Dated 11 May 2011

ING BANK N.V.

REGISTRATION DOCUMENT

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INTRODUCTION

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

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

This Registration Document was approved by the Netherlands Authority for the Financial Markets (the "AFM") for the purposes of the Prospectus Directive on 11 May 2011.

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

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

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

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

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

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

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

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

(b) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2008, 2009 and 2010, including the audited financial statements and auditors' reports in respect of such years;

(c) pages 13 to 28 (inclusive) of the unaudited ING Group 2011 quarterly report for the first quarter of 2011, as published by ING Groep N.V. ("ING Group") on 5 May 2011 (the "Q1 Report"). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2011, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

(d) the press release (the "Early Repurchase Press Release") published by ING Group on 7 March 2011 entitled "ING to repurchase EUR 2 bn Core Tier 1 Securities from Dutch State on 13 May",

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

With respect to the Q1 Report, prospective investors should note that the Issuer's consolidated operations, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Group as described in the Q1 Report. ING Group is not responsible for the preparation of this Registration Document.

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

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3477). In addition, this Registration Document and any document which is incorporated herein by reference will be made available on the website of ING (www.ing.com).

RISK FACTORS

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

Risks Related to Financial Conditions, Market Environment and General Economic Trends.

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

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, political events and trends, and terrorism all impact the business and economic environment and, ultimately, the amount and profitability of business ING Bank conducts in a specific geographic region. In an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investments, and lower consumer spending, the demand for banking products is usually adversely affected and ING Bank's reserves and provisions typically would increase, resulting in overall lower earnings. Securities prices, real estate values and private equity valuations may also be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. In particular, a downturn in the equity markets causes a reduction in commission income ING Bank earns from managing portfolios for third parties, income generated from its own proprietary portfolios, and its capital base. ING Bank also offers a number of financial products that expose it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads. See also "Interest rate volatility may adversely affect ING Bank's profitability", "Turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so", and "Improving market conditions observed over the last year, may not persist and increase the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending" below.

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

- the write down of tax assets impacting net results; and/or
- impairment expenses related to goodwill and other intangible assets, impacting net results; and/or
- movements in Risk Weighted Assets for the determination of required capital.

Shareholders' equity and ING Bank's net result may be significantly impacted by turmoil and volatility in the worldwide financial markets. Negative developments in financial markets and/or economies may have a material adverse impact on shareholders' equity and net result in future periods, including as a result of the potential consequences listed above. The recalibration ING Bank has conducted of its economic capital models to reflect difficult market conditions experienced over recent years may have a material impact on its economic capital for credit risk. See "Turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so".

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

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

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

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

Disruptions, uncertainty or volatility in the capital and credit markets, such as that experienced over the past few years and in the second half of 2008 in particular, may also limit ING Bank's access to capital required to operate its business. Such market conditions may in the future limit ING Bank's ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force ING Bank to (1) delay raising capital, (2) reduce, cancel or postpone interest payments on its securities, (3) issue capital of different types or under different terms than ING Bank would otherwise, or (4) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both ING Bank's profitability and its financial flexibility. ING Bank's results of operations, financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

In the course of 2008 and 2009, governments around the world, including the Dutch government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments nationalised companies or parts thereof. The measures adopted in the Netherlands included both liquidity provision and capital reinforcement, and a Dutch Credit Guarantee Scheme. The liquidity and capital reinforcement measures expired on 10 October 2009, and the Credit Guarantee Scheme of The Netherlands expired on 31 December 2010. ING's participation in these measures has resulted in certain material restrictions on it, including those agreed to with the European Commission ("EC") as part of ING's restructuring plan (the "Restructuring Plan"). See "ING's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions" and "The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING". The Restructuring Plan as well as any potential future transactions with the Dutch State or any other government, if any, or actions by such government regarding ING Bank or ING (as defined in the section "Description of ING Bank N.V. – General" in this Registration Document) could adversely impact the position or rights of ING Bank's shareholder, bondholders, customers or creditors and ING Bank's results, operations, solvency, liquidity and governance.

ING Bank is subject to the jurisdiction of a variety of banking regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder its ability to manage its liquidity in a centralised manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which ING Bank operates are generally becoming more stringent, including those forming part of the "Basel III" requirements discussed further below under "ING Bank operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business", which could undermine ING Bank's efforts to maintain this centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing ING Bank's liquidity, and hinder its efforts to integrate its balance sheet, which is an essential element of ING's Restructuring Plan.

The default of a major market participant could disrupt the markets.

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

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

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

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

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

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

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most of the principal markets where ING Bank conducts its business have adopted, or are currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. In particular, governmental and regulatory authorities in The Netherlands, the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation, crisis and contingency management, bank levies and financial reporting, among others. Significant efforts towards establishing a more cohesive and streamlined European supervisory framework, including establishing a European Systemic Risk Board and a European Insurance and Occupational Pensions Authority, may also affect ING Bank's operations.

In addition, the Basel Committee on Banking Supervision has announced higher global minimum capital standards for banks, introduced a new global liquidity standard and called for a new leverage ratio. The Committee's package of reforms, collectively referred to as the "Basel III" rules, will, among other requirements, increase the amount of common equity required to be held by subject banking institutions, prescribe the amount of liquid assets a subject banking institution must hold at a given moment, and limit leverage. Banks will be required to hold a "capital conservation buffer" to withstand future periods of stress such that the total Tier 1 common equity ratio, when fully phased in on 1 January 2019, will rise to 7%. Further, Basel III calls for stricter definitions of capital that will have the effect of disqualifying many hybrid securities, potentially including those issued by ING Bank, from inclusion in regulatory capital, as well as the higher capital requirements for trading, derivative and securitization activities to be introduced at the end of 2011 as part of a number of reforms to the Basel II framework. In addition, the Basel Committee and Financial Stability Board (the "FSB") are currently considering measures that may have the effect of requiring higher loss absorbency capacity, liquidity surcharges, exposure limits and special resolution regimes for "systemically important financial institutions" (SIFIs) and so-called "Global" SIFIs (G-SIFI), in addition to the Basel III requirements otherwise applicable to most financial institutions. While the full impact of the new Basel III rules, and any additional requirements for SIFIs or G-SIFIs if and as applicable to ING Bank, will depend on how they are implemented by national regulators, including the extent to which regulators and supervisors can set more stringent limits and additional capital requirements or surcharges, as well as on the economic and financial environment at the time of implementation and beyond, ING Bank expects these rules can have a material impact on its operations and financial condition and may require ING Bank to seek additional capital.

Furthermore, in the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank" or the "Dodd-Frank Act") has imposed comprehensive changes to the regulation of financial services in the United States and has implications for non-US financial institutions with a US presence, such as ING Bank. Dodd−Frank directs existing and newly−created government agencies and bodies to promulgate regulations implementing the law, a process anticipated to occur over the next few years. ING Bank cannot predict with any certainty the requirements of the regulations ultimately adopted or how Dodd−Frank and such regulations will affect the financial markets generally, impact ING Bank's business, credit or financial strength ratings, results of operations, cash flows or financial condition or advise or require ING Bank to raise additional capital. Key risks associated with the Dodd-Frank Act that may have an impact on ING Bank include:

- The newly created risk regulator — the Financial Stability Oversight Council (the "FSOC") — may designate ING Bank as a company whose material financial distress, or whose nature, scope, size, scale, concentration, interconnectedness or mix of activities, could pose a threat to the financial stability of the United States. In such an instance, ING Bank would become subject to the oversight of the Federal Reserve. If ING Bank becomes subject to the examination, enforcement and supervisory authority of the Federal Reserve, the Federal Reserve would have authority to impose capital requirements on ING Bank and its subsidiaries. ING Bank cannot predict what capital regulations the Federal Reserve will promulgate under these authorisations, either generally or as applicable to organisations with ING Bank's operations, nor can management predict how the Federal Reserve will exercise potential general supervisory authority over ING Bank as to its business practices or those of its subsidiaries. If designated as systemically important by the FSOC, ING Bank would become subject to unspecified stricter prudential standards, including stricter requirements and limitations relating to risk−based capital, leverage, liquidity and credit exposure, as well as overall risk management requirements, management interlock prohibitions and a requirement to maintain a plan for rapid and orderly dissolution in the event of severe financial distress. ING Bank may become subject to stress tests to be promulgated by the Federal Reserve in consultation with the newly created Federal Insurance Office (discussed below) to determine whether, on a consolidated basis, ING Bank has the capital necessary to absorb losses as a result of adverse economic conditions. ING Bank cannot predict how the stress tests will be designed or conducted or whether the results thereof will cause ING Bank to alter its business practices or affect the perceptions of regulators, rating agencies, customers, counterparties or investors about ING Bank's financial strength.

- Title II of Dodd−Frank provides that a financial company may be subject to a special orderly liquidation process outside the federal bankruptcy code, administered by the Federal Deposit Insurance Corporation as receiver, upon a determination that the company is in default or in danger of default and presents a systemic risk to US financial stability.
- Dodd−Frank creates a new framework for regulation of the over−the−counter (OTC) derivatives markets and certain market participants which could affect various activities of ING Bank and its subsidiaries.
- Dodd−Frank establishes the Bureau of Consumer Financial Protection ("BCFP") as an independent agency within the Federal Reserve to regulate consumer financial products and services offered primarily for personal, family or household purposes. The BCFP will have significant authority to implement and enforce federal consumer financial laws, including the new protections established under Dodd−Frank, as well as the authority to identify and prohibit unfair and deceptive acts and practices. In addition, the BCFP will have broad supervisory, examination and enforcement authority over certain consumer products, such as mortgage lending. Broker−dealers and investment advisers are not subject to the BCFP's jurisdiction when acting in their registered capacity.
- Dodd−Frank also includes various securities law reforms that may affect ING Bank's business practices and the liabilities and/or exposures associated therewith, including a provision intended to authorise the SEC to impose on broker-dealers fiduciary duties to their customers, as applies to investment advisers under existing law, which new standard could potentially expose certain of ING Bank's US broker-dealers to increased risk of SEC enforcement actions and liability. The SEC staff recently released a study on this issue.

In addition to the adoption of these measures, regulators and lawmakers around the world are actively reviewing the causes of the financial crisis and exploring steps to avoid similar problems in the future. In many respects, this work is being led by the FSB, consisting of representatives of national financial authorities of the G20 nations. The G20 and the FSB have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The lawmakers and regulatory authorities in a number of jurisdictions in which ING Bank conduct business have already begun introducing legislative and regulatory changes consistent with G20 and FSB recommendations, including proposals governing executive compensation by the financial regulators in Germany (BaFIN) and the United Kingdom (FSA).

Further, the International Accounting Standards Board ("IASB") is considering changes to several IFRS standards, which changes could also have a material impact on ING Bank's reported results and financial condition.

Governments in the Netherlands and abroad have also intervened over the past few years on an unprecedented scale, responding to stresses experienced in the global financial markets. Some of the measures adopted subject ING Bank and other institutions for which they were designed to additional restrictions, oversight or costs. For restrictions related to the Core Tier 1 Securities and the IABF (together, the "Dutch State Transactions"), see "ING's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions". As a result of having received state aid through the Dutch State Transactions, ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions. See "The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING".

ING Bank cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have on ING Bank's business, results of operations and financial condition.

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

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

ING Bank's results of operations are materially impacted by conditions in the global capital markets and the economy generally. The stress experienced in the global capital markets that started in the second half of 2007 continued and substantially increased throughout 2008 and, although market conditions have improved, volatility continued in 2009, particularly the early part of the year. The crisis in the mortgage market in the United States, triggered by a serious deterioration of credit quality, led to a revaluation of credit risks. While certain conditions have improved over 2009 and 2010, these conditions have generally resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities ("ABS") and other structured products significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities, including those rated investment grade, sovereign debt (particularly in certain countries in Europe such as Greece, Ireland, Portugal and Spain), the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. As a result of these and other factors, sovereign governments across the globe, including in regions where ING Bank operates, have also experienced budgetary and other financial difficulties, which have resulted in austerity measures, downgrades in credit rating by credit agencies, planned or implemented bail-out measures and, on occasion, civil unrest. As a result, the market for many fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. In addition, the confluence of these and other factors has resulted in volatile foreign exchange markets. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets have also been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on ING Bank's revenues and results of operations, in part because ING Bank has a large investment portfolio and extensive real estate activities around the world. In addition, the confidence of customers in financial institutions is being tested.

Consumer confidence in financial institutions may, for example, decrease due to ING Bank's or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on ING Bank's revenues and results of operations, through withdrawal of deposits. Because a significant percentage of ING Bank's customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007 and 2008, ING Bank has incurred substantial negative revaluations on its investment portfolio, which have impacted its shareholders' equity and earnings. During 2009 and 2010, the revaluation reserve position improved substantially, positively impacting shareholders' equity.

Such impacts have arisen primarily as a result of valuation issues arising in connection with ING Bank's investments in real estate (both in and outside the US) and private equity, exposures to US mortgage-related structured investment products, including sub-prime and Alt-A Residential and Commercial Mortgage-Backed Securities ("RMBS" and "CMBS", respectively), Collateralized Debt Obligations ("CDOs") and Collateralized Loan Obligations ("CLOs"), monoline insurer guarantees and other investments. In many cases, the markets for investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. ING Bank continues to monitor its exposures, however there can be no assurances that it will not experience further negative impacts to its shareholders' equity or profit and loss accounts in future periods.

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

There is substantial competition in The Netherlands and the other countries in which ING Bank does business for the types of commercial banking, investment banking, asset management and other products and services it provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If ING Bank is not able to match or compete with the products and services offered by ING Bank's competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect its results of operations. Such competition is most pronounced in ING Bank's more mature markets of The Netherlands, Belgium, other parts of Western Europe, the United States, Canada and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with ING Bank's competitors. The Netherlands and the United States are its largest markets. ING Bank's main competitors in the banking sector in The Netherlands are ABN AMRO Bank and Rabobank. Increasing competition in these or any of its other markets may significantly impact its results if ING Bank is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in ING Bank's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity.

ING Bank may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices. In addition, under the Restructuring Plan ING has agreed to certain restrictions imposed by the EC, including with respect to its price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses. See "The limitations agreed with the EC on its ability to compete and to make acquisitions or call certain debt instruments could materially impact ING".

Because ING Bank does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on its results of operations.

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

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

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

In addition, ING Bank is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations ING Bank holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of ING Bank's counterparties could also have a negative impact on its income and risk weighting, leading to increased capital requirements.

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

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

Improving market conditions observed over the last year may not persist and increase the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending.

ING Bank is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. ING Bank may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to further impairment charges on loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the size of ING Bank's provision for loan losses could have a material adverse effect on its results of operations and financial position.

Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

Interest rate volatility may adversely affect ING Bank's profitability.

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

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

In The Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("Compensation Schemes") have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which ING Bank operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, ING Bank expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, ING Bank is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Dutch Deposit Guarantee Scheme are allocated among the participating banks by the Dutch Central Bank, *De Nederlandsche Bank N.V.* (the "Dutch Central Bank"), based on an allocation key related to their market shares with respect to the deposits protected by the Dutch Deposit Guarantee Schemes. Given its size ING Bank may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme, which it may be unable to recover from the bankrupt estate. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remains uncertain, although they may be significant and these and the associated costs to ING Bank may have a material adverse effect on its results of operations and financial condition. Going forward the Dutch Deposit Guarantee Scheme may change from an ex-post scheme, where ING Bank contributes after the failure of a firm, to an ex-ante scheme where ING Bank pays yearly contributions to ensure the scheme holds a target level of fund regardless of whether any failures occur. The costs associated with potential future yearly contributions are not known, but given ING Bank's size may be significant.

Risks Related to ING Bank's Business, Operations, and Regulatory Environment

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

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

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate ING Bank from risks associated with those fluctuations. ING Bank's hedging strategies also rely on assumptions and projections regarding its assets, general market factors and the credit worthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, ING Bank's hedging activities may not have the desired beneficial impact on its results of operations or financial condition. Poorly designed strategies or improperly executed transactions could actually increase its risks and losses. If ING Bank terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. There have been periods in the past, and it is likely that there will be periods in the future, during which ING Bank has incurred or may incur losses on transactions, perhaps significant, after taking into account its hedging strategies. Further, the nature and timing of ING Bank's hedging transactions could actually increase its risk and losses. In addition, hedging strategies involve transaction costs and other costs. ING Bank's hedging strategies and the derivatives that ING Bank uses and may use may not adequately mitigate or offset the risk of interest rate volatility, and its hedging transactions may result in losses.

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

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

ING Bank may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between results and underlying actuarial assumptions and models.

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

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

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

ING Bank is subject to a variety of regulatory risks as a result of its operations in certain countries.

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

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

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

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

Ratings are important to ING Bank's business for a number of reasons. Downgrades could have an adverse impact on its operations and net results.

ING Bank has credit ratings from Standard & Poor's, Moody's and Fitch. Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits from ING Bank following a downgrade, which could have an adverse effect on its liquidity.

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

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

A sustained increase in the inflation rate in ING Bank's principal markets would have multiple impacts on ING Bank and may negatively affect its business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may:

- decrease the value of certain fixed income securities ING Bank holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact its solvency position and net income; and/or
- require ING Bank, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase its interest expenses and reduce its results of operations.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may:

- result in impairment charges to equity securities that ING Bank holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would reduce its net income and negatively impact its solvency position; and/or
- negatively impact the ability of ING Bank's asset management subsidiaries to retain and attract assets under management, as well as the value of assets they do manage, which may negatively impact their results of operations.

Operational risks are inherent in ING Bank's business.

ING Bank's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate trained or skilled personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud, or from external events that interrupt normal business operations. ING Bank depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in ING Bank's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of ING Bank's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardise ING Bank's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to ING Bank's reputation and hinder its operational effectiveness. ING Bank also faces the risk that the design and operating effectiveness of its controls and procedures prove to be inadequate or are circumvented. Furthermore, widespread outbreaks of communicable diseases, such as the outbreak of the H1N1 influenza virus, may impact the health of ING Bank's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact its business. Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and ING Bank's operations may be subject to losses resulting from such disruptions. Losses can result from destruction or impairment of property, financial assets, trading positions, the payment of insurance and pension benefits to employees and the loss of key personnel. If ING Bank's business continuity plans are not able to be implemented or do not take such events into account, losses may increase further.

ING Bank has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future.

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

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

Risks related to the Restructuring Plan

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

In November 2008 the Dutch State purchased the Core Tier 1 Securities (the “Core Tier 1 Securities”), and in the first quarter of 2009 ING entered into the Illiquid Asset Back-up Facility (IABF) with the Dutch State. As a result of having received state aid through the Dutch State Transactions, ING was required to submit a restructuring plan (the “Restructuring Plan”) to the EC in connection with obtaining final approval for the Dutch State Transactions under the EC state aid rules. On 26 October 2009, ING announced its Restructuring Plan, pursuant to which ING is required to divest by the end of 2013 all of ING’s insurance business, including the investment management business, as well as ING Direct US, which operates ING Bank’s direct banking business in the United States, and certain portions of its retail banking business in the Netherlands. The EC’s approval of the Restructuring Plan was issued on 18 November 2009. On 28 January 2010 ING lodged an appeal with the General Court of the European Union (the “General Court”) against specific elements of the EC’s decision regarding the Restructuring Plan. Although ING believes in the merit of its appeal lodged with the General Court of the European Union, there can be no assurance as to its success or as to any consequences resulting from its rejection. Notwithstanding this appeal, ING is committed to executing the Restructuring Plan as announced on 26 October 2009.

In connection with the Restructuring Plan, ING has also agreed to not be a price leader in certain EU markets with respect to certain retail, private and direct banking products and to refrain from (i) acquisitions of financial institutions and (ii) acquisitions of other businesses if this would delay ING’s repurchase of the remaining Core Tier 1 Securities. Those limitations may last until 18 November 2012 and could adversely affect its ability to maintain or grow market share in key markets as well as its results of operations. See “The limitations agreed with the EC on ING’s ability to compete and to make acquisitions or call certain debt instruments could materially impact ING Bank”.

There can be no assurance that ING will be able to implement the Restructuring Plan successfully or complete the announced divestments on favourable terms or at all, particularly in light of both the plan’s 2013 deadline and expected challenging market conditions in which other financial institutions may place similar assets for sale during the same time period and may seek to dispose of assets in the same manner. Any failure to successfully implement the Restructuring Plan may result in EC enforcement actions and may have a material adverse impact on the assets, profitability, capital adequacy and business operations of ING. Moreover, in connection with the implementation of the Restructuring Plan, including any proposed divestments, ING or potential buyers may need to obtain various approvals, including of shareholders, works councils and regulatory and competition authorities, and ING and potential buyers may face difficulties in obtaining these approvals in a timely manner or at all. In addition, the implementation of the Restructuring Plan may strain relations with its employees, and specific proposals in connection with the implementation may be opposed by labour unions or works councils.

Furthermore, following the announcement of the Restructuring Plan, several of ING’s subsidiaries have been downgraded or put on credit watch by rating agencies. See “Ratings are important to ING Bank’s business for a number of reasons. Downgrades could have an adverse impact on its operations and net results”.

Other factors that may impede ING’s ability to implement the Restructuring Plan successfully include an inability of prospective purchasers to obtain funding due to the deterioration of the credit markets, insufficient access to equity capital markets, a general unwillingness of prospective purchasers to commit capital in the current market environment, antitrust concerns, any adverse changes in market interest rates or other borrowing costs and any declines in the value of the assets to be divested. Similarly, it may also be difficult to divest all or part of ING’s insurance or investment management business through one or more initial public offerings. There can also be no assurance that ING could obtain favourable pricing for a sale of all or part of its insurance or investment management business in the public markets or succeed in turning the relevant subsidiaries into viable standalone businesses. A divestment may also release less regulatory capital than ING would otherwise expect.

Any failure to complete the divestments on favourable terms, could have a material adverse impact on ING's assets, profitability, capital adequacy and business operations. If ING is unable to complete the announced divestments in a timely manner, it would be required to find alternative ways to reduce ING's leverage, and it could be subject to enforcement actions or proceedings by the EC. In particular, if ING does not succeed in completing divestitures as described in the Restructuring Plan within the timelines set out therein, the EC may request the Dutch State to appoint a divestiture trustee with a mandate to complete the relevant divestiture with no minimum price.

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

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

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

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

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

ING's Restructuring Programs may not yield intended reductions in costs, risk and leverage.

On 26 October 2009, ING announced that it had reached an agreement with the EC on the Restructuring Plan. Projected cost savings and impact on ING's risk profile and capital associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- divestments planned in connection with the Restructuring Plan may not yield the level of net proceeds expected, as described under "The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING";
- initiatives ING is contemplating may require consultation with various regulators as well as employees and labour representatives, and such consultations may influence the timing, costs and extent of expected savings;
- the loss of skilled employees in connection with the initiatives; and
- projected savings may fall short of targets.

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

ING's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions.

For so long as the Dutch State holds at least 25% of the Core Tier 1 Securities, for so long as the IABF is in place, or for so long as any of the government guaranteed senior unsecured bonds issued by ING Bank N.V. under the Credit Guarantee Scheme of the Netherlands (the "Government Guaranteed Bonds") are outstanding, ING is prohibited from issuing or repurchasing any of its own shares (other than as part of regular hedging operations and the issuance of shares according to employment schemes) without the consent of the Dutch State's nominees on the Supervisory Board. In addition, under the terms of the Core Tier 1 Securities and IABF, ING has agreed to institute certain restrictions on the compensation of the members of the Executive Board and senior management (including the members of the Management Board Banking), including incentives or performance-based compensation. These restrictions could hinder or prevent ING from attracting or retaining the most qualified management with the talent and experience to manage its business effectively. In connection with these transactions, the Dutch State was granted the right to nominate two candidates for appointment to the Supervisory Board.

The Dutch State's nominees have veto rights over certain material transactions. ING's agreements with the Dutch State have also led to certain restrictions imposed by the EC as part of the Restructuring Plan, including with respect to ING's price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses. See "The limitations agreed with the EC on its ability to compete and to make acquisitions or call certain debt instruments could materially impact ING".

DESCRIPTION OF ING BANK N.V.

GENERAL

ING Bank N.V. is part of ING Groep N.V. ("ING Group"). ING Group is the holding company for a broad spectrum of companies (together "ING"), offering banking, investments, life insurance and retirement services to about 85 million private, corporate and institutional clients in Europe, the United States, Canada, Latin America, Asia and Australia. Originating from The Netherlands, ING has a workforce of about 107,000 people worldwide. ING Group holds all shares of ING Bank N.V., which is a non-listed 100% subsidiary of ING Group. On 26 October 2009 ING announced a new strategic direction. It will separate its banking operations and insurance operations (including investment management operations) and develop towards a mid-sized international bank, anchored in The Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. On the same date, ING announced that all insurance operations (including investment management operations) would be divested over the following four years. ING conducts its banking operations principally through ING Bank and its insurance operations (including investment management operations) principally through ING Verzekeringen N.V. and its subsidiaries ("ING Insurance").

In 2010, ING Bank introduced a new reporting structure reflecting two main business lines: Retail Banking and Commercial Banking. Under this structure, ING Direct has been included within Retail Banking. This reporting structure has been applied in respect of the Issuer's annual report for the year ended 31 December 2010 and the banking business disclosure included in the ING Group quarterly reports as from the first quarter of 2010. See the section "Documents Incorporated by Reference" in this Registration Document.

ING Bank is a large international player with an extensive global network in over 40 countries. It has strong established positions in The Netherlands, Belgium and Luxembourg and key positions in Poland, Romania and Turkey, the largest Central and Eastern Europe markets. ING Bank holds strong positions in Germany, France, Italy, Spain, the United Kingdom and the United States. ING Bank also has profitable businesses in Canada and Asia/Pacific. It has an extensive international network to service and support its corporate clients. From 1 January 2011, ING Bank began operating as a stand-alone company.

With more than 72,000 employees, ING Bank is active through the following business lines: Retail Banking, including ING Direct, and Commercial Banking.

Retail Banking provides retail and private banking services to individuals and small and medium-sized enterprises in The Netherlands, Belgium, Luxembourg, Poland, Romania, Turkey, India, Thailand and China (through a stake in Bank of Beijing) with a multi-product, multi-channel distribution approach. In mature markets, Retail Banking focuses on wealth accumulation, savings and mortgages, with an emphasis on operational excellence, cost leadership and customer satisfaction. In developing markets, Retail Banking aims to become a prominent local player by offering simple but high quality products. ING Direct offers direct banking services in Canada, Spain, Australia, France, the US, Italy, Germany, the United Kingdom and Austria. ING Direct's focus is on offering five simple and transparent retail banking products at very low cost: savings, mortgages, payment accounts, investment products and consumer lending.

Commercial Banking offers core banking services such as lending, payments and cash management in more than 40 countries. It provides clients with tailored solutions in areas including corporate finance, structured finance, commercial finance, equity markets, financial markets and leasing. Clients are corporations – ranging from medium-sized and large companies to major multinationals – as well as governments and financial institutions.

INCORPORATION AND HISTORY

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

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

The registered office of ING Bank N.V. is at Bijlmerplein 888, 1102 MG Amsterdam Zuid-Oost, The Netherlands (telephone number: +31 20 501 3477). ING Bank N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33031431 and its corporate seat is in Amsterdam, The Netherlands. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 30 December 2009. According to its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the broadest sense of the word, including insurance brokerage, to acquire, construct and operate immovable properties, and furthermore to participate in, conduct the management of, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of whatever kind, but in particular enterprises and institutions active in the credit business, investments and/or other financial services, as well as to perform all that which is related or may be conducive to the foregoing.

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

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

SUPERVISORY BOARD AND MANAGEMENT BOARD BANKING

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

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

– Supervisory Board: Jeroen van der Veer (chairman), Peter A.F.W. Elverding (vice-chairman), J.P. (Tineke) Bahlmann, Henk W. Breukink, Sjoerd van Keulen, Piet C. Klaver, Joost Ch.L. Kuiper, Aman Mehta, Joan E. Spero, Luc A.C.P. Vandewalle and Lodewijk J. de Waal.

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

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

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

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

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

Listed below are the principal activities performed by members of the Supervisory Board outside ING.

Veer, J. van der

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

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

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

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

Chairman of Platform Bètatechniek, The Netherlands.

Chairman of the Supervisory Council of Nederlands Openluchtmuseum, The Netherlands.

Member of the Board of Nationale Toneel (theatre), The Netherlands.

Elverding, P.A.F.W.

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

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

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

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

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

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

Bahlmann, J.P.

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

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

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

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

Chairman of Stichting Max Havelaar, The Netherlands.

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

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

Breukink, H.W.

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

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

Non-executive director of Brink Groep BV, The Netherlands.

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

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

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

Keulen, S. van

Chairman of Holland Financial Centre, The Netherlands.

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

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

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

Chairman of the Supervisory Board of Musoni.

Member of the Supervisory Committee of World Wildlife Fund.

Chairman of the Board of Investment Fund for Health in Africa.

Member of the Supervisory Board of Stichting PharmAccess International, The Netherlands.

Member of the Board of Stichting Health Insurance Fund, The Netherlands.

Klaver, P.C.

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

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

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

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

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

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

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

Member of the Board of the African Parks Foundation, The Netherlands.

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

Kuiper, J.Ch.L.

Member of the Supervisory Board of Hespri Holding B.V., The Netherlands.

Member of the Supervisory Board of AutoBinck Holding N.V., The Netherlands.

Member of the Supervisory Board of IMC B.V., The Netherlands.

Member of the Supervisory Board of Nexus Institute, The Netherlands.

Member of the Board of Stichting voor Ooglijders, The Netherlands.

Member of the Board of Prins Bernhard Cultuurfonds, The Netherlands.

Treasurer of Mondriaan Stichting, The Netherlands.

Member of the Board of Stichting Democratie en Media, The Netherlands.

Mehta, A.

Non-executive director of Tata Consultancy Services.

Non-executive director of Jet Airways Ltd.

Non-executive director of PCCW Ltd.

Non-executive director of Vedanta Resources Plc.

Non-executive director of Wockhardt Ltd.

Non-executive director of Godrej Consumer Products Ltd.

Non-executive director of Cairn India Ltd.

Non-executive director of Emaar MGF Land Ltd.

Non-executive director of Max India Ltd.

Member of the governing board of Indian School of Business.

Member of the International Advisory Council of INSEAD.

Spero, J.E.

Non-executive director of IBM Corporation.

Trustee of Council on Foreign Relations, Wisconsin Alumni Research Foundation, Morgridge Institute for Research.

Trustee Emerita of Columbia University and Amherst College.

Vandewalle, L.A.C.P.

Member of the Supervisory Board of Allia Insurance Brokers, Roeselare, Belgium.

Member of the Supervisory Board of Arseus, Waregem, Belgium.

Chairman of the Supervisory Board of Bakker Hillegom B.V., Lisse, The Netherlands.

Member of the Supervisory Board of Besix Groep, Sint-Lambrechts-Woluwe, Belgium.

Chairman of the Supervisory Board of Domo Real Estate, Waasmunster, Belgium.

Member of the Supervisory Board of Galloo, Menen, Belgium.

Member of the Supervisory Board of Masureel Veredeling, Wevelgem, Belgium.

Chairman of the Supervisory Board of Matexi Groep, Waregem, Belgium.

Chairman of the Supervisory Board of Plu Holding, Baillarges, France.

Member of the Supervisory Board of Sea-Invest, Gent, Belgium.

Member of the Supervisory Board of Sioen Industries, Ardooie, Belgium.

Chairman of the Supervisory Board of Transics International, Ieper, Belgium.

Member of the Supervisory Board of Vergroup, Kontich, Belgium.

Member of the Supervisory Board of Veritas, Kontich, Belgium.

Member of the Supervisory Board of Willy Naessens Industriebouw, Wortegem-Petegem, Belgium.

Waal, L.J. de

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

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

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

Member of the National Contact Point (NCP) of the OECD, The Netherlands.

Chairman of the Supervisory Council of Museum Volkenkunde, The Netherlands.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four standing committees: the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee.

The organisation, powers and modus operandi of the Supervisory Board are detailed in the Supervisory Board Charter. Separate charters have been drawn up for the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee. A short description of the duties for the four Committees follows below.

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

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

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

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

FIVE YEAR KEY CONSOLIDATED FIGURES ING BANK N.V. [(1)]

	2010	2009	2008	2007	2006
	(amounts in millions of euros)				
Balance sheet[(2)]					
Total assets	**933,073**	882,119	1,034,689	994,113	894,985
Total equity	**35,069**	31,217	24,121	27,195	22,502
Deposits and funds borrowed[(3)]	**717,222**	671,194	774,220	751,159	685,078
Loans and advances	**587,448**	551,774	598,328	526,323	437,774

	2010	2009	2008	2007	2006
Results[(4)]					
Total income	**17,901**	13,665	12,177	14,592	14,190
Operating expenses	**10,167**	10,192	10,364	10,013	9,063
Additions to the provision for loan losses	**1,751**	2,973	1,280	125	103
Result before taxation	**5,983**	500	533	4,454	5,024
Taxation	**1,408**	(43)	(170)	753	1,211
Net result (before minority interests)	**4,575**	543	703	3,701	3,813
Attributable to Shareholders of the parent	**4,495**	684	772	3,589	3,753
Ratios (in %)					
BIS ratio[(5)]	**15.30**	13.46	12.78	10.32	11.02
Tier-1 ratio[(6)]	**12.25**	10.23	9.32	7.39	7.63

Notes:

(1) These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2006 to 2010, respectively.

(2) As at 31 December.

(3) Figures including Banks and Debt securities.

(4) For the year ended 31 December.

(5) BIS ratio = BIS capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II as of 2008.

(6) Tier-1 ratio = Available Tier-1 capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II as of 2008.

SHARE CAPITAL AND PREFERENCE SHARES

The authorised share capital of ING Bank N.V. amounts to EUR 1,808 million, consisting of 1,600 million ordinary shares with a nominal value of EUR 1.13 each and 50 preference shares, with a nominal value of EUR 1.13 each. The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and 7 preference shares as at 31 December 2010.

SIGNIFICANT DEVELOPMENTS

Developments in supervision and regulation

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board (ESRB) and the following three European Authorities: Banking (EBA), Insurance and Occupational Pensions (EIOPA) and Securities and Markets (ESMA). These institutions are in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

In September 2010, the Basel Committee on Banking Supervision announced a substantial strengthening of existing capital requirements and the introduction of two international liquidity standards. The proposed Basel III framework covers both micro-prudential and macro-prudential elements. The framework sets out rules for higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee's package of reforms will gradually increase the minimum common equity requirement from 2% to 4.5% as from 1 January 2013 (transition period from 1 January 2013 until 1 January 2017). In addition, banks will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirements to a minimum of 7%.

Furthermore, to avoid periods of excess aggregate credit growth, a countercyclical buffer within a range of 0% – 2.5% of common equity or other fully loss-absorbing capital, according to national circumstances, has been proposed. These capital requirements are supplemented by a non-risk-based minimum Tier 1 leverage ratio of 3%.

The Basel Committee's reforms have introduced two international minimum standards for liquidity risk supervision with the aim of ensuring banks have an adequate liquidity buffer to absorb liquidity shocks. The first one is the liquidity coverage ratio (LCR; to be introduced on 1 January 2015), which is a test to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is a net stable funding ratio (NSFR; to be introduced on 1 January 2018), which is a test to promote resilience over a longer period by creating additional incentives for banks to fund their activities with more stable funding on an ongoing basis. The NSFR test is similar to the LCR except the period over which it is tested is one year.

Furthermore, in parallel to the work stream at international level, the European Commission is proposing a European Crisis Management Framework. In this framework different issues will be addressed, such as prevention tools and early intervention and final resolution mechanisms.

ING generally supports the Basel Committee and European Commission reform programmes to strengthen the global capital and liquidity regulations and reduce market volatility. Notwithstanding, a number of proposals may hamper traditional retail-oriented institutions in their intermediary function, and thus reduce their ability to play their important role in the European economy. Further, the new rules still allow national regulators a measure of autonomy. For instance, the liquidity requirements assign relatively large powers to national regulators, which may affect the level playing field in the European Internal Market.

Hence, the biggest challenge for policy makers and supervisors is to take a coordinated and unified approach. It is essential that supervisors and regulators across the globe adopt a more consistent and coordinated approach (e.g. while Europe is already introducing Basel III, Basel II is not yet fully applied in the US).

Moreover, it is noted that a number of relevant changes in accounting regulations are being considered by the accounting standards bodies. These include proposed changes to accounting for financial instruments, loan loss provisions, hedges, insurance contracts, leasing and others. These changes may, both individually and collectively, be very important to banking companies, including ING Bank. ING generally supports the efforts to improve and simplify the accounting regulations as well as the objective of international convergence.

Appeal against EC decision

In January 2010, ING lodged an appeal with the General Court of the European Union against specific elements of the European Commission's decision of 18 November 2009. ING has requested the General Court to annul the decision of the European Commission, insofar as it qualifies the core Tier 1 amendment (i.e. the agreement between ING and the Dutch State concerning a reduction of the repayment premium for the first EUR 5 billion tranche of Core Tier 1 Securities) as additional state aid (of EUR 2 billion), requires price leadership bans and imposes disproportional restructuring measures. The Dutch State also lodged an appeal with the General Court to contest the EC decision insofar as it qualifies the core Tier 1 amendment as additional state aid.

ING believes it is in the interest of all its stakeholders to use the opportunities provided by law to let the General Court review these elements of the EC's decision. However, the appeal does not alter ING's commitment to execute its Restructuring Plan and ING stands firmly behind its strategic decision to separate its banking and insurance operations and divest the latter. A decision by the General Court is expected in 2011.

ING passes stress test CEBS

Together with 90 other EU-based financial institutions, ING was subject to the 2010 EU-wide stress testing exercise coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank and the Dutch Central Bank. The objective of the 2010 EU-wide stress test was to assess the overall resilience of the EU banking sector and the banks' ability to absorb further possible shocks from credit and market risks, including sovereign risks.

The stress test complemented the risk management procedures and regular stress testing programmes set up in ING under the Pillar 2 framework of the Basel II and Capital Requirements Directive (CRD) requirements. The results, announced in July 2010, confirmed that ING's focus on the strengthening of ING Bank's balance sheet since the spring of 2009 has given it sufficient resilience to endure a stressful economic scenario.

Operational separation of ING Bank and ING Insurance

Throughout 2009 and 2010, ING worked towards a self-imposed deadline to separate its banking and insurance/investment management businesses at an operational level before the end of 2010. Project teams around the world were established to ensure an orderly separation process. The total separation costs incurred in 2010 amounted to EUR 85 million after tax. For 2011, these costs are estimated at around EUR 200 million after tax (excluding costs for rebranding).

In the first quarter of 2010, the separation process was kicked-off with a global inventory exercise. During this phase it was confirmed that the most challenges lay in Europe, in particular in The Netherlands. The most complicated issues related to IT, human resources, distribution and commercial agreements, as well as ING's capital structure. To facilitate the disentanglement process, all shared services, contracts, arrangements, co-ownerships, cross-directorships, and all services provided and received (including those delivered by third parties) had to be analysed and either fully separated or covered in temporary or long-term service agreements.

By the end of 2010 a solution was created for most of the disentanglement projects. Consequently, from 1 January 2011, ING's bank and insurance/investment management businesses became operationally separate under the ING umbrella. Where an interim solution has been put in place, such as critical IT or HR services, a degree of interrelationship remains, which is mitigated through (signed) contracts and ring-fencing measures. In a limited number of instances, where these measures were not feasible due to high costs or time constraints, a documented exception was formalised. By the end of 2011, most interim solutions and documented exceptions that enabled operational separation will be replaced by permanent solutions; thus turning the operational separation into a full separation.

Where the resolution of a specific disentanglement project is expected after 2011 a long-term service agreement will be put in place. The outcome of a small number of projects depends on the details of the actual transaction(s). Hence, the implementation of these projects will be delayed until such details are available. The implementation of end-state solutions at local levels as well as both the local temporary and long-term service agreements will be managed by the respective business units. Throughout ING, a new governance structure has been inaugurated to ensure that the to-be separated units operate at arm's-length.

ING Bank and Insurance/Investment Management will continue to work together for commercial purposes. ING Bank will continue to sell insurance/investment management products, and the insurer/investment manager will continue to use bank services. Terms and conditions of this cooperation have been formalised and adopted on an arm's length basis.

Over the course of 2010, the vast majority of support functions were moved to the bank and the insurer/investment manager respectively. The activities that will remain at Group level until the completion of the separation process are those that relate to ING's responsibilities to shareholders. These include support functions which are vital to comply with material legal and regulatory requirements, and/or to ensure effective and efficient execution of Group control. Consequently, both businesses have their own head office, with their own corporate support functions from 1 January 2011.

With the operational separation thus formalised, ING's attention has shifted to the next step: how to actually separate its businesses and execute the divestment process for its insurance/investment management businesses. Building on an analysis of market and regulatory conditions, ING formulated a base case scenario. While the option of one initial public offering (IPO) remains open, ING will prepare itself for a base case of two IPOs: one Europe-led IPO (including ING's activities in Asia) and one separate US-focused IPO. Hence, ING will in 2011 proceed with the operational disentanglement of its US and European/Asian Insurance/Investment Management operations.

Core Tier 1 Securities

On 7 March 2011 ING Group announced that it had informed the Dutch State of its intention to exercise its option for early repurchase of EUR 2 billion of the outstanding Core Tier 1 Securities at the next coupon reset date on 13 May 2011. The total early repurchase amount is EUR 3 billion and includes a 50% repurchase premium. ING Group intends to fund this repurchase from retained earnings. Further details of this intended repurchase, including certain conditions thereto, are included in the Early Repurchase Press Release, which is incorporated by reference herein.

Divestments

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

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

On 27 August 2010 ING announced that it had agreed to sell its 50% stake in ING Summit Industrial Fund LP ("Summit"), a Canadian light industrial property portfolio to a joint venture between KingSett Capital and Alberta Investment Management Corporation ("AIMCo"). On 1 November 2010, ING closed this sale. The transaction was in line with ING's stated objective of reducing its exposure to real estate and did not affect the earlier announced evaluation of the position of ING Real Estate Investment Management within ING Bank. This separate process is ongoing. The transaction value for 100% of Summit was approximately CAD 2.0 billion and included assumed debt. The transaction did not have a material impact on ING Group's 2010 results and capital ratios. The sale of the 50% stake owned by ING Industrial Fund, ING Group's co-investor in Summit, was also closed in the same transaction.

On 15 February 2011, ING announced that it had reached agreement to sell the majority of its ING Real Estate Investment Management business in two separate transactions with CB Richard Ellis Group, Inc and Clarion Partners management in partnership with Lightyear Capital LLC for a combined price of approximately USD 1.0 billion (EUR 770 million). In addition, as part of the overall transactions, ING also agreed to sell up to approximately USD 100 million of its equity interest in existing ING Real Estate Investment Management funds.

Other significant developments

On 10 November 2010, ING announced changes in the structure and composition of the Management Board Banking, in line with the further development of the bank and the intention for it to operate as a stand-alone entity as of 1 January 2011. As of 1 January 2011, William Connelly was appointed as CEO of Commercial Banking and member of the Management Board Banking, succeeding Eric Boyer de la Giroday. Since 1 January 2011, Eric Boyer de la Giroday solely concentrates on his role as vice-chairman of the Management Board Banking. The announced appointments have been formally approved by the Dutch Central Bank and the applicable works councils.

ING announced on 15 March 2011 that it will propose to the 2011 annual General Meeting (AGM) the appointment of three new members to the Supervisory Board: Sjoerd van Keulen (1946, Dutch), Joost Kuiper (1947, Dutch) and Luc Vandewalle (1944, Belgian). On 9 May the AGM confirmed the appointment of the new members effective as of that date. The proposed appointments also have been approved by the Dutch Central Bank. In addition, Peter Elverding has decided to no longer act as chairman of the Supervisory Board. However, he will remain as member and vice-chairman of the Supervisory Board. As his successor, the Supervisory Board has appointed Jeroen van der Veer as the new chairman of the Supervisory Board. Claus Dieter Hoffmann has retired from the Supervisory Board.

ING BANK STRATEGY

ING reached an important milestone in 2010 by formalising the operational separation of its banking and insurance/investment management operations in preparation for a full split of both businesses. ING is concentrating on creating strong stand-alone businesses and repurchasing the remainder of the Core Tier 1 Securities issued to the Dutch State when prudent and possible. At the heart of the strategic redirection lies a strong resolve to earn trust. ING therefore aims at building sustainable, long-lasting client relationships based on operational excellence, sound business ethics and good corporate citizenship.

ING Bank will build on its global presence and international network and capitalise on its leadership position in gathering savings, multi-channel distribution, simple propositions and marketing. It will focus on customer centricity, operational excellence, and top employment practices. Although the option of a single initial public offering (IPO) remains open, ING intends to realise the divestment of its insurance and investment management operations through two IPOs. The Europe-led insurance business (including the activities in Asia) will combine the cash generation ability of the Benelux with the attractive growth markets of Central Europe and Asia. The US-focused business will build on its Retirement Services and Life Insurance franchises. ING is still exploring strategic options to determine the future of the insurance business in Latin America.

ING's priorities: create strong businesses and ensure repayment of the Dutch State

2010 marked a significant turning point for ING. After two difficult years during which the global financial crisis had its impact on the company, ING managed to structurally improve its operating and commercial performance while successfully executing the disentanglement of its banking and insurance/investment management operations. As the operational separation of the bank and the insurer/investment manager has been formalised (as of 1 January 2011), they now operate at arm's-length from each other. ING has thus achieved a first important milestone in the implementation of ING's strategic decision to move towards a complete separation of both businesses, which was announced in October 2009 in recognition of the need to regain trust through increased transparency and simplicity.

Going forward, ING is striving to create strong independent businesses and make certain that the interests of all ING businesses are equally served. In addition, assuming favourable economic conditions and availability of excess capital, ING will concentrate on repurchasing the remaining Core Tier 1 Securities issued to the Dutch State. Moreover, in 2010, ING determined a base case divestment scenario for the insurance and investment management operations, which is further outlined below.

In the future, the bank and the insurer/investment manager will continue to work together for commercial purposes on an arm's length basis. Hence, on the one hand, ING Bank will continue to sell ING Insurance/Investment Management products and, on the other hand, ING Insurance will continue to use ING Bank services. The bank and the insurer/investment manager will, however, develop their own organisations, building on their own culture and strategy. The strategic direction of the individual businesses is further explained below. ING is striving to ultimately complete the divestment process before the end of 2013, and sooner whenever market circumstances are appropriate, and conduct it with the utmost diligence to protect stakeholders' interests and optimise shareholder value.

Shaping the future of ING's banking business

ING Bank aims to build a leading international retail, direct and commercial bank serving a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. It will build on its global presence and international network and capitalise on its leadership position in gathering savings, multi-channel distribution, simple propositions and marketing. The banking strategy has been developed with the changing regulatory environment in mind.

ING Bank will remain based in the Benelux and predominantly focused on Europe with key positions in selected growth markets in Central Europe, Turkey and Asia. ING Bank starts from a solid base. It is one of the largest retail savings banks in the world with a strong funding base; its direct service model is low-cost and internationally renowned and it has an extensive international network, especially for globally operating clients. In the future, ING will serve consumers, corporate clients and institutions with one balance sheet, one consistent brand, one management structure and one support organisation.

ING Bank will focus on customer centricity, operational excellence, and top employment practices, while fully integrating its various banking business lines. ING has developed a prudent approach for resource allocation, which will not only result in a smaller balance sheet, but also envisages boosting profit and reducing risk. To achieve this, a number of priorities have been defined. In order to ensure a stable deposit base and increase cross-sell and cross-buy opportunities, ING Bank will concentrate on becoming the preferred bank for its customers. This means that ING wants its customers and potential customers to consider ING first for all their financial requirements.

ING will increasingly bring loan growth in line with deposit growth, particularly focusing on deposits with attractive liquidity characteristics (e.g. term deposits and savings accounts) and an increased weighting on long-term public debt. Mortgage growth will be managed in the context of ING Bank's objectives with regard to deposit growth, and strengthening client relationships. In addition, ING Bank will seek to raise fee and commission income and originate higher yielding lending assets (e.g. consumer finance and mid-corporate lending), while reducing low yielding investments. This will include a diversification of asset classes in some regions, and efforts to further build commercial capabilities. Lastly, given regulatory changes and the desire to strengthen the funding base, ING Bank will adapt its asset-only strategies (e.g. in businesses like Structured Finance, Real Estate Finance, Lease) and mono-client businesses.

Earning trust and increasing customer centricity

The financial crisis has demonstrated that the licence to operate for any financial institution is to be trusted by its stakeholders, in particular its customers. At the heart of the strategic redirection of ING thus lies our strong resolve to earn trust. By separating its banking and insurance operations, ING intends to build more agile, simpler and customer-centric businesses. Obviously, earning and maintaining trust is a challenging task at any time, but this is even more difficult in the current environment. After all, the financial crisis has fuelled a demand for greater simplicity and transparency. In addition, prudential supervision and regulation are being tightened. Meanwhile, competition in financial markets continues to be strong, so efficiency remains imperative.

In earning the trust of its customers, ING's employees are a very valuable asset. ING is therefore encouraging its employees to build sustainable, long-lasting client relationships based on operational excellence, sound business ethics and good corporate citizenship. The operating leverage in this is obvious. For only a company pursuing a strategy focused on winning the hearts and minds of its customers, employees and other stakeholders, will achieve satisfactory financial performance for its shareholders.

Therefore, the business principles upon which ING conducts its business (the "Business Principles") clearly prescribe the corporate values it pursues and the responsibilities it has towards society and the environment: ING acts with integrity, ING is open and clear, those within ING respect each other and ING is socially and environmentally responsible. In addition, ING has decided to increasingly embed two-way stakeholder exchange as an integral part of the overall strategy of both its banking and its insurance businesses. This means that ING actively seeks a continuous dialogue with its customers and other stakeholders on their demands regarding ING's products, services, business performance and/or other issues. This also includes efforts to more pro-actively and systematically measure and monitor customer satisfaction, as ING wants its customers to recommend ING to their friends, family, colleagues and peers. Hence, ING is introducing Net Promoter Score, an approach designed to measure and improve customer centricity, in all its businesses across the globe.

Furthermore, ING has taken significant steps to ensure that every customer gets the right products and services, via the right distribution channels, and at the right prices or returns. Therefore, ING has been and is continuing to evaluate its entire product portfolio and product approval procedures based on sharpened criteria for good customer care. Importantly, financial education – an essential pillar of our corporate responsibility – plays a key role in ING's business strategy through the provision of tools and initiatives to improve the financial capabilities of its customers.

All in all, ING believes that the changes it has set in motion will make it a stronger company and partner for its stakeholders that is better able to anticipate and address emerging issues. With a clearer focus on customer needs as the anchor of its business operations, ING is not only building businesses that are financially sound and viable, but that also have the potential to become the supplier of choice for its customers.

Repayment of the Dutch State

In December 2009, ING repurchased the first half of the Core Tier 1 Securities of EUR 5 billion plus a total premium of EUR 605 million. At the next coupon reset date on 13 May 2011, ING intends to exercise its option for early repurchase of a further EUR 2 billion of the remaining Core Tier 1 Securities. The total payment in May 2011 will amount to EUR 3 billion and includes a 50% repurchase premium. ING will fund this repurchase from retained earnings. Provided that the strong capital generation continues, ING intends to repurchase the remaining EUR 3 billion of the Core Tier 1 Securities ultimately by May 2012 from retained earnings. The final decision on repurchase of these Core Tier 1 Securities will be made before the envisaged repayment date and will be conditional upon there having been no material changes regarding ING's capital requirements and/or ING's outlook on external market conditions.

Conclusions and Ambitions

With the operational separation of the banking and insurance/investment management operations completed in 2010, ING is now focusing on creating more agile and customer-centric businesses and repaying the Dutch State. To earn trust, ING will build the future of its businesses on sustainable profit based on sound business ethics and good corporate citizenship. ING will continue along the path of intensifying dialogue with its customers and other stakeholders on its products, services, business performance and/or other issues, as ING considers it to be its responsibility to provide every customer with the right products and services, via the right distribution channels, and at the right prices or returns.

ING has the ambition to repay the Dutch State in full as soon as possible and intends to realise the divestment of its insurance and investment management operations through two public offerings. Looking at the future, ING Bank has a promising starting position as a leading retail, direct and commercial bank. It aims to become the preferred bank for its customers and will focus on customer centricity, operational excellence, and top employment practices.

TRANSACTIONS WITH THE DUTCH STATE

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

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

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

These arrangements entail that:

- the Dutch State may recommend two candidates (the “State Nominees”) for appointment to the Supervisory Board of ING Group. Certain decisions of the Supervisory Board of ING Group require approval of the State Nominees;
- ING Group will develop a sustainable remuneration policy for its Executive Board and senior management that is aligned to new international standards. This remuneration policy, which has now been adopted by the General Meeting, shall include incentive schemes which are linked to long-term value creation, thereby taking account of risk and restricting the potential for ‘rewards for failure’. The new remuneration policy also shall include objectives relating to corporate and social responsibility;
- members of the Executive Board of ING Group will not receive any performance-related payment – either in cash, options, shares or depositary receipts for shares – for the years 2008, 2009 and subsequent years until the adoption of the new remuneration policy mentioned above;
- severance payments to members of the Executive Board of ING Group will be limited to a maximum of one year’s fixed salary, in line with the Dutch Corporate Governance Code; and
- appointment of the chief executive officer of the Executive Board of ING Group requires approval of the State Nominees.

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

CORPORATE ORGANISATION

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

The Management Board Banking sets the performance targets and approves and monitors the budgets prepared by the business lines. Business lines formulate strategic, commercial, and financial policy in conformity with the strategy and performance targets set by the Management Board Banking.

RETAIL BANKING

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

The Netherlands

ING combined ING Bank and Postbank under the ING brand in the first quarter of 2009. This combination services over 8.1 million retail clients and approximately 600,000 SME clients. The new bank has improved customer service by combining the direct banking model of Postbank with the professional advice capabilities of ING Bank.

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

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

As part of the Restructuring Plan and the EC Decision of 18 November 2009, ING has committed to carve out part of its retail banking business: WUH/Interadvies (WUB). WUB was commercially and operationally separated from ING Bank as per 18 November 2010. WUB is active in mortgages and consumer lending and is currently introducing consumer savings products.

Belgium

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

ING Direct

ING Direct is a direct banking business, which is an important part of ING's international retail strategy. The strategy of ING Direct is to be a low-cost provider of financial services in large, mature markets by offering clients simple and transparent products and excellent service via call-centres, direct mail and the internet. The main products offered by ING Direct are saving accounts and mortgages. Payment accounts are offered in all countries except the United Kingdom. ING Direct also sells a focused range of financial products such as mutual funds, ebrokerage and pensions. ING Direct's direct banking business is active in nine countries: Canada, Spain, Australia, France, the United States, Italy, Germany, Austria and the United Kingdom and as of the end of 2010, provides services to almost 24 million customers.

ING Direct showed resilient commercial growth in 2010 bringing the total client balances (which includes funds entrusted, retail lending and asset management/mutual funds) to EUR 398 billion at the 31 December 2010 compared to EUR 354 billion at 31 December 2009 and EUR 308 billion at 31 December 2008. ING Direct is focusing on maintaining an attractive customer offering in savings and term deposits while continuing to balance its mortgage portfolio growth. At 31 December 2010 total funds entrusted to ING Direct worldwide amounted to EUR 238 billion and total retail lending amounted to EUR 148 billion. ING remains committed to the ING Direct franchise, which ING expects to be an important contributor to ING's growth going forward.

Central Europe

Retail Central Europe has a leading presence in Poland and strong positions in Romania and Turkey. It operates full-service banks in all three, combining retail and commercial banking products and services for its customers. These banks are also striving to become the customer's preferred bank through operational excellence, customer centricity and being a top employer. In 2010, ING Bank Slaski continued to modernise its branch network and optimise customer services by closer integration between its call centre, internet and branches. In Romania, ING Bank has achieved its ambition to become the country's most preferred bank, serving over one million customers. ING Bank Romania made further progress in internet banking, in which it is a leader in terms of transaction numbers. Turkey is an important growth market for ING Bank, and ING Bank Turkey completed various initiatives throughout 2010 to support its ambition to be the preferred bank for Turkish consumers. With 1.2 million customers, the bank is concentrating on improving customer service and offering 'smart products' serving specific customer needs that differentiate ING Bank from its principal competitors.

Asia

Retail Banking has a leading presence in the important Asian markets of India, China and Thailand. ING Vysya, in which ING has a 44% stake, serves over two million customers and is striving to increase its market share in the rapidly growing Indian banking market. TMB Bank, in which ING has a 30% stake, is growing in both its Retail and Commercial banking businesses. Bank of Beijing (BoB) – in which ING is the largest single shareholder (16.7%) – is continuing its rapid growth in volumes and profits. BoB is the largest city-based commercial bank in China. In 2010, ING decided to renew the strategic alliance with BoB for a further five years (until 2015). As an extension to its strategic partnership, ING and BoB also signed a second five-year Technical Assistance Agreement in 2010. As with all other banking business units, Retail Asia is working hard to become the customer's preferred bank by focusing on operational excellence, customer centricity and being a top employer.

Private Banking

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

COMMERCIAL BANKING

Commercial Banking offers core banking services such as lending and payments and cash management to corporate clients in more than 40 countries. It also provides tailored solutions in areas including corporate finance, structured finance, commercial finance, equity markets, financial markets and leasing. Clients range from medium-sized and large companies to major multinationals, as well as governments and financial institutions. Throughout 2010, Commercial Banking focused investments and resources on achieving its "Fitter, Focused, Further" strategic goals: namely, to develop key market and product positions, improve client satisfaction by implementing client-centric initiatives, reduce costs and enhance operational excellence. It maintained its positions as the No 1 bank in the Benelux and top 5 bank in its core Central & Eastern Europe markets (source: Thomson Reuters, Date: 04/01/2011), and demonstrated a leading and highly profitable financial markets franchise in developed and emerging markets. Commercial Banking's Structured Finance arm achieved its aim to be a top 10 player globally, as measured by ranking in the top 10 in various locations as a Mandated Lead Arranger (MLA) by number of deals (source: Thomson Reuters, Date: 04/01/2011).

Managing risk and costs remained key priorities for Commercial Banking in 2010. Risk costs fell significantly as a result of a resilient high-quality portfolio and better risk management. Commercial Banking's exposure to real estate was also steadily reduced.

Volumes in the Lending business remained under pressure in 2010 due to low demand, as companies continued deleveraging across key geographic and business markets.

PCM saw a large increase in outstanding balances in 2010, but the benefits were offset to some degree by lower margins due to low market interest rates. Other significant developments during the year included an increase in payment transactions compared to the previous year. ING is the market leader in payments processing in the Netherlands and a large player in Belgium.

Structured Finance, ING's specialised commercial lending business, continued to grow in 2010. Revenues were supported by margins that held up relatively well.

Leasing & Factoring's 2010 results showed a strong improvement on 2009, driven by a combination of stable volumes overall, higher margins, reduced risk costs and an excellent performance by ING Car Lease, which benefited from a sustained recovery in the second-hand car markets and an increasing order book from major corporate customers. Although the overall European leasing market shrunk by around 30% from 2008 to 2010 due to the economic downturn (source: Leaseurope 2009 statistics), Leasing & Factoring has maintained its market position in its core markets.

After a record year in 2009, income from Financial Markets trended downwards in 2010, but it was still Financial Markets' second best year on record. Client flows remained strong, but margins fell to lower levels. Revenues in developed markets were negatively impacted due to the sovereign debt crisis and the weaker client flows that the crisis caused. In combination with lower volatility, the crisis also significantly decreased flow trading.

Despite the subdued market conditions, ING Bank continued to win important mandates. An example was ING Bank's joint bookrunner role in Deutsche Bank's EUR 10.2 billion rights issue, the largest rights issue ever for a German financial institution. Commercial Banking also acted as mandated lead arranger and bookrunner on a EUR 1.2 billion syndicated facility for French mobile phone company SFR; Commercial Banking and ING Direct joined forces to share a final position in the facility of EUR 135 million. These deals illustrate that cross-selling is an integral part of ING Bank's client offering and that businesses can work closely together to deliver highly tailored solutions to ING Bank's clients.

ING Bank continued to steadily reduce its exposure to real estate. ING Real Estate Finance (REF) weathered the adverse environment, following prudent property financing for the last five years. ING Real estate Development (RED) continued to reduce its risk and capital exposure. RED intends to concentrate on its core markets in the coming years and gradually reduce its development portfolios in non-core markets.

Despite the challenging environment, 2010 was an excellent year for Commercial Banking. Although critical investment expenses were up, risk costs dropped significantly. Commercial Banking made solid progress in realising its goals and achieving leading market positions in selected geographies and products. Within the overall banking organisation, Commercial Banking intends to further develop its winning formula to help ING Bank realise its ambition to become the preferred bank for customers. It will do this by adopting a number of operational and strategic measures, including better leveraging its international network to benefit clients and enhancing its focus on customers, employees and operational excellence.

REGULATION AND SUPERVISION

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

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

A large number of national, regional and global bodies in 2010 presented views and refined proposals for, as well as adopted, legislative and regulatory changes for the banking and investment industry, building on proposals in the previous years such as the 2009 Report by the High-Level Group on Financial Supervision in the EU chaired by Mr Jacques de Larosière. On the issue of supervisory architecture in 2010 the EU agreed to establish three European supervisory agencies for each of the financial sectors and one Systemic Risk Board. The three European agencies replace the so-called Level 3 committees (CEBS, CESR and CEIOPS) and will have a broader mandate to directly influence supervision, which in itself will remain with local supervisory authorities. These new European bodies have been established and started their mandate on 1 January 2011. The Systemic Risk Board will start working on detecting risks building up in the financial sector and the economy as a whole. In addition to changes to the regulatory architecture, significant changes to capital and liquidity standards were agreed and on topics such as remuneration various national and international bodies have issued guidelines that require implementation.

In addition, a variety of proposals on a global level, in particular those made by the Financial Stability Board and the Basel Committee on Banking Supervision, as well various regional or national entities are expected to have a significant impact on the way financial institutions will operate going forward. In the US the adopted Dodd-Frank Act will have a significant effect on the regulatory framework governing the US financial sector, as discussed further below. As various parts of the Dodd-Frank Act will require further rule making it is not yet possible to assess fully the impact the Dodd-Frank Act will have on financial institutions such as ING Bank. The aggregated impact and possible interaction of these proposals is hard to determine, and it may be difficult to reconcile them where they are not aligned. The financial industry has not stood silent and has also taken initiatives by means of guidelines and forms of self regulation. A prime example of this is the Banking Code as established by the Dutch Bankers' Association, which entails a set of principles on corporate governance, risk management, audit and remuneration that Dutch banks will have to apply on a comply or explain basis. Work has also been done on many other topics including deposit guarantee schemes and cross border crisis and resolution management. The latter discussion could have a significant impact on business models and capital structure of financial groups.

Financial institutions continue to be closely scrutinised by regulatory authorities, governmental bodies, shareholders, rating agencies, customers and others to ensure they comply with the relevant laws, regulations, standards and expectations. Bank regulators and other supervisory authorities in Europe, the US and elsewhere continue to oversee the activities of financial institutions to ensure that they operate with integrity and conduct business in an efficient, orderly and transparent manner. ING Bank seeks to meet the standards and expectations of regulatory authorities and other interested parties through a number of initiatives and activities, including scrutinising account holder information, payment processing and other transactions to support compliance with regulations governing money laundering, economic and trade sanctions, bribery and other corrupt practices. The failure or alleged failure by ING Bank to meet applicable standards in these areas could result in, among other things, suspension or revocation of ING Bank's licenses, cease and desist orders, fines, civil or criminal penalties and other disciplinary action which could materially damage ING Bank's reputation and financial condition, and accordingly ING Bank's primary focus is to support good business practice through its Business

Principles and group policies. Over the past years ING Bank has significantly increased its Compliance efforts, including a major staff increase, amendment of key policies and guidelines and the international rollout of several programmes for education, awareness and monitoring of compliance issues.

As a result of our frequent evaluation of all businesses from an economic, strategic and risk perspective ING Bank continues to believe that for business reasons doing business involving certain specified countries should be discontinued, which includes that ING Bank has a policy not to enter into new relationships with clients from these countries and processes remain in place to discontinue existing relationships involving these countries. At present, these countries include Myanmar, North Korea, Sudan, Syria, Iran and Cuba. Each of these countries is subject to a variety of EU, US and other sanctions regimes. Cuba, Iran, Sudan, and Syria are identified by the US as state sponsors of terrorism and are subject to US economic sanctions and export controls.

ING Bank has continued discussions with the Dutch Central Bank, its Dutch bank regulator, related to transactions involving persons in countries subject to sanctions by the EU, the US and other authorities and its earlier review of transactions involving sanctioned parties. In connection with that review and related discussions, ING Bank has undertaken to complete the global implementation of enhanced compliance and risk management procedures, and to monitor the implementation of such procedures on an ongoing basis, as instructed by the Dutch Central Bank. ING Bank remains in discussions with authorities in the US and in other jurisdictions concerning these matters, including ING Bank‘s compliance with Office of Foreign Asset Control requirements. ING Bank has received requests for information from US Government agencies including the US Department of Justice and the New York County District Attorney's Office. ING Bank is cooperating fully with the ongoing investigations. It is currently not feasible for ING Bank to determine how the ongoing investigations may be resolved or the timing of any such resolution, nor to estimate reliably the possible amount of any resulting fines and/or penalties, if any, which could be significant.

In the U.S., the Dodd-Frank Wall Street Reform and Consumer Protection Act, which became law on 21 July 2010, creates a new agency, the Financial Stability Oversight Council ("FSOC"), an inter-agency body that is responsible for monitoring the activities of the US financial system and recommending a framework for substantially increased regulation of systemically significant financial services firms (a "Systemically Significant Company"), including large, interconnected bank holding companies and systemically important nonbank financial companies that could consist of securities firms, insurance companies and other providers of financial services, including non-US companies. If ING or its US operations, or any part thereof, were designated as such a Systemically Significant Company, then ING Bank would be supervised by the Federal Reserve Board and would be subject to heightened prudential standards, including minimum capital requirements, liquidity standards, short-term debt limits, credit exposure requirements, management interlock prohibitions, maintenance of resolution plans, stress testing, and restrictions on proprietary trading. Failure to meet the requisite measures of financial condition applicable to a Systemically Significant Company could result in requirements for a capital restoration plan or capital raising; management changes; asset sales; and limitations and restrictions on capital distributions, acquisitions, affiliate transactions and/or product offerings. ING Bank cannot predict whether ING or its US operations will be designated as a Systemically Significant Company. In addition, Dodd-Frank also imposes a number of other requirements, some of which may have a material impact on our operations and results, as discussed further under "Risk Factors — ING Bank operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business".

As discussed under the section entitled "Risk Factors", as a large multinational financial institution ING Bank is subject to reputational and other risks in connection with regulatory and compliance matters involving such countries.

Basel II and EU Standards as currently applied by ING Bank

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

ING Bank uses the Advanced IRB Approach for credit risk, an internal VaR model for its trading book exposures and the Advanced Measurement Approach for operational risk. During 2008 a Basel I regulatory floor of 90% and during 2009, 2010 and 2011 a Basel I regulatory floor of 80%, respectively, still applied. A small number of portfolios are still reported under the Standardised Approach.

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

Americas

United States

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

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

Canada

ING Bank of Canada ("ING Direct Canada") is a federally regulated financial institution that is subject to the supervision of the Office of the Superintendent of Financial Institutions (the "OSFI"), which is the primary supervisor of federally chartered financial institutions (including banks and insurance companies) and federally administered pension plans. Canadian regulators are closely monitoring the activities of financial institutions with a focus on ensuring the stability and integrity of the banking system, including issues such as: capital adequacy, consumer protection and transparency. In particular, legislation has been introduced to ensure plain language is used in disclosure for deposit and lending products. OSFI has communicated its expectations regarding capital management and planning for banks. The Federal government is also pushing for a national securities regulator that will simplify the regulatory regime for securities and facilitate capital entering into Canada. In addition, Canada maintains a robust anti-money laundering regime where financial institutions are required to know and monitor their customers and their transactions.

ING Direct Canada manufactures and sells mutual funds through its wholly-owned subsidiaries. ING Direct Asset Management Limited manages three index-based mutual funds exclusively sold by ING Direct Funds Limited, a registered mutual fund dealer. Both entities are principally regulated by the Ontario Securities Commission. The dealership is also a member of the Mutual Fund Dealers Association, a mandatory self regulatory body, which governs and oversees the conduct of mutual fund dealers in Canada.

Asia/Pacific

Australia

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

BROKER-DEALER ACTIVITIES

United States

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

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

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

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

SELECTED FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET OF ING BANK N.V.*

	31 December 2010	31 December 2009	31 December 2008
	(amounts in millions of euros)		
Assets			
Cash and balances with central banks	**9,519**	12,602	18,169
Amounts due from banks	**51,828**	43,397	48,447
Financial assets at fair value through profit and loss:			
– trading assets	**125,070**	110,981	159,843
– non-trading derivatives	**8,990**	8,610	10,631
– designated as at fair value through profit and loss	**3,066**	3,178	4,548
Investments:			
– available-for-sale	**99,200**	92,182	133,365
– held-to-maturity	**11,693**	14,409	15,440
Loans and advances to customers	**587,448**	551,774	598,328
Investments in associates	**1,494**	1,396	1,813
Real estate investments	**562**	2,283	2,884
Property and equipment	**5,615**	5,567	5,686
Intangible assets	**2,265**	2,377	2,415
Assets held for sale	**300**	4,583	
Other assets	**26,023**	28,780	33,120
Total assets	**933,073**	882,119	1,034,689
Equity			
Shareholders' equity (parent)	**34,452**	30,222	22,889
Minority interests	**617**	995	1,232
Total equity	**35,069**	31,217	24,121
Liabilities			
Subordinated loans	**21,021**	21,193	21,657
Debt securities is issue	**125,066**	109,357	84,272
Amounts due to banks	**72,852**	84,235	152,265
Customer deposits and other funds on deposit	**519,304**	477,602	537,683

	31 December 2010	31 December 2009	31 December 2008
	(amounts in millions of euros)		
Financial liabilities at fair value through profit and loss:			
– trading liabilities	**108,049**	98,245	152,611
– non-trading derivatives	**15,825**	16,777	17,050
– designated as at fair value through profit and loss	**12,707**	11,474	14,009
Liabilities held for sale	**145**	4,631	
Other liabilities	**23,035**	27,388	31,021
Total liabilities	**898,004**	850,902	1,010,568
Total liabilities and equity	**933,073**	882,119	1,034,689

*These figures have been derived from the audited annual consolidated accounts of ING Bank N.V. in respect of the financial years ended 31 December 2010, 2009 and 2008.

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

	31 December 2010	31 December 2009	31 December 2008
	(amounts in millions of euros)		
Share capital	**525**	525	525
Share premium	**16,542**	16,542	16,392
Revaluation reserve	**1,457**	2,329	(3,857)
Currency translation reserve	**500**	(241)	(475)
Other reserves	**15,428**	11,067	10,304
Shareholders' equity (parent)	**34,452**	30,222	22,889

*These figures have been derived from the audited annual consolidated accounts of ING Bank N.V. in respect of the financial years ended 31 December 2010, 2009 and 2008.

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

		2010		**2009**		**2008**
		(amounts in millions of euros)				
Interest income	**68,952**		80,348		97,578	
Interest expense	**(55,365)**		67,586		(86,292)	
Interest result		**13,587**		12,762		11,286
Investment income		**447**		(1,742)		(2,386)
Net gains/losses on disposal of group companies		**313**		(13)		162
Gross commission income	**3,556**		3,553		3,994	
Commission expense	**(923)**		(875)		(1,099)	
Commission income		**2,633**		2,678		2,895
Valuation results on non-trading derivatives		**(724)**		(921)		343
Net trading income		**1,195**		833		(405)
Share of profit from associates		**104**		(388)		(210)
Other income		**346**		456		492
Total income		**17,901**		13,665		12,177
Addition to loan loss provisions		**1,751**		2,973		1,280
Intangible amortisation and other impairments		**504**		496		154
Staff expenses		**5,570**		5,243		5,988
Other operating expenses		**4,093**		4,453		4,222
Total expenses		**11,918**		13,165		11,644
Result before tax		**5,983**		500		533
Taxation		**1,408**		(43)		(170)
Net result (before minority interests)		**4,575**		543		703
Attributable to:						
Shareholders of the parent		**4,495**		684		772
Minority interests		**80**		(141)		(69)
		4,575		543		703

*These figures have been derived from the audited annual consolidated accounts of ING Bank N.V. in respect of the financial years ended 31 December 2010, 2009 and 2008.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

FACTORS AFFECTING RESULTS OF OPERATIONS

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

Fluctuations in equity markets

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

Fluctuations in interest rates

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

Fluctuations in exchange rates

ING Bank is exposed to fluctuations in exchange rates. ING Bank's management of exchange rate sensitivity affects the results of its operations both through the trading activities for its own account and because of the fact that ING Bank prepares and publishes its consolidated financial statements in Euros. Because a substantial portion of ING Bank's income and expenses are denominated in currencies other than Euros, fluctuations in the exchange rates used to translate foreign currencies into Euros will impact ING Bank's reported results of operations and cash flows from year to year. This exposure is mitigated by the fact that realised results in non-Euro currencies are translated into euro by monthly hedging. Fluctuations in exchange rates will also impact the value (denominated in euro) of ING Bank's investments in its non-Euro reporting subsidiaries. The impact of these fluctuations in exchange rates is mitigated to some extent by the fact that income and related expenses, as well as assets and liabilities, of each of ING Bank's non-euro reporting subsidiaries are generally denominated in the same currencies. Translation risk is managed taking into account the effect of translation results on the core Tier-1 ratio.

Financial environment

2010 was a year marked by continued external challenges. Although economic conditions broadly improved, risks remained significant due to eurozone sovereign risk fears and a continued weak performance of the US economy. The financial sector was also confronted with proposed changes in the regulatory environment, as authorities launched proposals to increase capital, liquidity and risk requirements for banks.

Critical Accounting Policies

See the section “Accounting policies for the consolidated annual accounts of ING Bank” in the ING Bank N.V. consolidated financial statements.

CONSOLIDATED RESULTS OF OPERATIONS

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

While these excluded items are significant components in understanding and assessing ING Bank’s consolidated financial performance, ING Bank believes that the presentation of underlying result before tax enhances the understanding and comparability of its segment performance by highlighting result before tax attributable to ongoing operations and the underlying profitability of the segment businesses. For example, ING Bank believes that trends in the underlying profitability of its segments can be more clearly identified without the effects of the realised gains/losses on divestitures as the timing is largely subject to ING Bank’s discretion, influenced by market opportunities and ING Bank does not believe that they are indicative of future results. Underlying result before tax is not a substitute for result before tax as determined in accordance with IFRS-EU. ING Bank’s definition of underlying result before tax may differ from those used by other companies and may change over time. For further information on underlying result before tax as well as the reconciliation of ING Bank’s underlying result before tax to its result before taxation see the section “Operating and Financial Review and Prospects - Segment Reporting” in this Registration Document and Note 34 of the ING Bank N.V. consolidated financial statements for the year ended 31 December 2010.

The following table sets forth the consolidated results of operations of ING Bank N.V. for the years ended 31 December 2010, 2009 and 2008:

	2010	2009	2008
		(EUR millions)	
Interest result banking operations	13,587	12,762	11,286
Commission income	2,633	2,678	2,895
Investment and Other income	1,681	(1,776)	(2,004)
Total income...	**17,901**	**13,665**	**12,177**
Operating expenses	10,167	10,191	10,364
Addition to loan loss provision	1,751	2,973	1,280
Total expenditure...	**11,918**	**13,165**	**11,644**

	2010	2009	2008
		(EUR millions)	
Result before tax	**5,983**	**500**	**533**
Taxation	1,408	(43)	(170)
Minority interests	80	(141)	(69)
Net result	**4,495**	**684**	**772**
Result before tax	**5,983**	**500**	**533**
Gains/losses on divestments[(1)]	(389)	0	0
Result divested units	(35)	473	187
Special items[(2)]	456	623	301
Underlying result before tax	**6,016**	**1,596**	**1,020**

Notes:

(1) Divestments in: 2010: Private Baking Asia (EUR (346) million), Private Banking Swiss (EUR (69) million) and Summit (EUR 26 million).

(2) Special items: Retail Netherlands strategy (combining ING Bank and Postbank) (EUR 242 million in 2010, EUR 222 million in 2009, EUR 270 million in 2008), not launching ING Direct Japan (EUR 39 million, 2009, EUR 30 million in 2008), transaction result on Alt-A portfolio (EUR (69) million, 2009), provisions and costs for other restructuring and IT decommissioning (EUR 156 million, 2010, EUR 430 million, 2009), costs related to the separation of Banking and Insurance (EUR 58 million in 2010).

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased 31.0%, or EUR 4,236 million, to EUR 17,901 million in 2010 from EUR 13,665 million in 2009. This increase was largely attributable to a strong improvement of investment and other income as the negative effects from the US housing market and property markets became less severe, combined with higher interest results.

The net interest result increased by EUR 825 million, or 6.5%, to EUR 13,587 million in 2010 from EUR 12,762 million in 2009, driven by an improvement of the interest margin. The interest margin in 2010 was 1.44%, an increase of 10 basis points from 1.34% in 2009, mainly due to higher margins on savings and mortgages in Retail Netherlands and ING Direct and on the General Lending and Structured Finance activities within Commercial Banking.

Commission income decreased 1.7%, or EUR 45 million, to EUR 2,633 million in 2010 from EUR 2,678 million in 2009. The decrease in commission income was mainly due to the divestment of the Private Banking activities in Switzerland and Asia at the beginning of 2010 and the Summit portfolio in Canada in the fourth quarter. Excluding these divestments, commission income rose 2.7%, principally due to higher Structured Finance fees.

Investment income improved by EUR 2,516 million from a loss of EUR 1,756 million in 2009 to a profit of EUR 760 million in 2010, which included a EUR 381 million gain on the sale of the Private Banking activities in Switzerland and Asia, and the Summit portfolio in Canada. Realised results on debt securities (including impairments) improved to EUR 4 million in 2010 from a loss of EUR 1,332 million in 2009. This strong improvement was mainly driven by lower impairments on the Alt-A RMBS portfolio in the US. Fair value changes on real estate investments improved by EUR 540 million to a loss of EUR 50 million in 2010, supported by the signs of stabilization in the property markets. Realised result on equity securities improved from a loss of EUR 25 million in 2009 to EUR 306 million in 2010, which included EUR 295 million of capital gains on the sale of two Asian equity positions. Next to this, rental income decreased by EUR 32 million.

Other income improved by EUR 941 million to EUR 921 million in 2010 from a loss of EUR 20 million in 2009. Net trading income increased EUR 362 million from EUR 833 million in 2009 to EUR 1,195 million in 2010. Valuation results from non-trading derivatives, for which hedge accounting is not applied under IFRS-EU, improved by EUR 197 million to a loss of EUR 724 million in 2010. The share of profit from associates improved by EUR 492 million to EUR 104 million, mainly due to associates at ING Real Estate. This was in part offset by a decrease of EUR 110 million in other revenues to EUR 346 million in 2010.

Expenses

Total operating expenses decreased by EUR 24 million, to EUR 10,167 million in 2010 from EUR 10,191 million in 2009. In 2010, special items reported under expenses amounted to EUR 456 million, including EUR 242 million in provisions and costs related to the Retail Netherlands strategy (combining ING Bank and Postbank), EUR 156 million in provisions and costs for other restructuring and IT decommissioning and EUR 58 million of costs related to the separation of Banking and Insurance. In 2009, special items were EUR 725 million, including EUR 222 million in provisions and costs related to the Retail Netherlands Strategy and EUR 503 million in provisions and costs for restructurings (including EUR 31 million for not launching ING Direct Japan). Excluding these special items and the impact of the divested units, total operating expenses increased by EUR 401 million, or 4.3%, reflecting higher staff costs, increased marketing expenses and deposit guarantee costs as well as higher IT project costs.

Addition to the provision for loan losses

The total addition to the provision for loan losses in 2010 was EUR 1,751 million compared to EUR 2,973 million in 2009, a decrease of 41.1% or EUR 1,222 million. The decline was mainly attributable to lower net additions at ING Direct (reflecting signs of stabilization in the US housing markets), ING Real Estate and in the Structured Finance and General Lending activities of Commercial Banking. As a percentage of average risk-weighted assets, the addition to the provision for loan losses in 2010 was 52 basis points compared with 87 basis points in 2009.

Result before tax and net result

Total result before tax improved by EUR 5,483 million, to EUR 5,983 million in 2010 from EUR 500 million in 2009. Special items (amongst others provisions and costs related to the Retail Netherlands Strategy, other restructuring and IT decommissioning) had a negative impact of EUR 456 million on result before tax in 2010. The divestment of the Private Banking activities in Switzerland and Asia and the Summit portfolio in Canada resulted in a profit before tax of EUR 389 million in 2010, next to EUR 35 million of operational results on these divested units. In 2009, special items had a negative impact of EUR 623 million on the result before tax, while the divested units reported a loss of EUR 473 million.

Net result improved by EUR 3,811 million from EUR 684 million in 2009 to EUR 4,495 million in 2010. The effective tax rate in 2010 was 23.5% compared with (8.7%) in 2009 when taxation included a EUR 83 million tax benefit related to the intended sale of the Private Banking activities in Switzerland. The net result also included EUR 80 million of minority interests, mainly related to ING Real Estate, compared with EUR (141) million in 2009.

Underlying result before tax

Excluding special items and divestments, ING Bank showed an increase in underlying result before tax of EUR 4,420 million from EUR 1,596 million in 2009 to EUR 6,016 million in 2010.

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

Income

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

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

Commission income decreased 7.5%, or EUR 217 million, to EUR 2,678 million in 2009 from EUR 2,895 million in 2008. The decrease in commission income was primarily driven by EUR 205 million lower management fees (related to lower asset values, especially at ING Belgium and ING Real Estate). Fees from funds transfer decreased by EUR 45 million, but brokerage and advisory fees and insurance broking fees increased by EUR 22 million and EUR 9 million, respectively.

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

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

Expenses

Total operating expenses decreased by EUR 173 million, or 1.7%, to EUR 10,191 million in 2009 from EUR 10,364 million in 2008. In 2009, special items reported under expenses amounted to EUR 725 million, including EUR 222 million in provisions and costs related to the Retail Netherlands strategy (combining ING Bank and Postbank), EUR 81 million in provisions and costs for other restructuring at Retail Netherlands, EUR 58 million at Retail Belgium, EUR 58 million at ING Direct (including EUR 31 million for not launching ING Direct Japan), EUR 27 million at Retail Central Europe and Asia, EUR 272 million at Commercial Banking and EUR 7 million on the Corporate Line. In 2008, special items were EUR 271 million in provisions and costs related to the Retail Netherlands Strategy and EUR 30 million impairment costs of not launching ING Direct Japan. Excluding these special items, total operating expenses decreased by EUR 597 million, or 5.9%, driven by the cost containment initiatives as part of the Back to Basics program and despite higher impairments on real estate development projects, increased deposit insurance premiums at ING Direct and the provision taken for the deposits guarantee scheme in The Netherlands following the bankruptcy of DSB Bank.

The addition to the provision for loan losses

The total addition to the provision for loan losses in 2009 was EUR 2,973 million compared to EUR 1,280 million in 2008, an increase of 132% or EUR 1,694 million. Commercial Banking showed an increase of EUR 614 million, from EUR 596 million in 2008 to EUR 1,210 million in 2009. Retail Banking (excluding ING Direct) showed an increase by EUR 597 million, from EUR 401 million in 2008 to EUR 998 million in 2009, and ING Direct showed an increase by EUR 482 million, from EUR 283 million in 2008 to EUR 765 million in 2009. As a percentage of average risk-weighted assets, the addition to the provision for loan losses in 2009 was 87 basis points compared with 40 basis points in 2008.

Result before tax and net result

Total result before tax decreased by EUR 33 million, to EUR 500 million in 2009 from EUR 533 million in 2008. Special items (amongst others the provisions and costs related to the Retail Netherlands Strategy and several restructuring provisions and the operational results of the 2010 divested units) had in 2009 a negative impact of EUR 1,096 million on result before tax. In 2008, these items had a negative impact of EUR 488 million on result before tax.

Net result ING Bank decreased by EUR 88 million from EUR 772 million in 2008 to EUR 684 million in 2009. The effective tax rate was negative in both years: (8.7%) in 2009 and (31.9%) in 2008. This was, next to losses occurred in high tax jurisdictions, mainly caused by a EUR 83 million tax benefit in 2009 related to the intended sale of the Private Banking activities in Switzerland and releases of tax provisions in 2008. The net result also included a loss of EUR 141 million from minority interests, mainly related to ING Real Estate, compared with a loss of EUR 69 million in 2008.

Underlying result before tax

Excluding special items and divestments, ING Bank showed an increase in underlying result before tax of EUR 476 million from EUR 1,020 million in 2008 to EUR 1,596 million in 2009.

CONSOLIDATED ASSETS AND LIABILITIES

The following table is a summary of the consolidated assets and liabilities of ING Bank N.V. for the years ended 31 December 2010, 2009 and 2008:

	2010	**2009**	**2008**
	(EUR billions, except amounts per share)		
Financial assets at fair value through the profit and loss account..	137.1	122.8	175.0
Investments	110.9	106.6	148.8

	2010	2009	2008
	(EUR billions, except amounts per share)		
Loans and advances to customers	587.4	551.8	598.3
Total assets	933.1	882.1	1,034.7
Customer deposits and other funds on deposits[(1)]	519.3	477.6	537.7
Debt securities in issue/other borrowed funds	146.1	130.6	105.9
Total liabilities (including minority interests)	898.6	851.9	1,011.8
Shareholders' equity	34.5	30.2	22.9

Note:

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

Year ended 31 December 2010 compared to year ended 31 December 2009

Total assets increased in 2010 by 5.8%, or EUR 51.0 billion, to EUR 933.1 billion, mainly due to increased financial assets at fair value through the profit and loss account of EUR 14.3 billion and loans and advances to customers which rose by EUR 35.6 billion. The increase in financial assets at fair value through the profit and loss account was due to positive currency effects and higher trading and non-trading derivatives. The increase in loans and advances to customers was almost entirely in residential mortgages at ING Direct and in the Benelux.

Shareholders' equity increased by 14.0% or EUR 4,229 million to EUR 34,451 million at 31 December 2010 compared to EUR 30,222 million at 31 December 2009. The increase is mainly due the net result from the year 2010 of EUR 4,495 million, in part offset by the EUR 200 million cash dividend paid to ING Group.

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

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

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

SEGMENT REPORTING

ING Bank's segments are based on the management structure of ING Bank, which is different from its legal structure. As a result of changes in the internal management and reporting structure the operating segments have changed as from 1 January 2010. The years 2009 and 2008 are restated accordingly. The following table sets forth the contribution of ING Bank's business lines and the corporate line Banking (CL) to underlying result before tax for each of the years 2010, 2009, and 2008. See Note 43 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2010 for further disclosure of ING Bank's segment reporting.

2010	Retail Netherlands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commercial Banking	Real Estate	CL[1]	Total Banking
					(EUR millions)				
Total income.............	**4,333**	**2,123**	**3,782**	**977**	**640**	**4,949**	**875**	**223**	**17,901**
Total expenditure......	**3,249**	**1,529**	**2,332**	**822**	**212**	**2,612**	**974**	**188**	**11,918**
Result before tax.......	**1,084**	**595**	**1,449**	**155**	**427**	**2,336**	**(99)**	**35**	**5,983**
Gains/losses divestments................		(69)			(346)		26		(389)
Result divested units...					(2)		(33)		(35)
Special items	311	20			—	43	42	40	456
Underlying result before tax..................	**1,396**	**545**	**1,449**	**155**	**80**	**2,379**	**(63**	**75**	**6,016**

2009	Retail Netherlands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commercial Banking	Real Estate	CL[1]	Total Banking
					(EUR millions)				
Total income.............	**3,882**	**2,156**	**1,845**	**880**	**306**	**4,957**	**(253)**	**(108)**	**13,665**
Total expenditure......	**3,301**	**1,615**	**2,487**	**802**	**375**	**3,082**	**1,177**	**326**	**13,165**
Result before tax.......	**580**	**541**	**(641)**	**78**	**(69)**	**1,875**	**(1,430)**	**(434)**	**500**
Gains/losses divestments................									
Result divested units...		(21)			93		401		473
Special items	303	58	(25)	7	2	231	40	7	623
Underlying result before tax..................	**883**	**578**	**(667)**	**85**	**25**	**2,107**	**(988)**	**(427)**	**1,596**

2008	Retail Netherlands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Commercial Banking	Real Estate	CL[1]	Total Banking
					(EUR millions)				
Total income.............	**4,335**	**1,816**	**878**	**870**	**333**	**3,660**	**425**	**(140)**	**12,177**
Total expenditure......	**3,348**	**1,488**	**2,033**	**861**	**282**	**2,750**	**722**	**160**	**11,644**
Result before tax.......	**987**	**328**	**(1,155)**	**9**	**50**	**910**	**(297)**	**(300)**	**533**
Gains/losses divestments................									
Result divested units...		(21)			(12)		221		187
Special items	271	—	30		—		—		301
Underlying result	**1,258**	**306**	**(1,125)**	**9**	**38**	**910**	**(76)**	**(300)**	**1,020**

2008	Retail Nether-lands	Retail Belgium	ING Direct	Retail CE	Retail Asia	Comm-ercial Banking	Real Estate	CL[1]	Total Banking
					(EUR millions)				
before tax.................									

Note:

(1) Corporate Line mainly includes items not directly attributable to the business lines, including EUR 295 million of capital gains on the sale of two Asian equity positions in 2010 and certain restructuring provisions booked as special items in 2010 and 2009.

The business lines are analyzed on a total basis for Income, Expenses and Result before tax. The product split within Commercial Banking is based on underlying figures.

RETAIL NETHERLANDS

	Retail Netherlands		
	2010	**2009**	**2008**
		(EUR millions)	
Interest result...	3,795	3,278	3,564
Commission income	507	535	633
Investment income	7	4	27
Other income...	24	64	112
Total income...	**4,333**	**3,882**	**4,335**
Operating expenses	2,687	2,773	3,097
Additions to the provision for loan losses..............	561	529	251
Total expenditure..	**3,249**	**3,301**	**3,348**
Result before tax	**1,084**	**580**	**987**
Gains/losses on divestments.................................			
Result divested units			
Special items	311	303	271
Underlying result before tax...............................	**1,396**	**883**	**1,258**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased by 11.6%, or EUR 451 million, to EUR 4,333 million in 2010 from EUR 3,882 million in 2009. The interest result increased EUR 517 million or 15.8%, mainly due to higher margins and volumes on mortgages and savings and despite lower demand for business lending. Commission income decreased EUR 28 million or 5.2%, mainly due to lower funds transfer fees. Investment and Other income decreased EUR 37 million or 54.4% to EUR 31 million in 2010.

Expenses

Operating expenses decreased by 3.1%, or EUR 86 million, to EUR 2,687 million in 2010 from EUR 2,773 million in 2009. In 2010, EUR 311 million of special items was included in operating expenses, including EUR 242 million in provisions and costs related to the Retail Netherlands Strategy (combining ING Bank and Postbank), other restructuring expenses and costs related to the operational and legal separation of WestlandUtrecht Bank. In 2009, EUR 303 million of special items was included related to the Retail Netherlands Strategy and the Group initiative to reduce operating expenses. Excluding these special items, operating expenses declined EUR 94 million or 3.8%, driven by cost containment measures and the benefits of the merger of ING Bank and Postbank. The cost/income ratio improved to 62.0% in 2010 from 71.4% in 2009. Excluding special items, the underlying cost/income ratio improved to 54.8% from 63.6%.

The addition to the provision for loan losses increased by 6.0%, or EUR 32 million, to EUR 561 million in 2010 from EUR 529 million in 2009. The increase can be principally explained by the one-off impact of a model update for mortgages that reflects lower anticipated recovery rates. Risk costs for the mid-corporate and SME segment declined somewhat compared with previous year as a result of lower provisioning for sectors such as transport and greenhouse farming. The total addition equalled 108 basis points of average risk-weighted assets in 2010, compared to 107 basis points in 2009.

Result before tax and underlying result before tax

Result before tax improved by 86.9%, or EUR 504 million, to EUR 1,084 million in 2010 from EUR 580 million in 2009. Result before tax included EUR 311 million of special items in 2010 compared to EUR 303 million in 2009. Excluding special items, underlying result before tax increased by 58.1%, or EUR 513 million, to EUR 1,396 million in 2010 from EUR 883 million in 2009. This improvement was mainly due to higher margins and volumes on mortgages and savings.

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

Income

Total income decreased by 10.4%, or EUR 453 million, to EUR 3,882 million in 2009 from EUR 4,335 million in 2008. The interest result decreased EUR 286 million or 8.0%, mainly driven by a decline in margins due to the continued competition for savings. Commission income decreased EUR 98 million or 15.5%, driven by the deterioration of the equity markets. Investment and Other income decreased EUR 70 million or 51.1%. This decrease was mainly due to lower income on financial market related products in the business segment (SME and mid-corporates).

Expenses

Operating expenses decreased by 10.5%, or EUR 324 million, to EUR 2,773 million in 2009 from EUR 3,097 million in 2008. In 2009, EUR 303 million of special items was included in operating expenses, mainly related to the Retail Netherlands Strategy (combining ING Bank and Postbank), and restructuring costs and provisions related to the Group initiative to reduce operating expenses. In 2008, EUR 271 million of special items was included related to the Retail Netherlands Strategy. Excluding these special items, operating expenses declined EUR 356 million or 12.6%, driven by the cost containment measures and the benefits of the merger of ING Bank and Postbank. The cost/income ratio was stable at 71.4%. Excluding special items, the underlying cost/income ratio improved to 63.6% from 65.2% in 2008.

The addition to the provision for loan losses doubled to EUR 529 million in 2009 from EUR 251 million in 2008, mainly due to higher risk costs in the mid-corporate and SME segments. The total addition equalled 107 basis points of average risk-weighted assets in 2009, compared to 57 basis points in 2008.

Result before tax and underlying result before tax

In the Netherlands, result before tax declined by 41.2%, or EUR 407 million, to EUR 580 million in 2009 from EUR 987 million in 2008. Result before tax included EUR 303 million of special items in 2009 compared to EUR 271 million in 2008. Excluding special items, underlying result before tax declined by 29.8%, or EUR 375 million, to EUR 883 million in 2009 from EUR 1,258 million in 2008. This deterioration was mainly due to lower interest results and higher risk costs, partly offset by lower operating expenses.

RETAIL BELGIUM

	Retail Belgium		
	2010	**2009**	**2008**
		(EUR millions)	
Interest result	1,603	1,637	1,286
Commission income	347	407	473
Investment income	101	27	(4)
Other income	73	86	60
Total income	**2,123**	**2,156**	**1,816**
Operating expenses	1,369	1,416	1,455
Additions to the provision for loan losses	160	199	32
Total expenditure	**1,529**	**1,615**	**1,488**
Result before tax	**595**	**541**	**328**
Gains/losses on divestments	(69)		
Result divested units		(21)	(21)
Special items	20	58	—
Underlying result before tax	**545**	**578**	**306**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income decreased by 1.5%, or EUR 33 million, to EUR 2,123 million in 2010 from EUR 2,156 million in 2009. The interest result decreased EUR 34 million or 2.1%, as the impact of higher volumes in most products as well as increased margins on mortgages and savings was offset by lower margins on business lending (due to stronger competition) and current accounts (reflecting the low interest rate environment). Commission income decreased EUR 60 million or 14.7%, mainly due to lower commissions in the asset management and securities business following the sale of the Swiss Private Banking activities in the beginning of 2010. Investment and Other income increased EUR 61 million or 54.0% to EUR 174 million in 2010, driven by the EUR 69 million gain on the sale of the Swiss Private Banking activities.

Expenses

Operating expenses decreased by 3.3%, or EUR 47 million, to EUR 1,369 million in 2010 from EUR 1,416 million in 2009, attributable to the divestment of the Swiss Private Banking activities. In 2010, EUR 20 million of special items is included in operating expenses, related to the domestic transformation program. In 2009, special items amounted to EUR 58 million. Excluding special items and the impact of the divestment, operating expenses increased EUR 65 million or 5.1%, mainly due to higher deposit guarantee scheme costs. The cost/income ratio declined from 65.7% in 2009 to 64.5% in 2010. Excluding special items and divestments, the underlying cost/income ratio increased to 65.7% from 62.3%.

The addition to the provision for loan losses decreased by 19.6%, or EUR 39 million, to EUR 160 million in 2010 from EUR 199 million in 2009, mainly due to lower risk costs in the mid-corporate segment while risk costs on mortgages remained negligible. The total addition equalled 83 basis points of average risk-weighted assets in 2010, compared to 103 basis points in 2009.

Result before tax and underlying result before tax

In Belgium, result before tax increased 10.0%, or EUR 54 million, to EUR 595 million in 2010 from EUR 541 million in 2009. Excluding special items and the impact of the divestment of the Swiss Private Banking activities, underlying result before tax decreased 5.7%, or EUR 33 million, to EUR 545 million in 2010 from EUR 578 million in 2009.

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

Income

Total income increased by 18.7%, or EUR 340 million, to EUR 2,156 million in 2009 from EUR 1,816 million in 2008. The interest result increased EUR 351 million or 27.3%, mainly driven by higher margins and volumes on savings and deposits. Commission income decreased EUR 66 million or 14.0%, mainly due to deterioration of equity markets which affected management and securities fees. Investment and Other income increased EUR 56 million or 100%, due to higher investment income and an improvement in the valuation result non-trading derivatives.

Expenses

Operating expenses decreased by 2.7%, or EUR 39 million, to EUR 1,416 million in 2009 from EUR 1,455 million in 2008. In 2009, EUR 58 million of special items was included in operating expenses, mainly related to the domestic transformation program. In 2008, no special items were included. Excluding these special items, operating expenses declined EUR 97 million or 6.7%, driven by the cost containment measures and the benefits of the transformation program. The cost/income ratio improved to 65.7% from 80.2% in 2008. Excluding special items, the underlying cost/income ratio improved to 63.0% from 80.2%.

The addition to the provision for loan losses increased to EUR 199 million in 2009 from EUR 32 million in 2008, mainly due to higher risk costs in the mid-corporate and SME segment. The total addition equalled 103 basis points of average risk-weighted assets in 2009, compared to 17 basis points in 2008.

Result before tax and underlying result before tax

In Belgium, result before tax increased 64.9%, or EUR 213 million, to EUR 541 million in 2009 from EUR 328 million in 2008. Result before tax in 2009 contained EUR 58 million of special items in expenses. The operating result before tax of the divested Swiss Private Banking activities was in both years EUR 21 million. Excluding these items, underlying result before tax increased 88.9%, or EUR 271 million, to EUR 578 million in 2009 from EUR 306 million in 2008.

ING DIRECT

	ING Direct		
	2010	**2009**	**2008**
		(EUR millions)	
Interest result	3,774	3,136	2,517
Commission income	151	167	150
Investment income	(100)	(1,276)	(1,852)
Other income	(43)	(182)	63
Total income	**3,782**	**1,845**	**878**
Operating expenses	1,886	1,722	1,750
Additions to the provision for loan losses	446	765	283
Total expenditure	**2,332**	**2,487**	**2,033**
Result before tax	**1,449**	**(641)**	**(1,155)**
Gains/losses on divestments			
Result divested units			
Special items	—	(25)	30
Underlying result before tax	**1,449**	**(667)**	**(1,125)**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased by 105%, or EUR 1,937 million, to EUR 3,782 million in 2010 from EUR 1,845 million in 2009, mainly due to the EUR 638 million higher interest result and the improvement of investment and other income by EUR 1,315 million. The latter was mainly driven by EUR 1,287 million lower impairments on debt securities (mainly on the Alt-A RMBS portfolio in the US), which declined to EUR 107 million in 2010 from EUR 1,394 million in 2009. The increase in the interest result was mainly driven by the improvement of the interest margin to 1.24% from 1.10% in 2009 supported by higher volumes. In 2010, total client balances grew by EUR 43.8 billion, or 12.4%, to EUR 397.6 billion at year-end. Commission income decreased by 9.6% to EUR 151 million.

Expenses

Operating expenses increased by 9.5%, or EUR 164 million, to EUR 1,886 million in 2010 from EUR 1,722 million in 2009. Excluding EUR 58 million of expenses in special items in 2009 for not launching ING Direct Japan and other restructuring costs, operating expenses rose by EUR 223 million or 13.4%. This increase was driven by higher marketing costs related to promotional campaigns, the roll out of payment accounts and higher staff costs. The cost/income ratio improved to 49.9% in 2010 from 93.3% in 2009 when total income included high impairments on debt securities. The number of full-time staff increased by 7.4% to 10,144 at the end of 2010 from 9,448 a year earlier.

The addition to the provision for loan losses decreased by 41.7%, or EUR 319 million, to EUR 446 million in 2010 from EUR 765 million in 2009 mainly driven by the US, where housing prices and the unemployment rate began to stabilize and delinquencies diminished. The addition in 2010 equalled 59 basis points of average risk-weighted assets, down from 112 basis points in 2009.

Result before tax and underlying result before tax

ING Direct's result before tax improved by EUR 2,090 million, to EUR 1,449 million in 2010 from a loss of EUR 641 million in 2009, primarily due to higher interest results, lower impairments on debt securities and lower additions to the loan loss provisions, in part offset by higher expenses.

In 2009, result before tax included a profit of EUR 25 million in special items as additional expenses for not launching ING Direct Japan and other restructuring costs were more than offset by the result on the IABF transaction. In 2010, no special items were included in the result. Excluding special items, underlying result before tax from ING Direct in 2010 improved by EUR 2,116 million, to a profit of EUR 1,449 million in 2010 from a loss of EUR 667 million in 2009.

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

Income

Total income increased by 110.1%, or EUR 967 million, to EUR 1,845 million in 2009 from EUR 878 million in 2008, mainly due to the EUR 619 million higher interest result and EUR 576 million improvement of investment income, partly offset by the EUR 245 million lower other income. The increase in the interest result was mainly driven by the improvement of the interest margin to 1.10% from 0.94% in 2008 supported by lower central bank rates across the globe and higher volumes. In 2009, total client balances grew by EUR 45.5 billion, or 14.8%, to EUR 353.8 billion at year-end. Commission income increased by 11.3% to EUR 167 million. Investment and other income was up EUR 332 million. This improvement was driven by EUR 497 million lower impairments on debt securities (mainly on the Alt-A RMBS portfolio in the US), EUR 82 million higher realised gains on the sale of bonds (including the results on the Illiquid Assets Back-up Facility transaction with the Dutch State) and higher net trading income, partly offset by lower valuation results non-trading derivatives.

Expenses

Operating expenses decreased by 1.6%, or EUR 28 million, to EUR 1,722 million in 2009 from EUR 1,750 million in 2008 despite a sharp increase in deposit insurance premiums in the US and Germany. The decline reflects strong cost containment, reduced marketing expenses and the cancellation of the Japan start up at the end of 2008. Excluding special items, impairments on debt securities, and other market impacts the underlying cost/income ratio decreased to 51.3% in 2009 from 62.1% in 2008. The number of full-time staff decreased by 5.3% to 9,448 at the end of 2009 from 9,980 a year earlier.

The addition to the provision for loan losses increased by 170%, or EUR 482 million, to EUR 765 million in 2009 from EUR 283 million in 2008 mainly driven by a higher rate of delinquencies in the US mortgage market. The addition in 2009 equalled 112 basis points of average risk-weighted assets, up from 55 basis points in 2008.

Result before tax and underlying result before tax

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

In 2008, result before tax included a charge of EUR 30 million in special items related to the decision not to launch ING Direct Japan. In 2009, special items resulted in a profit of EUR 25 million, as additional expenses for not launching ING Direct Japan and other restructuring costs were more than offset by the result on the IABF transaction. Excluding special items, underlying result before tax from ING Direct in 2009 improved by EUR 458 million, to a loss of EUR 667 million in 2009 from a loss of EUR 1,125 million in 2008.

RETAIL CENTRAL EUROPE

	Retail Central Europe		
	2010	**2009**	**2008**
	(EUR millions)		
Interest result	670	675	589
Commission income	278	261	279
Investment income	2	8	10
Other income	27	(64)	(8)
Total income	**977**	**880**	**870**
Operating expenses	762	685	795
Additions to the provision for loan losses	61	117	65
Total expenditure	**822**	**802**	**861**
Result before tax	**155**	**78**	**9**
Gains/losses on divestments			
Result divested units			
Special items	—	7	—
Underlying result before tax	**155**	**85**	**9**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased by 11.0%, or EUR 97 million, to EUR 977 million in 2010 from EUR 880 million in 2009. The interest result decreased EUR 5 million or (0.7)%, mainly due to pressure on margins in Turkey due to increased competition, while interest margins in Poland and Romania improved. Commission income increased EUR 17 million or 6.5%, largely attributable to Poland. Investment and Other income rose EUR 85 million, due to improvements in both Poland and Turkey despite increased negative fair value changes on derivatives not eligible for hedge accounting in Turkey.

Expenses

Operating expenses increased by 11.2%, or EUR 77 million, to EUR 762 million in 2010 from EUR 685 million in 2009. In 2010, no special items were included in operating expenses. In 2009, special items under expenses amounted to EUR 25 million, mainly related to the closure of the Ukraine retail activities. Excluding these special items, operating expenses increased EUR 102 million or 15.5%, reflecting business growth and increased staff costs. The cost/income ratio increased slightly from 77.8% in 2009 to 77.9% in 2010. Excluding special items, the underlying cost/income ratio increased to 77.9% from 76.7%.

The addition to the provision for loan losses decreased by 47.9%, or EUR 56 million, to EUR 61 million in 2010 from EUR 117 million in 2009, mainly the result of releases of specific provisions, lower delinquencies on the retail loan portfolios and improved data quality in Romania and Turkey. The total addition equalled 28 basis points of average risk-weighted assets in 2010, compared to 61 basis points in 2009.

Result before tax and underlying result before tax

Result before tax in Central Europe increased EUR 77 million, or 98.7%, to EUR 155 million in 2010 from EUR 78 million in 2009. Result before tax in Poland increased from EUR 16 million in 2009 to EUR 88 million in 2010, while Romania improved from EUR (14) million in 2009 to EUR 7 million in 2010. The result before tax in Turkey decreased from EUR 84 million in 2009 to EUR 56 million in 2010. The result before tax of the other retail activities in Central Europe improved from EUR (7) million in 2009 to EUR 4 million in 2010.

In 2010, no special items were included against EUR 7 million in 2009. Excluding special items, underlying result before tax of Central Europe increased EUR 70 million, or 82.4%, to EUR 155 million in 2010 from EUR 85 million in 2009.

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

Income

Total income increased by 1.1%, or EUR 10 million, to EUR 880 million in 2009 from EUR 870 million in 2008. The interest result increased EUR 86 million or 14.6%, mainly driven by volume growth and higher margins in Turkey. Commission income decreased EUR 18 million or 6.5%, mainly due to lower volumes in asset-management related products. Investment and Other income decreased EUR 58 million, among others due to losses on foreign exchange derivatives for mid-corporates in Poland and negative fair value changes on derivatives not eligible for hedge accounting in Turkey. This was in part offset by a EUR 19 million positive currency result related to the closure of the Ukraine retail activities (booked as a special item).

Expenses

Operating expenses decreased by 13.8%, or EUR 110 million, to EUR 685 million in 2009 from EUR 795 million in 2008. In 2009, EUR 25 million of special items is included in operating expenses, mainly related to the restructuring provision for the closure of the Ukraine retail activities. In 2008, no special items were included. Excluding these special items, operating expenses declined EUR 135 million or 17.0%, driven by both cost containment measures and favourable currency movements. The cost/income ratio decreased from 91.5% in 2008 to 77.8% in 2009. Excluding special items, the underlying cost/income ratio improved to 76.7% from 91.5%.

The addition to the provision for loan losses increased by 80.0%, or EUR 52 million, to EUR 117 million in 2009 from EUR 65 million in 2008. The total addition equalled 61 basis points of average risk-weighted assets in 2009, compared to 41 basis points in 2008.

Result before tax and underlying result before tax

Result before tax in Central Europe increased from EUR 9 million in 2008 to EUR 78 million in 2009, driven by higher income and lower expenses. Result before tax in Poland decreased from EUR 67 million in 2008 to EUR 16 million in 2009. In Turkey result before tax increased from EUR (17) million in 2008 to EUR 84 million in 2009. The result before tax of Romania improved to EUR (14) million from EUR (17) million in 2008 and the result of the other retail activities in Central Europe improved to EUR (7) million in 2009 from EUR (24) million in 2008.

Result before tax contained EUR 7 million of special items in 2009, mainly related to the closure of the Ukraine retail activities and nil in 2008. Excluding these items, underlying result before tax of Central Europe increased to EUR 85 million in 2009 from EUR 9 million in 2008.

RETAIL ASIA

	Retail Asia		
	2010	**2009**	**2008**
	(EUR millions)		
Interest result	171	148	118
Commission income	59	94	104
Investment income	374	17	32
Other income	37	47	79
Total income	**640**	**306**	**333**
Operating expenses	187	222	230
Additions to the provision for loan losses	26	153	52
Total expenditure	**212**	**375**	**282**
Result before tax	**427**	**(69)**	**50**
Gains/losses on divestments	(346)		
Result divested units	(2)	93	(12)
Special items	__	2	__
Underlying result before tax	**80**	**25**	**38**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased by 109%, or EUR 334 million, to EUR 640 million in 2010 from EUR 306 million in 2009. The increase is primarily driven by the EUR 346 million pre-tax gain on the sale of Private Banking Asia at the beginning of 2010. Excluding this gain and the operational results from the divested units, underlying income rose 44.7%, or EUR 88 million, to EUR 285 million in 2010 from EUR 197 million in 2009. The increase was mainly attributable to higher underlying interest results, which increased EUR 59 million or 53.6%, reflecting higher margins and volumes at ING

Vysya Bank. Underlying commission income increased EUR 12 million or 27.9%. Underlying investment and Other income increased by EUR 19 million to EUR 62 million in 2010, due to the increased profit contribution from ING Bank's share in the result of TMB in Thailand and higher dividends from Bank of Beijing and Kookmin Bank.

Expenses

Operating expenses decreased by 15.8%, or EUR 35 million, to EUR 187 million in 2010 from EUR 222 million in 2009. Excluding the impact of the divestment of Private Bank Asia and EUR 2 million of special items in 2009, underlying operating expenses increased by 36.4%, or EUR 48 million, to EUR 180 million in 2010 from EUR 132 million in 2009, principally as a result of higher staff costs, additional pension provisions and business growth. The underlying cost/income ratio improved from 67.0% in 2009 to 63.0% in 2010.

The addition to the provision for loan losses decreased by 83.0%, or EUR 127 million, to EUR 26 million in 2010 from EUR 153 million in 2009. Excluding EUR 114 million of risk costs at Private Banking Asia in 2009, the underlying addition to the provision for loan losses risk costs decreased by 33.3%, or EUR 13 million to EUR 26 million in 2010, mainly as a result of releases of specific provisions at ING Vysya Bank. The addition equalled 28 basis points of average risk-weighted assets in 2010, compared to 163 basis points in 2009 (or 47 basis points excluding Private Banking Asia).

Result before tax and underlying result before tax

Result before tax of Retail Asia turned into a profit of EUR 427 million in 2010 driven by the gain on the sale of Private Banking Asia, compared with a loss of EUR 69 million in 2009, when the result included a EUR 93 million loss from Private Banking Asia due to high risk costs. Excluding the impact of the divestment and EUR 2 million of special items in 2009, underlying result before tax of Retail Asia tripled to EUR 80 million in 2010 from EUR 25 million in 2009.

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

Income

Total income declined by 8.1%, or EUR 27 million, to EUR 306 million in 2009 from EUR 333 million in 2008. The interest result increased EUR 30 million or 25.4%, reflecting higher margins and volumes. Commission income decreased EUR 10 million or 9.6%, mainly due to lower asset management income. Investment and Other income decreased EUR 47 million, among others due to lower dividend income from equity investments.

Expenses

Operating expenses decreased by 3.5%, or EUR 8 million, to EUR 222 million in 2009 from EUR 230 million in 2008. In 2009, EUR 2 million of special items was included in operating expenses. In 2008, no special items were included. Excluding these special items, operating expenses declined EUR 10 million or 4.3%. The cost/income ratio increased from 69.2% in 2008 to 72.6% in 2009.

The addition to the provision for loan losses increased by 194%, or EUR 101 million, to EUR 153 million in 2009 from EUR 52 million in 2008, mainly due to declining prices of assets that served as underlying collateral for loans in Private Banking. The addition to the provision for loan losses at ING Vysya Bank rose to EUR 39 million in 2009 from EUR 13 million in 2008. The total addition equalled 163 basis points of average risk-weighted assets in 2009, compared to 52 basis points in 2008.

Result before tax and underlying result before tax

Retail Asia experienced a loss before tax of EUR 69 million in 2009 compared to a profit of EUR 50 million in 2008, driven by higher additions to the provision for loan losses and lower income. Excluding the results of Private Banking Asia (divested in 2010) and EUR 2 million of special items in 2009, underlying result before tax of Retail Asia declined by EUR 13 million, or 34.2%, to EUR 25 million in 2009 from EUR 38 million in 2008. The decline was mainly due to lower dividend income from equity investments, while the result before tax of ING Vysya Bank was slightly up to EUR 18 million.

COMMERCIAL BANKING (excluding Real Estate)

	Commercial Banking excluding Real Estate		
	2010	**2009**	**2008**
		(EUR millions)	
Interest result	3,153	3,420	3,008
Commission income	937	834	742
Investment income	55	(85)	(167)
Other income	803	789	76
Total income	**4,949**	**4,957**	**3,660**
Operating expenses	2,218	2,111	2,234
Additions to the provision for loan losses	395	971	516
Total expenditure	**2,612**	**3,082**	**2,750**
Result before tax	**2,336**	**1,875**	**910**
Gains/losses on divestments			
Result divested units			
Special items	43	231	—
Underlying result before tax	**2,379**	**2,107**	**910**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income decreased by EUR 8 million, or 0.2%, to EUR 4,949 million in 2010 from EUR 4,957 million in 2009. The interest result decreased 7.8%, or EUR 267 million, to EUR 3,153 million in 2010 from EUR 3,420 million in 2009, driven by lower interest results within Financial Markets which more than offset higher interest results in the other product groups, especially in Structured Finance. Commission income increased 12.4%, or EUR 103 million, to EUR 937 million in 2010 from EUR 834 million in 2009. Investment and other income improved by EUR 154 million, to EUR 858 million in 2010 from EUR 704 million in 2009, principally as a result of lower negative market impacts.

Expenses

Operating expenses increased by EUR 107 million, or 5.1%, to EUR 2,218 million in 2010 from EUR 2,111 million in 2009. Excluding EUR 43 million of special items (mainly related to IT decommissioning) in 2010 and EUR 231 million of restructuring expenses in 2009, operating expenses increased by EUR 295 million or 15.7% to EUR 2,175 million, partly due to a downward accrual adjustment related to the deferral of incentive compensation in 2009. The cost/income ratio increased to 44.8% in 2010 compared with 42.6% in 2009. Adjusted for the impact of special items, the underlying cost/income ratio was 44.0% compared with 37.9% in 2009.

The addition to the provision for loan losses was EUR 395 million in 2010, a decrease of EUR 576 million or 59.3% compared with 2009, reflecting improving economic conditions. The addition in 2010 equalled 30 basis points of average risk-weighted assets (64 basis points in 2009).

Result before tax

Result before tax increased EUR 461 million, or 24.6%, to EUR 2,336 million in 2010 from EUR 1,875 million in 2009. In 2010, special items had a negative impact of EUR 43 million against EUR 231 million in 2009. Excluding these special items, underlying result before tax increased by EUR 272 million.

Underlying result before tax

Underlying result before tax from Commercial Banking excluding Real Estate increased by EUR 272 million, or 12.9%, to EUR 2,379 million in 2010 from EUR 2,107 million in 2009. As discussed below, higher underlying results before tax were recorded in Structured Finance (largely due to higher interest and commission income as well as lower risk costs), Leasing & Factoring and General Lending & PCM. Underlying results from both Financial Markets and Other Products declined.

General Lending & Payments and Cash Management (PCM)

In General Lending & PCM, underlying result before tax increased 6.8%, or EUR 29 million, to EUR 455 million in 2010 from EUR 426 million in 2009, as somewhat lower income and higher expenses were more than offset by lower additions to the provision for loan losses. Total income decreased by 6.2%, or EUR 76 million, to EUR 1,159 million in 2010 from EUR 1,235 million in 2009, as a small increase in the interest result was offset by lower commission income and lower investment and other income. Operating expenses increased by 3.8%, or EUR 20 million, to EUR 540 million in 2010 from EUR 520 million in 2009. The addition to the provision for loan losses declined to EUR 164 million in 2010 from EUR 289 million in 2009.

Structured Finance

In Structured Finance, underlying result before tax increased by 227%, or EUR 651 million, to EUR 938 million in 2010 from EUR 287 million in 2009. Income increased by 28.3% or EUR 318 million, to EUR 1,440 million in 2010 from EUR 1,122 million in 2009, primarily due to higher volumes and interest margins and higher commission income. Operating expenses increased by 27.6%, or EUR 80 million, to EUR 370 million in 2010 from EUR 290 million in 2009, partly due to an accrual adjustment related to the deferral of incentive compensation in 2009. The addition to the loan loss provision declined by 75.6% from EUR 545 million in 2009 to EUR 133 million in 2010. Excluding the addition to the loan loss provision the underlying result before tax increased 28.6%.

Leasing & Factoring

In Leasing & Factoring, underlying result before tax doubled to EUR 133 million in 2010 from EUR 67 million in 2009. Total income increased by 12.7%, or EUR 51 million, to EUR 454 million in

2010 from EUR 403 million in 2009. Operating expenses increased by 10.4%, or EUR 21 million, to EUR 222 million in 2010 from EUR 201 million in 2009. The addition to the loan loss provisions decreased from EUR 135 million in 2009 to EUR 100 million in 2010.

Financial Markets

Underlying result before tax from Financial Markets decreased by EUR 370 million, from EUR 1,289 million in 2009 to EUR 919 million in 2010. Total income decreased by EUR 223 million, to EUR 1,700 million in 2010 from EUR 1,923 million in 2009, largely due to lower market volatility in 2010 as well as the wind down of the proprietary trading book in the US. The interest result decreased by 34.1% or EUR 498 million; this was partly offset by a EUR 276 million increase of the non-interest components. Operating expenses increased by 23.9%, or EUR 151 million, to EUR 781 million in 2010. The increase was mainly due to an accrual adjustment related to the deferral of incentive compensation in 2009 and higher investments in the business.

Other Products

Underlying result before tax from the Other Products declined from EUR 37 million in 2009 to EUR (65) million in 2010. Income decreased by EUR 80 million as 2009 included positive revaluations on participations in ING Investment Management in the US and on an equity swap position. In addition, income from Corporate Finance and Equity Markets decreased due to a lack of activity on the market. Operating expenses increased by EUR 24 million, mainly driven by higher staff expenses.

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

Income

Total income increased EUR 1,297 million to EUR 4,957 million in 2009 from EUR 3,660 million in 2008. The interest result increased 13.7%, or EUR 412 million, to EUR 3,420 million in 2009 from EUR 3,008 million in 2008, driven by higher margins in Structured Finance and General Lending. Commission income increased 12.4%, or EUR 92 million, to EUR 834 million in 2009 from EUR 742 million in 2008. Investment and other income improved by EUR 794 million, to EUR 703 million in 2009 from EUR (91) million in 2008. This strong improvement was due to Financial Markets, driven by EUR 562 million higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU.

Expenses

Operating expenses declined by EUR 123 million, or 5.5%, to EUR 2,111 million in 2009 from EUR 2,234 million in 2008. Excluding EUR 231 million restructuring expenses booked as special items in 2009, operating expenses decreased by EUR 354 million or 15.8% to EUR 1,880 million, partly caused by a downward accrual adjustment related to the deferral of incentive compensation in staff expenses in 2009. The cost/income ratio improved to 42.6% in 2009 compared with 61.0% in 2008. Adjusted for the impact of special items, the underlying cost/income ratio was 37.9% in 2009.

The addition to the provision for loan losses was EUR 971 million in 2009, an increase by EUR 455 million or 88.2% compared with 2008, reflecting the worsening of the economic conditions. The addition in 2009 equalled 64 basis points of average risk-weighted assets compared with 33 basis points in 2008.

Result before tax

Result before tax increased EUR 965 million to EUR 1,875 million in 2009 from EUR 910 million in 2008. Special items in 2009 (restructuring costs and provisions) had a negative impact of EUR 231 million. Excluding these special items, underlying result before tax increased by EUR 1,197 million.

Underlying result before tax

Underlying result before tax from Commercial Banking excluding Real Estate increased EUR 1,197 million, to EUR 2,107 million in 2009 from EUR 910 million in 2008. Higher underlying results before tax were recorded in Financial Markets (largely due to higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-IASB), General Lending & PCM and Other Products. As discussed further below, underlying results from Structured Finance and Leasing & Factoring both declined, fully attributable to the higher addition to the provision for loan losses.

General Lending & PCM

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

Structured Finance

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

Leasing & Factoring

In Leasing & Factoring, underlying result before tax decreased by 43.7%, or EUR 52 million, to EUR 67 million in 2009 from EUR 119 million in 2008. Total income dropped slightly by 0.7%, or EUR 3 million, to EUR 403 million in 2009 from EUR 406 million in 2008. Operating expenses decreased by 15.9%, or EUR 38 million, to EUR 201 million in 2009 from EUR 239 million in 2008, as a result of the cost containment initiatives and the reorganization of general lease activities in Germany and France as well as car leasing in Spain. The addition to the loan loss provisions increased from EUR 48 million in 2008 to EUR 135 million in 2009, mainly related to general leasing.

Financial Markets

Underlying result before tax from Financial Markets increased by EUR 934 million, from EUR 355 million in 2008 to EUR 1,289 million in 2009. Total income increased by EUR 859 million, to EUR 1,923 million in 2009 from EUR 1,064 million in 2008, largely due to EUR 562 million higher fair value changes on derivatives for which no hedge accounting is applied under IFRS-EU. Furthermore interest result increased by 4.7% or EUR 66 million, investment income improved by EUR 143 million and commission income improved by EUR 98 million. Operating expenses decreased by 10.7%, or EUR 76 million, largely due to an accrual adjustment related to the deferral of incentive compensation in 2009.

Other Products

Underlying result before tax from the Other Products turned into a profit of EUR 37 million in 2009 from a loss of EUR 190 million in 2008. Income increased by EUR 126 million supported by positive revaluations on participations in ING Investment Management in the US and on equity swap positions. Operating expenses declined by EUR 103 million due to cost containment initiatives and EUR 30 million of restructuring costs taken in 2008.

ING REAL ESTATE

	ING Real Estate		
	2010	**2009**	**2008**
		(EUR millions)	
Interest result	404	401	229
Commission income	367	365	443
Investment income	(30)	(446)	(147)
Other income	134	(572)	(100)
Total income	**875**	**(253)**	**425**
Operating expenses	871	937	642
Additions to the provision for loan losses	102	239	80
Total expenditure	**974**	**1,177**	**722**
Result before tax	**(99)**	**(1,430)**	**(297)**
Gains/losses on divestments	26		
Result divested units	(33)	401	221
Special items	42	40	—
Underlying result before tax	**(63)**	**(988)**	**(76)**

Year ended 31 December 2010 compared to year ended 31 December 2009

Income

Total income increased EUR 1,128 million to EUR 875 million in 2010 from a loss of EUR 253 million in 2009. This strong improvement was driven principally by investment and other income, which increased by EUR 1,122 million, to EUR 104 million in 2010 from a loss of EUR 1,018 million in 2009, supported by the signs of stabilization in the property markets. Negative fair value changes on real estate investments (including associates) and impairments on property held for sale improved to a loss of EUR 71 million in 2010 from a loss of EUR 1,236 million in 2009. The divestment of the Summit portfolio in Canada in the last quarter of 2010 resulted in a loss of EUR 26 million. The interest result and commission income was slightly higher compared with 2009.

Expenses

Operating expenses declined by EUR 66 million, or 7.0%, to EUR 871 million in 2010 from EUR 937 million in 2009. Expenses included EUR 42 million of restructuring expenses in 2010, while in 2009 special items under expenses amounted to EUR 40 million. Excluding these special items, operating expenses decreased by EUR 68 million, or 7.6%, to EUR 829 million. This decrease was fully driven by lower impairments on development projects, which declined to EUR 383 million in 2010 from EUR 451 million in 2009.

The addition to the provision for loan losses was EUR 102 million in 2010, a decrease of EUR 137 million or 57.3% compared with 2009, reflecting improving economic conditions. The addition in 2010 equalled 58 basis points of average risk-weighted assets compared to 117 basis points in 2009.

Result before tax and underlying result before tax

ING Real Estate's result before tax improved from a loss of EUR 1,430 million in 2009 to a loss of EUR 99 million in 2010, mainly driven by fewer negative revaluations on real estate investments and lower impairments on development projects.

Excluding special items and the impact of the divestment of Summit, underlying result before tax of ING Real Estate improved by EUR 925 million, to a loss of EUR 63 million in 2010 from a loss of EUR 988 million in 2009. The Investment Portfolio posted an underlying loss before tax of EUR 84 million in 2010 compared to a loss of EUR 762 million in 2009, reflecting lower negative revaluations. The underlying result before tax of the Investment Management activities decreased by 27.0%, or EUR 17 million to EUR 46 million in 2010, following lower fee income and increased costs. Result before tax at the Finance activities increased by 106% to EUR 373 million in 2010, driven by lower additions to the loan loss provision and an 11.1% increase in income. Result from Real Estate Development improved from a loss of EUR 470 million in 2009 to a loss of EUR 398 million in 2010, mainly attributable to lower impairments on development projects.

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

Income

Total income of ING Real Estate declined to EUR (253) million in 2009 from EUR 425 million in 2008 mainly caused by declining property values. The interest result increased 75.1%, or EUR 172 million, to EUR 401 million in 2009 from EUR 229 million in 2008, driven by higher margins in Real Estate Finance and lower funding costs in other business lines. Commission income declined 17.6%, or EUR 78 million, to EUR 365 million in 2009 from EUR 443 million in 2008. Investment and other income declined by EUR 771 million, to EUR (1,018) million in 2009 from EUR (247) million in 2008. This strong decline was mainly due to increased negative fair value changes on real estate investments and impairments on property held for sale (reported under income), which deteriorated from EUR (664) million in 2008 to EUR (1,236) million in 2009.

Expenses

Operating expenses increased by EUR 295 million, or 46.0%, to EUR 937 million in 2009 from EUR 642 million in 2008. This increase was driven by higher impairments on development projects, which increased from EUR 66 million in 2008 to EUR 451 million in 2009, next to EUR 40 million of restructuring expenses included in special items. Excluding impairments and special items, expenses declined EUR 131 million, driven by cost containment initiatives.

The addition to the provision for loan losses was EUR 239 million in 2009, an increase of EUR 159 million compared with 2008, reflecting worsened economic conditions. The addition in 2009 equalled 117 basis points of average risk-weighted assets compared with 39 basis points in 2008.

Result before tax and underlying result before tax

ING Real Estate's result before tax declined from EUR (297) million in 2008 to EUR (1,430) million in 2009, driven by negative revaluations on real estate investments and impairments on development projects.

Excluding special items and the impact of the divestment of Summit, underlying result before tax of ING Real Estate decreased by EUR 912 million, to a loss of EUR 988 million in 2009 from a loss of EUR 76 million in 2008. The Investment Portfolio posted a loss before tax of EUR 762 million in 2009 compared to a loss of EUR 464 million in 2008, reflecting higher negative revaluations. Underlying result before tax of the Investment Management activities decreased by 8.7%, or EUR 7 million to EUR 63 million in 2009, due to lower fee income. Result before tax at the Finance activities decreased by 24.6% to EUR 181 million in 2009, as higher margins could not compensate for the drop in volumes and higher additions to the loan loss provision. Result from Real Estate Development turned from a profit of EUR 78 million in 2008 to a loss of EUR 470 million in 2009, mainly attributable to higher impairments on real estate projects.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

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

ING Bank's Risk Management, including liquidity, is discussed in the section "Risk Management" of the ING Bank N.V. consolidated financial statements for the year ended 31 December 2010, which are incorporated by reference herein.

The following table sets forth the consolidated statement of cash flows of ING Bank N.V. for the years ended 31 December 2010, 2009 and 2008.

	2010	**2009**	**2008**
	(amount in millions of euros)		
Result before tax	5,983	500	533
Adjusted for:			
- depreciation	1,533	1,488	1,224
- addition to loan loss provisions	1,751	2,973	1,280
- other	971	3,674	4,510
Taxation paid	(488)	(551)	(227)
Changes in:			
- amounts due from banks, not available on demand	(4,333)	8,611	7,162
- trading assets	(14,641)	47,893	33,335
- non-trading derivatives	(2,062)	827	7,977
- other financial assets at fair value through	1,038	1,878	3,321

	2010	2009	2008
	(amount in millions of euros)		
profit and loss			
- loans and advances to customers	(19,665)	9,489	(76,154)
- assets held for sale			
- other assets	1,769	2,298	(9,308)
- amounts due to banks, not payable on demand	(9,831)	(67,410)	13,210
- customer deposits and other funds on deposit	21,052	14,266	18,750
- trading liabilities	9,804	(54,366)	3,501
- other financial liabilities at fair value through profit and loss	952	(2,557)	99
- liabilities held for sale			
- other liabilities	(4,919)	(4,733)	3,042
Net cash flow from operating activities	**(11,086)**	**(35,720)**	**12,255**
Investment and advances:			
- group companies		(5)	(592)
- associates	(104)	(70)	(383)
- available-for-sale investments	(89,614)	(58,424)	(95,036)
- held-to-maturity investments	(141)		(314)
- real estate investments	(57)	(114)	(295)
- property and equipment	(450)	(541)	(547)
- assets subject to operating leases	(1,284)	(1,034)	(1,401)
- loan portfolio			(2,526)
- other investments	(241)	(275)	(614)
Disposals and redemptions:			
- group companies	1,663		201
- associates	88	108	140
- available-for-sale investments	88,333	62,669	94,976
- held-to-maturity investments	2,620	1,675	1,640
- real estate investments	289	648	190
- property and equipment	40	65	24
- assets subject to operating leases	53	93	428
- loan portfolio	105	18	

	2010	2009	2008
	(amount in millions of euros)		
- other investments	3	6	8
Net cash flow from investing activities	**1,303**	**4,819**	**(4,101)**
Proceeds from issuance of subordinated loans	944	1,931	3,643
Repayments of subordinated loans	(1,787)	(1,985)	(1,432)
Proceeds from borrowed funds and debt securities	318,206	419,224	355,942
Repayments from borrowed funds and debt securities	(308,939)	(397,639)	(322,055)
Issuance of ordinary shares/capital injection		150	7,200
Issuance of preference shares			
Payments to acquire treasury shares			
Sales of treasury shares			
Dividends paid	(200)		(4,250)
Net cash flow from financing activities	**8,224**	**21,681**	**39,048**
Net cash flow	**(1,559)**	**(9,220)**	**47,202**
Cash and cash equivalents at beginning of year	18,170	27,395	(19,389)
Effect of exchange rate changes on cash and cash equivalents	577	(5)	(418)
Cash and cash equivalents at end of year	17,188	18,170	27,395

As at 31 December 2010 Cash and cash equivalents includes Cash and balances with central banks of EUR 9,519 million (2009: EUR 12,602 million; 2008: EUR 18,169 million). See Note 47 to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

At 31 December 2010 and 2009, ING Bank had EUR 17,188 million and EUR 18,170 million, respectively, of cash and cash equivalents. The decrease in Cash and Cash Equivalents is mainly attributable to the cash and bank balance positions with Central banks.

Specification of cash position (EUR millions):

	2010	2009
	(EUR millions)	
Cash	9,519	12,602
Short dated government paper	4,442	3,181

	2010	2009
	(EUR millions)	
Banks on demand	3,227	2,387
Cash balance and cash equivalents	**17,188**	**18,170**

ING Bank's net cash flows from operating activities were EUR 11,086 million cash outflow for the year ended 31 December 2010 compared to EUR 35,720 million cash outflow for the year ended 31 December 2009.

The cash flow from operating activities was largely affected by cash flows from Amounts due to and from Banks (cash outflow of EUR 14,164 million compared to a cash outflow in 2009 of EUR 58,799 million) and a cash outflow of loans and advances to customers of EUR 19,665 million compared to a cash inflow in 2009 of EUR 9,489 million).

Net cash flow from investment activities was EUR 1,303 million cash inflow for the year ended 31 December 2010 compared with cash inflow of EUR 4,819 million for the year ended 31 December 2009. Investment in interest-earning securities was EUR 89,614 million and EUR 58,424 million in 2010 and 2009, respectively. Dispositions and redemptions of interest-earning securities was EUR 88,333 million and EUR 62,669 million in 2010 and 2009, respectively.

Net cash inflow from financing activities in 2010 amounted to EUR 8,224 million compared to a cash inflow in 2009 of EUR 21,681 million and is mainly attributable to less on balance cash inflow from debt securities in issue.

The operating, investment and financing activities described above resulted in a negative cash flow of EUR 1,559 million in 2010 compared to a negative net cash flow of EUR 9,220 million in 2009.

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

ING Bank's net cash flow from operating activities was EUR 35,720 million cash outflow for the year ended 31 December 2009, compared to EUR 12,255 million cash inflow for the year ended 31 December 2008.

The cash flow from operating activities was largely affected by cash flows from Trading (cash outflow in 2009 of EUR 6,473 million compared to cash inflow in 2008 of EUR 36,836 million), from Amounts due to and from Banks (cash outflow of EUR 58,799 million compared to a cash inflow in 2008 of EUR 20,372 million) and offset by a cash inflow of loans and advances to customers of EUR 9,489 million (cash outflow in 2008 of EUR 76,154).

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

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

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

CAPITAL ADEQUACY

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

The following table sets forth the capital position of ING Bank N.V. as of 31 December 2010, 2009 and 2008.

Capital position of ING Bank N.V.

	2010	**2009**	**2008**
		In EUR millions	
Shareholders' equity (parent)	34,452	30,222	22,889
Minority interests	748	960	1,198
Subordinated loans qualifying as Tier 1 capital[1] ...	8,438	8,057	7,085
Goodwill and intangibles deductible from Tier 1.....	(1,645)	(1,636)	(1,636)
Deductions Tier 1	(1,069)	(1,073)	(1,040)
Revaluation reserve[2]..	(1,592)	(2,515)	3,523
Available capital – Tier 1	**39,332**	**34,015**	**32,019**
Supplementary capital – Tier 2[3]	10,882	11,789	12,910
Available Tier 3 funds			
Deductions...	(1,069)	(1,073)	(1,040)
BIS capital	**49,145**	**44,731**	**43,889**
Risk-weighted assets...	321,103	332,375	343,388
Tier 1 ratio..	12.25%	10.23%	9.32%
BIS ratio	15.30%	13.46%	12.78%
Required capital based on Basel I floor[4]..............	29,860	28,709	34,369
BIS ratio based on Basel I floor[4]	13.17%	12.46%	10.22%

Note:

(1) Subordinated loans qualifying as Tier 1 capital have been placed by ING Groep N.V. with ING Bank N.V.

(2) Includes revaluation debt securities, revaluation reserve cash flow hedge and revaluation reserves equity and real estate.

(3) Includes eligible lower Tier-2 loans and revaluation reserves equity and real estate revaluations removed from Tier 1 capital.

(4) Using 80% in 2010 and 2009 and 90% in 2008 of Basel I Risk Weighted Assets. ING Bank's regulators have put in place rules on capital adequacy that determine the amount of capital ING Bank must retain in relation to the size and the type of risk taking it undertakes, which is expressed in the form of risk-weighted assets ("Risk Weighted Assets").

Capital measures in the table exclude the difference between IFRS-EU and IFRS-IASB as capital measures are based on IFRS-EU as primary accounting basis for statutory and regulatory reporting.

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

OFF-BALANCE-SHEET-ARRANGEMENTS

The following table sets forth contingent liabilities and commitments of the Issuer for the years ended 31 December 2010 and 31 December 2009. See Note 24 to the ING Bank N.V. consolidated financial statements for the year 31 December 2010.

	Total 2010	Less than one year	More than one year	Total2009	Less than one year	More than one year
			(EUR millions)			
ING Bank N.V.						
Banking operations						
Contingent liabilities in respect of:						
- discounted bills	3	3		1	1	
- guarantees...	21,711	17,159	4,552	21,545	15,912	5,633
- irrevocable letters of credit	15,540	15,317	223	12,352	11,063	1,289
- other contingent liabilities	428	419	9	202	190	12
Irrevocable facilities	90,027	59,885	30,142	85,835	62,174	23,661
Total	**127,709**	**92,783**	**34,926**	**119,935**	**89,340**	**30,595**

SELECTED STATISTICAL INFORMATION

The information in this section is unaudited and sets forth selected statistical information regarding the operations of ING Bank N.V. Information for 2010, 2009 and 2008 is prepared on the basis of IFRS-EU and is calculated based on figures included in the ING Bank N.V. consolidated financial statements for the respective financial year. Unless otherwise indicated, average balances, when used, are calculated from monthly data and the distinction between domestic and foreign is based on the location of the office where the assets and liabilities are booked, as opposed to the domicile of the customer. However, ING Bank believes that the presentation of these amounts based upon the domicile of the customer would not result in material differences in the amounts presented below.

	Year Ended 31 December		
	2010	**2009**	**2008**
Return on shareholders’ equity of ING Bank	13.9%	2.2%	3.2%
Return on assets of ING Bank	0.5%	0.1%	0.1%
Shareholders’ equity to assets of ING Bank	3.7%	3.4%	2.2%
Net interest margin of ING Bank	1.4%	1.3%	1.1%

AVERAGE BALANCES AND INTEREST RATES

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

ASSETS

	Interest-earning assets								
	2010			2009			2008		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
	(EUR millions)		(%)	*(EUR millions)*		(%)	*(EUR millions)*		(%)
Time deposits with banks									
domestic	13,814	110	0.8	12,306	200	1.6	22,685	895	3.9
foreign	27,318	833	3.1	23,429	420	1.8	40,557	1,764	4.3
Loans and advances									
domestic	242,009	9,608	4.0	267,815	10,120	3.8	309,956	12,926	4.2
foreign	385,423	14,375	3.7	362,637	14,364	4.0	339,812	17,577	5.2
Interest-earning securities(1)									
domestic	30,926	1,014	3.3	29,790	1,082	3.6	30,398	1,234	4.1
foreign	107,564	4,287	4.0	106,673	4,807	4.5	158,844	8,747	5.5
Other interest-earning assets									
domestic	12,191	182	1.5	11,014	168	1.5	13,713	547	4.0
foreign	20,535	183	0.9	22,572	222	1.0	14,844	540	3.6
Total	**839,780**	**30,592**	**3.6**	**836,236**	**31,383**	**3.8**	**930,809**	**44,230**	**4.8**
Non-interest earning assets	54,008			60,073			73,994		
Derivatives assets	**62,585**			**66,750**			**49,042**		
Total assets(1)	**956,373**			**963,059**			**1,053,845**		
Percentage of assets applicable to foreign operations		64,9%			61.8%			59.7%	
Interest income on derivatives		38,356			48,828			53,037	
Other		4			137			311	
Total interest income		**68,952**			**80,348**			**97,578**	

Note:

(1) Substantially all interest-earning securities held by the banking operations of the Company are taxable securities.

LIABILITIES

	Interest-bearing assets								
	2010			2009			2008		
	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield
	(EUR millions)		(%)	*(EUR millions)*		(%)	*(EUR millions)*		(%)
Time deposits from banks									
domestic	26,922	249	0.9	32,892	596	1.8	49,198	2,020	4.1
foreign	22,363	370	1.7	27,716	634	2.3	43,046	2,176	5.1
Demand deposits[(1)]									
domestic	40,100	125	0.3	64,220	117	0.2	115,827	1,574	1.4
foreign	55,505	383	0.7	50,236	599	1.2	46,832	766	1.6
Time deposits[(1)]									
domestic	24,897	221	0.9	32,101	619	1.9	35,048	1,449	4.1
foreign	20,064	364	1.8	26,848	694	2.6	33,303	1,671	5.0
Savings deposits[(1)]									
domestic	72,830	1,459	2.0	64,817	1,835	2.8	57,537	1,630	2.8
foreign	269,115	5,107	1.9	243,080	6,047	2.5	229,149	9,070	3.9
Short term debt									
domestic	16,233	135	0.8	14,791	208	1.4	11,511	558	4.8
foreign	50,221	699	1.4	48,246	732	1.5	40,760	1,927	4.7
Long term debt									
domestic	42,364	1,681	4.0	33,657	1,465	4.4	20,379	1,110	5.4
foreign	27,424	1,180	4.3	23,682	999	4.2	23,325	1,277	5.5
Subordinated liabilities									
domestic	22,287	1,031	4.6	21,558	999	4.6	20,238	1,124	5.6
foreign	1,114	61	5.5	1,113	59	5.3	1,293	61	4.7
Other interest-bearing liabilities									
domestic	47,047	279	0.6	51,811	642	1.2	92,042	3,174	3.4
foreign	57,419	514	0.9	64,863	793	1.2	100,179	3,527	3.5
Total	795,905	13,858	1.7	801,631	17,038	2.1	919,667	33,114	3.6
Non-interest bearing liabilities	56,656			58,758			63,236		
Derivatives liabilities	69,751			73,694			48,243		
Total Liabilities	922,312			934,083			1,031,146		
Group Capital	34,061			28,976			22,699		
Total liabilities and capital	**956,373**			**963,059**			**1,053,845**		
Percentage of liabilities applicable to foreign operations		63.3%			60.6%		57.0%		
Other interest expense:									
interest expenses on derivatives		41,333			50,334			52,790	
other		174			214			388	
Total interest expense		**55,365**			**67,586**			**86,292**	
Total net interest result		**13,587**			**12,762**			**11,286**	

Note:

(1) These captions do not include deposits from banks.

ANALYSIS OF CHANGES IN NET INTEREST INCOME

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

	2010 over 2009 Increase (decrease)due to changes in			**2009 over 2008 Increase (decrease)due to changes in**		
	Average volume	**Average rate**	**Net change**	**Average volume**	**Average rate**	**Net change**
	(EUR millions)			*(EUR millions)*		
Interest-earning assets						
Time deposits to banks						
domestic	24	(114)	(90)	(410)	(285)	(695)
foreign	70	343	413	(745)	(599)	(1,344)
Loans and advances						
domestic	(975)	463	(512)	(1,757)	(1,049)	(2,806)
foreign	902	(891)	11	1,181	(4,394)	(3,213)
Interest-earning securities						
domestic	41	(109)	(68)	(25)	(127)	(152)
foreign	40	(560)	(520)	(2,873)	(1,067)	(3,940)
Other interest-earning assets						
domestic	18	(4)	14	(108)	(271)	(379)
foreign	(20)	(19)	(39)	281	(599)	(318)
Interest income						
domestic	(892)	236	(656)	(2,300)	(1,732)	(4,032)
foreign	991	(1,127)	(135)	(2,156)	(6,659)	(8,815)
Total	**100**	**(891)**	**(791)**	**(4,456)**	**(8,391)**	**(12,847)**
Other interest income			(10,605)			(4,383
Total interest income			**(11,396)**			**(17,230)**

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

	2010 Average rate	**2009 Average rate**
	%	*%*
Interest spread		
domestic	1.9	1.6

	2010 Average rate	2009 Average rate
	%	%
foreign	1.9	1.7
Total	1.9	1.6
Net interest margin		
domestic	1.9	1.6
foreign	2.0	1.8
Total	2.0	1.7

	2010 over 2009 Increase (decrease)due to changes in			2009 over 2008 Increase (decrease)due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
	(EUR millions)			(EUR millions)		
Interest-bearing liabilities						
Time deposits from banks						
domestic	(108)	(239)	(347)	(669)	(755)	(1,424)
foreign	(122)	(142)	(264)	(775)	(767)	(1,542)
Demand deposits						
domestic	(44)	52	8	(702)	(755)	(1,457)
foreign	63	(279)	(216)	56	(223)	(167)
Time deposits						
domestic	(139)	(259)	(398)	(122)	(708)	(830)
foreign	(175)	(155)	(330)	(323)	(654)	(977)
Savings deposits						
domestic	227	(603)	(376)	206	(1)	205
foreign	647	(1,587)	(940)	552	(3,575)	(3,023)
Short term debt						
domestic	20	(93)	(73)	159	(509)	(350)
foreign	30	(63)	(33)	354	(1,549)	(1,195)
Long term debt						
domestic	379	(163)	216	723	(368)	355
foreign	158	23	181	20	(298)	(278)
Subordinated liabilities						
domestic	34	(2)	32	73	(198)	(125)
foreign	0	2	2	(9)	7	(2)
Other interest-bearing liabilities						
domestic	(59)	(304)	(363)	(1,388)	(1,144)	(2,532)
foreign	(91)	(188)	(279)	(1,243)	(1,491)	(2,734)

	2010 over 2009 Increase (decrease)due to changes in			2009 over 2008 Increase (decrease)due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
		(EUR millions)			*(EUR millions)*	
Interest expense						
domestic	310	(1,611)	(1,301)	(1,720)	(4,438)	(6,158)
foreign	510	(2,389)	(1,879)	(1,368)	(8,550)	(9,918)
Total	**820**	**(4,000)**	**(3,180)**	**(3,088)**	**(12,988)**	**(16,076))**
Other interest expense			(9,041)			(2,630))
Total interest expense			**(12,221)**			**(18,706))**
Net interest						
domestic	(1,202)	1,847	645	(580)	2,706	2,126
foreign	482	1,262	1,744	(788)	1,891	1,103
Net interest	**(720)**	**3,109**	**2,389**	**(1,368)**	**4,597**	**3,229**
Other net interest result			(1,564)			(1,753)
Net interest result			**825**			**1,476**

INVESTMENTS OF ING BANK

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

	Year ended 31 December		
	2010	**2009**	**2008**
		(EUR millions)	
Debt securities available for sale			
Dutch government	6,135	3,796	6,726
German government	6,929	5,230	5,789
Central banks	1,578	332	219
Belgian government	7,543	7,814	8,198
Other governments	27,861	28,402	29,435
Banks and financial institutions	27,411	27,200	37,486
Other corporate debt securities	891	859	1,417
U.S. Treasury and other U.S. Government agencies	1,505	575	56
Other debt securities	16,606	14,292	42,176
Total debt securities available for sale	**96,459**	**88,500**	**131,502**

Debt securities held to maturity

	Year ended 31 December		
	2010	2009	2008
		(EUR millions)	
Dutch government			
German government..	583	585	787
Other governments..	367	701	819
Banks and financial institutions	9,637	11,963	12,929
Other corporate debt securities			39
U.S. Treasury and other U.S. Government agencies			36
Other debt securities	1,106	1,160	830
Total debt securities held to maturity..................	**11,693**	**14,409**	**15,440**
Shares and convertible debentures..........................	2,741	3,682	1,863
Land and buildings (1)	1,891	3,647	4,331
Total	**112,784**	**110,238**	**153,136**

Note:

(1) Including commuted ground rents.

Banking investment strategy

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

The investment portfolio related to the banking activities primarily consists of fixed-interest securities. Approximately 70% of the land and buildings owned by ING Bank are wholly or partially in use by ING companies.

Portfolio maturity description

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield(1)	Book value	Yield(1)	Book value	Yield(1)
	(EUR millions)	(%)	(EUR millions)	(%)	(EUR millions)	(%)
Debt securities available for sale						
Dutch government	629		3,315		2,191	
German government..........................	409		3,834		2,190	
Belgian government...........................	788		4,665		2,015	

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield(1)	Book value	Yield(1)	Book value	Yield(1)
	(EUR millions)	*(%)*	*(EUR millions)*	*(%)*	*(EUR millions)*	*(%)*
Central banks	1,578		0		0	
Other governments	4,444		12,497		8,351	
Banks and financial institutions	7,233		16,240		3,739	
Corporate debt securities	458		362		62	
U.S. Treasury and other U.S. Government agencies	0		772		733	
Other debt securities	633		3,889		3,301	
Total debt securities available for sale	**16,172**	**3.4**	**45,574**	**3.6**	**22,582**	**3.8**

	Over 10 years Book value	Yield(1)	Total Book value
	(EUR millions)	*(%)*	*(EUR millions)*
Debt securities available for sale			
Dutch government	0		6,135
German government	496		6,929
Belgian government	75		7,543
Central banks	0		1,578
Other governments	2,569		27,861
Banks and financial institutions	199		27,411
Corporate debt securities	9		891
U.S. Treasury and other U.S. Government agencies	0		1,505
Other debt securities	8,783		16,606
Total debt securities available for sale	**12,131**	**5.3**	**96,459**

Note:

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

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield(1)	Book value	Yield(1)	Book value	Yield(1)
	(EUR millions)	*(%)*	*(EUR millions)*	*(%)*	*(EUR millions)*	*(%)*
Debt securities held to maturity						
Dutch government	0		0		0	
German government	50		533		0	
Belgian government	0		0		0	
Central banks	0		0		0	
Other governments	16		351		0	
Banks and financial institutions	1,983		7,306		348	
Corporate debt securities	0		0		0	
U.S. Treasury and other U.S. Government agencies	0		0		0	
Other debt securities	301		596		190	
Total debt securities held to maturity	**2,350**	**3.1**	**8,786**	**3.9**	**538**	**3.4**

	Over 10 years Book value	Yield(1)	Total Book value
	(EUR millions)	*(%)*	*(EUR millions)*
Debt securities held to maturity			
Dutch government	0		0
German government	0		583
Belgian government	0		0
Central banks	0		0
Other governments	0		367
Banks and financial institutions	0		9,637
Corporate debt securities	0		0
U.S. Treasury and other U.S. Government agencies	0		0
Other debt securities	19		1,106
Total debt securities held to maturity	**19**	**6.0**	**11,693**

Note:

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

On 31 December 2010, ING Bank N.V. also held the following securities for the banking operations that exceeded 10% of shareholders' equity:

	2010	
	Book Value	**Market Value**
	(EUR millions)	
Belgian government	7,543	7,543
German government	7,512	7,524

The following table sets forth the gross loans and advances to banks and customers as at 31 December 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2010	**2009**	**2008**	**2007**	**2006**
			(EUR millions)		
By domestic offices:					
Loans guaranteed by public authorities	28,671	28,149	16,288	14,679	16,450
Loans secured by mortgages	161,937	159,990	158,861	141,314	120,753
Loans to or guaranteed by credit institutions	14,704	9,569	15,529	16,347	6,747
Other private lending	5,125	4,972	7,158	6,975	6,484
Asset backed securities	0	0	0	0	0
Other corporate lending	52,194	49,980	123,462	102,895	91,388
Total domestic offices	**262,631**	**252,660**	**321,298**	**282,210**	**241,822**
By foreign offices:					
Loans guaranteed by public authorities	27,282	22,933	10,099	8,961	9,503
Loans secured by mortgages	172,802	147,484	145,090	132,614	87,457
Loans to or guaranteed by credit institutions	40,120	36,869	23,099	31,211	32,072
Other private lending	16,618	14,988	20,389	17,784	16,422
Asset backed securities	18,605	21,831	11,766	13,082	0
Other corporate lending	103,620	99,104	109,903	88,237	89,547
Total foreign offices	**379,047**	**343,209**	**320,346**	**291,889**	**235,001**
Total gross loans and advances to banks and customers	**641,678**	**595,869**	**641,644**	**574,099**	**476,823**

Maturities and sensitivity of loans to changes in interest rates

The following table analyzes loans and advances to banks and customers by time remaining until maturity as of 31 December 2010.

	1 year or less	1 year to 5 years	After 5 years	Total
		(EUR millions)		
By domestic offices:				
Loans guaranteed by public authorities ..	884	12,555	15,232	28,671
Loans secured by mortgages.................	8,967	14,468	138,502	161,937
Loans guaranteed by credit institutions ..	11,964	2,700	40	14,704
Other private lending..............................	3,107	559	1,459	5,125
Asset backed securities	0	0	0	0
Other corporate lending	28,241	13,248	10,705	52,194
Total domestic offices	**53,163**	**43,530**	**165,938**	**262,631**
By foreign offices:				
Loans guaranteed by public authorities ..	12,494	5,243	9,545	27,282
Loans secured by mortgages.................	14,387	35,274	123,141	172,802
Loans guaranteed by credit institutions ..	25,914	10,429	3,777	40,120
Other private lending..............................	9,416	4,467	2,735	16,618
Asset backed securities	3,046	11,500	4,059	18,605
Other corporate lending	41,281	40,173	22,166	103,620
Total foreign offices.............................	**106,538**	**107,086**	**165,423**	**379,047**
Total gross loans and advances to banks and customers	**159,701**	**150,616**	**331,361**	**641,678**

The following table analyzes loans and advances to banks and customers by interest rate sensitivity by maturity as of 31 December 2010.

	1 year or less	Over 1 year	Total
		(EUR millions)	
Non-interest earning...	2,973	1,717	4,690
Fixed interest rate...	72,255	143,130	215,385
Semi-fixed interest rate(1)...	5,772	190,800	196,572
Variable interest rate...	78,701	146,330	225,031
Total	**159,701**	**481,977**	**641,678**

Note:

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

Loan concentration

The following industry concentrations were in excess of 10% of total loans as of 31 December 2010:

	Total outstanding
Private Individuals	40.0%
Commercial Banks	11.2%
Non-Bank Financial Institutions	11.1%

RISK ELEMENTS

Loans Past Due 90 days and Still Accruing Interest

Loans past due 90 days and still accruing interest are loans that are contractually past due 90 days or more as to principal or interest on which ING Bank continues to recognise interest income on an accrual basis in accordance with IFRS-EU. Once a loan has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. As all loans continue to accrue interest under IFRS-EU, the non-accrual loan status is no longer used to identify ING Bank's risk elements. No loans are reported as non-accrual and there is an increase in the amount of loans reported as Loans past due 90 days and still accruing interest, compared to the prior years reported, due to the interest accrual on impaired loans. The following table sets forth the outstanding balance of the loans past due 90 days and still accruing interest and non-accrual loans for the years ended 31 December 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

IFRS-EU	Year ended 31 December				
	2010	**2009**	**2008**	**2007**	**2006**
			(EUR millions)		
Loans past due 90 days and still accruing interest					
Domestic	5,759	3,865	2,799	1,159	1,317
Foreign	4,705	4,793	2,634	1,892	2,426
Total loans past due 90 days and still accruing interest	**10,464**	**8,658**	**5,433**	**3,051**	**3,743**

As of 31 December 2010, EUR 10,459 million of the loans past due 90 days and still accruing interest have a loan loss provision. Total loans with a loan loss provision, including those loans classified as past due 90 days and still accruing interest with a provision and troubled debt restructurings with a provision, amounts to EUR 14,648 million as of 31 December 2010.

LOAN PORTFOLIO

Loans and advances to banks and customers

Loans and advances to banks include all receivables from credit institutions, except for cash, current accounts and deposits with other banks (including central banks). Lending facilities to corporate and private customers encompass among others, loans, overdrafts and finance lease receivables. The following table sets forth the gross loans and advances to banks and customers as of 31 December 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

Loans and Loan loss provisions	2010	2009
	(EUR millions)	
Loans past due 90 days	10,464	8,307
Other impaired loans	4,188	2,849
Total impaired loans (loans with a loan loss provision)	14,652	11,156
Potential problem loans	7,647	10,873
Total Impaired loans and potential problem loans	22,299	22,029
Loans neither impaired nor potential problem loans	619,379	573,840
Total	**641,678**	**595,869**
This amount is presented in the balance sheet as:		
Amounts due from Banks	49,056	39,742
Loans and advances to customers	592,622	556,127
Total	**641,678**	**595,869**
Loan loss provisions included in:		
Amounts due from Banks	21	46
Loans and advances to customers	5,174	4,353
Total loan loss provisions	**5,195**	**4,399**

	2010	2009
Loans and advances by customer type:		
Loans secured by public authorities	55,953	51,082
Loans secured by mortgages	334,739	307,474
Loans guaranteed by credit institutions	5,768	6,696
Personal lending	21,743	19,960
Asset backed securities	18,605	21,831
Corporate loans	155,814	149,084
Total	**592,622**	**556,127**

	2010	2009
Loan loss provisions by customer type:		
Loans secured by public authorities	3	3
Loans secured by mortgages	1,599	1,356
Loans guaranteed by credit institutions	23	47
Personal lending	667	690

	2010	2009
Asset backed securities	0	15
Corporate loans	2,903	2,288
Total	**5,195**	**4,399**

	2010	2009
Increase in Loan loss provision by customer type:		
Loans secured by public authorities	0	1
Loans secured by mortgages	243	764
Loans guaranteed by credit institutions	(24)	(38)
Personal lending	(23)	37
Asset backed securities	(15)	15
Corporate loans	615	1,009
Total	**796**	**1,788**

The net increase in Loan loss provision includes:		
Increase in loan loss provision (P&L)	1,751	2,973
Write-offs and other	(955)	(1,185)
Total	**796**	**1,788**

Troubled Debt Restructurings

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

The following table sets forth the outstanding balances of the troubled debt restructurings as of 31 December 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2010	**2009**	**2008**	**2007**	**2006**
			(EUR millions)		
Troubled debt restructurings:					
Domestic	1,253	782	51	45	163
Foreign	2,165	1,271	354	47	199
Total troubled debt restructurings	3,418	2,053	405	92	362

Interest Income on Troubled Debt Restructurings

The following table sets forth the gross interest income that would have been recorded during the year ended 31 December 2010 on troubled debt restructurings had such loans been current in accordance with their original contractual terms and interest income on such loans that was actually included in interest income during the year ended 31 December 2010.

	Year ended 31 December 2010 (EUR millions)		
	Domestic Offices	Foreign Offices	Total
Interest income that would have been recognised under the original contractual terms	14	65	79
Interest income recognised in the profit and loss account	14	67	81

Potential Problem Loans

Potential problem loans are loans that are not classified as loans past due 90 days and still accruing interest or troubled debt restructurings and amounted to EUR 7,647 million as of 31 December 2010. Of this total, EUR 4,883 million relates to domestic loans and EUR 2,764 million relates to foreign loans. These loans are considered potential problem loans as there is known information about possible credit problems causing ING Bank to have serious doubts as to the ability of the borrower to comply with the present loan repayment terms and which may result in classifying the loans as loans past due 90 days and still accruing interest or as troubled debt restructurings. Appropriate provisions, following ING Bank's credit risk rating system, have been established for these loans.

Cross-border outstandings

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

Commitments such as irrevocable letters of credit are not considered as cross border outstanding. Total outstandings are in line with Dutch Central Bank requirements. On 31 December 2010, there were no outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following tables analyze cross-border outstandings as of the end of 31 December 2010, 2009, 2008 and 2007 stating the name of the country and the aggregate amount of cross-border outstandings to borrowers in each foreign country where such outstandings exceed 1% of total assets, by the following categories.

	Year ended 31 December 2010					
	Government & official institutions	Banks & other financial Institutions	Commercial industrial	Other	Total	Cross-border Commitments
			(EUR millions)			
United Kingdom	188	12,398	19,347	1,042	32,975	4,046
United States	49	4,749	7,952	4,363	17,113	10,309
France	9,113	13,051	3,565	1,170	26,899	3,282
Germany	7,138	5,560	2,850	3,379	18,927	6,846
Italy						
Spain						
Belgium						

On 31 December 2010 Italy, Spain and Belgium have cross-border outstandings between 0.75% and 1% of total assets. In 2009 there were no cross-border outstandings between 0.75% and 1% of total assets.

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

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

Summary of Loan Loss Experience

For further explanation on loan loss provision see “Loan Loss Provisions” in Note 2.1 to the ING Bank N.V. consolidated financial statements.

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

The following table presents the movements in allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

IFRS-EU	**Calendar period**				
	2010	**2009**	**2008**	**2007**	**2006**
	(EUR millions)				
Balance on 1 January	4,399	2,611	2,001	2,642	3,313
Change in the composition of the Group		(3)	1	98	(101)
Charge-offs:					
Domestic:					
Loans guaranteed by public authorities					
Loans secured by mortgages	(86)	(79)	(34)	(22)	(32)
Loans to or guaranteed by credit institutions	(30)	(55)	(36)	(11)	(11)
Other private lending	(65)	(140)	(126)	(115)	(108)
Other corporate lending	(277)	(229)	(133)	(189)	(136)
Foreign:					
Loans guaranteed by public authorities	(8)	(12)	(16)	(25)	
Loans secured by mortgages	(56)	(5)	(6)	(11)	(26)
Loans to or guaranteed by credit institutions	(5)	(1)		(2)	(5)
Other private lending	(404)	(259)	(114)	(104)	(70)
Other corporate lending	(235)	(437)	(263)	(473)	(303)
Total charge-offs	(1,166)	(1,217)	(728)	(952)	(691)
Recoveries:					
Domestic:					
Loans guaranteed by public authorities					
Loans secured by mortgages	23	2			
Loans to or guaranteed by credit institutions				2	4
Other private lending	29	101	36	3	11
Other corporate lending	9	4			1
Foreign:					
Loans guaranteed by public authorities					
Loans secured by mortgages	1			1	
Loans to or guaranteed by credit institutions	3				
Other private lending	29	24	27	30	49
Other corporate lending	11	17	27	23	21

IFRS-EU	Calendar period				
	2010	2009	2008	2007	2006
			(EUR millions)		
Total recoveries	105	148	90	59	86
Net charge-offs	(1,061)	(1,069)	(638)	(893)	(605)
Additions and other adjustments (included in value Adjustments to receivables of the Banking operations)	1,857	2,860	1,247	154	35
Balance on 31 December	5,195	4,399	2,611	2,001	2,642
Ratio of net charge-offs to average loans and advances to banks and customers	0.17%	0.17%	0.10%	0.16%	0.12%

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

The following table shows the allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2010, 2009, 2008, 2007 and 2006 under IFRS-EU.

IFRS-EU	Year ended 31 December									
	2010		2009		2008		2007		2006	
	(EUR)	(%(1))	(EUR)	(%(1))	(EUR)	(%(1))	(EUR)	(%(1))	(EUR)	(%(1))
					(EUR millions)					
Domestic:										
Loans guaranteed by public authorities	0	4.47		4.72		2.54		2.56		3.46
Loans secured by mortgages	416	25.24	290	27.54	167	24.76	96	24.62	96	25.40
Loans to or guaranteed by credit institutions	17	2.29		1.61	68	2.42	11	2.85		1.42
Other private lending	131	0.80	254	0.83	120	1.12	181	1.21	357	1.36
Other corporate lending	1,385	8.13	917	7.70	474	19.24	377	17.91	280	18.93
Total domestic	1,949	40.93	1,461	42.4	829	50.08	665	49.15	733	50.57
Foreign:										
Loans guaranteed by public authorities	3	4.25	3	3.85	2	1.57	1	1.56	2	2.00
Loans secured by mortgages	1,183	26.93	1,066	23.90	425	22.61	203	23.10	177	18.40
Loans to or guaranteed by credit institutions	6	6.7	47	6.78	17	4.02	3	5.56	6	6.75
Other private lending	536	2.59	436	2.52	533	3.18	374	3.10	408	3.45
Mortgage backed securities	0	2.37	15	2.99						
Other corporate lending	1,518	16.23	1,371	17.56	805	18.54	755	17.53	1,316	18.83

IFRS-EU	Year ended 31 December									
	2010		2009		2008		2007		2006	
	(EUR)	*(%(1))*	*(EUR)*	*(%(1))*	*(EUR)*	*(%(1))*	*(EUR)*	*(%(1))*	*(EUR)*	*(%(1))*
	(EUR millions)									
Total foreign	3,246	59.07	2,938	57.60	1,782	49.92	1,336	50.85	1,909	49.43
Total	**5,195**	**100.00**	**4,399**	**100.00**	**2,611**	**100.00**	**2,001**	**100.00**	**2,642**	**100.00**

Note:

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

DEPOSITS

The aggregate average balance of all ING Bank's interest-bearing deposits (from banks and customer accounts) decreased by 1.1 % to EUR 585,340 million for 2010, compared to 2009. Interest rates paid reflect market conditions. The effect on net interest income depends upon competitive pricing and the level of interest income that can be generated through the use of funds. Deposits by banks are primarily time deposits, the majority of which are raised by ING's Amsterdam based money market operations in the world's major financial markets. Certificates of deposit represent 40% of the category 'Debt securities' (42% at the end of 2009). These instruments are issued as part of liquidity management with maturities generally of less than three months.

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

	2010		2009		2008	
	Average deposit	**Average rate**	**Average deposit**	**Average rate**	**Average deposit**	**Average rate**
	(EUR millions)	*(%)*	*(EUR millions)*	*(%)*	*(EUR millions)*	*(%)*
Deposits by banks						
In domestic offices:						
Demand – non-interest bearing	5,646		6,006		9,797	
– interest bearing	4,646	1.0	5,556	1.0	11,821	3.8
Time	26,926	0.9	32,941	1.8	49,147	3.7
Other	9,681	1.5	10,869	1.7	12,213	3.6
Total domestic offices	46,899		55,372		82,978	
In foreign offices:						
Demand – non-interest bearing	1,468		1,599		3,374	
– interest bearing	5,932	1.0	5,553	1.4	12,175	3.9

	2010		2009		2008	
	Average deposit	**Average rate**	**Average deposit**	**Average rate**	**Average deposit**	**Average rate**
	(EUR millions)	*(%)*	*(EUR millions)*	*(%)*	*(EUR millions)*	*(%)*
Time	21,648	1.7	26,532	2.3	40,425	5.1
Other	14,832	3.8	26,455	4.3	31,121	4.8
Total foreign offices	43,880		60,139		87,095	
Total deposits by banks	**90,779**		**115,511**		**170,073**	
Customer accounts						
In domestic offices:						
Demand – non-interest bearing	723		12,005		15,041	
– interest bearing	43,536	0.3	57,162	0.3	108,589	1.7
Savings	72,717	2.0	64,731	2.8	57,475	2.8
Time	24,738	0.9	31,867	1.9	34,856	4.1
Other	8,614	0.5	6,965	1.3	7,202	3.6
Total domestic offices	150,328		172,730		223,163	
In foreign offices:						
Demand – non-interest bearing	6,295		6,160		4,581	
– interest bearing	56,865	0.8	50,956	1.2	52,089	2.8
Savings	269,115	1.9	243,080	2.5	229,149	3.9
Time	19,794	1.8	26,529	2.6	33,018	5.0
Other	6,296	3.9	2,618	5.9	2,486	4.9
Total foreign offices	358,365		329,343		321,323	
Total customers accounts	**508,693**		**502,073**		**544,486**	
Debt securities						
In domestic offices:						
Debentures	36,522	3.1	27,705	3.4	13,379	4.8
Certificates of deposit	11,546	0.8	10,406	1.2	8,887	4.6
Other	4,719	0.9	4,449	1.8	2,691	5.4
Total domestic offices	52,787		42,560		24,957	
In foreign offices:						
Debentures	10,886	4.9	8,343	3.5	8,552	6.0
Certificates of deposit	35,748	1.3	33,322	1.8	25,665	5.4
Other	19,111	1.3	19,263	1.6	18,611	3.5
Total foreign offices	65,745		60,928		52.828	
Total debt securities	**118,532**		**103,488**		**77,785**	

For the years ended 31 December 2010, 2009 and 2008, the aggregate amount of deposits by foreign depositors in domestic offices was EUR 47,019 million, EUR 47,229 million and EUR 77,958 million, respectively.

On 31 December 2010, the maturity of domestic time certificates of deposit and other time deposits, exceeding EUR 20,000, was:

	Time certificates of deposit		Other time deposits	
	(EUR millions)	*(%)*	*(EUR millions)*	*(%)*
3 months or less	9,752	72.4	46,076	83.83
6 months or less but over 3 months	2,070	15.4	5,084	9.3
12 months or less but over 6 months	1,610	12.0	2,638	4.8
Over 12 months	28	0.2	1,138	2.1
Total	13,460	100	54,936	100

The following table shows the amount outstanding for time certificates of deposit and other time deposits exceeding EUR 20,000 issued by foreign offices on 31 December 2010.

	(EUR millions)
Time certificates of deposit	34,300
Other time deposits	64,979
Total	99,279

Short-term Borrowings

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

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

IFRS-EU	**Year ended 31 December**		
	2010	**2009**	**2008**
	(EUR millions, except % data)		
Commercial paper			
Balance at the end of the year	20,517	18,225	18,444
Monthly average balance outstanding during the year	19,176	19,264	17,949
Maximum balance outstanding at any period end during the year	21,370	22,531	19,319
Weighted average interest rate during the year	1.47%	1.07%	3.80%
Weighted average interest rate on balance at the end of the year	1.38%	1.13%	3.70%
Securities sold under repurchase agreements			
Balance at the end of the year	61,468	67,193	110,202

IFRS-EU	Year ended 31 December		
	2010	2009	2008
	(EUR millions, except % data)		
Monthly average balance outstanding during the year	79,927	92,523	148,613
Maximum balance outstanding at any period end during the year	96,496	138,528	178,185
Weighted average interest rate during the year	0.73%	1.30%	3.17%
Weighted average interest rate on balance at the end of the year	0.94%	1.80%	4.27%

GENERAL INFORMATION

Documents Available for Inspection or Collection

So long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of the following documents will, when published, be available free of charge from the Issuer and from the specified office of the Paying Agents, Warrant Agents and Certificate Agents and, if applicable, for Austrian investors from ING Bank N.V., Vienna Branch at Rennweg 33B/Top 101, A-1030 Vienna, Austria. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3477) or at the address of ING Bank N.V., Vienna Branch indicated above.

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

(ii) the annual reports of the Issuer (in English) in respect of the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010, including the auditors' reports in respect of such financial years;

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

(iv) a copy of the Registration Document; and

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

Ratings

The Issuer has a senior debt rating from Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") of A+, a senior debt rating from Moody's France SAS ("Moody's") of Aa3 and a senior debt rating from Fitch Ratings Ltd. ("Fitch") of A+.

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

Significant or Material Adverse Change

At the date hereof, there has been no significant change in the financial or trading position of ING Bank N.V. and its consolidated subsidiaries and no material adverse change in the prospects of ING Bank N.V. since 31 December 2010.

Litigation

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

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

Purported class litigation has been filed in the United States District Court for the Southern District of New York alleging violations of the federal securities laws with respect to disclosures made in connection with the 2007 and 2008 offerings of ING's Perpetual Hybrid Capital Securities. The Court has determined that the claims relating to the 2007 offerings were without merit and has dismissed them. The challenged disclosures that survived the Court's ruling relate solely to the June 2008 offering, and primarily to ING Group's investments in certain residential mortgage-backed securities.

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

In January 2011 the Association of Stockholders (*Vereniging van Effectenbezitters,* "VEB") issued a writ alleging that investors were misled by the prospectus that was issued with respect to the September 2007 rights issue of Fortis N.V. (now: Ageas N.V.) against Ageas N.V., the underwriters of such rights issue, including ING Bank, and former directors of Fortis N.V. According to the VEB the prospectus shows substantive incorrect and misleading information. The VEB states that the impact and the risks of the subprime crisis for Fortis and Fortis' liquidity position have been reflected incorrectly in the prospectus. The VEB requests a declaratory decision stating that the summoned parties have acted wrongfully and are therefore responsible for the damages suffered by the investors in Fortis. The amount of damages of EUR 18 billion, has not been substantiated yet. ING will defend itself against this claim; at this time ING is not able to assess the future outcome.

In March 2011, ING Groep N.V. was informed of the decision of the board of Stichting Pensioenfonds ING (the Dutch ING Pension Fund) to institute arbitration against ING's decision not to provide funding for indexing pensions. While it is not feasible to predict the ultimate outcome of these arbitration proceedings, ING Groep N.V. is of the opinion that these will not have a significant effect on the financial position or profitability of ING Groep N.V.

Auditors

The financial statements of the Issuer for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008, respectively, have been audited by Ernst & Young Accountants LLP. The auditors of Ernst & Young Accountants LLP are members of the Koninklijk Nederlands Instituut van Registeraccountants (*NIVRA*), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for the financial year ended 31 December 2010 dated 14 March 2011, an unqualified auditors' report on the financial statements for the financial year ended 31 December 2009 dated 15 March 2010 and an unqualified auditors' report on the financial statements for the financial year ended 31 December 2008 dated 16 March 2009.

The auditors' reports in respect of the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008, respectively, incorporated by reference herein are included in the form and context in which they appear with the consent of Ernst & Young Accountants LLP, who have authorised the contents of these auditors' reports.

Market Information

This Registration Document cites market share information published by third parties, including from the following sources: Thomson Reuters and Leaseurope.

The Issuer has accurately reproduced such third-party information in the Registration Document and, as far as the Issuer is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the information reproduced herein to be inaccurate or misleading. Nevertheless, investors should take into consideration that the Issuer has not verified the information published by third parties. Therefore, the Issuer does not guarantee or assume any responsibility for the accuracy of the data, estimates or other information taken from sources in the public domain. This Registration Document also contains assessments of market data and information derived therefrom which could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of ING or future statistics by independent sources.

THE ISSUER

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