)**	**4,597**	**3,229**	**(80)**	**2,231**	**2,151**
Other net interest result			(1,753)			100
Net interest result			**1,476**			**2,251**

INVESTMENTS OF ING BANK

The following table shows the balance sheet value under IFRS-EU of the investments of ING Bank.

	Year ended 31 December		
	2009	**2008**	**2007**

		(EUR millions)	
Debt securities available for sale			
Dutch government	3,796	6,726	4,741
German government	5,230	5,789	5,960
Central banks	332	219	331
Belgian government	7,814	8,198	11,017
Other governments	28,402	29,435	26,090
Corporate debt securities			
Banks and financial institutions	27,200	37,486	36,860
Other corporate debt securities	859	1,417	2,145
U.S. Treasury and other U.S. Government agencies	575	56	163
Other debt securities	14,292	42,176	52,699
Total debt securities available for sale	88,500	131,502	140,006
Debt securities held to maturity			
Dutch government			
German government	585	787	789
Other governments	701	819	969
Banks and financial institutions	11,963	12,929	14,249
Other corporate debt securities		39	39
U.S. Treasury and other U.S. Government agencies		36	102
Other debt securities	1,160	830	605
Total debt securities held to maturity	14,409	15,440	16,753
Shares and convertible debentures	3,682	1,863	3,626
Land and buildings [(1)]	3,647	4,331	4,997
Total	**110,238**	**153,136**	**165,382**

1. Including commuted ground rents

1. Including commuted ground rents

Banking investment strategy

ING Bank's investment strategy for its investment portfolio related to ING Bank activities is formulated by the Asset and Liability Committee ("ALCO"). The exposures of the investments to market rate movements are managed by modifying the asset and liability mix, either directly or through the use of derivative financial products including interest rate swaps, futures, forwards and purchased option positions such as interest rate caps, floors and collars.

The investment portfolio related to the banking activities primarily consists of fixed-interest securities. Approximately 37% of the land and buildings owned by ING Bank are wholly or partially in use by ING companies.

Portfolio maturity description

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield[(1)]	Book value	Yield[(1)]	Book value	Yield[(1)]
	(EUR millions)	%	(EUR millions)	%	(EUR millions)	%
Debt securities available for sale						
Dutch government	21		3,290		485	
German government	191		3,667		1,372	
Belgian government	1,274		4,847		1,619	
Central banks	332					
Other governments	2,860		13,389		9,611	

Banks and financial institutions	6,972		16,742		3,116	
Corporate debt securities	385		353		94	
U.S. Treasury and other U.S. Government agencies	29		546			
Other debt securities	630		2,361		2,594	
Total debt securities available for sale	**12,694**	3.4	**45,195**	4.2	**18,891**	3.7

	Over 10 years		Total
	Book value	Yield(1)	Book value
	(EUR millions)	%	(EUR millions)
Debt securities available for sale			
Dutch government			3,796
German government			5,230
Belgian government	74		7,814
Central banks			332
Other governments	2,542		28,402
Banks and financial institutions	370		27,200
Corporate debt securities	27		859
U.S. Treasury and other U.S. Government agencies			575
Other debt securities	8,707		14,292
Total debt securities available for sale	**11,720**	4.1	**88,500**

2. Since substantially all investment securities held by ING Bank are taxable securities, the yields are on a tax-equivalent basis.

	1 year or less Book value	Yield[(1)]	Between 1 and 5 years Book value	Yield[(1)]	Between 5 and 10 years Book value	Yield[(1)]
	(EUR millions)	%	(EUR millions)	%	(EUR millions)	%
Debt securities held to maturity						
Dutch government						
German government			585			
Belgian government						
Central banks						
Other governments			701			
Banks and financial institutions	2,293		8,091		1,579	
Corporate debt securities						
U.S. Treasury and other U.S. Government agencies						
Other debt securities	193		960		7	
Total debt securities held to maturity	**2,486**	4.0	**10,337**	4.3	**1,586**	4.1

	Over 10 years Book value	Yield[(1)]	Total Book value
	(EUR millions)	%	(EUR millions)
Debt securities held to maturity			
Dutch government			
German government			585
Belgian government			
Central banks			
Other governments			701
Banks and financial institutions			11,963
Corporate debt securities			
U.S. Treasury and other U.S. Government agencies			
Other debt securities			1,160
Total debt securities held to maturity			**14,409**

1. Since substantially all investment securities held by ING Bank are taxable securities, the yields are on a tax-equivalent basis.

On 31 December 2009 ING Bank N.V. also held the following securities for the banking operations that exceeded 10% of shareholders' equity:

	2009 Book value	Market value
	(EUR millions)	
Belgian government	7,814	7,814
German government	5,815	5,831

LOAN PORTFOLIO

Loans and advances to banks and customers

Loans and advances to banks include all receivables from credit institutions, except for cash, current accounts and deposits with other banks (including central banks). Lending facilities to corporate and private customers encompass among others, loans, overdrafts and finance lease receivables. The following table sets forth the gross loans and advances to banks and customers as of 31 December 2009, 2008, 2007, 2006 and 2005 under IFRS-EU.

IFRS-EU	Year ended 31 December				
	2009	2008	2007	2006	2005
	(EUR millions)				
By domestic offices:					
Loans guaranteed by public authorities	28,149	16,288	14,679	16,450	13,907
Loans secured by mortgages	164,111	158,861	141,314	120,753	111,257
Loans to or guaranteed by credit institutions	9,569	15,528	16,347	6,747	4,573
Other private lending	4,972	7,158	6,975	6,484	9,943
Mortgage-backed securities					
Other corporate lending	45,859	123,461	102,895	91,388	82,896
Total domestic offices	**252,660**	**321,296**	**282,212**	**241,822**	**222,576**
By foreign offices:					
Loans guaranteed by public authorities	22,933	10,099	8,961	9,503	17,535
Loans secured by mortgages	142,415	145,090	132,614	87,457	69,855
Loans to or guaranteed by credit institutions	40,402	25,810	31,929	32,072	23,721
Other private lending	14,988	20,389	17,784	16,422	15,200
Mortgage-backed securities	17,814	9,055	12,364	0	0
Other corporate lending	104,657	109,905	88,237	89,547	84,355
Total foreign offices	**343,209**	**320,348**	**291,889**	**235,001**	**210,666**
Total gross loans and advances to banks and customers	**595,869**	**641,644**	**574,101**	**476,823**	**433,242**

Maturities and sensitivity of loans to changes in interest rates

The following table analyses loans and advances to banks and customers by time remaining until maturity as of 31 December 2009.

	1 year or less	1 year to 5 years	After 5 years	Total
	(EUR millions)			
By domestic offices:				
Loans guaranteed by public authorities	1,161	15,260	11,728	28,149
Loans secured by mortgages	10,881	16,665	136,565	164,111
Loans guaranteed by credit institutions	8,175	1,309	85	9,569
Other private lending	2,999	510	1,463	4,972
Mortgage-backed securities				
Other corporate lending	22,369	14,701	8,789	45,855

Total domestic offices	**45,585**	**48,445**	**158,630**	**252,660**
By foreign offices:				
Loans guaranteed by public authorities	10,479	3,125	9,329	22,933
Loans secured by mortgages	12,067	25,079	105,269	142,415
Loans guaranteed by credit institutions	21,938	11,920	6,544	40,402
Other private lending	7,924	4,433	2,631	14,988
Mortgage-backed securities	924	13,260	3,630	17,814
Other corporate lending	39,420	38,914	26,323	104,657
Total foreign offices	**92,752**	**96,731**	**153,726**	**343,209**
Total gross loans and advances to banks and customers	**138,337**	**145,176**	**312,365**	**595,869**

The following table analyzes loans and advances to banks and customers by interest rate sensitivity by maturity as of 31 December 2009.

	1 year or less	**Over 1 year**	**Total**
		(EUR millions)	
Non-interest earning	3,379	1,059	4,438
Fixed interest rate	62,554	140,863	203,417
Semi-fixed interest rate[1]	5,468	180,086	185,554
Variable interest rate	68,428	134,032	202,460
Total	**139,829**	**456,040**	**595,869**

1. Loans that have an interest rate that remains fixed for more than one year and which can then be changed are classified as "semi-fixed"

Loan concentration

The following industry concentrations were in excess of 10% of total loans as of 31 December 2009:

	Total outstanding
Private Individuals	38.2%
Commercial Banks	12.0%
Non-Bank Financial Institutions	11.8%

Risk elements

Loans Past Due 90 days and Still Accruing Interest

Loans past due 90 days and still accruing interest are loans that are contractually past due 90 days or more as to principal or interest on which ING Bank continues to recognise interest income on an accrual basis in accordance with IFRS-EU.

Under IFRS-EU prior to the implementation of IAS 32 and IAS 39 and under Dutch GAAP, loans were placed on non-accrual status when a loan was in default as to payment of principal and interest for 90 days or more, or when, in the judgment of management, the accrual of interest should cease before 90 days. Any accrued, but unpaid, interest was reversed against the same period's interest revenue. Interest payments received on a cash basis during the period were recorded as interest income. In 2005 with the implementation of IAS 32 and IAS 39, once a loan has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. As all loans continue to accrue interest under IFRS-EU, the non-accrual loan status is no longer used to identify ING Bank's risk elements. Therefore, as from 2005, no loans are reported as non-accrual and there is an increase in the amount of loans reported as Loans past due 90 days and still accruing interest, compared to the prior years reported, due to the interest accrual on impaired loans. The following table sets forth the outstanding balance of the loans past due 90 days and still accruing interest and non-accrual loans for the years ended 31 December 2009, 2008, 2007, 2006 and 2005 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2009	**2008**	**2007**	**2006**	**2005**
	(EUR millions)				
Loans past due 90 days and still accruing interest					
Domestic	3,865	2,799	1,159	1,317	1,664
Foreign	4,793	2,634	1,892	2,426	2,112
Total loans past due 90 days and still accruing interest	**8,658**	**5,433**	**3,051**	**3,743**	**3,776**

As of 31 December 2009, EUR 8,307 million of the loans past due 90 days and still accruing interest have a loan loss provision. Total loans with a loan loss provision, including those loans classified as past due 90 days and still accruing interest with a provision and troubled debt restructurings with a provision, amounted to EUR 11,156 million as of 31 December 2009.

Loans and Loan loss provisions	**2009**	**2008**
	(EUR millions)	
Loans past due 90 days	8,307	5,433
Other impaired loans	2,849	2,056
Total impaired loans (loans with a loan loss provision)	11,156	7,489
Potential problem loans	10,873	4,439
Total Impaired loans and potential problem loans	22,029	11,928
Loans neither impaired nor potential problem loans	573,840	627,716
Total Loans	**595,869**	**641,644**
This amount is presented in the balance sheet as:		
Amounts due from Banks	39,742	40,790
Loans and advances to customers	556,127	600,854
Total Loans	**595,869**	**641,644**
Loan loss provisions included in:		
Amounts due from Banks	46	85
Loans and advances to customers	4,353	2,526
Total loan loss provisions	**4,399**	**2,611**

Loans and advances by customer type:	**2009**	**2008**
Loans secured by public authorities	51,082	26,387

Loans secured by mortgages	306,526	303,951
Loans guaranteed by credit institutions	10,229	5,901
Personal lending	19,960	30,269
Mortgage-Backed Securities	17,814	9,055
Corporate loans	150,516	225,292
Total	**556,127**	**597,839**

Loan loss provisions by customer type:	**2009**	**2008**
Loans secured by public authorities	3	2
Loans secured by mortgages	1,356	592
Loans guaranteed by credit institutions	47	85
Personal lending	690	653
Mortgage-backed securities	15	
Corporate loans	2,288	1,279
Total	**4,399**	**2,611**

Increase in Loan loss provision by customer type:

	2009	**2008**
Loans secured by public authorities	1	1
Loans secured by mortgages	764	293
Loans guaranteed by credit institutions	38-	72
Personal lending	37	98
	15	
Corporate loans	1,009	146
Total	**1,788**	**610**
The net increase in Loan loss provision includes:		
Increase in loan loss provision (P&L)	2,973	1,280
Write-offs and other	(1,185)	(670
Total	**1,788**	**610**

Troubled Debt Restructurings

Troubled debt restructurings are loans that ING Bank has restructured due to deterioration in the borrower's financial position and in relation to which, for economic or legal reasons related to the borrower's deteriorated financial position, ING Bank has granted a concession to the borrower that ING Bank would not have otherwise granted.

The following table sets forth the outstanding balances of the troubled debt restructurings as of 31 December 2009, 2008, 2007, 2006 and 2005 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2009	**2008**	**2007**	**2006**	**2005**

	(EUR millions)				
Troubled debt restructurings:					
Domestic	782	51	45	163	495
Foreign	1,271	354	47	199	582
Total troubled debt restructurings	**2,053**	**405**	**92**	**362**	**1,077**

Interest Income on Troubled Debt Restructurings

The following table sets forth the gross interest income that would have been recorded during the year ended 31 December 2009 on troubled debt restructurings had such loans been current in accordance with their original contractual terms and interest income on such loans that was actually included in interest income during the year ended 31 December 2009.

	Year ended 31 December 2009		
	(EUR millions)		
	Domestic Offices	Foreign Offices	Total
Interest income that would have been recognised under the original contractual terms	18	37	55
Interest income recognised in the profit and loss account	18	28	46

Potential Problem Loans

Potential problem loans are loans that are not classified as loans past due 90 days and still accruing interest or troubled debt restructurings and amounted to EUR 10,873 million as of 31 December 2009. Of this total, EUR 7,645 million relates to domestic loans and EUR 3,228 million relates to foreign loans. These loans are considered potential problem loans as there is known information about possible credit problems causing us to have serious doubts as to the ability of the borrower to comply with the present loan repayment terms and which may result in classifying the loans as loans past due 90 days and still accruing interest or as troubled debt restructurings. Appropriate provisions, following ING Bank's credit risk rating system, have been established for these loans.

Cross-border outstandings

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets that are denominated in euro or other non-local currency. To the extent that material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

Commitments such as irrevocable letters of credit are not considered as cross border outstanding. Total outstandings are in line with Dutch Central Bank requirements. On 31 December 2009, there were no outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following tables analyze cross-border outstandings as of the end of 31 December 2009, 2008 and 2007 stating the name of the country and the aggregate amount of cross-border outstandings to borrowers in each foreign country where such outstandings exceed 1% of total assets, by the following categories.

	Year ended 31 December 2009					
	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments
	(EUR millions)					
United Kingdom	125	12,285	22,023	1,599	36,032	4,292
United States	46	2,245	9,132	7,405	18,828	10,153
France	7,758	9,541	4,178	1,955	23,432	2,184
Germany	5,736	5,533	4,399	3,459	19,127	7,347
Italy	11,211	4,812	3,360	934	20,317	1,890
Spain	2,289	8,010	5,583	106	15,988	1,404
Belgium	1,916	5,959	7,197	2,383	17,455	15,411

	Year ended 31 December 2008					
	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments
	(EUR millions)					
United Kingdom	143	12,228	29,094	1,159	42,624	4,698
United States	83	3,065	12,170	15,427	30,745	10,787
France	7,636	10,396	6,137	2,449	26,617	1,964
Germany	5,671	6,338	4,298	3,327	19,634	7,882
Italy	8,974	5,082	3,625	1,019	18,701	1,534
Spain	2,573	7,940	5,967	96	16,576	3,134
Belgium	1,987	7,163	7,851	2,277	19,278	17,161

	Year ended 31 December 2007					
	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments
	(EUR millions)					
United Kingdom	144	27,501	44,621	1,403	73,669	6,018
United States	33	4,035	26,821	14,852	45,741	13,050
France	5,777	17,811	6,864	4,474	34,926	2,295
Germany	4,839	10,361	4,499	4,428	24,127	9,500
Italy	10,381	4,642	4,378	1,117	20,518	1,318
Spain	2,375	7,749	6,183	685	16,992	2,139
Belgium	2,638	5,782	3,607	1,683	13,710	14,999

There were no cross-border outstandings between 0.75% and 1% of total assets, at year-end 2009 and 2008.

Summary of Loan Loss Experience

For further explanation on loan loss provision see “Loan Loss Provisions” in Note 5 to the consolidated financial statements for the year ended 31 December 2009.

The application of the IFRS-EU methodology has reduced the amount of the unallocated provision for loan losses that ING Bank provided in prior years to adequately capture various subjective and judgmental aspects of the credit risk assessment which were not considered on an individual basis.

The following table presents the movements in allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2009, 2008, 2007, 2006 and 2005 under IFRS-EU.

IFRS-EU	**Calendar period**				
	2009	**2008**	**2007**	**2006**	**2005**
	(EUR millions)				
Balance on January 1	2,611	2,001	2,642	3,313	4,262
Implementation IAS 32 and IAS 39 [1]					(398)
Change in the composition of the Group	(3)	1	98	(101)	(4)
Charge-offs:					
Domestic:					
Loans guaranteed by public authorities					
Loans secured by mortgages	(79)	(34)	(22)	(32)	(8)
Loans to or guaranteed by credit institutions	(55)	(36)	(11)	(11)	(12)
Other private lending	(140)	(126)	(115)	(108)	(107)
Other corporate lending	(229)	(133)	(189)	(136)	(164)
Foreign:					
Loans guaranteed by public authorities	(12)	(16)	(25)		(9)
Loans secured by mortgages	(5)	(6)	(11)	(26)	(23)
Loans to or guaranteed by credit institutions	(1)		(2)	(5)	(4)
Other private lending	(259)	(114)	(104)	(70)	(78)
Other corporate lending	(437)	(263)	(473)	(303)	(437)
Total charge-offs	(1,217)	(728)	(952)	(691)	(842)
Recoveries:					
Domestic:					
Loans guaranteed by public authorities					
Loans secured by mortgages	2				
Loans to or guaranteed by credit institutions			2	4	
Other private lending	101	36	3	11	6
Other corporate lending	4			1	
Foreign:					
Loans guaranteed by public authorities					
Loans secured by mortgages			1		
Loans to or guaranteed by credit institutions					
Other private lending	24	27	30	49	39
Other corporate lending	17	27	23	21	16
Total recoveries	148	90	59	86	61
Net charge-offs	(1,069)	(638)	(893)	(605)	(781)
Additions and other adjustments (included in value Adjustments to receivables of the Banking operations)	2,860	1,247	154	35	234
Balance on 31 December	**4,399**	**2,611**	**2,001**	**2,642**	**3,313**
Ratio of net charge-offs to average loans and advances to banks and customers	0.17%	0.10%	0.16%	0.12%	0.17%

1. Consists of release of unallocated provision for loan losses of EUR (592) million and reclassification from other assets for provision for interest on impaired loans of EUR 194 million.

Additions to the provision for loan losses presented in the table above were influenced by developments in general economic conditions as well as certain individual exposures.

The following table shows the allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2009, 2008, 2007, 2006 and 2005 under IFRS-EU.

IFRS-EU	Year ended 31 December									
	2009		2008		2007		2006		2005	
	EUR	%(1)	EUR	%(1)	EUR	%(1)	EUR	%(1)	EUR	%(1)
	(EUR millions)									
Domestic:										
Loans guaranteed by public authorities		4.72		2.54		2.56		3.46	1	3.23
Loans secured by	290	27.54	167	24.76	96	24.62	96	25.40	93	25.82
Loans to or guaranteed by credit institutions		1.61	68	2.42	11	2.85		1.42		1.06
Other private	254	0.83	120	1.12	181	1.21	357	1.36	230	2.31
Other corporate	917	7.70	474	19.24	377	17.91	280	18.93	594	18.69
Total domestic	1,461	42.4	829	50.08	665	49.15	733	50.57	918	51.11
Foreign:										
Loans guaranteed by public authorities	3	3.85	2	1.57	1	1.56	2	2.00	2	4.07
Loans secured by	1,066	23.90	425	22.61	203	23.10	177	18.40	273	16.20
Loans to or guaranteed by credit institutions	12	6.78	17	4.02	3	5.56	6	6.75	13	5.51
Other private	436	2.52	533	3.18	374	3.10	408	3.45	408	3.53
Mortgage-backed securities	15									
Other corporate	1,371	20.55	805	18.54	755	17.53	1,316	18.83	1,699	19.58
Total foreign	2,938	57.60	1,782	49.92	1,336	50.85	1,909	49.43	2,395	48.89
Total	**4,399**	**100.00**	**2,611**	**100.00**	**2,001**	**100.00**	**2,642**	**100.00**	**3,313**	**100.00**

1. The percentages represent the loans in each category as a percentage of the total loan portfolio for loans and advances to banks and customers.

DEPOSITS

The aggregate average balance of all ING Bank's interest-bearing deposits (from banks and customer accounts) decreased by 13.2% to EUR 591,814 million for 2009, compared to 2008. Interest rates paid reflect market conditions. The effect on net interest income depends upon competitive pricing and the level of interest income that can be generated through the use of funds.

Deposits by banks are primarily time deposits, the majority of which are raised by the Group's Amsterdam based money market operations in the world's major financial markets.

Certificates of deposit represent 42% of the category 'Debt securities' (44% at the end of 2008). These instruments are issued as part of liquidity management with maturities generally of less than three months.

The following table includes the average deposit balance by category of deposit and the related average rate.

	2009		2008		2007	
	Average deposit (EUR millions)	Average rate %	Average deposit (EUR millions)	Average rate %	Average deposit (EUR millions)	Average rate %
Deposits by banks						
In domestic offices:						
Demand --non-interest bearing	6,006		9,797		4,278	
--interest bearing	5,556	1.0	11,821	3.8	20,909	5.3
Time	32,941	1.8	49,147	3.7	58,601	3.1
Other	10,869	1.7	12,213	3.6	1,900	4.1
Total domestic offices	55,372		82,978		85,688	
In foreign offices:						
Demand --non-interest bearing	1,599		3,374		2,149	
--interest bearing	5,553	1.4	12,175	3.9	7,295	5.8
Time	26,532	2.3	40,425	5.1	35,679	5.3
Other	26,455	4.3	31,121	4.8	31,975	4.7
Total foreign offices	60,139		87,095		77,098	
Total deposits by banks	**115,511**		**170,073**		**162,786**	
Customer accounts						
In domestic offices:						
Demand --non-interest bearing	12,005		15,041		16,702	
--interest bearing	57,162	0.3	108,589	1.7	100,618	2.1
Savings	64,731	2.8	57,475	2.8	63,001	2.3
Time	31,867	1.9	34,856	4.1	35,767	3.9
Other	6,965	1.3	7,202	3.6	1,578	4.8
Total domestic offices	172,730		223,163		217,666	
In foreign offices:						
Demand --non-interest bearing	6,160		4,581		4,887	
--interest bearing	50,956	1.2	52,089	2.8	41,519	3.5
Savings	243,080	2.5	229,149	3.9	228,030	3.8
Time	26,529	2.6	33,018	5.0	34,987	3.8
Other	2,618	5.9	2,486	4.9	4,672	3.6
Total foreign offices	329,343		321,323		314,095	
Total customers accounts	**502,073**		**544,486**		**531,761**	
Debt securities						
In domestic offices:						
Debentures	27,705	3.4	13,379	4.8	5,054	5.0
Certificates of deposit	10,406	1.2	8,887	4.6	3,441	4.7
Other	4,449	1.8	2,691	5.4	2,216	5.7
Total domestic offices	42,560		24,957		10,711	
In foreign offices:						
Debentures	8,343	3.5	8,552	6.0	8,609	5.8
Certificates of deposit	33,322	1.8	25,665	5.4	17,815	5.9
Other	19,263	1.6	18,611	3.5	32,008	5.3
Total foreign offices	60,928		52.828		58,432	
Total debt securities	**103,488**		**77,785**		**69,143**	

For the years ended 31 December 2009, 2008 and 2007, the aggregate amount of deposits by foreign depositors in domestic offices was EUR 47,229 million, EUR 77,958 million and EUR 78,227 million, respectively.

On 31 December 2009, the maturity of domestic time certificates of deposit and other time deposits, exceeding EUR 20,000, was:

	Time certificates of deposit		Other time deposits	
	(EUR millions)	%	(EUR millions)	%
3 months or less	8,451	68.8	46,846	83.0
6 months or less but over 3 months	3,549	28.9	4,276	7.6
12 months or less but over 6 months	197	1.6	3,519	6.2
Over 12 months	82	0.7	1,825	3.2
Total	**12,279**	**100**	**56,466**	**100**

The following table shows the amount outstanding for time certificates of deposit and other time deposits exceeding EUR 20,000 issued by foreign offices on 31 December 2009.

	(EUR millions)
Time certificates of deposit	36,404
Other time deposits	67,516
Total	**103,920**

Short-term Borrowings

Short-term borrowings are borrowings with an original maturity of one year or less. Commercial paper and securities sold under repurchase agreements are the only significant categories of short-term borrowings within ING Bank's operations.

The following table sets forth certain information relating to the categories of ING Bank's short-term borrowings.

IFRS-EU	Year ended 31 December		
	2009	2008	2007
	(EUR millions, except % data)		
Commercial paper:			
Balance at the end of the year	18,225	18,444	14,393
Monthly average balance outstanding during the year	19,264	17,949	30,403
Maximum balance outstanding at any period end during the year	22,531	19,319	37,304
Weighted average interest rate during the year	1.07%	3.80%	5.80%
Weighted average interest rate on balance at the end of the year	1.13%	3.70%	6.02%
Securities sold under repurchase agreements:			
Balance at the end of the year	67,193	110,202	127,111
Monthly average balance outstanding during the year	92,523	148,613	124,723
Maximum balance outstanding at any period end during	138,528	178,185	142,753

the year			
Weighted average interest rate during the year	1.30%	3.17%	4.66%
Weighted average interest rate on balance at the end of the year	1.80%	4.27%	4.57%

GENERAL INFORMATION

Documents Available for Inspection or Collection

So long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of the following documents will, when published, be available free of charge from the Issuer and from the specified office of the Paying Agents, Warrant Agents and Certificate Agents and, if applicable for Austrian investors from ING Bank N.V., Zweigniederlassung Wien, Ungargasse 64/3/305,1030 Wien. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209) or at the address of the Vienna ING branch indicated above.

(i) the English translation of the Articles of Association of the Issuer;

(ii) the annual reports of the Issuer (in English) in respect of the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, including the auditors' reports in respect of such financial years;

(iii) the most recently available annual report of the Issuer and its consolidated subsidiaries and the most recently available published interim financial statements of the Issuer (in English and if any);

(iv) a copy of the Registration Document; and

(v) any future supplements to the Registration Document and any other documents incorporated herein or therein by reference.

Ratings

The Issuer has a senior debt rating from Standard & Poor's of A+, a senior debt rating from Moody's of Aa3 and a senior debt rating from Fitch of A+.

A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. Over the course of the past year, the Issuer has from time to time been subject to its ratings being lowered.

Significant or Material Adverse Change

At the date hereof, there has been no significant change in the financial or trading position of ING Bank N.V. and its consolidated subsidiaries and no material adverse change in the prospects of ING Bank N.V. since 31 December 2009.

Litigation

ING Bank N.V. and its consolidated subsidiaries are involved in litigation and arbitration proceedings in The Netherlands and in a number of foreign jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of their businesses, including in connection with their activities as lenders, employers, investors and taxpayers. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, ING Bank N.V. is of the opinion that, save as described below, neither it nor any of its consolidated subsidiaries is aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ING Bank N.V. is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of ING Bank N.V. and/or its consolidated subsidiaries.

Purported class litigation has been filed in the United States District Court for the Southern District of New York alleging violations of the federal securities laws with respect to disclosures made in connection with the 2007 and 2008 offerings of ING's Perpetual Hybrid Capital Securities. The challenged disclosures primarily relate to ING Group's investments in certain residential mortgage-backed securities.

On 28 January 2010 ING lodged an appeal with the General Court of the European Union against specific elements of the EC's decision regarding ING's restructuring plan. In its appeal, ING contests the way the EC has calculated the amount of state aid ING received and the disproportionality of the price leadership restrictions specifically and the disproportionality of restructuring requirements in general.

Tax Audits

Because of the geographic spread of its business, ING Bank may be subject to tax audits in numerous jurisdictions at any point in time. Although ING Bank believes that it has adequately provided for all its tax positions, the ultimate resolution of these audits may result in liabilities which are different from the amounts recognised.

Auditors

The financial statements of the Issuer for the financial year ended 31 December 2007 have been audited by KPMG Accountants N.V. KPMG Accountants N.V. is a member of the Koninklijk Nederlands Instituut van Registeraccountants (*NIVRA*). KPMG Accountants N.V. has issued an unqualified auditors' report on these financial statements dated 17 March 2008.

The auditors' report in respect of the financial year ended 31 December 2007 incorporated by reference herein is included in the form and content in which it appears with the consent of KPMG Accountants N.V., who have authorised the contents of this auditors' report.

The financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2008, respectively, have been audited by Ernst & Young Accountants LLP. The auditors of Ernst & Young Accountants LLP are members of the Koninklijk Nederlands Instituut van Registeraccountants (*NIVRA*), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for the financial year ended 31 December 2009 dated 15 March 2010 and an unqualified auditors' report on the financial statements for the financial year ended 31 December 2008 dated 16 March 2009.

The auditors' reports in respect of the financial years ended 31 December 2009 and 31 December 2008, respectively, incorporated by reference herein are included in the form and context in which they appear with the consent of Ernst & Young Accountants LLP, who have authorised the contents of these auditors' reports.

THE ISSUER

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To the Issuer in respect of 2007

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To the Issuer in respect of 2008 and 2009

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