MOODY'S
INVESTORS SERVICE

CREDIT ANALYSIS

ING Bank N.V.

Amsterdam, Netherlands

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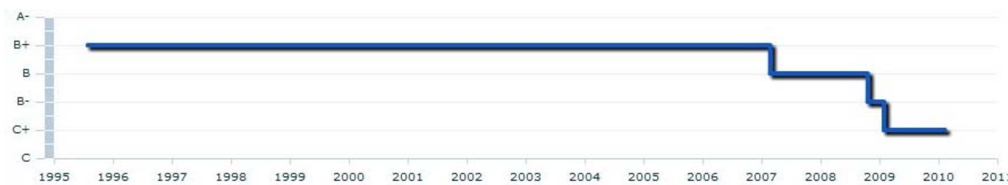
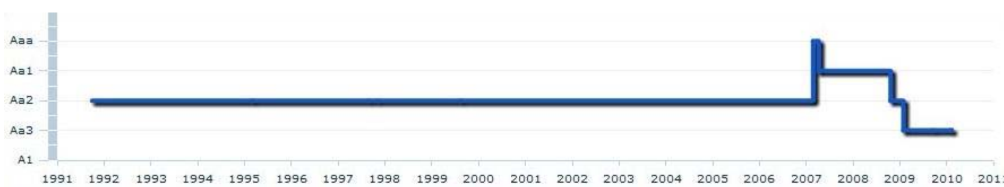
This Credit Analysis provides an in-depth discussion of credit rating(s) for ING Bank N.V. and should be read in conjunction with Moody's most recent Credit Opinion and rating information available on Moody's website.

Summary Rating Rationale

Bank Financial Strength Rating



Long-Term Bank Deposits Rating



Moody's assigns a bank financial strength rating (BFSR) of C+ to ING Bank, which translates into an A2 baseline credit assessment (BCA), with a negative outlook. The C+ rating reflects the bank's strong franchise in the Benelux, which is rooted in a robust retail presence, the international scope given by ING Direct and the strong liquidity management and liquidity position of the bank. The rating also incorporates the full benefit from the January 2009 agreement with the Dutch Government regarding the illiquid asset backup facility and the improved capital position following the rights issue last year.

ING Bank's Aa3 long-term debt and deposit ratings reflect the fact that the group, and particularly the bank, is and will remain a systemically important institution in two European markets, the Netherlands and Belgium, and continues to have a significant retail presence throughout Europe via ING Direct.

The outlook on the BFSR is negative, reflecting the execution risks resulting from the restructuring plan as well as Moody's expectation of subdued macroeconomic conditions in the regions where ING Bank operates, namely the Netherlands and Belgium.

The Aa3 long-term debt and deposit ratings carry a stable outlook reflecting the fact that a one-notch downgrade of the BFSR would be unlikely to impact these ratings as it is Moody's view that the bank benefits from a "very high" probability of systemic support translating into a two-notch uplift from the BCA of A2.

On 18 November 2009, ING and the European Commission (EC) reached an agreement on a restructuring plan:

» ING will divest its Insurance operations and its Investment Management activities through IPOs and/or sales by the end of 2013.

» The Alt-A guarantee facility negotiated with the Dutch Government has been approved but the terms have changed and resulted in an additional pre-tax cost of €1.3 billion in NPV which went through ING's P&L in Q4 2009.

» ING will not be allowed to make any acquisition that could slow down the repayment of the State core Tier 1 securities without prior consent of the EC (until the insurance operations are fully divested and State aid fully repaid).

» ING will divest ING Direct USA by the end of 2013.

» ING Bank will also dispose of some of its Dutch assets that it will first merge in a new company (primarily Westland Utrecht, the mortgage activities of Nationale-Nederlanden and the consumer lending portfolio of ING Retail). The combined businesses have a balance sheet of €37 billion, with around 200,000 mortgages, 320,000 consumer lending accounts, and 500,000 savings accounts. The mortgage portfolio is €34 billion, equal to a market share of around 3-4% in the Netherlands.

» The restructuring measures are expected to result in a pro forma balance sheet reduction of around €600 billion by 2013, equal to approximately 45% of the balance sheet at 30 September 2008. Including estimated organic growth, it is expected that ING's balance sheet by the end of 2013 will be approximately 30% smaller than at 30 September 2008. The proceeds from divesting the insurance operations will be used to eliminate double leverage and further repay the Dutch State.

» ING is prohibited from competing on prices in European Union countries ("must not be a price leader"). These restrictions will apply for three years, or until the remainder of the Core Tier 1 securities are repaid. We note that ING has not been a price leader in Europe at least since early 2009.

» ING will repay State aid fully by the end of 2013 from divestment proceeds and internal sources.

Following the agreement, ING carried out a €7.5 billion rights issue which allowed it to reimburse half of the State aid (€5 billion), pay redemption costs (€606 million of accrued coupon and repayment premium) and make the additional guarantee payment (€1.3 billion pre-tax). The group holding and the bank will merge eventually (before the end of 2013) to eliminate double leverage.

We note that on 28 January 2010 ING appealed against the way the EC has calculated the amount of State aid ING received, especially the reduction of repayment fee paid to the Dutch State, which has been viewed as additional State aid of approximately €2 billion. ING is also appealing against the perceived disproportion of the price leadership restrictions.

We believe the bank's capital position is not ample but now gives sufficient buffer to withstand future stresses. We will monitor closely the capital position as the restructuring goes forward. As of September 2009 and including the capital relief stemming from the Illiquid Assets Backup facility, ING Bank announced a tier 1 ratio of 9.7% on an unfloored Basel II basis (applying the 80% floor, the ratio would have stood at 8.9%).

Moody's notes the following challenges faced by ING Bank:

» the generally low-margin and highly competitive nature of banking markets in the Benelux region;

» low profitability of ING Direct's operations;

» potential additional writedowns on the bank's structured finance assets – even when excluding the Alt-A portfolio – according to Moody's stress tests; and

» additional capital pressures from continuous elevated levels of loan losses.

Group Structure

ING Group is one of the world's largest integrated financial services groups, providing a wide array of banking, insurance and asset management services in Europe, in the United States, Canada, Latin America, Asia and Australia. These activities are carried out by the two following sub-entities and their subsidiaries:

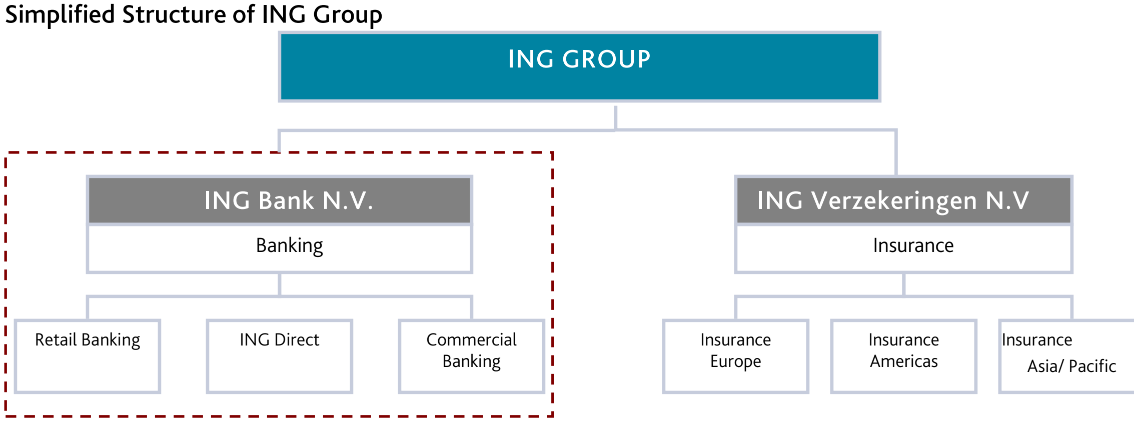
» ING Bank N.V., which undertakes both retail and wholesale banking activities;

» ING Verzekeringen N.V., which comprises all insurance activities of the group.

However, on 18 November 2009 ING announced that, following an agreement with the EC on a restructuring plan, the Insurance activities would be divested by the end of 2013 and the group would remain a banking group only.

EXHIBIT 1

Simplified Structure of ING Group



Source: Moody's, ING Group

This report will focus on ING Bank N.V., for more detailed discussion on the structure at group level please refer to the credit analysis of ING Group[1].

The group has not yet decided on the divestment process (IPO, series of IPOs, sale or any combinations) and the timing will obviously depend on both this process and market conditions.

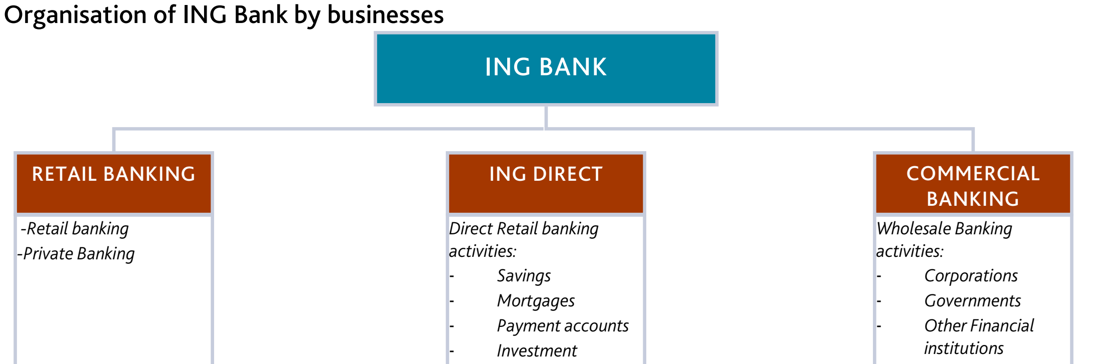
However, at some point between now and 2013, ING Group and ING Bank are likely to be merged. The insurance will then become a subsidiary of the bank until it is fully disposed of.

Business Activities

ING Bank activities are grouped under three main divisions: Retail Banking, ING Direct and Commercial Banking described below:

EXHIBIT 2

Organisation of ING Bank by businesses



Source: ING Bank N.V

Retail Banking

ING Bank's main retail markets are the Netherlands and Belgium but the bank also undertakes retail banking in emerging markets such as Poland, Romania, India and Turkey. This division provides services and products to individual customers, self-employed professionals and SMEs. ING Bank's main services and products are bank deposits, savings and mortgages.

In addition to the retail banking activities, this business unit also comprises the Private Banking activities:

In the Netherlands and Belgium, ING Private Banking provides financial advice to wealthy customers, individuals with a private capital of a least €1 million; it offers asset management, financial planning, wealth management and trust services. Other European Private Banking activities and Asian Private Banking activities have been sold recently. During 2008, ING reclassified the Mid-Corporate[2] portfolio from Wholesale Banking to Retail Banking, which proportionally decreased the Retail Banking concentration in private individuals.

1 Credit analysis of ING Groep N.V. is published in www.moodys.com.

2 'Mid corporate' references mid-sized companies and institutional clients.

In the Netherlands, ING Retail Banking products are distributed through ING Bank's own network (including the former Postbank network which has been re-branded) and through InterAdvies.

In May 2008, ING Group announced its intention to merge ING Bank with Postbank into one single brand. The new consolidated organisation, launched in February 2009, operates under a single brand: ING. Postbank had a strong position in the retail market while ING Bank focused in the commercial market, especially in SMEs.

In Belgium, ING has two banking networks: ING Belgium, a universal bank, and Record Bank, a retail bank which is a subsidiary of ING Belgium.

» ING Belgium, formerly Banque Bruxelles Lambert (BBL), is the fourth-largest commercial bank in Belgium, with total consolidated assets of €176 billion at year-end 2008. ING Belgium operates as a universal bank in Belgium, catering to individuals, SMEs and large enterprises. It offers a broad range of services including retail banking, insurance distribution, corporate & institutional banking, financial markets, asset management and private banking. The bank holds strong market shares in key product areas. For example, it claims a market share in excess of 15% in mortgage loans (including that of its 100% subsidiary, Record) and above 15% of retail deposits.

  ING Belgium operates a sales platform on the Internet in conjunction with 800 traditional branches.

» Record Bank is a fully-owned subsidiary of ING Belgium and operates in Belgium as the third-largest retail bank; it has 750 independent banking agents.

In Central Europe, ING Bank offers retail banking activities through its subsidiaries ING Poland, ING Romania and ING Turkey described below:

» ING Bank Slaski S.A. is a subsidiary of ING Bank NV, which owns a 75% stake. It offers a broad range of banking services for individual and institutional clients in both Polish zloty and foreign currencies, and actively participates in domestic and foreign financial markets. It offers corporate banking solutions, retail banking solutions and private banking solutions. It has five subsidiaries, including ING Securities SA, Slaski Bank Hipoteczny SA, ING BSK Development sp. z.o.o., Solver sp. z.o.o., Centrum Banku Slaskiego sp. z.o.o, in liquidation, and one associated company ING Powszechne Towarzystwo Emerytalne SA.

» ING Romania offers products and services to corporates, institutional clients and individuals. It holds a leading position in brokerage, custody and life insurance.

» In July 2008, ING Bank acquired Bank Oyak in Turkey which offers banking services focused on retail banking.

» In August 2008, ING Bank acquired a stake in Interhyp of approximately 97%, subsequently increased to over 99%. Interhyp distributes residential mortgage loans for more than 50 banking partners in Germany.

Other Central European franchises include ING Credit Européen in Luxembourg, ING Deutschland AG and DiBa (or Allgemeine Deutsche Direktbank AG) in Germany.

In Asia, ING Bank has presence through subsidiaries or participations in China, India, and Thailand:

- In China, ING Bank holds a 16.1% stake in Bank of Beijing, which is a commercial bank with three main business lines: personal banking, corporate banking and foreign exchange & settlements.
- ING Bank holds a 44% stake in ING Vysya Bank, an Indian bank which was formed through the merger of Vysya Bank Ltd, a retail bank in India, and ING India.
- In 2007, ING acquired a 30% stake in TMB, one of the leading banks in Thailand with approximately €14 billion in total assets, over 5 million customers and 472 branches. It offers a wide range of products and services with a large retail deposit base and a lending focus on the small-to-medium enterprise and corporate sectors.

ING Direct

In the retail space, ING's franchise is complemented with ING Direct, the bank's Direct Channel Bank, which allows ING Bank to penetrate markets with no physical presence.

ING Direct consists of a full-service direct banking business that offers savings accounts and mortgage loans through the Internet. Legally, ING Direct has four branches in Italy, Spain, France and the UK and four subsidiaries in Canada, USA, Australia and Germany. The US subsidiary is to be divested following the agreement with the European Commission on the restructuring plan.

The main products offered by ING Direct are savings, mortgages, payment accounts and investment products.

Wholesale Banking

ING Wholesale Banking is the corporate banking business unit focused on providing services to corporations, financial institutions and governments across a worldwide network. Wholesale banking comprises ING Real Estate, one of the world's largest real estate investment managers.

Wholesale banking is divided in five activities:

- **General Lending (GL) & Payment and Cash Management (PCM)** is used as an entry product across all regions to attract customers and to cross-sell other high-value products. Volumes increased in GL over the course of 2008 and 2009 as the turbulent market circumstances offered the possibility to pursue selective asset growth, at higher margins and fee levels. GL results were particularly strong in the Netherlands and in Central Europe.
- **Structured Finance** helps companies finance large capital projects and transfer risk through various structured products. Key segments of expertise are Natural Resources, Telecommunications, Media, Finance and Utilities. This business line also comprises leveraged finance activities.
- **Leasing & Factoring:** ING Lease provides services in the area of financial and operational leasing and commercial finance in Europe. It has three business lines: General Lease solutions, ING Car Lease and ING Commercial Finance.
- **Financial Markets** offers core financial products to ING's corporate and institutional customers. The Financial Markets division is active, among others, in corporate and government debt, credit

and equity derivatives, treasury products, interest rate derivatives, foreign exchange, structured products and securities financing.

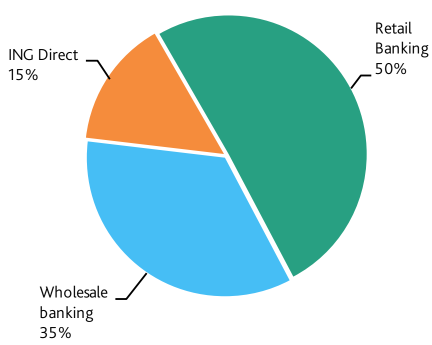
» **ING Real Estate** is a global real estate player which provides real estate asset management for institutional clients, real estate lending and development financing.

Wholesale Banking also includes a division named Other Products, which encompasses various other activities such as commercial finance and corporate finance.

EXHIBIT 3

Breakdown by Activity of ING Banking's Underlying Income Share[3]

ING banking's underlying income - in € million* H1 2009



TOTAL UNDERLYING INCOME	FY 2008	H1 2009
Retail NL	37.0%	27.7%
Retail BE	15.7%	16.6%
Retail Central Europe	7.5%	6.0%
Retail Asia	2.8%	2.1%
ING Direct	7.5%	15.3%
Wholesale Banking - General Lending	9.2%	9.3%
Wholesale Banking - Structured Finance	8.2%	8.0%
Wholesale Banking - Leasing and Factoring	3.5%	2.9%
Wholesale Banking - Financial Markets	9.1%	19.0%
Wholesale Banking - Other	1.5%	1.4%
Wholesale Banking - Real Estate	3.6%	-4.7%
Corporate Line	-5.6%	-3.5%
ING Banking	100.0%	100.0%

** Excluding negative contribution of ING Banking Corporate Line*
Source: ING Group, Moody's.

Distribution Capacity and Market Shares

This section presents the market shares of ING Bank and its subsidiaries alone and does not refer to the rest of the group.

ING Bank N.V is represented in more than 40 countries around the world through a large network of subsidiaries, offices and agencies. It has approximately 74,000 employees worldwide.

Retail banking

The retail banking activities are geographically dominated by the Netherlands and Belgium. In the Netherlands, the Group has an exceptionally strong franchise in the mass retail market with Postbank and ING Bank being combined under one single brand, and holds a market share of almost 25% in deposits and mortgage lending. ING also maintains "brick and mortar" retail banking presence in some emerging markets including Turkey, Poland, Romania, India, Thailand and China.

[3] The scope of ING Group's banking activities differs slightly from that of ING Bank, and the Group's banking underlying income includes results from the ING Bank NV Business Unit. ING manages its banking activities on an underlying result basis. Underlying result before taxation is defined as result before taxation excluding the impact of divestments and special items.

In the Netherlands, the new ING bank serves more than 8 million retail customers and 0.6 million business customers. ING has a strong position in the Netherlands in commercial as well as retail banking, with market shares of almost 25% in deposits and mortgage lending.

In Belgium, ING Belgium is the fourth largest commercial bank with total consolidated assets of 175 billion at year-end 2008. It had a 15.7% market share in mortgage loans (including fully-owned subsidiary Record) and 15.4% of retail deposits at end-June 2009. At the end of 2008, ING Belgium offered financial products and services through 786 traditional branches and 230 franchised independent agents. ING Belgium also operates through direct distribution channels, which include more than 800 SelfBank and HomeBank services, as well as through ING Contact Centre.

ING Belgium has put in place a model in which traditional branches are being transformed into outlets with self service cash functions and online banking access. Around 552 branches are to be transformed into so-called ING-Proxy branches. At year-end 2008, 138 ING-Proxy branches were already functioning. The bank will retain some 249 full service branches.

Private banking activities are operated within the Retail Banking division. Private banking services are offered in the Netherlands as well as Belgium, Luxembourg, Latin America and Central and Eastern Europe.

In Central Europe:

» Poland: ING Bank Slaski S.A. is the fourth largest bank in Poland, with significant market shares in deposits (7.7% retail and 5.9% corporate) and loans (4% mortgage and 6.4% corporate lending) in July 2009. Its network comprises 330 branches and 1,000 ATMs. It had around 8,400 employees servicing 2.5 million customers in October 2009.

» Romania: ING Romania is a leader in brokerage, custody and life insurance in Romania. ING Romania has around 1000 employees in 27 cities through 24 bank branches and 120 retail outlets; In addition, ING Bank Romania was the first financial institution in Romania to offer electronic products, including ING online, Self'Bank and Home'Bank to corporates and individuals. Self'Banks are being rolled out as a network of automated franchisees.

» Turkey: ING Turkey has 5,900 employees and a market share of approximately 3% in retail banking. It has 1.3 million retail customers and 13,500 SMEs. It has 365 branches and 813 ATMs throughout Turkey.

» Other: In August 2008, ING Bank increased its stake to 6.95% in Interhyp from 91.21% which distributes residential mortgage loans of more than 50 banking partners in Germany.

In Asia:

» **India:** ING Bank has a 44% in ING Vysya Bank, a retail franchise with "brick & mortar" as well as Internet banking, life insurance and traditional lending, including microfinance.

» **Thailand:** ING Bank has a 30% stake in Thailand's TMB Bank Public Co. Ltd., a universal Thai bank with approximately €14 billion in total assets, over 5 million customers and 427 branches.

» **China:** ING Bank holds a 16.1% stake in Bank of Beijing. Bank of Beijing is the second largest city commercial bank in China and the third largest bank in Beijing.

Wholesale Banking

ING Bank N.V offers its wholesale banking products and services to businesses and financial institutions with a primary focus on the Netherlands, Belgium, Poland and Romania, and through its other bank subsidiaries around 40 countries. Those operations are conducted closely with the other ING business units or within the framework of cross border platforms.

In Wholesale Banking, the group has become selective in terms of extending its geographic franchise outside of the Benelux, with a heightened focus on clients and products. ING's investment banking activities are relatively small, having been significantly downsized since 2001, and currently comprise limited operations in London and Asia. In Russia, ING wholesale banking products were distributed through Bank Eurasia ZAO which is an owned subsidiary of ING Group founded in 1994 which is focused on wholesale banking services. In Ukraine, ING Ukraine has 20 branches since it begun operations in 2008. It is the major player in the securities brokerage and custodian services market and it has a well-established niche franchise as a "foreign bank of reference", accounting for 1% of total loans in the Ukrainian banking system as at 31 December 2008.

ING Direct

ING Direct is one of the largest Internet-based banks in the world with 22.8 million clients worldwide as of 3Q 2009. It had total consolidated client balances of €341.1 billion for the same reporting period.

As of 2008, the company had 2,395 employees in countries where the Retail Banking division is not active: Australia, Canada, France, Germany, Austria, Italy, Spain, the United Kingdom and the United States. It had 9,401 full-time employees in total in Q3 2009. The main products offered are savings accounts, mortgages and increasingly mutual funds.

In its communication on 26 October 2009, ING Group announced its intention to sell ING Direct's US operations and the constraint imposed by the EC on ING not to act as a price leader. It is Moody's understanding that ING Direct has not been a price leader at least since early 2009 and that the restriction will then not have any significant impact in the short term. Moody's further notes that on 28 January 2010 ING announced its decision to appeal against the EC ruling on price leadership.

Ownership and Structure

ING Bank N.V. is 100% owned by ING Groep N.V. (ING Group).

ING Group is a listed company, ordinary shares are 99.9% held by a trust that issues bearer depositary receipts, which are listed on various exchanges.

Moody's cautions that on 26 October 2009, ING Group announced that, as part of its final restructuring plan filed with the EC, the group had announced its intention to divest its insurance operations within the next four years. Consequently, the group structure may be significantly altered in the short-to-medium term.

Company History

ING Group is the name of the holding company headquartered in Amsterdam, the Netherlands.

ING was founded in 1991 by a merger between Nationale-Nederlanden and NMB Postbank Group. ING ranks amongst the world's largest integrated financial services groups providing a wide range of banking, insurance and asset management services worldwide.

Recent operations include: in July 2008, the acquisition of CitiStreet LLC, a retirement and benefits administration company in the United States; in February 2009, the sale of its Taiwanese life insurance business to Fubon Financial Holding Co. Ltd; in February 2009 also, the sale of ING's 70% stake in ING Canada; in April 2009, the sale of its non-state pension fund business and its holding company in Russia to Aviva plc.

In October 2009, ING Bank sold its Swiss private banking activities to Julius Baer. These activities were previously consolidated in ING Belgium. ING Bank also sold its Asian Private Banking business to OCBC Bank for a cash consideration of approximately €1 billion in October 2009.

Key Issues

"Back to basics"

On 9 April 2009 ING announced a strategic plan nick-named "Back to Basics", with the following objectives:

» Cost cuttings, mainly through FTE reduction

» De-risking

» De-leveraging through balance sheet decrease

» Simplifying Corporate Governance

All business lines within the group have been or will be re-assessed through six "filters":

» Leadership position

» Coherence with the group

» Earnings contribution and volatility

» Capital intensity

» Returns on capital

» Funding needs

On ING Bank's side, the decision was taken to shift to one integrated balance sheet, including ING Direct and to focus on three pillars:

» **Retail banking** in the Netherlands, Belgium (ING Belgium), Germany (ING DiBa) and Central and Eastern Europe

- **ING Direct** in Western Europe, Australia and North America
- **Commercial banking** in the Benelux and CEE

ING Bank already announced the sale of its Swiss and Asian Private Banking activities, respectively, to Julius Baer and OCBC.

Restructuring plan approved by the European Commission

On 18 November 2009, ING and the European Commission reached an agreement on a restructuring plan, which includes the following items:

- Divestment of Insurance operations and Investment Management activities by 2013.
- Additional cost of Alt-A guarantee facility of €1.3 billion pre-tax.
- No acquisitions that could slow down repayment of core Tier 1 securities without prior consent of the EC.
- Divestment of ING Direct USA by 2013.
- Disposal of some Dutch assets after merger into a new company (primarily Westland Utrecht, the mortgage activities of Nationale-Nederlanden and the consumer lending portfolio of ING Retail).
- Pro forma balance sheet reduction of around €600 billion by 2013. Proceeds from divesting insurance operations used to eliminate double leverage and further repay Dutch State.
- Prohibition from competing on prices in EU countries ("must not be a price leader").
- Full repayment of State aid by 2013 from divestment proceeds and internal sources.

We note that, on 28 January 2010, ING appealed against the way the EC has calculated the amount of State aid ING received, especially the reduction of repayment fee paid to the Dutch State, which has been viewed as additional State aid of approximately €2 billion. ING is also appealing against the perceived disproportion of the price leadership restrictions.

Single balance sheet for ING Bank

As part of the "back to basics" announced in April 2009, ING Bank announced that it had decided to integrate ING Direct's balance sheet with that of the rest of the bank. This is a significant step in building the ING Bank of the future. As a matter of fact, until then, ING Bank's and ING Direct's operations were each managed separately. As a result, the bank had an internal imbalance stemming from:

- Dutch operations, with an excess of lending over deposits and as a consequence a need for market refinancing;
- Local ING Direct operations, with an excess of deposits and local re-investment needs (such as the Alt-A portfolio in the US).

By integrating the balance sheets, ING Bank is trying to better match its resources with its lending, reduce re-investment risk and reduce recourse to external funding. It is Moody's understanding that operationally there may be restrictions imposed by local regulators that could hamper the bank's capacity to fully integrate its balance sheet but that the bank is currently working with all regulators to find acceptable solutions. Given that this new approach results in a lower risk profile at consolidated levels but also at local levels, we are reasonably confident that agreements will be reached at least with European regulators.

Analysis of Rating Considerations

Discussion of Qualitative Rating Drivers

Franchise Value

Impact of the restructuring plan agreed with the European Commission is not material on ING Bank

MARKET SHARE AND SUSTAINABILITY

A systemic bank in the Netherlands and Belgium

ING Bank has a strong position in the Netherlands in commercial as well as retail banking, with market shares of almost 25% in deposits and mortgage lending. It used to operate with two main brands - ING Bank and Postbank – until February 2009. Since that date, both networks have been unified under the ING brand, combining the former Postbank's exceptionally strong franchise in the mass retail market with ING Bank's more mid-to-up-market and corporate franchises.

Overall, ING Bank has a well established franchise in the Netherlands and vies with Rabobank for the top position in most market segments. Outside of the Netherlands, ING Bank's main franchise is Belgium where the bank ranks fourth with market shares in excess of 10%. ING Bank also has significant presence – through ING Direct – in Australia, Canada, France, Germany, Italy, Spain, the UK and the USA, but the latter is to be disposed of, as agreed with the EC last year. In these markets, ING Direct does not rank among the top retail institutions but it is always among the leaders – if not the leader – in Internet banking.

In addition to the sale of ING Direct in the USA, the EC has imposed on ING not to act as a price leader. It is Moody's understanding that ING Direct has not been a price leader at least since early 2009 and that the restriction will then not have any significant impact in the short term. Furthermore, Moody's notes that on 28 January 2010 ING announced its decision to appeal against the EC ruling on price leadership.

GEOGRAPHICAL DIVERSIFICATION

Meaningful international presence, especially through ING Direct

ING Bank's franchise is characterised by significant local operations in a number of countries. In Belgium, ING has a strong, though not commanding, position through ING Belgium (previously Banque Bruxelles Lambert, currently rated Aa3/P-1/C+ stable outlook). The other foreign franchises include ING Credit Européen in Luxembourg, ING Deutschland AG and DiBa (or Allgemeine Deutsche Direktbank AG) in Germany, ING Vysya Bank in India, ING Bank Slaski (rated A2/P-1/D+ negative outlook) in Poland, ING Bank Turkey, TMB Bank in Thailand and Bank of Beijing in China. ING Bank also has a growing greenfield operation in Romania with ING Romania.

ING Bank's franchise is complemented with ING Direct, the bank's Internet banking platform for entry into locations where it lacks a branch network. ING Direct's operations have grown rapidly in the past but, while they add geographic diversification, their overall contribution remains modest compared to the bank's operations in the Benelux.

In Wholesale Banking, the group has become selective in terms of extending its geographic franchise outside of the Benelux, with a heightened focus on clients and products. ING's investment banking activities are relatively small, having been significantly downsized since 2001, and currently comprise limited operations in London and Asia.

ING Bank's revenues are predominantly derived from its activities in the Benelux. At end-June 2009, approximately 52.75% of the banking operations' underlying income was generated in the Netherlands and Belgium, excluding ING Direct.[4] When incorporating the Dutch operations of ING Real Estate, which is not broken down by region, this figure is most probably higher.

EARNINGS STABILITY AND EARNINGS DIVERSIFICATION

A retail focus, overall

The bulk of ING Bank's earnings stems from its retail operations (87.8% of the bank's reported underlying result before tax for the first half of 2009), either through its branch networks in the Netherlands, Belgium, its CEE and Asian retail networks, or through its Internet-based ING Direct operations. We view this predominance of retail activities as positive in terms of earnings stability over the medium-to-long term.

In the short term, we expect the profitability of ING Bank's retail banking activities to be less strong given the lacklustre macroeconomic environment and our expectation that cost of risk in all countries where it operates will remain high. Given also the weight of the bank's (and the group's) real-estate-related activities as well as some potential further valuation adjustments in the bank's securities portfolio (admittedly not necessarily affecting the P&L), we expect some earnings volatility in the coming quarters but obviously less than peers with significant financial markets activities.

Risk Positioning

CORPORATE GOVERNANCE

The new corporate governance structure is less complex

The corporate governance practices at ING Group level are in line with general practices and do not raise any concern in terms of independence of the members of the board and of the management.

Moody's notes ING's decision in April 2009 to operate ING Bank and ING Verzekeringen separately, under the group's umbrella. Instead of a joint board previously, each entity now has its own board. We view this decision positively as it reduces the group's complexity.

Given the upcoming overhaul of the group and disposal of the insurance activities, Moody's will monitor the evolution of the governance in the coming years.

CONTROLS AND RISK MANAGEMENT

[4] Combined contribution of the Dutch and Belgian retail activities, as reported in ING Group's quarterly reporting. Source: Moody's.

Strong risk management processes did not prevent the Alt-A debacle

ING Bank's risk management is very closely integrated with that of ING group. The bank's risks are viewed on an enterprise-wide basis with a clear articulation of the firm's overall risk appetite and with risk management as a keystone in the bank's decision-making process.

While internal controls are generally viewed as robust, the bank experienced a minor control lapse at its now divested subsidiary, Williams de Bröe, in 2006. Moreover, the growth of ING Direct in the USA led it to invest massively in RMBS. We note that ING Bank thus took a large amount of exposures to structured finance products, the bulk of it through ING Direct. For instance, the latter had €19.1 billion of Alt-A exposure in the US after write-downs but before the relief provided by the Illiquid Assets Back-up Facility from the Dutch. Impairments in the P&L remained low until Q3 2008.

Moody's notes that in the past the bank registered significant negative revaluations on AFS reserves in the securities portfolio, stemming largely from the Alt-A portfolio held by ING Direct US. Unrealised losses on AFS assets are not recorded in P&L unless they become "permanent" and trigger an impairment charge. Moody's further notes that the level of negative revaluation reserves has now been significantly reduced by the Illiquid Assets Back-up Facility and write-downs taken through the P&L. Moody's will continue to closely monitor the bank's risk management to ensure that the level of risk linked to its activities and to the structured finance exposures remains manageable. Given the level of recognised write-downs and potential further impairments, Moody's concluded that the bank's risk management is not fully in line with its stated risk appetite.

FINANCIAL REPORTING TRANSPARENCY

Good transparency

Moody's believes ING Bank's public information provides counterparties and other market participants with timely, detailed and relevant insight, in order to understand the bank's activities, as well as most of the risks inherent to its business and to its strategy.

This includes, inter alia, itemised quarterly reporting by business line and detailed considerations on risk management, the risk profile of the group and economic capital allocation.

Moody's notes that, in line with some of its Dutch peers, ING Bank publishes only un-floored regulatory Tier 1 ratios. We believe this is neither consistent with the Basel Committee's recommendations nor with European peers' practice. Moody's acknowledges, however, that ING Bank releases enough data for market participants to be able to re-state those figures.

CREDIT RISK CONCENTRATION

Concentrations are inherent to the large universal banking model

With regard to borrower concentration, as it is the case for all major banks, ING Bank has large exposures to banks, non-bank financial institutions, sovereigns and corporates, which represent large multiples of the pre-provision income and of the Tier 1 capital.

The largest industry exposure is to financial institutions, with the second-largest being real estate, mainly as a result of the bank's important real estate activities embedded in ING Real Estate.

LIQUIDITY MANAGEMENT

Strong liquidity management supported by retail focus

Moody's notes that the bank's liquidity is actively managed, which enabled it to maintain a relatively strong liquidity position even through the turmoil in late 2008.

ING Bank also benefits from its strong savings-gathering capacity, both through its networks and through ING Direct. In our view, although the crisis demonstrated that retail deposits could be less sticky than expected over very short periods, ING Bank demonstrated significant resilience over time, including at ING Direct's level.

MARKET RISK APPETITE

Reality demonstrated a higher-than-expected market risk appetite

Market risk appetite is moderate in the financial market activities. However, as noted above, we believe that the overly large valuation adjustments stemming from the securities portfolio, and especially from ING Bank's exposures to more volatile asset classes such as Alt-A products, have denoted higher-than-anticipated market risk appetite, especially for a retail-focused institution.

Moody's will closely monitor the evolution, setting and control of the bank's risk appetite going forward, but noted already that the new management seems to demonstrate a more conservative risk culture than the former one.

Regulatory Environment

In common with other banks incorporated in the Netherlands, ING Bank is first and foremost subject to the Dutch regulatory environment.

For a detailed discussion of the Dutch regulatory environment, please refer to Moody's latest 'Banking System Outlook: the Netherlands published in July 2009.

Operating Environment

This factor is common to all Dutch banks. For detailed discussion on the Dutch operating environment, please refer to Moody's latest 'Banking System Outlook: the Netherlands', published in July 2009.

However, given the substantial weight of non-Dutch operations, Moody's believes the score for the Netherlands does not give a fair representation of the operating environments of ING and we have therefore assessed the bank's overall operating environment using a weighted average of the scores for the Netherlands, Belgium and other countries where ING Bank operates. Moody's expectation of lacklustre operating environments in ING Bank's markets leads to a weakening perspective for the bank's overall operating environment.

Discussion of Quantitative Rating Drivers

Profitability

Remains under pressure

ING Bank's profitability has been deteriorating since its peak in 2007, as measured by the pre-provision income as a percentage of average risk-weighted assets (PPP % average RW A), which fell to 0.51% at year-end 2008 from 1.15% at year-end 2007 (and 1.53% at year-end 2006). In 2008, the decline in profitability was mainly driven by impairments on debt securities, especially on ING Direct's Alt-A RMBS portfolio, and negative revaluations on real estate, while net interest income started to improve, driven by an increase in the net interest margin (NIM).

EXHIBIT 4

Impact of financial crisis on ING Bank

	NEGATIVE IMPACT FROM THE FINANCIAL CRISIS (1)				IMPACT OF IAS 39 RECLASSIFICATION (2) (3)	
IN € MILLION	IMPAIRMENTS AND LOSSES ON NBI	PROVISIONS AND ALLOWANCES (COST OF RISK)	TOTAL	PRE-TAX PROFIT	ON P&L	ON SHAREHOLDERS EQUITY
FY 2007	394	-125	269	4,454	-	-
FY 2008	-2,316	-1,280	-3,596	533	unchanged	-28
1H 2009	-380	-1,625	-2,005	225	unchanged	-1,000

(1) Moody's calculations

(2) Additional pre-tax loss and impact on equity that would have occurred had the bank not reclassified the assets.

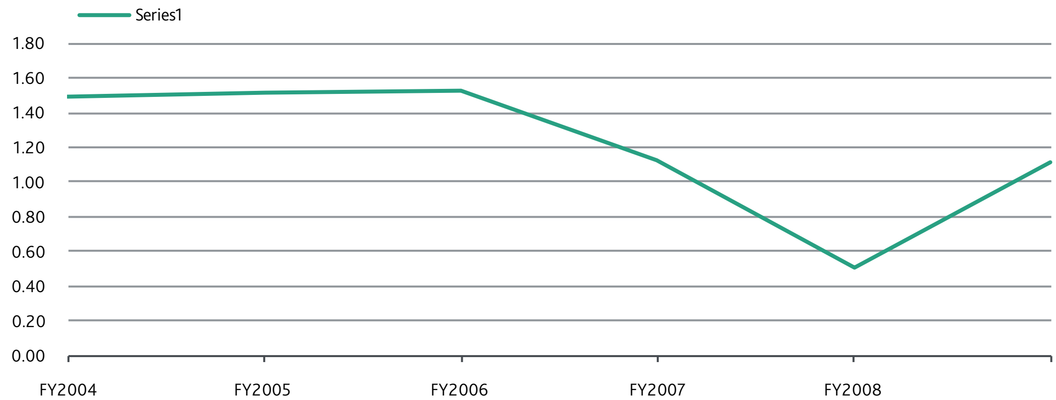
(3) Dates of IAS 39 reclassification: January 2009 and May 2009

Source: Moody's, based on public disclosure

In common with competitors and also in other markets, a positive side-effect of the financial crisis has been a halt to the gradual erosion of the NIM since the early 2000s. The positive trend for the NIM in 2008 (growing from 1.02% to 1.26% over the year) was confirmed in H1 2009 (the NIM reached 1.47%). Although there is no sign of a trend reversal yet, Moody's cautions that these improvements could be challenged if Dutch banks resume competing on margins. Overall, profitability metrics remain modest. This is, in part, due to the inherently low profitability of banking in the Netherlands.

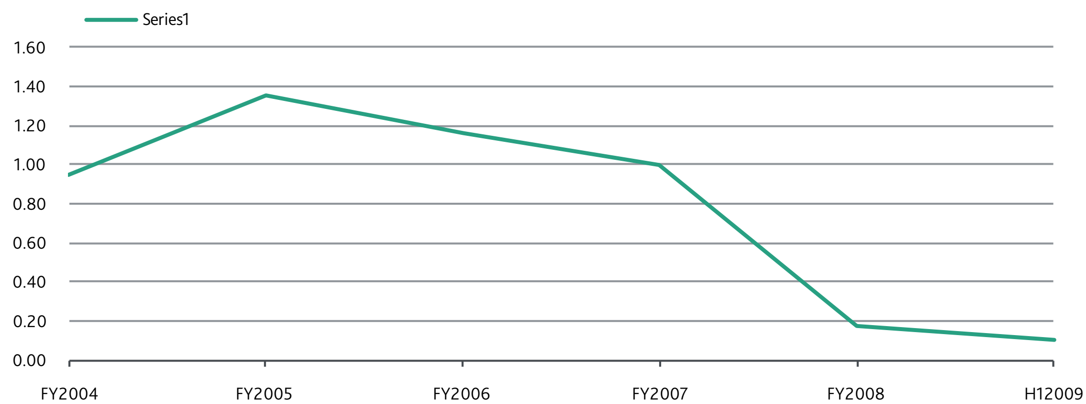
ING Bank has never booked the majority of its assets in the "financial assets at fair value through profit and loss" but opted instead for a large proportion of its assets to be recorded under IFRS in the AFS portfolio. As a consequence, the bank's P&L was only partially affected by the changes in fair value, contrary to some of its European peers in 2007 and 2008. However, since all banks reclassified significant portions of their securities portfolio under IAS39 in the second half of 2008, there are no longer any major differences between ING Bank and its peers on that item.

EXHIBIT 5
Risk-Weighted Recurring Earning Power (PPI % avg. RWA)



RWA under Basel II with transitional floor at YE 2008, average RWA under Basel I for previous years.
Source: Moody's.

EXHIBIT 6
Net Income % Average Risk-Weighted Assets



RWA under Basel II with transitional floor at YE 2008, average RWA under Basel I for previous years.
Source: Moody's.

Moody's notes that the bank has ambitious targets in terms of profitability for the coming years. Although Moody's own expectations are somewhat lower, we nevertheless anticipate an improvement over the current levels.

Liquidity

Supported by a solid retail base

ING Bank's liquidity is characterised by a strong funding base in the Benelux local franchises (the Netherlands, including the deposit-rich former Postbank network, and Belgium) and by ING Direct's deposit-taking model. The acute crisis that followed the Lehman bankruptcy in 2008 demonstrated two points, in our view:

» Retail-based deposits, especially when they are originated through the Internet, can prove less sticky than was previously anticipated by all banks in times of extreme uncertainty; it seems for instance that a few ING Direct operations witnessed significant net withdrawals over a very short period, especially at the time when government guarantee levels were extremely disparate across Europe.

» The ING Direct model proved resilient, nonetheless, thanks to geographic diversification (ING Direct did not suffer net outflows on a consolidated basis) and thanks to the strength of the brand, which enabled the bank to compensate for the withdrawals over a period of a few months.

We further note that ING Belgium and ING Bank Slaski have access to their own deposit bases. The bank's approach to liquidity risk is based on its own balance sheet resources, its own ability to deploy liquidity worldwide through its own global network, and to achieve a well-diversified funding mix in terms of currencies, markets, investor base, and instrument types. In addition, the group has more than €100 billion of assets eligible for European Central Bank (ECB) refinancing and this figure could be extended further in case of need. The group also has a significant amount of assets eligible to the Federal Reserve for refinancing in the US.

At end-June 2009, ING Bank had the following refinancing sources:

» Deposits (demand and savings) accounted for 56.3% of total funding and covered 83% of outstanding loans and mortgages (including securities re-classified in Loans & Receivables under IAS39).

» Interbank accounted for 12.4% of total funding

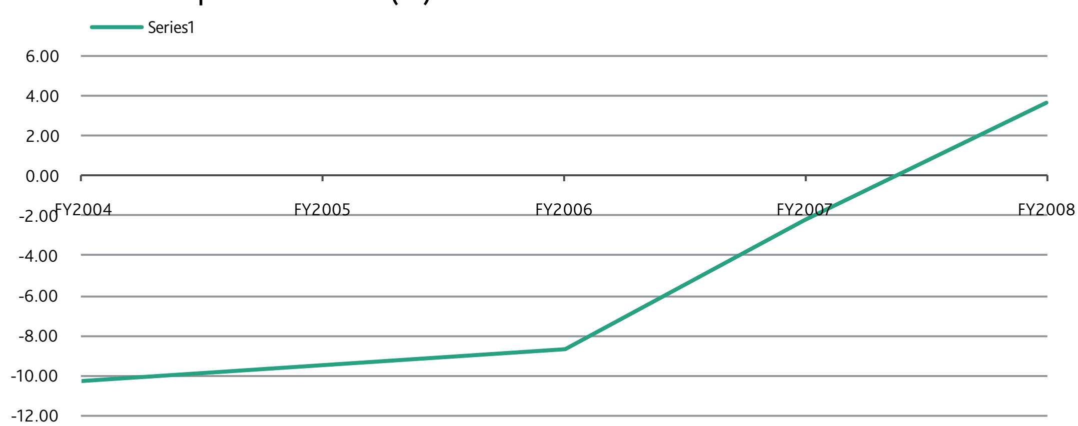
» Market funds accounted for 28.8% of total funding

» Subordinated debt accounted for 2.5% of total funding

(Moody's own calculations: total funding is defined as the sum of the four items listed above, excluding derivatives.)

EXHIBIT 7

Market funds - liquid assets ratio (%)



(Due to banks + Market funds + Subordinated debt - Cash & central bank - Due from banks - Securities) / Total Assets
Source: Moody's.

As of September 2009, ING Bank covered overall 90.2% of its lending base through its deposits, a figure which is better than most of its European peers. When incorporating assets eligible for Central Bank refinancing, the coverage ratio stands at an outstanding 114.3%. Moody's notes however that consolidated figures may hide some imbalances between the positions of retail activities in the Netherlands, which have an excess of lending, and ING Direct, which has an excess of deposits.

In Moody's view, creating a single balance sheet will be one of the bank's main challenges in the short-to-medium term (see section "key issues").

Capital Adequacy

Provides adequate buffer under stressed assumptions

Even more so than with other financial conglomerates, capital has been managed centrally at the ING Group level with an objective of maximising capital efficiency at group and subsidiaries levels, until now. We understand that capital management is being reviewed and the group will eliminate double leverage over time.

In October 2008, ING received a material capital injection (€10.0 billion for the group) from the Dutch State, €5 billion of which has been channelled to the bank. In addition, the Dutch Government agreed in January 2009 to grant ING an Illiquid Asset Back-Up Facility, covering 80% of the group's €27.7 billion Alt-A mortgage securities. Approximately 87% of this mortgage portfolio stemmed from ING Bank through ING Direct in the USA. This arrangement transferred 80% of economic risk of the securities to the Dutch State and thus provided significant capital relief to the bank.

Although the Alt-A facility has been validated by the EC, the terms of the agreement with the Dutch state have been amended and are now less favourable to the group. The additional cost of the guarantee was neutralised by the €7.5 billion rights issue achieved by the group in Q4 2009. The rights issue also enabled ING to reimburse half of the State aid (€5 billion).

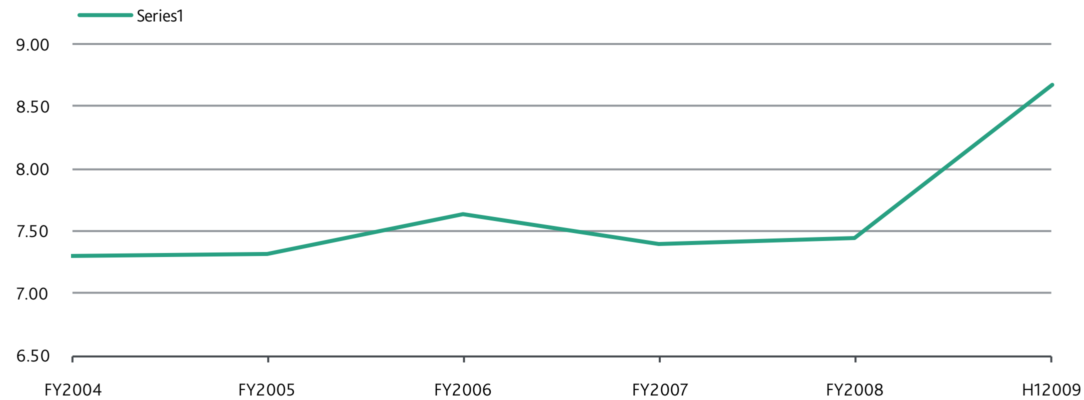
Moody's expects continuous elevated levels of loan losses – against the background of the lacklustre economic environment – to exert some pressure on the bank's earnings and capital.

Overall, in Moody's view, the bank's capital position is adequate, although not ample. Moody's performed stress tests on the bank's portfolio (please refer to "Moody's approach to estimating bank credit losses and their impact on Bank Financial Strength Ratings" published in May 2009) and on its securities portfolio. Moody's conclusion was that current capital levels give significant buffer even under the worst assumptions, but we will continue to monitor closely the capital position as the group structure evolves, and particularly in view of the likely merger of the bank into the group's holding company.

As of September 2009, and including the full capital relief provided by the assets back-up facility, ING Bank has announced a Tier 1 ratio of 9.70% on a Basel II basis without accounting for the transitional floor. According to Moody's estimates, on a basis consistent with other European financial institutions, the Tier 1 ratio would stand at about 8.90% at Q3 2009, once the floor for 2009 is taken into account.

EXHIBIT 8

BIS Tier 1 Ratio (%)



Basel II with 90% transitional floor at YE 2008, Basel I for previous years.
Source: Moody's.

Looking ahead, we believe that capital adequacy will serve as a considerable rating constraint for banks in general, in view of the potential forthcoming pressure stemming from higher credit costs and weaker revenue generation capacity. The emphasis on capital is due to the fact that this factor, coupled with future earnings generation capacity and Moody's anticipation of potential losses, is probably the most predictive of a bank's resilience in a deteriorating economic environment.

This decisive factor should also drive the banks' ability to preserve franchise value throughout the unfolding of the crisis as well as the need for further external support in the future. As such, we believe that capital, along with the quality of capital, will be more important than ever in appraising the relative intrinsic financial strength of the banks that we rate.

Please refer to Moody's Special Comment entitled 'Calibrating bank ratings in the context of the global financial crisis', published on 24 February 2009.

Efficiency

Improving but expected to continue to be one of the bank's weakest point

Efficiency has been traditionally low for ING Bank, north of 65%. However, until the beginning of the global financial crisis in mid-2007, efficiency had been improving, following the divestment of under-performing units, increased usage of shared service centres and the positive returns generated by ING Direct.

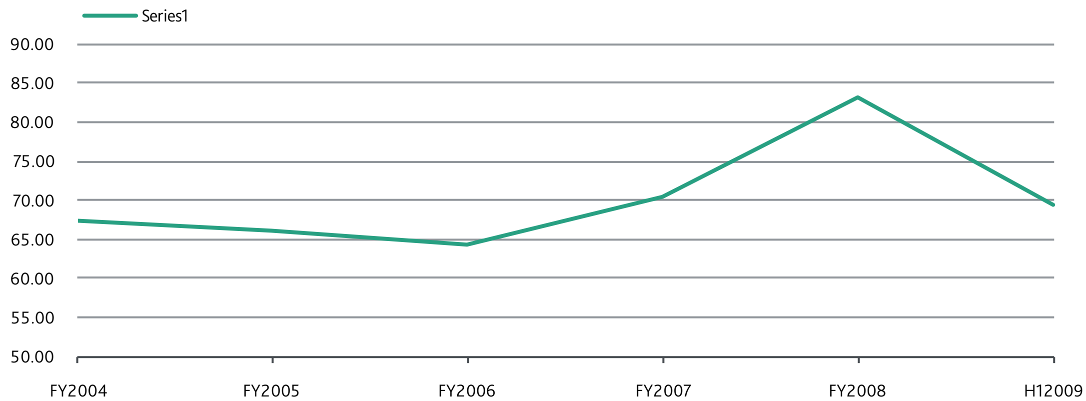
Efficiency has suffered since the beginning of the crisis. ING Bank's efficiency ratio deteriorated to 83%[5] in 2008, which we view as exceptional. In the first half of 2009, this ratio stood at about 70%[6], a level we consider more representative of ING Bank's true recurring performance. Moody's notes that net of real estate impairments and fair value changes, the cost/income ratio would be lower, at ca. 61.5%. We expect efficiency to remain weak in the short-to-medium term but probably slightly better than the level recorded in H1 2009.

[5] Moody's own estimates
[6] Moody's own estimates

We note that the bank has extremely ambitious targets of reaching 50%, which we view as challenging especially given the lacklustre macroeconomic environment.

EXHIBIT 9

Cost - Income Ratio (%)



Source: Moody's.

Asset Quality

Lacklustre macroeconomic environments will weigh on asset quality

ING Bank benefited from a benign credit environment over the past few years, until mid-2008. Like its peers, asset quality indicators started to deteriorate markedly in Q4 2008 as a consequence of the weakening macroeconomic environment in all of ING Bank's markets. Although the bank continues to actively monitor the credit quality of its loan portfolio, we anticipate credit quality to remain under some stress, as demonstrated by the results of the first half 2009.

EXHIBIT 10

Evolution of ING Bank's cost of risk (in % of unweighted loans)

	FY 2007	FY 2008	H1 2009
Cost of risk (annualised) (1)	0.02%	0.21%	0.58%

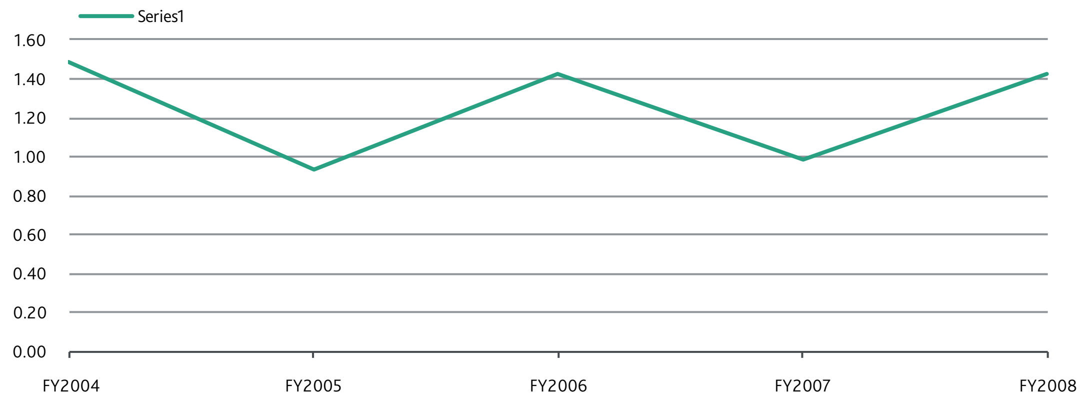
(1) As percentage of gross loans at end of period.

Source: Moody's Investors Service

In October 2009, Moody's published its report entitled "Moody's Approach to Estimating Dutch Banks' Credit Losses". The assessment by Moody's of the potential impact of the deterioration of the asset quality of the bank's loan portfolio on its overall intrinsic financial strength has been a key element in concluding the review on the bank's BFSR.

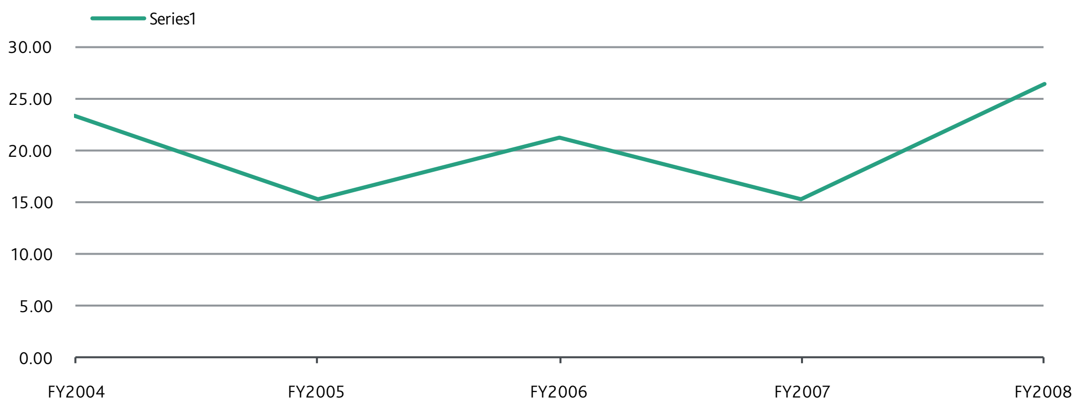
In addition, Moody's expects some further impairments in the bank's securities portfolio, although to a much lesser extent than in 2007 and 2008. The guarantee given by the Dutch Government on the Alt-A portfolio neutralises the bulk of the risk on securities and is incorporated in the current ratings.

EXHIBIT 11
Problem Loans % Gross Loans



Source: Moody's.

EXHIBIT 12
Problem Loans % (Shareholders' Equity + LLR)



Source: Moody's.

Discussion of Support Considerations

Very high probability of systemic support results in two-notch uplift for deposit rating

Moody's assigns a long-term Global Local Currency deposit rating of Aa3 to ING Bank. This rating is supported by ING Bank's Baseline Credit Assessment of A2 (which is mapped from the BFSR of C+, see Exhibit 13) and by Moody's assessment that there is a very high probability of systemic support being extended to ING Bank should a crisis occur. This results in a two-notch uplift for this rating from the bank's Baseline Credit Assessment.

The Netherlands are, in Moody's view, a low-support environment country but Moody's assessment of the probability of support for ING Bank results from its operations and its importance in the Netherlands as well as taking account of the potential for disruption to the Dutch financial market that could result from the failure and default of such an important institution.

The deposit/debt ratings are Aa3/Prime-1.

Discussion of Support Considerations

EXHIBIT 13:

Mapping the BFSR to the Baseline Credit Assessment (BCA)

The discussion of qualitative and quantitative rating drivers presented in this report forms the analytical basis for assigning a Bank Financial Strength Rating (BSFR) of "C+" to ING Bank N.V.

BFSRs are Moody's opinions on the intrinsic safety and soundness of a bank enterprise and, in effect, address the susceptibility of a particular institution to financial distress.

The BFSR array of ratings is not on Moody's traditional rating scale (Aaa, Aa, etc.). There is a useful method, however, for translating BFSRs to Moody's traditional scale – the baseline credit assessment. In effect, the baseline credit assessment measures a bank's stand-alone default risk assuming there is no systemic or other external support.

ING Bank N.V.'s "C+" BFSR maps to a baseline credit assessment of A2, yet, considering external support factors, its deposit ratings are Aa3.

BFSR/Baseline Credit Assessment Mapping for ING Bank N.V.

BFSR	BASELINE CREDIT ASSESSMENT (BCA)
A	Aaa
A-	Aa1
B+	Aa2
B	Aa3
B-	A1
C+	A2
C	A3
C-	Baa1
C-	Baa2
D+	Baa3
D+	Ba1
D	Ba2
D-	Ba3
E+	B1
E+	B2
E+	B3
E	Caa1
E	Caa2
E	Caa3

Company Annual Statistics

ING Bank N.V.

FINANCIAL RATIOS (€ MILLIONS)	YTD 30-JUN-2009	31-DEC-2008	31-DEC-2007	31-DEC-2006	31-DEC-2005	31-DEC-2004
Cash & central bank	17222	18169	9829	11769	10718	7834
Due from banks	51355	48532	48888	39872	47473	45102
Securities	229489	241278	332725	347249	318430	247128
Gross loans	564970	600854	528311	440412	406365	303081
Loan loss reserves (LLR)	-3721	-2611	-2001	-2642	-3313	-4456
Insurance assets	0	0	0	0	0	0
Fixed assets	8486	8570	8857	8645	6369	6553
Other assets	44171	119897	67504	49680	47993	14793
Total assets	911972	1034689	994113	894985	834035	620035
Total assets (USD million)[1]	1279171	1438267	1453445	1180174	983787	842782
Total assets (EUR million)	911972	1034689	994113	894985	834035	620035
Demand deposits	471368	175233	161819	148270	127960	86197
Savings deposits[2]	0	362450	366378	348505	338194	265898
Due to banks	104135	152265	166972	120839	122234	95878
Market funds	240684	178530	190258	188147	156590	121982
Insurance liabilities	0	0	0	0	0	0
Other liabilities	46053	120433	62705	48649	48463	16228
Total liabilities	862240	988911	948132	854410	793441	586183
Subordinated debt	20929	14572	12389	12347	18781	18450
Shareholders' equity	27653	29974	31908	27024	21331	14894
Total capital funds	49732	45778	45981	40575	40594	33852
Total liabilities & capital funds	911972	1034689	994113	894985	834035	620035
Derivatives - notional amount	--	--	--	--	--	--
Derivatives - replacement value	--	--	--	--	--	--
Contingent liabilities	--	122384	131627	116763	108860	92686
Risk weighted assets (RWA)[8][9]	374313	429612	402727	337926	319653	274138
Assets under management (EUR million)[3]	--	--	--	--	550000	500000
Number of employees	72137	75109	66182	65356	63699	63569
Summary Income Statement						
+Interest income	44737	97578	76765	59159	48152	25278
-Interest expense	38388	86292	67730	49826	39007	16707
=Net interest income	6349	11286	9035	9333	9145	8571
+Trading income	-186	-2274	1260	1297	880	671

ING Bank N.V.

FINANCIAL RATIOS (€ MILLIONS)	YTD 30-JUN-2009	31-DEC-2008	31-DEC-2007	31-DEC-2006	31-DEC-2005	31-DEC-2004
+Fee & commission income	1274	2895	2926	2681	2401	2581
+Insurance income (net)	0	0	0	0	0	0
Dividend income and other operating income	-123	772	995	761	885	809
=Operating income	7314	12679	14216	14072	13311	12632
-Personnel expenses	2794	5988	5421	5091	4745	4951
-Other operating expenses	2282	4115	4275	3595	3680	3403
= Operating funds flow	2238	2576	4520	5386	4886	4278
-Amortisation/depreciation	0	457	322	361	376	359
(Total operating expenses)	5076	10560	10018	9047	8801	8713
=Preprovision income (PPI)	2238	2119	4198	5025	4510	3919
-Loan loss provisions	1625	1280	125	103	88	465
Impairment of goodwill, fixed assets and investments[4]	-108	-258	5	-33	-99	-83
+Result of subsidiaries and associates	-280	-210	238	180	140	34
Non-recurring items	0	162	138	-45	413	-3
=Pretax income	225	533	4454	5024	4876	3402
-Taxes	19	-170	753	1211	876	898
=Net income	206	703	3701	3813	4000	2504
-Minority interests	-109	-69	112	60	50	22
=Net income (group share)	315	772	3589	3753	3950	2482
Growth Rates (%)						
Gross loans	-11.94	13.73	19.96	8.38	34.08	1.43
Total assets	-23.72	4.08	11.08	7.31	34.51	14.48
Customer deposits (demand and savings)	-24.67	1.8	6.33	6.57	32.39	14.39
Net interest income	12.51	24.91	-3.19	2.06	6.7	7.8
Fee and commission income	-11.99	-1.06	9.14	11.66	-6.97	4.75
Operating expenses	-3.86	5.41	10.73	2.8	1.01	5.33
Preprovision income	111.23	-49.52	-16.46	11.42	15.08	22.74
Net income	-18.39	-78.49	-4.37	-4.99	59.15	72.36
Income Statement in % Average Risk Weighted Assets						
Net interest income	3.16	2.71	2.44	2.84	3.08	3.26
Trading income	-0.09	-0.55	0.34	0.39	0.3	0.26
Fee and commission income	0.63	0.7	0.79	0.82	0.81	0.98
Insurance income	0	0	0	0	0	0
Operating income	3.64	3.05	3.84	4.28	4.48	4.81
Operating expenses	2.53	2.54	2.71	2.75	2.96	3.32
Preprovision income	1.11	0.51	1.13	1.53	1.52	1.49

ING Bank N.V.

FINANCIAL RATIOS (€ MILLIONS)	YTD 30-JUN-2009	31-DEC-2008	31-DEC-2007	31-DEC-2006	31-DEC-2005	31-DEC-2004
Loan loss provisions	0.81	0.31	0.03	0.03	0.03	0.18
Extraordinary profit	0	0.04	0.04	-0.01	0.14	0
Net income	0.1	0.17	1	1.16	1.35	0.95
Liquidity, Funding (including sub debt) & Balance Sheet Composition						
Avg. liquid assets % avg. total assets	31.13	34.47	44.72	44.85	46.54	45.34
Avg. gross loans % avg. total assets	59.89	55.66	50.17	48.97	48.79	51.82
Avg. customer deposits % avg. total funding	58.66	59.85	58.44	60.87	60.51	60.81
Avg. interbank funds % avg. total funding	14.91	17.93	15.44	15.37	16.13	18.24
Avg. market funds (excl. interbank) % avg. total funding	24.37	20.71	24.39	21.79	20.6	17.91
Avg. sub debt % avg. total funding	2.06	1.51	1.73	1.97	2.75	3.04
Avg. liquid assets % avg. customer deposits	60.06	65.62	82.27	80.54	82.7	79.82
Avg. gross loans % avg. customer deposits	115.54	105.94	92.28	87.94	86.7	91.21
Avg. market funds reliance[5]	-16.35	-30.51	-45.32	-52.39	-57.96	-56.88
Avg. RWA % avg. total assets	41.3	41.03	38.77	38.03	40.84	45.23
Breakdown of Operating Income in %						
Net interest income % operating income	86.81	89.01	63.56	66.32	68.7	67.85
Trading income % operating income	-2.54	-17.94	8.86	9.22	6.61	5.31
Fee & commission income % operating income	17.42	22.83	20.58	19.05	18.04	20.43
Insurance income % operating income	0	0	0	0	0	0
Other operating income % operating income	-1.68	6.09	7	5.41	6.65	6.4
Profitability						
Yield on avg. earning assets (%)	10.31	10.84	8.58	7.4	7.04	4.55
Cost of interest bearing liabilities (%)	8.93	9.69	7.62	6.3	5.77	3.08
Net interest margin (%)[6]	1.47	1.25	1.01	1.17	1.34	1.54
Recurring earning power (Pre-prov. inc. [PPI] % avg. assets)	0.46	0.21	0.44	0.58	0.62	0.67
Risk-weighted recurring earning power (PPI % avg. RWA)	1.11	0.51	1.13	1.53	1.52	1.49
Post-provision income % avg. assets	0.13	0.08	0.43	0.57	0.61	0.59
Post-provision income % avg. risk weighted assets	0.31	0.2	1.1	1.5	1.49	1.31
Return on average assets (%)	0.04	0.07	0.39	0.44	0.55	0.43
Return on avg. RWA (%)	0.1	0.17	1	1.16	1.35	0.95
Post-provision income % tier 1 capital	3.78	2.62	13.68	19.09	18.89	17.27
Return on equity (period end) (%)	2.28	2.58	11.25	13.89	18.52	16.66

ING Bank N.V.

FINANCIAL RATIOS (€ MILLIONS)	YTD 30-JUN-2009	31-DEC-2008	31-DEC-2007	31-DEC-2006	31-DEC-2005	31-DEC-2004
Net interest income coverage of loan loss provisions	3.91	8.82	72.28	90.61	103.92	18.43
Loan loss provisions % preprovision income	72.61	60.41	2.98	2.05	1.95	11.87
Pre-tax income % operating income	3.08	4.2	31.33	35.7	36.63	26.93
Internal capital growth (%)	--	-10.9	8.47	9.16	21.81	10.85
Dividend payout ratio (%)	--	550.52	36.22	47.96	17.75	32.96
Efficiency						
Cost/income ratio (op. expenses % op.income)[7]	69.4	83.29	70.47	64.29	66.12	68.98
Adjusted cost/income ratio (incl. non-operating items)	74.71	85.7	67.79	63.57	62.71	69.39
Operating expenses % average assets	1.04	1.04	1.05	1.05	1.21	1.5
Operating income / employee (EUR thousand)	--	--	214.8	--	208.97	198.71
Operating expenses / employee (EUR thousand)	--	--	151.37	--	138.17	137.06
PPI / employee (EUR thousand)	--	--	63.43	--	70.8	61.65
Asset Quality and Risk Measurement						
Problem loans % gross loans	--	1.43	0.99	1.43	0.93	1.49
LLR % problem loans	--	30.39	38.34	41.94	87.74	98.72
LLR % gross loans	0.66	0.43	0.38	0.6	0.82	1.47
Loan loss provisions % gross loans	0.58	0.21	0.02	0.02	0.02	0.15
Problem loans % (shareholders' equity + LLR)	--	26.37	15.39	21.23	15.32	23.33
Replacement value % shareholder's equity	--	--	--	--	--	--
Capital Adequacy (Period End)						
Tier 1 ratio (%)	8.67	7.45	7.39	7.63	7.32	7.3
Total capital ratio (%)	11.56	10.22	10.32	11.02	10.86	11.07
Shareholders' equity % total assets	3.03	2.9	3.21	3.02	2.56	2.4
Equity participations % shareholders' equity	5.64	6.05	6.3	4.53	5.57	6.31
Market funds ratio	7.42	3.61	-2.19	-8.66	-9.47	-10.28

Footnotes:

[1] Historical exchange rates are applied accordingly for USD and EUR figures.

[2] Full disclosure may not be available for all years. The amount is then included in demand deposits.

[3] As reported by the bank. Include Insurance.

[4] Includes goodwill amortisation (pre-IFRS).

[5] Avg. [(market funds-liquid assets) % (earning assets-liquid assets)].

[6] Although not part of net interest income calculation, the NIM includes dividend income.

[7] Cost/income ratio excludes goodwill amortisation, which is included together with net non-operating income in the adjusted cost/income ratio.

[8] 30-06-2009 RWA are based on an estimated 80% floor on Basel I RWA.

[9] 31-12-2008 RWA are based on a 90% floor on Basel I RWA.

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