ING GROUP QUARTERLY REPORT

Fourth quarter 2010

SHARE INFORMATION

Financial calendar

Publication results 1Q2011	Thursday, 5 May 2011
Annual General Meeting	Monday, 9 May 2011
Publication results 2Q2011	Thursday, 4 August 2011
Publication results 3Q2011	Thursday, 3 November 2011

(All dates are provisional)

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Listing information

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

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

American Depositary Receipts (ADRs)

For questions regarding your ADRs please contact the JP Morgan Depositary Receipts Team:

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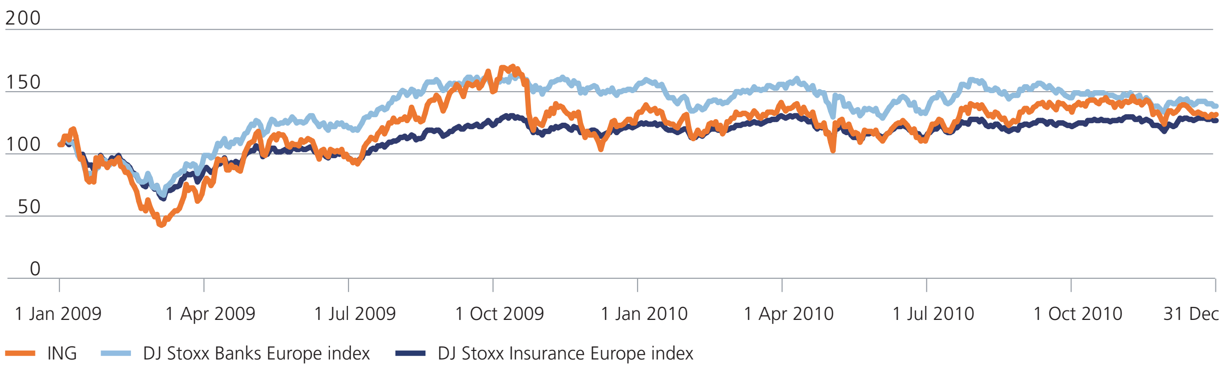
Internet: www.adr.com

Comparative performance of share price

1 JANUARY 2009 TO 31 DECEMBER 2010



OUR QUARTERLY PUBLICATIONS

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

The following other quarterly financial publications are available on the internet at www.ing.com/investorrelations in the Quarterly Results section.

Press release

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

Analyst presentation

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

ING Group Statistical Supplement

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

ING Group Historical Trend Data

In addition to the Group Statistical Supplement, this document, available in PDF and Excel format, includes historical trend data and details of restatements.

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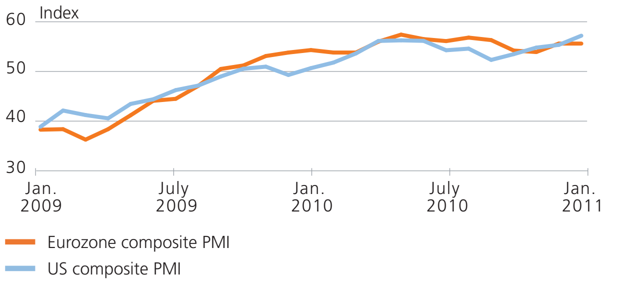
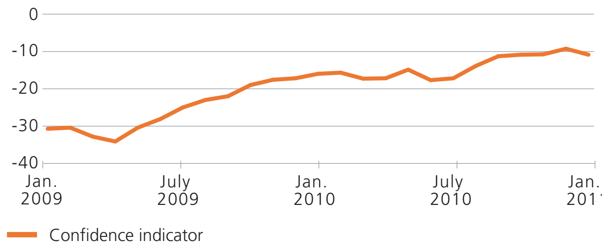
ECONOMIC ACTIVITY

- The purchasing managers' indices (PMIs), regarded as timely indicators of underlying trends in economic activity, advanced in both the US and in the eurozone, indicating that the recovery gained pace in the fourth quarter.



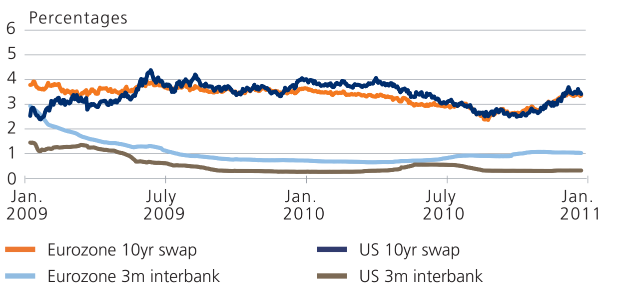
CONSUMER CONFIDENCE

- Eurozone consumer confidence edged up higher in the fourth quarter, helped by improvements in the labour market. Fears about the sovereign debt crisis, however, may have dampened the increase.



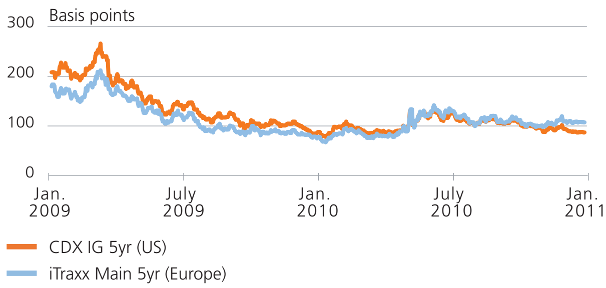
YIELD CURVE

- The yield curve in the US and the eurozone steepened during the fourth quarter of 2010.
- Short-term interest rates remained low, whereas long-term interest rates showed a clear increase.



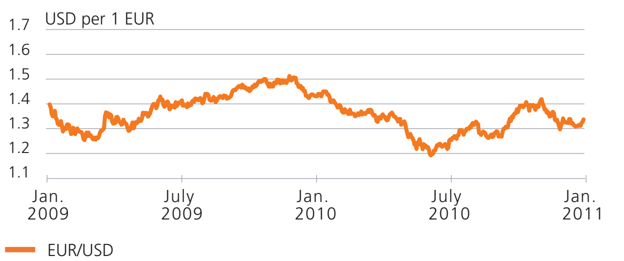
CREDIT MARKETS

- In the euro area, credit market sentiment remained more or less unchanged in the fourth quarter. Credit spreads, as measured by the iTraxx index of investment-grade borrowers' credit-default swaps, on balance was flat in the quarter.
- In the US, credit market sentiment improved slightly. US credit spreads, as measured by the CDX index, on balance moved a bit lower.



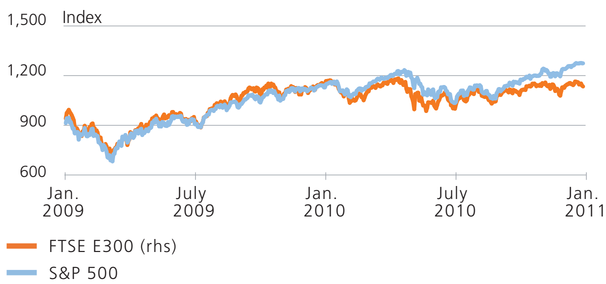
CURRENCY MARKETS

- Despite fear over the euro debt crisis, the EUR/USD exchange rate only decreased slightly to 1.34 from 1.36 at the end of the preceding quarter.



STOCK MARKETS

- Leading equity indices in the US and the eurozone advanced in the fourth quarter.
- In the US, the S&P 500 moved to above 'pre-Lehman' levels (15 September 2008).



Source: ING Economics Department

CHAIRMAN'S STATEMENT

"ING made good progress in 2010 as we prepare to create strong stand-alone companies for banking and insurance," said Jan Hommen, CEO of ING Group. "Although the economic recovery remains fragile, and financial markets continue to be volatile, ING posted an underlying net profit of EUR 3,893 million in 2010, up from EUR 974 million a year earlier. The Bank made a strong recovery, boosting the return on IFRS equity to 13.1% and generating EUR 5.9 billion of core Tier 1 capital. Insurance is also showing early progress on its performance improvement programme, despite challenging market circumstances. The operational separation of the Bank and Insurer was completed at year-end, with arms-length agreements in place between the two businesses for all commercial cooperation and shared infrastructure. The focus for 2011 will be on preparing the Insurance company for two IPOs and working towards the repurchase of the remaining outstanding core Tier 1 securities from the Dutch State."

"The Bank finished the year with another strong quarter, posting an underlying profit before tax of EUR 1,479 million, almost on par with the very strong third quarter, despite seasonally lower Financial Markets results and a small up-tick in loan loss provisions after three quarters of declines. The net interest margin increased further to 1.47%, supported by healthy margins on both savings and lending, although loan growth remains subdued in some segments. Expenses increased compared with a year earlier, when costs were flattered by substantial accrual releases across most business lines. Compared with the third quarter, expenses were up 3.2% and the cost/income ratio increased slightly to 57.2%, driven by higher marketing and IT costs to support the growth of the business, as well as higher contributions to deposit guarantee schemes."

"Insurance continued to show progress towards its Ambition 2013 performance improvement objectives. Operating profit for Insurance was up 44.6% to EUR 438 million, supported by a continued improvement in the investment spread to 93 basis points, as well as higher fees driven by new sales and growth in assets under management. The underlying result before tax was impacted by the write-down of EUR 975 million of deferred acquisition costs as part of the measures announced in the third quarter to improve transparency and address the reserve adequacy of the closed block variable annuity business in the US."

"The measures taken to address the US variable annuity block and the decision to bring the US reporting more into line with US peers should reduce earnings volatility from the US Closed Block VA going forward. The DAC balance for the closed block has been reduced substantially and reserve adequacy has been bolstered with a significant buffer above the 50% confidence level. As we prepare for our base case of two IPOs for Insurance, our priorities for 2011 will be the legal and operational separation within the Insurance business, and delivery on the performance improvement plans so we will be ready to move forward with the IPOs when market conditions are favourable."

KEY FIGURES

Group

	4Q2010	4Q2009	Change	3Q2010	Change	FY2010	FY2009	Change
Profit and loss data (in EUR million)								
Underlying result before tax	789	120	558%	1,512	-48%	5,343	1,159	361%
Underlying net result	644	90	616%	1,032	-38%	3,893	974	300%
Divestments and special items	-211	-801		-660		-675	-1,909	
Net result	433	-712		371	17%	3,220	-935	
Balance sheet data (end of period, in EUR billion)								
Total assets				1,261	-2%	1,247	1,164	7%
Shareholders' equity				42	-1%	42	34	23%
Capital ratios (end of period)								
ING Group debt/equity ratio				11.7%		13.3%	12.4%	
Bank core Tier 1 ratio				9.0%		9.6%	7.8%	
Insurance IGD Solvency I ratio				261%		255%	251%	
Share information								
Net result per share (in EUR)[1]	0.11	-0.33		0.10	10%	0.85	-0.44	
Shareholders' equity per share (end of period, in EUR)				11.23	-3%	10.99	8.95	22%
Shares outstanding in the market (average over the period, in million)				3,781	0%	3,781	2,103	80%
Other data (end of period)								
Underlying return on equity based on IFRS-EU equity	6.1%	1.2%		9.8%		9.7%	4.2%	
Employees (FTEs, end of period)				107,118	0%	107,106	105,757	1%

1 Result per share differs from IFRS-EU earnings per share in respect of attributions to the Core Tier 1 securities and for 2009 the recalculation of the number of outstanding shares due to the rights issue.

Banking operations

	4Q2010	4Q2009	Change	3Q2010	Change	FY2010	FY2009	Change
Profit and loss data (in EUR million)								
Interest result	3,514	3,148	12%	3,415	3%	13,450	12,507	8%
Total underlying income	4,424	3,346	32%	4,319	2%	17,298	13,483	28%
Underlying operating expenses	2,530	2,494	1%	2,451	3%	9,685	9,263	5%
Underlying addition to loan loss provision	415	689	-40%	374	11%	1,751	2,859	-39%
Underlying result before tax	1,479	163	807%	1,494	-1%	5,862	1,361	331%
Key figures								
Interest margin	1.47%	1.41%		1.41%		1.42%	1.32%	
Underlying cost/income ratio	57.2%	74.5%		56.8%		56.0%	68.7%	
Underlying risk costs in bp of average RWA	51	83		44		53	85	
Risk-weighted assets (end of period, in EUR billion, adjusted for divestm.)				331	-3%	321	330	-3%
Underlying return on equity based on IFRS-EU equity	13.5%	2.9%		13.0%		13.1%	4.3%	
Underlying return on equity based on 7.5% core Tier 1[1]	19.2%	3.5%		17.6%		17.6%	5.0%	

1 Underlying, after-tax return divided by average equity based on 7.5% core Tier 1 ratio (annualised).

Insurance operations

	4Q2010	4Q2009	Change	3Q2010	Change	FY2010	FY2009	Change
Margin analysis (in EUR million)								
Investment margin	402	268	50%	383	5%	1,481	1,196	24%
Fees and premium-based revenues	1,270	1,102	15%	1,222	4%	4,903	4,362	12%
Technical margin	204	228	-11%	216	-6%	780	902	-14%
Income non-modelled life business	37	47	-21%	37	0%	136	123	11%
Life & ING IM operating income	**1,912**	**1,645**	**16%**	**1,858**	**3%**	**7,300**	**6,583**	**11%**
Administrative expenses	843	735	15%	807	4%	3,205	2,916	10%
DAC amortisation and trail commissions	513	430	19%	458	12%	1,833	1,654	11%
Life & ING IM operating expenses	**1,356**	**1,165**	**16%**	**1,265**	**7%**	**5,038**	**4,570**	**10%**
Life & ING IM operating result	**556**	**480**	**16%**	**592**	**-6%**	**2,263**	**2,013**	**12%**
Non-life operating result	69	68	1%	50	38%	235	314	-25%
Corporate line operating result	-188	-244		-169		-754	-893	
Operating result	**438**	**303**	**45%**	**473**	**-7%**	**1,743**	**1,434**	**22%**
Non-operating items	-1,128	-346		-454		-2,263	-1,636	
Underlying result before tax	**-690**	**-43**		**18**		**-519**	**-202**	
Key figures								
Administrative expenses / operating income (Life & ING IM)	44.1%	44.7%		43.4%		43.9%	44.3%	
Life general account assets (end of period, in EUR billion)				167	-1%	165	143	15%
Investment margin / life general account assets[1] (in bps)	93	83		87		93	83	
ING IM Assets Management (end of period, in EUR billion)				378	2%	387	343	13%
Underlying return on equity based on IFRS-EU equity[2]	-9.5%	-3.0%		-0.8%		-1.8%	-0.9%	

1 Four-quarter rolling average

2 Annualised underlying net result, adjusted for the after-tax allocated cost of Group core debt injected as equity into Insurance by the Group.

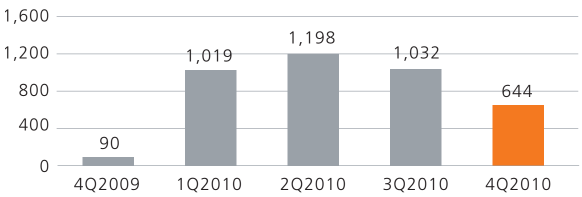
Note: Underlying figures are non-GAAP measures and are derived from figures according to IFRS-EU by excluding impact from divestments and special items.

CONSOLIDATED RESULTS

The operating environment continued to improve gradually during the fourth quarter, although the global economic recovery remained fragile and market volatility persisted. Nevertheless, ING Group's results showed a strong improvement compared with the previous year. Underlying net profit was EUR 3,893 million for the full-year 2010, up from EUR 974 million a year earlier.

The Bank's underlying result before tax was robust in the fourth quarter at EUR 1,479 million, a ninefold increase from the same quarter of last year. Insurance results were impacted by the previously announced EUR 975 million DAC write-down in the US, which resulted in an underlying loss before tax of EUR 690 million. However, operating profit was resilient at EUR 438 million, up 44.6% from the fourth quarter of 2009. The Group's fourth-quarter underlying net result was EUR 644 million, compared with EUR 90 million in the fourth quarter of 2009 and EUR 1,032 million in the third quarter of 2010. Net profit for the fourth quarter was EUR 433 million.

UNDERLYING NET RESULT (in EUR million)



ING Bank's net production of client balances was positive for the sixth straight quarter. Net production of funds entrusted was EUR 9.0 billion, of which EUR 8.5 billion was in Commercial Banking and related mainly to short-term deposits from asset managers and corporate treasuries. Retail Banking grew funds entrusted by EUR 0.5 billion. ING Direct generated EUR 3.4 billion of net inflow, which was offset by a net outflow of EUR 2.7 billion in Retail Netherlands, mainly reflecting outflows in deposits in the mid-corporate segment. The net production of residential mortgages, excluding currency impacts, was EUR 5.7 billion. Other lending showed net production of EUR 3.2 billion driven by strong growth in Structured Finance.

Insurance sales (APE) rose 7.0% from the fourth quarter of 2009 and increased 3.1% compared with the third quarter of 2010, excluding currency effects. Fourth-quarter APE was driven by strong sales in Asia/Pacific, the US and Latin America. Assets under management (AuM) at ING Investment Management rose 2.4%, or EUR 9.2 billion, to EUR 387 billion from the end of the third quarter, primarily on positive currency effects and EUR 2.9 billion of net inflows.

Banking

ING Bank posted another strong quarter with underlying profit before tax of EUR 1,479 million. This was almost on par with the strong third-quarter result of EUR 1,494 million and up significantly from the EUR 163 million profit in the fourth quarter of 2009, which was heavily impacted by market-related items. Interest results held up well and the interest margin increased to 1.47%. Lending volumes were up driven by mortgages and Structured Finance, while (mid-)corporate and SME lending remained subdued. Risk costs declined from the fourth quarter of 2009 but rose versus the third quarter of 2010. Market impacts diminished compared with both periods.

Total underlying income jumped 32.2% compared with the fourth quarter of 2009 and 2.4% versus the previous quarter. The strong year-on-year increase was fuelled by higher interest results and a marked improvement in investment and other income as impairments on debt securities and negative revaluations on real estate diminished significantly. Market-related impacts recorded in income were positive EUR 156 million, including a capital gain on the sale of an equity stake in Fubon Financial Holding, whereas market-related impacts totalled EUR -512 million in the fourth quarter of 2009 and EUR -27 million in the previous quarter.

Growth in client balances and a higher interest margin pushed the interest result up 11.6% from the fourth quarter of 2009. ING Bank's total interest margin was 1.47% in the fourth quarter, up six basis points from both the fourth quarter of 2009 and the third quarter of 2010. Compared with the third quarter of 2010, the interest result rose 2.9%. Despite low demand for credit facilities in General Lending, margins in both the General Lending and Structured Finance portfolios held up well compared with the previous quarters of 2010. In the mid-corporate and SME segments, increased competition and moderate lending demand pushed margins somewhat lower than levels seen in the previous quarters, especially in the Benelux. Margins for mortgages and savings remained healthy across all business lines, with improvements at ING Direct and in Retail Benelux.

Underlying operating expenses rose 1.4% from the fourth quarter of 2009, which included a number of exceptional items. Excluding these items and currency effects of EUR 74 million, operating expenses rose 9.2% due to additional costs for the new deposit guarantee scheme in Belgium this quarter, higher marketing expenses to support the ING brand, the year-on-year increase in staff costs and increased IT project costs. Exceptional items in the fourth quarter of 2009 included a provision for the Dutch deposit guarantee scheme following the bankruptcy of DSB Bank, a downward accrual adjustment related to deferral of incentive compensation, and higher impairments on real estate development projects and foreclosed properties. Compared with the third quarter of 2010, expenses were up 3.2%. The cost/income ratio improved to 57.2% versus 74.5% in the fourth quarter of 2009 but rose compared with 56.8% in the third quarter of 2010.

After three consecutive quarters of decline, risk costs increased by EUR 41 million from the third quarter of 2010 to EUR 415 million. The increase in Retail Netherlands was mainly due to a model update on the Dutch mortgage portfolio to reflect lower anticipated recovery rates. At ING Direct, risk costs rose due to the use of updated loss data in Germany and a EUR 21 million adjustment related to interest on modified loans in the US. Nevertheless, risk costs at ING Direct were substantially lower than a year ago, reflecting signs of stabilisation in the US housing market. Risk costs in the current quarter amounted to 51 basis points of average risk-weighted assets (RWA) compared with 83 basis points in the fourth quarter of 2009 and 44 basis points in the previous quarter. For the coming year, risk costs as a percentage of RWA are expected to be slightly below the level of 2010.

Retail Banking's underlying result before tax more than tripled from the fourth quarter of 2009 to EUR 806 million. This strong improvement was driven by a 14.6% rise in the interest result, fuelled by higher margins on savings and mortgages and volume growth, especially in the Benelux, the US and Germany. Impairments at ING Direct US were lower than a year ago because delinquencies flattened in the US RMBS portfolio. Risk costs declined 27.3% from the fourth quarter of 2009, particularly in the US, supporting the quarterly results. These positive trends more than offset higher expenses related to investments in the business and increased marketing costs. Compared with the third quarter of 2010, profit before tax fell 20.0% due to higher expenses, particularly in Retail Benelux, and increased risk costs.

Retail Netherlands' underlying result before tax was EUR 304 million, up from EUR 276 million in the fourth quarter of 2009 but down from EUR 377 million in the previous quarter. In the current quarter, income was strong due to higher margins on mortgages and savings, while expenses rose due to marketing campaigns and business investments. Risk costs remained elevated in the Netherlands, primarily due to a model update for mortgages reflecting lower anticipated recovery rates.

Retail Belgium reported an underlying result before tax of EUR 91 million, down from EUR 97 million in the same quarter of 2009 and EUR 140 million in the third quarter of 2010. Despite higher volumes, income was only slightly higher than in the fourth quarter of 2009. This could not compensate for a rise in expenses due to additional one-time costs for the new Belgian national deposit guarantee scheme.

ING Direct's result improved to EUR 363 million from a loss of EUR 177 million in the fourth quarter of 2009. This strong quarterly performance relative to last year was mainly fuelled by lower impairments on the US investment portfolio, higher interest results and lower risk costs. The fourth-quarter results declined 11.9% from the third quarter of 2010, largely as a result of higher marketing expenses and risk costs in the fourth quarter.

Retail Banking Central Europe's underlying profit before tax was EUR 39 million in the fourth quarter compared with EUR 34 million in the same period of 2009. A modest increase in income, partly due to favourable currency effects, and lower risk costs more than offset an increase in expenses. Profit in the third quarter of 2010 was EUR 44 million.

The underlying result before tax of Retail Asia doubled to EUR 10 million from the fourth quarter of 2009. This was due to higher income and declining risk costs, which together mitigated an increase in expenses due to additional pension provisions, higher staff costs and business growth. Profit was down significantly compared to EUR 36 million in the third quarter of 2010, as that quarter included EUR 18 million of dividends from the Bank of Beijing and a one-time EUR 11 million gain on the sale of an investment in India.

The underlying result before tax for Commercial Banking excluding ING Real Estate jumped 39.1% from the fourth quarter of 2009 to EUR 534 million, driven by higher income and lower risk costs. Income was up 19.7% on margin and volume increases in Structured Finance, as well as on income growth in the client-related Financial Markets business. Commission income rose on higher fees in Structured Finance, while other income improved primarily due to favourable valuation results on non-trading derivatives in Financial Markets. These positive commercial factors more then compensated for a 46.8% year-on-year increase in costs mainly resulting from currency effects, downward accrual adjustments related to deferral of incentive compensation in the fourth quarter of 2009 and market-related items. Excluding these impacts, operating expenses were up 16.7%. This was primarily due to investments in the business and higher staff costs. Costs rose sequentially by 5.1% versus the third quarter of 2010. Compared with the third quarter of 2010, the underlying result before tax declined 10.1%, largely due to seasonality in Financial Markets' income.

ING Real Estate returned to profit in the fourth quarter, with an underlying result before tax of EUR 80 million. The Investment Management and Finance businesses, as well as ING's own Investment Portfolio, each posted a quarterly profit and an improvement in results compared with last year, while the Development business narrowed its loss. In the fourth quarter, negative revaluations and impairments at ING Real Estate continued to decline and were EUR 56 million compared with EUR 406 million in the fourth quarter of 2009 and EUR 102 million in the previous quarter.

On 1 November 2010, ING closed the sale of its 50% stake in the ING Summit Industrial Fund LP, as well as the sale of ING Real Estate Canada, the manager of Summit. The sale of the other 50% stake, owned by the ING Industrial Fund, ING Group's co-investor in Summit, closed in the same transaction. Results from Summit are now recorded under 'net result from divested units' and are excluded from the underlying results.

The Corporate Line Banking posted a positive underlying result before tax of EUR 59 million compared to losses of EUR 180 million in the fourth quarter of 2009 and EUR 84 million in the previous quarter. The main contributor to the quarterly profit was the EUR 189 million capital gain on the sale of an equity stake in Fubon Financial Holding. This more than offset fair value changes on ING's own senior and covered bonds which turned negative.

The net result of the Bank was EUR 1,009 million. This includes an net operating profit of EUR 7 million from the divested Summit units and EUR -154 million of special items after tax, mainly related to the merger of the Dutch retail activities, the transformation programme in Belgium, restructuring and IT decommissioning, as well as separation costs.

The underlying full-year return on equity for the Bank was 13.1% based on IFRS-EU equity. The full-year 2010 return on equity based on a 7.5% core Tier 1 ratio was 17.6%, exceeding the Ambition 2013 target of 13-15%.

Insurance

The operating result of ING Insurance was EUR 438 million, up 44.6% from the fourth quarter of 2009 but down 7.4% from the previous quarter. The investment margin and fees and premium-based revenues both grew compared with the fourth quarter of 2009 and the third quarter of 2010. However, administrative expenses rose, DAC amortization and trail commissions increased and the technical margin declined relative to both comparative periods. The underlying result before tax in the fourth quarter of 2010 was heavily impacted by a DAC write-down related to the reporting of the US Closed Block VA as a separate business line.

The operating result from Life Insurance and Investment Management was EUR 556 million, up 15.8% from the same quarter of 2009 (or 6.1% excluding currency effects), but 6.1% lower than the previous quarter (or 4.8% excluding currencies).

The investment margin improved to EUR 402 million, up from EUR 268 million in the fourth quarter of 2009 and EUR 383 million in the third quarter of 2010. The strong increase compared with the fourth quarter of 2009 was attributable to reinvestments into fixed income securities in the Netherlands and the US and accretion of previously impaired securities. The increase in the investment margin compared with the third quarter of 2010 was primarily driven by the US and Asia/Pacific. The four-quarter rolling average investment spread improved to 93 basis points from 87 basis points in the third quarter of 2010 and 83 basis points in the fourth quarter of 2009. The investment spread for the stand-alone fourth quarter rose to 97 basis points from 75 basis points a year earlier.

Fees and premium-based revenues grew 15.2% from the same quarter of 2009 to EUR 1,270 million, driven mainly by higher fees in Asia/Pacific, ING Investment Management and Latin America. Investment Management fees rose on higher AuM, while in Asia/Pacific fees were boosted by strong sales in Japan and Malaysia. In Latin America, positive pension fund performance lifted fee income, as did higher fees on fund deposits. Fees and premium-based revenues rose 3.9% versus the third quarter of 2010. This was mainly driven by strong individual life sales and higher fund values in the US, higher income in the US Closed Block VA and higher fees on AuM at ING Investment Management.

The technical margin was EUR 204 million, down 10.5% from the fourth quarter of 2009. This was largely due to a lower technical result in the US individual life segment, a one-time negative reserve development in the US Closed Block VA and lower surrender and mortality results in Japan. In addition, the fourth quarter of 2009 included EUR 23 million of releases of rider provisions in Poland and Hungary. The technical margin declined 5.6% from the third quarter of 2010.

Life Insurance and Investment Management administrative expenses rose 14.7% from the fourth quarter of 2009. The fourth quarter of 2009 included accrual adjustments related to deferral of incentive compensation particularly in Investment Management, the US and Asia/Pacific, and the release of a provision related to the closure of SPVA in Japan. Excluding the impact of the accrual adjustments as well as currency effects of EUR 52 million, expenses rose modestly by 0.5%. Compared with the third quarter of 2010, expenses rose 4.5% or 6.4% excluding currency effects.

The life operating result of Insurance Benelux increased more than sevenfold from the fourth quarter of 2009 to EUR 122 million. This was attributable to a higher technical margin, a rise in fee income, cost reductions, and a higher investment margin due to reinvestments. The technical margin rose mainly due to the increase in interest rates, which led to EUR 22 million of lower guarantee provisions, and the release of a provision related to the discontinuation of pension contracts which contributed EUR 11 million. Fees and premium-based revenues also increased as the result of changes in the product mix and higher fund values. Compared with the third quarter of 2010, the life operating result was up 4.3%, mainly due to a higher technical margin.

Insurance Central and Rest of Europe's life operating result was EUR 63 million, down 43.8% from the fourth quarter of 2009. The decline in results was mainly attributable to lower fees and premium-based revenues and higher costs, including the EUR 8 million financial institutions tax in Hungary. Additionally, the fourth quarter of 2009 included the release of product rider provisions in Poland and Hungary totalling EUR 23 million, which was recorded in the technical margin. Compared with the third quarter of 2010, the life operating result was 16.0% lower. A lower technical margin and higher expenses were the main reasons for this decrease.

The life operating result of Insurance US, excluding the US Closed Block VA business, rose to EUR 171 million, 40.2% higher than the fourth quarter of 2009 as market conditions improved. The increase was attributable to higher investment margins and fee income, which more than mitigated a decline in the technical margin. The increase in the investment margin was primarily driven by lower interest rate swap expense, reinvestments into fixed income securities, accretion of income on previously impaired securities due to improved market values and higher prepayment fees. Life operating results were 17.1% higher than in the third quarter of 2010 as both the investment margin and fee income increased.

As of the fourth quarter of 2010, the US Closed Block VA business is reported separately from the rest of the Insurance US business. The operating result for the US Closed Block VA in the fourth quarter was EUR 1 million compared with EUR 6 million in the fourth quarter of 2009 and EUR 21 million in the third quarter of 2010. The decrease from the fourth quarter of 2009 was primarily caused by a lower technical margin, which reflects a one-time negative reserve development recorded in the fourth quarter of 2010 as well as lower fees and premium-based revenues. These factors were partially compensated by a higher investment margin and lower administrative expenses and DAC amortisation. The decline versus the third quarter was mainly due to a lower technical margin and higher DAC amortisation.

The life operating result for Latin America was EUR 46 million, up 21.1% (or 4.5% at constant currencies) from the fourth quarter of 2009 as fee income grew from higher sales and client balances. Fee income rose on pension fund performance in Mexico, while fees on fund deposits in other Latin American countries increased, consistent with economic growth and wage inflation. The life operating result fell 29.2% compared with the third quarter of 2010, mainly due to higher expenses, of which the majority related to the roll-out of new wealth management products throughout the region in the fourth quarter of 2010. Additionally, the third quarter of 2010 included the positive impact of a change in revenue recognition of fee income.

Insurance Asia/Pacific's life operating result was EUR 109 million, which was flat versus the same period of 2009, but down 16.2% excluding currency effects. This was attributable to a decline in the technical margin and higher life expenses, partly offset by an increase in the investment margin and fees and premium-based revenues. The increase in life expenses was primarily due to accrual adjustments related to deferral of incentive compensation and the release of a provision related to the closure of SPVA in Japan, both recorded in the fourth quarter of 2009, and currency impacts. Excluding the impact of the accrual adjustments and currency effects, the life operating result was 12.0% lower. Compared with the third quarter of 2010 the life operating result was down 13.5%, mainly due to declines in fees and premium-based revenues and the technical margin.

ING Investment Management's operating profit declined 41.6%, or 44.4% excluding currency effects, to EUR 45 million from EUR 77 million in the fourth quarter of 2009. Although fees were up strongly, the increase was outstripped by a 53.5% rise in administrative expenses, which was mainly caused by accrual adjustments related to deferral of incentive compensation in the fourth quarter of 2009, the introduction of the fixed service fee and currency effects. Compared with the third quarter of 2010, Investment Management's operating result rose 4.7%.

The non-life operating result of ING Insurance was EUR 69 million, which was relatively unchanged compared with EUR 68 million in the same quarter of 2009. However, non-life results were EUR 19 million higher than the third quarter of 2010 due to strong fourth-quarter results in the Benelux driven by lower expenses.

The Corporate Line operating result was EUR -188 million compared with EUR -244 million in the fourth quarter of 2009. The improvement was primarily due to lower interest paid on hybrids resulting from the transfer of hybrid capital from ING Insurance to ING Bank in the fourth quarter of 2009, as well as the conversion of a EUR 1 billion hybrid from fixed to floating rate interest payments in April 2010. The operating loss in the third quarter of 2010 was EUR -169 million.

ING Insurance posted a quarterly underlying result before tax of EUR -690 million compared to EUR -43 million in the same quarter of 2009 and a profit of EUR 18 million in the third quarter of 2010. The loss in the current period reflects a EUR 975 million DAC write-down in Insurance US. As previously indicated, this write-down relates to the reporting of the US Closed Block VA business as a separate business line.

Gains/losses and impairments on investments diminished significantly to EUR -36 million from EUR -177 million in the fourth quarter of 2009 and EUR -126 million in the third quarter.

Market and other impacts worsened to EUR -1,096 million in the fourth quarter and consisted primarily of the DAC write-down related to the US Closed Block VA. Market and other impacts totalled EUR -157 million in the same quarter of 2009 and EUR -603 million in the third quarter of 2010. These figures included the impact of policyholder behaviour assumption changes in Japan and the US of EUR -343 million in the fourth quarter of 2009 and EUR -356 million in the third quarter of 2010.

The fourth-quarter net result for Insurance was EUR -576 million and includes a EUR 16 million gain on divestments and EUR -75 million of special items. Included within special items were EUR 26 million of after-tax separation expenses.

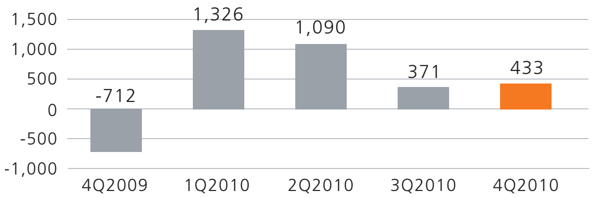
Insurance sales (APE) rose 7.0% from the fourth quarter of 2009 and increased 3.1% compared with the third quarter of 2010, excluding currency effects. The improvement in sales compared with the fourth quarter of 2009 was due to the US, Asia/Pacific and Latin America. In the US (excluding the US Closed Block VA), new sales increased driven by higher sales of stable value retirement plans, Universal Life products and term products. APE growth in Asia/Pacific was driven by the strong performance of ING's bancassurance partners in Malaysia, Thailand, Korea and China and continued sales strength in Japan, including the launch of a new COLI Increasing Term product. The APE increase in Latin America was mainly related to higher sales of mandatory pension products in Mexico. The inclusion of tax-favoured voluntary pension sales in Colombia and mutual fund sales in Chile also contributed to the increase.

Net profit

ING Group's net profit for the full-year 2010 was EUR 3,220 million compared to a net loss in 2009 of EUR 935 million. The fourth-quarter 2010 net profit was EUR 433 million, versus a loss of EUR 712 million in the same quarter of last year and a profit of EUR 371 million in the third quarter of 2010.

Divestments and special items recorded in the fourth quarter of 2010 totalled EUR -211 million after tax and related primarily to various restructuring programmes and separation costs. After-tax separation costs were EUR 46 million in the fourth quarter and totalled EUR 85 million for the full-year, in line with projected estimates.

NET RESULT (in EUR million)



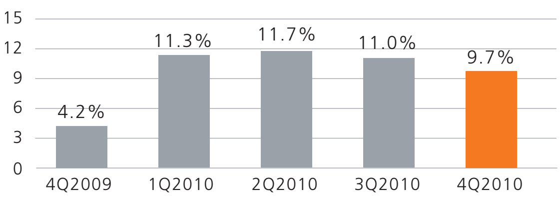
The underlying effective tax rate was 14.5% in the fourth quarter, mainly caused by tax-exempt results in the Bank and by the taxation of the US Insurance loss against the high US rate. The underlying effective tax rate was 25.3% for the full-year 2010.

The net profit per share was EUR 0.11 in the fourth quarter compared to a loss of EUR 0.33 in the fourth quarter of 2009 and a profit of EUR 0.10 in the third quarter of 2010. The average number of shares used to calculate earnings per share over the quarter was 3,781 million.

Return on equity

The full-year 2010 underlying net return on equity for ING Group was 9.7% compared with 4.2% for the full-year 2009. The underlying return on equity for the Bank increased to 13.1% for the full-year 2010 from 4.3% in 2009. The underlying return on equity for Insurance was -1.8% for the full-year 2010 compared with -0.9% in 2009.

RETURN ON EQUITY (year-to-date)



Changes 4Q2010 and 1Q2011

ING announced in November 2010 that it would implement a number of key changes with regard to the US Closed Block Variable Annuity ('VA') business to increase transparency, improve reserve adequacy, reduce earnings volatility and bring accounting and hedging more into line with US peers as the company prepares for a potential US-focused IPO.

In relation to these objectives, effective 1 October 2010, ING began reporting the US Closed Block VA business as a separate business line. Comparatives have been adjusted for ease of comparability and performance evaluation. Under ING's existing accounting policies, this separation triggered a charge in the fourth quarter of 2010 to bring reserve adequacy on the new Closed Block VA business line to the 50% level as of 1 October 2010. This charge, which was previously indicated in November 2010, is reflected in the fourth quarter results as a DAC write-down of EUR 975 million before tax (EUR 634 million after tax).

ING moved towards fair-value accounting on reserves for Guaranteed Minimum Withdrawal Benefits for life ('GMWB') as of 1 January 2011 in order to better reflect the economic value of underlying benefits and to more closely align its accounting practice with its US peers. In connection with this, ING substantially increased the interest rate hedging position on the US Closed Block VA book. These additional hedges are not expected to cause significant earnings volatility, as the results from hedging derivatives will largely be mirrored in interest related value changes of the guarantees as recorded in the financial statements from the first quarter of 2011 onwards.

Note that the move towards fair value accounting for GMWB represents a change in accounting policy under IFRS-EU. The impact on IFRS-EU shareholders' equity as of 1 January 2011, including associated DAC and tax impacts, was EUR -0.7 billion. This figure is significantly lower than the EUR -1 to -1.3 billion estimate provided in November 2010, mainly due to the strong performance of equity markets and rising interest rates in the US during the fourth quarter.

The results of the comparative periods will be restated to reflect the change in accounting policy and will be posted on www.ing.com as of 1 April 2011. The estimated after-tax impact on full-year earnings is EUR -0.4 billion for 2010 and EUR -0.1 billion for 2009. These impacts reflect the retroactive accounting change for the GMWB, but do not reflect additional hedging of interest rate risk.

As a result of the changes described above and the beneficial market developments during the fourth quarter, as of 1 January 2011 the US Closed Block VA business reserves are adequate with a significant buffer above the 50% level.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	31 Dec. 10	30 Sep. 10	31 Dec. 09
Assets			
Cash and balances with central banks	13,072	13,342	15,390
Amounts due from banks	51,828	59,108	43,397
Financial assets at fair value through P&L	263,894	277,592	233,190
Investments	234,240	232,720	212,112
Loans and advances to customers	613,204	605,580	578,946
Reinsurance contracts	5,789	5,759	5,480
Investments in associates	3,925	3,762	3,699
Real estate investments	1,900	2,041	3,638
Property and equipment	6,132	6,115	6,119
Intangible assets	5,372	5,203	6,021
Deferred acquisition costs	10,604	10,867	11,398
Assets held for sale	681	1,879	5,024
Other assets	36,469	36,731	39,229
Total assets	**1,247,110**	**1,260,698**	**1,163,643**

in EUR million	31 Dec. 10	30 Sep. 10	31 Dec. 09
Equity			
Shareholders' equity	41,555	42,476	33,863
Minority interests	729	997	915
Non-voting equity securities	5,000	5,000	5,000
Total equity	**47,284**	**48,472**	**39,778**
Liabilities			
Subordinated loans	10,645	10,635	10,099
Debt securities in issue	135,604	130,955	119,981
Other borrowed funds	22,291	26,530	23,151
Insurance and investment contracts	270,582	264,859	240,858
Amounts due to banks	72,852	78,869	84,235
Customer deposits	511,362	502,496	469,508
Financial liabilities at fair value through P&L	138,538	157,356	129,789
Liabilities held for sale	424	1,224	4,890
Other liabilities	37,527	39,300	41,354
Total liabilities	**1,199,826**	**1,212,226**	**1,123,865**
Total equity and liabilities	**1,247,110**	**1,260,698**	**1,163,643**

ING Group's balance sheet decreased by EUR 14 billion to EUR 1,247 billion at year-end. The weakening of the euro increased the balance sheet by EUR 13 billion in the quarter. Excluding currency effects, total assets decreased by EUR 27 billion, mainly due to lower trading assets and reduced amounts due from banks. Shareholders' equity declined by EUR 0.9 billion to EUR 41.6 billion (or EUR 10.99 per share) compared with EUR 42.5 billion at the end of September 2010. This was due to the negative revaluation of debt securities as a result of higher interest rates in the fourth quarter, partly offset by deferred interest crediting to life policyholders and the Group's fourth-quarter net result.

Loans

'Loans and advances to customers' increased by EUR 8 billion to EUR 613 billion, primarily due to EUR 5 billion of currency effects. Excluding currency impacts and despite a EUR -2 billion fair value hedge adjustment, residential mortgages grew by EUR 4 billion, mainly at ING Direct and Retail Benelux. At comparable currency rates, lending to (mid)-corporates, SMEs and other increased by EUR 2 billion, offset by EUR 2 billion of lower securities at amortised cost and the Illiquid Assets Back-up Facility.

Investments

'Investments' rose by EUR 2 billion to EUR 234 billion compared with the end of September 2010. Investments at ING Bank grew by EUR 2 billion, driven by EUR 1 billion of currency impacts and EUR 1 billion of higher debt securities available-for-sale, mainly at ING Direct. At ING Insurance, 'investments available-for-sale' decreased on balance by EUR 1 billion. Excluding EUR 2 billion of positive currency impacts, the decrease was EUR 3 billion. This was caused by EUR 4 billion of negative revaluations, which were partly compensated by EUR 2 billion of portfolio growth.

Interbank market

ING was a net receiver of deposits on the interbank market, with the net amount up by EUR 1 billion. 'Amounts due to banks' shrank by EUR 6 billion to EUR 73 billion and 'amounts due from banks' decreased by EUR 7 billion to EUR 52 billion.

Financial assets/liabilities at fair value

'Financial assets at fair value through P&L' decreased by EUR 14 billion from the end of September 2010. At ING Bank, this balance sheet item decreased by EUR 19 billion driven by lower trading and non-trading derivatives. Derivatives declined mainly due to lower market valuations following increased long-term interest rates. The development of 'financial liabilities at fair value through P&L' mainly mirrored the development in derivatives. At Insurance, 'investments for risk of policyholders' increased by EUR 6 billion to EUR 121 billion. This was due to EUR 2 billion of currency effects and EUR 4 billion of positive market appreciation. The latter was offset against 'Insurance and investment contracts.'

Deferred acquisition costs (DAC)

'Deferred acquisition costs' declined by EUR 0.3 billion, or EUR 0.6 billion excluding currency effects. The decrease includes the EUR 975 million DAC write-down for the US Closed Block VA.

Debt securities in issue

'Debt securities in issue' increased by EUR 5 billion, including EUR 1 billion of currency effects. ING Bank issued EUR 4 billion of long-term securities in the capital markets, including both covered bonds and unsecured debt.

ING Group: Change in shareholders' equity	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	4Q2010	3Q2010	4Q2010	3Q2010	4Q2010	3Q2010	4Q2010	3Q2010
Shareholders' equity beginning of period	**42,476**	**41,623**	**33,845**	**33,400**	**21,003**	**20,636**	**-12,372**	**-12,414**
Net result for the period	434	371	1,027	1,064	-553	-724	-40	30
Unrealised revaluations of equity securities	536	141	182	-109	335	250	19	
Unrealised revaluations of debt securities	-3,477	3,310	-693	352	-2,784	2,958		
Deferred interest crediting to life policyholders	1,812	-1,587			1,812	-1,587		
Realised gains/losses equity securities released to P&L	-243	-31	-177	-11	-66	-20		
Realised gains/losses debt securities released to P&L	83	113	12	-6	71	119		
Change in cashflow hedge reserve	-707	487	249	-148	-982	633	26	2
Other revaluations	54	193	-68	69	130	111	-8	13
Exchange rate differences	615	-2,271	257	-789	353	-1,453	5	-29
Exercise of warrants/capital injections	-1	79	14	11	9	12	-24	56
Capital contributions					1,500		-1,500	
Dividend			-200				200	
Other	-27	48	3	12	-17	68	-13	-31
Total changes	**-921**	**853**	**606**	**445**	**-192**	**367**	**-1,335**	**41**
Shareholders' equity end of period	**41,555**	**42,476**	**34,451**	**33,845**	**20,811**	**21,003**	**-13,707**	**-12,372**

ING Group: Shareholders' equity	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	31 Dec. 10	30 Sep. 10	31 Dec. 10	30 Sep. 10	31 Dec. 10	30 Sep. 10	31 Dec. 10	30 Sep. 10
Share premium/capital	16,953	16,953	17,067	17,067	12,048	10,548	-12,162	-10,662
Revaluation reserve equity securities	3,604	3,311	1,728	1,723	1,816	1,547	60	41
Revaluation reserve debt securities	1,158	4,552	18	699	1,164	3,877	-24	-24
Revaluation reserve crediting to life policyholders	-1,488	-3,300			-1,488	-3,300		
Revaluation reserve cashflow hedge	847	1,554	-640	-889	1,567	2,549	-80	-106
Other revaluation reserves	631	630	350	363	286	265	-5	2
Currency translation reserve	105	-422	499	297	-152	-475	-242	-244
Treasury shares	-715	-703					-715	-703
Retained earnings and other reserves	20,460	19,901	15,429	14,585	5,570	5,992	-539	-676
Total	**41,555**	**42,476**	**34,451**	**33,845**	**20,811**	**21,003**	**-13,707**	**-12,372**

Customer deposits

'Customer deposits' increased by EUR 9 billion to EUR 511 billion. Individual savings accounts grew by EUR 4 billion, or EUR 2 billion at constant currencies. Corporate deposits rose by EUR 5 billion.

Insurance and investment contracts

'Insurance and investment contracts' rose by EUR 6 billion to EUR 271 billion at year-end. This was primarily due to EUR 4 billion of currency effects. The remaining EUR 2 billion increase relates to EUR 4 billion of positive revaluations of the 'provision for risk of policyholders' and EUR 2 billion of provision decreases.

Shareholders' equity

'Shareholders' equity' decreased by EUR 0.9 billion to EUR 41.6 billion compared with EUR 42.5 billion at the end of September 2010. The decrease was caused by a negative change in revaluation reserves, mainly due to higher interest rates, which was partly compensated by positive exchange rate differences of EUR 0.6 billion and the quarterly net profit of EUR 0.4 billion.

Revaluation reserves

The 'revaluation reserve of equity securities' increased by EUR 0.3 billion to EUR 3.6 billion at the end of the fourth quarter. The revaluation reserve of debt securities decreased significantly from EUR 4.6 billion at September 2010 to EUR 1.2 billion at the end of 2010, mainly due to higher interest rates in the fourth quarter. The revaluation reserve for asset-backed securities (ABS) improved by EUR 0.4 billion, while the revaluation reserve for government, corporate and financial bonds decreased by EUR 3.8 billion.

Number of shares

The total number of shares outstanding in the market was 3,780 million at the end of December 2010 compared with 3,782 million at the end of the third quarter. Shareholders' equity per share decreased to EUR 10.99 at 31 December 2010 from EUR 11.23 at the end of September 2010. The total number of shares equals the 3,780 million shares outstanding in the market plus treasury shares, which increased from 49.3 million at the end of the third quarter to 51.3 million at the end of 2010.

Annual development balance sheet total

ING Group's balance sheet grew by EUR 84 billion compared with December 2009, of which EUR 45 billion was due to currency impacts. At comparable currency rates, the increase was EUR 39 billion, mainly owing to growth in residential mortgages and investments.

CAPITAL MANAGEMENT

ING's capital position remains strong, supported by EUR 5.9 billion of core Tier 1 capital generation from the Bank in 2010. ING Bank's core Tier 1 ratio increased to 9.6% at the end of 2010.

ING Bank generated EUR 5.9 billion of core Tier 1 capital in 2010 mainly driven by EUR 4.4 billion of net profit and a reduction in risk-weighted assets, adjusted for currency movements, of EUR 20 billion. In the fourth quarter, the core Tier 1 ratio of ING Bank increased from 9.0% to 9.6%. Core Tier 1 capital rose by EUR 0.8 billion as EUR 1 billion of retained earnings were partly offset by a dividend upstream of EUR 0.2 billion related to the sale of the stake in Fubon Financial Holding. Due to ING Bank's currency hedging programme, foreign exchange differences in available capital offset the EUR 3 billion increase in risk-weighted assets related to currency movements. Therefore, the impact of currency changes on the core Tier 1 ratio is very limited.

The Insurance IGD ratio was 255% at the end of 2010, down from 261% at the end of the third quarter. This was mainly due to the impact of higher interest rates on available capital. In December 2010 ING Group converted EUR 1.5 billion of hybrids into equity in ING Insurance. The reduction of hybrids will lower interest costs reflected in the Corporate Line Insurance. Also, from 2011 onwards, the Group will stop allocating interest expenses related to Group core debt to Insurance as ING prepares for the separation of the Insurance company. The preparations for a legal entity restructuring, in line with the base case of two Insurance IPOs, are expected to be finalised in the first half of 2011.

The Group debt/equity ratio increased from 11.7% to 13.3% in the fourth quarter, reflecting the EUR 1.5 billion debt for equity conversion, which increased core debt from EUR 7.1 billion to EUR 8.5 billion. Adjusted equity of ING Group increased by EUR 1.5 billion, reflecting retained net profit (EUR 0.4 billion), positive equity revaluations (EUR 0.3 billion) and favourable currency effects (EUR 0.8 billion). The Financial Conglomerates Directive (FiCo) ratio for the Group declined from 165% to 162%.

ING's policy is to pay dividends in relation to the long-term underlying development of cash earnings. Dividends will only be paid when the Executive Board considers such a dividend appropriate. Given the uncertain financial environment, increasing regulatory requirements and ING's priority to repurchase the remaining outstanding core Tier 1 securities, the Executive Board will not propose to pay a dividend over 2010 at the AGM.

Following the announcement of the third-quarter results in November, S&P placed all of the ING Insurance ratings on credit watch negative. However, the credit watch negative was removed for the Insurance entities in December. The Insurance ratings continue to carry a negative outlook, mainly due to the uncertainty associated with the divestment process. Moody's confirmed the ratings after the third quarter results release but changed the outlook from developing to negative. There were no rating developments for ING Group or ING Bank in the quarter.

During the quarter, ING Bank issued a total of EUR 3.6 billion in the debt market including EUR 1.8 billion of senior unsecured debt and EUR 1.2 billion of covered bonds. For 2011, EUR 13 billion of ING's total long term debt is maturing, of which EUR 10.7 billion ING Bank (and subsidiaries). ING Bank issued already EUR 2 billon in the first weeks of 2011.

Capital base: ING Group

	In EUR million unless stated otherwise	31 Dec. 10	30 Sep. 10
(a)	Shareholders' equity	41,555	42,476
(b)	Core tier 1 securities	5,000	5,000
(c)	Group hybrid capital	12,039	11,895
(d)	Group leverage (core debt)	8,462	7,115
	Total capitalisation (Bank + Insurance)	**67,057**	**66,486**
(f)	Required regulatory adjustments	-3,425	-5,724
	Group leverage (core debt)	-8,462	-7,115
(e)	**Adjusted equity (= a + b + c + f)**	**55,169**	**53,647**
	Debt/equity ratio (d/(d+e))	13.3%	11.7%
(g)	Total required capital (j+m)	38,233	38,171
	FiCo ratio (= (h+k-d)/g)	162%	165%

Capital ratios: ING Bank

	In EUR million unless stated otherwise	31 Dec. 10	30 Sep. 10
	Shareholders' equity	34,451	33,845
	Core tier 1	30,894	30,084
	Hybrid tier 1	8,438	8,343
	Required regulatory adjustments	-3,557	-3,760
	Total tier 1 capital	**39,332**	**38,427**
	Other capital	9,813	9,971
(h)	**BIS Capital**	**49,145**	**48,398**
	Risk-weighted assets	321,103	332,498
(j)	Required capital Basel II *	25,688	26,600
(j)	Required capital based on Basel I floor *	29,860	29,787
	Basel II core tier 1 ratio	**9.6%**	**9.0%**
	Basel II tier 1 ratio	**12.2%**	**11.6%**
	Basel II BIS ratio**	**15.3%**	**14.6%**

*) required capital is the highest of the two
**) pre-floor

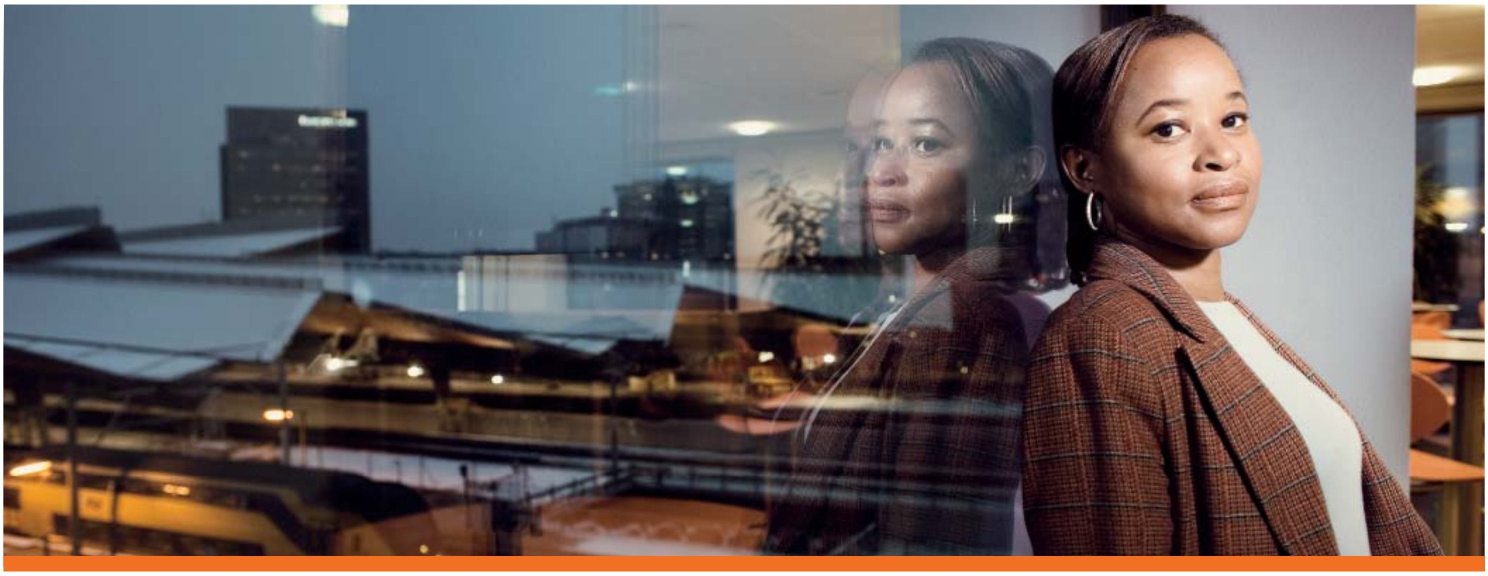
Capital ratios: ING Insurance

	In EUR million unless stated otherwise	31 Dec. 10	30 Sep. 10
	Shareholders' equity	20,811	21,003
	Hybrids issued by ING Group	2,094	3,542
	Hybrids issued by ING Insurance	2,250	2,250
	Required regulatory adjustments	-3,843	-4,933
(k)	**Total capital base**	**21,312**	**21,862**
(m)	EU required capital	8,374	8,384
	IGD Solvency I ratio (k/m)	**255%**	**261%**

Main credit ratings of ING at 15 February 2011

	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A	Stable	A1	Stable	A	Stable
ING Bank N.V.	A+	Stable	Aa3	Stable	A+	Stable
ING Verzekeringen N.V.	A-	Negative	Baa1	Negative	A-	Negative

Banking



CONSOLIDATED RESULTS

Banking: Consolidated profit and loss account								
In EUR million	4Q2010	4Q2009	Change	3Q2010	Change	FY2010	FY2009	Change
Interest result	3,514	3,148	11.6%	3,415	2.9%	13,450	12,507	7.5%
Commission income	669	654	2.3%	646	3.6%	2,629	2,538	3.6%
Investment income	158	-397		30	426.7%	308	-1,482	
Other income	82	-59		228	-64.0%	910	-79	
Total underlying income	**4,424**	**3,346**	**32.2%**	**4,319**	**2.4%**	**17,298**	**13,483**	**28.3%**
Staff expenses	1,440	1,153	24.9%	1,385	4.0%	5,489	4,970	10.4%
Other expenses	986	1,077	-8.4%	954	3.4%	3,704	3,797	-2.4%
Intangibles amortisation and impairments	104	264	-60.6%	113	-8.0%	492	495	-0.6%
Operating expenses	2,530	2,494	1.4%	2,451	3.2%	9,685	9,263	4.6%
Gross result	**1,894**	**852**	**122.3%**	**1,868**	**1.4%**	**7,613**	**4,220**	**80.4%**
Addition to loan loss provision	415	689	-39.8%	374	11.0%	1,751	2,859	-38.8%
Underlying result before tax	**1,479**	**163**	**807.4%**	**1,494**	**-1.0%**	**5,862**	**1,361**	**330.7%**
Taxation	307	-57		385	-20.3%	1,467	96	1428.1%
Minority interests	16	4	300.0%	18	-11.1%	73	72	1.4%
Underlying net result	**1,156**	**216**	**435.2%**	**1,090**	**6.1%**	**4,322**	**1,194**	**262.0%**
Net gains/losses on divestments	0	0		-26		379	0	
Net result from divested units	7	-15		11		21	-241	
Special items after tax	-154	-923		-48		-340	-1,261	
Net result from Banking	**1,009**	**-722**		**1,026**	**-1.7%**	**4,383**	**-308**	
Client balances (in EUR billion)								
Residential Mortgages	313.0	283.4	10.4%	303.8	3.0%	313.0	283.4	10.4%
Other Lending	227.1	220.0	3.2%	223.0	1.8%	227.1	220.0	3.2%
Funds Entrusted	503.8	472.1	6.7%	491.6	2.5%	503.8	472.1	6.7%
AUM/Mutual Funds	124.6	132.8	-6.2%	121.0	3.0%	124.6	132.8	-6.2%
Profitability and efficiency[1]								
Interest margin	1.47%	1.41%		1.41%		1.42%	1.32%	
Cost/income ratio	57.2%	74.5%		56.8%		56.0%	68.7%	
Return on equity based on IFRS-EU equity	13.5%	2.9%		13.0%		13.1%	4.3%	
Return on equity based on 7.5% core Tier 1[2]	19.2%	3.5%		17.6%		17.6%	5.0%	
Return on RWA	1.44%	0.26%		1.32%		1.32%	0.38%	
Staff (FTEs end of period)	72,343	70,312	2.9%	71,866	0.7%	72,343	70,312	2.9%
Risk[1]								
Non-performing loans/total loans	2.2%	2.0%		2.1%		2.2%	2.0%	
Stock of provisions/provisioned loans	37.7%	36.1%		37.4%		37.7%	36.1%	
Risk costs in bp of average RWA	51	83	-	44		53	85	
Risk weighted assets (end of period)	321,103	329,695	-2.6%	330,998	-3.0%	321,103	329,695	-2.6%
RAROC after tax	16.5%	6.7%		14.8%		15.0%	9.0%	
Economic Capital (average over period)	26,395	22,331	18.2%	26,693	-1.1%	27,303	22,398	21.9%

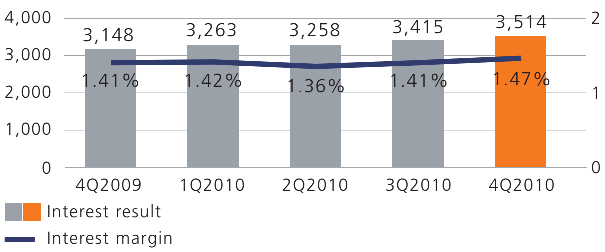
1) Key figures based on underlying figures except interest margin and loans figures
2) Underlying after-tax return divided by average equity based on 7.5% core Tier 1 ratio (annualised)

ING's banking operations continued to benefit from healthy margins during the quarter. Lending volumes were up, driven by mortgages and specialised finance activities, while (mid-)corporate and SME lending remained subdued. Risk costs ticked up after several quarters of decline. Expenses increased, reflecting higher marketing and IT expenditures as well as additional costs for the new deposit guarantee scheme in Belgium. The underlying result before tax of ING's banking operations increased to EUR 1,479 million from EUR 163 million in the fourth quarter of last year. The full-year 2010 ROE based on IFRS-EU equity improved to 13.1%.

Total underlying income

ING Bank's income remained strong in the fourth quarter of 2010 despite low demand for credit in some markets and as the negative effects from the US housing market and property markets became less severe. Total underlying income rose 32.2%

INTEREST RESULT (in EUR million) AND INTEREST MARGIN (in %)



versus the fourth quarter of 2009 and was up 2.4% from the previous quarter. The strong increase year-on-year was driven by higher interest results and a robust improvement in investment and other income as impairments on debt securities and negative revaluations on real estate diminished significantly. Market-related impacts included under income totalled EUR 156 million in the fourth quarter of 2010 (due to a capital gain on the sale of an equity stake in Fubon Financial Holding) compared with EUR -512 million in the fourth quarter of 2009 and EUR -27 million in the third quarter of this year. Excluding these impacts, underlying income rose to EUR 4,268 million, up 10.6% on the fourth quarter last year but down 1.8% on the previous quarter, reflecting seasonally lower client flows in Financial Markets.

The interest result held up well despite low demand for credit in some markets. The interest result rose 11.6% compared with the fourth quarter of 2009, driven mainly by growth in client balances and a higher interest margin. Compared with the fourth quarter of 2009, the interest margin rose by six basis points to 1.47%. Compared with the previous quarter, the interest result increased 2.9% due to an improvement in the interest margin of six basis points, of which two basis points were due to higher interest results in Financial Markets. Margins in the corporate lending book of General Lending and the specialised finance activities of Structured Finance held up well compared with the previous quarters despite low demand for credit facilities in General Lending. Increased competition and lower demand in the mid-corporate and SME market set margins somewhat lower than the levels seen in the previous quarters, especially in the Benelux. Margins for mortgages and savings remain healthy across all business lines, with improvements in ING Direct and the Benelux.

The net production (excluding currency impacts) in residential mortgages was EUR 5.7 billion. Other lending showed a net inflow of EUR 3.2 billion, driven by strong growth in Structured Finance. The net production of funds entrusted was EUR 9.0 billion, of which EUR 8.5 billion was in Commercial Banking and mainly related to short-term deposits from asset managers and corporate treasuries. The growth in funds entrusted at Retail Banking was EUR 0.5 billion, driven by a EUR 3.4 billion net production at ING Direct. Retail Benelux reported a net outflow of EUR 3.1 billion, mainly due to outflow in current accounts in Belgium and an outflow in savings and deposits in the Netherlands as competition intensified.

Commission income increased 2.3% to EUR 669 million, primarily due to higher advisory fees related to an increase in lending volumes in Structured Finance. Compared with the previous quarter, commission income was up 3.6%, reflecting increased deal activity in Structured Finance.

Stabilising property markets and lower delinquencies in the US RMBS portfolio had less of an impact on this quarter's results. Investment income improved to EUR 158 million from EUR -397 million in the fourth quarter of 2009 driven by lower impairments combined with higher results on the sale of bonds and equities. Impairments on debt and equity securities amounted to EUR 30 million versus EUR 284 million in the fourth quarter of 2009, mainly reflecting lower impairments in the US RMBS portfolio. Fair value changes on ING Real Estate's direct investments (excluding the divested Summit entities) were EUR -15 million compared with EUR -30 million in the same quarter of last year. The result on the sale of bonds and equities was EUR 207 million, including a capital gain of EUR 189 million on the sale of the Fubon Financial Holding equity stake compared to a loss of EUR 71 million in the fourth quarter of 2009. Compared with the third quarter of 2010, investment income was up by EUR 128 million, largely related to the sale of the equity stake in Fubon.

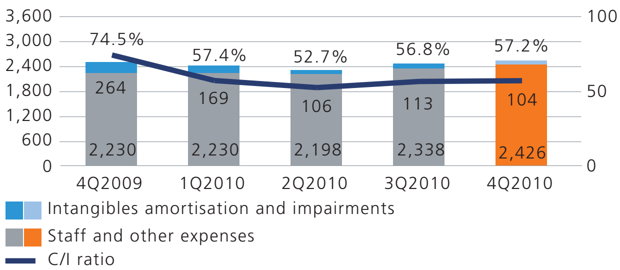
'Other income' rose to EUR 82 million from EUR -59 million in the fourth quarter of 2009. This was mainly driven by an improvement in real estate revaluations. This quarter, the revaluation of the own investments in ING Real Estate's listed funds was EUR 14 million positive compared with EUR 80 million of negative revaluations and EUR 42 million of impairments on real estate assets held for sale in the fourth quarter of 2009. Fair value changes on part of the Bank's own Tier 2 debt were EUR -20 million compared with EUR -23 million in the fourth quarter of 2009 (reflected in the Corporate Line).

Operating expenses

Underlying operating expenses rose 1.4% to EUR 2,530 million. The fourth quarter of last year included a provision for the Dutch deposit guarantee scheme following the bankruptcy of DSB Bank, a downward accrual adjustment related to deferral of incentive compensation in staff expenses and higher impairments on real estate development projects and foreclosed properties. This quarter, these impairments were EUR 67 million against EUR 254 million in the fourth quarter last year. Excluding the above-mentioned items and currency effects of EUR 74 million, operating expenses were up 9.2% due to additional costs for the new deposit guarantee scheme in Belgium this quarter, higher marketing expenses to support the brand, the year-on-year increase in staff costs and increased IT project costs.

Compared with the third quarter, operating expenses rose 3.2%. This was mainly attributable to higher marketing costs, increased IT expenses and the additional costs for the new deposit guarantee scheme in Belgium in the fourth quarter of 2010.

OPERATING EXPENSES (in EUR million) AND COST/INCOME RATIO (in %)



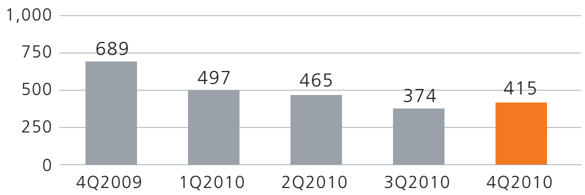
In the fourth quarter of 2010, the number of internal staff in the banking operations rose by 477 FTEs to 72,343. More than half of the increase was in India to support an expansion in the commission-based sales force. The number of staff also increased at ING Direct and Retail Central Europe to support product and IT development. Compared with a year ago, and adjusted for the impact of divestments, the number of internal staff rose by 2,031 FTEs (+ 2.9%), of which 2.3 percentage points relate to India.

The underlying cost/income ratio improved to 57.2% from 74.5% in the fourth quarter of 2009, but increased slightly from 56.8% in the previous quarter. Excluding market-related impacts and the accrual adjustment in the fourth quarter last year, the cost/income ratio increased to 57.7% from 56.5% in the fourth quarter of 2009 and 53.5% in the third quarter of 2010. The increase compared to the previous quarter is mainly caused by seasonality in Financial Markets income.

Loan loss provisions

Risk costs ticked up in the quarter reflecting a model change for the Dutch and German mortgages as well as the impact of an EUR 21 million adjustment related to interest on modified loans in the US. ING Bank added EUR 415 million to the loan loss provisions in the fourth quarter of 2010 compared with EUR 689 million in the fourth quarter of 2009 (adjusted for divestments) and EUR 374 million in the third quarter of 2010. Gross additions to the loan loss provisions were EUR 650 million compared with EUR 535 million and EUR 958 million in, respectively, the third quarter of 2010 and fourth quarter of 2009. Releases amounted to EUR 235 million versus EUR 161 million in the previous quarter and EUR 274 million last year.

ADDITIONS TO LOAN LOSS PROVISIONS (in EUR million)

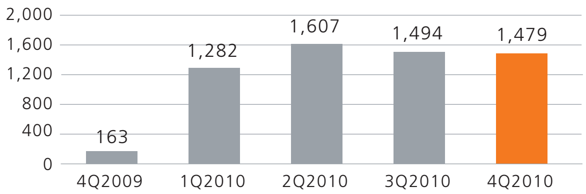


After three quarters of declines, risk costs increased by EUR 41 million to EUR 415 million compared with the third quarter of 2010. This increase was mainly visible in Retail Netherlands and was driven by a model update for the Dutch mortgage portfolio to reflect lower recovery rates. Meanwhile, NPLs remained stable at 1.0%. At ING Direct, risk costs also increased on the previous quarter but were substantially lower than a year ago, supported by signs of stabilisation in the US housing market. Risk costs in this quarter were 51 basis points of average risk-weighted assets compared with 83 basis points in the fourth quarter of 2009 and 44 basis points in the previous quarter. For the coming year, risk costs as a percentage of RWA are expected to be slightly below the level of 2010.

Underlying result before tax

The underlying result before tax (adjusted for the divestment of Summit) rose to EUR 1,479 million versus EUR 163 million in the fourth quarter of 2009. This increase was driven by higher volumes and margins in Retail Banking, lower risk costs and the strong improvement in market-related impacts. Compared with the previous quarter, the underlying result before tax decreased 1.0% as the 2.4% increase in income was more than offset by higher expenses and risk costs.

UNDERLYING RESULT BEFORE TAX (in EUR million)



Net result

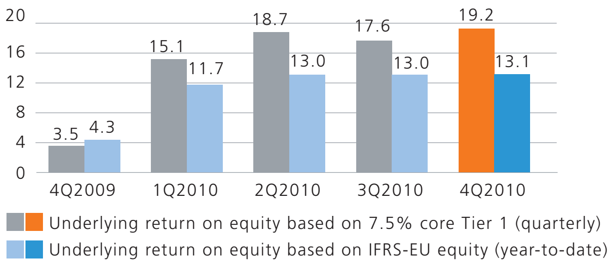
The underlying net result rose to EUR 1,156 million from EUR 216 million in the fourth quarter of 2009 and EUR 1,090 million in the previous quarter. The effective underlying tax rate declined from 25.8% in the third quarter of 2010 to 20.8% due to higher tax-exempt results.

The total net result of the banking operations was EUR 1,009 million, including an operating profit of EUR 7 million from the divested Summit units. Special items after tax amounted to EUR -154 million. This was mainly related to the merger of the Dutch retail activities, the transformation programme in Belgium, restructuring and IT decommissioning, as well as costs related to the separation of Banking and Insurance.

Key metrics

Underlying risk-weighted assets (RWA) declined 3.0% to EUR 321 billion from EUR 331 billion at the end of September 2010. This was entirely due to model updates and data quality improvements and despite the growth in loans. Currency effects, which have no impact on ING's core Tier 1 ratio due to the hedge policy, added EUR 3 billion to RWA. Compared with a year ago, RWA adjusted for divestments were EUR 8.6 billion lower.

RETURN ON EQUITY (in %)



The full-year underlying return on IFRS-EU equity increased to 13.1% from 4.3% in the 2009. The return on equity (which is calculated as the underlying after-tax return divided by average equity based on a 7.5% core Tier 1 ratio) rose to 19.2% in the fourth quarter of 2010 from 3.5% a year ago. This increase was caused primarily by the strongly improved underlying result. The full-year 2010 ROE based on a 7.5% core Tier 1 ratio was 17.6%, exceeding the target of 13-15% for 2013.

The underlying risk-adjusted return on capital (RAROC) after tax improved to 16.5% from 6.7% in the fourth quarter of 2009. The strong improvement in underlying results was in part offset by a 18.2% increase of average economic capital to EUR 26.4 billion. This was mainly the result of the new credit risk methodology as from the beginning of 2010.

RETAIL BANKING

Retail Banking: Key figures

	Total Retail Banking		Retail Banking Benelux				Retail Direct & International					
			Netherlands		Belgium		ING Direct		Central Europe		Asia	
In EUR million	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009
Profit & loss												
Interest result	2,603	2,271	983	881	418	388	984	798	179	170	40	34
Commission income	307	337	114	135	84	80	33	39	62	73	15	11
Investment income	-10	-344	0	0	11	8	-22	-353	-1	1	2	0
Other income	26	-9	27	18	-10	22	9	-45	-4	-12	4	8
Total underlying income	**2,926**	**2,256**	**1,123**	**1,035**	**503**	**499**	**1,004**	**440**	**235**	**231**	**61**	**52**
Staff and other expenses	1,739	1,554	634	590	371	341	499	415	189	176	47	32
Intangibles amortisation and impairments	38	-4	24	0	0	-6	13	3	0	-1	0	0
Operating expenses	1,777	1,550	658	590	371	335	512	417	189	175	47	32
Gross result	**1,149**	**706**	**465**	**445**	**132**	**163**	**492**	**22**	**46**	**56**	**14**	**20**
Addition to loan loss provision	343	472	161	169	41	67	129	200	7	21	4	15
Underlying result before tax	**806**	**234**	**304**	**276**	**91**	**97**	**363**	**-177**	**39**	**34**	**10**	**5**
Client balances												
Residential Mortgages	313.0	283.4	138.2	132.7	25.9	23.0	144.6	124.2	3.6	2.9	0.7	0.5
Other Lending	86.7	86.7	42.3	43.4	27.2	26.7	3.5	3.1	10.6	8.8	3.0	4.6
Funds Entrusted	432.1	413.2	103.7	103.3	68.3	69.4	238.1	217.1	18.6	17.6	3.5	5.8
AUM/Mutual Funds	58.4	68.4	16.7	16.5	27.9	33.6	11.4	9.3	2.1	1.1	0.4	7.9
Profitability and efficiency[1]												
Cost/income ratio	60.7%	68.7%	58.6%	57.0%	73.7%	67.2%	51.0%	94.9%	80.4%	75.9%	77.0%	62.2%
Return on Equity[2]	17.8%	7.7%	22.1%	21.0%	25.2%	40.7%	17.9%	-8.8%	6.6%	3.7%	5.6%	1.8%
Risk[1]												
Risk costs in bp of average RWA	76	113	123	136	85	144	68	115	12	41	17	67
Risk-weighted assets (end of period)	176,068	166,863	49,592	49,355	19,141	18,547	74,233	69,326	23,174	20,797	9,928	8,838

1) Key figures based on underlying figures

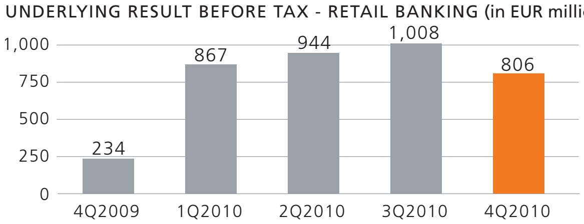
2) Underlying after-tax return divided by average equity based on 7.5% core Tier 1 ratio (annualised)

Retail Banking's results increased sharply compared with a year earlier, but they declined from the third quarter. Margins on lending and savings remained healthy. Volume growth was driven by mortgages. Loan loss provisions ticked up in the fourth quarter and expenses rose, reflecting higher marketing and IT expenditure as well as higher deposit guarantee scheme costs.

Total underlying income rose 29.7% to EUR 2,926 million compared with the fourth quarter of 2009, supported by higher interest results and lower impairments at ING Direct USA. Income was stable compared with the previous quarter.

The interest result was EUR 2,603 million, up 14.6% from a year ago. This increase was fuelled by higher margins on savings and mortgages as well as volume growth, especially in the Benelux,

UNDERLYING RESULT BEFORE TAX - RETAIL BANKING (in EUR million)



the US and Germany. The interest result rose 3.2% compared with the third quarter of 2010. Net lending production in the quarter was EUR 5.3 billion. This was mainly a result of mortgage growth at slightly higher margins, while demand for business lending was low at slowly contracting margins. Net production of funds entrusted in the quarter was EUR 0.5 billion, driven by ING Direct and despite a decline in the Benelux.

Investment income improved to EUR -10 million compared with EUR -344 million in the same quarter of 2009. The improvement reflects lower impairments at ING Direct USA as delinquencies flattened in the US RMBS portfolio.

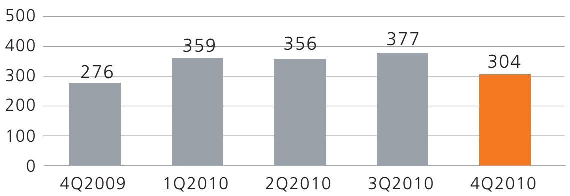
Operating expenses rose 14.6% to EUR 1,777 million. Excluding currency effects and EUR 10 million of impairments on foreclosed properties in the fourth quarter of 2010, operating expenses rose 11.4%. This reflects higher marketing costs across most business units to support promotional campaigns and the ING brand, as well as higher expenses for the introduction of new products and investments in IT platforms. Costs were also impacted by the operational and legal separation of WestlandUtrecht Bank in the Netherlands. Compared with the third quarter of 2010, operating expenses climbed 7.6%.

Risk costs declined 27.3% to EUR 343 million from a year ago, but were up 17.1% compared with the third quarter. The increase reflects model changes for mortgages in the Netherlands and Germany combined with an EUR 21 million adjustment related to interest on modified loans in the US. Risk costs for (mid)-corporates and SMEs in the Benelux were somewhat lower.

Compared with the previous year, risk-weighted assets increased by EUR 9.2 billion, but they declined by EUR 7.4 billion compared with the previous quarter. This decline was mainly a consequence of model updates and data quality improvements, especially in the Netherlands. The return on equity, based on a 7.5% core Tier 1 ratio, rose to 17.8% in the fourth quarter of 2010 versus 7.7% a year ago. This increase was driven by the strongly improved results.

RETAIL NETHERLANDS

UNDERLYING RESULT BEFORE TAX - NETHERLANDS (in EUR million)



Retail Netherlands' income continued to increase during the quarter, driven by higher margins on mortgages and savings and despite lower demand for business lending. On the other hand, marketing campaigns and investments drove up expenses. Risk costs remained elevated. Retail Netherlands' underlying result before tax increased to EUR 304 million from EUR 276 million in the fourth quarter of 2009, but it fell from EUR 377 million in the previous quarter.

Total underlying income was EUR 1,123 million, 8.5% higher than in the fourth quarter of 2009. This increase was supported by higher margins on mortgages and savings following a reduction in client rates, as well as better results from client-related financial markets business for the mid-corporate segment. Income compared with the previous quarters was stable. Volumes in mortgages increased by EUR 1.5 billion this quarter at healthy margins, while volumes in business lending decreased by EUR 1.4 billion due to the slow recovery of the Dutch economy and increased competition in the market. Following an inflow of EUR 3.1 billion in the first nine months, funds entrusted declined by EUR 2.7 billion as outflows in fixed term deposits, especially in the mid-corporate segment, could not be compensated by inflows of variable savings as a result of increased competition.

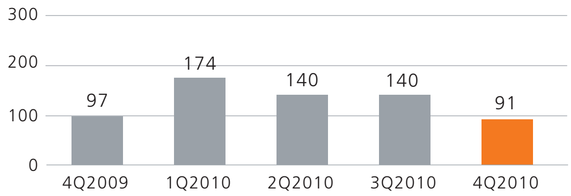
Operating expenses were 11.5% higher than in the same quarter of 2009, reflecting increased investments to improve IT platforms and client satisfaction, as well as a number of one-offs. This quarter included expenses for extended marketing campaigns and general brand awareness. Following the operational and legal separation of WestlandUtrecht Bank, further investments were made next to marketing campaigns to create brand awareness and to attract savings. Expenses were 12.3% higher than in the third quarter.

The addition to loan loss provisions remained elevated at EUR 161 million versus EUR 169 million in the same quarter of 2009 and EUR 135 million in the previous quarter. The quarter-on-quarter increase can be fully explained by the one-off impact of a model update for mortgages that reflects lower anticipated recovery rates. Non-performing loans (NPLs) remained stable at 1.0%. Risk costs for the mid-corporate and SME segment declined somewhat compared with previous quarters as a result of lower provisioning for sectors such as transport and greenhouse farming.

Risk-weighted assets rose by EUR 0.2 billion compared with a year ago. They declined by EUR 5.6 billion compared with the previous quarter, mainly due to model updates and data quality improvements. The return on equity, based on a 7.5% core Tier 1 ratio, rose to 22.1% from 21.0% in the fourth quarter of 2009; this was driven by the increase in the underlying result.

RETAIL BELGIUM

UNDERLYING RESULT BEFORE TAX - BELGIUM (in EUR million)



Income from Retail Belgium was relatively unchanged compared with the fourth quarter of 2009 as increased competition caused some headwinds. Expenses were impacted by a one-off cost for Belgium's new national deposit guarantee scheme. The underlying result before tax of EUR 91 million fell from EUR 97 million in the same quarter of 2009 and from EUR 140 million in the previous quarter.

Underlying income edged up 0.8% to EUR 503 million. The impact of higher volumes in most products as well as increased margins on mortgages and savings was largely offset by lower margins on business lending (due to stronger competition) and lower margins on current accounts (reflecting the low interest rate environment). The mortgage portfolio grew by EUR 0.9 billion in this quarter at somewhat higher margins. Business lending grew by EUR 0.3 billion at slightly lower margins. Funds entrusted decreased by EUR 0.4 billion in this quarter, due entirely to lower current accounts. This decrease was partly mitigated by the launch of a new savings product in the previous quarter. Income was slightly down compared with the third quarter of 2010.

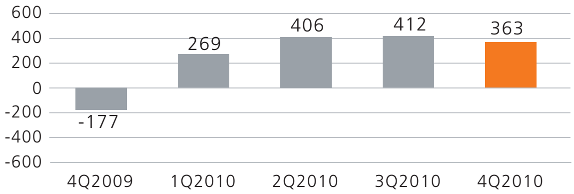
Operating expenses rose 10.7% compared with the last quarter of 2009 due to additional costs for the national deposit guarantee scheme. Excluding these costs, expenses rose by a modest 2.7% due to marketing campaigns and IT investments.

The net addition to the loan loss provisions declined sharply (-38.8%) to EUR 41 million compared with the same quarter of 2009 as the mid-corporate segment showed fewer specific files in default and risk costs on mortgages remained negligible. Risk costs were up EUR 5 million compared with the previous quarter.

Risk-weighted assets increased by EUR 0.6 billion compared with a year ago but declined by EUR 0.3 billion compared with the end of September. The return on equity, based on a 7.5% core Tier 1 ratio, shrank to 25.2% from 40.7% in the fourth quarter of 2009.

ING DIRECT

UNDERLYING RESULT BEFORE TAX - ING DIRECT (in EUR million)



ING Direct's income was stable compared with the previous quarter due to higher margins and client balances and despite competition picking up in some countries. This was offset by three factors: an uptick in risk costs reflecting model updates in Germany, higher expenses as a result of marketing campaigns and higher staff costs. ING Direct's underlying result before tax improved to EUR 363 million from a loss of EUR 177 million in the fourth quarter of 2009 and was down from a profit of EUR 412 million in the previous quarter. The strong improvement compared with a year ago was mainly a result of lower impairments on the US investment portfolio, higher interest results and lower additions to the loan loss provision.

The net production of client balances in the fourth quarter was EUR 6.6 billion, bringing total client balances to EUR 397.6 billion at the end of December. The production of funds entrusted was EUR 3.4 billion. This was led by Germany, Australia, France and Canada and supported by promotional campaigns. The net production of own-originated mortgages was EUR 3.0 billion and driven by Germany, the US and the UK. Assets under management increased by EUR 0.7 billion to EUR 11.4 billion, mainly due to positive market performance. ING Direct added 221,000 clients in the quarter, bringing the total to 23.6 million worldwide.

Total underlying income rose to EUR 1,004 million from EUR 440 million in the fourth quarter of 2009, driven by lower impairments and improved interest results. The interest result jumped 23.3% to EUR 984 million thanks to higher volumes and improved margins on mortgages and savings. The interest margin rose to 1.30% from 1.12% in the fourth quarter of last year and from 1.27% in the previous quarter. The increase was mainly attributable to the US and Germany, where client rates on savings are lower than a year ago, while in Spain, Italy and France competition picked up somewhat. The interest result in the US continued to benefit from the IFRS treatment on previously impaired bonds. This had a positive impact of EUR 50 million during the quarter compared with EUR 55 million in the previous quarter and EUR 51 million in the fourth quarter of 2009.

Investment income improved to EUR -22 million compared with EUR -353 million in the same quarter of 2009. This was attributable to lower impairments on the US investment portfolio. This quarter's impairments amounted to EUR 21 million, of which EUR 8 million were reimpairments, compared with EUR 262 million in the same quarter of last year. The after-tax positive revaluation reserve on the available-for-sale securities of ING Direct USA fell from EUR 367 million at the end of previous quarter to EUR 313 million at year-end.

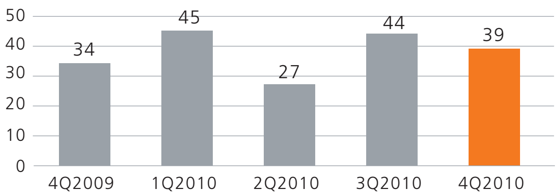
Operating expenses grew 22.8% to EUR 512 million from EUR 417 million. Excluding currency effects and EUR 9 million of impairments on foreclosed properties in the fourth quarter of 2010, operating expenses rose 14.8%, reflecting higher marketing costs related to promotional campaigns (mainly in Germany and the US), the roll-out of payment accounts and higher staff costs. After a successful preparation phase, ING Direct officially introduced payment accounts in Canada during the fourth quarter of 2010 in order to complement its product range.

Risk costs ticked up in the fourth quarter compared with the third quarter but were 35.5% lower than a year earlier. The net addition to loan loss provisions was EUR 129 million compared with EUR 200 million in the same quarter of 2009 and EUR 100 million in the previous quarter. The decline on 2009 was caused by the US, where housing prices and the unemployment rate began to stabilise and delinquencies diminished. The increase on the previous quarter was due to the use of more recent loss data in Germany and an EUR 21 million adjustment related to interest on modified loans in the US. NPLs declined to 3.8% from 4.0% in the third quarter of 2010.

The return on equity, based on a 7.5% core Tier 1 ratio, rose to 17.9% from -8.8% in the same quarter of 2009. This increase was mainly attributable to the strongly improved result. Risk-weighted assets were EUR 74.2 billion, up EUR 4.9 billion from a year earlier but down EUR 2.9 billion from the previous quarter.

RETAIL CENTRAL EUROPE

UNDERLYING RESULT BEFORE TAX - CENTRAL EUROPE (in EUR million)



The underlying result before tax of Central Europe was EUR 39 million compared with EUR 34 million in the same quarter of 2009. The improvement was driven by significantly reduced risk costs.

Total underlying income increased 1.7% to EUR 235 million compared with EUR 231 million in the fourth quarter of 2009, despite favourable currency effects which were fully offset by a reclassification of sales-related expenses to negative income in Turkey. Excluding these effects, total income increased slightly, driven by higher lending volumes in Poland, particularly in the mid-corporate segment and supported by higher commission income. This was largely offset by lower income in Turkey, which saw higher negative fair value changes on derivatives (not eligible for hedge accounting), lower commission income and higher funding costs. Compared with the previous quarter, income decreased by EUR 19 million due to negative fair value changes on derivatives which were somewhat offset by higher income in Poland.

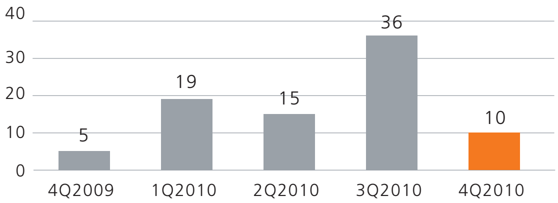
Operating expenses increased to EUR 189 million, up 8.0% from EUR 175 million in the fourth quarter of 2009. Excluding currency effects and the reclassification of sales-related expenses, operating expenses rose 10.2% mainly due to higher staff costs and increased marketing expenses.

Risk costs shrank to EUR 7 million from EUR 21 million in the same quarter of 2009. This decline was mainly the result of releases of specific provisions, lower delinquencies on the retail loan portfolios and improved data quality in Romania and Turkey.

The return on equity, based on a 7.5% core Tier 1 ratio, improved to 6.6% from 3.7% in the same quarter of last year; this was driven by the improved result. Risk-weighted assets rose by EUR 2.4 billion from a year ago, of which EUR 0.7 billion was in the fourth quarter.

RETAIL ASIA

UNDERLYING RESULT BEFORE TAX - ASIA (in EUR million)



Retail Asia's underlying profit before tax doubled to EUR 10 million from EUR 5 million in the fourth quarter of 2009. Higher income was offset by an increase in expenses, whereas risk costs were significantly lower. Results in the previous quarter included dividends from the Bank of Beijing and a one-time gain in India.

Underlying income grew by EUR 9 million (+17.3%), driven by favourable currency effects. Excluding currency effects, income decreased slightly due to lower interest margins, which were largely offset by higher volumes and commissions and higher results in TMB. Compared with the previous quarter, income diminished by EUR 34 million as that quarter included EUR 18 million of dividends from Bank of Beijing and a one-time EUR 11 million gain from the sale of an investment in India.

Operating expenses increased by EUR 15 million compared with the same quarter of 2009. Currency effects contributed EUR 4 million to this increase. The remainder was driven by additional pension provisions, higher staff costs and business growth.

Additions to the loan loss provision amounted to EUR 4 million versus EUR 15 million in the same quarter of 2009. This is mainly explained by releases of specific provisions at ING Vysya Bank.

The return on equity, based on a 7.5% core Tier 1 ratio, improved to 5.6% from 1.8% in the same quarter of last year. Risk-weighted assets grew by EUR 1.1 billion compared with a year ago, of which EUR 0.6 billion was in this quarter.

COMMERCIAL BANKING

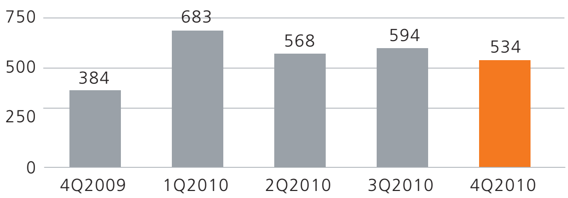
Commercial Banking excl. Real Estate: Consolidated profit and loss account

	Total Commercial Banking excl. RE		GL & PCM		Structured Finance		Leasing & Factoring		Financial Markets		Other Products	
In EUR million	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009
Interest result	836	757	225	231	290	236	49	43	272	254	1	-7
Commission income	266	230	56	64	137	78	12	10	-3	-12	65	91
Investment income	4	-2	9	16	3	-4	0	0	-6	-7	-1	-7
Other income	59	-13	8	6	-28	-34	65	60	17	-32	-3	-13
Total underlying income	**1,165**	**973**	**297**	**317**	**402**	**276**	**125**	**113**	**279**	**204**	**62**	**63**
Staff and other expenses	571	391	150	132	90	54	58	50	225	117	49	38
Intangibles amortisation and impairments	2	1	0	0	0	0	0	0	0	0	2	0
Operating expenses	574	391	150	132	90	54	58	50	225	117	51	38
Gross result	**592**	**582**	**147**	**185**	**312**	**223**	**67**	**62**	**54**	**87**	**11**	**25**
Addition to loan loss provision	58	198	23	49	5	114	30	35	-1	-1	0	0
Underlying result before tax	**534**	**384**	**124**	**135**	**307**	**108**	**37**	**27**	**55**	**88**	**11**	**25**
Client balances (in EUR billion)												
Residential Mortgages												
Other Lending	106.1	99.0	35.9	35.9	50.0	43.0	16.7	16.3	3.2	3.6	0.3	0.2
Funds Entrusted	71.7	58.9	38.0	32.6	3.2	2.0	0.1	0.1	29.8	23.8	0.6	0.4
AUM/Mutual Funds												
Profitability and efficiency[1]												
Underlying cost/income ratio	49.2%	40.2%	50.4%	41.7%	22.4%	19.4%	46.4%	44.6%	80.6%	57.4%	82.3%	60.6%
Return on Equity[2]	19.0%	13.9%	12.6%	12.4%	33.0%	11.6%	16.0%	9.2%	15.8%	18.0%	-11.1%	35.4%
Risk[1]												
Risk costs in bp of average RWA	18	56	22	38	5	107	149	149	-1	-1	1	-3
Risk-weighted assets (end of period)	127,264	140,006	41,216	49,772	41,174	45,006	8,075	9,141	31,319	32,003	5,479	4,084

1) Key figures based on underlying figures
2) Underlying after-tax return divided by average equity based on 7.5% core Tier 1 ratio (annualised)

Commercial Banking excluding Real Estate posted another strong performance in the fourth quarter as strong volume growth and higher margins in Structured Finance and lower risk costs helped offset an increase in expenses. ING Real Estate returned to profit in the fourth quarter as negative revaluations were almost nil and impairments declined, reflecting improved real estate markets.

UNDERLYING RESULT BEFORE TAX - COMMERCIAL BANKING EXCL. REAL ESTATE (in EUR million)



COMMERCIAL BANKING EXCLUDING REAL ESTATE

Total underlying income rose 19.7% from the fourth quarter of 2009, driven by higher income from Structured Finance and Financial Markets. In Structured Finance, both the interest result and commission income increased. In Financial Markets, income growth was fuelled by higher income from the client-related business. Compared with the third quarter of 2010, total underlying income decreased 3.4%, mainly due to seasonality in Financial Markets.

The total interest result rose 10.4% on the fourth quarter of last year. This increase was mainly attributable to Structured Finance, where margins increased and volumes rose, particularly in the areas of natural resources and international trade & export finance.

Commission income grew 15.7% compared with the fourth quarter of 2009, driven by a 75.6% jump in fees in Structured Finance. Other income improved to EUR 59 million versus EUR -13 million in the fourth quarter of 2009. This improvement was largely attributable to positive valuation results on non-trading derivatives in Financial Markets.

Operating expenses increased sharply to EUR 574 million from EUR 391 million in the fourth quarter of 2009 when an accrual adjustment related to deferral of incentive compensation in staff expenses led to a significant reduction in costs. Excluding the accrual adjustment, currency effects as well as EUR 2 million of impairments on foreclosed properties in the fourth quarter of 2010, operating expenses were up 16.7%. This increase was mainly due to selective investments in, particularly, Financial Markets and Payments & Cash Management (PCM), as well as higher staff costs. Compared with the third quarter of 2010, expenses rose 5.1%. The cost/income ratio in the fourth quarter was 49.2% versus 40.2% in the same quarter last year (or 48.3% excluding the accrual adjustment) and 45.3% in the third quarter of 2010.

Risk costs continued their downward trend. Net additions to loan loss provisions dropped 70.7% from the fourth quarter of 2009 and declined 10.8% on the previous quarter. New additions were limited, especially in Structured Finance. Risk costs in the fourth quarter amounted to EUR 58 million, equivalent to an annualised 18 basis points of average risk-weighted assets.

Total risk-weighted assets (RWA) decreased by EUR 12.7 billion compared with a year ago as a result of model updates and reduced market risk-weighted assets. The return on equity, based on a 7.5% core Tier 1 ratio, rose to 19.0% from 13.9% in the fourth quarter of 2009, driven by higher underlying results and the decline in RWA.

GENERAL LENDING & PCM

General Lending and PCM posted an underlying result before tax of EUR 124 million, down 8.1% from the same quarter of 2009 and down 4.6% on the third quarter. Compared with the fourth quarter of 2009, which contained an investment gain of EUR 13 million, income fell 6.3%. Income rose 5.3% on the previous quarter, supported by a one-off gain of EUR 9 million on the restructuring of a lending deal. The volume of lending assets, adjusted for currency effects, decreased slightly in the fourth quarter as demand for bank facilities remained subdued. After a peak early in 2010, interest margins on lending to corporate clients are slightly below the level of the fourth quarter of 2009. Compared with the third quarter, margins held up well as facilities provided in 2008 and 2009 have been refinanced. PCM's income was flat on the prior year. Lower interest margins were compensated by higher volumes and higher commission income. Operating expenses grew 13.6%, due to higher staff costs and selective IT investments. Net additions to the loan loss provisions amounted to EUR 23 million, which was almost flat on the third quarter but down 53.1% compared with the fourth quarter of 2009.

STRUCTURED FINANCE

Structured Finance reported a fourth-quarter result before tax of EUR 307 million. This is almost triple the result before tax in the fourth quarter of 2009 and 24.3% higher than in the third quarter. Risk costs fell to EUR 5 million from EUR 114 million a year earlier, with only a few new additions combined with some releases. Income jumped 45.7% compared with the fourth quarter of 2009 and was up 8.4% on the third quarter. The high level of new business was reflected in a 10.5% increase in lending volumes in the fourth quarter and a strong increase in commission income compared with the fourth quarter of 2009. Interest margins remained on a higher level than a year earlier and held up well compared with the third quarter. Operating expenses were 8.2% lower than the third quarter but 66.7% higher than the same quarter of 2009, when costs were reduced by a deferral of incentive compensation.

LEASING & FACTORING

The underlying result before tax for Leasing & Factoring increased 37.0% on the last quarter of 2009 to EUR 37 million. Income grew 10.6%, supported by a 38.0% jump in income from the car lease activities. Income from the general lease business included a gain of EUR 5 million versus a EUR 8 million gain a year ago. Excluding these gains, general leasing income rose 5.7% thanks to higher margins. Expenses increased by EUR 8 million, mainly due to restructuring and other one-off charges. Net additions to risk costs amounted to EUR 30 million, down 14.3% year-on-year.

FINANCIAL MARKETS

Financial Markets posted a result before tax of EUR 55 million, a decline of 37.5% compared with the fourth quarter of 2009. Income climbed 36.8%, supported by strong performance of the client business and higher income from asset & liability management. Compared with the third quarter, income fell 31.6% due to seasonally lower client flows and lower income from asset & liability management in the current quarter. Operating expenses surged 92.3%, mainly due to a deferral of incentive compensation in the same quarter of the previous year.

OTHER PRODUCTS

The underlying result before tax for Other Products was EUR 11 million compared with EUR 25 million in 2009. Income decreased 1.6% as lower commissions from Corporate Finance & Equity Markets were partly compensated by higher income from participations in ING Investment Management and better revaluation results on an equity swap position. Expenses increased 34.2%, largely reflecting a deferral of incentive compensation in the fourth quarter of 2009.

ING REAL ESTATE

ING Real Estate		
In EUR million	4Q2010	4Q2009
Interest result	114	127
Commission income	99	89
Investment income	-28	-45
Other income	72	-65
Total underlying income	**256**	**107**
Staff and other expenses	106	106
Intangibles amortisation and impairments	56	256
Operating expenses	161	362
Gross result	**95**	**-255**
Addition to loan loss provision	15	20
Underlying result before tax	**80**	**-275**
of which Investment Management (REIM)	31	12
of which Investment Portfolio	22	-161
of which Finance	111	89
of which Development	-85	-215
Profitability and efficiency[1]		
Cost/income ratio	63.0%	339.7%
Return on Equity[2]	16.6%	-69.6%
Risk[1]		
Risk costs in bp of average RWA	40	40
Risk-weighted assets (end of period)	15,174	18,839
Portfolio (in EUR billion)		
Investment Management	66.2	64.4
Development AuM	2.0	2.5
Real Estate Finance portfolio	35.4	35.2

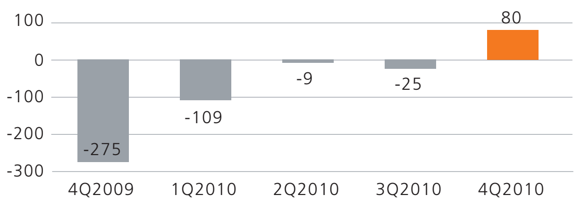
1) Key figures based on underlying figures
2) Underlying after-tax return divided by average equity based on 7.5% core Tier 1 ratio (annualised)

On 1 November 2010, ING announced that it had closed the sale of its 50% stake in ING Summit Industrial Fund LP as well as the sale of ING Real Estate Canada, the manager of Summit. The sale of the other 50% stake owned by ING Industrial Fund, ING Group's co-investor in Summit, was closed in the same transaction. These results are reported as result from divested units and excluded from the underlying result of ING Real Estate.

ING Real Estate returned to profit in the fourth quarter of 2010. Its underlying result before tax was EUR 80 million compared to a loss of EUR 275 million in the fourth quarter of 2009. Negative revaluations and impairments were EUR 56 million compared with EUR 406 million in the same quarter of last year and EUR 102 million in the previous quarter.

Negative fair value changes, booked in income, improved to EUR 1 million compared with EUR 152 million in the fourth quarter of 2009 and EUR 9 million in the third quarter. Fair value changes in some cases turned positive again. Impairments booked in expenses (related to real estate development projects) declined to EUR 55 million versus EUR 254 million last year and EUR 92 million in the third quarter.

UNDERLYING RESULT BEFORE TAX - ING REAL ESTATE (in EUR million)



Excluding the impact of negative revaluations and impairments, the underlying result before tax was EUR 136 million, EUR 5 million higher than the fourth quarter of 2009 and due to lower risk costs. Excluding fair value changes and impairments, income and expenses declined slightly on last year.

Real Estate Investment Management (REIM) posted an underlying result before tax of EUR 31 million, up from EUR 12 million in the fourth quarter of 2009. Income increased 2.2%, supported by higher outperformance fees. Expenses declined by EUR 16 million as the fourth quarter of 2009 included EUR 18 million of impairments. Assets under management were EUR 66.2 billion, or 2.8% above the level at the end of 2009. Compared with the end of the third quarter, assets under management increased 1.3% as positive market performance and currency impacts more than offset the impact of the divestment of Summit and a small net outflow.

Real Estate's Investment Portfolio posted an underlying profit before tax of EUR 22 million compared to a loss of EUR 161 million in the fourth quarter of 2009. Fair value changes were EUR 17 million versus EUR -131 million in the previous year. This improvement was driven by Australia and the US. Impairments recorded under expenses amounted to EUR 1 million in the fourth quarter of 2010 compared with EUR 25 million in the year before. Excluding fair values and impairments, the profit before tax was EUR 6 million compared to a loss of EUR 5 million in the fourth quarter of 2009.

Real Estate Finance booked a fourth-quarter underlying result before tax of EUR 111 million, up 24.7% on the same quarter of last year and driven by higher income and lower risk costs. Income increased 14.0% as the margin on new production was still above the average margin on loans being repaid; however, the difference was reduced throughout 2010. Loan volumes, adjusted for currency effects, remained flat in the fourth quarter. Net additions to loan loss provisions were EUR 15 million, with only limited new provisions. Risk costs were EUR 5 million lower than in the fourth quarter of 2009, which included a release in the US.

Real Estate Development narrowed its loss to EUR 85 million from EUR 215 million in the fourth quarter of 2009. Negative fair values and impairments improved to EUR 72 million from EUR 232 million in the same quarter of last year. Excluding the negative market impacts, the underlying result declined by EUR 30 million due to lower income. Assets under management were EUR 2.0 billion at the end of 2010, a reduction of EUR 0.1 billion from the previous quarter and EUR 0.5 billion from the fourth quarter of 2009.

CORPORATE LINE BANKING

Corporate Line Banking: Underlying result before tax		
In EUR million	4Q2010	4Q2009
Income on capital surplus	64	72
Solvency costs	-38	-28
Financing charges	-34	-41
Amortisation intangible assets	-8	-12
FX-results, fair value changes and other	132	-5
Total Capital Management	115	-14
Other	-55	-166
Underlying result before tax	**59**	**-180**

The Corporate Line Banking reported an underlying result before tax of EUR 59 million compared to a loss of EUR 180 million in the fourth quarter of last year. The main reason for the improvement was the EUR 189 million capital gain on the sale of the equity stake in Fubon Financial Holding. This was partly offset by fair value changes on ING's own senior and covered bonds that turned negative mainly as a result of interest rate movements.

'Income on capital surplus' declined by EUR 8 million to EUR 64 million. This decline was caused by higher benefits that were paid to the business units due to an increase in average economic capital (though at lower interest rates) following the introduction of new credit risk methodology in the first quarter of 2010.

'Solvency costs' increased by EUR 10 million, mainly as a consequence of transferring hybrid capital from ING Insurance to ING Bank in December 2009. 'Financing charges' were EUR 7 million lower at EUR -34 million. As of 2011, the total cost of Group core debt will be allocated to the Corporate Line Bank and will no longer be shared with Corporate Line Insurance as ING prepares for the separation of the Insurance company. In 2010, the related interest expenses allocated to the Corporate Line Insurance were approximately EUR 200 million.

'FX results, fair value changes and other' increased by EUR 137 million. The main driver was the EUR 189 million capital gain on the sale of the equity stake in Fubon Financial Holding during the fourth quarter of 2010. Fair value changes on ING's own senior and covered bonds turned negative; they declined from EUR 22 million in the fourth quarter of 2009 to EUR -51 million in this quarter. This decline was mainly attributable to interest rate developments during the quarters. Fair value changes on ING's own Tier 2 debt improved slightly to EUR -20 million from EUR -23 million last year. Liquidity costs were EUR 13 million lower.

The result of 'Other' improved by EUR 111 million to EUR -55 million, as the fourth quarter of last year included a provision related to the Dutch deposit guarantee scheme following the bankruptcy of DSB Bank.

The underlying result improved to EUR 59 million from EUR -84 million in the third quarter of 2010. The capital gain on the sale of the equity stake in Fubon Financial Holding in the fourth quarter was partly offset by fair value changes on ING's own senior and covered bonds that turned negative. 'Income on capital surplus' improved, driven by reduced interest rates and lower average economic capital (which was mainly due to model adjustments and data quality improvements).

CONSOLIDATED BALANCE SHEET

ING Bank N.V.: Consolidated balance sheet

in EUR million	31 Dec 10	30 Sep 10	31 Dec 09
Assets			
Cash and balances with central banks	9,519	9,820	12,602
Amounts due from banks	51,828	59,108	43,397
Financial assets at fair value through P&L	137,126	156,199	122,770
- trading assets	125,070	141,870	110,981
- non-trading derivatives	8,990	11,871	8,610
- other	3,066	2,458	3,178
Investments	110,893	108,646	106,591
- debt securities available-for-sale	96,459	93,972	88,500
- debt securities held-to-maturity	11,693	11,741	14,409
- equity securities available-for-sale	2,741	2,932	3,682
Loans and advances to customers	587,449	579,393	551,774
- securities at amortised cost and IABF	39,616	40,896	46,615
- customer lending	547,833	538,497	505,159
Investments in associates	1,494	1,437	1,396
Real estate investments	562	707	2,283
Property and equipment	5,615	5,604	5,567
Intangible assets	2,265	2,349	2,377
Assets held for sale	300	1,613	4,583
Other assets	26,023	25,604	28,780
Total assets	**933,073**	**950,478**	**882,119**

	31 Dec 10	30 Sep 10	31 Dec 09
Equity			
Shareholders' equity	34,451	33,845	30,222
Minority interests	617	1,085	995
Total equity	**35,069**	**34,930**	**31,217**
Liabilities			
Subordinated loans	21,021	21,575	21,193
Debt securities in issue	125,066	120,403	109,357
Amounts due to banks	72,852	78,869	84,235
Customer deposits and other funds on deposit	519,304	514,517	477,602
- savings accounts	324,581	320,321	304,104
- credit balances on customer accounts	128,553	128,140	111,502
- corporate deposits	55,024	53,927	53,271
- other	11,146	12,129	8,724
Financial liabilities at fair value through P&L	136,581	155,391	126,496
- trading liabilities	108,050	121,308	98,245
- non-trading derivatives	15,825	21,299	16,777
- other	12,707	12,783	11,474
Liabilities held for sale	145	1,009	4,631
Other liabilities	23,035	23,784	27,388
Total liabilities	**898,005**	**915,548**	**850,903**
Total equity and liabilities	**933,073**	**950,478**	**882,119**

ING Bank's balance sheet declined by EUR 17 billion in the fourth quarter to EUR 933 billion despite EUR 8 billion of positive currency effects. The decline was mainly due to lower trading assets and reduced amounts due from banks. The adjusted loan-to-deposit ratio (excluding securities and the IABF receivable) remained stable at 1.05. The asset leverage ratio improved to 26.0 from 27.0, driven by lower assets and higher retained earnings. The ratio includes EUR 1.5 billion of equity from adjusting ING Bank's own debt to its market value.

Loans

'Loans and advances to customers' increased by EUR 8 billion to EUR 587 billion, including EUR 5 billion of currency effects. Excluding currency impacts and despite a EUR -2 billion fair value hedge adjustment, residential mortgages increased by EUR 4 billion, mainly at ING Direct and Retail Benelux. At comparable currency rates, lending to '(mid)-corporates, SMEs and other' grew by EUR 2 billion, offset by EUR 2 billion lower securities at amortised cost and the Illiquid Assets Back-up Facility (IABF).

Investments

'Investments' increased by EUR 2 billion due to EUR 1 billion of currency impacts and EUR 1 billion of higher debt securities available-for-sale, mainly at ING Direct.

Interbank market

ING is a net receiver of deposits on the interbank market. In the fourth quarter, the net amount increased by EUR 1 billion as market participants continued to deposit short-term money at ING Bank. 'Amounts due to banks' diminished by EUR 6 billion to EUR 73 billion and 'amounts due from banks' decreased by EUR 7 billion to EUR 52 billion.

Financial assets/liabilities at fair value

'Financial assets at fair value through P&L' decreased by EUR 19 billion to EUR 137 billion as a result of lower trading and non-trading derivatives. Derivatives declined mainly on lower market valuations following increased long-term interest rates. The development of 'financial liabilities at fair value through P&L' mainly mirrored the corresponding derivatives development.

Debt securities in issue

'Debt securities in issue' rose by EUR 5 billion, including EUR 1 billion in currency effects. ING Bank issued EUR 3.6 billion of long-term securities in the capital markets, including both covered bonds and unsecured debt.

Customer deposits

ING Bank's 'customer deposits and other funds on deposit' increased by EUR 5 billion to EUR 519 billion. At comparable exchange rates, they increased by EUR 1 billion. Individual savings accounts grew at comparable currency rates by EUR 2 billion, while deposits were almost stable, despite the withdrawal of EUR 4 billion by ING Insurance.

Shareholders' equity

Shareholders' equity increased by EUR 0.6 billion to EUR 34.5 billion, mainly driven by net profit of EUR 1.0 billion and partly offset by a EUR 0.4 billion decrease in revaluation reserves.

Annual development balance sheet total

ING Bank's balance sheet grew by EUR 51 billion, of which EUR 26 billion was due to currency effects. At comparable currency rates, the growth was EUR 25 billion, or 2.8%, of which EUR 21 billion was in residential mortgages.

RISK MANAGEMENT

Additions to loan loss provisions trended downwards throughout 2010, despite a small increase in the fourth quarter. Risk costs stood at 51 basis points of average risk-weighted assets (RWA) in the fourth quarter of 2010, down from 83 basis points in the fourth quarter of 2009 and up from 44 basis points in the previous quarter. For the coming year, risk costs as a percentage of RWA are expected to be slightly below the level of 2010. In line with the management decision to reduce the overall Real Estate exposure, the Summit portfolio in Canada was sold and the direct Real Estate exposure reduced.

Loan portfolio ING Bank

ING Bank: Loan portfolio

in EUR million	31 Dec 2010	30 Sep 2010
Residential Mortgages	321,159	314,118
(Mid)-Corporates, SMEs and other	222,446	219,617
Governments	9,401	9,798
Securities at amortised cost and IABF	39,616	40,896
Provision for loan losses (loans and advances)	-5,173	-5,036
Total loans and advances to customers	**587,449**	**579,393**

ING Bank's loans and advances to customers increased by EUR 8.1 billion to EUR 587.4 billion at the end of the fourth quarter of 2010, of which EUR 5 billion can be explained by currency effects. Excluding currency impacts and despite a EUR -2 billion fair value hedge adjustment, residential mortgages rose by EUR 4 billion, mainly at ING Direct and Retail Benelux. Lending to '(Mid)-Corporates, SMEs and Other' increased at comparable currency rates by EUR 2 billion, largely due to a strong increase in Structured Finance. 'Securities at amortised cost and IABF' decreased at comparable currency rates by EUR 2 billion.

Risk costs

ING Bank added EUR 415 million to the loan loss provisions in the fourth quarter of 2010 compared with EUR 689 million in the fourth quarter of 2009 (adjusted for divestments) and EUR 374 million in the third quarter of 2010. Gross additions to the loan loss provisions in the fourth quarter of 2010 were EUR 650 million, while releases amounted to EUR 235 million. This translated into (annualised) 51 basis points of average risk weighted assets (RWA) versus 44 basis points in the third quarter of 2010 and 83 basis points in the same quarter of 2009.

ING Bank: Stock of provisions

in EUR million	4Q 2010	3Q 2010
Provisions, beginning of period	5,075	5,170
Increases	650	535
Releases	-235	-161
Write-offs	-293	-327
Other	-2	-142
Provisions, end of period*	**5,195**	**5,075**

* Stock of provision includes provisions for amounts due from banks (EUR 21 million at the end of December)

At Retail Banking Benelux, risk costs rose to EUR 202 million from EUR 171 million in the previous quarter. Risk costs for Dutch mortgages increased to EUR 65 million in the fourth quarter of 2010, up from EUR 14 million in the third quarter of 2010. This was largely caused by the one-off impact of a model update reflecting lower (anticipated) recovery rates. Although risk costs for the mid-corporate and SME segments decreased from EUR 146 million in the third quarter of 2010 to EUR 129 million in the current quarter, they remained elevated in absolute terms. Risk costs of Retail Direct & International rose to EUR 140 million in the current quarter from EUR 122 million in the previous quarter. This was mainly attributable to an EUR 21 million adjustment related to interest on modified loans at ING Direct USA and a model recalibration incorporating more recent loss data in Germany.

Non-performing loans (NPL) as a percentage of total loans and amounts due from banks edged up to 2.2% in this quarter from 2.1% in the third quarter of 2010. In absolute levels, NPLs rose slightly to EUR 13.8 billion from EUR 13.6 billion in the third quarter. After inflows in the NPL portfolio during the second half of 2009 and the first half of 2010, especially from ING's home market and from Real Estate, the total exposure in NPL began to stabilise in the second quarter of 2010 and this trend continued into the fourth quarter. The exposure on the watchlist of ING Bank's portfolio gradually diminished throughout 2010. The decrease was initially observed in the Commercial Banking segments in the first half of 2010 and is now visible across all business lines, including the mid-corporate segments in the Netherlands.

The coverage ratio, defined as the stock of loan loss provisions divided by non-performing loans, rose to 38% this quarter from 37% in the third quarter of 2010. The overall coverage ratio is an average of unsecured loans, for which the ratio is relatively high, and loans with high collateral values (such as the Dutch mortgage portfolio), for which the coverage ratio is relatively low.

Securities portfolio

The value of the securities portfolio was EUR 146.9 billion at the end of December 2010, of which EUR 144.1 billion was in debt securities and EUR 2.7 billion in equity securities. The increase in the debt securities portfolio since 30 September 2010 was largely driven by increased bonds issued by Financial Institutions, mainly in Australia (excess cash temporarily invested in short-term certificates of deposit) and Poland (short-term investments in central bank paper as part of liquidity/treasury activities of ING Bank Slaski). The total revaluation reserve after tax on the debt portfolio declined to EUR 19 million from EUR 699 million at the end of third quarter of 2010, mainly due to increased interest rates in the fourth quarter. Ninety-five percent of the total debt securities portfolio was investment grade at year-end.

The ABS exposure was EUR 36.3 billion on 31 December 2010 compared with EUR 36.4 billion on 30 September 2010. US agency RMBS, which is entirely AAA rated, was the only asset class within the ABS portfolio that increased in the fourth quarter.

ING's Alt-A RMBS portfolio decreased slightly to EUR 2.4 billion at the end of the fourth quarter of 2010 from EUR 2.5 billion at the end of the third quarter of 2010, notwithstanding the appreciation of the US dollar. Average market prices on the Alt-A portfolio stood at 65% at the end of the fourth quarter of 2010, up from 60% at the end of 2009 and 64% at the end of the third quarter of 2010. Within ING Direct's Alt-A RMBS portfolio, market prices changed in the following manner (fourth quarter of 2010 versus third quarter of 2010): adjustable-rate mortgages rose to 41% from 39%; fixed rate mortgages rose to 86% from 84%; hybrids remained unchanged at 81%; and floating stood at 67%. At the end of December 2010, the remaining revaluation reserve on Alt-A RMBS amounted to EUR 215 million before tax. The revaluation reserve comprises EUR 111 million of negative revaluations on unimpaired bonds and EUR 326 million of positive revaluations on previously impaired bonds.

ING Bank: Debt securities*

in EUR billion	31 Dec 2010	30 Sep 2010
Government bonds	52.0	52.3
Covered bonds	28.9	28.1
Financial Institutions	25.9	24.7
Corporate bonds	1.1	1.0
ABS	36.3	36.4
US agency RMBS	10.9	9.8
US prime RMBS	0.7	0.8
US Alt-A RMBS	2.4	2.5
US Subprime RMBS	0.1	0.1
Non-US RMBS	14.7	15.6
CMBS	2.4	2.5
CDO/CLO	0.6	0.6
Other ABS	4.5	4.7
Total	**144.1**	**142.5**

* Figures exclude trading positions and include securities classified as Loans & Receivables

Government and Financial Institutions bonds in the table above include exposures in Greece and Ireland in total of EUR 1.0 billion of which EUR 0.6 billion classified as Available-for-sale (fair value), with a related pre-tax revaluation reserve in equity of EUR -0.3 billion at the end of 2010, and of which EUR 0.4 billion classified as Loans and advances (amortised cost).

ING Real Estate

ING Real Estate*

in EUR billion	31 Dec 2010	30 Sep 2010
Real Estate investments (FV through the P&L)	2.0	2.5
Real Estate property in own use (FV through equity)	1.4	1.4
Development projects Real Estate	1.8	2.0
Exposure ING Bank	**5.2**	**5.9**

* Figures adjusted for divestment of Summit, lowering exposure by EUR 0.7 billion at 30 Sep 2010.

The direct real estate exposure of the Bank continued to decline during the quarter, supported by the sale of the Summit portfolio in Canada, which reduced exposure by EUR 0.7 billion. Excluding the sale of Summit, the direct Real Estate exposure declined to EUR 5.2 billion from EUR 5.9 billion at the end of the third quarter of 2010. The real estate investments that are subject to revaluation through the P&L have been reduced to EUR 2.0 billion. The total fair value changes of real estate investment through the P&L were limited to a EUR -1 million in the fourth quarter of 2010 as real estate markets continued to show signs of stabilisation.

In line with the management decision to reduce the overall Real Estate exposure, investments in real estate development projects were reduced to EUR 1.8 billion from EUR 2.3 billion at the end of the fourth quarter of 2009 and EUR 2.0 billion at the end of the third quarter 2010. This reduction came mainly from reducing investments in development projects in France, Hungary and the US. In the fourth quarter of 2010, an impairment of EUR 55 million was taken compared with impairments of EUR 254 million in the fourth quarter of 2009 and EUR 92 million in the previous quarter. Impairments in the fourth quarter were mainly taken on Dutch and Spanish portfolios.

Market Risk

In the fourth quarter of 2010, the overnight Value-at-Risk (VaR) for ING Bank's trading portfolio ranged from EUR 17 million to EUR 22 million.

Commercial Banking's trading activities focused primarily on interest rate products (which include both general interest rate and credit spread exposures) and this is reflected in the composition of the VaR. The contribution of equities to VaR was relatively limited. The average VaR in the third quarter of 2010 was EUR 20 million, while the average VaR in the fourth quarter of 2010 was EUR 19 million.

ING Commercial Bank: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	4	2	4
Equities	2	6	4	3
Interest rate/ Credit spread	17	24	20	20
Diversification			-6	-7
Total VaR[1]	**17**	**22**	**19**	**19**

1 The total VaR for the columns Minimum and Maximum cannot be calculated by taking the sum of the individual components since the observations for both the individual markets as well as for total VaR may occur on different dates.

Liquidity risk

Throughout the credit and liquidity crisis, ING has maintained its liquidity position within conservative internal targets. ING Bank's loan-to-deposit ratio, excluding securities that are recorded at amortised costs in loans and advances and the IABF government receivable, remained stable at 1.05.

Risk-weighted assets

Total risk weighted assets (RWA) as of 31 December 2010 declined to EUR 321.1 billion from EUR 331.0 billion at 30 September 2010 and EUR 329.7 billion at 31 December 2009 (both adjusted for divestments). Total RWA decreased by EUR 10 billion compared with the previous quarter despite EUR 3 billion of positive currency effects.

The decrease in Credit RWA (and RWA) can almost fully be explained by model updates and data quality improvements.The impact of higher volumes on RWA is almost fully compensated by the lower RWA as a result of positive credit risk migration and the sale of an Asian equity stake in the fourth quarter of 2010. Market RWA declined by EUR 1 billion, whereas Operational RWA increased slightly.

The composition of ING Bank's RWA at 31 December 2010 was as follows: Credit RWA: 87.4%, Operational RWA: 11.2%, and Market RWA: 1.4%.

Insurance

CONSOLIDATED RESULTS

Insurance: Consolidated profit and loss account								
In EUR million	4Q2010	4Q2009	Change	3Q2010	Change	FY2010	FY2009	Change
Gross premium income	6,335	6,664	-4.9%	6,554	-3.3%	27,947	30,170	-7.4%
Commission income	512	456	12.3%	528	-3.0%	1,937	1,747	10.9%
Total investment and other income	1,202	993	21.0%	1,473	-18.4%	7,582	3,202	136.8%
Total underlying income	**8,048**	**8,113**	**-0.8%**	**8,555**	**-5.9%**	**37,466**	**35,119**	**6.7%**
Underwriting expenditure	7,218	6,935	4.1%	7,243	-0.3%	32,765	30,426	7.7%
Operating expenses	1,059	937	13.0%	1,024	3.4%	4,022	3,775	6.5%
Interest expenses	440	265	66.0%	254	73.2%	1,128	1,051	7.3%
Other	21	18	16.7%	17	23.5%	70	70	0.0%
Total underlying expenditure	**8,738**	**8,155**	**7.1%**	**8,537**	**2.4%**	**37,985**	**35,321**	**7.5%**
Underlying result before tax	**-690**	**-43**	**n.a.**	**18**	**n.a.**	**-519**	**-202**	**n.a.**
of which life insurance	-717	237	-402.5%	489	-246.6%	139	661	-79.0%
of which non-life insurance	87	69	26.1%	56	55.4%	262	277	-5.4%
of which investment management	49	79	-38.0%	34	44.1%	173	169	2.4%
of which corporate line	-110	-428	n.a.	-560	n.a.	-1,093	-1,309	n.a.
Taxation	-194	74	-362.2%	69	-381.2%	-115	-5	n.a.
Minority interests	15	9	66.7%	7	114.3%	25	23	8.7%
Underlying net result	**-512**	**-126**	**n.a.**	**-58**	**n.a.**	**-429**	**-220**	**n.a.**
Net gains/losses on divestments	16	273	-94.1%	-5	n.a.	9	57	-84.2%
Net results from divested units	-5	-4	n.a.	-4	n.a.	-15	35	-142.9%
Special items after tax	-75	-132	n.a.	-588	n.a.	-728	-499	n.a.
Net result	**-576**	**11**	**-5336.4%**	**-656**	**n.a.**	**-1,164**	**-627**	**n.a.**
Insurance - Margin analysis								
Investment margin	402	268	50.0%	383	5.0%	1,481	1,196	23.8%
Fees and premium-based revenues	1,270	1,102	15.2%	1,222	3.9%	4,903	4,362	12.4%
Technical margin	204	228	-10.5%	216	-5.6%	780	902	-13.5%
Income non-modelled life business	37	47	-21.3%	37	0.0%	136	123	10.6%
Life & ING IM operating income	**1,912**	**1,645**	**16.2%**	**1,858**	**2.9%**	**7,300**	**6,583**	**10.9%**
Administrative expenses	843	735	14.7%	807	4.5%	3,205	2,916	9.9%
DAC amortisation and trail commissions	513	430	19.3%	458	12.0%	1,833	1,654	10.8%
Life & ING IM expenses	**1,356**	**1,165**	**16.4%**	**1,265**	**7.2%**	**5,038**	**4,570**	**10.2%**
Life & ING IM operating result	**556**	**480**	**15.8%**	**592**	**-6.1%**	**2,263**	**2,013**	**12.4%**
Non-life operating result	69	68	1.5%	50	38.0%	235	314	-25.2%
Corporate Line operating result	-188	-244	n.a.	-169	n.a.	-754	-893	n.a.
Operating result	**438**	**303**	**44.6%**	**473**	**-7.4%**	**1,743**	**1,434**	**21.5%**
Gains/losses and impairments	-36	-177	n.a.	-126	n.a.	-505	-544	n.a.
Revaluations	4	-12	n.a.	275	-98.5%	601	-346	n.a.
Market & other impacts	-1,096	-157	n.a.	-603	n.a.	-2,359	-746	n.a.
Underlying result before tax	**-690**	**-43**	**n.a.**	**18**	**n.a.**	**-519**	**-202**	**n.a.**
Life Insurance - New business figures								
Single premiums	3,910	3,140	24.5%	3,577	9.3%	15,387	13,889	10.8%
Annual premiums	809	717	12.8%	830	-2.5%	3,339	3,037	9.9%
New sales (APE)	1,200	1,031	16.4%	1,188	1.0%	4,877	4,426	10.2%
Life & ING IM - Key figures								
Administrative expenses / operating income	44.1%	44.7%		43.4%		43.9%	44.3%	
Life general account assets (end of period, in EUR billion)	165	143	15.4%	167	-1.2%	165	143	15.4%
Investment margin / Life general account assets (in bps)[1]	93	83		87		93	83	
Client balances (end of period, in EUR billion)	454	408	11.3%	432	5.1%	454	408	11.3%
ING IM Assets under Management (end of period, in EUR billion)	387	343	12.8%	378	2.4%	387	343	12.8%
Other key figures								
Administrative expenses (total)	967	866	11.7%	944	2.4%	3,698	3,431	7.8%
Return on equity[2]	-9.5%	-3.0%		-0.8%		-1.8%	-0.9%	
Employees (FTEs, end of period)	34,763	35,445	-1.9%	35,252	-1.4%	34,763	35,445	-1.9%

1 Four-quarter rolling average

2 Underlying, after-tax return, adjusted for the after-tax allocated cost of Group core debt injected as equity into Insurance by the Group, divided by average IFRS-EU equity (annualised)

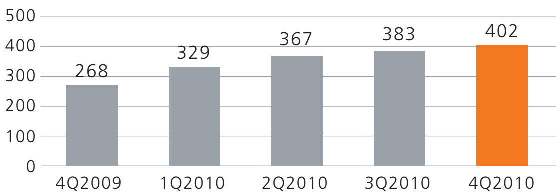
The operating result of EUR 438 million increased from the fourth quarter of 2009, driven by higher investment margins and an increase in fees and premium-based revenues. The underlying result before tax in the fourth quarter of 2010 was heavily impacted by a EUR 975 million DAC write-down related to the reporting of the US Closed Block VA as a separate business line.

The total operating result for ING Insurance increased to EUR 438 million from EUR 303 million in the fourth quarter of 2009, up 44.6%, or 28.8% excluding currency effects. The increase was largely due to Life Insurance and Investment Management while Non-Life results were almost flat. Compared with the previous quarter, the total operating result was down 7.4% (5.8% excluding currency effects), mainly due to Life Insurance and Investment Management and owing to higher administrative expenses and DAC amortisation & trail commissions.

Life insurance and investment management

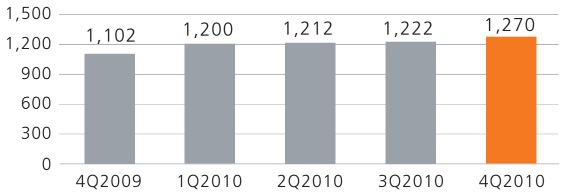
The operating result from Life Insurance and Investment Management was EUR 556 million, 15.8% higher than the same quarter of 2009 (or 6.1% excluding currency effects), but it was down 6.1% from the third quarter of 2010 (or 4.8% excluding currency effects). The increase from the previous year was driven by a significant increase in the investment margin as well as higher fees and premium-based revenues. These factors were in part offset by rising administrative expenses, higher DAC amortisation & trail commissions and a lower technical margin.

INVESTMENT MARGIN (in EUR million)



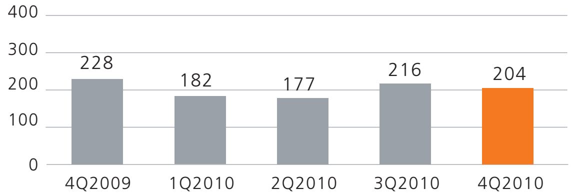
The investment margin increased to EUR 402 million from EUR 268 million in the same quarter of 2009 and EUR 383 million in the third quarter. The increase over the previous year is mainly attributable to reinvestments into fixed income securities in the Netherlands and the US and accretion of previously impaired securities. The four-quarter rolling average investment spread continued to improve to 93 basis points from 87 basis points in the third quarter of 2010 and 83 basis points in the fourth quarter of 2009. The investment spread for the stand-alone fourth quarter 2010 rose to 97 basis points from 75 basis points last year.

FEES AND PREMIUM-BASED REVENUES (in EUR million)



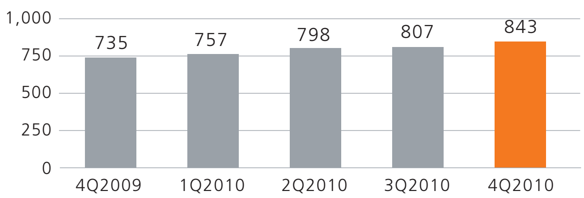
Fees and premium-based revenues grew 15.2% from the fourth quarter last year to EUR 1,270 million, primarily due to Asia/Pacific, ING IM and Latin America. The increase related to Asia/Pacific reflected strong sales at ING Life Japan and growth at ING Life Malaysia. At ING IM, fees rose in line with higher AuM, while Latin America benefited from positive pension fund performance and increased fund deposits. Fees and premium-based revenues grew 3.9% from the third quarter of 2010, mainly due to strong Individual Life sales and higher fund values in the US, higher income in the US Closed Block VA and higher fees on AuM in ING IM.

TECHNICAL MARGIN (in EUR million)



The technical margin was EUR 204 million, down 10.5% from the fourth quarter of 2009. This decline was largely caused by the Individual Life segment in the US, a one-off negative reserve development in the US Closed Block VA and lower surrender and mortality results in Japan. In addition, the fourth quarter of 2009 included the releases of rider provisions in Poland and Hungary (EUR 23 million). Compared with the third quarter of 2010, the technical margin declined 5.6%.

ADMINISTRATIVE EXPENSES (in EUR million)



Administrative expenses for Life Insurance and Investment Management increased 14.7% versus the fourth quarter of 2009. The expense increase is in part due to accrual adjustments related to deferral of incentive compensation, particularly in ING IM, the US and Asia/Pacific, and the release of a provision related to the closure of SPVA in Japan, which lowered expenses in the fourth quarter of 2009. Excluding the impact of accrual adjustments as well as currency effects of EUR 52 million, expenses rose modestly by 0.5%. Compared with the third quarter of 2010, expenses rose 4.5%, or 6.4% excluding currency effects. The ratio of administrative expenses to operating income improved slightly during 2010 to 44.1% versus 44.7% in the fourth quarter of 2009.

Non-life result
The non-life operating result was EUR 69 million compared with EUR 68 million in the same quarter of 2009. However, non-life results were EUR 19 million higher than in the third quarter of 2010 due to lower operating expenses in the Benelux.

Corporate Line
The EUR -188 million operating result for the Corporate Line was an improvement from the EUR -244 million in the fourth quarter of 2009. The improvement was mainly due to lower interest paid on hybrids resulting from the transfer of hybrid capital from ING Insurance to ING Bank in the last quarter of 2009 as well as the conversion of a EUR 1 billion hybrid from fixed to floating rate interest payments in April 2010.

Underlying result before tax
The underlying result before tax declined to EUR - 690 million from EUR -43 million in the fourth quarter of 2009 and EUR 18 million in the third quarter of 2010. The loss in the current period included a EUR 975 million DAC write-down related to the US Closed Block VA business. As of 1 October 2010, ING reports the US Closed Block VA as a separate business line in order to improve transparency for both the closed block and ongoing businesses. Under ING's accounting policies, the separation triggered a charge in the fourth quarter to bring reserve adequacy on the new US Closed Block VA business line to the 50% level as of 1 October 2010. The comparative numbers have been restated to reflect this change.

'Gains/losses and impairments on investments' diminished significantly to EUR -36 million from EUR -177 million in the fourth quarter of 2009 and from EUR -126 million in the third quarter.

'Market and other impacts' worsened to EUR -1,096 million in the fourth quarter from EUR -157 million in the same quarter of 2009 and EUR -603 million in the third quarter of 2010. The market impacts in the fourth quarter consisted primarily of the DAC write-down related to the US Closed Block VA. Additionally, the strong increase in long-term interest rates during the fourth quarter resulted in a EUR 150 million negative impact related to the change of the provision for guarantees on separate account pension contracts (net of hedging) in the Netherlands.

Net result
The insurance operations recorded an underlying net result of EUR -512 million in the fourth quarter compared to EUR -126 million in the fourth quarter of 2009 and EUR -58 million in the previous quarter.

The total net result was EUR -576 million and includes a EUR 16 million gain on divestments and EUR -75 million of special items. Included within special items were EUR 26 million of after-tax separation expenses.

Sales
New sales (APE) grew 16.4%, or 7.0% excluding currency effects, from the fourth quarter of 2009. This increase reflects higher sales in Asia/Pacific, the US, and Latin America, in part offset by lower sales in the Benelux.

In the Benelux, new sales declined 56.6% from EUR 196 million a year ago. Half of this decrease is due to a change in the recognition of premiums of group life contracts in the Netherlands in the fourth quarter of 2009, which had a one-off favourable impact of EUR 55 million in 2009. Excluding the change in premium recognition, sales decreased EUR 56 million as the company continues to prioritise value over volume growth.

In Central and Rest of Europe, new sales declined 3.1% to EUR 94 million from EUR 97 million a year ago. This decrease reflects lower bancassurance sales in Greece and lower pension fund sales in Hungary due to the new government measures. Uncertainty around regulatory changes in pension in Poland did not impact APE in the fourth quarter of 2010.

In the US (excluding the US Closed Block VA business), new sales increased to EUR 497 million from EUR 380 million in the fourth quarter of 2009, an increase of 19.5% excluding currency effects. This increase was driven by higher sales of stable value retirement plans, Universal Life products, and term products.

The US Closed Block VA business sales were down to EUR 8 million from EUR 30 million in the fourth quarter of 2009. The US Closed Block VA sales represent additional premiums received on existing contracts.

In Latin America, new sales improved to EUR 199 million this quarter, up 82.6% (or 57.9% excluding currency effects). This increase is mainly related to increased pension fund sales in Mexico as well as the inclusion of tax-favored voluntary pension sales in Colombia and mutual funds sales in Chile, which were not included in the sales figures prior to 2010.

In Asia/Pacific, new sales rose 43.6%, or 25.4% excluding currency effects, to EUR 316 million. This increase was driven by strong performance by ING's bancassurance partners in Malaysia, Thailand, Korea and China, as well as continued sales strength in Japan, including the successful launch of a new COLI increasing term product.

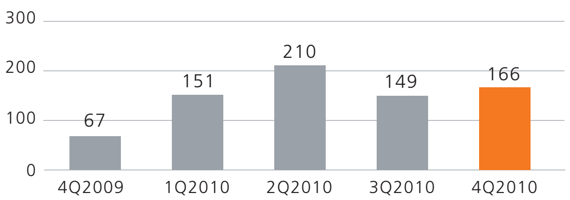
Insurance: Breakdown by business area

	Benelux		Central & Rest of Europe		United States[2]		US Closed Block VA		Latin America		Asia/Pacific		ING IM	
In EUR million	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009
Investment margin	99	79	21	18	229	134	12	7	19	18	22	7	-1	5
Fees and premium-based revenues	141	128	130	139	272	234	43	57	111	81	327	263	245	199
Technical margin	93	54	36	56	47	68	-14	6	5	3	37	41	-	-
Income non-modelled life business	10	4	2	7	-0	-0	-0	-0	0	0	25	32	-0	3
Life & ING IM operating income	**342**	**265**	**189**	**220**	**548**	**437**	**41**	**70**	**136**	**102**	**412**	**345**	**244**	**207**
Administrative expenses	154	185	74	67	214	189	17	23	66	49	118	94	198	129
DAC amortisation and trail commissions	66	64	52	41	162	127	23	40	24	15	185	142	1	1
Life & ING IM expenses	**220**	**249**	**126**	**107**	**377**	**315**	**41**	**64**	**90**	**64**	**302**	**236**	**199**	**129**
Life & ING IM operating result	**122**	**16**	**63**	**112**	**171**	**122**	**1**	**6**	**46**	**38**	**109**	**109**	**45**	**77**
Non-life operating result	44	51	4	3	-	-	-	-	19	13	1	0	-	1
Corporate Line operating result														
Operating result	**166**	**67**	**67**	**115**	**171**	**122**	**1**	**6**	**65**	**51**	**110**	**109**	**45**	**77**
Gains/losses and impairments	65	-11	-5	-35	-102	-172	4	26	6	-0	11	4	1	9
Revaluations	45	-13	-	-	-3	55	-67	-25	10	8	-9	-1	3	-8
Market & other impacts	-150	81	-10	-	-2	-1	-1,012	-85	-	-	11	5	-	-
Underlying result before tax	**126**	**124**	**52**	**80**	**64**	**3**	**-1,075**	**-78**	**80**	**59**	**123**	**117**	**49**	**79**
Life Insurance - New business figures														
Single premiums	513	780	243	181	2,317	1,453	82	301	656	323	100	102	-	-
Annual premiums	34	118	70	79	265	235	-	-	134	76	306	209	-	-
New sales (APE)	85	196	94	97	497	380	8	30	199	109	316	220	-	-
Key figures														
Gross premium income	1,201	1,650	585	552	2,801	2,754	111	328	47	31	1,582	1,340	-	-
Adm. expenses / operating income (Life & ING IM)	45.0%	69.8%	39.2%	30.5%	39.1%	43.2%	41.5%	32.9%	48.5%	48.0%	28.6%	27.2%	81.1%	62.3%
Life general account assets (end of period, in EUR billion)	61	55	8	8	63	55	6	5	2	2	23	17	1	0
Investment margin / Life general account asset (in bps)[1]	77	67	99	102	134	113	-20	49	294	165	26	6	48	279
Provision for life insurance & investm. contracts for risk policyholder (end of period)	22,855	21,037	3,783	3,318	36,294	29,982	35,152	31,702	139	97	22,725	18,945	-	-
Net production client balances (in EUR billion)	-0.9	-0.3	0.5	0.6	-1.1	-0.8	-0.7	-0.2	0.6	0.5	0.2	0.2	4.5	-1.4
Client balances (end of period, in EUR billion)	69.9	68.2	28.6	24.4	97.1	87.1	35.9	32.4	49.8	36.2	44.2	35.6	128.3	124.4
Administrative expenses (total)	243	281	76	68	214	189	17	23	66	49	119	95	198	125

1 Four-quarter rolling average
2 Excluding US Closed Block VA

INSURANCE BENELUX

OPERATING RESULT - BENELUX (in EUR million)



The results of Insurance Benelux benefited from cost reductions, higher investment returns, higher fee income and an increase in the technical margin. Together, these factors boosted the operating profit to EUR 166 million from EUR 67 million in the fourth quarter of 2009. The operating result rose 11.4% from EUR 149 million in the third quarter of 2010. This quarter-on-quarter increase was driven by a higher technical margin and an improved non-life result.

The life investment margin climbed to EUR 99 million versus EUR 79 million in the fourth quarter of 2009; this was driven by reinvestment into fixed income securities. The investment margin decreased by 16.8% from the previous quarter, when dividend income from the real estate funds and private equity portfolio were incidentally high. The investment spread, calculated as a four-quarter rolling average, improved to 77 basis points from 67 basis points in the fourth quarter of 2009 and 75 basis points in the third quarter of 2010.

Fees and premium-based revenues rose to EUR 141 million from EUR 128 million in the fourth quarter of 2009 and EUR 131 million in the previous quarter. This increase was mainly due to changes in product mix and higher fund values.

The life technical margin improved to EUR 93 million from EUR 54 million in the fourth quarter of last year and EUR 51 million in the previous quarter. The life technical margin in the prior quarters was under pressure from high costs for guarantee provisions due to declining interest rates. In the current quarter, the increase in interest rates led to EUR 22 million of lower guarantee provisions. In addition, the release of a provision related to the discontinuation of pension contracts contributed EUR 11 million of positive one-offs this quarter.

Life administrative expenses declined to EUR 154 million from EUR 185 million in the fourth quarter of 2009. This decrease was mainly caused by a reduction of internal staff, lower pension charges, lower IT-related expenses and a one-off VAT reimbursement. Compared with the third quarter of 2010, expenses rose 7.7% due to project expenses as well as reallocation of a one-off benefit in costs from life to non-life in the fourth quarter. The ratio of life administrative expenses to operating income improved to 45.0% from 69.9% in the fourth quarter 2009 and from 46.2% in the third quarter of 2010.

DAC amortisation & trail commissions were EUR 66 million in the fourth quarter of 2010. This was in line with the fourth quarter of 2009. However, DAC amortisation and trail commissions increased from EUR 49 million in the third quarter, reflecting a settlement with brokers to compensate for discontinuing a pension product.

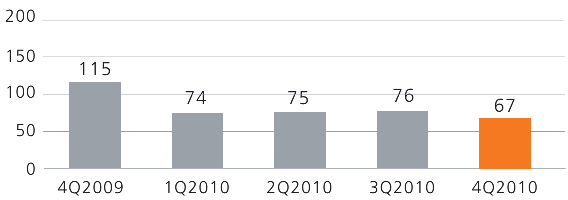
The non-life operating result declined to EUR 44 million from EUR 51 million in the fourth quarter of 2009. This decrease reflects higher claims, which were partly compensated by lower operating expenses. The operating expenses were lower due to a reallocation of a one-off benefit in costs from life to non-life. The non-life operating result increased by 37.5% from EUR 32 million in the third quarter of 2010 reflecting lower operating expenses.

The underlying result before tax in the current quarter (EUR 126 million) was stable compared with the fourth quarter of 2009 (EUR 124 million), but it decreased compared with the previous quarter (EUR 194 million). The underlying result was impacted by the strong increase in long-term interest rates during the fourth quarter, which resulted in a EUR 150 million negative impact related to the change of the provision for guarantees on the separate account pension contracts (net of hedging). This negative impact was partly mitigated by realised capital gains and higher real estate revaluations.

New sales (APE) declined to EUR 85 million from EUR 196 million a year ago when APE included a one-off favourable impact of EUR 55 million related to a change in premium recognition of group life contracts in the Netherlands. Excluding the change in premium recognition, sales decreased by EUR 56 million as the company continues to prioritise value creation over volume growth. APE decreased from EUR 100 million in the third quarter of 2010. which included the acquisition of a large Group Life contract.

INSURANCE CENTRAL AND REST OF EUROPE

OPERATING RESULT - CENTRAL AND REST OF EUROPE (in EUR million)



In the fourth quarter of 2010, sales from Insurance Central and Rest of Europe remained under pressure due to economic headwinds and the impact of unfavorable regulatory changes in pensions in the region. Furthermore, costs were higher compared to the year ago quarter, reflecting the new financial institutions tax in Hungary.

However, on a full-year basis, expenses were flat from last year reflecting a strong focus on cost control across the region.

The operating result for Insurance Central and Rest of Europe declined to EUR 67 million from EUR 115 million in the fourth quarter of last year. This decline was mainly caused by lower fees and premium based revenues and higher costs, including the EUR 8 million financial institutions tax in Hungary. In addition, the technical margin was lower due to releases of rider provisions in Poland and Hungary (EUR 23 million) in the fourth quarter of 2009. Compared with the previous quarter, the EUR 9 million decline in operating result was mainly due to a lower technical margin and higher expenses.

The investment margin increased to EUR 21 million from EUR 18 million in the same quarter of last year, but was slightly down from EUR 22 million in the previous quarter.

Fees and premium-based revenues declined to EUR 130 million from EUR 139 million in the fourth quarter of 2009, driven by a reduction in fees charged on unit-linked products in the Czech Republic. Compared with the third quarter of 2010, fees and premium-based revenues were up EUR 13 million, or 11.1%, reflecting higher sales of unit-linked products in the Czech Republic. In addition, fees from the Poland pension fund were higher, partly due to timing differences with the third quarter.

The technical margin decreased to EUR 36 million from EUR 56 million in the fourth quarter of 2009, when results included the releases of rider provisions in Poland and Hungary (EUR 23 million). Compared with the third quarter of 2010, the technical margin declined from EUR 46 million. This was mainly caused by higher morbidity claims and a lower surrender result in Greece.

Life administrative expenses increased to EUR 74 million from EUR 67 million in the same period of last year. The increase reflects the EUR 16 million annual tax on financial institutions in Hungary, of which EUR 8 million was booked in the fourth quarter (and EUR 8 million in the third quarter of 2010). Compared with the third quarter of 2010, expenses were up EUR 8 million, mainly driven by higher marketing costs.

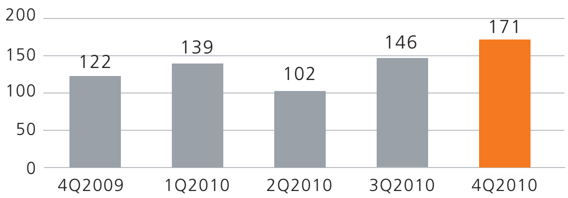
DAC amortisation & trail commissions increased to EUR 52 million from EUR 41 million in the same quarter of 2009. This increase is mainly attributable to a less favourable outlook for ING Financial Advisors in Hungary, which resulted in a write-off of capitalised expenses and the absence of expense capitalisation in the fourth quarter of 2010.

The underlying result before tax was EUR 52 million, which is EUR 28 million lower than the fourth quarter of 2009 and EUR 24 million lower than the third quarter of 2010. In addition to the lower operating result, the underlying result included a EUR 10 million prepaid capitalised commission write-off in the pension fund in Hungary. At the end of 2010, the government in Hungary issued new regulation for pension funds, including a 14 month suspension period for employee contributions to mandatory pension funds and allowing mandatory pension fund members to return to the State pension system. This resulted in a full write-off of capitalised commissions in ING's Hungarian pension fund business. In the fourth quarter, the government in Poland also proposed regulatory changes, including the reduction of the second pillar premium that is allocated to private pension funds. The changes have not yet been approved by parliament.

New sales (APE) declined to EUR 94 million from EUR 97 million a year ago, reflecting lower bancassurance sales in Greece due to the recession and lower pension fund sales in Hungary due to the new government measures. Compared with the previous quarter, sales rose 28.8% from EUR 73 million, mainly due to a higher sales volume of Single Premium products in Poland and seasonality of the life insurance business in Spain and Greece.

INSURANCE UNITED STATES

OPERATING RESULT - UNITED STATES (in EUR million)



The US Insurance business, excluding the US Closed Block VA, benefited from higher investment income and higher fees on assets under management during the fourth quarter as market conditions improved.

The operating result increased to EUR 171 million from EUR 122 million in the fourth quarter of 2009 and EUR 146 million in the third quarter of 2010. The 40.2% increase from the previous year, or 29.5% excluding currency effects, is attributable to higher investment margins and fee income, which more than offset a lower technical margin.

The investment margin increased to EUR 229 million from EUR 134 million in the fourth quarter of 2009 and EUR 212 million in the third quarter of 2010. The 70.9% increase from the fourth quarter of 2009, or 55.8% excluding currency effects, was primarily driven by lower interest rate swap expense, reinvestments into fixed income securities, accretion of income on previously impaired securities due to improved market values and higher prepayment fees.

Fees and premium-based revenues increased to EUR 272 million from EUR 234 million in the fourth quarter of 2009 and from EUR 267 million in the third quarter of 2010. The 16.2% increase from the fourth quarter of 2009, or 6.3% excluding currency effects, includes higher AuM-based fee income due to equity market increases during the last four months of 2010 and higher premium-based revenues, primarily due to strong Individual Life sales in the fourth quarter.

The technical margin declined 30.9% (or 37.3% excluding currency effects) to EUR 47 million from EUR 68 million in the fourth quarter of 2009. This was primarily due to positive reserve developments in 2009 that increased technical results in Individual Life but which were not replicated in the same magnitude in 2010.

Administrative expenses climbed 13.2%, or 3.4% excluding currency effects, from the fourth quarter of 2009 to EUR 214 million. Comparisons are impacted by accrual adjustments related to deferral of incentive compensation, which deflated the expense level in the fourth quarter of 2009. Excluding these accrual adjustments, as well as currency effects, expenses decreased 1.4%. Compared to the third quarter of 2010, administrative expenses were down 0.9% excluding currency effects. The ratio of administrative expenses to operating income improved to 39.1% from 43.2% in the fourth quarter of 2009 and from 42.5% in the third quarter of 2010.

In the fourth quarter of 2010, measures were taken to reduce operating expenses, including reductions in staff of more than 450 positions as well as improvements in real estate and other operational efficiencies. These measures, along with further steps planned for implementation during 2011, are expected to achieve the previously announced target to reduce expenses by EUR 100 million per year.

DAC amortisation & trail commissions of EUR 162 million increased 27.6%, or 17.4% excluding currency effects, from EUR 127 million in the fourth quarter of 2009. This increase was primarily due to higher operating income, which led to higher DAC amortisation.

The underlying result before tax increased to EUR 64 million in the fourth quarter from EUR 3 million in the fourth quarter of 2009. However, underlying result before tax declined from EUR 145 million in the third quarter.

Gains/losses and impairments of EUR -102 million improved from EUR -172 million in the fourth quarter of 2009 and EUR -158 million in the third quarter. The result was primarily driven by EUR 94 million in sub-prime mortgage impairments and EUR 22 million of credit losses related to CMBS sales, in turn partially offset by non-credit related trading gains of EUR 16 million.

Revaluations were EUR -3 million compared to EUR 55 million in the fourth quarter of 2009 and EUR 204 million in the third quarter. Positive revaluations on private equity securities and alternative assets of EUR 39 million were offset by negative revaluations of EUR 42 million on derivatives, primarily as a result of increasing interest rates during the fourth quarter. Third-quarter 2010 revaluations were favourably impacted by lower prepayment assumptions related to CMOs and the impact of declining interest rates on derivatives.

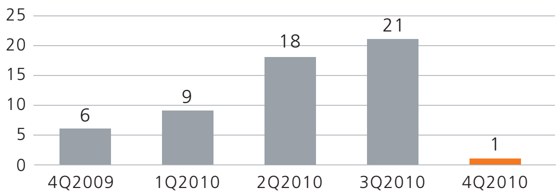
Market and other impacts were EUR -2 million compared with EUR -1 million in the fourth quarter of 2009 and EUR -46 million in the third quarter.

INSURANCE

New sales (APE) increased to EUR 497 million from EUR 380 million in the fourth quarter of 2009 and EUR 447 million in the third quarter of 2010. Individual Life sales jumped 65.9% from the fourth quarter of 2009 thanks to strong sales of Universal Life products (including a large corporate benefits case) and higher sales of term products. Sales of full service retirement plans (US basis) were up 5.4% over the previous year thanks to improved results in the Small/Mid corporate segment and education segment, which more than offset weaker sales in other markets. Recordkeeping sales continued to rebound; they were 58.9% higher than in the third quarter of 2010 (excluding currency effects) and almost tripled compared with the fourth quarter of 2009.

INSURANCE US CLOSED BLOCK VA

OPERATING RESULT - US CLOSED BLOCK VA (in EUR million)



As previously announced, the US Closed Block Variable Annuity ('VA') business is reported as a separate business line from the fourth quarter of 2010 onwards.

The underlying result of EUR -1,075 million from US Closed Block VA reflects the previously announced EUR 975 million DAC write-down taken in order to bring the reserve adequacy of the business line to the 50% level as of 1 October 2010. The operating result decreased to EUR 1 million from EUR 6 million in the fourth quarter of 2009 and from EUR 21 million in the third quarter of 2010.

Investment margins increased to EUR 12 million from EUR 7 million in the fourth quarter of 2009 and from EUR 1 million in the third quarter of 2010, reflecting reinvestment of short term investments and government bonds into longer duration fixed income securities.

Fees and premium-based revenues declined to EUR 43 million from EUR 57 million in the fourth quarter of 2009. The decrease reflects higher guarantee costs mainly due to lower interest rates; the decrease was partially offset by higher fee income. Compared with the third quarter, fees and premium-based revenue improved from EUR 20 million reflecting higher fee income as well as lower guarantee costs as equity markets and interest rates increased during the fourth quarter.

The technical margin decreased to EUR -14 million from EUR 6 million in the fourth quarter of 2009 and from EUR 7 million in the third quarter. The decrease was due to a EUR 20 million non-recurring negative reserve development in the fourth quarter of 2010.

Administrative expenses improved to EUR 17 million from EUR 23 million in the fourth quarter of 2009 and from EUR 18 million in the third of 2010. The decrease in expenses was primarily driven by the reduction and redeployment of product and sales support staff from VA to ongoing business lines.

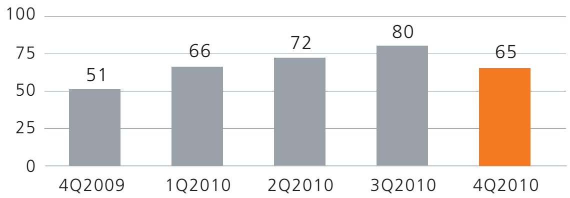
DAC amortisation & trail commissions fell to EUR 23 million from EUR 40 million in the fourth quarter of 2009 as lower operating income led to lower amortisation of DAC. The increase from the third quarter result of EUR -11 million reflects higher DAC amortisation as a consequence of higher operating income.

The underlying result before tax decreased to a loss of EUR 1,075 million, primarily due to the previously announced DAC write-down of EUR 975 million on 1 October 2010. The remaining loss of EUR 100 million primarily reflects hedge losses related to rising equity markets and interest rates during the fourth quarter of 2010, net of reserve and DAC impacts.

Sales (APE) declined to EUR 8 million from EUR 30 million in the fourth quarter of 2009. US Closed Block VA sales represent additional premiums received on existing contracts.

INSURANCE LATIN AMERICA

OPERATING RESULT - LATIN AMERICA (in EUR million)



Insurance Latin America posted an operating result of EUR 65 million, up 27.5% (12.1% excluding currency effects) from the fourth quarter of 2009 as higher sales and growth in client balances lifted fees and premium-based revenues. Results declined 17.7% excluding currency effects compared with the third quarter, reflecting a change in revenue recognition of fee income in the previous quarter as well as higher expenses in the fourth quarter to roll out wealth management projects in the region.

The investment margin was EUR 19 million versus EUR 18 million in the fourth quarter of 2009, up 5.6% but down 9.5% excluding currency effects. The decrease was attributable to a reclassification of the life insurance result for Brazil from the investment margin to fees and premium-based revenues as from the second quarter of 2010.

Fees and premium-based revenues climbed to EUR 111 million from EUR 81 million in the fourth quarter of 2009, up 37.0% or 18.1% excluding currency effects. In Mexico, the increase in fee income associated with pension fund growth more than offset a decrease in the fee level as agreed with the regulator. The other part of the increase reflects higher fees on fund deposits in the remaining Latin America countries, where deposits have expanded due to economic growth and wage inflation. Compared with the third quarter, fees and premium-based revenues decreased 6.7%, mainly due to a change in revenue recognition of fee income, which resulted in higher-than-normal results in the previous quarter (EUR 10 million).

Administrative expenses were EUR 66 million compared with EUR 49 million in the fourth quarter of 2009, an increase of 34.7%, or 17.9% excluding currency effects. Compared with the third quarter of 2010, administrative expenses were up 22.2% excluding currency effects. The increase was primarily attributable to the timing of investments to roll out wealth management projects throughout the region and non-recurring charges this quarter.

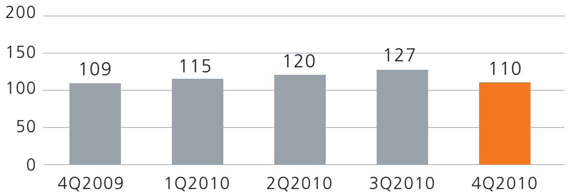
The underlying result before tax increased to EUR 80 million from EUR 59 million in the fourth quarter of 2009. In addition to the higher operating result, the fourth quarter of 2010 included EUR 6 million of realised capital gains.

New sales (APE) climbed to EUR 199 million from EUR 109 million in the fourth quarter of 2009, up 82.6% (or 57.9% excluding currency effects). The increase is mainly related to higher volumes in mandatory pension sales in Mexico. In addition, the inclusion of tax-favoured voluntary pension sales in Colombia and mutual funds sales in Chile added EUR 26 million.

Client balances grew to EUR 50 billion from EUR 36 billion a year earlier, reflecting currency effects, the positive effect of market performance on the pension funds' assets and EUR 2.3 billion in positive pension net flows.

INSURANCE ASIA/PACIFIC

OPERATING RESULT - ASIA/PACIFIC (in EUR million)



The operating result for Insurance Asia/Pacific was EUR 110 million, which was flat compared with the fourth quarter of 2009, but decreased 16.0% excluding currency effects. This decrease reflects a decline in the technical margin and higher life expenses, partially offset by an increase in the investment margin and fees and premium-based revenues. The expense increase reflected accrual adjustments and a provision release related to the closure of SPVA in Japan, both in the fourth quarter of 2009. Excluding accrual adjustments, as well as currency effects, the operating result declined 12.0% compared with the same period of 2009. Compared with the third quarter of 2010, the operating result shrank 13.4%, mainly due to a decline in fees and premium-based revenues and a lower technical margin.

The investment margin rose to EUR 22 million from EUR 7 million in the fourth quarter of 2009. This increase was primarily attributable to growth in general account assets, reinvestment of cash in longer-duration assets and higher dividend income. Similarly, the investment margin increased by EUR 12 million from the third quarter of 2010 due to higher dividend income from private equity and lower investment expenses.

Fees and premium-based revenues were EUR 327 million, up EUR 64 million (+7.2% or EUR 23 million at constant currencies). Strong sales at ING Life Japan and growth at ING Life Malaysia contributed EUR 12 million to this increase, while the inclusion of previously non-modelled life businesses contributed EUR 11 million (with a corresponding reduction in non-modelled income). Compared with the previous quarter, fees and premium-based revenues fell 4.4% at constant currencies, mainly due to the seasonality of the business in ING Life Japan and partly offset by growth in other countries in the region.

The technical margin decreased to EUR 37 million from EUR 41 million in the fourth quarter of 2009 and EUR 52 million in the third quarter of 2010. Lower surrender and mortality results in ING Life Japan contributed to the decrease.

Life administrative expenses were EUR 118 million, up 25.5%, or 10.3% excluding currency effects. This was due to accrual adjustments related to deferral of incentive compensation and the release of a EUR 11 million provision related to the closure of SPVA in Japan, both in the fourth quarter of 2009. Excluding the accrual adjustments and currency effects, administrative expenses increased 4.4% on the fourth quarter of 2009. Compared with the previous quarter, administrative expenses rose 1.7%.

DAC amortisation & trail commissions were EUR 185 million compared with EUR 142 million in the same quarter of 2009. This 30.3% increase (12.8% excluding currency effects) mainly reflects business growth.

The underlying result before tax advanced to EUR 123 million from EUR 117 million in the fourth quarter of 2009, but it decreased from EUR 140 million in the third quarter of 2010. Non-operating impacts were EUR 13 million in the quarter, of which market related and other items contributed EUR 11 million.

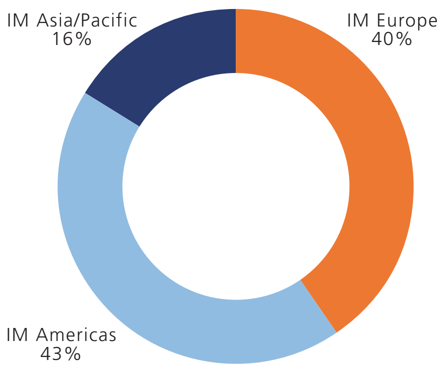
New sales were EUR 316 million, up 43.6% (or 25.4% excluding currency effects) from the fourth quarter of 2009. Strong performance by ING's bancassurance partners in Malaysia, Thailand, Korea and China, as well as continued sales strength in Japan (including the successful launch of a new COLI increasing term product) contributed to this growth. New sales fell 16.8% from EUR 380 million in the previous quarter, mainly due to seasonality.

ING INVESTMENT MANAGEMENT

ING Investment Management: Key figures			
In EUR billion	4Q2010	3Q2010	4Q2009
Assets under Management	387.0	377.8	343.2
of which Proprietary	142.8	145.2	124.0
of which Retail	152.1	143.8	127.6
of which Institutional	92.0	88.8	91.6
Net inflow	2.9	0.0	4.6-
Fees and premium based revenues / average AUM (annualised in bps)	26	24	23
Administrative expenses / operating income	81.1%	81.1%	62.3%

Assets under management (AuM) at ING Investment Management (ING IM) increased to EUR 387 billion from EUR 378 billion at the end of September 2010 and from EUR 343 billion at year-end 2009. Net inflows in the fourth quarter were EUR 2.9 billion and came mainly from the institutional and proprietary segments in Europe and Asia/Pacific. Exchange rate differences added EUR 7.2 billion to total AuM this quarter. The contribution from market performance was slightly negative.

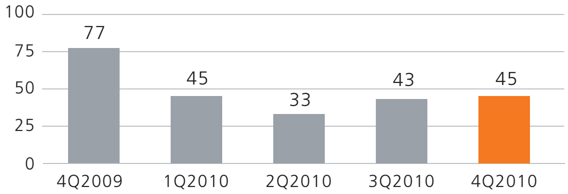
ING IM: AUM BY REGION



In the fourth quarter, assets managed for retail clients increased slightly to 39% from 38% of total AuM in the previous quarter. General account assets (proprietary) decreased to 37% of total AuM, while the institutional clients segment remained constant at 24% of AuM. The proportion of fixed income, equity and money market investments remained largely unchanged compared with 30 September 2010 at, respectively, 64%, 31% and 5% of AuM.

During the year, ING IM continued to improve its investment performance. The percentage of AuM performing above benchmark on a one-year basis was 72% compared with 67% at year-end 2009. With 75% of rated mutual funds awarded three Morningstars or more, ING IM beats the market standard of 68%. Over the last twelve months, all asset classes (equity, fixed income, multi assets) outperformed their respective aggregated benchmark.

OPERATING RESULT - ING IM (in EUR million)



The operating result declined 41.6%, or 44.4% excluding currency effects, to EUR 45 million in the fourth quarter. Comparisons with the prior year were impacted by accrual adjustments related to deferral of incentive compensation, which lowered expenses in the fourth quarter of 2009. Compared with the third quarter of 2010, the operating result increased 4.7%.

Fees and premium-based revenues grew 23.1%, or 16.1% excluding currency effects, to EUR 245 million compared with the fourth quarter of 2009. This was driven by 12.8% higher AuM and the introduction of a fixed service fee related to the transfer of funds to the Luxembourg platform. As of the third quarter of 2010, expenses of these funds are no longer recorded as negative income. This change had a positive impact on fee income of EUR 13 million in the fourth quarter. Compared with the third quarter of 2010, fees and premium-based revenues increased 9.9%. The annualised ratio of fees to average AuM rose to 26 basis points versus 24 basis points in the previous quarter.

In the current quarter, administrative expenses grew to EUR 198 million from EUR 129 million a year ago and EUR 184 million in the previous quarter. Comparisons are impacted by accrual adjustments related to deferral of incentive compensation, which deflated the expense level in the fourth quarter of 2009. Excluding these accrual adjustments and currency effects, expenses rose 15.8% from the fourth quarter of 2009. The increase was mainly due to the introduction of a fixed service fee, which added EUR 12 million to expenses, and higher staff costs.

The underlying result before tax decreased to EUR 49 million compared with EUR 79 million in the fourth quarter of 2009, but it increased from EUR 34 million in the third quarter of 2010. Impacts from financial markets contributed EUR 4 million to the underlying result in the fourth quarter.

CORPORATE LINE INSURANCE

Corporate Line Insurance		
EUR million	4Q2010	4Q2009
Interest on hybrids and debt	-146	-181
Amortisation intangible assets	-17	-17
Investment income & fees (ING Insurance holding)	-1	-5
Capital Management	-163	-203
Results from reinsurance run-off portfolios	2	-4
Other	-27	-38
Operating result before tax	**-188**	**-244**
Gains/losses and impairments	-15	2
Revaluations	26	-28
Market and other impacts	67	-157
Underlying result before tax	**-110**	**-428**

The Corporate Line Insurance consists mainly of items related to capital management, results from run-off portfolios as well as other insurance results. Corporate Line Insurance results also include ING Life Japan's SPVA guaranteed benefits reinsured to ING Reinsurance, net of the hedges that correspond to those benefits.

The Corporate Line operating loss before tax of EUR -188 million improved from EUR -244 million in the fourth quarter of 2009, primarily due to lower interest paid on hybrids.

The Capital Management portion of the result comprises interest on hybrids and financing activities, which include interest on the debt directly held by ING Insurance holdings and the cost of core debt at ING Group that is allocated to ING Insurance. The amortisation of the intangible assets is transferred from the business units to the Corporate Line.

The Capital Management result improved from EUR -203 million in the fourth quarter of 2009 to EUR -163 million in the fourth quarter of 2010. This improvement was driven by the positive impact of lower interest paid on hybrids resulting from the transfer of hybrid capital from ING Insurance to ING Bank in the last quarter of 2009 as well as the conversion of a EUR 1 billion hybrid from fixed to floating rate interest payments in April 2010.

In preparation for potential Insurance IPOs, as of 23 December 2010 EUR 1.5 billion in hybrid capital has been transferred out of the Corporate Line and exchanged for equity from the Group. In addition, as from 1 January 2011 the Group will cease allocating a portion of interest expenses on Group debt to the Corporate Line Insurance. In total, the interest expenses related to these measures amounted to approximately EUR 200 million in 2010 in the Corporate Line Insurance.

The result from reinsurance run-off portfolios was EUR 2 million versus a loss of EUR 4 million in the fourth quarter of 2009. Compared with the third quarter of 2010, the reinsurance run-off result was EUR 30 million lower and almost fully explained by a one-off release of technical provisions in the third quarter.

The Insurance-related 'Other' results improved by EUR 11 million compared with the same quarter of 2009 following higher results from ING Reinsurance as well as lower operating expenses.

Gains/losses and impairments along with revaluations totalled EUR 11 million and improved from EUR -26 million in the fourth quarter of 2009. The lower gains/losses and impairments results were more than offset by higher results from revaluations.

'Market and other impacts' were EUR 67 million and represent the result from the internally reinsured Japanese non-core SPVA. The improvement compared to EUR -157 million is largely explained by a one-off loss of EUR 190 million due to a change in surrender rate assumptions in the fourth quarter of 2009.

CONSOLIDATED BALANCE SHEET

ING Verzekeringen N.V.: Consolidated balance sheet

in EUR million	31 Dec. 10	30 Sep. 10	31 Dec. 09
Assets			
Cash and balances with central banks	8,646	9,045	9,425
Financial assets at fair value through P&L	128,503	123,514	111,117
- trading assets	622	570	474
- non-trading derivatives	4,440	6,123	3,668
- investments for risk of policyholders	120,481	114,034	104,597
- other	2,960	2,786	2,378
Investments	123,347	124,075	105,521
- debt securities available-for-sale	116,334	117,588	100,350
- equity securities available-for-sale	7,013	6,487	5,171
Loans and advances to customers	31,020	34,211	29,014
Reinsurance contracts	5,789	5,759	5,480
Investments in associates	2,428	2,499	2,486
Real estate investments	1,063	1,060	1,069
Property and equipment	517	511	552
Intangible assets	3,256	3,002	3,875
Deferred acquisition costs	10,604	10,867	11,398
Assets held for sale	381	266	441
Other assets	10,210	10,751	10,031
Total assets	**325,764**	**325,560**	**290,409**

	31 Dec. 10	30 Sep. 10	31 Dec. 09
Equity			
Shareholders' equity	20,811	21,003	15,887
Minority interests	111	94	80
Total equity	**20,922**	**21,097**	**15,967**
Liabilities			
Subordinated loans	4,407	5,869	5,743
Debt securities in issue	3,967	3,921	4,079
Other borrowed funds	8,588	11,138	7,036
Insurance and investment contracts	270,582	264,859	240,857
- life insurance provisions	140,092	140,520	126,343
- non-life insurance provisions	3,552	3,702	3,538
- provision for risk of policyholders	120,947	114,503	105,080
- other	5,991	6,135	5,896
Financial liabilities at fair value through P&L	3,677	4,139	3,921
- non-trading derivatives	3,677	4,139	3,921
Liabilities held for sale	279	215	258
Other liabilities	13,342	14,321	12,547
Total liabilities	**304,842**	**304,463**	**274,442**
Total equity and liabilities	**325,764**	**325,560**	**290,409**

The size of ING Insurance's balance sheet remained relatively stable during the fourth quarter and was EUR 326 billion at the end of December 2010. Excluding the impact of foreign exchange movements, the balance sheet decreased by EUR 4.9 billion compared with end-September 2010. Despite the capital injection from ING Group of EUR 1.5 billion, shareholders' equity decreased by EUR 0.2 billion to EUR 20.8 billion at year-end 2010, reflecting the negative net result of EUR 0.6 billion and the effect of rising interest rates in the quarter.

Assets
Excluding EUR 2.3 billion of currency effects, 'financial assets at fair value through P&L' increased by EUR 2.7 billion. This was mainly due to EUR 4.1 billion of positive revaluations of 'investments for the risk of policyholders', which mirror the increase in insurance and investment contracts for risk of policyholders.

'Investments available-for-sale' diminished by EUR 2.5 billion, excluding a positive currency impact of EUR 1.8 billion. The decrease includes EUR 4.0 billion of negative revaluations, which were partly compensated by EUR 1.5 billion in portfolio growth.

'Loans and advances to customers' decreased by EUR 3.1 billion, mainly attributable to the redemption of deposits with ING Bank.

'Deferred acquisition costs' declined by EUR 0.3 billion, or EUR 0.6 billion excluding currency effects. The decrease includes the EUR 975 million DAC write-down for US Closed Block VA.

Liabilities
The EUR 2.5 billion decline in 'other borrowed funds' mainly concerns the redemption of the ING Insurance debt with ING Group.

'Insurance and investment contracts' increased by EUR 5.7 billion; excluding currency impacts, the increase was EUR 1.6 billion. This increase can be explained by a EUR 2.5 billion decline of the life insurance provision (mainly due to the lower market value of debt securities, which will have an impact on future profit sharing) and a EUR 4.1 billion increase of the provision for risk of policyholders (due to positive revaluation in the fourth quarter).

Shareholders' equity
Shareholders' equity decreased by EUR 0.2 billion to EUR 20.8 billion. Shareholders' equity was positively affected by the EUR 1.5 billion conversion of hybrids into equity of ING Group in the fourth quarter and EUR 0.4 billion of positive exchange rate differences. This was more than offset by the negative impact of the increasing interest rate on the debt securities portfolio reflected in the revaluation reserves. Net result had a negative impact on shareholders' equity of EUR 0.6 billion.

Annual development
ING Insurance's balance sheet increased by EUR 35 billion compared with end-December 2009 of which EUR 19 billion is due to currency impacts. At comparable currencies, the increase was EUR 16 billion, of which EUR 12 billion were 'investments' (EUR 4.8 billion of revaluations and EUR 7.2 billion portfolio growth).

RISK MANAGEMENT

A EUR 975 million DAC write-down for the US Closed Block VA business line and favourable market development resulted in a strengthening of reserve adequacy, which has been further improved by bringing the US Closed Block VA GMWB towards fair value as of 1 January 2011. The interest rate exposure on the GMWB block is now hedged. Exposure to hybrid securities, CMBS and ABS was further reduced during the fourth quarter.

Credit risk

ING Insurance: General account

in EUR billion	4Q 2010	3Q 2010
Government bonds	48.5	48.2
Corporate Bonds	39.7	40.0
Financial Institutions	13.0	13.8
RMBS and other ABS	16.8	17.3
- US agency RMBS	5.0	5.2
- US prime RMBS	1.6	1.5
- US Alt-A RMBS	0.4	0.3
- US Subprime RMBS	1.6	1.5
- Non-US RMBS	5.1	5.1
- CDO/CLO	0.7	0.7
- Other ABS	2.4	2.9
CMBS	4.9	5.1
Public equities	4.1	3.6
Real Estate	3.2	3.1
Cash	8.7	9.0
Mortgages	13.7	13.7
Other loans	10.9	14.1
Other	10.7	12.1
Total	**174.2**	**179.9**

The general account decreased by EUR 5.6 billion to EUR 174.2 billion, mainly caused by negative revaluations due to sharply increasing interest rates that impacted most asset classes. Overall, higher interest rates are beneficial for the reserve adequacy.

'Government bonds' exposure increased by EUR 0.3 billion, mainly due to investments in long-term local currency bonds in the Benelux and Asia to increase asset duration and limit duration mismatches. This was largely offset by negative revaluation due to increased interest rates and asset spreads and some reallocation to 'Corporate Bonds' in the US. Exposure to southern European governments did not change materially this quarter other than due to increases of the asset spreads.

'Financial Institutions' exposure decreased by EUR 0.8 billion, mainly due to divestments in hybrid securities. Impairments on Financials in the fourth quarter were limited to EUR 6 million.

Government and Financial Institutions bonds in the table above include exposures in Greece and Ireland classified as Available-for-sale of EUR 0.7 billion (fair value), with a related pre-tax revaluation reserve in equity of EUR -0.3 billion at year-end.

'RMBS and other ABS' exposure decreased by EUR 0.5 billion, primarily due to reductions in Agency RMBS and Credit Card ABS and partially offset by continued positive revaluations on various RMBS and ABS classes. Impairments on US RMBS amounted to EUR 120 million and were largely related to subprime RMBS. At 31 December 2010, the remaining position in subprime RMBS was EUR 1.6 billion with a remaining negative after-tax revaluation reserve of EUR 0.2 billion. The total remaining negative after-tax revaluation reserve for RMBS and other ABS was EUR 0.3 billion.

'CMBS' exposure decreased by EUR 0.2 billion, primarily due to a reduction in underlying exposure of EUR 430 million in the fourth quarter, offset by positive revaluations. Impairments of EUR 3 million were more than offset by reversal impairments of EUR 4 million. At 31 December 2010, the remaining CMBS negative after-tax revaluation reserve was EUR 0.3 billion.

The overall negative after-tax revaluation reserve on the total ABS portfolio was reduced to EUR 0.6 billion in the fourth quarter.

'Other' exposure decreased by EUR 1.4 billion, which was mainly attributable to interest rate derivative revaluation owing to higher interest rates.

Market risk

IFRS-EU earnings sensitivities for market risks (full year impact)

In EUR million	4Q 2010	3Q 2010
Interest Rates +30% *	-188	-71
Interest Rates -30% *	217	132
Equity -25%	-1,071	-1,512
Real Estate -15%	-808	-835
Foreign Exchange -10%	-197	-187

* Parallel shock based on 30% move in 10 year swap rate

As earnings sensitivities are forward looking, the US Closed Block VA business line sensitivities are based on the situation on 1 January 2011, which reflects the DAC write-down as well as the move towards fair value accounting and hedging of the interest rate exposure for the GMWB.

Higher interest rate levels in the fourth quarter contributed to larger interest rate sensitivities as the sensitivity is based on a 30% change in the 10 year swap rate. Interest rate earnings sensitivities are dominated by the Dutch separate account business where swaps and swaptions are used to hedge a liability on Group life contracts that is not marked to market.

Equity-related earnings sensitivities reflect direct equity exposure, primarily in the Benelux, and indirect equity exposure that arises primarily from US DAC unlocking. In the quarter, direct equity related exposure increased by 0.5 billion mainly due to positive markets and small net additions. Direct equity hedges in the Benelux were reduced from EUR 2.1 billion notional at third quarter 2010 to EUR 1.6 billion, which provides a partial hedge in lower markets. Direct equity earnings sensitivity increased as lower hedges more than offset lower impairment risk.

Indirect equity earnings sensitivity decreased mainly due to the US Closed Block VA DAC write-down. This reduction in indirect equity earnings sensitivity more than offset the increase in direct equity sensitivity resulting in an overall reduction in the fourth quarter.

Real Estate exposure relates to direct holdings plus real estate investment funds, which combined were stable at EUR 3.2 billion in the fourth quarter of 2010.

Foreign exchange exposure mainly relates to translation risk on earnings from outside the eurozone. During the fourth quarter of 2010 the euro depreciated 0-5% against the US dollar and Asian currencies resulting in an increase in the earnings sensitivity.

Insurance risks

Insurance risks such as mortality, longevity, morbidity and adverse P&C claims result from the pricing and acceptance of insurance contracts.

Through scenario analyses, ING Insurance measures the sensitivity of pre-tax earnings of the insurance operations to an adverse change of the insurance risk factors over a one year period. Earnings sensitivities in this section are defined on a shock scenario at the 90% confidence level on pre-tax IFRS earnings, projected one year forward from the calculation date.

IFRS-EU earnings sensitivities for Insurance risks (full-year impact)

In EUR million	4Q 2010	3Q 2010
Mortality	-37	-45
Morbidity	-121	-127
P&C	-49	-42

Sensitivities present figures after diversification between insurance risks and diversification across business units. Earnings sensitivity to mortality risk mainly arises in Asia/Pacific with smaller contributions from the remaining regions. Earnings sensitivity to morbidity risk (sickness, disability, accidental death, workers compensation, medical insurance and long-term care insurance) is more evenly spread over the regions, with the largest impact from the Benelux. Earnings sensitivity to P&C risk is highly concentrated in the Benelux. Overall exposure to insurance risks did not change significantly during the fourth quarter of 2010 and sensitivities mainly changed as a result of modelling updates.

ING uses the Dutch Central Bureau of Statistics (CBS) mortality assumptions for the valuation of its Dutch pension business. The CBS updated these assumptions in December 2010, this has been reflected in the Reserve Adequacy testing at December 2010.

Policyholder behaviour

When selling policies we need to make long-term assumptions about policyholder behaviour, often with very limited experience. As we review and set assumptions, our practice is to strike a balance between long term expectations and emerging experience. When setting assumptions we take into account that policyholder behaviour can be impacted by economic circumstances and the value of guarantees.

Reserve adequacy testing

As of 1 October 2010, ING reports the US Closed Block VA business as a separate business line in order to improve transparency for both the closed block and ongoing businesses. Under ING's accounting policies, the separation triggered a EUR 975 million DAC write-down in the fourth quarter to bring reserve adequacy on the new US Closed Block VA business line to the 50% level as of 1 October 2010.

Following the DAC write-down, the move towards fair value for the GMWB and the beneficial market developments during the fourth quarter, as of 1 January 2011, the US Closed Block VA business reserves are adequate with a significant buffer above the 50% level.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		Total Insurance	
in EUR million	4Q2010	4Q2009	4Q2010	4Q2009	4Q2010	4Q2009
Gross premium income	6,335	6,664			6,335	6,664
Interest result Banking operations	3,504	3,093	3,514	3,148		
Commission income	1,181	1,110	669	654	512	456
Total investment & other income	1,339	509	240	-456	1,202	993
Total underlying income	**12,359**	**11,376**	**4,424**	**3,346**	**8,048**	**8,113**
Underwriting expenditure	7,218	6,935			7,218	6,935
Staff expenses	1,974	1,647	1,440	1,153	534	494
Other expenses	1,512	1,520	986	1,077	526	443
Intangibles amortisation and impairments	104	264	104	264		
Operating expenses	3,590	3,431	2,530	2,494	1,059	937
Interest expenses Insurance operations	327	182			440	265
Addition to loan loss provision	415	689	415	689		
Other	21	18			21	18
Total underlying expenditure	**11,570**	**11,255**	**2,945**	**3,183**	**8,738**	**8,155**
Underlying result before tax	**789**	**120**	**1,479**	**163**	**-690**	**-43**
Taxation	113	17	307	-57	-194	74
Minority interests	31	13	16	4	15	9
Underlying net result	**644**	**90**	**1,156**	**216**	**-512**	**-126**
Net gains/losses on divestments	16	273			16	273
Net result from divested units	2	-19	7	-15	-5	-4
Special items after tax	-229	-1,055	-154	-923	-75	-132
Net result	**433**	**-712**	**1,009**	**-722**	**-576**	**11**

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		Total Insurance	
in EUR million	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Gross premium income	27,947	30,170			27,947	30,170
Interest result Banking operations	13,357	12,343	13,450	12,507		
Commission income	4,566	4,285	2,629	2,538	1,937	1,747
Total investment & other income	8,557	1,469	1,218	-1,561	7,582	3,202
Total underlying income	**54,428**	**48,266**	**17,298**	**13,483**	**37,466**	**35,119**
Underwriting expenditure	32,765	30,426			32,765	30,426
Staff expenses	7,620	7,011	5,489	4,970	2,131	2,041
Other expenses	5,595	5,531	3,704	3,797	1,891	1,734
Intangibles amortisation and impairments	492	496	492	496		
Operating expenses	13,707	13,038	9,685	9,263	4,022	3,775
Interest expenses Insurance operations	792	715			1,128	1,051
Addition to loan loss provision	1,751	2,859	1,751	2,859		
Other	70	70			70	70
Total underlying expenditure	**49,085**	**47,107**	**11,436**	**12,122**	**37,985**	**35,321**
Underlying result before tax	**5,343**	**1,159**	**5,862**	**1,361**	**-519**	**-202**
Taxation	1,352	91	1,467	96	-115	-5
Minority interests	98	95	73	72	25	23
Underlying net result	**3,893**	**974**	**4,322**	**1,194**	**-429**	**-220**
Net gains/losses on divestments	388	57	379		9	57
Net result from divested units	6	-206	21	-241	-15	35
Special items after tax	-1,068	-1,760	-340	-1,261	-728	-499
Net result	**3,220**	**-935**	**4,383**	**-308**	**-1,164**	**-627**

1 Including intercompany eliminations

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