2007 FOURTH QUARTER

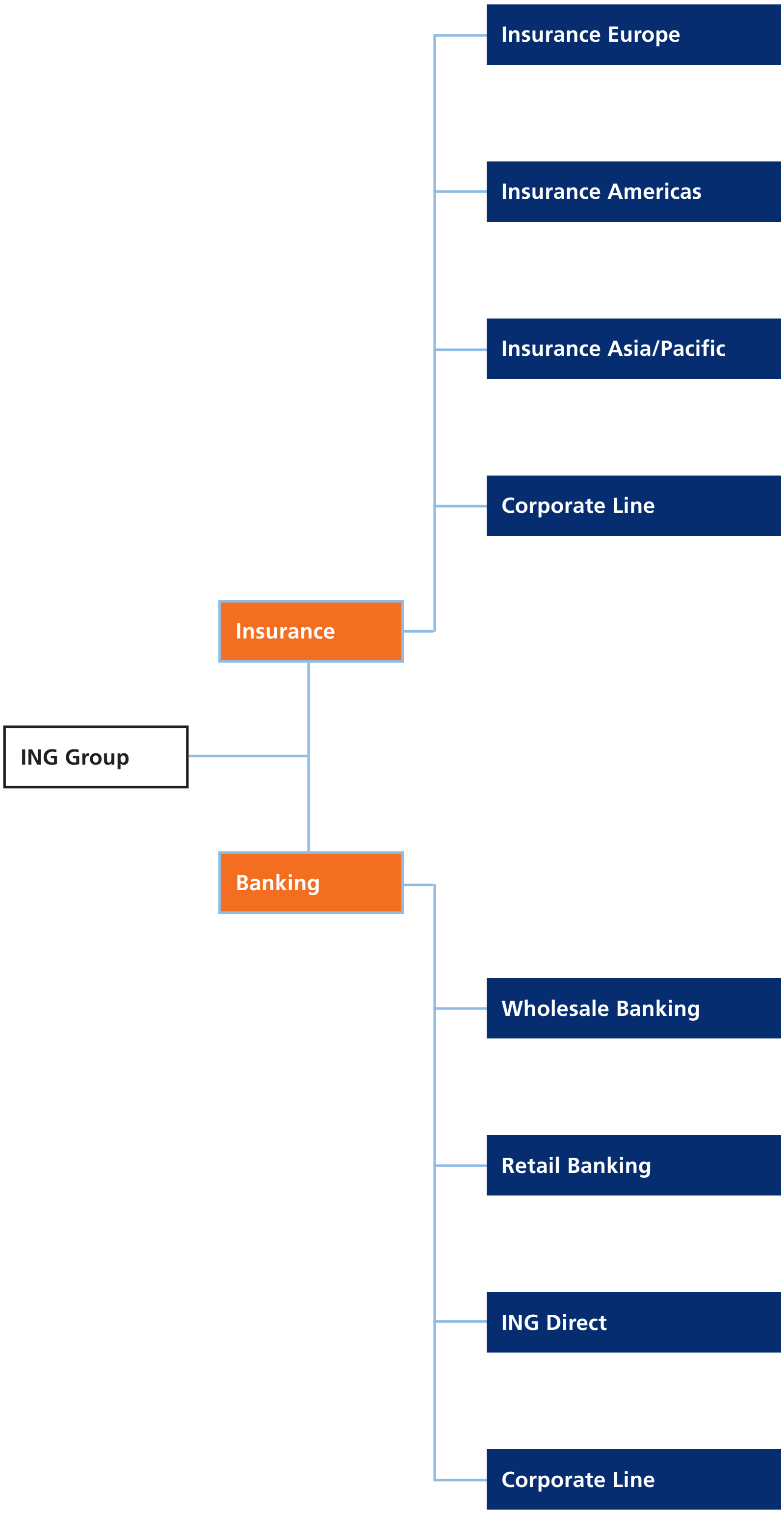
ING Group

Quarterly report
Fourth quarter

ING

REPORTING STRUCTURE

ING Group

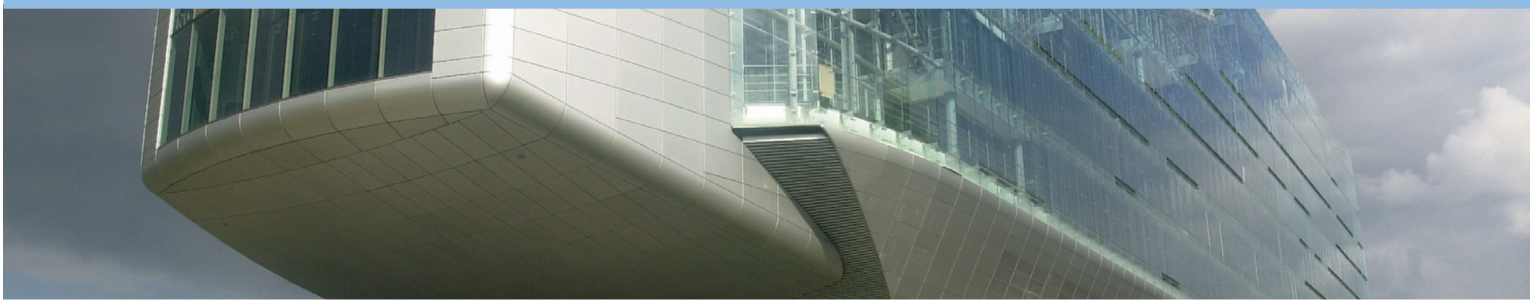


Content

Note

ING's management structure is organised around 6 Lines of Business (the 'business segments'). To better understand the performance of these segments this report also provides additional information such as per region or per type of product.

ING Group



Disclaimer

In preparing the financial information in this Quarterly Report, the same accounting principles are applied as in the 3Q2007 interim accounts, which are included in the ING Group Statistical Supplement available on www.ing.com. All figures in this Quarterly Report are unaudited. Small differences are possible in the tables due to rounding. The financial statements for 2007 are in progress and may be subject to adjustments from subsequent events. Certain of the statements contained in this release are statements of future expectations and other forwardlooking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

Chairman's Statement

'In 2007 we continued to deliver on our strategic priorities without distraction from the market turmoil,' said Michel Tilmant, Chairman of ING. 'We made significant investments to grow organically, we acquired new platforms for growth in developing markets, such as Oyak Bank in Turkey, and we expanded our pension franchise in Latin America. We also embarked on initiatives to improve efficiency, including the transformation of our Retail Banking businesses in the Benelux.'

'Our business profile and solid risk management have helped shield ING from the direct impact of the credit and liquidity crisis. Impairments, markdowns and trading losses through the P&L were limited to EUR 194 million before tax in the fourth quarter. There were no impairments on our Alt-A mortgage-backed securities, reflecting the high intrinsic credit quality of the portfolio. Market circumstances led to negative revaluations of EUR 751 million before tax on subprime and Alt-A RMBS and CDOs through shareholders' equity in the fourth quarter. ING's exposure to the riskiest assets is limited, and the RMBS investments we selected have a high level of structural credit protection to absorb significant losses as the US housing crisis deepens.'

'As the economic uncertainty and market volatility have increased, the operating environment has become more challenging. Lower equity markets and revaluations of real estate and private equity have increased volatility in underlying earnings.ING continued to deliver strong commercial growth, as the fundamentals of our business are solid. New sales of life business increased 26.8% in the fourth quarter, driven by Central Europe, Asia/Pacific, Latin America and record sales of variable annuities in the US. Volumes in banking continued to grow, with loans and advances to customers up EUR 24.5 billion in the fourth quarter.'

'ING's capital position is strong, particularly after the introduction of Basel II, and ING is entering 2008 in a position of strength. We have sharpened our strategic focus on banking, investments, life insurance and retirement services. We will continue to assess our business portfolio in the context of our ambition to provide retail customers with the products they need to grow savings, manage investments, and prepare for retirement. ING has ample room to fund organic expansion and add-on acquisitions, and we will continue to reinforce our franchise to drive commercial growth. Creating value for shareholders remains paramount, and ING has proven its committment to enhance shareholder returns through an attractive increase in dividends and the ongoing EUR 5.0 billion share buyback.'

Main Events 4Q

Oyak Bank
On June 19, 2007, ING announced that it had reached an agreement with Oyak to acquire Oyak Bank (Turkey). Under the terms of the agreement, ING acquired 100% of the shares in Oyak Bank for EUR 1.9 billion representing a price-to-book ratio of 2.75 based on shareholders equity as at year end 2007. This is lower than the 3.26 price-to-book multiple announced at the time of purchase as the price was set in US dollars. The transaction will be financed entirely from existing internal resources. The transaction was closed on December 24, 2007.

Latin American Pension business
On July 27 and November 14, 2007 ING signed agreements with Banco Santander to acquire its pension businesses in Mexico, Chile, Colombia, Uruguay and Argentina for a total consideration of EUR 1.1 billion. The Mexico transaction was completed at the end of the third quarter of 2007. In the fourth quarter of 2007, the transactions in Colombia, Uruguay and Agentina were closed. The Chile transaction closed on January 17, 2008.

ING–DiBa
On September 4, 2007, ING-DiBa bought a EUR 3.9 billion mortgage portfolio from Hypo Ral Estate Bank AG, boosting the volume of its own portfolio to more than EUR 30 billion. The acquisition was finalised in the fourth quarter.

Partnership Piraeus Bank
On October 1, 2007, ING announced that it reached final agreement with Piraeus Bank on a 10-year exclusive distribution partnership in Greece covering life, employee benefits, pension insurances and retail banking products.

IPO SulAmerica in Brasil
In October 2007, SulAmerica completed an initial public offering of 24% of the company, raising EUR 258 million to be used to reduce debt and for investment in the business. As a consequence, ING reduced its stake in SulAmerica from 49% to 36%. This resulted in a gain on the dilution in the fourth quarter of 2007 of EUR 93 million.

ShareBuilder Corp.
On November 6, 2007, ING Direct reached an agreement with ShareBuilder Corp. to acquire its online brokerage business for EUR 152 million. The transaction was finalised in December 2007.

TMB Bank PCL
On November 11, 2007, ING announced that it reached an agreement to acquire a 30% stake in TMB Bank PCL (Thailand) for EUR 432 million. The transaction will enable ING to extend its footprint in the fast-growing Asian market. The transaction was finalised on December 28, 2007.

NRG
On December 28, 2007, ING reached an agreement with Berkshire Hathaway Group to sell its reinsurance unit NRG N.V. for EUR 300 million. The sale is part of ING's strategy to focus on its core insurance, banking and asset management business. The sale resulted in a net capital loss for ING of EUR 129 million in the fourth quarter of 2007. The transaction is expected to close in the first half of 2008.

Buyback preference shares
On October 15, 2007, ING reached an agreement with ABN AMRO to purchase 29 million "A" preference shares of ING, for a total of EUR 106 million, in two tranches: 19 million shares on October 15, 2007 and 10 million shares on December 24, 2007.

Buyback
On May 16, 2007, ING announced a plan to buy back EUR 5 billion in shares starting in June 2007 and continuing for approximately 12 months. At the end of December 2007 91.8 million shares had been bought for approximately EUR 2.8 billion.

GROUP

Consolidated income statement

ING Group: Consolidated Income Statement								
in EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	12,215	11,097	10.1%	11,395	7.2%	46,456	46,136	0.7%
Interest result banking operations	2,298	2,333	-1.5%	2,257	1.8%	9,001	9,103	-1.1%
Commission income	1,177	1,109	6.1%	1,222	-3.7%	4,826	4,284	12.7%
Total investment & other income	4,414	3,276	34.7%	3,560	24.0%	15,445	12,983	19.0%
Total underlying income	**20,105**	**17,815**	**12.9%**	**18,435**	**9.1%**	**75,729**	**72,506**	**4.4%**
Underwriting expenditure	12,956	11,318	14.5%	11,983	8.1%	48,443	47,389	2.2%
Operating expenses	3,915	3,781	3.5%	3,685	6.2%	14,989	14,148	5.9%
Other interest expenses	232	135	71.9%	312	-25.6%	1,094	1,002	9.2%
Addition to loan loss provisions / impairments	32	102	-68.6%	69	-53.6%	126	108	16.7%
Total underlying expenditure	**17,134**	**15,336**	**11.7%**	**16,048**	**6.8%**	**64,652**	**62,647**	**3.2%**
Underlying profit before tax	**2,970**	**2,479**	**19.8%**	**2,388**	**24.4%**	**11,077**	**9,859**	**12.4%**
Taxation	301	281	7.1%	371	-18.9%	1,638	1,842	-11.1%
Underlying profit before minority interests	2,669	2,198	21.4%	2,017	32.3%	9,439	8,017	17.7%
Minority interests	53	85	-37.6%	72	-26.4%	267	336	-20.5%
Underlying net profit	**2,617**	**2,113**	**23.9%**	**1,946**	**34.5%**	**9,172**	**7,681**	**19.4%**
Net gains/losses on divestments	-37	-23		444		407	-85	
Net profit from divested units		11				32	96	
Special items after tax	-98			-83		-369		
Net profit (attributable to shareholders)	**2,482**	**2,101**	**18.1%**	**2,306**	**7.6%**	**9,241**	**7,692**	**20.1%**
Earnings per share (in EUR)	**1.18**	**0.98**	**20.4%**	**1.08**	**9.3%**	**4.32**	**3.57**	**21.0%**

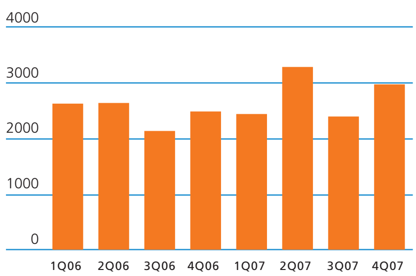
Earnings Analysis: Fourth quarter

ING Group continued to deliver resilient results in the fourth quarter despite the turmoil in credit markets, illustrating the strength of ING's risk management and the company's robust portfolio of businesses. The direct impact of the credit crisis remained limited.

The business climate became more challenging. Revaluations of real estate and private equity declined sharply in the second half of 2007 after several quarters of very high yields on both asset classes.

ING GROUP

Underlying profit before tax (EUR million)



Weaker equity markets impacted results in the US wealth management business, and market volatility continued to have a negative impact on hedging results in Japan. Currency fluctuations had a negative impact of EUR 45 million on net profit growth.

While these items had a negative impact on the reported profit, the fundamentals of ING's business proved to be strong. The US insurance business continued to show a strong net inflow of assets under management despite growing economic uncertainty. Quarter sales of variable annuities were a record high. Across the Americas and Central Europe, ING recorded double-digit growth in premium income and new life insurance sales. Client balances in Retail Banking and ING Direct continued to grow despite increased competition for customers' savings. Retail mortgage production remained strong. Deal flow in Wholesale Banking was strong with a gradual improvement in margins on new lending.

Risk costs continued to be well below over-the-cycle norms.

Underlying net profit increased 23.9% in the fourth quarter to EUR 2,617 million, supported by EUR 1,028 million in gains on the sale of stakes in ABN Amro and Numico, reported under the Corporate Line Insurance. These gains are tax-exempt. Consequently, the effective tax rate decreased to 10.1% in the fourth quarter. Underlying profit before tax increased 19.8%.

Net profit increased 18.1% to EUR 2,482 million, including a EUR 93 million gain on the sale of part of ING's stake in SulAmerica in Brazil, a EUR 129 million loss on the sale of NRG to Berkshire Hathaway, EUR 92 million in restructuring charges and EUR 6 million hedge expenses related to the purchase of Oyak Bank in Turkey. Earnings per share amounted to EUR 1.18 in fourth quarter. Net return on equity slightly improved from 23.5% in full year 2006 to 24.2% in full year 2007.

ING Group: Key Figures								
in EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Underlying[1] profit before tax								
Insurance Europe	358	632	-43.4%	362	-1.4%	1,840	2,249	-18.2%
Insurance Americas	453	539	-16.0%	480	-5.6%	2,059	1,992	3.4%
Insurance Asia/Pacific	113	140	-19.3%	151	-25.2%	576	621	-7.2%
Corporate Line Insurance	896	20		291		1,635	-55	
Underlying profit before tax from Insurance	**1,819**	**1,331**	**36.7%**	**1,285**	**41.6%**	**6,110**	**4,807**	**27.1%**
Wholesale Banking	591	546	8.2%	404	46.3%	2,399	2,525	-5.0%
Retail Banking	442	444	-0.5%	526	-16.0%	2,062	1,935	6.6%
ING Direct	73	172	-57.6%	120	-39.2%	530	694	-23.6%
Corporate Line Banking	45	-14		53		-24	-102	
Underlying profit before tax from Banking	**1,151**	**1,148**	**0.3%**	**1,103**	**4.4%**	**4,967**	**5,052**	**-1.7%**
Underlying profit before tax	**2,970**	**2,479**	**19.8%**	**2,388**	**24.4%**	**11,077**	**9,859**	**12.4%**
Taxation	301	281	7.1%	371	-18.9%	1,638	1,842	-11.1%
Profit before minority interests	2,669	2,198	21.4%	2,017	32.3%	9,439	8,017	17.7%
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Net profit per share (in EUR)	**1.18**	**0.98**	**20.4%**	**1.08**	**9.3%**	**4.32**	**3.57**	**21.0%**
KEY FIGURES								
Net return on equity[2]				23.8%		24.2%	23.5%	
Assets under management (end of period)				637,900		636,900	600,000	6.2%
Total staff (FTEs end of period)				123,026		124,634	119,801	4.0%

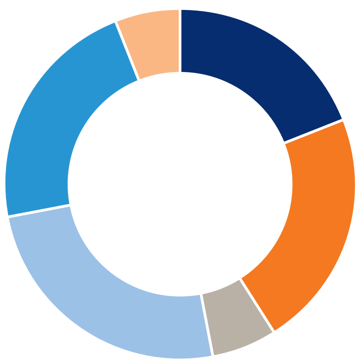
[1] Underlying profit before tax and underlying net profit are non-GAAP measures for profit excluding divestments and special items
[2] Year to date
Note: small differences are possible in the tables due to rounding

Insurance

Underlying profit before tax from insurance increased 36.7% to EUR 1,819 million, including EUR 1,028 million in gains on the sale of ING's stakes in ABN Amro and Numico. This was partially offset by a decline in revaluations from private equity and real estate investments, particularly in the Dutch life business, compared with historically high revaluation results on both asset classes last year.

Underlying profit before tax from Insurance Europe declined 43.4%, reflecting lower revaluations on real estate and private equity investments in the Netherlands. Profit from Central & Rest of Europe grew by 7.2%, despite increased investments to support the growth of new greenfield businesses. Insurance Americas' profit before tax declined 16.0%, reflecting a negative swing in equity-related DAC and reserve unlocking, small impairments on investments in subprime RMBS and SIVs and a negative currency impact. Underlying profit before tax in Insurance Asia/Pacific declined by 19.3%. Increased market volatility resulted in hedging losses in Japan. In addition ING Japan posted a EUR 24 million loss on a CDO-investment. Excluding Japan, profit from Asia/Pacific increased 16.7%.

Gross premium income increased by 10.1%, or 17.4% excluding currency impact, on the back of strong sales of wealth accumulation products in the US,



PROFIT BY BUSINESS LINE
% based on FY 2007

Central Europe and Asia/Pacific.
Operating expenses were flat. Investments for growth in Central Europe, Asia/Pacific and the Americas were offset by lower expenses in the Netherlands.
Sales momentum of wealth accumulation products remained strong, especially in Central & Rest of Europe, Asia/Pacific and the US. New sales (APE) were up 26.8% from the fourth quarter last year. The value of new life business (VNB) increased 244%, supported by higher sales across all lines of business. Excluding the influence of the change in discount rate in the fourth quarter of 2006, VNB increased by 159%.VNB increased 47.7% from the third quarter, boosted by sales in the new second-pillar pension fund in Romania. This fund contributed EUR 116 million in VNB, on top of the EUR 34 million in VNB recorded last quarter. Margins also improved as the internal rate of return increased 100 basis points to 14.3% for 2007.

Banking

Underlying profit before tax from Banking was almost flat (+0.3% to EUR 1,151 million). Commercial growth in mortgages, retail current accounts and corporate lending offset the impact of flat yield curves. Risk costs remained low, supported by a sizeable recovery at Wholesale Banking. The increase of operating expenses was geared with growth businesses.

Underlying profit before tax of Wholesale Banking increased 8.2% as the impact of turmoil in credit markets remained limited. Results were supported by the release of a large debtor provision. Excluding a capital gain in the fourth quarter of 2006, profit from Retail Banking was up 10.5% as commercial growth offset continued margin pressure. ING Direct posted a 57.6% decline in underlying profit before tax due to customer rate increases, the financial effect of outflows and higher expenses related to repositioning the business.

Total underlying income from banking rose 2.2% to EUR 3,692 million. Volume growth in lending was partly offset by intensified competition for savings and deposits. Compared with the third quarter the interest margin increased 3 basis points to 0.94%. However, the interest margin was 11 basis points below the level in fourth quarter of 2006, reflecting the impact of flattening yield curves in the course of 2007.

Underlying operating expenses were up 5.6% primarily due to investments to support the growth of the business, notably at ING Direct, ING Real Estate and the retail banking activities in developing markets. Recurring expenses in the mature businesses increased a modest 2.0% compared with the fourth quarter last year.

Net risk costs remained low despite the turmoil in the credit markets and strong growth in risk-weighted assets. Risk costs benefited from a EUR 115 million recovery at Wholesale Banking in the fourth quarter. On balance, ING added EUR 31 million to the provision for loan losses in the fourth quarter, only 3 basis points of average credit-risk-weighted assets. Gross additions to loan loss provisions amounted to 24 basis points. Risk costs are expected to return gradually to a normalised level of 25-30 basis points on Basel I credit-risk-weighted assets as potential releases diminish. The overall loan portfolio remained healthy with a limited inflow of new impaired files.

Underlying risk-adjusted return on capital (RAROC) after tax was 22.3% in 2007, compared with 20.5% in 2006. Returns improved as a result of lower tax charges and a reduction in economic capital following improvements in the RAROC methodology.

Consolidated balance sheet

ING Group: Consolidated Balance Sheet

	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06
Cash and balances with central banks	12,406	14,326	3,115	3,017	9,829	11,769	-538	-460
Amounts due from banks	48,875	39,868			48,875	39,868		
Financial assets at fair value through P&L	327,131	317,470	120,872	114,668	208,145	203,639	-1,887	-837
Investments	292,650	311,581	132,266	140,490	160,384	171,091		
Loans and advances to customers	552,964	474,437	27,529	37,559	526,323	437,774	-887	-896
Reinsurance contracts	5,874	6,529	5,874	6,529				
Investment in associates	5,014	4,343	3,190	3,151	2,010	1,223	-186	-31
Investment property	4,829	6,974	1,302	3,310	3,527	3,665		-1
Property and equipment	6,237	6,031	907	1,051	5,330	4,980		
Intangible assets	5,740	3,522	3,942	3,232	1,883	385	-85	-95
Deferred acquisition costs	10,692	10,163	10,692	10,163				
Other assets	40,099	31,063	12,395	10,601	27,807	20,591	-104	-129
Total assets	**1,312,510**	**1,226,307**	**322,083**	**333,771**	**994,113**	**894,985**	**-3,686**	**-2,449**
Shareholders' equity (in parent)	37,208	38,266	17,911	21,917	25,511	21,298	-6,214	-4,949
Minority interests	2,323	2,949	891	1,770	1,684	1,204	-251	-25
Total equity	**39,531**	**41,215**	**18,801**	**23,687**	**27,195**	**22,502**	**-6,465**	**-4,974**
Preference shares	21	215					21	215
Subordinated loans	7,325	6,014	4,493	4,043	18,786	18,073	-15,954	-16,102
Debt securities in issue	66,995	78,133	4,636	5,439	55,990	67,464	6,370	5,230
Other borrowed funds	27,058	29,639	11,355	16,015			15,703	13,624
Insurance and investment contracts	265,712	268,683	265,712	268,683				
Amounts due to banks	166,972	120,839			166,972	120,839		
Customer deposits and other funds on deposits	525,216	496,680			528,197	496,775	-2,981	-95
Financial liabilities at fair value through P&L	169,821	146,611	1,805	930	168,338	145,923	-322	-242
Other liabilities	43,859	38,278	15,281	14,974	28,635	23,409	-57	-105
Total liabilities	**1,272,979**	**1,185,092**	**303,282**	**310,084**	**966,918**	**872,483**	**2,779**	**2,525**
Total equity and liabilities	**1,312,510**	**1,226,307**	**322,083**	**333,771**	**994,113**	**894,985**	**-3,686**	**-2,449**

Balance sheet

The balance sheet of ING Group increased by EUR 86 billion or 7% compared with December 2006 to EUR 1,313 billion.

Asset growth

'Loans and advances to customers' increased by EUR 79 billion or 17%. The main contributors to this strong growth are Retail Netherlands (EUR 31 billion), ING Direct (EUR 25 billion) and ING Belgium (EUR 8 billion). The impact of the inclusion of Oyak Bank was EUR 5 billion. Dutch corporate loans increased by EUR 14 billion. Residential Bank mortgages in Retail Netherlands increased by EUR 17 billion, of which EUR 5 billion came from commercial growth and EUR 12 billion came from the transfer of Nationale-Nederlanden mortgages to ING Bank to optimise assets and liability management. This transfer caused a similar decrease in ING Verzekeringen and was neutral for ING Group.

'Financial assets at fair value through P&L' grew by EUR 10 billion, or 3%. Insurance operations accounted for nearly EUR 6 billion of this increase, primarily driven by a EUR 4 billion rise of investments for risk of policyholders. Banking operations accounted for almost EUR 5 billion of the increase, driven by higher trading derivatives (EUR 6 billion).

'Investments' decreased EUR 19 billion or 6%. Insurance operations accounted for EUR 8 billion of this decrease due to the sale of the brokerage business of ING Belgium (EUR 4 billion) and currency differences. At the Bank, the EUR 11 billion decrease is due to the sale of part of the bond portfolios of ING Direct (EUR 6 billion) and ING Belgium (EUR 5 billion).

Liability growth

On the liability side, the main driver for balance sheet growth is interbank funding ('Amounts due to banks'), which increased by EUR 46 billion. This illustrates that other banks view ING Bank as a safe destination for short term funds. 'Customer deposits and other funds on deposits' of the banking operations are the second driver of growth with an increase of EUR 31 billion or 6% compared with December 2006. The decrease of savings (EUR 8 billion, mainly ING Direct), was more than offset by the growth of current accounts (EUR 19 billion) and call money (EUR 20 billion). The growth of 'Financial liabilities at fair value through P&L' by EUR 23 billion mainly stems from short term deposits held as collateral for securities lending (EUR 17 billion) and trading derivatives (EUR 8 billion) at the banking operations.

Group shareholders' equity

ING Group: Change in Shareholders' Equity	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	4Q2007	FY 2007	4Q2007	FY 2007	4Q2007	FY 2007	4Q2007	FY 2007
Shareholder equity beginning of period	**38,859**	**38,266**	**21,255**	**21,917**	**23,024**	**21,298**	**-5,420**	**-4,949**
Net profit for the period	2,482	9,241	1,602	5,650	865	3,589	15	2
Unrealised revaluations of equity securities	-999	2,997	-945	1,117	-54	1,935		-55
Unrealised revaluations of debt securities	-903	-4,725	-366	-3,135	-537	-1,590		
Deferred interest crediting to life policyholders	19	1,132	19	1,132				
Realised gains equity securities released to P&L	-1,293	-3,044	-1,223	-2,771	-70	-273		
Realised gains debt securities released to P&L	69	-10	31	56	38	-66		
Change in cashflow hedge reserve	-126	-925	-196	-692	76	-227	-6	-6
Other revaluations	130	49	117	17	11	30	2	2
Change due to treasury shares	-891	-2,304					-891	-2,304
Exchange rate differences	-173	-881	-166	-829	-16	-61	9	9
Issue of shares/capital injection	3	395			2,200	2,200	-2,197	-1,805
Cash dividend		-2,999	-2,300	-4,600		-1,300	2,300	2,901
Employee stock option and share plans	55	104	12	49	44	61	-1	-6
Other	-24	-88	71		-70	-85	-25	-3
Total changes	**-1,651**	**-1,058**	**-3,344**	**-4,006**	**2,487**	**4,213**	**-794**	**-1,265**
Shareholders' equity end of period	**37,208**	**37,208**	**17,911**	**17,911**	**25,511**	**25,511**	**-6,214**	**-6,214**

Shareholders' equity

Shareholders' equity decreased by EUR 1.7 billion or 4% in the fourth quarter of 2007. The decrease is explained by lower unrealised revaluations of equity and debt securities, an increase in treasury shares following the buyback programme and adverse exchange rate changes. The EUR 2.5 billion net profit in the fourth quarter only partly offset these factors. The realisation of capital gains on shares, including ABN Amro and Numico, had no impact on shareholders equity as they were already included in the revaluation reserve for equity securities. Over the fourth quarter of 2007, the unrealised revaluations of equity securities decreased by EUR 1 billion due to declining stock markets. At the end of 2007, the unrealised revaluations of equity securities amounted to EUR 5.8 billion. This is EUR 0.6 billion up from EUR 5.2 billion end of 2006, driven by EUR 1.7 billion positive revaluation of ING's share in Bank of Beijing.

During the fourth quarter, the revaluation reserve debt securities declined by EUR 0.9 billion as credit and liquidity spreads widened further. At the end of 2007, the unrealised revaluations of debt securities was EUR -1.9 billion. The unrealised revaluations of debt securities has no impact on regulatory solvency or on the leverage ratios of the Group and ING Insurance.

Number of shares

The total number of shares outstanding in the market, which is relevant for the EPS, declined from 2,152 million at the end of 2006 to 2,098 million at the end of the fourth quarter. The total number of shares outstanding in the market is defined as the total number of shares outstanding minus the treasury shares. ING holds treasury shares as a result of the buyback programme and the hedging programme for employee share options. The number of treasury shares more than doubled in 2007 from 52.7 million at 2006 year-end to 128.4 million at the end of 2007 as a consequence of the share buyback programme.

The average number of outstanding shares used for the calculation of fulll year 2007 EPS, is 2,141 million; fourth quarter EPS is based on 2,104 million average shares over the quarter.

The total number of shares outstanding (including treasury shares) increased from 2,205 million to 2,226 million. This increase is mainly driven by the exercise of warrants B, which lifted the number of shares outstanding by approximately 16 million in 2007. At the end of December 2007, 9 million warrants B, which are entitled to acquire 18 million ING shares, were still outstanding. The warrants expired on January 8, 2008 and all outstanding Warrants B were exchanged.

Shareholders' equity per share decreased from EUR 17.78 at the end of December 2006 to EUR 17.73 at the end of December 2007.

Number of outstanding shares in the market	
in million	
Balance 1 January 2007	**2,152**
Exercised warrants B	16
Issued for share awards	5
Delta hedge portfolio	17
Share buyback programme	-92
Balance 31 December 2007	**2,098**
Average (for EPS calculation)	**2,141**

Key figures

ING Group: Key Figures on a total basis					
	Annual Figures				
(Profit and loss figures in EUR million)	FY2007	FY2006	FY2005	FY2004	FY2003 [1]
Income					
Insurance operations	62,208	59,642	57,403	55,602	53,223
Banking operations	14,602	14,195	13,848	12,678	11,680
Total income[2]	**76,587**	**73,621**	**71,120**	**68,159**	**64,736**
Operating expenses					
Insurance operations	5,515	5,275	5,195	4,746	4,897
Banking operations	9,967	9,087	8,844	8,795	8,184
Total operating expenses	**15,481**	**14,362**	**14,039**	**13,541**	**13,081**
Impairments/addition to loan loss provision	126	114	99	475	1,288
Insurance profit before tax	6,533	4,935	3,978	4,322	3,506
Banking profit before tax	4,510	5,005	4,916	3,418	2,371
Total profit before tax	**11,043**	**9,940**	**8,894**	**7,740**	**5,877**
Taxation	1,534	1,907	1,379	1,709	1,490
Minority interests	267	341	305	276	344
Net profit	**9,241**	**7,692**	**7,210**	**5,755**	**4,043**
Figures per Ordinary share (in EUR)					
Net profit	4.32	3.57	3.32	2.71	2.00
Distributable net profit	4.32	3.57	3.32	2.71	2.00
Dividend	1.48	1.32	1.18	1.07	0.97
Shareholders' equity (in parent)	17.73	17.78	16.96	12.95	10.08
Balance Sheet (in EUR billion)					
Total assets	1,313	1,226	1,159	964	779
Shareholders' equity (in parent)	37	38	37	28	21
Capital Ratios					
ING Group debt/equity ratio	9.5%	9.0%	9.4%	12.6%	
Insurance capital coverage ratio	244%	274%	255%	204%	180%
Insurance debt/equity ratio	13.6%	14.2%	13.4%	14.4%	
Bank Tier-1 ratio	7.39%	7.63%	7.32%	6.92%	7.59%
Market capitalisation (in EUR billion)	60	74	65	49	39
Shares (in millions):					
Outstanding	2,226	2,205	2,205	2,205	2,115
Outstanding in the market	2,098	2,152	2,166	2,175	2,088
Preference shares outstanding	16	63	87	87	87
Warrants B in issue until 5 January 2008	9	17	17	17	17
Key Performance Indicators					
- Net return on equity (ROE)	24.2%	23.5%	26.6%	25.4%	21.5%
- Net profit growth	20%	7%	25%	n.a.	-10%
Insurance					
- Value of new life business	1,113	807	805	632	440
- Internal rate of return	14.3%	13.3%	13.2%	12.1%	10.9%
- Combined ratio (non-life)	97%	91%	95%	94%	98%
Banking					
- Cost/income ratio	68.3%	64.0%	63.9%	69.4%	70.1%
- RAROC after tax	19.9%	19.7%	22.6%	14.5%	
Assets under management (in EUR billion)	637	600	547	492	463
Staff (FTEs end of period)	124,634	119,801	116,614	112,195	114,335

1. Figures according to Dutch GAAP

2. Including inter-company eliminations

Risk Management

Key Performance Indicators

- **Limited direct impact credit and liquidity crisis: EUR 194 million pre-tax losses through P&L in 4Q, no loss on US Alt-A RMBS**
- **EUR 0.8 billion negative pre-tax revaluations of subprime RMBS, Alt-A RMBS and CDO/CLO through shareholders' equity in 4Q**
- **ING invests in high-quality assets and does not manufacture US mortgage based structured products**

ING's approach to risk

ING has integrated risk management into ING's daily business activities and strategic planning. ING has systematically invested in its risk management capabilities over recent years. ING ended 2007 with approximately 4,500 employees dedicated to risk management. ING's risk approach is reflected in the diversified business mix and the composition of the balance sheet.

ING's investment policy

ING applies conservative standards in mortgage underwriting and has not originated US subprime mortgages. Moreover, ING is not in the business of manufacturing subprime residential mortgage-backed securities (RMBS) or collateralised debt obligations (CDOs) nor has it purchased a material amount of US subprime backed CDOs. ING's exposure to the US housing market is predominantly via highly rated RMBS.

Overall, ING considers its subprime, Alt-A and CDO/CLO exposure to be of high quality. The US subprime and Alt-A RMBS on ING's balance sheet were selected by ING's portfolio and risk managers after a thorough internal credit analysis. ING has invested in highly rated subprime and Alt-A RMBS that contain a substantial amount of structural credit protection.

Credit and market risk

At the end of the fourth quarter, ING's total exposure to US subprime RMBS amounted to EUR 2.8 billion. The exposure to Alt-A RMBS was EUR 27.5 billion and the net exposure to CDOs and CLOs amounted to EUR 1.9 billion.

The direct P&L impact on ING of the ongoing deterioration of the US housing market remains limited. The pre-tax P&L impact was EUR 194 million in the fourth quarter. The direct impact refers to exposures to subprime and Alt-A RMBS, CDOs, leveraged finance, Structured Investment Vehicles (SIVs), asset-backed commercial paper and monoline insurers.

Under IFRS, loans and debt securities are considered impaired if, due to a credit event, it is probable that the principal and/or interest may not be fully recovered. Temporary declines in fair value due to market fluctuations in e.g. interest rates, credit spreads or liquidity do not result in an impairment.
For impaired loans and held-to-maturity investments, the difference between book value and recoverable amount is charged to the P&L as risk costs. For impaired debt securities within available-for-sale, the difference between fair value and amortised cost is charged to the P&L as an impairment as part of investment income.
Trading assets and derivatives are recorded at fair value, with changes in fair value (including markdowns) reflected directly in the P&L.

Pre-tax P&L impact directly related to credit and liquidity crisis in 4Q2007

EUR million	Impairment	Markdown	Trading loss	Total loss
Subprime RMBS	32	0	15	**47**
Alt-A RMBS	0	0	0	**0**
CDOs/CLOs	10	24	2	**36**
Monolines	0	66	0	**66**
Investments in SIVs, ABCP	45	0	0	**45**
Total	**87**	**90**	**17**	**194**

For US subprime RMBS, the impairments and trading losses combined were EUR 47 million in the fourth quarter. Insurance Americas took a EUR 19 million impairment on its subprime RMBS portfolio. Wholesale Banking recorded a pre-tax loss of EUR 28 million on its subprime exposure, comprising EUR 13 million impairment and EUR 15 million negative fair value changes in the proprietary trading book. ING's US subprime RMBS portfolio was fair valued at 90.1% of the amortised cost value, against 96% at the end of September 2007. Rating agencies have downgraded EUR 31 million of ING's US subprime RMBS in the fourth quarter of 2007.

There were no impairments or trading losses on the US Alt-A RMBS portfolio. At the end of 2007, the Alt-A RMBS portfolio was fair valued at 96.7% of the amortised cost value, against 98.3% in September 2007. Rating agencies downgraded EUR 10 million of ING's Alt-A RMBS portfolio in the fourth quarter of 2007, 99% of ING's Alt-A RMBS book is now rated AAA.

ING Group recorded a EUR 36 million loss on its CDO/CLO exposure in the fourth quarter. Insurance Asia/Pacific took a EUR 24 million markdown in Japan, Wholesale Banking impaired EUR 10 million and recorded a EUR 2 million trading loss on its CDO exposure. Out of the net CDO/ CLO exposure of EUR 1.9 billion, there is only EUR 15 million of US subprime backed CDOs on ING's balance sheet.

ING has a limited exposure to monoline insurers. ING's direct exposure to monoline insurers is neglible. However, ING has some indirect exposure to monoliners as it has insured EUR 3.5 billion of assets (0.3% of total assets) with the monoline insurers, either through financial guarantees (or wraps) or through credit derivatives. Underlying wrapped transactions are monitored through the regular credit review process and continue to perform. The rating of monoline insurers impacted ING's P&L via the fair value of the derivatives in the fourth quarter. ING took a markdown of EUR 66 million in Wholesale Banking in the fourth quarter on derivatives bought from a monoline insurer, which was downgraded by multiple notches.

On a pre-tax basis, ING impaired EUR 29 million on investments by ING Direct in third party asset backed commercial paper and EUR 16 million on investments by ING Canada in a third party SIV.

Changes in revaluation reserves, which on an after-tax basis run through shareholders equity in the balance sheet, were limited. The pre-tax revaluation reserves for subprime RMBS, Alt-A RMBS and CDO/CLO combined was EUR -1.4 billion at year-end 2007, compared to EUR -0.6 billion at the end of the third quarter. The decline was limited to EUR -0.8 billion as the general widening of credit spreads was partly offset by lower US interest rates.

The quality of the RMBS portfolio is illustrated by the high average credit enhancements of 27% for ING Insurance Americas' subprime RMBS and 12% for ING Direct's Alt-A RMBS portfolio, the high credit ratings and the limited number of securities that were downgraded by the rating agencies. The credit enhancement, or attachment point, is the buffer to absorb losses in the underlying mortgage pool before the specific RMBS tranche starts to incur principal losses.

Total risk costs for the banking operations clearly remain below historical long-term average. The additions to loan loss provisions were 3 basis points of average credit risk-weighted assets, or EUR 31 million, in the fourth quarter of 2007.

ING's leveraged finance pipeline is limited and transactions are in various stages of syndication and negotiation. At the end of the year ING had a leveraged finance pipeline of EUR 2.3 billion, down from EUR 2.4 billion in the third quarter.

Liquidity

ING's liquidity position remained sound during the fourth quarter. Up to year-end there was a lack of appetite for term funds supply by investors in the professional market. This had led to substantial increases in the spreads between term funding and the overnight rates for all banks. ING is regarded as safe bank with a well diversified funding base. As a result ING Bank has experienced increased inflows of funds at relatively low prices.

Subprime RMBS, Alt-A RMBS and CDO/CLO exposures and revaluations at year-end 2007					Impact on P&L and equity in 4Q	
	amortised costs* EUR billion	market value EUR billion	fair value in %	pre-tax revaluation via equity, EUR million	pre-tax P&L loss** EUR million	pre-tax revaluation via equity, EUR million
US subprime RMBS	3.1	2.8	90.1%	-307	47	-185
Alt-A RMBS	28.4	27.5	96.7%	-936	0	-477
CDO/CLO	2.0	1.9	93.4%	-134	36	-89

* purchase price +/- amortisations - cumulative impairments ** sum of impairments, trading losses and markdowns recorded in the P&L

Capital Management

ING's Capital Base and Key Ratios

	ING Group		ING Insurance		ING Bank	
In EUR million	31 Dec. 2007	30 Sep. 2007	31 Dec. 2007	30 Sep. 2007	31 Dec. 2007	30 Sep. 2007
Shareholders' equity (in parent)	37,208	38,859	17,911	21,255	25,511	23,025
Group hybrid capital	8,620	7,911	2,202	1,569	6,397	6,224
Core debt	4,728	4,688				
Total capitalisation	**50,556**	**51,458**	**20,113**	**22,824**	**31,909**	**29,249**
Adjustments to equity:						
• revaluation reserve fixed income securities	1,895	1,080	798	482	1,097	598
• cash flow hedge	-438	-557	-10	-206	-428	-351
• goodwill	-2,420	-701	-1,076	-652	-1,428	-137
Revaluation reserves fixed income etc.	-963	-178	-288	-376	-760	109
Revaluation reserves excluded from Tier-1					-2,952	-3,119
Insurance hybrid capital			2,250	2,250		
Minorities			891	930	1,668	1,429
Deductions Tier-1 (as of 2007)			0	0	-93	-95
Available regulatory capital			**22,965**	**25,628**	**29,772**	**27,573**
Other qualifying capital					11,792	12,544
DAC/ViF adjustment (50%)			4,071	3,491		
Group leverage (core debt)	-4,728	-4,688				
Adjusted Equity (e)	**44,865**	**46,591**	**27,036**	**29,118**	**41,564**	**40,118**

Key Performance Indicators

- **ING's capital position remains strong**
- **ING Bank beneficiary of Basel II**
- **Share buyback 56% completed at year-end**

Key capital ratios

The capitalisation of ING Group remained strong during the fourth quarter. All leverage ratios were within their targets. The D/E-ratio of ING Group ended the year at 9.53%, slightly up from 9.14% at the end of the third quarter. The D/E-ratio of ING Insurance was 13.63% at the end of the year, also slightly up from 13.40% at the end of September, but well within the 15% target.

ING Insurance paid EUR 2.3 billion of dividends to ING Group in the fourth quarter. The impact on the D/E-ratio was minimal given the upstream of EUR 2.7 billion in cash dividends from ING Insurance Netherlands to ING Insurance. Most of the acquisition of Santander's Latin American pension business was financed as well during the fourth quarter.

Basel I RWAs grew from EUR 373 billion at the end of the third quarter to EUR 403 billion at the end of the year. For the year as a whole, RWAs grew from EUR 322 billion to EUR 403 billion (25%). In 2007, EUR 11.8 billion in mortgages were transferred from ING Insurance to ING Bank, of which EUR 2.1 billion was moved in the fourth quarter. Another part of the increase in RWAs during the fourth quarter was due to the acquisition of Oyak Bank in Turkey. The Tier-1 ratio at the end of the year was 7.39%, above the 7.20% target and steady from the end of the third quarter. Tier-1 capital was reduced by EUR 1.2 billion of goodwill and other intangibles as a result of the acquisition of Oyak Bank. This was compensated by a capital injection from ING Group to ING Bank of EUR 2.2 billion in the fourth quarter.

Basel II

ING Bank is expected to be a beneficiary of Basel II due to the low risk profile of its balance sheet. Basel II RWAs at the start of 2008 are EUR 293 billion according to preliminary data, down EUR 110 billion from Basel I. The definition of Tier-1 capital is slightly altered under Basel II. The preliminary Tier-1 ratio under Basel II at the start of the year is 9.9%. The target Tier-1 ratio for ING Bank will remain unchanged at 7.20% under Basel II.

Economic capital versus available financial resources

ING also manages its capitalisation on an economic basis. Key concepts are available financial resources (AFR) and economic capital (EC) employed, which result from our internal risk management models. ING's policy is that AFR should exceed EC for Bank, Insurance and Group. At the Group level ING aims to maintain an additional buffer over time. EC is a measure for the totality of risks run in the company over a one year time horizon and with a AA confidence interval of 99.95%. AFR equals market value of assets minus market value of liabilities, excluding hybrids issued by ING Group which is counted as capital. At ING Bank, the proxy for AFR is Tier-1 capital plus the revaluation reserve equities. EC for ING Group is defined as EC ING Bank plus EC ING Insurance minus the diversification benefit plus any EC specifically allocated to ING Group. AFR Group equals AFR ING Bank plus AFR ING Insurance minus core debt ING Group.

Capital base: ING Group		
In EUR million	**31 Dec. 07**	**30 Sep. 07**
Shareholders' equity (in parent)	37,208	38,859
+ Group hybrid capital	8,620	7,911
+ Group leverage (core debt)	4,728	4,688
Total capitalisation (Bank + Insurance)	**50,556**	**51,458**
-/- Revaluation reserves fixed income & other	963	178
-/- Group leverage (core debt) (d)	4,728	4,688
Adjusted equity (e)	**44,865**	**46,591**
Debt/equity ratio (d/(d+e))	**9.53%**	**9.14%**
Economic Capital		
EC ING Group	35,958	35,019
AFR ING Group	49,715	52,250
AFR/EC ratio	138%	149%

Capital ratios: ING Insurance		
In EUR million	**31 Dec. 07**	**30 Sep. 07**
Adjusted equity (e)	27,036	29,118
Core debt (d)	4,267	4,507
Debt/equity ratio (d/(d+e))	**13.63%**	**13.40%**
Available regulatory capital (a)	22,965	25,628
EU required regulatory capital (b)	9,405	9,142
Capital coverage ratio (a/b)	**244%**	**280%**
Buffer for equities & real estate (c)	6,428	7,082
Internal capital coverage ratio (a/(b+c))	**145%**	**158%**
Economic Capital		
EC ING Insurance	23,200	22,752
AFR ING Insurance	22,710	26,972

Capital ratios: ING Bank		
In EUR million	**31 Dec. 07**	**30 Sep. 07**
Core Tier-1	23,374	21,349
Hybrid Tier-1	6,397	6,224
Total Tier-1 capital	**29,772**	**27,573**
Other capital	11,792	12,544
BIS Capital	**41,564**	**40,118**
Risk-weighted assets	402,727	373,209
Tier-1 ratio	**7.39%**	**7.39%**
BIS ratio	**10.32%**	**10.75%**
Economic Capital		
EC ING Bank	17,927	15,047
AFR ING Bank	31,734	29,966

AFR Bank at the end of the year was EUR 31.7 billion. EC Bank was EUR 17.9 billion. AFR Insurance was EUR 22.7 billion compared with EC Insurance of EUR 23.2 billion. ING Bank's economic capitalisation is strong. The introduction of Basel II will allow some of the excess capital to be used by ING Group to support further growth. AFR Group at the year-end was EUR 49.7 billion compared to EC Group of EUR 36.0 billion after diversification.

Capital market operations

A hybrid capital transaction of USD 1.5 billion was executed in the US domestic market early October 2007; no other major financings were executed during the fourth quarter. In the fourth quarter, ING Insurance engaged in further equity hedges to protect the equity portfolios against a potential downturn in the equity markets.

As part of ING's periodic rebalancing of the delta hedge portfolio for employee options, ING Group sold 8,610,000 (depositary receipts for) ordinary shares from the portfolio. The shares were sold on the open market between 4 and 14 December at an average price of EUR 26.80 per share.

The repurchase of ING Group A preference shares from ABN Amro was completed as planned. Only 6,012,698 A preference shares now remain with investors.

ING proceeded on schedule with the EUR 5 billion share buyback programme. At year end 55.9% of the programme was completed and 91,752,385 shares of ING Group were repurchased for a total consideration of EUR 2,793 million. In the fourth quarter 39,381,687 shares were bought for a consideration of EUR 1,135 million.

Only 80,868 warrants B were exercised during the fourth quarter and 9,266,097 remained outstanding at year end. Almost all of these were exercised in the early days of January 2008, leading to the issuance of more than 18 million ING Group shares. No warrants B remained outstanding after 8 January 2008.

Credit ratings

Standard & Poor's maintains a stable outlook on the ratings of ING Group (AA-), ING Insurance (AA-) and ING Bank (AA). Moody's also maintains a stable outlook for ING Group (Aa2), ING Insurance (Aa3) and ING Bank (Aa1).

Assets under Management

Assets under Management distributed per Business Line

In EUR billion	Total 31 Dec 07	Total 30 Sep 07	Insurance Europe	Insurance Americas	Insurance Asia/Pacfic	Wholesale Banking	Retail Banking	ING Direct
			AUM by Business Line, 31 December 2007					
Third-party AUM								
- for insurance policyholders	122.4	126.0	27.0	67.2	28.3	0.0	0.0	0.0
- for institutional clients	153.3	151.3	49.6	27.5	14.5	59.7	1.9	0.0
- for retail clients	116.4	113.5	9.6	45.4	28.0	0.1	23.9	9.3
- for private banking clients	68.0	66.8	0.0	0.0	0.0	0.0	68.0	0.0
Total third-party AUM	**460.1**	**457.6**	**86.2**	**140.1**	**70.8**	**59.9**	**93.8**	**9.3**
Proprietary assets	176.8	180.3	68.3	73.1	27.9	7.5	0.0	0.0
Total assets under management	**636.9**	**637.9**	**154.5**	**213.2**	**98.7**	**67.4**	**93.8**	**9.3**
Net inflow (in quarter)	**7.5**	**8.5**	**-1.4**	**2.7**	**3.7**	**1.6**	**1.4**	**-0.5**

Assets under Management by Manager

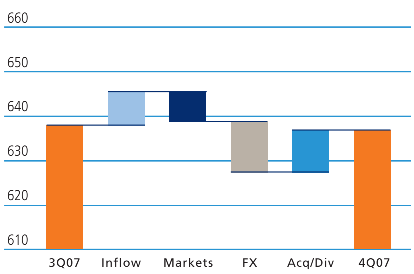
	Total		Third-party Assets		Proprietary Assets	
In EUR billion	31 Dec 07	30 Sep 07	31 Dec 07	30 Sep 07	31 Dec 07	30 Sep 07
ING Investment Management Europe	153.0	156.0	100.6	101.2	52.3	54.8
ING Investment Management Americas	152.3	150.3	80.4	77.9	71.9	72.5
ING Investment Management Asia/Pacific	78.3	80.9	51.1	54.3	27.2	26.6
ING Investment Management	**383.6**	**387.2**	**232.2**	**233.4**	**151.4**	**153.8**
ING Real Estate	75.0	75.2	61.4	62.1	13.6	13.1
ING Private Banking	58.0	57.1	58.0	57.1	0.0	0.0
Other	24.9	25.6	13.1	12.3	11.7	13.3
Assets managed internally	**541.5**	**545.1**	**364.8**	**364.8**	**176.8**	**180.3**
Funds managed externally	95.4	92.9	95.4	92.9	0.0	0.0
Total assets under management	**636.9**	**637.9**	**460.1**	**457.6**	**176.8**	**180.3**

Key Performance Indicators

- **Total AuM EUR 636.9 billion**
- **Net inflow EUR 7.5 billion driven by Asia/Pacific and US**
- **Acquisitions in Latin America and US offset FX impact**

ASSETS UNDER MANAGEMENT

Movement in AUM (EUR billion)



Assets under Management

Assets under management decreased by EUR 1.0 billion or 0.2%, in the fourth quarter of 2007. Exchange rates had a negative impact of EUR 11.5 billion, mainly due to the weaker US dollar. Declining asset prices of equity and fixed income securities had a negative impact of EUR 6.6 billion on assets under management in the fourth quarter. Acquisitions in the Americas, notably pension and annuity businesses in Argentina and ING Direct's online brokerage business of ShareBuilder Corporation in the US, had a positive net impact of EUR 9.6 billion to Asset under management in the fourth quarter.

Inflow

Net inflow reached EUR 7.5 billion, or 1.2% of AuM, in the fourth quarter, despite turbulent financial markets and a dividend upstream from Insurance Europe to the Group. Net inflow in the fourth quarter contributed 19% to the full year net inflow of EUR 40.4 billion. Insurance Asia/Pacific led the net inflow in the fourth quarter and recorded a net inflow of EUR 3.7 billion on the back of strong mutual fund and variable annuity sales in Japan and strong sales in China. Insurance Americas, fostered by US Institutional Markets and strong variable annuity sales, recorded EUR 2.7 billion of net inflow. At Wholesale Banking, ING Real Estate contributed EUR 1.6 billion to the net inflow. Insurance Europe showed a net outflow of EUR 1.4 billion due to a EUR 3.3 billion capital transfer (dividend upstream) to ING Group.

Assets under Management by Manager

Of the EUR 636.9 billion in AuM, EUR 95.4 billion is managed by external asset managers. The balance, EUR 541.5 billion, reflects those assets managed by ING's various investment management units.

ING Investment Management

ING Investment Management (ING IM) oversees both third-party assets and proprietary assets of ING Group. At the end of December 2007, ING IM managed EUR 383.6 billion in total assets. The total third-party assets at ING IM decreased 0.5% in the fourth quarter to EUR 232.2 billion, as net inflow of EUR 1.7 billion was offset by lower stock markets and appreciation of the euro against the US dollar.

At ING IM Europe, third-party Assets under Management decreased slightly by EUR 0.6 billion to EUR 100.6 billion. This decline was driven by lower asset prices and retail clients outflow from mutual funds due to turbulent markets. In close cooperation with ING IM Asia/Pacific, EUR 1.4 billion was raised in Japan with a Global Currency strategy.

ING IM Americas increased its third party Asset under Management by EUR 2.6 billion to EUR 80.4 billion, despite the EUR 2.1 billion negative impact of a weakened US dollar. In spite of continuing difficult market conditions, the US Institutional Markets business contributed significantly with EUR 1.5 billion net inflow. The acquisition of Santander's and Grupo Bapro's pension and annuities business in Argentina contributed EUR 4.5 billion to Assets under management.
At ING IM Asia/Pacific, third party assets decreased by EUR 3.1 billion to EUR 51.1 billion, mainly due to currency exchange rates and financial markets. Also in Asia/Pacific, retail clients withdrew their money from mutual funds due to continued turbulent markets.

ING's funds are performing well. At the end of the fourth quarter 2007, ING IM delivered a sound investment performance with 77% of mutual fund assets outperforming their benchmarks and 60% of the mutual fund assets outperforming their peer medians on a 3-year basis. Rating agency Morningstar awarded 78% of the rated ING mutual funds with 3 stars or higher.

ING Real Estate

The total business portfolio reached EUR 107.2 billion, up 3.6% from the third quarter. Assets under management at ING Real Estate, excluding real estate lending, decreased 0.2% to EUR 75.0 billion.

Assets under management at ING Real Estate comprises of the Development portfolio and the portfolios of the business line Investment Management. The Development portfolio amounted to EUR 3.0 billion, a 6.4% increase versus the third quarter 2007. This growth was primarily driven by the purchase of the Haaglanden Megastores in the Netherlands from HFS, a German real estate investor.

The investment management business line within Real Estate ended the fourth quarter at EUR 72.1 billion, slightly lower compared to the third quarter 2007. Net capital inflow in the fourth quarter of EUR 1.8 billion was offset by the impact of the sliding US dollar exchange rate versus the Euro and lower values of some real estate securities.

In Asia EUR 1.0 billion was added to the portfolio, led by an inflow in Australian funds with EUR 0.7 billion. In the US, inflow from new and existing accounts contributed EUR 0.4 billion. New mandates in the UK added EUR 0.7 billion. The European Institutional Clients team raised over EUR 0.2 billion in equity in December with funds committed to European strategies and to the Asia Retail Fund.

ING Private Banking

ING Private Banking administers a total of EUR 68.0 billion of client assets, EUR 5.8 billion is invested in ING mutual funds and EUR 4.8 billion in externally managed funds. Total administered assets increased by EUR 1.2 billion in the fourth quarter as a result of a strong net inflow of EUR 2.0 billion. Exchange rates had a negative impact of EUR 0.6 billion. Net inflow was driven by Asia (EUR 1.3 billion), Belgium (EUR 0.4 billion) and the Netherlands (EUR 0.3 billion). The regional breakdown of assets within ING Private Banking is as follows (balance end of year): the Netherlands (EUR 19.3 billion), Belgium (EUR 15.0 billion), Asia (EUR 14.0 billion), Switzerland (EUR 12.2 billion) and Luxembourg (EUR 7.5 billion).

Insurance

Continued high sales and value of new business were driven by good commercial performance in ING's major markets. Profits were boosted by capital gains, mitigated by lower revaluations of real estate and private equity.

Insurance Total

Insurance: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	12,215	11,097	10.1%	11,395	7.2%	46,456	46,136	0.7%
Commission income	489	418	17.0%	469	4.3%	1,900	1,636	16.1%
Direct investment income	2,726	2,372	14.9%	2,603	4.7%	10,537	9,604	9.7%
Realised gains and fair value changes on inv.	1,052	379	177.6%	520	102.3%	2,445	1,221	100.2%
Total investment and other income	3,778	2,751	37.3%	3,123	21.0%	12,982	10,825	19.9%
Total underlying income	**16,482**	**14,266**	**15.5%**	**14,988**	**10.0%**	**61,338**	**58,597**	**4.7%**
Underwriting expenditure	12,956	11,318	14.5%	11,983	8.1%	48,443	47,389	2.2%
Operating expenses	1,405	1,404	0.1%	1,363	3.1%	5,467	5,172	5.7%
Other interest expenses	301	199	51.3%	356	-15.4%	1,317	1,218	8.1%
Other impairments	1	14	-92.9%	-0	n.a.	1	11	-90.9%
Total underlying expenditure	**14,663**	**12,935**	**13.4%**	**13,702**	**7.0%**	**55,228**	**53,790**	**2.7%**
Underlying profit before tax	**1,819**	**1,331**	**36.7%**	**1,285**	**41.6%**	**6,110**	**4,807**	**27.1%**
of which profit before tax life insurance	1,581	938	68.6%	972	62.7%	4,997	3,370	48.3%
of which profit before tax non-life insurance	239	393	-39.2%	314	-23.9%	1,113	1,437	-22.5%
Taxation	151	84	79.8%	163	-7.4%	765	661	15.7%
Profit before minority interests	1,669	1,247	33.8%	1,123	48.6%	5,345	4,146	28.9%
Minority interests	27	70	-61.4%	39	-30.8%	155	281	-44.8%
Underlying net profit	**1,642**	**1,177**	**39.5%**	**1,084**	**51.5%**	**5,190**	**3,865**	**34.3%**
Net gains/losses on divestments	-37	-		418	n.a.	381	30	1170.0%
Net profit from divestments	-	6	n.a.	-		32	57	-43.9%
Special items after tax	-	-		-		-	-	
Total net profit	**1,605**	**1,183**	**35.7%**	**1,502**	**6.9%**	**5,603**	**3,952**	**41.8%**
KEY FIGURES								
Value of new life business	440	128	243.8%	298	47.7%	1,113	807	37.9%
Internal rate of return (YTD)						14.3%	13.3%	
Single premiums	8,221	6,175	33.1%	8,992	-8.6%	31,273	25,347	23.4%
Annual premiums	1,196	974	22.8%	1,041	14.9%	4,193	3,927	6.8%
New Sales (APE)	2,018	1,591	26.8%	1,940	4.0%	7,320	6,462	13.3%
Investment in new business	603	357	68.9%	541	11.5%	2,093	1,831	14.3%
Assets under Management (in € bln)				469		466	445	4.7%
Expenses as % of AUM (YTD)						0.76%	0.75%	
Expenses as % of gross premiums (YTD)						14.3%	13.3%	
Expense ratio (YTD)						31.8%	31.8%	
Claims ratio (YTD)						65.2%	58.7%	
Combined ratio (YTD)						97.1%	90.5%	
Gross life reserves				262,079		256,353	258,601	-0.9%
Gross non-life reserves				9,667		9,345	10,034	-6.9%
Tax ratio	8.3%	6.3%		12.6%		12.5%	13.8%	
Staff (FTEs end of period)				57,550		58,451	54,445	7.4%

Key Performance Indicators

- **Value of new life business up significantly in all regions**
- **Underlying net profit up 39.5% including gains on ABN Amro, Numico shares**
- **Expenses flat, driven by cost control in the Netherlands**

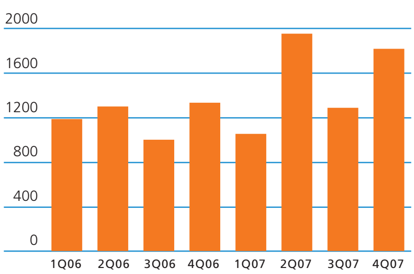
Business update

Strong sales of wealth accumulation products in Central & Rest of Europe, Asia/Pacific and the US drove a significant increase in the VNB, which rose 244% in the fourth quarter, and 159% excluding the change in the discount rate in the fourth quarter of 2006. VNB was boosted by the introduction of a new second-pillar pension system in Romania, where ING emerged as the market leader with more than 1 million new customers, adding EUR 116 million in VNB in the fourth quarter. The US produced record sales in its variable annuity business, while individual life sales more than doubled compared with last year. VNB in Asia/Pacific was up on higher sales throughout the region.

Across its insurance businesses, ING continues to focus on expanding its businesses in attractive growth markets while improving operational and capital efficiency in the mature Benelux markets. In January, ING finalised the purchase of the Latin American pension business from Santander, giving ING critical mass in the region where it is now the No. 2 pension provider. The purchase rounds out ING's life and pensions businesses in developing markets, where it was already the largest foreign life and pensions company in Central Europe and the No. 2 foreign life insurer in Asia/Pacific.

INSURANCE TOTAL

Underlying profit before tax (EUR million)



In the US, ING is focused on the attractive wealth management segment of the market, including retirement services, annuities and asset management, where the company continues to see significant growth potential as the baby-boom generation approaches retirement.

Around the world, ING sees a continuing shift in consumer preferences from traditional life insurance to investment-linked products. ING is capitalising on this trend by leveraging its product expertise and international scope to roll out new products. This shift in product mix is accompanied by a change in distribution, including the rapid growth of bank distribution in many markets. ING has been expanding its reach through distribution agreements, partnerships and strategic stakes, such as a 10-year distribution agreement with Public Bank in Malaysia and Hong Kong, and ING's purchase of a 30% stake in TMB Bank in Thailand.

In the Netherlands, ING continues to focus on increasing efficiency and capital discipline to maintain returns in this competitive market. During the course of 2007, EUR 5.0 billion in excess capital was upstreamed from Insurance Netherlands, to ING Group where it was used to fund acquisitions, organic growth and ING's share buyback programme.

Profit

Underlying net profit from insurance increased 39.5%, or 42.3% excluding currency effects, to EUR 1,642 million. Profit included EUR 1,028 million in gains on the sale of ING's stakes in ABN Amro and Numico. The effective tax rate was 8.3%, reflecting high tax-exempt gains on equity investments. Underlying profit before tax increased 36.7%.

Investment conditions became more challenging in the fourth quarter, which had a negative impact on profits in all business lines. In the Netherlands, revaluations of private equity and real estate through the P&L were down from historically high levels last year. The US results were impacted by a negative swing in equity-related DAC and reserve unlocking as equity markets declined. The weakening of the US dollar also had a EUR 44 million negative impact. Despite higher results in South Korea and Australia/New Zealand, profits in Asia/Pacific were impacted by market volatility in Japan, which caused a loss in the SPVA business, while the COLI business was impacted by a EUR 24 million CDO markdown.

Total net profit from insurance increased 35.7% to EUR 1,605 million, including the impact of divestments. ING booked a gain of EUR 93 million from the IPO of SulAmerica, which reduced ING's stake in the company from 59% to 36%. A loss of EUR 129 million was booked on the sale of ING's reinsurance unit, NRG, to Berkshire Hathaway Group.

Income

Gross premium income rose 10.1%, or 17.4% excluding currencies, driven by strong sales of wealth accumulation products in the US, Central Europe and Asia/Pacific. Commission income increased 17.0%, supported by robust net inflows and growth in assets under management across all lines of business. Investment income was highly favoured by realised gains on equities, largely due to the sale of ING's remaining stakes in ABN Amro and Numico.

Expenses

Operating expenses were flat as investments for growth in Central Europe, Asia/Pacific and the Americas were offset by lower expenses and a one-off employee benefit provision release in the Netherlands. Expenses in Latin America rose due to the consolidation of part of the Santander business. On a recurring basis, expenses grew by 9.3%.

Life & Non-life Insurance

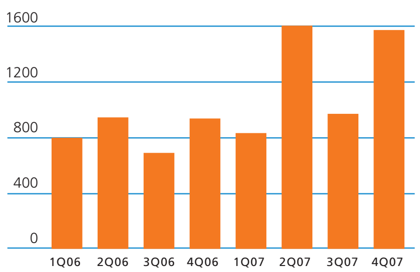
Life Insurance: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	10,840	9,704	11.7%	10,031	8.1%	40,516	40,068	1.1%
Commission income	463	391	18.4%	436	6.2%	1,766	1,508	17.1%
Direct investment income	2,669	2,207	20.9%	2,424	10.1%	9,934	8,922	11.3%
Realised gains and fair value changes on inv.	886	322	175.2%	446	98.7%	2,018	966	108.9%
Total investment and other income	3,555	2,528	40.6%	2,870	23.9%	11,952	9,888	20.9%
Total underlying income	**14,858**	**12,623**	**17.7%**	**13,338**	**11.4%**	**54,234**	**51,464**	**5.4%**
Underwriting expenditure	11,913	10,412	14.4%	10,982	8.5%	43,828	43,079	1.7%
Operating expenses	1,062	1,070	-0.7%	1,030	3.1%	4,097	3,826	7.1%
Other interest expenses	301	190	58.4%	355	-15.2%	1,311	1,180	11.1%
Other impairments	1	13	-92.3%	-0	n.a.	1	11	-90.9%
Total underlying expenditure	**13,277**	**11,686**	**13.6%**	**12,366**	**7.4%**	**49,237**	**48,097**	**2.4%**
Underlying profit before tax	**1,581**	**938**	**68.6%**	**972**	**62.7%**	**4,997**	**3,370**	**48.3%**
Taxation	118	-10	n.a.	105	12.4%	582	313	85.9%
Profit before minority interests	1,463	948	54.3%	866	68.9%	4,416	3,057	44.5%
Minority interests	10	43	-76.7%	17	-41.2%	52	142	-63.4%
Underlying net profit	**1,453**	**903**	**60.9%**	**850**	**70.9%**	**4,363**	**2,908**	**50.0%**
KEY FIGURES								
Value of new life business	440	128	243.8%	298	47.7%	1,113	807	37.9%
Internal rate of return (YTD)						14.3%	13.3%	
Single premiums	8,221	6,175	33.1%	8,992	-8.6%	31,273	25,347	23.4%
Annual premiums	1,196	974	22.8%	1,041	14.9%	4,193	3,927	6.8%
New Sales (APE)	2,018	1,591	26.8%	1,940	4.0%	7,320	6,462	13.3%
Investment in new business	603	357	68.9%	541	11.5%	2,093	1,831	14.3%
Assets under Management (in € bln)				469		466	445	4.7%
Expenses as % of AUM (YTD)						0.76%	0.75%	
Expenses as % of gross premiums (YTD)						14.3%	13.3%	
Gross life reserves				262,079		256,353	258,601	-0.9%

Life insurance

Underlying profit before tax from life insurance increased 68.6%, or 76.0% excluding currencies, to EUR 1,581 million. The result includes EUR 921 million of gains from the sale of ABN Amro and Numico shares. Those gains were partly offset by less favourable investment results in the lines of business.

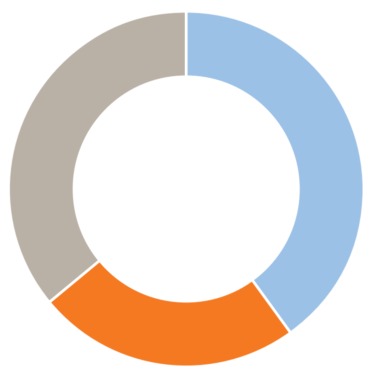
LIFE INSURANCE

Underlying profit before tax (EUR million)



Life results in Europe were down 31.7% largely due to negative revaluations on real estate and private equity investments. In the Americas, life results declined 26.3% in the US due to an adverse swing in equity-related DAC and reserve unlocking following weaker equity markets, as well as lower private equity gains and a EUR 44 million negative currency impact. Life results in Asia/Pacific were down as a result of a EUR 19 million negative swing in hedge results in the Japanese SPVA business and a EUR 24 mln CDO markdown in the COLI business.

Gross life premium income increased 11.7% or 19.9% on a constant currency basis. The increase was led by the US, where premiums increased 31% excluding currency impact on record sales of variable annuities and strong sales of individual life products. Central & Rest of Europe was also up as the introduction of



LIFE INSURANCE

% based on VNB FY2007

Asia/Pacific (40%)
Americas (24%)
Europe (36%)

Non-life Insurance: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	1,376	1,393	-1.2%	1,364	0.9%	5,939	6,068	-2.1%
Commission income	26	27	-3.7%	33	-21.2%	134	129	3.9%
Direct investment income	57	165	-65.5%	179	-68.2%	603	686	-12.1%
Realised gains and fair value changes on inv.	166	57	191.2%	74	124.3%	427	257	66.1%
Total investment and other income	223	223	0.0%	253	-11.9%	1,031	943	9.3%
Total underlying income	**1,625**	**1,642**	**-1.0%**	**1,649**	**-1.5%**	**7,104**	**7,139**	**-0.5%**
Underwriting expenditure	1,043	906	15.1%	1,001	4.2%	4,615	4,314	7.0%
Operating expenses	343	334	2.7%	333	3.0%	1,370	1,347	1.7%
Other interest expenses	-0	9	n.a.	1	n.a.	6	37	-83.8%
Other impairments	-0	1	n.a.	-		-	-	
Total underlying expenditure	**1,386**	**1,249**	**11.0%**	**1,336**	**3.7%**	**5,991**	**5,698**	**5.1%**
Underlying profit before tax	**239**	**393**	**-39.2%**	**314**	**-23.9%**	**1,113**	**1,437**	**-22.5%**
Taxation	33	94	-64.9%	57	-42.1%	183	344	-46.8%
Profit before minority interests	206	299	-31.1%	256	-19.5%	930	1,093	-14.9%
Minority interests	17	27	-37.0%	22	-22.7%	103	139	-25.9%
Underlying net profit	**189**	**274**	**-31.0%**	**234**	**-19.2%**	**827**	**954**	**-13.3%**
KEY FIGURES								
Expense ratio (YTD)						31.8%	31.8%	
Claims ratio (YTD)						65.2%	58.7%	
Combined ratio (YTD)						97.1%	90.5%	
Gross non-life reserves				9,667		9,345	10,034	-6.9%

new products led to high sales of unit-linked and group life products. Japan, Australia/New Zealand and Rest of Asia showed double-digit increases.

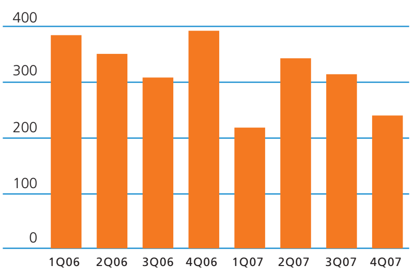
Operating expenses were 0.7% lower, but increased 5.2% excluding currency effects. Investments for growth and the acquisition of the Santander pension business were largely offset by a EUR 89 million release of employee benefit provisions and structurally lower expenses in the Netherlands.

Sales of wealth accumulation products remained strong in all regions, driving new sales (APE) up 26.8% from the fourth quarter last year. Compared to the third quarter, new sales increased 4.0% with growth from the Americas and Central & Rest of Europe offsetting a decline in SPVA sales in Japan as new regulatory requirements impacted the sales of all investment products.

The value of new life business increased 244% and 159% excluding the change in the discount rate, in the fourth quarter from a year earlier, supported by higher sales across all lines of business. Margins also improved as the internal rate of return increased 100 basis points to 14.3% for 2007. VNB increased 47.7% from the third quarter, boosted by sales in the new second-pillar pension fund in Romania which contributed EUR 116 million in VNB, compared to EUR 34 million last quarter. VNB in the Americas was up significantly, with both the US and Latin America having very strong quarters. In Asia/Pacific, VNB remained strong in Taiwan and Korea. However, overall Asia/Pacific decreased slightly due to lower sales of SPVA and COLI products in Japan.

NON-LIFE INSURANCE

Underlying profit before tax (EUR million)



Non-Life Insurance

Underlying profit before tax from non-life insurance declined 39.2%, or 41.4% excluding currency effects, despite EUR 107 million in capital gains on ABN AMRO and Numico shares. Results in the Netherlands declined 64.3%, reflecting EUR 108 million release of a technical provision in the fourth quarter of 2006. Profit from Canada was down 4.2%, or 8.3% on a constant currency basis, due to impairments on capital notes and lower underwriting results.

Premium income declined 1.2% as a modest increase in Canada was offset by small decreases in the Netherlands and Latin America.

Operating expenses were up 2.7%, mainly due to normal business growth in Canada.

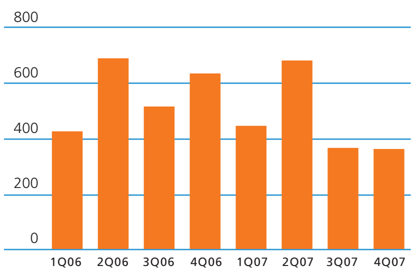
The combined ratio deteriorated by 6.6 percentage points to 97.1% for the full-year 2007 due to higher claims and lower premiums in most regions, most notably in the Netherlands, Latin America and Canada.

Insurance Europe

Insurance Europe: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	2,383	2,353	1.3%	2,197	8.5%	10,253	9,854	4.0%
Commission income	116	90	28.9%	114	1.8%	476	348	36.8%
Direct investment income	930	998	-6.8%	879	5.8%	4,019	4,027	-0.2%
Realised gains and fair value changes on inv.	79	292	-72.9%	99	-20.2%	607	911	-33.4%
Total investment and other income	1,008	1,290	-21.9%	978	3.1%	4,626	4,938	-6.3%
Total underlying income	**3,507**	**3,733**	**-6.1%**	**3,289**	**6.6%**	**15,355**	**15,140**	**1.4%**
Underwriting expenditure	2,661	2,487	7.0%	2,321	14.6%	11,206	10,659	5.1%
Operating expenses	390	503	-22.5%	446	-12.6%	1,726	1,702	1.4%
Other interest expenses	99	108	-8.3%	159	-37.7%	582	529	10.0%
Other impairments	1	3	-66.7%	0		1	1	0.0%
Total underlying expenditure	**3,150**	**3,101**	**1.6%**	**2,927**	**7.6%**	**13,515**	**12,891**	**4.8%**
Underlying profit before tax	**358**	**632**	**-43.4%**	**362**	**-1.1%**	**1,840**	**2,249**	**-18.2%**
of which profit before tax life insurance	278	407	-31.7%	227	22.5%	1,412	1,675	-15.7%
of which profit before tax non-life insurance	80	225	-64.4%	135	-40.7%	428	574	-25.4%
Taxation	56	-4	n.a.	60	-6.7%	252	250	0.8%
Profit before minority interests	302	636	-52.5%	302	0.0%	1,589	1,999	-20.5%
Minority interests	5	45	-88.9%	4	25.0%	17	100	-83.0%
Underlying net profit	**296**	**591**	**-49.9%**	**298**	**-0.7%**	**1,572**	**1,899**	**-17.2%**
Net gains/losses on divestments	0	-		418	-100.0%	418	19	2100.0%
Net profit from divestments	-	6	n.a.	-		32	57	-43.9%
Special items after tax	-	-		-		-	-	
Total net profit	**296**	**597**	**-50.4%**	**716**	**-58.7%**	**2,021**	**1,975**	**2.3%**
KEY FIGURES								
Value of new life business	200	45	344.4%	92	117.4%	400	219	82.6%
Internal rate of return (YTD)						15.8%	14.9%	
Single premiums	871	836	4.2%	640	36.1%	3,256	3,109	4.7%
Annual premiums	220	138	59.4%	168	31.0%	643	488	31.8%
New Sales (APE)	307	222	38.3%	232	32.3%	969	799	21.3%
Investment in new business	128	91	40.7%	106	20.8%	397	322	23.3%
Assets under Management (in € bln)				158		155	158	-1.9%
Expenses as % of AUM (YTD)						0.76%	0.76%	
Expenses as % of gross premiums (YTD)						22.4%	22.5%	
Expense ratio (YTD)						40.2%	39.3%	
Claims ratio (YTD)						52.1%	47.8%	
Combined ratio (YTD)						92.3%	87.1%	
Gross life reserves				80,545		78,640	83,153	-5.4%
Gross non-life reserves				3,616		3,409	4,408	-22.7%
Tax ratio	15.6%	n.a.		16.6%		13.7%	11.1%	
Staff (FTEs end of period)				14,286		14,452	15,126	-4.5%

INSURANCE EUROPE

Underlying profit before tax (EUR million)



Key Performance Indicators

- **Continued strong business growth in Central Europe**
- **ING captures 33% of second-pillar pension market in Romania**
- **Weaker Benelux result driven by lower revaluations and lower one-off provision releases in non-life**

Business update

In the fourth quarter, the business performance remained robust, with growth in sales driven by Central Europe, where growth was strong throughout the region and accentuated by the successfull start of the second-pillar pension fund in Romania. The launch of the new pension fund added EUR 71 million to sales (APE) as ING had signed more than 1 million clients by year-end, giving it a market share of 33%. Excluding the Romanian pension fund, APE from Central & Rest of Europe rose 18.1%. Unit-linked sales in the Netherlands declined, although sales of more profitable traditional life rose slightly.

ING continues to reallocate capital from mature businesses to developing markets to accelerate growth. During the course of 2007, EUR 5.0 billion in surplus capital was transferred from the Dutch insurance companies to the Corporate Line Insurance. That will structurally reduce the pre-tax profit capacity of Insurance Netherlands by approximately EUR 250 million per year going forward.

In Belgium the bancassurance operations successfully launched a car insurance product manufactured by Nationale-Nederlanden in the Netherlands, and distributed through the proprietary bank channel and the internet in Belgium. Postbank will distribute a similar car insurance product in the Netherlands later this year.

Profit

Underlying profit before tax of Insurance Europe declined by 43.4% to EUR 358 million. Lower revaluations on real estate and private equity investments accounted for EUR 209 million of the decline. Profit in the fourth quarter of 2006 was also favoured by EUR 108 million one-off releases of claims provisions in the Netherlands. Those items led to a 50.0% decline in profit in the Netherlands, although ongoing cost reduction intiatives led to a substantial reduction of expenses. Profit in Belgium also declined, reflecting lower revaluations of derivatives and a strengthening of claims provisions in non-life. Profit from Central & Rest of Europe rose to EUR 78 million from EUR 72 million, despite EUR 14 million in additional investments in new greenfields.

Income

Total premium income was essentially flat at EUR 2.4 billion for the quarter as strong growth in Central Europe was offset by a decline in the Benelux. Commission income rose 28.9% to EUR 116 million fuelled by higher management fees in both the Netherlands and Central & Rest of Europe. Investment income decreased 21.9% to EUR 1,008 million after significantly lower revaluations of real estate and private equity investments. Direct investment income remained stable taking into consideration the deconsolidation of a real estate mutual fund at year-end 2006 (offset by lower minority interests) and the distribution of EUR 5.0 billion surplus capital to the Corporate Line Insurance during 2007.

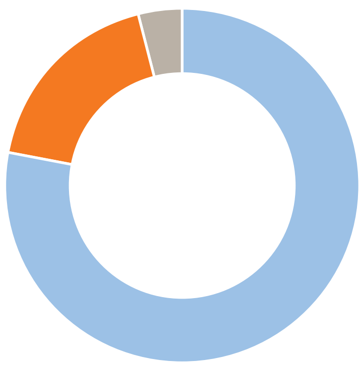
Expenses

Operating expenses decreased EUR 113 million or 22.5% following EUR 89 million in employee benefits provision releases this quarter and EUR 33 million in software impairments in the Netherlands in the fourth quarter of 2006. Operating expenses also reflect a EUR 23 million reorganisation provision for captive insurance brokers in the Netherlands. Excluding these one-off items, expenses declined 3.0%. Ongoing cost reduction intitatives in the Netherlands contributed to the lower expenses for external staffing and technology, but were partly offset by higher start-up investments in Central Europe.

New business production

The value of new life business in Europe more than quadrupled to EUR 200 million, including EUR 116 million from the new Romanian pension fund. Excluding the new pension fund, the value of new business for the Central European region was up 86.2% to EUR 54 million. New sales (APE) in Europe increased by 38.3% to EUR 307 million, and were up 18.1% excluding the Romanian pension fund through sales growth in most countries. In the Netherlands, the value of new business more than doubled to EUR 26 million after the repricing of immediate annuities earlier in the year and changes in expense assumptions.

‘Strong sales in Central Europe drive VNB growth’



INSURANCE EUROPE
% based on VNB FY2007

Central & Rest of Europe (78%)
Netherlands (18%)
Belgium (4%)

Life Insurance The Netherlands

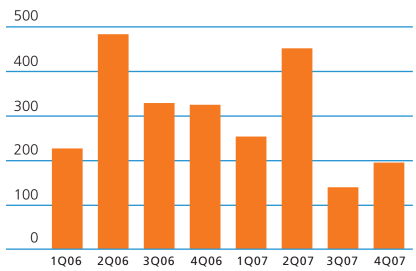
Life Insurance The Netherlands: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	1,137	1,255	-9.4%	1,094	3.9%	5,008	5,230	-4.2%
Commission income	44	25	76.0%	39	12.8%	154	113	36.3%
Direct investment income	695	770	-9.7%	659	5.5%	3,070	3,157	-2.8%
Realised gains and fair value changes on inv.	68	252	-73.0%	88	-22.7%	508	803	-36.7%
Total investment and other income	763	1,022	-25.3%	747	2.1%	3,578	3,959	-9.6%
Total underlying income	**1,944**	**2,302**	**-15.6%**	**1,879**	**3.5%**	**8,740**	**9,302**	**-6.0%**
Underwriting expenditure	1,519	1,600	-5.1%	1,371	10.8%	6,344	6,577	-3.5%
Operating expenses	138	271	-49.1%	217	-36.4%	815	870	-6.3%
Other interest expenses	93	106	-12.3%	155	-40.0%	550	497	10.7%
Other impairments	1	2	-50.0%	0		1	1	0.0%
Total underlying expenditure	**1,752**	**1,979**	**-11.5%**	**1,743**	**0.5%**	**7,710**	**7,945**	**-3.0%**
Underlying profit before tax	**192**	**323**	**-40.6%**	**136**	**41.2%**	**1,030**	**1,357**	**-24.1%**
Taxation	25	-52	n.a.	6	316.7%	87	53	64.2%
Profit before minority interests	167	375	-55.5%	130	28.5%	943	1,304	-27.7%
Minority interests	2	37	-94.6%	1	100.0%	6	93	-93.5%
Underlying net profit	**165**	**338**	**-51.2%**	**129**	**27.9%**	**938**	**1,211**	**-22.5%**
KEY FIGURES								
Value of new life business	26	10	160.0%	13	100.0%	70	76	-7.9%
Internal rate of return (YTD)						12.2%	12.8%	
Single premiums	300	362	-17.1%	255	17.6%	1,191	1,495	-20.3%
Annual premiums	42	41	2.4%	37	13.5%	156	154	1.3%
New Sales (APE)	72	78	-7.7%	63	14.3%	275	304	-9.5%
Investment in new business	34	33	3.0%	34	0.0%	134	134	0.0%
Expenses as % of AUM (YTD)						0.81%	0.81%	
Expenses as % of gross premiums (YTD)						28.9%	30.2%	
Gross life reserves				62,609		60,362	61,898	-2.5%

Key Performance Indicators

- **Extraordinary dividend of EUR 5.0 billion to the Corporate Line Insurance in 2007**
- **Net profit decline driven by lower revaluations of real estate and private equity investments**
- **Costs significantly down due to employee benefits provision releases and ongoing cost containment**

LIFE INSURANCE THE NETHERLANDS

Underlying profit before tax (EUR million)



Business update

Nationale-Nederlanden continued to deliver on its strategic priorities regarding the life business of reducing expenses, improving customer satisfaction and optimising financial management. Cost efficiency remains a critical success factor in the Dutch insurance market. Nationale-Nederlanden made good progress with the implementation of several cost reduction initiatives. Over the last three years, the company reduced its internal staff by 1,200 FTE. Also, major improvements have been implemented to increase the level of straight-through-processing. As a result, the company succeeded in reducing its expense level considerably despite additional expenses that Dutch insurers had to incur to implement new legal requirements and risk management programmes.

To maintain a competitive cost level, further expense reduction initiatives are being implemented. In the fourth quarter, ING took a total reorganisation provision of EUR 23 million for the strategic re-orientation of Nationale-Nederlanden's captive distribution channel; EUR 7 million of this provision was accounted for in Life Insurance.

In the fourth quarter, the company succeeded in maintaining the upward trend in customer satisfaction. Individual life improved its customer satisfaction level by 0.1 to 3.6 on a five point scale, whereas group life improved by 0.2 to 3.5.

Based on the outcome of a capital efficiency study, Nationale-Nederlanden transferred most of its surplus capital to the Corporate Line Insurance during 2007. At the end of June 2007, Nationale-Nederlanden Life paid an extraordinary dividend of EUR 1.7 billion. This was followed by another extraordinary dividend of EUR 3.6 billion in the second half of 2007, of which Life paid EUR 2.8 billion and Non-life paid EUR 0.8 billion. The capital position of Nationale-Nederlanden is very strong and well above the legal requirements. It is expected that the capital transactions will structurally reduce the pre-tax profit of Insurance Netherlands by approximately EUR 250 million per year. Insurance The Netherlands used Nationale-Nederlanden's EUR 5.3 billion in extraordinary dividends to distribute EUR 5.0 billion in dividends to the Corporate Line Insurance; the remainder was used to redeem intercompany debt at the country level.

Group life

In the Dutch market, pension funds as well as insurance companies increasingly seek alliances to improve their cost efficiency and increase the scale of their operations. With its strong market position, up-to-date product range and deep distribution capacity, Nationale-Nederlanden is well positioned to respond successfully to this development. In the fourth quarter, Nationale-Nederlanden launched an innovative life cycle pension product, which offers automatically decreasing investment risk exposure as the client approaches retirement.

Transparency is increasingly important in the pension market. Pension funds and insurers are faced with increased requirements to educate employees on the importance of saving for retirement. RVS and Nationale-Nederlanden are partnering to respond to this trend with the introduction of an employer distribution platform, offering financial advice to individual employees in cooperation with their employer.

Individual life

Conditions in the individual life insurance market continued to be challenging as the market is contracting and margins are under pressure. Taking this into consideration, Nationale-Nederlanden re-priced its immediate annuity products in the fourth quarter to improve the value of new business. Rates for immediate annuities were also differentiated based on gender, policy duration and policy size.

Unit-linked volumes continued to be impacted by the negative media attention earlier in 2007. Because unit-linked business constitutes only a small part of ING's Dutch life operations, this adverse development had only a limited impact on total sales. ING is working to improve transparency and has implemented the cost transparency measures for unit-linked products recommended by the De Ruiter Committee. ING has continued to actively participate in the ongoing discussions between the insurance industry and consumer organisations. While it believes that it has complied with all relevant laws and regulations regarding consumer rights and consumer protection, ING has established a provision to contribute to a possible solution.

Postbank Insurance continued to be successful with its strategy of focusing on internet sales, lowering costs through simplified operational processes and consolidation of the strong position in the mortgage-related insurance market. In the term life market, for example, sales accelerated by 60% in 2007 as a result of an increased focus on internet sales, more competitive pricing and the introduction of cross-sell incentives through Postbank's distribution channels.

Profit

Underlying profit before tax was positively impacted by EUR 133 million lower operating expenses. However, this could not compensate the EUR 184 million lower realised gains and revaluations of mainly real estate and private equity, which combined were slightly negative for the quarter. In contrast, last year's fourth quarter recorded the largest real estate revaluations in recent years. Real estate and private equity revalutions have been well in excess of ING's long-term assumptions for the last three years. However, the fourth quarter seems to confirm a reversion to the mean. The direct investment income was dampened by the extraordinary dividends paid by Nationale-Nederlanden to the Corporate Line Insurance.
Additionally, the decline in underlying net profit was impacted by the release of tax provisions in the fourth quarter 2006, related to the decrease in the corporate tax rate as of 2007.

Expenses

Operating expenses decreased 49.1% to EUR 138 million due to both substantial ongoing costs reductions and significant one-offs such as EUR 89 million net release in employee benefits provisions and last year's EUR 24 million software impairments related to the life business. The cost reductions have been realised following the successful introduction of new administration systems and the reduced need for temporary staff.

New business production

The value of new business increased EUR 16 million to EUR 26 million, despite lower sales (APE), due to a re-pricing of immediate annuities and a shift in sales from unit-linked to more profitable traditional life products. The internal rate of return declined from 12.8% to 12.2% mainly due to lower returns at Postbank and RVS.

Non-life Insurance The Netherlands

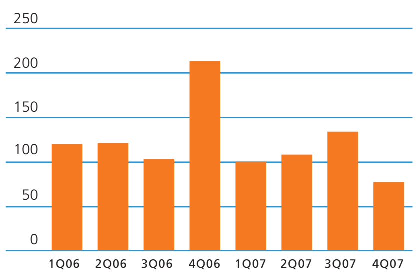
Non-life Insurance The Netherlands: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	253	254	-0.4%	287	-11.8%	1,587	1,606	-1.2%
Commission income	13	13	0.0%	15	-13.3%	73	64	14.1%
Direct investment income	58	51	13.7%	52	11.5%	241	237	1.7%
Realised gains and fair value changes on inv.	6	19	-68.4%.	8	-25.0%.	66	65	1.5%
Total investment and other income	65	70	-7.1%	60	8.3%	307	303	1.3%
Total underlying income	**331**	**337**	**-1.8%**	**363**	**-8.8%**	**1,967**	**1,973**	**-0.3%**
Underwriting expenditure	113	-14	n.a.	101	11.9%	1,010	910	11.0%
Operating expenses	139	136	2.2%	129	7.8%	535	502	6.6%
Other interest expenses	3	1	200.0%	1	200.0%	7	6	16.7%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**255**	**123**	**107.3%**	**230**	**10.9%**	**1,552**	**1,418**	**9.4%**
Underlying profit before tax	**76**	**213**	**-64.3%**	**133**	**-42.9%**	**415**	**554**	**-25.1%**
Taxation	15	33	-54.5%	36	-58.3%	85	122	-30.3%
Profit before minority interests	61	180	-66.1%	97	-37.1%	330	432	-23.6%
Minority interests	-	-		-		-	-	
Underlying net profit	**61**	**180**	**-66.1%**	**97**	**-37.1%**	**330**	**432**	**-23.6%**
KEY FIGURES								
Expense ratio (YTD)						41.2%	40.3%	
Claims ratio (YTD)						50.2%	44.7%	
Combined ratio (YTD)						91.4%	85.0%	
Gross non-life reserves				3,517		3,324	3,567	-6.8%

Key Performance Indicators

- **Successful start of multi-distribution strategy with ING Bank Belgium**
- **Flat premium income despite rate pressure**
- **Profit decline mainly due to one-off provision releases in 4Q 2006**

NON-LIFE INSURANCE THE NETHERLANDS

Underlying profit before tax (EUR million)



Business update

Nationale-Nederlanden enhanced its performance with respect to its three strategic priorities regarding the non-life business: improving customer satisfaction, reducing total expenses and increasing multi-channel distribution.

The disability & accident market is characterised by continued emphasis on large group contracts, as companies tend to limit their number of insurance providers. Nationale-Nederlanden benefits from this trend thanks to its attractive product portfolio and favourable contract terms, as well as its strong reputation for service, processing and claims handling.

The introduction of the redesigned individual disability product helped to improve customer satisfaction. The competitive pricing of this product and several new product features such as flexible commissions for intermediaries and new insurance options, appealed to customers. This product launch confirmed ING's position as a quality supplier, which was underlined by a 30% increase in premium income for Nationale-Nederlanden in the individual disability market. Premium differentiation showed its positive impact on the profitability of the portfolio, via improved claims ratios.

In the group income market, several new industry organisations are offering Nationale-Nederlanden products to their members. This resulted in a specific marketing and sales approach for industry organisations which contributed to the increase in Nationale-Nederlanden's revenues in the group disability market. In the fourth quarter of 2007, Nationale-Nederlanden started to distribute disability products for employees through mandated agents.

Movir, another ING company operating in the disability insurance market, was also successful with its efforts to increase customer satisfaction. Intermediaries elected Movir as the best disability insurer for the fourth year in a row.

In the mature Dutch property & casualty market, characterised by a high level of competition, a focus on pricing is crucial. The new integrated insurance administration system, which has been fully operational since early December, substantially improves Nationale-Nederlanden's ability to manufacture property & casualty products at a more competitive price due to straight-through processing solutions.

In line with its strategy to increase multi-channel distribution, Nationale-Nederlanden became shareholder in an on-line service provider that is used by more than 6,000 brokers to select and purchase commodity products. In addition, Nationale-Nederlanden's multi-channel cooperation with Postbank and ING Bank Belgium continued to make good progress. A new car insurance product was launched in the Belgian market at a competitive price. Nationale-Nederlanden is the risk carrier for this product, while ING Bank Belgium is the distributor. In 2008, a similar product concept will be introduced in the Dutch car insurance market in cooperation with Postbank.

Another major initiative to support the multi-channel strategy is the cooperation between ING Retail Banking and Nationale-Nederlanden to develop the insurance opportunities within the new bank that will be the result of the merger between ING Bank and Postbank. Nationale-Nederlanden will be the main supplier of insurance products for this new retail bank.

The improved and simplified home insurance product of Postbank, introduced in early 2007, is a success; home insurance sales were up 50% compared to 2006.

Profit

The non-life result in the Netherlands fell EUR 137 million, mainly caused by the EUR 108 million one-off releases primarily in disability provisions in the fourth quarter of 2006, lower underwriting results and lower revaluations on investments. Underwriting results in fire and motor declined after rate reductions and lower run-off results from previous underwriting years. The claims ratio increased 5.5% points to 50.2%. The lower revaluations of real estate and private equity were partly offset by higher capital gains on bonds.

Income

Although disability premiums increased, non-life premiums of EUR 253 million were flat, as the fourth quarter of last year included EUR 13 million premiums from guarantee insurer Nationale Borg, which was divested earlier in 2007. Increased distribution through the proprietary retail bank channel more than compensated for the impact of rate pressure in motor and group income.

Expenses

Operating expenses increased 2.2% to EUR 139 million, including EUR 16 million of the reorganisation provision for captive brokers in the Netherlands. Expenses also include EUR 5 million in investments by Nationale-Nederlanden and Postbank for the car insurance initiative. The expense growth was tempered by internal and external staff reductions following the completion and implementation of the new integrated insurance administration platform at Nationale-Nederlanden, and last year's EUR 9 million software impairments related to the non-life business.

'Sharp increase in sales through proprietary bank channel'

Insurance Belgium

Life Insurance Belgium: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	223	257	-13.2%	246	-9.3%	1,160	1,009	15.0%
Commission income	-1	5	n.a.	3	n.a.	21	1	2000.0%
Direct investment income	69	68	1.5%	69	0.0%	312	268	16.4%
Realised gains and fair value changes on inv.	2	12	-83.3%	2	0.0%	18	26	-30.8%
Total investment and other income	71	80	-11.3%	71	0.0%	330	294	12.2%
Total underlying income	**293**	**342**	**-14.3%**	**320**	**-8.4%**	**1,512**	**1,305**	**15.9%**
Underwriting expenditure	271	317	-14.5%	300	-9.7%	1,400	1,206	16.1%
Operating expenses	10	8	25.0%	11	-9.1%	35	33	6.1%
Other interest expenses	1	2	-50.0%	2	-50.0%	19	18	5.6%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**282**	**327**	**-13.8%**	**313**	**-9.9%**	**1,453**	**1,258**	**15.5%**
Underlying profit before tax	**11**	**15**	**-26.7%**	**7**	**57.1%**	**59**	**47**	**25.5%**
Taxation	-2	4	n.a.	-0	n.a.	8	13	-38.5%
Profit before minority interests	14	11	27.3%	7	100.0%	50	34	47.1%
Minority interests	-	-		-		-	-	
Underlying net profit	**14**	**11**	**27.3%**	**7**	**100.0%**	**50**	**34**	**47.1%**
KEY FIGURES								
Value of new life business	4	6	-33.3%	4	0.0%	17	19	-10.5%
Internal rate of return (YTD)						13.2%	12.3%	
Single premiums	182	209	-12.9%	217	-16.1%	1,037	904	14.7%
Annual premiums	9	7	28.6%	3	200.0%	22	21	4.8%
New Sales (APE)	27	28	-3.6%	24	12.5%	126	111	13.5%
Investment in new business	7	10	-30.0%	8	-12.5%	38	47	-19.1%
Expenses as % of AUM (YTD)						0.24%	0.22%	
Expenses as % of gross premiums (YTD)						12.7%	13.5%	
Gross life reserves				8,428		8,443	12,448	-32.2%

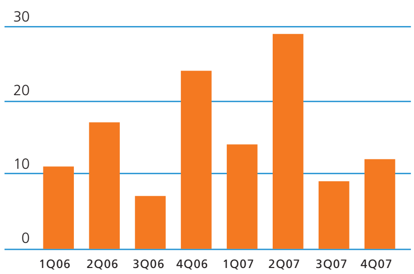
Non-life Insurance Belgium: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	15	14	7.1%	13	15.4%	63	56	12.5%
Underlying profit before tax	**1**	**9**	**-88.9%**	**2**	**-50.0%**	**5**	**12**	**-58.3%**

Key Performance Indicators

- **Successful launch of cross-border car insurance product**
- **Pre-tax profit decline driven by higher expenses and lower revaluations of investments**

LIFE INSURANCE BELGIUM

Underlying profit before tax (EUR million)



Business update

Following the divestment of the broker & employee benefits business in the third quarter of 2007, the insurance activities in Belgium are focused exclusively on the sale of insurance products through ING's proprietary retail bank channels (ING Bank and Record Bank). New bancassurance companies were created to better streamline these activities and to further exploit cross-selling opportunities in the bank channel.

In life insurance, the new bancassurance company continued to show strong premium growth in 2007, mainly through the success of the investment products Optima Invest and Record Invest, which have a capital guarantee and high profit participation potential. However, production slowed down in the second half of 2007 due to less intensive marketing.

In non-life insurance, the new bancassurance company focuses mainly on the retail business in fire, motor and disability. Fire is by far the largest portfolio and mainly responsible for the growth in non-life premiums in 2007 related to the introduction of a compulsory natural disaster cover. In disability, an inheritance insurance product was launched by Record Bank in the fourth quarter of 2007, which provides for an accidental death coverage based on the value of the policyholder's securities portfolio. In motor, the sale of the new car insurance product has gained traction in the fourth quarter, with approximately 9,000 policies sold since the launch in September. The product is sold through ING Bank Belgium's branches, home bank channel and the internet. Nationale-Nederlanden is the risk carrier in this cross border project for which ING Non-life Belgium acts as the claims handler. The intention is to attract clients with an attractive claims profile by offering an excellent and attractively priced product.

Profit Analysis; fourth quarter

Compared to the fourth quarter of 2006, the underlying profit before tax of Insurance Belgium's bancassurance activities decreased 50.0% to EUR 12 million. The comparable 2006 profit of EUR 24 million was retroactively adjusted for the divestment of the broker & employee benefits business in the third quarter of 2007. Operating expenses increased EUR 2 mln after higher technology and project expenses related to the creation of the new bancassurance companies in 2007 and the car insurance project.

The pre-tax profit from life insurance operations declined EUR 4 million after lower investment income and higher expenses. Lower investment income related to bond gains and revaluations in non-trading derivatives in the fourth quarter of 2006, were largely offset by a decrease in profit sharing and rebates. The production of investment products from the Optima and Record range slowed down. New pension products for the self-employed showed strong growth, but premium income is still modest compared to the guaranteed interest rate products. In line with the lower single premium sales, the value of new business fell from EUR 6 million to EUR 4 million.

In non-life insurance, the EUR 8 mln decrease in the underlying pre-tax result occurred in all business segments. The deterioration was partly caused by a strengthening of the claims provisions for disability in the fourth quarter of 2007 based on recent claims experience. Non-life premiums were up 7.1% largely due to the compulsory natural disaster cover introduced in 2007. Premiums from fire insurance represent around half of the premium income.

'New car insurance product launched at a competitive price'

Life Insurance Central & Rest of Europe

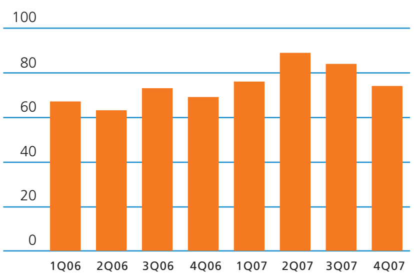
Life Insurance Central & Rest of Europe: Income Statement

In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	744	562	32.4%	548	35.8%	2,394	1,906	25.6%
Commission income	61	48	27.1%	57	7.0%	227	170	33.5%
Direct investment income	106	105	1.0%	97	9.3%	388	364	6.6%
Realised gains and fair value changes on inv.	2	9	-77.8%	3	-33.3%	16	18	-11.1%
Total investment and other income	108	114	-5.3%	99	9.1%	404	383	5.5%
Total underlying income	**912**	**724**	**26.0%**	**704**	**29.5%**	**3,024**	**2,459**	**23.0%**
Underwriting expenditure	740	574	28.9%	534	38.6%	2,377	1,913	24.3%
Operating expenses	96	81	18.5%	83	15.7%	318	270	17.8%
Other interest expenses	2	-1	n.a.	2	0.0%	6	2	200.0%
Other impairments	-	1	n.a.	-		-	1	n.a.
Total underlying expenditure	**838**	**655**	**27.9%**	**620**	**35.2%**	**2,701**	**2,186**	**23.6%**
Underlying profit before tax	**74**	**69**	**7.2%**	**84**	**-11.9%**	**323**	**272**	**18.8%**
Taxation	19	8	137.5%	16	18.8%	69	54	27.8%
Profit before minority interests	56	61	-8.2%	68	-17.6%	255	218	17.0%
Minority interests	3	10	-70.0%	3	0.0%	11	9	22.2%
Underlying net profit	**53**	**51**	**3.9%**	**65**	**-18.5%**	**243**	**209**	**16.3%**
KEY FIGURES								
Value of new life business	170	29	486.2%	74	129.7%	313	124	152.4%
Internal rate of return (YTD)						18.4%	18.1%	
Single premiums	389	265	46.8%	168	131.5%	1,028	711	44.6%
Annual premiums	169	90	87.8%	128	32.0%	465	314	48.1%
New Sales (APE)	208	116	79.3%	145	43.4%	568	385	47.5%
Investment in new business	88	48	83.3%	64	37.5%	226	141	60.3%
Expenses as % of AUM (YTD)						0.80%	0.84%	
Expenses as % of gross premiums (YTD)						15.0%	13.2%	
Gross life reserves				9,508		9,834	8,807	11.7%

Key Performance Indicators

- **Continued strong growth in premiums and pension fund inflows**
- **VNB increase to EUR 170 million of which EUR 116 million Romanian pension fund**
- **Underlying profit before tax up 25.0% excluding start-up investments**

LIFE INSURANCE CENTRAL & REST OF EUROPE
Underlying profit before tax (EUR million)



Business update

Central Europe continued to achieve economic growth that is considerably above the European average in 2007. The same applied to the growth of the financial services industry in general, although the growth in life insurance and pensions in some markets was slower than in 2006. This was mainly due to weaker equity markets, especially in the second half of 2007. ING managed to maintain its leading position as a life insurance and pension provider in Central Europe through its accelerated growth strategy, which rests on four pillars: product innovation, broadened distribution capacity, improved client service and increased operational efficiency.

Competition in Central Europe is increasing rapidly, as many international financial services providers are stepping up their investments in the region, and often apply aggressive strategies to capture market share. ING is reacting to this trend by broadening its product range and distribution mix to achieve above average growth and by applying measures to structurally lower its unit costs.

In the fourth quarter, Insurance Central & Rest of Europe reported strong growth in value of new business and new sales throughout the region. This was accentuated by the successful start of the second-pillar pension fund in Romania. ING attracted over 1 million clients in a period of 4 months, and has outperformed all its competitors by a considerable margin, gaining a market share of over 30%.

The region continued to experience a shift in product mix from traditional life to single premium unit-linked products. ING responded to this trend with single premium campaigns in several countries, which led to favourable premium growth in the fourth quarter. In the Czech Republic, for example, ING generated premium income of close to EUR 40 million with Garant Invest, a single premium unit-linked product. The variable annuity products launched in Spain (March) and in Hungary (July) in 2007 contributed EUR 173 million to the premium growth. Further roll-out of variable annuities in other countries is planned for 2008.

ING is devoting much time and attention to increase the number of agents and optimise the performance of its existing tied agent sales force, which represents the main distribution channel in Central Europe. These efforts are paying off: average production per tied agent increased by more than 20% in 2007.

At the same time, ING aims to broaden its distribution capacity as one of the spearheads of its strategy. ING concluded distribution agreements with brokers in several countries, including Hungary and Romania. In addition, ING is developing direct marketing, mainly with the aim of extending the client base and generating leads for more advice-sensitive products. The direct savings account Konto in the Czech Republic is a prime example of this approach. In bancassurance, ING Hungary achieved promising sales of insurance-linked mortgages in cooperation with two local banks, and NN Spain concluded an agreement with a local bank to distribute variable annuities and other insurance products.

Central & Rest of Europe is placing greater emphasis on leveraging regional synergies in product development. The simple protection product Smart, already a success in Romania, will be introduced in Poland in 2008. Similarly, a Hungarian unit-linked product is planned to be launched in Bulgaria. As a result of these initiatives, ING has been able to increase efficiency in product development and to ensure that newly developed products can be more quickly rolled out across the region.

ING continued to grow in the region through greenfield expansion. In addition to the Romanian pension fund, the Bulgarian life insurance company is starting to grow after a hesitant start in 2006. This growth is expected to remain modest over the next few years as the life insurance market is in an early stage of development. This also applies to the Russian life insurance market, where ING started a greenfield in the second half of the year. The official opening of the Russian operation was celebrated in December and the main priority will be to recruit and train agents and to gradually extend the presence in other cities with a sizeable population.

In 2007, ING embarked on a large-scale Six Sigma efficiency program to further improve client service and increase operational efficiency. By the end of the fourth quarter, 40 projects were up and running.

Profit

Central & Rest of Europe showed strong financial performance in the fourth quarter of 2007. Despite EUR 14 million higher start-up investments in new businesses in Russia and Romania, the underlying profit before tax from life operations was 7.2% higher at EUR 74 million compared to last year. Life profit has increased 25.0% excluding these start-up investments. Higher sales throughout the region, combined with the appreciation of most Central European currencies against the Euro, had a positive effect on the result.

Income

Both life premium income and pension fund inflows showed favourable increases. Premiums rose by 32.4% driven by healthy growth across the region, the sales of the single premium variable annuity product in Spain and Hungary and the strong sales of single premium unit-linked products in Greece and the Czech Republic. The second-pillar pension fund in Poland was again the main contributor to the 17% growth in pension fund inflows.

Expenses

EUR 14 million higher start-up investments for the new life insurance operation in Russia and the second-pillar pension fund in Romania explain the expense growth in the fourth quarter of 2007. Excluding greenfield investments, operating expenses declined slightly compared with the fourth quarter of 2006.

Key figures

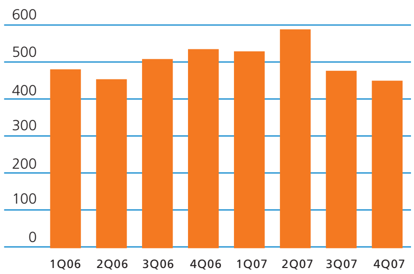
Value of new business has grown strongly throughout the entire region. Even excluding the EUR 116 million in value of new business generated by the Romanian second-pillar pension fund, Central & Rest of Europe's value of new business increased by 86.2%. New sales (APE) also grew strongly; up 79.3%, or 18.1% excluding the Romanian pension fund.

Insurance Americas

Insurance Americas: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	6,726	5,847	15.0%	5,735	17.3%	23,537	24,118	-2.4%
Commission income	271	243	11.5%	255	6.3%	1,036	984	5.3%
Direct investment income	1,497	1,135	31.9%	1,379	8.6%	5,336	4,509	18.3%
Realised gains and fair value changes on inv.	-202	129	n.a.	-124	n.a.	-321	168	n.a.
Total investment and other income	1,295	1,264	2.5%	1,255	3.2%	5,015	4,677	7.2%
Total underlying income	**8,292**	**7,354**	**12.8%**	**7,245**	**14.5%**	**29,588**	**29,779**	**-0.6%**
Underwriting expenditure	7,077	6,089	16.2%	6,115	15.7%	24,682	24,981	-1.2%
Operating expenses	675	621	8.7%	603	11.9%	2,519	2,490	1.2%
Other interest expenses	87	104	-16.3%	47	85.1%	328	316	3.8%
Other impairments	-	1	n.a.	-		-	-	
Total underlying expenditure	**7,839**	**6,815**	**15.0%**	**6,765**	**15.9%**	**27,529**	**27,787**	**-0.9%**
Underlying profit before tax	**453**	**539**	**-16.0%**	**480**	**-5.6%**	**2,059**	**1,992**	**3.4%**
of which profit before tax life insurance	325	413	-21.3%	365	-11.0%	1,572	1,320	19.1%
of which profit before tax non-life insurance	128	126	1.6%	115	11.3%	487	671	-27.4%
Taxation	127	154	-17.5%	126	0.8%	558	515	8.3%
Profit before minority interests	326	385	-15.3%	354	-7.9%	1,501	1,477	1.6%
Minority interests	26	28	-7.1%	26	0.0%	116	145	-20.0%
Underlying net profit	**300**	**357**	**-16.0%**	**328**	**-8.5%**	**1,385**	**1,332**	**4.0%**
Net gains/losses on divestments	93	-		-0		92	-	
Net profit from divestments	-	-		-		0	-	
Special items after tax	-	-		-		-	-	
Total net profit	**392**	**357**	**9.8%**	**328**	**19.5%**	**1,478**	**1,332**	**11.0%**
KEY FIGURES								
Value of new life business	111	-12	n.a.	73	52.1%	270	167	61.7%
Internal rate of return (YTD)						11.8%	10.3%	
Single premiums	5,317	4,147	28.2%	5,704	-6.8%	18,983	16,628	14.2%
Annual premiums	473	441	7.3%	388	21.9%	1,773	1,817	-2.4%
New Sales (APE)	1,004	856	17.3%	958	4.8%	3,671	3,480	5.5%
Investment in new business	324	168	92.9%	293	10.6%	1,138	1,031	10.4%
Assets under Management (in € bln)	213	203	4.9%	211	0.9%	213	203	4.9%
Expenses as % of AUM (YTD)						0.74%	0.72%	
Expenses as % of gross premiums (YTD)						14.7%	14.3%	
Expense ratio (YTD)						28.1%	28.9%	
Claims ratio (YTD)						70.6%	63.9%	
Combined ratio (YTD)						98.7%	92.8%	
Gross life reserves				129,357		125,404	128,606	-2.5%
Gross non-life reserves				5,623		5,523	5,292	4.4%
Tax ratio	28.1%	28.6%		26.2%		27.1%	25.9%	
Staff (FTEs end of period)				30,939		33,276	28,778	15.6%

INSURANCE AMERICAS

Underlying profit before tax (EUR million)



Key Performance Indicators

- **Underlying profit before tax down 16.0%, or 8.7% excluding currencies**
- **Value of new business jumps to EUR 111 million on strong sales and higher IRRs**
- **Latin America transformation continues with divestment of Mexico insurance and Chile health**

Business update

Insurance Americas continues to invest in fast-growing markets, including US wealth management and asset management, and high growth areas in Latin America. During the fourth quarter, Insurance Americas posted very strong top-line growth across the region but profit declined mainly because of difficult financial market conditions in the US.

Premium income across the region soared 25.5% excluding currency movements, propelled by a 31.5% increase in the US on strong sales of variable annuities, retirement services and individual life products.

Pre-tax profit in Latin America climbed 36.0% excluding currencies due to net investment gains in Mexico and higher results in Brazil. Results in Latin America benefited modestly from the acquisition of the Santander pension businesses which contributed EUR 13 million in pre-tax profit, before integration and funding costs, and amortisation of intangibles. In ING Canada, the claims ratio deteriorated 650 basis points to 65.7% compared to year-end 2006, as the underwriting cycle softened in 2007.

Operating expenses increased 17.7%, excluding currencies, with 5.6% of this total relating to the recently acquired pension business in Latin America and another 2.9% linked to higher sales volumes. Additional technology costs, reorganisation and benefits charges, as well as other investments for business growth also contributed to the expense increase. Excluding these items, expenses increased 2.7%.

Life insurance
Life underlying profit before tax declined 10.1% excluding currencies on weaker financial markets, primarily in the US. The US business posted earnings of EUR 272 million, down 15.0% excluding currencies, encompassing EUR 28 million negative equity-related DAC and reserve unlocking, a swing of EUR 69 million from the fourth quarter 2006, and increased investments in technology and higher sales volumes. Net investment gains of EUR 40 million include higher interest-related gains which largely offset EUR 43 million in gross credit losses and impairments. For the fourth quarter, life profit in Latin America increased 31.0% excluding currencies, driven by strong investment results in Mexico, and higher life results in Brazil.

Life premium income jumped 30.6% excluding currencies, driven by the US. Variable annuity sales were up 97.9% led by strong sales of LifePay Plus. Sales of retirement services corporate 401(k), education and IRA products increased 9.8%, or 47.3% on a US basis, as a result of increased distribution capacity. Individual life sales more than doubled, prompted by a new suite of universal and term life products. Net flows for variable annuities and retirement services corporate 401(k), education and IRA products were EUR 1.8 billion for the quarter, higher than any prior quarter. Premium income in Latin America increased 6.9% excluding currencies, supported by growth in the life businesses in Chile and Mexico

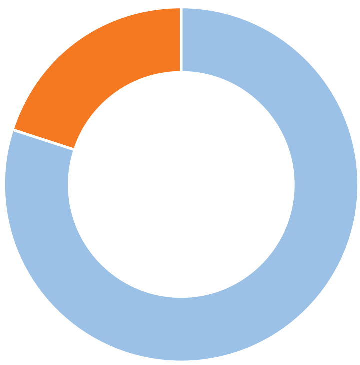
New business production
Insurance Americas posted EUR 111 million in value of new life business compared to EUR -12 million in the fourth quarter 2006, which included EUR 31 million negative impact of the discount rate change. The US contributed EUR 77 million compared to a loss in the fourth quarter of 2006, driven by higher returns, strong sales and EUR 11 million from the cumulative impact of a financial reinsurance solution for regulatory reserves in the US individual life business. Latin America delivered EUR 35 million in value of new business against a loss in the prior period on a substantial improvement in the pension business in Mexico, including the acquired business.
The internal rate of return in the Americas climbed 150 basis points to 11.8% representing solid improvement across the region. Returns in the US (on a US basis) were up 100 basis points to 12.2%.

Non-life insurance
Non-life underlying profit before tax fell 3.9% excluding currency movements as weaker investment performance offset marginally improving underwriting results across the region. Profit in Canada fell 8.3% excluding currencies to EUR 113 million due to EUR 16 million in impairments and investment losses and lower underwriting income. The combined ratio deteriorated 510 basis points to 94.2% mainly from higher property claims severity as well as moderate increases in personal auto claims frequency and severity.

Non-life profit in Latin America jumped 55.6% excluding currency. Higher results in Brazil and lower expenses across the region more than offset lower investment income and lower underwriting results in Mexico P&C and Chile health.

On 10 January 2008, ING closed the sale of its health business in Chile for EUR 75 million in proceeds and a gain of EUR 63 million, to be recorded in the first quarter of 2008. On 12 February 2008, ING announced an agreement to sell its Mexican insurance and bonding business of Seguros ING for EUR 1 billion in proceeds and an expected gain of EUR 150 to 200 million.

ING's share in Brazil's SulAmérica was diluted from 49% to 36%, as result of the initial public offering. ING recorded a gain of EUR 93 million in the fourth quarter 2007, which is not reflected in the underlying results.



INSURANCE AMERICAS
% based on VNB FY2007

United States (80%)
Latin America (20%)

Life Insurance United States

Life Insurance United States: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	5,477	4,612	18.8%	4,522	21.1%	18,677	19,130	-2.4%
Commission income	191	184	3.8%	194	-1.5%	780	735	6.1%
Direct investment income	1,231	956	28.8%	1,115	10.4%	4,404	3,789	16.2%
Realised gains and fair value changes on inv.	-231	111	n.a.	-165	n.a.	-458	79	n.a.
Total investment and other income	1,000	1,067	-6.3%	950	5.3%	3,946	3,868	2.0%
Total underlying income	**6,668**	**5,863**	**13.7%**	**5,666**	**17.7%**	**23,403**	**23,732**	**-1.4%**
Underwriting expenditure	5,923	5,027	17.8%	4,966	19.3%	20,270	20,771	-2.4%
Operating expenses	399	374	6.7%	357	11.8%	1,497	1,483	0.9%
Other interest expenses	74	93	-20.4%	33	124.2%	280	275	1.8%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**6,396**	**5,494**	**16.4%**	**5,356**	**19.4%**	**22,047**	**22,529**	**-2.1%**
Underlying profit before tax	**272**	**369**	**-26.3%**	**309**	**-12.0%**	**1,356**	**1,203**	**12.7%**
Taxation	49	120	-59.2%	93	-47.3%	375	334	12.3%
Profit before minority interests	223	249	-10.4%	216	3.2%	981	869	12.9%
Minority interests	-	-		-		-	-	
Underlying net profit	**223**	**249**	**-10.4%**	**216**	**3.2%**	**981**	**869**	**12.9%**
KEY FIGURES								
Value of new life business	77	-3	n.a.	64	20.3%	215	145	48.3%
Internal rate of return (YTD)						11.3%	10.3%	
Single premiums	5,270	4,104	28.4%	5,654	-6.8%	18,791	16,418	14.5%
Annual premiums	343	338	1.5%	313	9.6%	1,419	1,495	-5.1%
New Sales (APE)	870	749	16.2%	879	-1.0%	3,298	3,137	5.1%
Investment in new business	286	145	97.2%	267	7.1%	1,023	914	11.9%
Expenses as % of AUM (YTD)						0.74%	0.73%	
Expenses as % of gross premiums (YTD)						14.1%	13.5%	
Gross life reserves				126,225		121,725	125,608	-3.1%

Life Insurance United States: Breakdown by product line								
Wealth Management	110	194	-43.3%	176	-37.5%	733	689	6.4%
Insurance	82	78	5.1%	88	-6.8%	348	271	28.4%
Asset Management	31	53	-41.5%	36	-13.9%	170	178	-4.5%
Other	31	4	675.0%	8	287.5%	65	6	983.3%
Underlying profit before tax excluding investment and currency effects	**254**	**330**	**-23.0%**	**307**	**-17.3%**	**1,316**	**1,144**	**15.0%**
Investment gains/losses	40	16	150.0%	5	700%	40	-43	-193.0%
Currency Effects	-22	23	-195.7%	-3	633%	0	102	-100.0%
Total U.S.	**272**	**369**	**-26.3%**	**309**	**-12.0%**	**1,356**	**1,203**	**12.7%**

Key Performance Indicators

- **US underlying profit excluding currency declines 15.0% on weak financial markets**
- **Value of new business climbs to EUR 77 million driven by higher sales and returns**
- **Record sales in key retirement services and variable annuities**

Business update

The US life business uses its strength in wealth management, asset management and insurance to drive profitable sales, assets and earnings growth and value creation, even as market conditions in the US softened.

Sales of variable annuities, retirement services and life insurance were up strongly in the fourth quarter led by new products and additional distribution capacity.

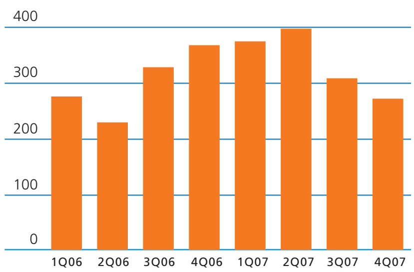
The continuing credit crisis negatively impacted profit, and lower equity market returns induced EUR 28 million in negative DAC and reserve unlocking.

The market value of ING's US subprime residential mortgage-backed securities declined to EUR 2.5 billion, or 91% of the book value, of which 96% is rated AA or better. The impairments on subprime residential mortgage backed securities were EUR 19 million for the quarter.

Wealth management

Wealth management encompasses the retirement services and annuity businesses as well as ING Advisors Network, the second largest independent broker/dealer network in the US.

LIFE INSURANCE UNITED STATES
Underlying profit before tax (EUR million)



In the fourth quarter of 2007, wealth management posted strong top-line growth on continued good execution of business fundamentals. Sales of retirement services corporate 401(k), education and IRA products increased 9.8% or 47.3% on a US basis over the fourth quarter 2006, led by the corporate 401(k) market which continues to benefit from new distribution capacity added earlier in 2007. Rollover sales were up strongly with nearly a third of new sales coming from external rollovers. This business continues its dual focus on retaining assets in existing ING retirement plans while also seeking new clients to ING's rollover products. Returns on these products improved 240 basis points to 17.3%.

New 403(b) regulations – the first in forty years – significantly change this market by increasing the plan sponsor's responsibilities with respect to its employees, and broadening employee participation to enhance their retirement savings. ING is taking a market leading stance by proactively communicating with sponsors and developing new technology to make it easier for plan sponsors to comply with the new regulations. These new requirements are causing small competitors to consider exiting the market, offering longer term sales growth and retention opportunities for ING. While school sponsors are evaluating their options, sales may slow somewhat in the short term.

As of the third quarter 2007, ING remained #1 in retirement services kindergarten through 12th grade education market sales, and #2 in small corporate 401(k) plan sales.

In variable annuities, living benefits continue to drive industry sales growth because they are an effective part of overall retirement income strategies. ING's LifePay Plus withdrawal benefit for life, introduced in August 2007, has been well received by distributors and customers, and is a significant catalyst to sales and market share expansion.

The variable annuity business experienced its highest sales quarter in the history. Sales of variable annuities for the quarter nearly doubled – up 97.9% – from the prior year and were up 52.9% sequentially. Further, net flows for the quarter were 63% of new sales, well above the industry's third quarter 2007 average of 21%.

At the end of the third quarter, ING's variable annuity sales ranking improved to #11, driven primarily by the LifePay Plus product. Given the robust sales in the fourth quarter, it is expected that this ranking will improve further.

Net flows in variable annuities and retirement services corporate 401(k), education and IRA products topped EUR 1.8 billion, the highest level in history, and evidence of strong sales.

In addition to new products, ING added 18 annuity wholesalers in 2007, largely in the wirehouse and independent channels, which also contributed to the strong variable annuity sales growth. The total number of wholesalers at year-end 2007 is approximately 125.

Sales of fixed annuities dropped 42.3% as alternative products, including certificates of deposit, continued to be more attractive given the interest rate levels in 2007.

Insurance

Individual life continued its strong sales growth trend led by the introduction of new universal life and term products. Sales for the quarter more than doubled compared to the same quarter last year,

Life Insurance United States

capping a year which saw overall sales up 49.1% in a single-digit growth industry. At the end of the third quarter 2007, ING ranked #12 in individual life, up three positions from the third quarter 2006, and up one position sequentially.

The life business issued nearly 27,000 new policies in the quarter, more than twice the number of policies issued during the fourth quarter of 2006. For the full year, new policies issued nearly tripled against 2006, enhancing the per unit cost efficiency.

In the fourth quarter 2007, the individual life business completed its New York financial reinsurance solution for the regulatory reserves required for certain universal life products.

Asset management

The asset management unit manages ING's proprietary assets in the Americas as well as third party monies in ING retail products, mutual funds, institutional fixed income, equity and alternative assets. Open-end mutual fund sales for the quarter were down 1.3% on market concerns over volatility and economic conditions. Yet, ING's international equity funds continued to sell well – up 26.6% – as the "going global" strategy, emphasising ING's global asset management capabilities, continues to be well received by the market.

The institutional markets business was able to take advantage of wider credit spreads in its core funding agreement and guaranteed investment contract business. Sales for the quarter increased 61.3%, contributing to an eight fold increase in value of new business from this activity.

Profit

Underlying profit before tax for the fourth quarter 2007 declined 26.3% to EUR 272 million from the year-earlier quarter. Excluding negative currency movements of EUR 44 million, underlying profit was down 15.0% on continued market turmoil as the S&P 500 fell 3.9% in the fourth quarter 2007 versus an increase of 6.1% in the fourth quarter 2006. Results include EUR 28 million in negative equity-related DAC and reserve unlocking, a EUR 69 million decrease from the favorable unlocking in the fourth quarter 2006. Net investment gains of EUR 40 million included higher interest-related gains, which largely offset EUR 43 million in gross credit losses and impairments, of which EUR 19 million related to subprime residential mortgage-backed securities and the remainder to corporate bonds. An increase in operating expenses and lower private equity gains also contributed to the decline. The results for the quarter benefited from higher fee income led by growth in account balances as well as sales.

In the wealth management business, variable annuity assets under management increased 14.2% while assets under management in retirement services corporate 401(k), education and IRA businesses grew 9.1%, resulting in strong growth in fee income. In the insurance segment, continued positive

Insurance Americas: US Key Metrics

	Annual Premium Equivalent (APE)					Sales (US Basis)				
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	4Q2007	4Q2006	Change	3Q2007	Change
Wealth Management										
Retirement Services										
- Corporate 401(k), education and IRA	236	215	9.8%	206	14.6%	1,034	702	47.3%	823	25.6%
- Healthcare, Government, Stable Value and Other	133	171	-22.2%	141	-5.7%	509	866	-41.2%	682	-25.4%
Variable Annuity	240	121	98.3%	157	52.9%	2,401	1,213	97.9%	1,570	52.9%
Fixed Annuity	24	40	-40.0%	26	-7.7%	233	404	-42.3%	257	-9.3%
Total Wealth Management	**633**	**548**	**15.5%**	**530**	**19.4%**					
Insurance										
Individual Life	93	42	121.4%	66	40.9%	91	42	116.7%	64	42.2%
Group Insurance	27	13	107.7%	25	8.0%	27	21	28.6%	25	8.0%
Group Reinsurance	15	13	15.4%	7	114.3%	15	13	15.4%	7	114.3%
Total Insurance	**135**	**68**	**98.5%**	**98**	**37.8%**					
Asset management										
Institutional Markets	150	93	61.3%	251	-40.2%	1,496	927	61.4%	2,512	-40.4%
Investment Management										
- Retail Mutual Funds						996	1,338	-25.6%	1,001	-0.5%
- Other Third-Party nvestment Management						1,815	2,056	-11.7%	3,595	-49.5%
Total Asset Management	**150**	**93**	**61.3%**	**251**	**-40.2%**					
Total US, excluding currency effects	**918**	**708**	**29.7%**	**880**	**4.3%**					
Currency Effects	-48	41	n.a.	-1	n.a.					
Total	**870**	**749**	**16.2%**	**878**	**-0.9%**					

sales momentum and improved net mortality resulted in higher profits compared to the year-earlier quarter. In the asset management segment, a decline in private equity gains dampened results for the quarter.

In the fourth quarter 2007, the US incurred favorable developments on several tax contingencies, which lowered the effective tax rate.

Income

US gross premium income posted a significant increase of 31.5% to EUR 5,477 million excluding currency effects, mainly led by record variable annuity sales.

Expenses

Excluding currency effects, operating expenses were up 18.9% compared to the fourth quarter 2006 and reflect accelerated investments in the business, costs of increased sales, and higher reorganisation and benefits costs. Excluding these items, expense growth in the US was 3.1%. The expense growth contributed to the decline in the efficiency ratios. Expenses as a percentage of gross premiums deteriorated 58 basis points, while expenses as a percentage of assets under management posted a modest 1 basis point increase to 0.74%.

Key figures

The US business created significant value on strong sales and improved returns, posting EUR 77 million in value of new business compared to a loss in the fourth quarter 2006. Excluding the impact of currency movements and the discount rate change, the value of new business in the wealth management segment is up 28.6% from the fourth quarter 2006 on higher variable annuity sales, partially offset by lower fixed annuity sales. Additionally, the value of new business in the insurance segment improved to EUR 25 million from a loss in the prior period. The improvement reflects strong sales and the ongoing benefit from the implementation of the captives in the individual life business, and EUR 11 million from the cumulative impact of a financial reinsurance solution for regulatory reserves completed in the fourth quarter 2007.

The internal rate of return in the US on a US basis is 12.2%, an increase of 100 basis points, that reflects substantially improved margins in individual life from the regulatory reserve solutions implemented during 2007 as well as higher returns in the spread lending business. Returns in retirement services corporate 401(k), education and IRA business also contributed to the improvement, increasing 240 basis points to 17.6%. Variable annuity returns remained strong at 14.2%, while lower fixed annuity returns partially mitigated the improvements.

Insurance Americas: US Key Metrics

	Value of New Business (VNB)					Internal Rate of Return (IRR)				
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	4Q2007	4Q2006	Change	3Q2007	Change
Wealth Management										
Retirement Services										
- Corporate 401(k), education and IRA	12	12	0.0%	18	-33.3%	17.6%	15.2%	240 bps	18.4%	-80 bps
- Healthcare, Government, Stable Value and Other	2	7	-71.4%	2	0.0%	10.1%	11.2%	-110 bps	9.3%	80 bps
Variable Annuity	23	8	187.5%	19	21.1%	14.2%	14.3%	-10 bps	13.4%	80 bps
Fixed Annuity	-1	1	-200.0%	1	-200.0%	8.2%	10.8%	-260 bps	8.5%	-30 bps
Total Wealth Management	**36**	**28**	**28.6%**	**40**	**-10.0%**	**12.7%**	**13.0%**	**-30 bps**	**12.8%**	**-10 bps**
Insurance										
Individual Life	19	-16	n.a.	2	n.a.	9.0%	1.2%	780 bps	7.8%	120 bps
Group Insurance	3	3	0.0%	2	50.0%	12.3%	11.2%	110 bps	12.2%	10 bps
Group Reinsurance	3	2	50.0%	1	200.0%	24.5%	18.5%	600 bps	19.4%	510 bps
Total Insurance	**25**	**-11**	**n.a.**	**5**	**n.a.**	**10.1%**	**6.0%**	**410 bps**	**9.1%**	**100 bps**
Asset management (Institutional Markets)	**18**	**2**	**n.a.**	**19**	**-5.3%**	**18.1%**	**14.4%**	**370 bps**	**17.0%**	**110 bps**
Other	0	-1	n.a.	0	n.a.					
Total US, excluding currency and discount rate changes	**80**	**17**	**370.6%**	**64**	**25.0%**	**12.2%**	**11.2%**	**100 bps**	**11.7%**	**50 bps**
Effect of Change in Discount Rate	0	-20	n.a.	0	n.a.					
Currency Effects	-3	-0	n.a.	0	n.a.					
IRR Currency/Risk Adjustment						-0.9%	-0.9%	0 bps	-1.0%	10 bps
Total	**77**	**-3**	**n.a.**	**64**	**20.3%**	**11.3%**	**10.3%**	**100 bps**	**10.7%**	**60 bps**

Non-life Insurance Canada

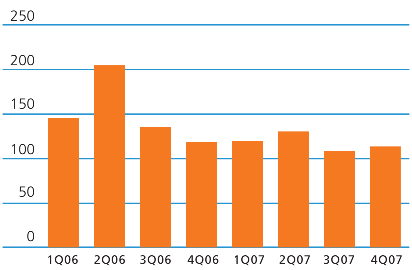
Non-life Insurance Canada: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	670	649	3.2%	747	-10.3%	2,788	2,807	-0.7%
Commission income	14	15	-6.7%	17	-17.6%	61	67	-9.0%
Direct investment income	84	69	21.7%	74	13.5%	291	260	11.9%
Realised gains and fair value changes on inv.	2	11	-81.8%	15	-86.7%	52	61	-14.8%
Total investment and other income	86	80	7.5%	89	-3.4%	343	321	6.9%
Total underlying income	**770**	**744**	**3.5%**	**854**	**-9.8%**	**3,192**	**3,195**	**-0.1%**
Underwriting expenditure	520	497	4.6%	602	-13.6%	2,170	2,044	6.2%
Operating expenses	137	129	6.2%	143	-4.2%	553	548	0.9%
Other interest expenses	-	-		-		-	-	
Other impairments	-	-		-		-	-	
Total underlying expenditure	**657**	**626**	**5.0%**	**746**	**-11.9%**	**2,722**	**2,592**	**5.0%**
Underlying profit before tax	**113**	**118**	**-4.2%**	**108**	**4.6%**	**470**	**605**	**-22.3%**
Taxation	30	31	-3.2%	26	15.4%	110	145	-24.1%
Profit before minority interests	83	87	-4.6%	82	1.2%	360	460	-21.7%
Minority interests	25	27	-7.4%	25	0.0%	108	139	-22.3%
Underlying net profit	**58**	**60**	**-3.3%**	**57**	**1.8%**	**252**	**321**	**-21.5%**
KEY FIGURES								
Expense ratio (YTD)						28.5%	29.9%	
Claims ratio (YTD)						65.7%	59.2%	
Combined ratio (YTD)						94.2%	89.1%	
Gross non-life reserves				4,507		4,379	3,984	9.9%

Key Performance Indicators

- **Underlying profit before tax down 8.3% excluding currency**
- **Net investment gains decline due to asset impairments**
- **Combined ratio increases to 94.2% in 2007**

NON-LIFE INSURANCE CANADA

Underlying profit before tax (EUR million)



Business update

ING Canada is the largest property and casualty insurer in Canada with 11% market share. Through scale, as well as superior underwriting and pricing sophistication, ING Canada has sustained industry-leading results over time. ING Canada distributes its products through three channels: independent brokers, direct-to-consumers and affiliated brokers. While the independent and affiliated broker channels represent approximately 90% of annual premiums, there is a growing customer response to the direct channel.

Strong execution of strategic initiatives, pricing discipline and other adjustments to insured values are creating a positive effect on premium growth in personal lines. Higher claims severity due to climate change and inflation in reconstruction costs remain the key issues in property lines. Competitive pricing pressure in commercial lines continued in 2007 but ING Canada's commercial results remained strong due to disciplined underwriting and a focus on small- to medium-size accounts. .

Performance against business goals

ING Canada's goals are to exceed the Canadian property and casualty insurance industry organic growth rate by a minimum of 300 basis points over time, and to exceed the industry return on equity by at least 500 basis points. On a local Canadian basis, ING Canada's return

on equity was 15.4% in 2007. Competitor data for the full year of 2007 is not yet available.
In 2006, ING Canada's return on equity was 20.8%, 400 basis points higher than the Canadian industry return of 16.8%.

Auto insurance reforms

Automobile insurance reforms adopted by the various provinces have been effective at containing and stabilising claims costs over the last few years and continue to be a key performance driver in auto lines. However, there is potential for reform benefits to erode over time. Medical cost inflation will be addressed in the upcoming review of the Ontario reform, Bill 198. Rates in Ontario personal auto and in personal property in the Western region are being adjusted upward to take into account inflation in medical and building reconstruction costs.

Profit

Underlying profit before tax for the fourth quarter 2007 was EUR 113 million, down 8.3% from the same quarter last year, excluding currency effects. The decline reflects lower underwriting income and a decrease in investment gains compared to the fourth quarter 2006. The decline in investment gains is mainly due to EUR 16 million in impairments, including losses on a SIV backed by asset-backed securities, and investment losses caused by the deterioration of financial markets in the second half of 2007.

Excluding currency impact, underwriting profit was down EUR 9 million in the fourth quarter, mainly due to an accounting adjustment to reflect lower market interest rates. Excluding this factor, underwriting profit increased slightly as property results improved versus the same period last year. Property lines continued to show signs of improvement over previous quarters through positive actions to raise premiums and reduce claims costs. Profit in personal auto insurance decreased due to moderately higher severity and frequency of claims.

Gross premium income

In the quarter, slower growth in written insured risks in personal lines and lower premiums in commercial lines led to relatively flat overall growth in gross premium income, excluding pools. The decrease in commercial lines' premiums reflects ING's disciplined pricing strategy in an aggressive market environment. As a result, the mix of the commercial lines portfolio has shifted toward smaller business accounts that tend to be less price-sensitive.

Key figures

The full-year combined ratio is 94.2%. The increase of 510 basis points compared to 2006 reflects higher property severity as well as moderate increases in frequency and severity of personal auto claims.

Insurance Latin America

Life Insurance Latin America: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	165	167	-1.2%	171	-3.5%	656	686	-4.4%
Commission income	67	44	52.3%	44	52.3%	198	184	7.6%
Direct investment income	147	76	93.4%	153	-3.9%	496	338	46.7%
Realised gains and fair value changes on inv.	25	6	316.7%	23	8.7%	79	23	243.5%
Total investment and other income	172	82	109.8%	177	-2.8%	575	361	59.3%
Total underlying income	**403**	**293**	**37.5%**	**391**	**3.1%**	**1,429**	**1,231**	**16.1%**
Underwriting expenditure	256	190	34.7%	271	-5.5%	939	898	4.6%
Operating expenses	83	51	62.7%	52	59.6%	232	195	19.0%
Other interest expenses	12	7	71.4%	12	0.0%	42	23	82.6%
Other impairments	-	1	n.a.	-		-	-	
Total underlying expenditure	**350**	**249**	**40.6%**	**335**	**4.5%**	**1,213**	**1,115**	**8.8%**
Underlying profit before tax	**53**	**44**	**20.5%**	**56**	**-5.4%**	**216**	**117**	**84.6%**
Taxation	48	8	500.0%	12	300.0%	85	27	214.8%
Profit before minority interests	5	36	-86.1%	44	-88.6%	131	90	45.6%
Minority interests	1	2	-50.0%	2	-50.0%	8	7	14.3%
Underlying net profit	**4**	**34**	**-88.2%**	**42**	**-90.5%**	**123**	**83**	**48.2%**
KEY FIGURES								
Value of new life business	35	-9	n.a.	9	288.9%	56	22	154.5%
Internal rate of return (YTD)						15.8%	10.5%	
Single premiums	47	43	9.3%	51	-7.8%	193	210	-8.1%
Annual premiums	129	103	25.2%	75	72.0%	354	322	9.9%
New Sales (APE)	134	107	25.2%	80	67.5%	374	343	9.0%
Investment in new business	38	23	65.2%	26	46.2%	115	118	-2.5%
Expenses as % of AUM (YTD)						0.76%	0.66%	
Expenses as % of gross premiums (YTD)						19.6%	21.0%	
Gross life reserves				3,132		3,679	2,999	22.7%

Key Performance Indicators

- **Underlying profit before tax up 36.0% excluding currencies**
- **Transformation of Latin America continues with divestment of Mexico insurance and Chile health**
- **Mexico pension business drives increase in VNB and IRR**

Business update

ING is focused on growing pension and wealth management businesses in Latin America and is currently the second pension provider in the region. ING also is a minority shareholder in a composite insurer in Brazil.

In Mexico, the integration of the Afore business acquired from Santander in the third quarter 2007 is virtually complete. The combined business is now #3 by assets under management with 13.5% market share. For the first time since the transfer war began approximately 3 years ago, net flows of ING's pension assets were positive. ING adopted Santander's lower commission levels which improved sales and persistency. Additionally, pension regulations coming into effect in March 2008 should further diminish the intensity of the transfer war.

In Chile, ING retains its #1 rank in life insurance with 15% market share. The acquisition of the Santander pension business closed on 16 January, boosting ING's ranking from fifth to the third pension provider in the country.

Consistent with its increasing focus on wealth management, ING completed the sale of its health business in Chile, ING Salud, to Said Group and Linzor Capital Partners on 10 January 2008. Additionally, on 12 February 2008, ING announced an agreement to sell the property and casualty, auto, health and life insurance businesses as well as the bonding business of Seguros ING in Mexico.

In Peru, ING remains the #1 pension provider with nearly one-third of the market. Although the transfer war is continuing longer than expected, it is diminishing in intensity. Consequently, ING reduced its sales force by 40% during the fourth quarter of 2007, and its commanding market share continues to position ING well for the long term.

ING currently owns 36% of Brazil's SulAmérica, a top 5 non-life and top 15 life company in the country. SulAmérica completed its initial public offering in

Non-Life Insurance Latin America: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	415	419	-1.0%	296	40.2%	1,415	1,496	-5.4%
Commission income	-1	-1	n.a.	-1	n.a.	-3	-5	n.a.
Direct investment income	36	32	12.5%	37	-2.7%	145	121	19.8%
Realised gains and fair value changes on inv.	1	2	-50.0%	2	-50.0%	7	5	40.0%
Total investment and other income	37	34	8.8%	39	-5.1%	151	126	19.8%
Total underlying income	**451**	**452**	**-0.2%**	**335**	**34.6%**	**1,564**	**1,617**	**-3.3%**
Underwriting expenditure	378	372	1.6%	275	37.5%	1,303	1,271	2.5%
Operating expenses	56	66	-15.2%	51	9.8%	237	263	-9.9%
Other interest expenses	2	5	-60.0%	2	0.0%	7	19	-63.2%
Other impairments	-	1	n.a.	-		-	-	
Total underlying expenditure	**436**	**444**	**-1.8%**	**327**	**33.3%**	**1,547**	**1,553**	**-0.4%**
Underlying profit before tax	**15**	**8**	**87.5%**	**7**	**114.3%**	**17**	**66**	**-74.2%**
Taxation	1	-5	n.a.	-5	n.a.	-12	10	n.a.
Profit before minority interests	14	13	7.7%	12	16.7%	30	56	-46.4%
Minority interests	-0	-		-0	n.a.	-0	-	
Underlying net profit	**14**	**13**	**7.7%**	**12**	**16.7%**	**30**	**56**	**-46.4%**
KEY FIGURES								
Expense ratio (YTD)						27.3%	26.8%	
Claims ratio (YTD)						81.6%	74.2%	
Combined ratio (YTD)						108.9%	101.0%	
Gross non-life reserves				1,117		1,143	1,308	-12.6%

October 2007, raising nearly EUR 300 million in capital for investment in the business. ING recorded a gain of EUR 93 million in the fourth quarter 2007 on the dilution of its initial 49% stake, which is not reflected in the underlying results. Strong performance of the health business continued as a result of rate increases and on-going lower claims ratios.

As of 16 January 2008, ING had closed all five transactions to acquire 100% of Santander's pension and annuity businesses in the region. In the fourth quarter 2007, the acquired businesses contributed EUR 13 million in gross profits before integration and funding costs, and amortisation of intangibles.

Life insurance

Excluding currency impacts, life underlying profit before tax increased 31.0% to EUR 53 million. The profit increase was driven by strong investment results in Mexico, positive operating results from recently acquired Santander businesses and higher profits in Brazil. Santander integration costs and lower results from Chile and Peru pension businesses, reflecting adverse equity market performance, partially mitigated the increase. In the fourth quarter 2007, taxation included the impact of a legal restructuring in Mexico in anticipation of the divestment of the insurance business to AXA.

Life premium income increased 6.9% excluding currency impacts, on higher sales in Mexico's group life business and Chile's annuity business which more than offset lower sales in Mexico's annuity business due to weaker market conditions. Life operating expenses include Santander integration and operating costs which led to the 73.5% increase excluding currency effects. Excluding this impact, operating expenses are up EUR 3 million or 6.1% on business growth in Mexico.

Value of new business climbed to EUR 35 million compared to a loss in the fourth quarter 2006 mainly due to higher volume and quality of sales in Mexico Afore. Afore results have improved with the Santander acquisition and the intensely competitive market conditions appear to have eased.

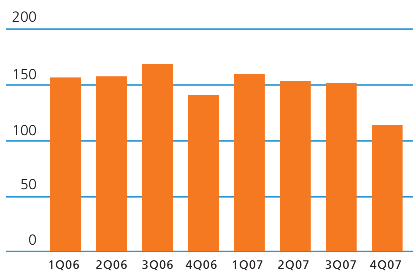
Non-life insurance

Excluding currency impacts, non-life underlying profit before tax increased 55.6% to EUR 15 million. Higher results in Brazil, reflecting improved performance in the health business, and lower operating expenses more than offset lower underwriting results in Chile and Mexico. Non-life premium income excluding currency effects increased 10.0% on higher sales in the Mexico and Chile health businesses. Non-life operating expenses decreased 4.8% excluding currency effects reflecting lower operating expenses in Mexico. The combined ratio increased on higher claims cost in Chile's health business and higher claims and acquisition costs in Mexico's P&C business. Improved ratios in Mexico's auto and health businesses partially mitigated the increase.

Insurance Asia/Pacific

Insurance Asia/Pacific: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	3,095	2,856	8.4%	3,454	-10.4%	12,632	12,136	4.1%
Commission income	100	83	20.5%	99	1.0%	382	298	28.2%
Direct investment income	430	338	27.2%	426	0.9%	1,545	1,169	32.2%
Realised gains and fair value changes on inv.	86	-138	n.a.	58	48.3%	-176	-240	n.a.
Total investment and other income	516	200	158.0%	484	6.6%	1,369	929	47.4%
Total underlying income	**3,711**	**3,139**	**18.2%**	**4,036**	**-8.1%**	**14,383**	**13,363**	**7.6%**
Underwriting expenditure	3,206	2,710	18.3%	3,543	-9.5%	12,517	11,745	6.6%
Operating expenses	310	269	15.2%	292	6.2%	1,115	965	15.5%
Other interest expenses	81	10	710.0%	50	62.0%	175	22	695.5%
Other impairments	0	10	-100.0%	-0	n.a.	0	10	-100.0%
Total underlying expenditure	**3,598**	**2,999**	**20.0%**	**3,885**	**-7.4%**	**13,807**	**12,742**	**8.4%**
Underlying profit before tax	**113**	**140**	**-19.3%**	**151**	**-25.2%**	**576**	**621**	**-7.2%**
of which profit before tax life insurance	112	138	-18.8%	151	-25.8%	573	613	-6.5%
of which profit before tax non-life insurance	1	2	-50.0%	1	0.0%	3	8	-62.5%
Taxation	7	18	-61.1%	44	-84.1%	158	159	-0.6%
Profit before minority interests	106	122	-13.1%	107	-0.9%	418	462	-9.5%
Minority interests	12	8	50.0%	10	20.0%	44	38	15.8%
Underlying net profit	**94**	**114**	**-17.5%**	**97**	**-3.1%**	**375**	**424**	**-11.6%**
KEY FIGURES								
Value of new life business	128	95	34.7%	133	-3.8%	442	421	5.0%
Internal rate of return (YTD)						16.8%	16.8%	
Single premiums	2,033	1,193	70.4%	2,647	-23.2%	9,034	5,609	61.1%
Annual premiums	503	396	27.0%	485	3.7%	1,777	1,621	9.6%
New Sales (APE)	706	514	37.4%	750	-5.9%	2,680	2,182	22.8%
Investment in new business	151	98	54.1%	142	6.3%	557	478	16.5%
Assets under Management (in € bln)				99		99	84	17.9%
Expenses as % of AUM (YTD)						0.81%	0.83%	
Expenses as % of gross premiums (YTD)						9.4%	8.2%	
Expense ratio (YTD)						42.6%	40.7%	
Claims ratio (YTD)						50.1%	50.2%	
Combined ratio (YTD)						92.8%	90.9%	
Gross life reserves				52,175		52,307	46,821	11.7%
Gross non-life reserves				23		22	48	-54.2%
Tax ratio	5.9%	12.9%		28.9%		27.4%	25.6%	
Staff (FTEs end of period)				12,251		10,655	10,487	1.6%

INSURANCE ASIA/PACIFIC
Underlying profit before tax (EUR million)



Key Performance Indicators

- **Sales and VNB up 37.4% and 34.7% respectively (44.8% and 41.3% excluding currency impact)**
- **Underlying profit before tax up 16.7%, excluding Japan**
- **Exclusive bank distribution agreement with Public Bank in Malaysia and Hong Kong and with TMB Bank in Thailand**

Business update
In the fourth quarter, ING Asia/Pacific continued to generate strong new sales and value of new business although profits trailed due to the challenging market environment in Japan. The shift in the market from traditional life to wealth accumulation products continued, driving ING's robust sales performance. APE grew by 37.4% due to SPVA sales in Japan, variable annuities in South Korea, unit-linked sales in Taiwan and robust life risk sales and superannuation inflows in Australia. Similarly, value of new business

grew in line with new sales and margins were maintained at attractive levels.

Bank distribution is becoming a significant distribution channel across most markets in Asia/Pacific and in line with this trend, ING's sales through banks have grown by 58.0% to EUR 169 million in the fourth quarter 2007 from EUR 107 million a year earlier.

Two new bank distribution partnerships stand out, providing the basis for sustainable competitive advantage and profitable growth. In the fourth quarter, ING entered into a 10-year exclusive bank distribution partnership with Public Bank, Malaysia's second-largest banking group. This alliance will see Public Bank exclusively distributing ING's insurance products via the bank's multiple distribution channels in Malaysia and Hong Kong. In addition, ING Life Thailand signed an exclusive bank distribution agreement with TMB Bank, providing access to TMB's 472 branches and 5 million customers.

ING further strengthened its distribution capabilities in Australia through the successful acquisition of Financial Services Partner Group (FSP Group), giving ING the second largest aligned advisor network in the industry with just under 1,500 aligned advisors.

In South Korea, ING injected additional capital of approximately EUR 250 million into ING Life Korea and EUR 10 million into KB Life to support business expansion and growth opportunities.

Investments in greenfield businesses also continued. ING Vysya Life further expanded its distribution reach, increasing its distribution force 12% from the previous quarter to almost 50,000 agents. ING China obtained approval to open branch offices in the provinces of Anhui and Jiangsu, adding to its current operations in 10 provinces.

ING extended its investment management presence to the Middle East obtaining a licence from the Dubai International Financial Centre in December 2007.

Profit

Underlying net profit declined 17.5% despite lower taxation. Underlying profit before tax from Insurance Asia/Pacific declined to EUR 113 million in the fourth quarter 2007 compared to EUR 140 million in the fourth quarter 2006 and EUR 151 million in the third quarter 2007. This decrease was primarily due to ING Life Japan, which recorded a loss before tax of EUR 13 million due to the impact of market volatility on its the SPVA business, and a EUR 24 million CDO markdown in the COLI business. Excluding Japan, the underlying profit was up 16.7% to EUR 126 million for the fourth quarter 2007 from EUR 108 million a year earlier. In South Korea, profit before tax rose to EUR 78 million, up 23.8% from the fourth quarter 2006 on growth of traditional and investment-linked product sales, and a one-off recognition of EUR 10 million in investment income. In Australia, the profit before tax increased 32.5% to EUR 53 million over the same quarter last year driven primarily by funds management growth, investment earnings and one-off gains.

Income

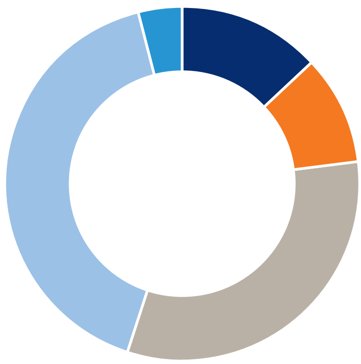
Gross premium income for the quarter was EUR 3,095 million, an increase of 8.4% compared to the fourth quarter of 2006. In Japan, SPVA premiums increased by 14,9% to EUR 1 billion. In Australia, premium income increased 22.4% to EUR 82 million, through the success of new sales in life risk and personal investment products and favourable in-force business retention. Premium income was stable in both Korea and Taiwan at EUR 866 million and EUR 795 million, respectively for the fourth quarter 2007. Excluding currency effects premium growth was up 10.6% in Korea and 14.8% in Taiwan.

Expenses

Operating expenses increased 15.2% to EUR 310 million in line with the growth in the underlying business as well as the ongoing expansion of branch offices and the professional agency force in Korea, the year-end sales campaign and agency support in Taiwan, as well as the continued infrastructure investment and expansion in greenfield operations.

New Business Production

Total new sales (APE) for the region increased 37.4% to EUR 706 million, consistent with the growing distribution of wealth accumulation products, including superannuation products in Australia, SPVA in Japan and investment-linked products in Taiwan and South Korea. New business sales were up 35.3% to EUR 627 million in the flagship operations of the mature and larger markets of Australia and New Zealand, Japan, South Korea and Taiwan. Growth in China was up 163% to EUR 10 million, India was up 71.2% to EUR 16 million and Hong Kong was up 56.2% to EUR 23 million. Value of new business was 34.7% higher at EUR 128 million commensurate with new sales production. The overall internal rate of return remained highly attractive at 16.8% for Asia/Pacific, consistent with that achieved in 2006.



INSURANCE ASIA/PACIFIC
% based on VNB FY2007

- Australia and New Zealand (13%)
- Japan (10%)
- South Korea (32%)
- Taiwan (41%)
- Rest of Asia (4%)

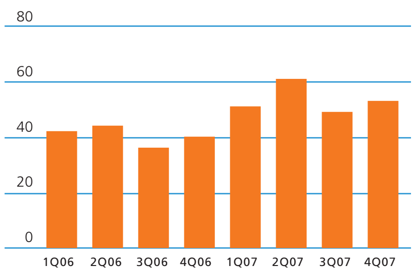
Life Insurance Australia & New Zealand

Life Insurance Australia & New Zealand: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	82	67	22.4%	96	-14.6%	275	230	19.6%
Commission income	71	62	14.5%	73	-2.7%	284	229	24.0%
Direct investment income	28	23	21.7%	19	47.4%	94	84	11.9%
Realised gains and fair value changes on inv.	2	3	-33.3%	6	-66.7%	14	6	133.3%
Total investment and other income	29	26	11.5%	25	16.0%	108	91	18.7%
Total underlying income	**183**	**155**	**18.1%**	**194**	**-5.7%**	**667**	**550**	**21.3%**
Underwriting expenditure	68	50	36.0%	88	-22.7%	230	185	24.3%
Operating expenses	61	56	8.9%	56	8.9%	222	194	14.4%
Other interest expenses	0	-		0		1	-	
Other impairments	-	9	n.a.	-		-	9	n.a.
Total underlying expenditure	**130**	**115**	**13.0%**	**145**	**-10.3%**	**452**	**388**	**16.5%**
Underlying profit before tax	**53**	**40**	**32.5%**	**49**	**8.2%**	**215**	**161**	**33.5%**
Taxation	9	-		12	-25.0%	54	31	74.2%
Profit before minority interests	44	40	10.0%	37	18.9%	160	130	23.1%
Minority interests	-	-		-		-	-	
Underlying net profit	**44**	**40**	**10.0%**	**37**	**18.9%**	**160**	**130**	**23.1%**
KEY FIGURES								
Value of new life business	14	12	16.7%	15	-6.7%	56	36	55.6%
Internal rate of return (YTD)						21.4%	17.7%	
Single premiums	1,056	332	218.1%	1,224	-13.7%	4,463	1,338	233.6%
Annual premiums	36	29	24.1%	16	125.0%	101	102	-1.0%
New Sales (APE)	142	63	125.4%	138	2.9%	547	236	131.8%
Investment in new business	16	11	45.5%	14	14.3%	67	58	15.5%
Expenses as % of AUM (YTD)						0.56%	0.60%	
Expenses as % of gross premiums (YTD)						19.7%	17.2%	
Gross life reserves				9,637		9,193	8,214	11.9%

Key Performance Indicators

- **Sales up 125%, and VNB up16.7% driven by superannuation inflows and life risk sales**
- **Acquisition of the FSP Group increases ING Australia's aligned adviser force to second largest in the industry**
- **AuM ING Australia grew 9.6% to EUR 15.4 billion due to strong investment markets, new sales and higher retention**

LIFE INSURANCE AUSTRALIA & NEW ZEALAND
Underlying profit before tax (EUR million)



Business update
ING Australia enjoyed robust growth in the fourth quarter in both life risk and retail funds management operations. New sales increased by 125% and value of new business went up by 17%, driven by continued strong superannuation inflows and sales of life risk products. ING Australia's innovative best selling product OneCare, a yearly renewable term product offering lump sum and disability income benefits, commanded a leading market share. OneAnswer, ING's investment platform offering retail investment services, also continued to experience rapid growth. At the end of September 2007, ING Australia ranked #1 in new retail life risk business, #3 in risk

in-force premium and #4 in retail funds under management.

ING Australia is structured around five business units representing the major customer segments in the Australian market, namely: Personal Investments, Employer Super, Life Risk, Direct Insurances and Advice. This structure enables tailored product design and marketing activity to penetrate each of our chosen market segments. Administration services have recently been centralised under a new operations unit to ensure standardisation of service delivery and customer experience, and to realise economies of scale and operational efficiency.

In the fourth quarter, ING Australia further strengthened its distribution network and added 139 new aligned advisors through the successful acquisition of Financial Services Partner Group. FSP Group is the third largest dealer group in Australia, with over 250,000 client relationships, EUR 934 million of assets under management, and EUR 19 million of in-force premiums (at 51% ownership interest). This acquisition positions ING Australia as the second-largest aligned adviser network in the country with just under 1,500 aligned advisers and yielding significant growth opportunities and cost and operational synergies.

Fund management sales contributed over EUR 0.8 billion during the fourth quarter, up 18% from the same quarter in 2006. Further, ING Investment Management Australia was awarded institutional mandates in the fourth quarter 2007, which are expected to generate up to EUR 2.0 billion in inflows during 2008.

In New Zealand, ING maintained its market positions: #1 in the retail funds management market and #2 in both new business in the life risk as well as wholesale/ institutional funds management market. In the fourth quarter, ING New Zealand also became the leading player in the 'Kiwi Saver' segment, with a market share of 18%, based on the continued exceptional response of over 65,000 customers and 3,000 employers signing up for the voluntary retirement savings plan. Management fee revenue will grow along with assets under management, which are expected to increase in line with recurring annual contributions, including compulsory employer matching and an expanding customer base.

Profit

Underlying profit before tax increased 32.5% to EUR 53 million over the same quarter last year. The profit growth in the fourth quarter was primarily due to ING Australia where profit grew by 30.1%, and ING Australia Holdings where profit grew by 58.2%. The growth in ING Australia is due to higher funds management income arising from strong growth in underlying assets under management, as well as increased income from the in-force insurance book. The profit increase in ING Australia Holdings is attributable to one-off gains of EUR 11 million, which more than offset reduced interest income on shareholder capital.

Income

Gross premium income increased 22.4% from the fourth quarter last year to EUR 82 million, driven by new sales in life risk and personal investment products, along with favourable in-force business retention. Commission income increased to EUR 71 million, up 14.5% from the fourth quarter 2006, due to higher funds under management arising from strong investment markets and higher net flows.

Expenses

Operating expenses grew 8.9% due to higher volume-driven expenses such as investment management, direct campaign and stamp duty costs.

New Business Production

New business sales more than doubled to EUR 142 million, primarily due to exceptional sales of superannuation

'Sales momentum continued driven by superannuation funds'

products and the inclusion of mutual fund and Oasis sales in ING Australia from 2007 onwards, the impact of which is EUR 61 million in the fourth quarter 2007. This follows the robust sales reported in the second and third quarter of 2007 of EUR 160 million and EUR 138 million, respectively, due to raised limits on superannuation contributions. The value of new business for the quarter increased to EUR 14 million from EUR 12 million in the fourth quarter of 2006, due to higher investment inflows and higher risk sales.

Life Insurance Japan

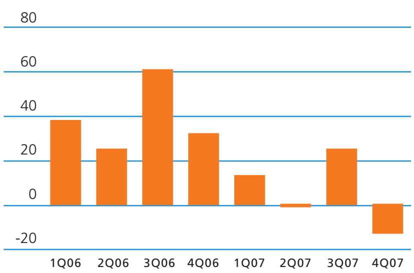
Life Insurance Japan: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	1,015	883	14.9%	1,500	-32.3%	4,693	4,940	-5.0%
Commission income	6	5	20.0%	5	20.0%	21	18	16.7%
Direct investment income	127	68	86.8%	67	89.6%	324	167	94.0%
Realised gains and fair value changes on inv.	119	-121	n.a.	127	-6.3%	11	-171	n.a.
Total investment and other income	246	-53	n.a.	194	26.8%	335	-5	n.a.
Total underlying income	**1,267**	**835**	**51.7%**	**1,700**	**-25.5%**	**5,050**	**4,953**	**2.0%**
Underwriting expenditure	1,153	750	53.7%	1,580	-27.0%	4,680	4,614	1.4%
Operating expenses	47	46	2.2%	47	0.0%	177	166	6.6%
Other interest expenses	80	7	1042.9%	48	66.7%	169	17	894.1%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**1,279**	**803**	**59.3%**	**1,675**	**-23.6%**	**5,026**	**4,797**	**4.8%**
Underlying profit before tax	**-13**	**32**	**n.a.**	**25**	**n.a.**	**24**	**156**	**-84.6%**
Taxation	-1	8	n.a.	8	n.a.	16	51	-68.6%
Profit before minority interests	-12	24	n.a.	16	n.a.	8	105	-92.4%
Minority interests	-	-		-		-	-	
Underlying net profit	**-12**	**24**	**n.a.**	**16**	**n.a.**	**8**	**105**	**-92.4%**
KEY FIGURES								
Value of new life business	5	-5	n.a.	12	-58.3%	43	65	-33.8%
Internal rate of return (YTD)						11.1%	12.1%	
Single premiums	709	608	16.6%	1,162	-39.0%	3,578	3,603	-0.7%
Annual premiums	45	46	-2.2%	57	-21.1%	214	291	-26.5%
New Sales (APE)	116	107	8.4%	173	-32.9%	572	651	-12.1%
Investment in new business	39	14	178.6%	53	-26.4%	181	190	-4.7%
Expenses as % of AUM (YTD)						0.57%	0.53%	
Expenses as % of gross premiums (YTD)						6.8%	6.9%	
Gross life reserves				17,413		17,867	15,736	13.5%

Key Performance Indicators

- **SPVA sales impacted by new regulations but ING maintains market position**
- **COLI tax product sales continued to be impacted by uncertainty over new tax deductibility guidelines but ING is well positioned for shift to COLI protection products**
- **Volatile financial markets and challenging environment result in pre-tax loss of EUR 13 million**

LIFE INSURANCE JAPAN

Underlying profit before tax (EUR million)



Business update

Despite a slowdown in sales triggered by regulatory changes and economic volatility, ING Life Japan maintained its market positions in the SPVA and Corporate-Owned Life Insurance market segments in the fourth quarter.

SPVA

The total market for new SPVA business decreased by approximately one-third from the third to the fourth quarter of 2007. This decrease was due largely to the introduction of new regulatory requirements (Financial Instruments Exchange Law; FIEL) which increased compliance procedures for distributors of financial products such as mutual funds and SPVAs. The market was also negatively impacted by weakened consumer confidence resulting from ongoing economic volatility. Although the impact of FIEL requirements was greater than initially anticipated, sales of ING Life Japan's Smart Design 1-2-3 were still strong in the fourth quarter, up by 16.6% from the same period last year; ING maintained its top 3 market position with approximately 17% market share. ING Life Japan also continued to expand its distribution network and entered into new distribution relationships with six banks and one security house, widening the total count to 36 banks and 10 security houses at the end of 2007.

SPVA products sold in Japan provide survival and death benefit guarantees on a basket of select underlying funds which invest in Japanese and international equities, and fixed income instruments. Provisions for guaranteed minimum survival benefits are valued on a market value basis and fluctuate according to underlying fund performance and movements of other market parameters, such as interest rates and implied volatility. Provisions for guaranteed minimum death benefits are currently valued on a book value basis.

The market risks associated with these guarantees are hedged via a comprehensive hedging program. The derivatives that underlie this hedging programme are valued at market and flow through the profit and loss account. IFRS earnings volatility is introduced as a consequence of several factors, the most significant being: the accounting mismatch between the book value based death benefit liabilities and the market value based hedging instruments; mismatch between the performance of the index-based hedging instruments and the underlying investments in the product; hedge effectiveness impacted by experienced market volatility and risk factors such as implied volatility that impact the market value of the liability, which are not currently hedged.

COLI

Sales in the Corporate-Owned Life Insurance market have been depressed since the first announcement by the National Tax Authority (NTA), regarding the tax deductibility of some types of products pending further clarification. The NTA released draft guidelines at the end of December indicating that for Increasing Term products, the tax deductibility of premiums for new business will be curtailed from between February and April 2008, but in-force policies will retain 100% tax deductibility for renewal premiums. Additional information is expected to be released by the NTA in the first quarter of 2008. ING began diversifying away from Increasing Term products, extending its COLI protection product ranges, which are not affected by this regulation. In the fourth quarter, 87% of COLI sales for ING Life Japan were generated from the COLI protection segment.

ING Funds Japan secured a EUR 1.5 billion multi-currency mandate on selected funds from Nomura securities in the fourth quarter, bringing total assets under management to almost EUR 11 billion as of 31 December 2007.

Profit

ING Life Japan reported an underlying loss before tax of EUR 13 million in the fourth quarter of 2007, a sharp reduction compared to the fourth quarter 2006 where profit before tax was EUR 32 million. The underlying loss in the fourth quarter 2007 was attributable to EUR 3 million from SPVA and EUR 10 million from COLI and primarily resulted from increased market volatility impacting the SPVA business and a EUR 24 million CDO markdown in the COLI business. The pre-tax core earnings for the SPVA products (excluding the volatile elements) amounted to EUR 12 million or approximately 30 basis points of assets under management on an annualised basis for the fourth quarter 2007.

Income

Gross premium income for the quarter was EUR 1,015 million, an increase of 14.9% compared to the fourth quarter of 2006. The continued sales of Smart Design 1-2-3 were the main driver behind this increase in spite of a 5.1% depreciation of the Japanese Yen against the Euro and the challenging market conditions for the distribution of financial products. Total investment and other income as well as other interest expenses include the fair value changes on SPVA derivative instruments.

Expenses

Operating expenses remained almost flat with a marginal increase of EUR 1 million, up 2.2%, to EUR 47 million from the fourth quarter of 2006.

New Business Production

New sales during the quarter were EUR 116 million, up 8.4% compared to the fourth quarter of 2006. While this growth was driven by ongoing sales of Smart Design 1-2-3, it was tempered by the introduction of the FIEL regulations and the economic uncertainty associated with market volatility in the fourth quarter. SPVA sales for the fourth quarter 2007 were EUR 71 million up 16.6% from the fourth quarter 2006. Sales performance for the COLI business declined further from third quarter levels following a delay in the release of the draft tax guidelines by the NTA until year-end. COLI sales were EUR 45 million in the fourth quarter, almost flat compared with the sales results from a year earlier, but down 21.6% from third quarter 2007 levels. The value of new business of EUR 5 million was higher compared to the fourth quarter 2006, driven by SPVA sales with improved profit margins. VNB decreased compared to the third quarter due to increased implied volatility and lower risk free rates.

Life Insurance South Korea

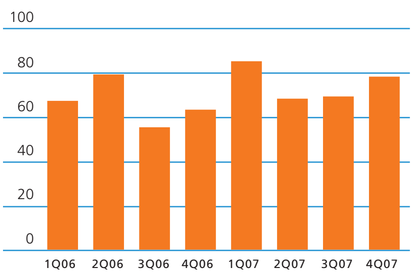
Life Insurance South Korea: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	866	867	-0.1%	896	-3.3%	3,607	3,224	11.9%
Commission income	3	-		2	50.0%	5	-	
Direct investment income	92	92	0.0%	85	8.2%	337	272	23.9%
Realised gains and fair value changes on inv.	8	-14	n.a.	4	100.0%	18	-	
Total investment and other income	100	78	28.2%	89	12.4%	355	273	30.0%
Total underlying income	**969**	**945**	**2.5%**	**987**	**-1.8%**	**3,967**	**3,497**	**13.4%**
Underwriting expenditure	819	821	-0.2%	851	-3.8%	3,414	3,037	12.4%
Operating expenses	71	60	18.3%	67	6.0%	253	196	29.1%
Other interest expenses	0	-		-0		0	-	
Other impairments	0	1	-100.0%	-		0	1	-100.0%
Total underlying expenditure	**891**	**882**	**1.0%**	**918**	**-2.9%**	**3,667**	**3,234**	**13.4%**
Underlying profit before tax	**78**	**63**	**23.8%**	**69**	**13.0%**	**300**	**263**	**14.1%**
Taxation	21	14	50.0%	19	10.5%	82	71	15.5%
Profit before minority interests	57	49	16.3%	50	14.0%	218	192	13.5%
Minority interests	9	8	12.5%	10	-10.0%	40	37	8.1%
Underlying net profit	**48**	**41**	**17.1%**	**40**	**20.0%**	**178**	**155**	**14.8%**
KEY FIGURES								
Value of new life business	41	39	5.1%	43	-4.7%	142	157	-9.6%
Internal rate of return (YTD)						22.8%	33.9%	
Single premiums	49	141	-65.2%	77	-36.4%	369	381	-3.1%
Annual premiums	226	202	11.9%	239	-5.4%	867	815	6.4%
New Sales (APE)	231	216	6.9%	247	-6.5%	904	853	6.0%
Investment in new business	36	8	350.0%	22	63.6%	100	50	100.0%
Expenses as % of AUM (YTD)						4.37%	6.95%	
Expenses as % of gross premiums (YTD)						9.3%	6.8%	
Gross life reserves				8,769		8,597	7,488	14.8%

Key Performance Indicators

- **Underlying profit before tax up 23.8%**
- **Market share for ING Life Korea grew to 6.0% from 5.4% a year earlier**
- **ING invests additional capital of EUR 260 million to support business expansion activities**

LIFE INSURANCE SOUTH KOREA

Underlying profit before tax (EUR million)



Business update

In South Korea, APE increased by 7% in the fourth quarter driven by strong sales of both traditional as well as unit-linked products through an extensive financial consultant network of over 8,000 professional tied agents, up 23% from the same period last year. Sales of investment-linked products continued to be robust, accounting for more than 60% of new sales in the fourth quarter. ING Life Korea continued to outperform the market, increasing its market share to 6.0% on the basis of written premiums through October 2007, up from 5.4% in 2006, while the top three domestic insurers collectively lost market share to below 60% from 66% two years ago. ING maintained its market leadership position as the largest foreign life insurer in the country.

Growth in sales through the bank channel also continued to be strong, mainly through Kookmin Bank, despite regulatory restrictions capping ING's sales at 33% of the bank's total annual sales. ING led the market in new business production for bank distribution sales through September 2007 with a combined market share (ING Life Korea and KB Life) of 11.0%. In addition to Kookmin Bank, the largest bank in Korea, other bank partners for ING Life Korea include Industrial Bank of Korea, Woori Bank and Shinhan Bank.

In the fourth quarter, ING continued to invest to reinforce its leading position in Korea by injecting additional capital of approximately EUR 250 million in ING Life Korea and EUR 10 million in KB Life for its 85.1% and 49% stakes, respectively. This capital will be used to support business expansion and growth opportunities, and comes amidst a string of investments by ING in Korea in 2007 including the purchase of an additional 5.1% stake in ING Life Korea from Kookmin Bank in the third quarter, and the acquisition of Landmark Investment Management in the second quarter.

Following the acquisition and successful integration of Landmark Investment Management with ING Investment Management Korea, ING now has a large and well established asset management platform in Korea with over EUR 8 billion in assets under management and a market share of around 3% as of the end of November 2007. ING Investment Management Korea also secured a fixed income mandate worth EUR 250 million in December.

Profit

Profit before tax rose to EUR 78 million, up 23.8% from the fourth quarter 2006 driven by strong growth in new business volumes and in-force premiums, and partly due to the exceptional recognition of a EUR 10 million dividend on equity investment funds that were consolidated in the fourth quarter.

Income

Compared to the fourth quarter 2006, gross premium income was stable in Korea at EUR 866 million. However, excluding currency effects premium income grew 10.6% over the fourth quarter 2006.

Expenses

Operating expenses increased 18.3% to EUR 71 million, in line with the growth in the underlying business, as well as the ongoing expansion of branch offices and the professional agency force in Korea. Expenses as a percentage of assets under management improved from 6.95% in 2006 to 4.37% in 2007 due to growth of in-force investment-linked product assets, and the Landmark acquisition during the second quarter.

Key figures

New sales rose 6.9% to EUR 231 million, driven by growth in traditional products (whole life and term) and investment-linked products following the year-end sales contest, ongoing expansion of the tied agency force and improving agent productivity. Value of new business grew 5.1% to EUR 41 million in line with new business growth. The year to date internal rate of return on new business remained high at 22.8% for ING Life Korea but was lower than in 2006 due in part to a regulation change which became effective on 1 April 2006.

'Continued strategic investments to further support business expansion and growth opportunities'

Life Insurance Taiwan

Life Insurance Taiwan: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	795	769	3.4%	715	11.2%	3,010	2,871	4.8%
Commission income	-	-		-		-	-	
Direct investment income	121	107	13.1%	200	-39.5%	549	472	16.3%
Realised gains and fair value changes on inv.	-44	-6	n.a.	-81	n.a.	-230	-78	n.a.
Total investment and other income	77	101	-23.8%	119	-35.3%	319	393	-18.8%
Total underlying income	**872**	**870**	**0.2%**	**835**	**4.4%**	**3,330**	**3,264**	**2.0%**
Underwriting expenditure	816	815	0.1%	773	5.6%	3,106	3,036	2.3%
Operating expenses	56	55	1.8%	62	-9.7%	223	228	-2.2%
Other interest expenses	0	-		0		0	3	-100.0%
Other impairments	-	-		-		-	-	
Total underlying expenditure	**872**	**870**	**0.2%**	**835**	**4.4%**	**3,330**	**3,264**	**2.0%**
Underlying profit before tax	**0**	**0**		**-0**	**n.a.**	**-0**	**0**	
Taxation	-15	-		1	n.a.	2	-	
Profit before minority interests	15	-		-1	n.a.	-2	-	
Minority interests	-	-		-		-	-	
Underlying net profit	**15**	**0**		**-1**	**n.a.**	**-2**	**0**	
KEY FIGURES								
Value of new life business	56	48	16.7%	55	1.8%	182	155	17.4%
Internal rate of return (YTD)						20.0%	17.9%	
Single premiums	146	72	102.8%	154	-5.2%	477	188	153.7%
Annual premiums	124	72	72.2%	117	6.0%	377	253	49.0%
New Sales (APE)	139	78	78.2%	132	5.3%	425	271	56.8%
Investment in new business	32	38	-15.8%	38	-15.8%	126	105	20.0%
Expenses as % of AUM (YTD)						6.50%	8.04%	
Expenses as % of gross premiums (YTD)						7.7%	7.7%	
Gross life reserves				12,874		12,968	12,204	6.3%

Key Performance Indicators

- **New sales up by 78.2% to EUR 139 million driven by strong tied agency distribution of investment-linked products**
- **VNB rises 16.7% to EUR 56 million, accounting for 44% of Insurance Asia/Pacific's VNB**
- **Reserve adequacy position improves to 70%**

Business update

In Taiwan, ING's strategic focus is to boost its sales and value of new business by improving tied agency productivity, and selling a higher proportion of the less capital intensive investment-linked products, supported by the higher margin accident and health riders. In addition, ING continues to actively manage its reserve adequacy level and economic capital on the existing in-force business.

During 2007, the number of tied agents increased to almost 9,000 and agent productivity improved by more than one-third. As a result, new sales increased by 78% in the fourth quarter and ING advanced to seventh position in the market. Investment-linked products accounted for more than 80% of new sales, significantly higher than the industry average of below 60%.

While the Taiwanese market is dominated by new business generated through tied agents, single-premium and short-term products sold via the bank distribution channel accounted for one-third of new business premium through November 2007. ING Life Taiwan currently has 15 bank distribution agreements in place and continues to explore additional alternative distribution initiatives to bolster sales including increasing the number of insurance sales professionals located in the bank branches who provide sales services to bank financial advisors and customers.

As of 1 January 2008, insurance companies are required to provide discounts on investment-linked policies with large planned premiums. As a consequence, margins are expected to come under pressure in the future.

Profit
In line with previous quarters, ING Taiwan strengthened reserves, resulting in a reported profit before tax of zero, while underlying net profit was EUR 15 million due to tax exempt dividends on shares.

Reserve Adequacy
As of 31 December, reserve adequacy at the 50% confidence level increased to EUR 911 million, equivalent to an adequacy position of 70%. This is higher than the adequacy level of EUR 298 million as reported in the fourth quarter 2006 due to the increase in Taiwanese interest rates over the year as well as the effects of reserve strengthening during the year. Similarly, the adequacy position improved relative to the reported third quarter 2007 figure of EUR 708 million. The 10-year swap rate closed at 2.68% on 31 December.

Income
Gross premium income was up in Taiwan to EUR 795 million, up 3.4% from the fourth quarter 2007. However, when excluding the impact of foreign exchange movements over the year, growth was 14.8% over the fourth quarter 2006, driven by strong sales of investment-linked products, which accounted for one-third of total year to date premiums.

Expenses
Operating expenses rose marginally by 1.8% to EUR 56 million due to the year-end sales campaign and agency support. Expenses as a percentage of premiums remained steady at 7.7% in the fourth quarter 2007 compared to last year. Assets under management for the investment-linked business, which more than doubled to EUR 1.4 billion from a year earlier led to a drop in expenses as a percentage of assets under management from 8.0% in the fourth quarter of 2006 to 6.5% in fourth quarter of 2007.

New Business
New sales increased 78.2% to EUR 139 million, driven by strong growth in investment-linked sales, which accounted for more than 80% of new business in the fourth quarter. This was driven by a successful sales campaign as well as agency support for the required third quarter regulatory revisions to the existing suite of investment-linked products. Agent productivity continued to improve in the fourth quarter of 2007 compared to the fourth quarter last year. APE for top-up premiums are included in the fourth quarter 2007 of EUR 39 million for the full-year 2007. A top-up premium facility is available for investment linked policies on a non-regular (one-off) and regular basis. Value of new business rose 16.7% to EUR 56 million, on the support of new business sales growth.

'Continued sales momentum driven by strong tied agency distribution of investment-linked products'

Life Insurance Rest of Asia

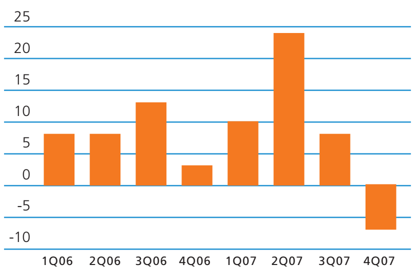
Life Insurance Rest of Asia: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Gross premium income	331	260	27.3%	239	38.5%	1,023	827	23.7%
Commission income	20	16	25.0%	19	5.3%	72	51	41.2%
Direct investment income	62	46	34.8%	55	12.7%	239	167	43.1%
Realised gains and fair value changes on inv.	1	-		2	-50.0%	11	4	175.0%
Total investment and other income	63	46	37.0%	57	10.5%	250	171	46.2%
Total underlying income	**415**	**322**	**28.9%**	**314**	**32.2%**	**1,344**	**1,050**	**28.0%**
Underwriting expenditure	346	265	30.6%	246	40.7%	1,069	836	27.9%
Operating expenses	75	51	47.1%	59	27.1%	236	174	35.6%
Other interest expenses	1	3	-66.7%	2	-50.0%	5	6	-16.7%
Other impairments	-0	-		-0	n.a.	-0	-	
Total underlying expenditure	**422**	**319**	**32.3%**	**306**	**37.9%**	**1,310**	**1,017**	**28.8%**
Underlying profit before tax	**-7**	**3**	**n.a.**	**8**	**n.a.**	**34**	**33**	**3.0%**
Taxation	-8	-4	n.a.	3	n.a.	3	8	-62.5%
Profit before minority interests	1	7	-85.7%	5	-80.0%	31	25	24.0%
Minority interests	3	-		1	200.0%	3	1	200.0%
Underlying net profit	**-2**	**7**	**n.a.**	**4**	**n.a.**	**28**	**24**	**16.7%**
KEY FIGURES								
Value of new life business	12	1	n.a.	9	33.3%	20	8	150.0%
Internal rate of return (YTD)						10.2%	8.8%	
Single premiums	73	40	82.5%	30	143.3%	147	99	48.5%
Annual premiums	72	47	53.2%	56	28.6%	219	160	36.9%
New Sales (APE)	79	50	58.0%	59	33.9%	233	170	37.1%
Investment in new business	27	27	0.0%	15	80.0%	83	75	10.7%
Expenses as % of AUM (YTD)						0.84%	1.03%	
Expenses as % of gross premiums (YTD)						14.2%	14.2%	
Gross life reserves				3,482		3,682	3,178	15.9%

Key Performance Indicators

- **Exclusive bank distribution alliances with Public Bank in Malaysia and Hong Kong, and with TMB Bank in Thailand**
- **ING Life Hong Kong posts with 56.2% sales increase**
- **VNB improved to EUR 12 million on robust sales growth**

LIFE INSURANCE REST OF ASIA

Underlying profit before tax (EUR million)



Business update

In Rest of Asia, where economic growth and wealth generation is expected to outpace other regions in the future, ING continues to strengthen its business presence and is well-positioned to capitalise on long-term growth opportunities.

In the fourth quarter, Rest of Asia registered double-digit sales growth across most countries, as a result of strong performance by the tied agency channel, complemented by bank distribution sales. APE increased by 58% mainly from India, China and Hong Kong where an all time high sales level was achieved. The shift from traditional life to unit-linked products continued and ING capitalised on this trend, most significantly in India and Hong Kong where unit-linked sales accounted for 90% and 35% of new sales respectively in 2007, up from 83% and 2% a year earlier.

ING further expanded its bank distribution footprint in Asia/Pacific by entering into significant new partnerships and alliances. In early November an exclusive regional 10-year bank distribution agreement with the second largest banking group in Malaysia, Public Bank, was signed, providing significant future growth opportunities. Public Bank has an extensive distribution network of 241 branches across Malaysia and 15 commercial bank branches in Hong Kong. Sales through Public Bank commenced in January 2008 with the launch of a three-year investment linked plan that provides life insurance coverage and capital protection. In addition, ING Life Thailand signed an exclusive bank distribution agreement with TMB Bank, the fourth largest bank in Thailand, prior to ING purchasing a 30% strategic shareholding in TMB Bank. ING Life Thailand expects that by mid-2008 it will be able to extend its footprint in the fast growing Thai life insurance market through access to TMB's 472 branches and 5 million customers.

At the same time, ING continued investing in its greenfield operations to further strengthen its presence in these high-growth markets. ING Vysya Life in India continued to expand its distribution reach, increasing its field force 12% from the previous quarter to almost 50,000 agents, operating from 209 sales offices in 188 cities across the country. ING China obtained regulatory approval to open branch offices in the provinces of Anhui and Jiangsu, establishing a presence in two more regions with a combined population of more than 136 million. Currently ING has a presence in ten provinces, up from 5 provinces at the end of 2006, with 17 offices, over 4,300 tied agents and 9 bank partnerships.

ING extended its investment management presence to the Middle East in the fourth quarter obtaining a licence from the Dubai International Financial Centre in December 2007. ING's initial focus will be on the six Gulf Co-operating Council (GCC) countries including Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar and Bahrain, which combined are estimated to represent the world's seventeenth largest economy in terms of GDP, with a market capitalisation of approximately EUR 700 billion. The market potential is attractive; it has a young and growing population with high per capita income and a well-developed institutional market for local and global products.

Profit

Underlying loss before tax amounted to EUR 7 million compared to a profit before tax of EUR 3 million in the fourth quarter of 2006, due to both accelerated investments in greenfield businesses in India, China and Thailand and lower profit in ING Life Hong Kong as a result of business expansion initiatives, which lead to higher operating costs and new business strain.

Income

Gross premium income increased 27.3% to EUR 331 million compared to the fourth quarter of 2006, driven by new business success and a growing in-force portfolio across the Rest of Asia segment. Malaysia's growth continued to be supported by higher renewal premium income and new sales of its single premium investment-linked products. Likewise, Hong Kong benefited from significantly higher sales on the success of its year-end sales campaign and its ongoing expansion in the investment linked market. India, Thailand and China, while small in absolute terms, all contributed significant growth, particularly in China, where gross premium grew by over 200% to EUR 45 million on strong performance in the bank distribution channel.

Expenses

Operating expenses increased 47.1% to EUR 75 million compared to the fourth quarter of 2006, to support the high growth in new business as well as continued infrastructure investment including branch openings, agent recruitment and expansion activities for the bank distribution channel.

New Business Production

New life sales were up compared to the fourth quarter of 2006 on the strength of distribution and the success of ING's strategic alliances. This growth comes from all markets. Hong Kong was up 56.2% to EUR 23 million due to its ongoing expansion in the investment linked segment and the success of its bank distribution partnerships. India was up 71.2% to EUR 16 million on branch office and agency expansion and China was up 163.0% to EUR 10 million on the successful year-end sales campaign and increased bank distribution production. Malaysia and Thailand were up 9.1% and 20.8% to EUR 17 million and EUR 13 million, respectively. The value of new business improved to EUR 12 million compared to EUR 1 million in the fourth quarter of 2006 on sales performance and the attribution of start-up expenses.

Corporate Line Insurance

Corporate Line Insurance: Underlying profit before tax split									
in EUR million	4Q2007	3Q2007	2Q2007	1Q2007	4Q2006	3Q2006	2Q2006	1Q2006	4Q vs 4Q
Interest on hybrids and core debt	-196	-157	-174	-160	-157	-163	-157	-146	-39
Fair value changes derivatives	-61	-38	2	-26	24	-62	53	81	-85
Capital Management	-257	-196	-171	-186	-132	-225	-104	-65	-124
Gains on equities	1,154	486	690	123	147	13	109	111	1,007
Results from reinsurance run-off portfolios	5	8	2	-20	6	14	-14	36	-1
Formula One sponsoring costs	-7	-15	-13	-13	0	0	0	0	-7
Other	2	9	23	12	0	3	6	41	2
Underlying profit before tax	**896**	**291**	**531**	**-84**	**20**	**-194**	**-4**	**123**	**876**
Taxation	-39	-67	-32	-64	-84	-91	-67	-21	n.a.
Minority interests	-16	-2	2	-6	-11	2	0	7	n.a.
Underlying net profit	**952**	**361**	**561**	**-15**	**115**	**-106**	**64**	**137**	**836**

The Corporate Line Insurance includes several clearly defined items over which the business units have no direct control. In order to provide a fair, comparable and transparent overview of the financial and business performance of the business lines, these items are transferred from the business units to the Corporate Line.

The capital management result comprises interest on hybrids and core debt, as well as fair value changes on derivatives mainly consisting of top-down equity hedges and swaps on core debt. The interest on core debt includes the costs of equity leverage at ING Group which are passed on to both ING Bank and ING Insurance, as well as the costs of the core debt directly held by ING Insurance.

All capital gains and losses on equities realised in the business lines are transferred to the Corporate Line. In return, a 3% notional return on those equities is transferred back to the businesses. The remainder is presented on the Corporate Line as 'Gains on equities'.

Also, the results associated with reinsurance run-off portfolios, the F1-sponsoring costs, as well as other results are presented on the Corporate Line. No excess or overhead expenses (excluding F1-sponsoring costs) are included, as such items are fully allocated to the business lines.

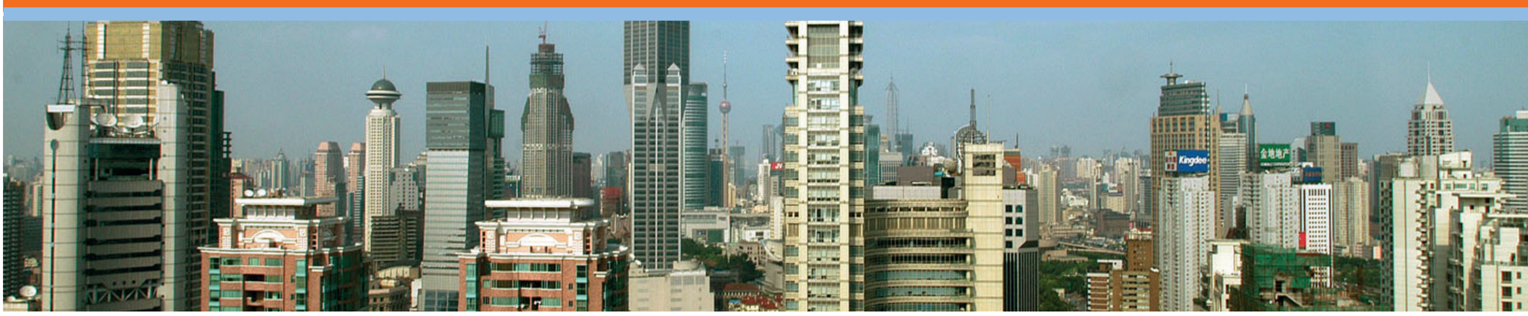
Profit

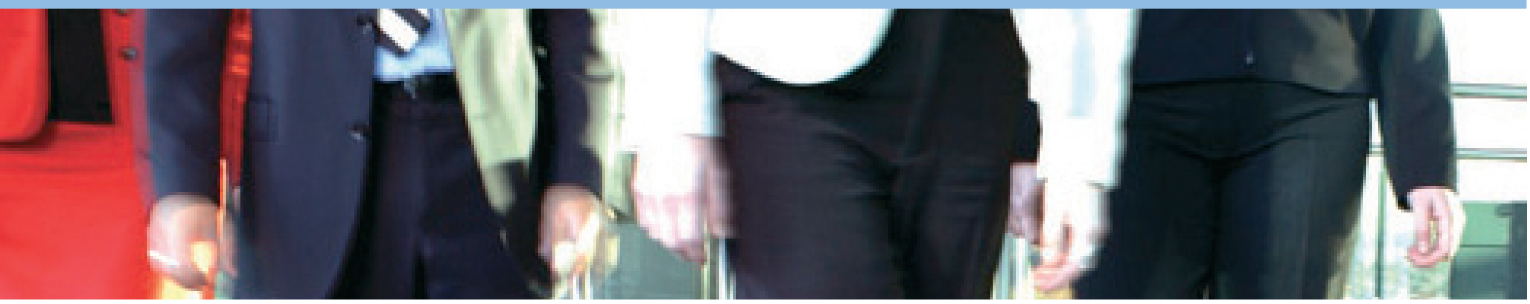
Underlying profit before tax of the Corporate Line Insurance jumped to EUR 896 million compared to a profit of EUR 20 million in the same period last year. The increase was more than fully caused by EUR 1,007 million higher capital gains driven by gains on ABN Amro (EUR 426 million), Numico (602 million), Univar (94 million) and Best Equity Fund South Korea (EUR 85 million).

The capital management result was EUR -257 million in the fourth quarter and comprises interest paid and fair value changes of derivatives. The interest paid on hybrids and core debt increased by EUR 39 million mainly due to the issue of an additional hybrid security and higher interest on core debt, while fair value changes on derivatives deteriorated by EUR 85 million to EUR -61 million. This was largely caused by a loss on equity hedges of EUR 27 million as implied volatility decreased in December, and EUR 42 mln negative revaluations on interest rate swaps related to the core debt Americas in the fourth quarter of 2007 versus EUR 23 million gains on interest rate swaps in the fourth quarter of 2006.

In 2007 EUR 5.0 billion in excess capital was paid out as dividends by Insurance Netherlands to the Corporate Line Insurance. The capital was used mainly to fund acquisitions, organic growth and to fund the Group's share buyback programme.

Banking





Results at ING's banking business continued to be resilient despite the market and credit turmoil. Profits slightly up supported by commercial growth and low risk costs offsetting the limited impact of the turmoil.

Banking Total

Banking: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	2,308	2,368	-2.5%	2,274	1.5%	9,061	9,246	-2.0%
Commission income	688	691	-0.4%	753	-8.6%	2,926	2,648	10.5%
Investment income	148	225	-34.2%	158	-6.3%	891	561	58.8%
Other income	548	329	66.6%	309	77.3%	1,736	1,670	4.0%
Total underlying income	**3,692**	**3,613**	**2.2%**	**3,493**	**5.7%**	**14,614**	**14,125**	**3.5%**
Operating expenses	2,509	2,377	5.6%	2,321	8.1%	9,522	8,976	6.1%
Gross result	1,183	1,236	-4.3%	1,172	0.9%	5,092	5,149	-1.1%
Addition to loan loss provision	31	88	-64.8%	69	-55.1%	125	97	28.9%
Underlying profit before tax	**1,151**	**1,148**	**0.3%**	**1,103**	**4.4%**	**4,967**	**5,052**	**-1.7%**
Taxation	150	197	-23.9%	208	-27.9%	873	1,181	-26.1%
Profit before minority interests	1,001	951	5.3%	895	11.8%	4,094	3,871	5.8%
Minority interest	26	15	73.3%	33	-21.2%	112	55	103.6%
Underlying net profit	**975**	**936**	**4.2%**	**862**	**13.1%**	**3,982**	**3,816**	**4.4%**
Net gains/losses on divestments	0	-23		26		26	-115	
Net profit from divested units	0	5		0		0	39	
Special items after tax	-98	0		-83		-370	0	
Net profit from Banking	**877**	**918**	**-4.5%**	**805**	**8.9%**	**3,638**	**3,740**	**-2.7%**
KEY FIGURES								
Net return on equity				17.6%		16.7%	19.4%	
Interest margin	0.94%	1.05%		0.91%		0.94%	1.06%	
Underlying cost/income ratio	68.0%	65.8%		66.5%		65.2%	63.5%	
Risk costs in bp of average CRWA	3	11		8		4	3	
Risk-weighted assets (end of period)				373,209		402,727	337,926	19.2%
Underlying RAROC before tax				27.9%		26.2%	26.2%	
Underlying RAROC after tax				23.4%		22.3%	20.5%	
Economic capital (average over period)				14,322		14,848	15,726	-5.6%
Tax rate	13.0%	17.2%		18.8%		17.6%	23.4%	
Staff (FTEs end of period)				65,475		66,182	65,356	1.3%

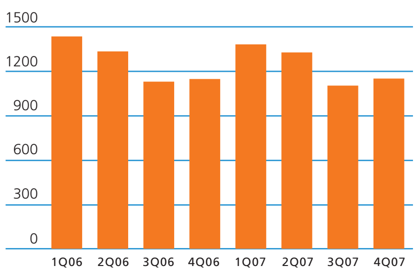
Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Income up 2.2% despite market and credit turmoil**
- **Risk costs remain low, supported by a sizeable recovery in 4Q**
- **Underlying net profit up 4.2%**

BANKING TOTAL

Underlying profit before tax (EUR million)



Business update

Despite the market and credit turmoil, the results at ING's banking business continued to be resilient supported by continued commercial growth in all three business lines. The subprime mortgage crisis in the US and related turmoil in credit markets had a limited direct impact, reflecting the company's strong risk management and relatively conservative business mix. The Financial Markets business in Wholesale Banking recorded losses in the proprietary trading and credit markets activities due to EUR 28 million markdowns on subprime, EUR 66 million on a monoline insurer and EUR 12 million in CDOs. These losses were modest compared with peers as ING has very limited exposure to pressurised asset classes in more exotic forms, such as collateralised debt obligations (CDOs) and structured investment vehicles (SIVs).

In Canada, ING Direct booked a mark-to-market loss of EUR 29 million on investments in non-bank sponsored asset-backed commercial paper. The entire non-bank sponsored sector of the Canadian market is in default and subject to a voluntary standstill arrangement while a consortium of investors attempts a comprehensive sector-wide restructuring.

Profit

Underlying net profit rose 4.2%, supported by a EUR 90 million release of tax liabilities reported on the Corporate line. Profit before tax was up 0.3% as commercial growth offset the impact of flat yield curves. Risk costs remained low, supported by a sizeable recovery at Wholesale Banking. Operating expenses increased to support business growth.

Despite a lower tax rate, total net profit declined 4.5%, including EUR 98 million of one-off charges booked as special items in this quarter and an EUR 18 million net loss from the divestment of Degussa Bank in the fourth quarter of 2006. Special items include EUR 23 million for combining ING Bank and Postbank in the Netherlands, EUR 70 million for restructuring at Wholesale Banking and a EUR 6 million loss from a hedge on the purchase price of Oyak Bank in Turkey.

Income

Total underlying income rose 2.2% to EUR 3,692 million, driven by continued volume growth in lending, while competition for savings and deposits intensified. The interest margin rose to 0.94%, up 3 basis points compared with the third quarter. The interest margin was 11 basis points lower than in the fourth quarter of 2006, reflecting flattening yield curves in the course of 2007. As a result, the interest result declined 2.5%.

Total loans and advances to customers increased by EUR 24.5 billion in the fourth quarter to EUR 526.3 billion at year-end. The purchase of Oyak Bank added EUR 4.8 billion to the loan portfolio. ING Direct's purchase of a mortgage portfolio from Hypo Real Estate Bank in Germany added EUR 3.9 billion. Currencies had a negative impact of EUR 3.4 billion. Corporate lending increased 3.7%, or EUR 9.5 billion. Personal lending was up 6.0%, or EUR 14.9 billion, driven by growth in mortgages. Residential mortgages increased by EUR 13.8 billion, of which EUR 8.0 billion was at ING Direct (including the purchased portfolio) and EUR 4.0 billion was in the Netherlands (including the transfer of a EUR 2.1 billion portfolio from ING Insurance to ING Bank).

Customer deposits and other funds on deposit of the banking operations declined EUR 3.1 billion in the fourth quarter to EUR 528.2 billion, as competition for savings and deposits intensified. Oyak Bank added EUR 5.4 billion. Currency effects had a negative impact of EUR 3.7 billion. Total savings decreased EUR 0.6 billion as lower volumes in ING Direct were largely offset by the impact of Oyak Bank. Compared to a year ago customer deposits and other funds on deposit were up 6.3%.

Total risk-weighted assets rose EUR 29.5 billion in the fourth quarter of which EUR 8.7 billion was related to the purchases of Oyak Bank and the mortgage portfolio of Hypo Real Estate Bank AG.

Commission income declined slightly to EUR 688 million as lower fees from the securities business largely offset higher fees from asset management, brokerage & advisory and funds transfer. Investment income declined to EUR 148 million from EUR 225 million, reflecting EUR 52 million of impairments on available-for-sale debt securities and lower fair-value changes on real estate. Realised gains on equities were EUR 15 million higher at EUR 103 million, including gains on the sale of shares in the Brazilian stock and derivatives exchanges. Other income rose 66.6% to EUR 548 million, mainly due to EUR 178 million higher revaluations of non-trading derivatives. Net trading income declined slightly due to the EUR 66 million loss on a monoline insurer.

Expenses

Underlying operating expenses were up 5.6%, or EUR 132 million, due primarily to investments to support the growth of the business, notably at ING Direct, ING Real Estate and the retail banking activities in developing markets. Recurring expenses in the mature businesses increased a modest 2.0%. The underlying cost/income ratio was 68.0%, up from 65.8% in the fourth quarter last year, as expenses outpaced income growth. The number of staff rose to 66,182 from 65,356 at the year-end 2006. Increases at ING Direct, ING Real Estate and the retail banking activities outside the Benelux more than offset a decline in staff numbers in the Benelux following outsourcing initiatives and restructuring programmes.

Despite the turmoil in the credit markets and strong growth in risk-weighted assets, net risk costs remained low, supported by a EUR 115 million recovery at Wholesale Banking in the fourth quarter. In total, ING added EUR 31 million to the provision for loan losses, compared with EUR 88 million in the fourth quarter last year. At 3 basis points of average credit-risk-weighted assets, the risk costs remain well below the normalised level of 25-30 basis points expected over the economic cycle. In the fourth quarter, gross additions to loan loss provisions were 24 basis points, offset by 21 basis points in releases. Overall the loan portfolio remained healthy with limited inflow of new impaired files.

RAROC

The underlying risk-adjusted return on capital (RAROC) after tax rose to 22.3% in 2007 from 20.5%, reflecting lower tax charges. The pre-tax RAROC was stable at 26.2%. Average economic capital (excluding Oyak Bank and the mortgage portfolio bought by ING Direct) was down to EUR 14.8 billion from EUR 15.7 billion in 2006, due to improvements in RAROC methodology. In the RAROC calculations, actual risk costs of 3 basis points are replaced by 25 basis points in expected losses reflecting average credit losses over the economic cycle.

Wholesale Banking

Wholesale Banking: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	639	793	-19.4%	618	3.4%	2,492	2,699	-7.7%
Commission income	334	377	-11.4%	391	-14.6%	1,437	1,333	7.8%
Investment income	161	113	42.5%	141	14.2%	779	398	95.7%
Other income	335	243	37.9%	139	141.0%	1,152	1,374	-16.2%
Total underlying income	**1,470**	**1,526**	**-3.7%**	**1,288**	**14.1%**	**5,860**	**5,804**	**1.0%**
Operating expenses	955	960	-0.5%	868	10.0%	3,576	3,400	5.2%
Gross result	514	566	-9.2%	420	22.4%	2,284	2,404	-5.0%
Addition to loan loss provision	-77	20	-485.0%	17	-552.9%	-115	-121	
Underlying profit before tax	**591**	**546**	**8.2%**	**404**	**46.3%**	**2,399**	**2,525**	**-5.0%**
- of which General Lending & PCM	209	146	43.2%	167	25.1%	696	670	3.9%
- of which Structured Finance	107	125	-14.4%	50	114.0%	409	515	-20.6%
- of which Leasing & Factoring	50	56	-10.7%	55	-9.1%	220	214	2.8%
- of which Financial Markets	3	22	-86.4%	17	-82.4%	354	509	-30.5%
- of which Other Wholesale products	78	-35		-55		57	-14	
- of which ING Real Estate	145	232	-37.5%	168	-13.7%	664	631	5.2%
Taxation	120	44	172.7%	55	118.2%	343	454	-24.4%
Profit before minority interests	472	502	-6.0%	349	35.2%	2,056	2,071	-0.7%
Minority interest	17	13	30.8%	24	-29.2%	76	40	90.0%
Underlying net profit	**454**	**489**	**-7.2%**	**325**	**39.7%**	**1,981**	**2,031**	**-2.5%**
KEY FIGURES								
Underlying cost/income ratio	65.0%	62.9%		67.4%		61.0%	58.6%	
Risk costs in bp of average CRWA	-17	5		4		-7	-7	
Risk-weighted assets (end of period)				184,583		198,696	160,615	23.7%
Underlying RAROC before tax				24.0%		22.5%	24.3%	
Underlying RAROC after tax				22.5%		20.3%	20.6%	
Economic capital (average over period)				7,461		7,757	8,135	-4.6%
Staff (FTEs end of period)				19,939		20,057	20,605	-2.7%

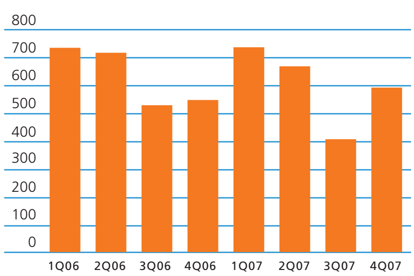
Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Profit before tax up 8.2%, supported by release of risk costs**
- **Limited impact from subprime and related issues**
- **RAROC after tax remains strong on 20.3%**

WHOLESALE BANKING

Underlying profit before tax (EUR million)



Business update

ING's Wholesale Banking business continued to prove its resilience in challenging circumstances as the turmoil in financial markets had only a limited direct impact on results. In total, the subprime crisis and related issues had a negative pre-tax impact of only EUR 106 million on fourth-quarter results, reflecting the relatively small trading portfolio and conservative risk appetite compared to peers. The direct impact from subprime-related issues included EUR 66 million losses on exposures insured by a US bond insurer that was downgraded by Standard & Poor's in December. It also included EUR 28 million in losses on subprime-related instruments and EUR 12 million on CDOs. All losses took place in Financial Markets.

In spite of the market turmoil, deal flow held up well, with a number of high-profile transactions in Corporate Finance, Debt Capital Markets and General Lending. The pipeline remains strong, especially in the Benelux.

The turmoil in credit markets over recent months illustrates the strategic importance for banks to have a strong capacity for generating their own assets.

Over the past four years, ING Wholesale Banking narrowed the focus of its strategy, reduced its risk profile, improved capital efficiency, and boosted returns to above ING's 12% hurdle rate.

In the Benelux and Central Europe, Wholesale Banking aims to be a leading full-service bank, leveraging off ING's retail banking activities in both regions. The bank will also continue to build its global franchises in Structured Finance, Financial Markets and Real Estate. Efforts will continue to increase efficiency. The aim is to reduce the cost/income ratio to 55% by 2010 and further increase the risk-adjusted return on capital.

As part of this growth strategy, ING is investing to reinforce its Financial Markets business in selected developing markets. A charge of EUR 36 million after tax was booked as a special item in the fourth quarter to cover restructuring and severance costs. The initiative is expected to increase annual revenues by EUR 100 million from 2009.

In General Lending, a programme is underway to streamline the lending process. The programme targets cost efficiency improvements of at least EUR 40 million by 2010. A provision of EUR 34 million after tax was booked as a special item in the fourth quarter.

Profit

Underlying net profit declined 7.2% due to lower tax exempted gains. Underlying profit before tax rose 8.2% compared with the fourth quarter of 2006 and 46.3% from the third quarter, supported by a substantial release of risk costs in General Lending and a capital gain. Structured Finance recovered in the fourth quarter, as no further markdowns were necessary on the Leveraged Finance book after EUR 29 million was booked in the third quarter.

Financial Markets profit declined 86.4% following losses on the proprietary trading and credit trading portfolios in the fourth quarter as a result of challenging market conditions. The losses included EUR 106 million related to subprime, CDOs and monoline insurers. These were partially compensated by higher client-related income and lower bonuses. Profit from ING Real Estate could not match the record fourth quarter of 2006, which was supported by high property revaluations and sales results in Development. Results were up 5.2% on a full-year basis.

Earnings for Leasing & Factoring declined compared with the last quarter of 2006, which included a one-off gain on divestments. Results from Other Wholesale products were up sharply, boosted by substantial capital gains on the sale of stakes in the stock and derivatives exchanges in Sao Paolo.

Income

Income rose 14.1% on previous quarter and declined just 3.7% from the fourth quarter of 2006, despite the continued market turbulence. Income from Financial Markets included the losses of EUR 106 million. Client-related business within Financial Markets increased strongly on the year before.

Income from ING Real Estate amounted to EUR 342 million, the best quarter of the year, but declined 10.7% on the fourth quarter last year due to lower sales results within Development and lower revaluations in the Investment Portfolio. Structured Finance had a robust quarter, but could not match the high level of income in the fourth quarter of 2006. Income for Other Wholesale products increased 82.0%, boosted by EUR 100 million in capital gains on the sale of shares in the stock exchange and derivatives market in Sao Paolo. Corporate Finance reported strong results. Total interest result was up on the third quarter as a result of volume growth. Interest result declined from a year earlier, mainly in Financial Markets.

Commission income declined, mainly reflecting lower fees in Structured Finance. Investment income rose 42.5%, supported by the capital gains in Brazil.

Expenses

Underlying operating expenses declined slightly from the fourth quarter of 2006, reflecting lower bonuses in Financial Markets, as well as lower compliance costs. The cost/income ratio increased to 65.0% from 62.9% reflecting the decline in income.

Risk costs showed a net release of EUR 77 million, or annualised 17 basis points of average credit-risk-weighted assets. Gross additions remained low, while the fourth quarter included a release of EUR 115 million from a single debtor provision.

Key figures

The RAROC after tax declined to 20.3% from 20.6% in 2006. Risk-weighted assets rose 23.7% on year-end 2006, mainly due to ING Real Estate, General Lending and Structured Finance.

WHOLESALE BANKING
% based on underlying profit before tax FY2007

- General Lending & PCM (29%)
- Structured Finance (17%)
- Leasing & Factoring (9%)
- Financial Markets (15%)
- Other (2%)
- ING Real Estate (28%)

General Lending & PCM

Wholesale Banking General Lending & PCM: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	327	353	-7.4%	308	6.2%	1,240	1,330	-6.8%
Commission income	71	81	-12.3%	70	1.4%	257	350	-26.6%
Investment income	-5	-7		5	-200.0%	88	-1	
Other income	1	1	0.0%	10	-90.0%	29	19	52.6%
Total underlying income	**393**	**428**	**-8.2%**	**393**	**0.0%**	**1,613**	**1,698**	**-5.0%**
Operating expenses	274	283	-3.2%	260	5.4%	1,076	1,135	-5.2%
Gross result	119	145	-17.9%	133	-10.5%	537	563	-4.6%
Addition to loan loss provision	-91	-1		-34		-159	-107	
Underlying profit before tax	**209**	**146**	**43.2%**	**167**	**25.1%**	**696**	**670**	**3.9%**
Taxation	41	15	173.3%	61	-32.8%	146	161	-9.3%
Profit before minority interests	168	131	28.2%	106	58.5%	550	509	8.1%
Minority interest	1	1	0.0%	4	-75.0%	10	15	-33.3%
Underlying net profit	**167**	**130**	**28.5%**	**103**	**62.1%**	**540**	**494**	**9.3%**
KEY FIGURES								
Underlying cost/income ratio	69.8%	66.1%		66.1%		66.7%	66.8%	
Risk costs in bp of average CRWA	-51	0		-21		-24	-15	
Risk-weighted assets (end of period)				68,268		73,139	61,519	18.9%
Underlying RAROC before tax				12.0%		11.3%	10.5%	
Underlying RAROC after tax				10.7%		9.7%	7.3%	
Economic capital (average over period)				2,248		2,273	2,794	-18.6%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Volumes for both General Lending and PCM continue to increase**
- **Risk costs exceptionally low, supported by a large release**
- **Returns improve, with RAROC after tax of 9.7%, up from 7.3%**

Business update

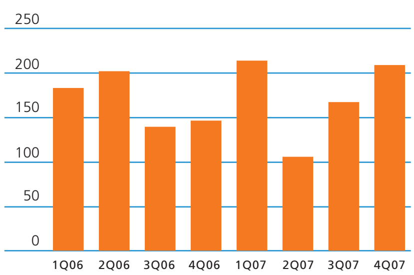
Volumes continued to show solid growth in both General Lending and Payments & Cash Management (PCM), driven by increased marketing in the Benelux and strong growth in Central Europe.

General Lending is used as an entry product to anchor client relationships and cross-sell high-value products. In the Netherlands, ING Wholesale Banking has stepped up marketing and client-acquisition efforts given the acquisition and pending split-up of ABN Amro, which has created an opportunity to increase market share in the Benelux. These efforts contributed to strong growth of risk-weighted assets in the Benelux home markets. In Central Europe, risk-weighted assets also increased strongly as Wholesale Banking continues to push for growth by expanding its client coverage in the region. ING has a long track record in corporate banking and a growing Retail Banking presence in Central Europe.

Margins on new lending increased as a result of lower liquidity in the market. For the total portfolio, the average margin remained stable compared with the third quarter. It was down from a year earlier, particularly in Belgium, reflecting competitive pressure on lending margins, especially in the first half of 2007. Risk costs remained exceptionally low, supported by continued releases of past provisions.

Operational efficiency is essential to achieve attractive levels of profitability in the General Lending business. ING introduced a programme to reduce operating expenses and improve returns, while making the product offering more

WHOLESALE BANKING GENERAL LENDING AND PAYMENTS & CASH MANAGEMENT
Underlying profit before tax (EUR million)



competitive. The entire business lending operation is being transformed from the front to the back office by simplifying products and streamlining the processes for overdrafts, revolving credits and term loans. The customer experience across all client segments will be further enhanced with new on-line distribution channels to speed-up delivery of the product offering. Efficient customer service and delivery will be achieved through a range of initiatives that include automated transaction processing and improved credit approval systems, along with the standardisation of products and processes in both the Netherlands and Belgium.

This transformation of business lending in Belgium and the Netherlands will lead to cost efficiency improvements of at least EUR 40 million by 2010. As a result ING's competitive position will improve. A provision of EUR 34 million after tax was booked as a special item in the fourth quarter.

It is anticipated that approximately 90% of the benefits will accrue to Retail Banking. Retail Banking is the primary distribution channel for high volume lending products, particularly following the transfer of the mid-corporate client business from Wholesale Banking to Retail Banking with effect from 1 January 2008. This transfer will allow the domestic banking operations in the Netherlands, Belgium, Poland and Romania to operate in each country under a single management and a single brand. Wholesale Banking will be able to focus on delivering value-added products. The business that was transferred represents approximately 13% of underlying profit before tax at the Wholesale Banking business in 2007.

In Payments and Cash Management, volumes grew steadily over the fourth quarter in both current accounts and deposit volumes. Margins stabilised in most areas of cash management. ING won a number of significant deals in the Benelux in the fourth quarter. ING achieved strong volume growth in Central & Eastern Europe, particularly in Poland, Russia and Ukraine, as ING continued to expand its client base in key markets in the region.

The launch of the Single Euro Payments Area (SEPA) from 28 January 2008 offers an opportunity to leverage ING's efficient payments systems to provide competitive services for processing transactions for other financial institutions. ING is also investing in innovative e-business solutions. An example is "Billington", an alliance between ING and Getronics to enable companies to present bills electronically. ING's new web-based electronic banking channel is presently in its pilot phase and will be rolled out amongst clients in the Netherlands in the course of 2008.

Operational efficiency is essential in this high-volume business. ING will continue to invest to upgrade its systems, reduce the number of transaction channels and improve the time to market in order to continue to deliver top-quality service to our clients.

Profit
Profit before tax was up 43.2% compared with the fourth quarter of 2006 supported by the release of a large loan loss provision. Expenses and income decreased from the previous year, due to the transfer of the SME business in Poland from Wholesale to Retail Banking and the reclassification of Trade Finance Services from General Lending to Structured Finance. Compared with the third quarter, profit was up 25.1%, driven by the significant release from loan loss provisions.

Income
Total underlying income declined 8.2% compared to the same quarter last year. Excluding the changes in composition due to the transfer of the SME business in Poland and the reclassification of Trade Finance Services, income declined 3.9% despite an increase in risk-weighted assets. New business margins in General Lending, which were under pressure since the beginning of 2007, improved in the fourth quarter. Volumes continued to increase, particularly in the Netherlands and Central & Eastern Europe. Current account volumes in PCM were up on the year before with margins stabilising in most areas.

Compared with the third quarter, income remained stable. Interest income improved 6.2% driven by higher volumes. This was offset by lower investment income and other income.

Expenses
Operating expenses declined 3.2% compared with the fourth quarter of 2006. Excluding changes in composition expenses rose 3.0%. Compared with the third quarter, expenses were up 5.4%, driven mainly by higher personnel and related costs.

Risk costs showed a net release of EUR 91 million in the fourth quarter, including the recovery of a single provision of EUR 115 million from a debtor provision in the US.

Key figures
The underlying RAROC after tax for General Lending & PCM improved to 9.7% from 7.3% in 2006, supported by a reduction in economic capital due to model refinements. Risk-weighted assets increased significantly in 2007 as ING selectively pursues opportunities for growth.

Structured Finance

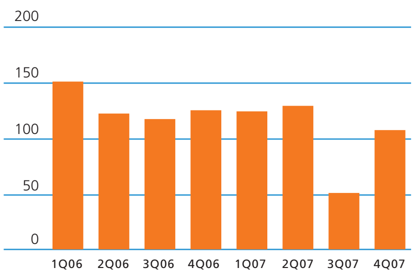
Wholesale Banking Structured Finance: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	140	179	-21.8%	116	20.7%	499	504	-1.0%
Commission income	73	98	-25.5%	65	12.3%	312	301	3.7%
Investment income	5	-55		4	25.0%	17	-54	
Other income	-20	0		-33		-53	33	-260.6%
Total underlying income	**197**	**222**	**-11.3%**	**152**	**29.6%**	**775**	**784**	**-1.1%**
Operating expenses	93	93	0.0%	89	4.5%	363	303	19.8%
Gross result	104	129	-19.4%	63	65.1%	412	481	-14.3%
Addition to loan loss provision	-2	4	-150.0%	13	-115.4%	2	-34	
Underlying profit before tax	**107**	**125**	**-14.4%**	**50**	**114.0%**	**409**	**515**	**-20.6%**
Taxation	17	13	30.8%	-3		59	70	-15.7%
Profit before minority interests	89	112	-20.5%	53	67.9%	350	445	-21.3%
Minority interest	0	0		0		-0	0	
Underlying net profit	**89**	**112**	**-20.5%**	**53**	**67.9%**	**351**	**445**	**-21.1%**
KEY FIGURES								
Underlying cost/income ratio	47.2%	41.9%		58.4%		46.9%	38.6%	
Risk costs in bp of average CRWA	-3	7		17		1	-13	
Risk-weighted assets (end of period)				30,230		33,588	23,500	42.9%
Underlying RAROC before tax				33.3%		32.6%	39.0%	
Underlying RAROC after tax				30.5%		29.5%	36.6%	
Economic capital (average over period)				915		941	1,059	-11.1%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Income recovery on third quarter**
- **Continued adequate business flow**
- **RAROC after tax declines to 29.5% from 36.6%**

WHOLESALE BANKING STRUCTURED FINANCE
Underlying profit before tax (EUR million)



Business update

The Structured Finance business continued to show robust growth, despite continued disruption in the Leveraged Finance market in the fourth quarter. New business volumes were strong in Natural Resources, International Trade & Export Finance and Asset-based Finance. The Infrastructure, Utilities and Telecommunications sectors continued to see solid business flow.

Volumes in Leveraged Finance were significantly lower, particularly compared with a very strong fourth quarter in 2006. ING tightened its limits in Leveraged Finance at the beginning of 2007 in anticipation of a slowdown in this market.

When credit markets became disrupted in August, ING had an underwriting pipeline of EUR 2.3 billion spread over 14 transactions. Since then, some of these deals (one-third of the portfolio) were succesfully syndicated out. Due to new obtained mandates the total amount in the pipeline did not change materially.

Ongoing disruption in international financial markets continued to impact the syndicated loan market. Many participants are refraining from taking on new commitments due to liquidity constraints. As a result, there was an increase in the number of club deals involving a larger number of initial underwriters. The difficulties in distributing deals through syndication also created opportunities. ING was able to buy some assets in the secondary markets at attractive prices.

The impact on lending margins was mixed. The US structured finance market repriced, with new transactions taken on at higher margins. Asia was less affected. Changes in Europe were slow to emerge as borrowers seek to arrange large club deals to minimise upward pressure in pricing.

The gradual effects of higher margins on new lending will likely be offset by lower syndication fees in the first half of 2008. Overall, with the exception of the Leveraged Finance market, demand for Structured Finance has not been impacted by the disruption in financial markets or concerns about economic growth. ING's strong balance sheet and ability to continue to support clients, positions the company well to increase its relative market position going forward.

As a result, ING will invest to reinforce its global franchise and accelerate income growth in Structured Finance. It will hire new staff in 2008 to drive growth in all regions and product groups.

Profit
Results from Structured Finance showed a strong recovery in the fourth quarter. Underlying profit before tax more than doubled compared with the third quarter, which included a EUR 29 million markdown on Leveraged Finance deals. No further markdowns were required in the fourth quarter. Profit before tax was down 14.4% from the fourth quarter of 2006, when Leveraged Finance income was exceptionally high. Other product lines continued to show strong growth, particularly Natural Resources and Telecom financing.

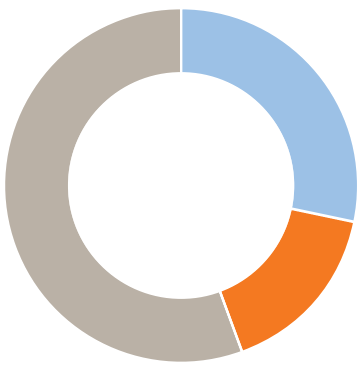
Income
Income increased 29.6% in the fourth quarter from the third, reflecting the markdown on Leveraged Finance transactions in the previous quarter as well as a strong performance in the Natural Resources and Telecom sectors. Compared with the fourth quarter, income was down 11.3%, due entirely to lower income from Leveraged Finance. Leveraged Finance booked high commissions on a few large deals in the final quarter of 2006 when deal flow was exceptionally strong. The other product groups held up well, matching the income level of the year before.

Expenses
Operating expenses were flat compared with the fourth quarter of 2006. These were up slightly from the third quarter, mainly reflecting higher personnel and deal-related costs to support growth initiatives.

The fourth quarter showed a small net release of the loan loss provision, compared to modest additions in both the previous quarter and the year-earlier period. For full year 2007 net additions were EUR 2 million, equal to 1 basis point of average credit-risk weighted assets.

Key figures
Returns remained high, with a RAROC after tax of 29.5% in 2007. RAROC after tax was down from 36.6% in 2006 due to lower returns. Risk-weighted assets increased strongly reflecting higher business volumes.

'Strong recovery in results on third quarter despite continued disruption in Leveraged Finance'



STRUCTURED FINANCE
Underlying profit before tax FY2007

- Leveraged Finance (28%)
- International Trade & Export Finance (16%)
- Other Structured Finance, including Sector Based SF (56%)

Leasing & Factoring

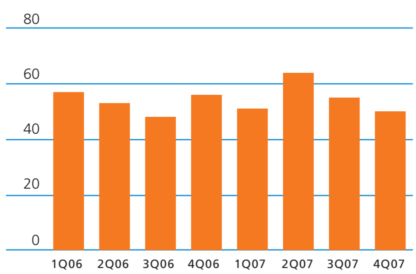
Wholesale Banking Leasing & Factoring: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	47	40	17.5%	45	4.4%	184	184	0.0%
Commission income	15	13	15.4%	10	50.0%	45	39	15.4%
Investment income	-3	8	-137.5%	-0		-2	8	-125.0%
Other income	82	81	1.2%	75	9.3%	314	285	10.2%
Total underlying income	**141**	**142**	**-0.7%**	**130**	**8.5%**	**542**	**516**	**5.0%**
Operating expenses	80	73	9.6%	70	14.3%	295	274	7.7%
Gross result	61	69	-11.6%	60	1.7%	247	242	2.1%
Addition to loan loss provision	12	13	-7.7%	5	140.0%	27	28	-3.6%
Underlying profit before tax	**50**	**56**	**-10.7%**	**55**	**-9.1%**	**220**	**214**	**2.8%**
Taxation	10	10	0.0%	19	-47.4%	70	60	16.7%
Profit before minority interests	40	46	-13.0%	36	11.1%	150	154	-2.6%
Minority interest	0	0		0		0	0	
Underlying net profit	**40**	**46**	**-13.0%**	**36**	**11.1%**	**150**	**154**	**-2.6%**
KEY FIGURES								
Underlying cost/income ratio	56.6%	51.4%		53.8%		54.5%	53.1%	
Risk costs in bp of average CRWA	24	31		10		15	18	
Risk-weighted assets (end of period)				19,090		19,865	16,901	17.5%
Underlying RAROC before tax				32.7%		31.6%	31.3%	
Underlying RAROC after tax				20.6%		21.2%	22.6%	
Economic capital (average over period)				564		598	582	2.7%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Strong volume growth, with leasing portfolio up 16%**
- **Margins improve for both Leasing and Factoring**
- **Returns remain high with RAROC after tax of 21.2%**

WHOLESALE BANKING LEASING & FACTORING
Underlying profit before tax (EUR million)



Business update

Leasing & Factoring continued to show steady growth in the portfolio in the fourth quarter, supported by volume growth across the core franchise in Western Europe and Central & Eastern Europe. The European lease market continues to grow strongly. ING Lease continues to outpace the market, growing the portfolio by 16.4% in 2007.

General Leasing increased its portfolio by 18.3 % to EUR 15.3 billion, driven by continued expansion of ING's market position in the Netherlands, UK, Italy and Central & Eastern Europe, where ING Lease is now active in seven countries. The acquisition of Citileasing in Hungary was completed on 17 December, putting ING in a top-10 position in that market. ING opened a new greenfield in Ukraine in the fourth quarter. The first deal is already signed in this country. The Romanian and Russian greenfields both reached profitability in their second year of operations.

Leasing is becoming increasingly popular as a means of finance in Central & Eastern Europe as legislation on leasing is clarified and fiscal benefits become evident. The leasing market in Central Europe is growing fast but still small in terms of absolute size compared with Western Europe. Markets such as Italy and Spain continue to show impressive growth. Solid economic growth in most European countries continues to support demand for leasing. As interest rates on lending increase, leasing of trucks and heavy equipment becomes an increasingly attractive alternative for many companies.

In Car Leasing, the fleet grew by 16,700 in 2007 to 210,000 cars. The most profitable unit, ING Car Lease in the Netherlands, added 4,300 cars in 2007 to a total portfolio of 78,600. The acquisitions of Autoplan in France and Appleyard in the UK were successfully integrated. The increased capacity led to higher sales. Cost synergies such as migrating to one IT platform were realised.

Factoring volumes in 2007 grew by 31.0% to 12.8 billion, driven by continued focus on increasing market share in the Benelux and Poland. In Belgium, 200 customers were transferred to ING when it sold its 50% stake in a joint venture to KBC. This new business was profitable in its first year of operations.

Going forward, ING aims to remain a top-5 player in the European leasing market by increasing critical mass at the businesses in the Benelux, France, Spain, Germany and Central and Eastern Europe. ING aims to achieve this amongst others by launching in high-growth markets such as Ukraine and Russia, and by making selective add-on acquisitions. In factoring, ING Commercial Finance plans to strengthen its presence in Central & Eastern Europe. In addition it aims to launch activities in Italy and Spain. Furthermore, it is looking to broaden its product range to include products such as supply chain finance and structured commercial finance.

Profit

Underlying profit before tax declined compared with the fourth quarter of 2006, which included a gain of EUR 8 million on the sale of Trifleet. Excluding this gain, profit before tax was up 4.2%, as growth in volumes and other income more than compensated for pressure on margins in 2007.

Income

Both interest result and commission income showed double digit growth compared with the fourth quarter of 2006, driven by volume growth. Margins improved again in the fourth quarter of 2007, but were still well below the levels a year earlier. Higher interest and commission income was fully offset by lower investment income, which included the gain on the sale of Trifleet in the fourth quarter of 2006. Total underlying income remained stable. Compared with the third quarter, Leasing income was up 7.9% and Factoring income was up 17.5%, supported by a combination of higher volumes and higher margins.

Expenses

Operating expenses increased 9.6% from the fourth quarter due to investments to grow the business, an increase in staff numbers and a litigation provision booked in the fourth quarter of 2007. Compared with the third quarter, expenses rose 14.3%.

Risk costs were down slightly compared with the fourth quarter of 2006 but increased from the third quarter as recoveries from previous provisions diminished. The net addition to the provision for loan losses was 24 basis points of average credit-risk weighted assets in the fourth quarter.

Key figures

Returns remained high, with a RAROC after tax of 21.2% in 2007. RAROC after tax was down slightly from 22.6% a year earlier, reflecting higher tax charges. The RAROC before tax improved slightly. Risk-weighted assets increased gradually over the quarters, demonstrating the growth of the business both organically and through acquisitions.

'Continued growth in volumes'

Financial Markets

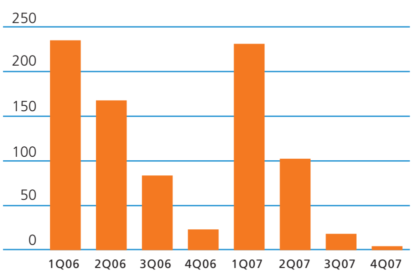
Wholesale Banking Financial Markets: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	107	220	-51.4%	144	-25.7%	537	610	-12.0%
Commission income	-29	-16		-2		-64	-80	
Investment income	-26	40	-165.0%	-0		65	81	-19.8%
Other income	123	-15		60	105.0%	534	598	-10.7%
Total underlying income	**175**	**229**	**-23.6%**	**202**	**-13.4%**	**1,073**	**1,209**	**-11.2%**
Operating expenses	170	207	-17.9%	183	-7.1%	715	700	2.1%
Gross result	5	22	-77.3%	19	-73.7%	358	509	-29.7%
Addition to loan loss provision	2	0		2	0.0%	4	0	
Underlying profit before tax	**3**	**22**	**-86.4%**	**17**	**-82.4%**	**354**	**509**	**-30.5%**
Taxation	-22	-34		-6		-47	-1	
Profit before minority interests	25	56	-55.4%	23	8.7%	400	510	-21.6%
Minority interest	1	2	-50.0%	3	-66.7%	9	10	-10.0%
Underlying net profit	**24**	**54**	**-55.6%**	**20**	**20.0%**	**391**	**500**	**-21.8%**
KEY FIGURES								
Underlying cost/income ratio	97.1%	90.4%		90.7%		66.6%	57.9%	
Risk costs in bp of average CRWA	4	0		3		2	0	
Risk-weighted assets (end of period)				28,508		29,288	25,186	16.3%
Underlying RAROC before tax				18.2%		13.3%	22.1%	
Underlying RAROC after tax				20.6%		16.2%	22.6%	
Economic capital (average over period)				2,203		2,249	2,227	1.0%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Income from client-driven businesses well up on last year**
- **Trading income impacted by limited subprime-related losses**
- **RAROC after tax declined to 16.2% from 22.6%**

WHOLESALE BANKING FINANCIAL MARKETS
Underlying profit before tax (EUR million)



Business update

Conditions in Financial Markets remained challenging in the fourth quarter as turmoil persisted in the credit markets and liquidity dried up in the inter-bank markets. ING Financial Markets has not suffered material losses from the subprime crisis in the US due to ING's conservative risk profile and minimal exposure to structured products such as collateralised debt obligations (CDOs) and structured investment vehicles (SIVs). The direct impact from subprime-related issues included EUR 66 million losses related to exposures that were insured by a US bond insurer, EUR 28 million related to subprime-related instruments and EUR 12 million on CDOs. Those items were all in the proprietary trading and credit markets businesses.

These losses were partially compensated by strong results in the client-based financial markets business, driven by increased demand for structured derivatives and other products as clients sought to hedge exposure given the market turmoil.

To stimulate further top-line growth in the client-based Financial Markets business, ING is investing to reinforce its position in a number of developing markets. ING has traditionally had a strong franchise for Financial Markets in these markets. Investments include staff hires, an extension of the product offering, and centralised processing. The initiative will seek to combine ING's expertise in structured derivatives products in developed markets with the strong network in key developing markets to reach new clients. A charge of EUR 36 million after tax was booked in the fourth quarter to cover restructuring and severance costs for upgrades in front-office and support staff as well as the support platforms. The initiative is expected to increase revenues by EUR 100 million per year from 2009.

Further growth will come from the Benelux by increasing sales coverage for clients while refining systems to improve efficiency globally to enhance product delivery and execution.

Profit

Underlying profit before tax from Financial Markets declined sharply to EUR 3 million, due entirely to the losses related to subprime and monoline insurers in the proprietary trading and credit markets businesses. Results from the client-related financial markets business turned to a profit from a loss in the fourth quarter of 2006. On a full-year basis, the impact of the turmoil in financial markets was more limited. Profit before tax from Financial Markets was down 30.5% on 2006.

Taxation in 2007 was negative due to the tax asymmetry as well as the losses related to subprime and monoline insurers which were incurred in countries with relatively high tax-rates.

Income

Total income declined 23.6% compared with the last quarter of 2006, reflecting losses in the proprietary trading and credit markets portfolios. The downgrade of a US bond insurer resulted in a loss of EUR 66 million. Sub-prime losses were limited to EUR 28 million, of which EUR 15 million were mark-to-market losses on the trading book and EUR 13 million were impairments on available-for-sale assets. The loss on CDOs was EUR 12 million, of which EUR 2 million on the trading book and EUR 10 million in impairments. The client-related business within Financial Markets continued to perform well. Income was up 93.3% in the fourth quarter and 18.5% for the full year. Income from Asset & Liability Management remained stable.

Expenses

Operating expenses declined by 17.9% compared with the fourth quarter last year and 7.1% from the third quarter. Tight cost control and lower bonuses in some areas of the business were the main reasons for the decline. Expenses for the full year increased a modest 2.1%.

Additions to loan losses provisions amounted to EUR 2 million in the fourth quarter, bringing the total for the year to EUR 4 million. This represents 2 basis points of average credit-risk weighted assets, well below the normalised level of expected losses.

Key figures

The underlying RAROC after tax was 16.2% in 2007, down from 22.6% a year earlier, due to lower earnings. Economic capital remained stable.

Risk-weighted assets continued to increase, up 16.3% or EUR 4.1 billion year-on-year. This includes EUR 1.1 billion from the transfer of the credit markets activities to Financial Markets at the beginning of 2007. Risk-weighted assets increased 2.7% in the fourth quarter from the third.

'Strong results in client-related business helps offset losses from subprime related issues'

WHOLESALE BANKING - additional information

ING Real Estate

Wholesale Banking ING Real Estate: Income Statement

In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	18	-5		8	125.0%	63	103	-38.8%
Commission income	138	109	26.6%	126	9.5%	472	372	26.9%
Investment income	89	81	9.9%	148	-39.9%	413	209	97.6%
Other income	96	198	-51.5%	26	269.2%	287	422	-32.0%
Total underlying income	**342**	**383**	**-10.7%**	**308**	**11.0%**	**1,235**	**1,106**	**11.7%**
Operating expenses	193	146	32.2%	138	39.9%	570	476	19.7%
Gross result	149	237	-37.1%	170	-12.4%	665	630	5.6%
Addition to loan loss provision	4	5	-20.0%	2	100.0%	1	-1	
Underlying profit before tax	**145**	**232**	**-37.5%**	**168**	**-13.7%**	**664**	**631**	**5.2%**
- of which Investment Management	39	44	-11.4%	45	-13.3%	156	137	13.9%
- of which Investment Portfolio	37	86	-57.0%	74	-50.0%	261	199	31.2%
- of which Finance	51	35	45.7%	52	-1.9%	214	183	16.9%
- of which Development	18	67	-73.1%	-4		33	112	-70.5%
Taxation	60	63	-4.8%	42	42.9%	178	199	-10.6%
Profit before minority interests	84	169	-50.3%	126	-33.3%	486	432	12.5%
Minority interest	16	9	77.8%	17	-5.9%	56	9	522.2%
Underlying net profit	**69**	**160**	**-56.9%**	**109**	**-36.7%**	**431**	**423**	**1.9%**
KEY FIGURES								
Underlying cost/income ratio	56.5%	38.1%		44.8%		46.1%	43.0%	
Risk costs in bp of average CRWA	4	7		3		0	0	
Risk-weighted assets (end of period)				37,097		40,556	29,984	35.3%
Underlying RAROC before tax				51.4%		44.6%	58.6%	
Underlying RAROC after tax				40.1%		32.7%	40.1%	
Economic capital (average over period)				1,252		1,400	1,053	33.0%
Staff (FTEs end of period)				2,463		2,549	2,120	20.2%

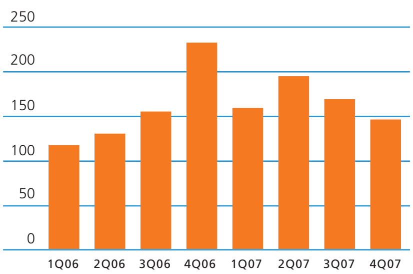
Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Real Estate portfolio grows by EUR 3.7 bln to EUR 107.2 bln**
- **Profit down due to lower sales results and fair value changes**
- **Returns remained strong with RAROC after tax of 32.7%**

WHOLESALE BANKING ING REAL ESTATE

Underlying profit before tax (EUR million)



Business update

Strong diversification of ING Real Estate's business model and investment strategy helped the company to weather the turmoil in property markets in recent months. The property market slowdown resulted in somewhat lower levels of revaluations in the ING Real Estate investment portfolio. However, returns overall remain positive and market conditions remain good across many regions.

Investor demand for property investments remained robust. Capital inflows in Europe and America were strong, which helped offset the sale of a large portfolio held in a separate account in the US. Assets under management at ING Real Estate Investment Management were up 10% compared with a year earlier despite a marginal decline in the fourth quarter to EUR 72.1 billion. Investment management experienced diverging trends. Strong increase in the value of underlying real estate assets was partly offset by a decline in the share value of listed funds. Market conditions in the UK continued to weaken.

Fund performance proved to be a key strength in 2007, with 69% of ING Real Estate Investment Management's funds outperforming their benchmarks on an asset-weighted basis at the end of the third quarter. ING Real Estate launched eleven funds in 2007. Over the year ING Real Estate attracted 150 new investors and 24 new separate accounts.

In December, ING Real Estate entered into a real estate transaction with ABP Pension Fund related to KFN, a Dutch non-listed real estate investment trust, wholly-owned by ABP. KFN owns a portfolio of approximately EUR 1.6 billion comprising prime office properties across the Netherlands. Under the terms of the transaction the KFN portfolio will be held by two investment funds initiated and managed by ING Real Estate. ING Real Estate's equity investment in the transaction totalled EUR 140 million.

ING Real Estate's Finance business grew strongly in the fourth quarter as it took advantage of the dearth of lenders in the real estate market to increase its portfolio. Current market conditions offer good opportunities for Finance as interest margins have started to widen markedly. As risk appetite in the market declined, the market loan-to-value ratios fell. The lending portfolio increased by EUR 3.8 billion in the fourth quarter to EUR 32.1 billion at the end of 2007, which is 42% higher compared with a year earlier.

The Development portfolio rose in the fourth quarter from EUR 2.8 billion to EUR 3.0 billion. The project pipeline grew slightly to EUR 7.9 billion. Development expects several significant project sales in the beginning of 2008, including the Spanish shopping centre Alcala Magna, which opened in the fourth quarter.
In December 2007, ING Real Estate agreed to buy the French property developer Geo-de. The deal was closed in January 2008. ING Real Estate also took a 50% participation in a major inner-city regeneration project in Belfast. Construction on the project will start in 2009 and will take approximately three years. The total investment is approximately EUR 485 million.

The total portfolio of ING Real Estate, including assets under management at the investment management business as well as the development projects and finance portfolio, totalled EUR 107.2 billion, an increase of EUR 3.7 billion in the fourth quarter and EUR 16.5 billion in the full-year 2007.

Profit
Underlying profit before tax declined 37.5%, reflecting lower gains on the sale of completed projects in the Development business and a lower level of revaluations in the Investment Portfolio. Over the full year, profit before tax was up 5.2% to EUR 664 million.

Profit from the Investment Management business declined 11.4% to EUR 39 million as higher expenses offset a 19.1% increase in income. Real Estate Finance continued to show a strong result with profit up 45.7% to EUR 51 million, driven by strong portfolio growth.

Despite increased uncertainty in property investment markets in the latter part of 2007, the Investment Portfolio continued to show positive revaluations on properties, notably in Asia, the US and the UK, albeit on a lower level than in 2006. As a result, profit before tax from the Investment Portfolio declined to EUR 37 million from EUR 86 million in the fourth quarter of 2006. Over the full year profit from this segment was up 31.2%, reflecting higher realised gains and fair value changes on investments.

The Real Estate Development business reported a profit before tax of EUR 18 million in the fourth quarter, down from EUR 67 million a year earlier when profit included exceptionally high gains on the sale of completed projects. The sales of some significant projects were delayed at the end of 2007, and are expected to be completed in the first quarter of 2008.

Income
Income was down 10.7% compared with the fourth quarter of 2006, mainly reflecting the lower gains on the sale of completed development projects and lower positive revaluations of the Investment Portfolio. Interest expenses were also higher reflecting funding costs related to the acquisition of Summit REIT in Canada at the end of 2006. These factors were partially offset by 28.8% higher interest income at the Real Estate Finance business. Real Estate Finance increased its loan portfolio by 42.0%, or EUR 9.5 billion, compared with year-end 2006. Fee income increased as a result of higher transaction and asset management fees in Investment Management. Assets under management at Investment Management grew by 9.9% since year-end 2006 and amounted to EUR 72.1 billion at the end of 2007.

Expenses
Operating expenses were up EUR 47 million compared with the fourth quarter of 2006, due to an increase in personnel, accommodation, and marketing costs to support growth in all lines of business as well as a large number of one-off elements. The number of full-time staff increased by 20.2% to 2,549 compared with a year earlier.

Risk costs in Real Estate Finance continued to be low, reflecting the high quality of the portfolio. The net addition to the provision for loan losses was EUR 4 million in the fourth quarter compared to EUR 5 million in the same period of 2006.

Key Figures
The RAROC after tax decreased to 32.7% in 2007 from 40.1% in 2006, mainly due to lower returns on Development. The strong growth of the business and some model changes are reflected in the 33.0% increase in average economic capital and 35.3% increase in risk-weighted assets.

BANKING

Retail Banking

Retail Banking: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	1,162	1,070	8.6%	1,152	0.9%	4,634	4,531	2.3%
Commission income	330	298	10.7%	338	-2.4%	1,389	1,250	11.1%
Investment income	12	111	-89.2%	17	-29.4%	67	128	-47.7%
Other income	86	42	104.8%	68	26.5%	306	177	72.9%
Total underlying income	**1,591**	**1,521**	**4.6%**	**1,575**	**1.0%**	**6,396**	**6,086**	**5.1%**
Operating expenses	1,068	1,029	3.8%	1,011	5.6%	4,162	3,990	4.3%
Gross result	523	492	6.3%	564	-7.3%	2,234	2,096	6.6%
Addition to loan loss provision	80	48	66.7%	38	110.5%	172	161	6.8%
Underlying profit before tax	**442**	**444**	**-0.5%**	**526**	**-16.0%**	**2,062**	**1,935**	**6.6%**
Taxation	85	114	-25.4%	118	-28.0%	451	541	-16.6%
Profit before minority interests	357	330	8.2%	408	-12.5%	1,611	1,394	15.6%
Minority interest	9	2	350.0%	10	-10.0%	37	15	146.7%
Underlying net profit	**348**	**328**	**6.1%**	**398**	**-12.6%**	**1,575**	**1,379**	**14.2%**
KEY FIGURES								
Underlying cost/income ratio	67.1%	67.7%		64.2%		65.1%	65.6%	
Risk costs in bp of average CRWA	28	20		14		16	17	
Risk-weighted assets (end of period)				111,176		121,054	100,263	20.7%
Underlying RAROC before tax				54.2%		50.3%	44.4%	
Underlying RAROC after tax				42.2%		39.5%	32.0%	
Economic capital (average over period)				3,754		3,940	4,113	-4.2%
Staff (FTEs end of period)				37,006		37,242	37,186	0.2%

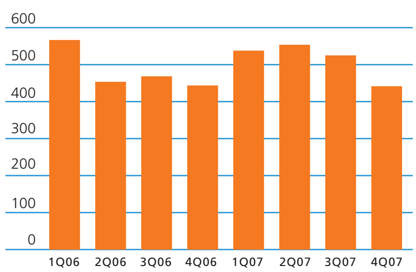
Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Solid performance despite challenging market circumstances**
- **After tax RAROC increased to 39.5% from 32.0% in 2006**
- **Cost/income ratio improved to 67.1% from 67.7%**

RETAIL BANKING

Underlying profit before tax (EUR million)



Business update

In a market environment of inverse yield curves, increasing competition for retail savings, and tighter market liquidity, the Retail Banking strategy is focused on cost efficiency in mature markets and growth in developing markets. In line with this strategy two fundamental reorganisations were initiated in 2007 in the Netherlands and Belgium to bring down the cost structure and introduce a new value proposition to the customer: "direct first, advice when necessary".

The reorganisations are proceeding according to plan. In the Netherlands one management team is now heading the two organisations and preparations were finalised to guarantee the smooth transition to one head office in January 2008. Staff decreased by approximately 400 FTE's in anticipation of the combination of Postbank and ING Bank. ING Belgium announced the new retail organisation structure in November and the first 25 new style branches were opened.

In developing markets rapid growth was realised and two new platforms for growth were acquired.

The turnaround in Poland continued with visible results in growth, profit and market share. The greenfield in Romania has 147 outlets at the end of the year and 503,000 customers. In Ukraine a team is in place to prepare the roll out of the new

greenfield from June 2008.
On 24 December 2007 ING completed the acquisition of Oyak Bank. Oyak Bank is a leading bank in the Turkish market with 5,900 employees and a market share of around 3%. Oyak Bank is consolidated in the balance sheet as of 31 December 2007 and will contribute to the P&L as of the first quarter of 2008.

In Asia, India continued the successful performance of earlier quarters. It gained market share and rolled out more branches and ATM's. The Private Banking activities in Asia continued their strong organic growth. ING extended its footprint in the fast growing Asian market through the acquisition of a 30% stake in TMB Bank in Thailand.

Profit

In the fourth quarter of 2007 Retail Banking continued to perform well despite adverse market circumstances. Margins are under pressure as competition intensified and customers moved away from variable savings to lower margin fixed term deposits in the Benelux. The yield-curve in the euro-zone turned even more inverse than in the previous quarter. Underlying profit before tax increased 10.5% excluding the capital gain of EUR 44 million on the sale of Banksys shares in Belgium in the fourth quarter of 2006. Higher results in the Netherlands, Poland, Private banking Asia and India were offset by investments in the franchises in Romania and the Ukraine and lower results in Belgium. Excluding composition changes and the gain on Banksys, income grew 6.1% due to strong growth in Poland, India and Private banking Asia and to a lesser extent the Netherlands. Operating expenses increased only 3.8% despite substantial investments in growth countries.

Underlying profit before tax in the Netherlands rose 30.3% due to higher income and lower expenses. The positive effect of the transfer of the mortgage portfolio from Insurance was partly offset by the sale of the Regiobank. Excluding the gain on Banksys, underlying profit before tax in Belgium declined 33.0%. Margins were lower on almost all products. Retail balances grew by almost 9%. Profit in Poland more than doubled supported by strong volume growth. India and Private banking Asia reported higher results. In the Rest of the World results declined due to start-up costs in Romania and the Ukraine and one-offs not allocated to the regions.

Income

Total underlying income increased 4.6% to EUR 1,591 million. Excluding composition changes and the gain on Banksys the increase was 6.1% as a result of strong volume growth in mortgages, current accounts and assets under management. The total interest result increased 8.6% thanks to higher volumes. Interest margins deteriorated as a result of strong competition and the adverse interest environment. Commission income rose 10.7% mainly due to higher asset management and payment fees. The strong decrease of investment income is partly explained by the capital gain on Banksys in the fourth quarter of 2006.

Expenses

Total underlying expenses rose only 3.8%. Substantial investments in the emerging countries were largely offset by lower expenses in the Benelux due to efficiency improvements and lower compliance costs. Outside the Benelux operating expenses grew 53% reflecting investments in growth in Poland, Romania, India and Asia. In addition there were EUR 24 million one-off charges related to IT, restructuring and pension provisions. The cost/income ratio improved to 67.1% from 67.7% in the fourth quarter of previous year.

The addition to the provision for loan losses increased EUR 32 million to EUR 80 million due to higher risk costs in the Netherlands and lower releases in Belgium. This represents 28 basis points of average credit-risk weighted assets compared to 20 basis points in the same quarter of 2006. The higher risk costs in the Netherlands are fully related to a specific SME portfolio. The approval process for this business has been improved, the portfolio isolated and portfolio management and the recovery process have been strengthened.

RAROC

The risk-adjusted return on capital (RAROC) after tax improved to 39.5% from 32.0% in previous year. Higher risk-adjusted results combined with reduced economic capital, led to this increase. The after-tax RAROC's of all regions improved. Economic capital declined 4.2% to EUR 3.9 billion. Methodology refinements in line with Basel II compensated for strong business growth and the transfer of portfolios. Total risk-weighted assets rose by EUR 9.9 billion in the fourth quarter to EUR 121.1 billion. This includes EUR 6.7 billion from the acquisition of Oyak Bank.

RETAIL BANKING - additional information

The Netherlands

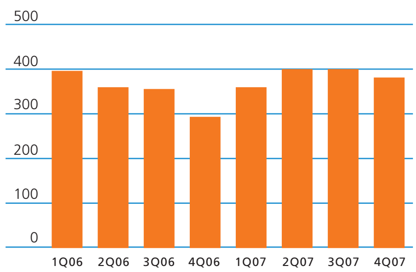
Retail Banking The Netherlands: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	855	763	12.1%	854	0.1%	3,411	3,257	4.7%
Commission income	138	126	9.5%	133	3.8%	545	517	5.4%
Investment income	5	61	-91.8%	0		5	62	-91.9%
Other income	24	19	26.3%	24	0.0%	121	82	47.6%
Total underlying income	**1,022**	**969**	**5.5%**	**1,012**	**1.0%**	**4,081**	**3,918**	**4.2%**
Operating expenses	574	639	-10.2%	577	-0.5%	2,381	2,390	-0.4%
Gross result	447	330	35.5%	435	2.8%	1,700	1,528	11.3%
Addition to loan loss provision	64	36	77.8%	33	93.9%	152	118	28.8%
Underlying profit before tax	**383**	**294**	**30.3%**	**402**	**-4.7%**	**1,548**	**1,410**	**9.8%**
Taxation	85	95	-10.5%	96	-11.5%	361	418	-13.6%
Profit before minority interests	298	199	49.7%	306	-2.6%	1,187	992	19.7%
Minority interest	0	0		0		0	0	
Underlying net profit	**298**	**199**	**49.7%**	**306**	**-2.6%**	**1,187**	**992**	**19.7%**
KEY FIGURES								
Underlying cost/income ratio	56.2%	65.9%		57.0%		58.3%	61.0%	
Risk costs in bp of average CRWA	32	20		17		20	17	
Risk-weighted assets (end of period)				79,169		81,694	72,174	13.2%
Underlying RAROC before tax				76.6%		78.8%	65.9%	
Underlying RAROC after tax				58.5%		60.4%	46.4%	
Economic capital (average over period)				2,004		1,986	2,107	-5.7%
Staff (FTEs end of period)				13,542		13,447	15,255	-11.9%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Solid growth in business volumes**
- **Cost/income ratio improved 9.7%-point to 56.2%**
- **RAROC after tax 60.4% compared to 46.4% in 2006**

RETAIL BANKING THE NETERLANDS
Underlying profit before tax (EUR million)



Business update

The Dutch banking landscape has changed with the increased popularity of internet banking while consumers also continuously need personal advice for more complicated products. Additionally, the inverse yield curve, increasing competition for retail savings and tighter liquidity in the market had a significant effect on the saving behaviour of consumers.

As a result, ING is making substantial investments to combine the direct business model of Postbank with the strong advisors network of ING Bank. With more than eight million clients, the combination will create a strong base for further growth.

ING made important progress in the fourth quarter of 2007. It integrated various migration workflows. One management team is now heading the integration of the two organisations. ING finalised the preparations to move three head offices to one in January 2008. Staff decreased by 400 FTE's through natural attrition. Additionally, the bank defined the IT architecture to build one single platform. In November it offered the first clients and employees a glimpse behind the scenes of the new branches. As of the first quarter in 2009, ING will operate its Dutch retail banking activities under a single brand name. In 2007 expenses for this project amounted to EUR 299 million while total investments are expected to amount to EUR 890 million over a five-year period. These project expenses are excluded from the underlying results. ING expects the project to have a positive contribution to the P&L as of 2009. As of 2011, it should generate additional annual pre-tax earnings of EUR 440 million.

Ahead of the combination of the two business models, Postbank launched an innovative shop concept during 2007 based on a low-barrier retail concept with an increased product offering. The shops meet the growing demand of clients for a physical presence for advisory products. Improved cross-sell ratios already confirm the success of the concept.

After a small decrease in the third quarter of 2007, production growth in the mortgage market picked up slightly during the fourth quarter. At the end of the third quarter of 2007, Postbank launched a mass media campaign for mortgages focusing on the possibility for clients to reduce monthly costs. The campaign was successful and the impact is clearly reflected in the increased production in the fourth quarter of 2007. ING mortgage production exceeded the market trend during the fourth quarter of 2007. Market share in new production increased in the fourth quarter to 20.7% from 18.0% at the end of September.

The Dutch market for fixed-term savings grew strongly as retail customers responded to attractive offerings in the market. As a consequence clients continued to shift from variable savings products to lower-margin fixed-term products. Current accounts margins also came under pressure as lower yielding assets replaced higher yielding ones. ING's Retail market share in current accounts remained stable at 30.5% confirming market leadership in this segment.

Profit

Underlying profit before tax increased 30.3% underpinned by strong volume growth of mortgages, current accounts and small business lending. Expenses declined 10.2%. Risk costs increased due to a catch-up of provisions in an isolated SME lending portfolio.
Compared to the third quarter in 2007, underlying profit before tax decreased 4.7% due to higher risk costs.

Tax in 2007 declined due to a lower nominal tax rate in the Netherlands.

Income

The transfer of the EUR 11.5 billion mortgage portfolio from Nationale-Nederlanden, including EUR 2.1 billion in the fourth quarter of 2007, contributed EUR 20 million to income. The sale of Regiobank had a negative effect on income of EUR 12 million compared to the fourth quarter previous year. Excluding these effects income grew 4.5% due to volume growth of mortgages (+7%), current accounts (+11%) and small business and consumer lending (+8%) partly offset by a small decline of savings. The weighted margin decreased slightly mainly as a result of the shift from variable savings to term deposits.
In the fourth quarter, the mortgage portfolio grew organically EUR 1.9 billion.

Expenses

Expenses decreased 10.2% compared to the fourth quarter of 2006 due to efficiency improvements and lower compliance costs. The cost/income ratio improved to 56.2% from 65.9% in the fourth quarter of 2006 as a result of the favourable cost evolution combined with income growth.

The addition to the loan loss provision increased by EUR 28 million to EUR 64 million. Total risk costs amounted to 32 basis points of average credit risk weighted assets compared with 20 basis points in the fourth quarter of 2006. These higher risk costs are fully related to a portfolio of SME lending for which in 2005 a fast and low-cost process was implemented to offer standard lending products. In the course of 2007 the approval process has been improved, the portfolio isolated and portfolio management and the recovery process have been strengthened.

Key figures

The underlying RAROC after tax increased to 60.4% from 46.4% in the previous year. This is due to a strong increase in net profit, supported by lower taxes, and lower economic capital usage as a result of the implementation of Basel II compliant models. The strong increase in risk-weighted assets is driven by the transfer of mortgage portfolios from Insurance as well as organic growth in mortgages.
Staff decreased by 1,808 FTE's compared to a year ago, of which some 1,300 as a result of the Ops/IT outsourcing and approximately 400 related to the combination of Postbank and ING Bank.

Belgium

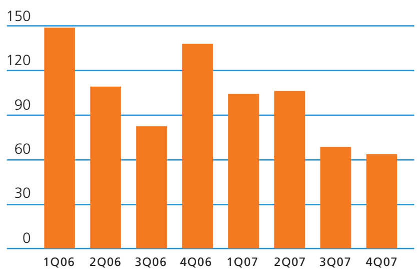
Retail Banking Belgium: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	213	235	-9.4%	209	1.9%	876	989	-11.4%
Commission income	123	107	15.0%	120	2.5%	514	483	6.4%
Investment income	-1	48	-102.1%	2	-150.0%	1	53	-98.1%
Other income	27	9	200.0%	14	92.9%	70	39	79.5%
Total underlying income	**362**	**399**	**-9.3%**	**345**	**4.9%**	**1,461**	**1,564**	**-6.6%**
Operating expenses	288	255	12.9%	273	5.5%	1,107	1,071	3.4%
Gross result	74	144	-48.6%	73	1.4%	354	493	-28.2%
Addition to loan loss provision	11	6	83.3%	5	120.0%	13	15	-13.3%
Underlying profit before tax	**63**	**138**	**-54.3%**	**68**	**-7.4%**	**341**	**478**	**-28.7%**
Taxation	-3	15	-120.0%	12	-125.0%	64	123	-48.0%
Profit before minority interests	66	123	-46.3%	56	17.9%	277	355	-22.0%
Minority interest	0	0		0		0	0	
Underlying net profit	**66**	**123**	**-46.3%**	**56**	**17.9%**	**277**	**355**	**-22.0%**
KEY FIGURES								
Underlying cost/income ratio	79.6%	63.9%		78.9%		75.8%	68.5%	
Risk costs in bp of average CRWA	20	13		9		6	8	
Risk-weighted assets (end of period)				21,658		22,200	20,063	10.7%
Underlying RAROC before tax				59.5%		55.6%	60.5%	
Underlying RAROC after tax				45.7%		45.8%	45.5%	
Economic capital (average over period)				565		569	711	-20.0%
Staff (FTEs end of period)				8,128		8,029	8,420	-4.6%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Average retail balances including AuM, up 9%**
- **RAROC after tax 45.8% compared to 45.5% previous year**
- **Cost/income ratio up to 79.6% due to margin pressure**

RETAIL BANKING BELGIUM
Underlying profit before tax (EUR million)



Business update

The inverse yield curve, intensified competition for savings and tight liquidity in the market continued to result in a shift from savings to term deposits. To respond to the changing behaviour of our customers, ING Belgium developed a programme to improve its efficiency, service and distribution. This model will allow the bank to accelerate its growth by leveraging its direct channels with its branch network. The Works Council approved the plans and the announced restructuring is progressing according to plan. Investments will total EUR 94 million over a five-year period to upgrade the internet platform, increase call center capacity and transform the branch network. ING expects pre-tax profit to increase by more than EUR 100 million on an annual basis in 2012. The contribution should be positive by 2009. By the end of 2007 a dedicated project team was in place and ING opened the first 25 new style branches. ING will convert 242 of the current 794 branches to full service branches. The other 552 branches will become outlets with automated self service cash functions. The branch rationalisation resulted in a reduction of staff members by 391 FTE's in 2007. ING Belgium expects a total reduction in the overall number of FTE's of 850 through natural attrition over a five-year period, including the 391 already realised.

Market conditions remained challenging during the fourth quarter. The shift from variable products to lower margin fixed-term products continued as clients transfer savings to term deposits. ING Belgium introduced new products attracting new clients and new saving plans. In the second quarter, ING Belgium launched its ING Lion Account, a free of charge internet-only current account. It is the first extensive free offer of a large bank on the Belgian market. ING Lion Account represents some 18% of total new current account openings. In October, ING Belgium launched the ING Lion Fidelity Account as an answer to the increased competition in the deposit market.

ING Belgium's pension savings were high in 2007. The number of contracts increased by 17% compared with 2006. Fund collection increased by some 13%. Products that offer tax concessions are proving very attractive to under 26-year-olds. Here, the increase of new contracts amounted to 70% in comparison to 2006.

In mortgages, ING maintained its market share through intensified communication efforts and improved processes.

ING launched ING auto.be in November 2007. Car owners can now apply for car insurance over the internet. ING is the first of the large Belgian banks to offer this type of insurance online. This product is the result of collaboration between ING Belgium and Nationale-Nederlanden. Although this was an initial offering without significant marketing, ING sold some 9,000 policies in just one month. A large marketing campaign will be launched to support sales for this product in the beginning of 2008.

Profit

Underlying profit before tax decreased 33.0% excluding the EUR 44 million gain on the sales of shares in Banksys. Average retail balances including assets under management increased by 9%. Expenses rose 12.9%. Risk costs in Belgium increased due to lower releases. Compared to the third quarter in 2007 the pre-tax result declined 7.4% due to higher risk costs.

Tax in the fourth quarter of 2007 was favourably impacted by adjustments in the Retail Banking and Wholesale Banking split and some year-end items.

Income

Income remained flat excluding the capital gain on Banksys shares and the reclassification of payments fees to negative commission income in the fourth quarter of 2006. Average retail balances grew by 9%, due to increases in mortgages (+15%), consumer and small business lending (+12%) and assets under management (+10%). Margins were under pressure as the shift from variable savings to term deposits with lower margins continued.
Compared to the previous quarter in 2007, income increased 4.9% mainly due to higher asset management fees and structured notes income.

Expenses

The reclassification of payment fees in the fourth quarter of 2006 had a negative impact on expense growth. Excluding this reclassification, the impact of allocation refinements and some one-offs, expenses increased 2.3%. Staff numbers declined by 391 as a result of branch network rationalisation and outsourcing initiatives. The cost/income ratio increased to 79.6% from 63.9% in the fourth quarter of 2006 (or 71.8% excluding the capital gain on Banksys shares) fully caused by margin pressure.
The addition to the provision for loan losses increased to 20 basis points of average credit-risk-weighted assets from 13 basis points in the fourth quarter of previous year as releases were lower.

Key figures

The underlying RAROC after tax improved to 45.8% from 45.5% in 2006. Economic capital usage was down by 20% after implementation of new models in line with Basel II. Risk-weighted assets grew by 10.7% due to growth of the mortgage and other lending portfolios.

'Strong growth in volumes offset by margin pressure'

RETAIL BANKING - additional information

Poland

Retail Banking Poland: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	51	34	50.0%	49	4.1%	195	145	34.5%
Commission income	36	29	24.1%	39	-7.7%	149	95	56.8%
Investment income	1	1	0.0%	0		1	1	0.0%
Other income	9	1	800.0%	9	0.0%	36	7	414.3%
Total underlying income	**97**	**65**	**49.2%**	**97**	**0.0%**	**381**	**248**	**53.6%**
Operating expenses	76	55	38.2%	72	5.6%	283	204	38.7%
Gross result	21	10	110.0%	25	-16.0%	98	44	122.7%
Addition to loan loss provision	-1	1	-200.0%	-6		-12	-5	
Underlying profit before tax	**22**	**9**	**144.4%**	**30**	**-26.7%**	**110**	**49**	**124.5%**
Taxation	5	3	66.7%	6	-16.7%	21	10	110.0%
Profit before minority interests	17	6	183.3%	24	-29.2%	89	39	128.2%
Minority interest	5	1	400.0%	6	-16.7%	25	11	127.3%
Underlying net profit	**12**	**5**	**140.0%**	**18**	**-33.3%**	**64**	**28**	**128.6%**
KEY FIGURES								
Underlying cost/income ratio	78.5%	84.6%		74.7%		74.3%	82.3%	
Risk costs in bp of average CRWA	-18	62		-157		-88	-71	
Risk-weighted assets (end of period)				1,614		1,810	708	155.6%
Underlying RAROC before tax				81.1%		70.5%	22.5%	
Underlying RAROC after tax				65.9%		56.9%	17.6%	
Economic capital (average over period)				116		125	129	-3.1%
Staff (FTEs end of period)				6,143		6,306	5,178	21.8%

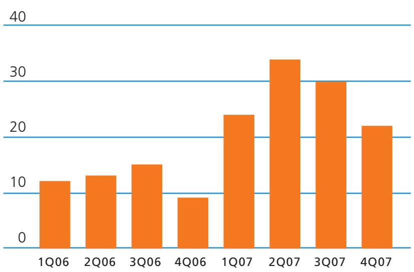
Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Continued strong volume growth in all products**
- **Underlying profit before tax up by 144%**
- **RAROC after tax more than tripled to 56.9%**

RETAIL BANKING POLAND

Underlying profit before tax (EUR million)



Business update

ING Retail's strategy in Poland is to grow market share by investing in distribution and new products. In the fourth quarter ING Bank Slaski increased its network and grew the number of retail clients by 44,000 to 2.26 million clients. Retail lending balances (including mortgages) increased in the fourth quarter by 8% to EUR 2.0 billion. The spread on savings decreased in 2007 due to intensified competition and higher client rates.

ING Bank Slaski is developing a network of partner outlets similar to Romania based on the franchises model in order to further increase product availability and client convenience. At the end of 2007 ING Bank Slaski's network consists of 404 branches compared to 375 branches at the end of the previous quarter. This includes 75 franchise outlets compared to 46 in the third quarter. Simultaneously ING Bank Slaski rolled out the Self'Banking concept. 125 of the 404 branches are now equipped with Self'Banking platforms.

In the fourth quarter of 2007 savings accounts rose by EUR 418 million to EUR 5.2 billion as a result of an attractive offer of the flagship product "Open Savings Account", supported by nation-wide marketing campaigns. The total number of savings accounts increased by 62,000 to over 1.4 million. ING Bank Slaski's market share in this segment was 9.4% at the end of November compared to 9.2% at the end of the third quarter.

Production of mutual funds distributed by ING Bank Slaski declined marginally in the fourth quarter due to the poor performance of the Warsaw Stock Exchange. At the end of 2007 the market share of ING Funds was slightly down to 11.7% compared to 12.5% at the end of September 2007. ING Bank Slaski accounts for 5.5% of the distribution of Polish ING Investment Funds.

Consecutive nation-wide marketing campaigns stimulated retail lending growth during 2007. The mortgage loans portfolio grew by 13% to EUR 724 million in the fourth quarter. Consumer lending volume enhanced 14% in the fourth quarter to EUR 163 million and the number of credit cards grew by almost 20% to 261,000.

ING Bank Slaski systematically develops its product offering. In the fourth quarter ING Bank Slaski launched a new single premium unit-linked insurance product together with ING Nationale-Nederlanden Polska S.A.

Profit
Compared to the fourth quarter 2006, the underlying profit before tax in Poland jumped 144.4% driven by strong volume growth. Risk costs were slightly negative due to releases. The addition to the provision for loan losses was EUR 12 million negative for the full year, demonstrating the improvements in risk management.

Income
Average retail balances were up by 56% helped by the shift of SME companies from Wholesale Banking to Retail Banking. Excluding this transfer average retail balances grew 40%. Adjusted income increased by 27.7%, driven by strong volume growth of all products, partly offset by lower margins. The shift of SME companies from Wholesale attributed EUR 14 million to income growth. Margins, particularly for savings and small business lending, decreased due to strong competition.

Expenses
Excluding the shift of SME companies from Wholesale to Retail, expenses increased 19.1% compared to the same quarter previous year due to strong business growth, investments in the franchise distribution network and the implementation of a new client relationship database. Staff numbers increased substantially over the year largely due to the shift of SME companies from Wholesale to Retail and growth of the franchise.
The cost/income ratio improved to 78.5% from 84.6% in the fourth quarter of 2006 on the back of strong income growth.

In the fourth quarter releases from the loan loss provisions amounted to EUR 1 million. Total net releases in 2007 were EUR 12 million or –88 basis points of average credit-risk weighted assets, reflecting the significant strengthening of credit risk management in Poland. This resulted in a substantial improvement of the quality of the loan book.

Key figures
The underlying RAROC after tax more than tripled to 56.9%, mainly as a result of strong operating results. Economic capital usage decreased 3.1% due to the implementation of new economic capital and expected loss calculations more accurately reflecting the risk. These factors offset the impact of strong volume growth and the shift of SME companies from Wholesale to Retail Banking.

'Profit in Poland more than doubled, supported by strong volume growth in all products'

Other

Retail Banking Other: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	43	38	13.2%	41	4.9%	152	140	8.6%
Commission income	34	36	-5.6%	45	-24.4%	181	155	16.8%
Investment income	8	1	700.0%	14	-42.9%	59	12	391.7%
Other income	26	13	100.0%	20	30.0%	80	49	63.3%
Total underlying income	**111**	**88**	**26.1%**	**121**	**-8.3%**	**473**	**356**	**32.9%**
Operating expenses	130	80	62.5%	89	46.1%	391	325	20.3%
Gross result	-19	8	-337.5%	31	-161.3%	82	31	164.5%
Addition to loan loss provision	7	5	40.0%	5	40.0%	19	33	-42.4%
Underlying profit before tax	**-26**	**3**	**-966.7%**	**26**	**-200.0%**	**63**	**-2**	
Taxation	-2	1	-300.0%	5	-140.0%	5	-10	
Profit before minority interests	-24	2	n.a.	22	-209.1%	58	8	625.0%
Minority interest	4	1	300.0%	3	33.3%	11	4	175.0%
Underlying net profit	**-28**	**1**	**n.a.**	**18**	**-255.6%**	**47**	**4**	**n.a.**
KEY FIGURES								
Underlying cost/income ratio	117.1%	90.9%		74.1%		82.7%	91.3%	
Risk costs in bp of average CRWA	23	25		24		21	47	
Risk-weighted assets (end of period)				8,734		15,350	7,318	109.8%
Underlying RAROC before tax				6.3%		0.9%	-1.9%	
Underlying RAROC after tax				7.1%		2.0%	-0.5%	
Economic capital (average over period)				1,069		1,260	1,166	8.1%
Staff (FTEs end of period)				9,193		9,460	8,333	13.5%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

- **Acquisitions of Oyak Bank and 30% stake in TMB Bank finalised**
- **Private Banking Asia income up by 41.4%**
- **Continued strong growth of the franchise in Romania**

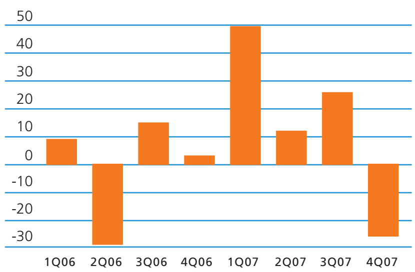
Retail Banking Other contains the retail banking operations in Romania, Ukraine, India (ING Vysya Bank), Private Banking Asia and Americas, ING Card, ING Trust, the ING participations in Bank of Beijing, TMB Bank and Kookmin Bank as well as the Retail Banking Corporate line and the balance sheet of Oyak Bank which was consolidated at the end of 2007.

Business update

ING started a greenfield operation in Romania in September 2004. In the fourth quarter of 2007, the business opened 13 new outlets. The total number of outlets is now 147. ING Romania attracted 95,000 new clients in the fourth quarter. The total number of clients was 503,000 at year-end 2007. Marketing campaigns, the increase in distribution capacity and joint sales efforts with ING Life Romania to sell mandatory pension plans stimulated growth in the fourth quarter. The ING branches signed approximately 100,000 pension contracts from September 2007 until mid January 2008, both to existing and new clients, and as such were responsible for approximately 8-9% of pension sales of ING Life. However, the new client acquisition for retail banking in the fourth quarter from the joint pension sales campaign was moderate at approximately 10,000. Furthermore, the pension client base of ING Life can become an important leads source for the Retail Bank to cross sell retail banking products in 2008.

RETAIL BANKING OTHER

Underlying profit before tax (EUR million)



Savings and current accounts remained the key products for ING. Balances grew 12% versus the previous quarter in line with the market. The introduction of an ING credit card in the first quarter of 2008 is expected to give a further boost to asset growth.

Internet banking penetration almost doubled from 3.9% in January to 7.5% at the end of December, supported by the launch of a new retail banking internet proposition (www.ing.ro) in the third quarter and a dedicated marketing campaign in the fourth quarter.

The marketing campaigns not only had a strong effect on sales figures, but also on the visibility of ING Bank in the Romanian banking market. The Nielsen Brand Tracking Study showed that spontaneous awareness / first bank mentioned by consumers increased from 3% in January 2007 to 7% in December 2007. Total awareness among consumers increased from 82% to 97% in the same period.

In India ING is active through a 44% stake in ING Vysya Bank. The strategic focus remains on increasing the productivity of the branch network and accelerating customer account acquisitions by rolling out new branches and cash machines.

ING Vysya Bank expects to open 20 new branches in the first half of 2008. This is part of a total roll out of 56 new branches and 100 new cash machines. In the fourth quarter of 2007 the number of cash machines increased from 188 to 197. The number of internet customers grew by 26% underscoring the enhancement of the national footprint and visibility.

Market conditions remain favourable for ING Vysya Bank. The market for deposits grew 12.8% in the period from March 2007 to December 2007. ING Vysya Bank realised a growth of 14.1%. Several investor education programs held during the fourth quarter of 2007 resulted in an additional 15,000 contracts for monthly investments in mutual funds.

On 24 December 2007 ING completed the acquisition of Oyak Bank. Oyak Bank is a leading bank in the Turkish market with 5,900 employees and a market share of around 3%. It offers a full range of banking services with a focus on retail banking. In January 2008 ING Bank unveiled its strategy and future plans for Oyak Bank, which will be rebranded ING Bank. ING Group will provide the necessary capital funding and know-how in a banking market that is characterised by high growth (potential) and high margins. In this market ING intends to open 150 new branches over the next three years and plans to double its market share by 2012. Oyak Bank is consolidated in the balance sheet as of 31 December 2007 and will contribute to the P&L as of the first quarter of 2008.

In Thailand ING finalised the acquisition of a 30% stake in TMB Bank for EUR 432 million. The transaction enables ING to extend its footprint in the fast growing Asian market. The strategic investment is part of TMB's plan to strengthen its capital adequacy. Established in 1957, TMB is one of the leading banks in Thailand with about EUR 14 billion in total assets, over 5 million customers and 472 branches. TMB already offers a wide range of products and services. It has a large retail deposit base. In lending it is focused on the small-to-medium enterprise (SME) and corporate sectors.

Profit
Substantially higher results from Private banking Asia and ING Vysya Bank in India were more than offset by higher investments in the greenfield franchises in Romania and the Ukraine as well as by IT investments and redundancy provisions not allocated to the business.

Income
Underlying income increased significantly as a result of strong growth at Private banking Asia, ING Vysya Bank in India and the continued growth of the franchise in Romania. Income in the third quarter in 2007 was high due to the capital gain on

'Acquisitions of Oyak Bank and stake in TMB Bank finalised'

the sale of ING Trust and the dividend from Bank of Beijing.

Expenses
Operating expenses increased significantly due to continued investments in growth in India, Romania, Ukraine and Private banking Asia. In addition there were EUR 24 million one-off charges related to IT, restructuring and pension provisions not allocated to the business. Staff numbers increased substantially at ING Vysya Bank in India, the retail franchise in Romania and Private banking Asia partly offset by the sale of ING Trust.

The addition to the provision for loan losses increased to EUR 7 million or 23 basis points of average credit-risk weighted assets.

Key figures
Average economic capital increased compared to the full year 2006 due to a substantial increase of the value of ING's stake in the Bank of Beijing following the IPO. Other factors were strong business growth in India, Romania and Private banking Asia. The increase was partly offset by the lower value of ING's stake in Kookmin Bank and refined calculations of economic capital.
Risk-weighted assets more than doubled mainly due to the consolidation of the balance sheet of Oyak Bank adding EUR 6.7 billion to the risk-weighted assets. Oyak Bank is not included yet in the average economic capital.

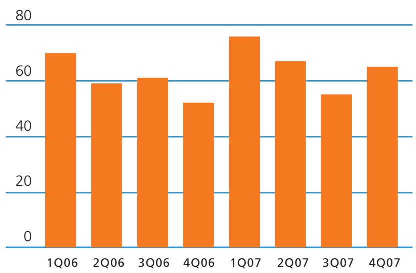
Private Banking

Retail Banking - Private Banking segment: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	56	57	-1.8%	57	-1.8%	233	254	-8.3%
Commission income	89	94	-5.3%	92	-3.3%	396	365	8.5%
Investment income	-0	0		-0		-0	0	
Other income	26	9	188.9%	14	85.7%	65	31	109.7%
Total underlying income	**170**	**160**	**6.3%**	**163**	**4.3%**	**693**	**650**	**6.6%**
Operating expenses	105	105	0.0%	107	-1.9%	428	404	5.9%
Gross result	65	55	18.2%	56	16.1%	265	246	7.7%
Addition to loan loss provision	1	3	-66.7%	1	0.0%	2	4	-50.0%
Underlying profit before tax	**65**	**52**	**25.0%**	**55**	**18.2%**	**263**	**242**	**8.7%**
- of which Netherlands	16	12	33.3%	15	6.7%	62	67	-7.5%
- of which Belgium	32	33	-3.0%	24	33.3%	122	129	-5.4%
- of which Rest of World	17	7	142.9%	15	13.3%	78	46	69.6%
Taxation	12	9	33.3%	14	-14.3%	60	60	0.0%
Profit before minority interests	52	43	20.9%	41	26.8%	203	182	11.5%
Minority interest	0	0		0		0	0	
Underlying net profit	**52**	**43**	**20.9%**	**41**	**26.8%**	**203**	**182**	**11.5%**
KEY FIGURES								
Underlying cost/income ratio	61.8%	65.6%		65.8%		61.8%	62.2%	
Risk-weighted assets (end of period)				8,802		9,158	7,982	14.7%
Underlying RAROC before tax				124.5%		126.0%	56.8%	
Underlying RAROC after tax				94.4%		97.0%	42.7%	
Economic capital (average over period)				207		204	404	-49.5%
Assets under Admin. (in € bln, end of period)				66.8		68.0	59.2	14.9%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

PRIVATE BANKING

Underlying profit before tax (EUR million)



Key Performance Indicators

- **Assets under administration up by EUR 1.2 bln to EUR 68.0 bln**
- **Cost/income ratio improved to 61.8% from 65.6%**
- **Return high with RAROC after tax of 97.0%**

The results of the Private banking activities are included in the regional results of the Netherlands, Belgium and Rest of World; the latter contain the activities in Asia and the Americas.

Business update

ING benefited from the economic growth in Asia. The Private banking activities in Asia are of increasing importance and now comprise almost 30% of the Private bank result and 20% of the asset base. Private banking Asia received approval to upgrade the banking license and is in the process of establishing a branch in Hong Kong. Next to Asia, Private banking invests in the development of the Middle East and Eastern European markets.
In the mature Belgium and Dutch market, Private banking is facing margin pressure due to a flattening yield curve, increasing client rates and a shift from current and savings accounts to lower margin term accounts. Resources have been concentrated in Luxembourg to optimise resource allocation and to improve the performance of portfolio management for discretionary mandates.

In the fourth quarter, assets under management increased EUR 1.2 billion to EUR 68.0 billion. The net inflow of EUR 2.0 billion was higher than the previous quarter, mainly due to Asia. The Asian asset base increased by 39% in 2007, driven by the distribution of structured products. Total Assets under Management grew 15% in 2007, with 10% average growth in European mature markets.

Financial analysis

Asia reported the strongest profit growth, driven by the growth of the asset base. In Belgium the downward trend in income recovered in the fourth quarter as higher securities commissions compensated for the continued pressure on interest margins. In the Netherlands, results were stable in the fourth quarter compared to the third quarter. Results improved strongly compared to the fourth quarter 2006, when the negative margins from the internet savings campaign had a negative impact on earnings.

Total expenses increased by 5.9%, compared to full year 2006, reflecting the continued expansion in growth markets. Operating expenses in mature markets remained under control. The cost/income ratio improved to 61.8% in the fourth quarter from 65.6% in the same quarter in the previous year.

The after tax RAROC was 97.0% boosted by a substantial decrease of economic capital following the implementation of Basel II compliant models.

‘ING has benefited from the economic growth in Asia’

ING Direct

ING Direct: Income Statement								
In EUR million	4Q2007	4Q2006	Change	3Q2007	Change	FY2007	FY2006	Change
Interest result	487	530	-8.1%	483	0.8%	1,932	2,102	-8.1%
Commission income	26	17	52.9%	23	13.0%	98	69	42.0%
Investment income	-24	4	-700.0%	3	-900.0%	53	43	23.3%
Other income	40	4	900.0%	27	48.1%	113	19	494.7%
Total underlying income	**529**	**555**	**-4.7%**	**536**	**-1.3%**	**2,196**	**2,233**	**-1.7%**
Operating expenses	428	363	17.9%	401	6.7%	1,598	1,482	7.8%
Gross result	101	192	-47.4%	135	-25.2%	598	751	-20.4%
Addition to loan loss provision	28	20	40.0%	15	86.7%	68	57	19.3%
Underlying profit before tax	**73**	**172**	**-57.6%**	**120**	**-39.2%**	**530**	**694**	**-23.6%**
Taxation	11	69	-84.1%	16	-31.3%	105	269	-61.0%
Profit before minority interests	62	103	-39.8%	104	-40.4%	424	425	-0.2%
Minority interest	0	0		0		0	0	
Underlying net profit	**62**	**103**	**-39.8%**	**104**	**-40.4%**	**424**	**425**	**-0.2%**
KEY FIGURES								
Interest margin	0.74%	0.87%		0.74%		0.75%	0.89%	
Cost/income ratio	80.9%	65.4%		74.9%		72.8%	66.4%	
Risk costs in bp of average CRWA	14	9		8		9	7	
Total risk-weighted assets (end of period)				76,511		79,674	88,570	-10.0%
Underlying RAROC before tax				19.6%		17.7%	19.4%	
Underlying RAROC after tax				15.8%		14.3%	11.8%	
Economic capital (average over period)				2,839		2,769	3,218	-14.0%
Staff (FTEs end of period)				8,530		8,883	7,565	17.4%

Note: Underlying RAROCs and Economic capital are year-to-date figures.

Key Performance Indicators

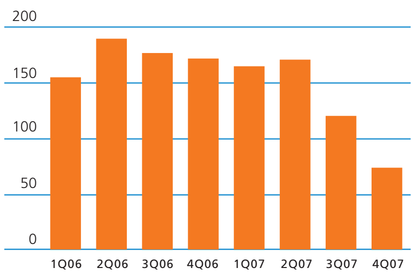
- **Resilient commercial growth with Client Retail Balance production of EUR 6.3 billion excluding add-on acquisitions**
- **905,000 new clients were welcomed, passing the milestone of 20 million customers worldwide**
- **Profit deterioration mainly driven by business repositioning in the UK and asset impairment in Canada**

Business update

ING Direct continued to show resilient commercial growth despite intensified competition as many banks focused on attracting retail funds due to an increase in wholesale funding costs on the back of the global liquidity crisis. Against this backdrop, ING Direct is focusing on maintaining an attractive customer offering in savings and term deposits while continuing to grow the mortgage portfolio.

The total client retail balance (excluding currency exchange effects) in the fourth quarter increased EUR 11.6 billion, of which EUR 5.3 billion due to add-on acquisitions in Germany and the United States. Including the negative currency exchange effects of EUR 5.1 billion, growth in client retail balance was EUR 6.5 billion bringing the total balance to EUR 310.1 billion at the end of December. Residential mortgages are firmly embedded as a second core product with quarterly production of EUR 9.6 billion including the retail mortgage portfolio of EUR 3.9 billion acquired by ING-DiBa Germany. Including negative currency exchange effects, ING Direct grew EUR 8.0 billion in residential mortgages raising the total mortgage balance to EUR 97.0 billion. Funds entrusted production was EUR 0.3 billion in the fourth quarter. Including negative currency exchange effects of EUR 3.4 billion, total funds

ING DIRECT
Underlying profit before tax (EUR million)



ING Direct: Geographical Breakdown										
	Underlying profit before tax (in EUR million)		Number of Clients (x 1.000)		Funds Entrusted (in EUR billion)		Residential Mortgages (in EUR billion)		Off balance sheet funds (in EUR billion)	
	4Q2007	4Q2006	31 Dec 07	30 Sep 07	31 Dec 07	30 Sep 07	31 Dec 07	30 Sep 07	31 Dec 07	30 Sep 07
Canada	-21	14	1,526	1,598	13.9	13.9	13.2	12.9	0.2	0.2
Spain	13	11	1,624	1,595	12.9	13.7	6.5	6.1	1.9	1.8
Australia	15	21	1,316	1,522	12.0	11.8	18.3	18.1		
France	11	8	716	709	12.9	13.0			1.5	1.6
United States	41	9	6,524	5,599	41.3	41.8	17.9	17.2	1.8	0.4
Italy	12	15	937	881	14.2	14.2	3.3	2.7	0.4	0.5
Germany	90	91	6,124	5,968	58.5	58.6	35.9	30.0	12.9	12.8
Austria	-2	-2	357	356	3.5	3.6			0.0	0.0
United Kingdom	-76	5	1,137	1,131	22.3	24.0	1.9	1.9		
Japan	-10	0								
Total	**73**	**172**	**20,262**	**19,357**	**191.5**	**194.6**	**97.0**	**89.0**	**18.8**	**17.3**

entrusted declined EUR 3.1 billion to EUR 191.5 billion at the end of December 2007. The acquisition of the online stock brokerage business of ShareBuilder Corporation in the United States added EUR 1.4 billion in off-balance sheet funds, bringing the total to EUR 18.8 billion at the end of December 2007. ING Direct passed the 20 million customers mark as 905,000 new customers were added during the quarter.

Profit for the quarter was impacted by an impairment charge of EUR 29 million (booked as negative investment income) as a result of mark-to-market revaluations relating to investments in non-bank sponsored asset-backed commercial paper (ABCP) in Canada. The entire non-bank sponsored sector of the Canadian market is in default and subject to a voluntary standstill arrangement while a consortium of investors attempts a comprehensive sector-wide restructuring. At year-end 2007 there were no other impairments in the investment portfolio of ING Direct, which is predominately invested in high quality AAA-rated asset-backed securities, AAA-rated covered bonds as well as bonds issued by Financial Institutions which parties are generally AA-rated.

ING Direct has minimal exposure to the US sub-prime mortgage market. Furthermore, ING Direct is comfortable with its “Alt-A” RMBS portfolio as it is near prime: average loan to value of 71%, near-prime average FICO scores of 723 and over 99% is AAA rated. In addition, at the end of the fourth quarter the fair value of our US Alt-A RMBS investments stands at 96.7% with no downgrades, and no impairments. Our performance has been superior to the industry in general as a result of strict underwriting guidelines. All the own-originated mortgages in the US are to quality customers with an average portfolio loan to value ratio of 71% and 98% of the mortgages are to owner-occupiers.

ING Direct UK substantially reduced funds outflows to EUR 0.6 billion in the fourth quarter of 2007 from EUR 5.1 billion in the previous quarter. This reduction in funds outflows was achieved by measures that were put into place to reposition the business strategically towards creating sustainable growth. Steps taken by ING Direct UK to reposition the bank and stem outflows include several management, pricing and marketing actions. These include a major focus on targeting less rate sensitive customers with a mixture of different incentives and pricing options. Additionally, recognising the importance UK consumers place on the Bank of England base rate, steps were taken to move the main savings rate closer to this benchmark. The customer rate increases, the financial effect of outflows, and higher expenses related to repositioning the business, however, resulted in a loss of EUR 76 million in the fourth quarter.

ING Direct continues to invest in further expanding the customer base through the four major product categories; savings, mortgages, payment accounts and investment products, as it pursues its long term strategy of “Becoming the world’s most preferred consumer bank”. Of total investments of EUR 94 million in the fourth quarter, EUR 62 million was from growing the residential mortgage portfolio. In addition, ING Direct made further investments of EUR 22 million to diversify the product range with projects underway to launch payment accounts in other markets. The number of payment accounts customers grew by 183,000 this quarter bringing the overall total to 853,000. The payment account was re-launched in Germany in October focusing on the amended product features, such as no fees, and free worldwide cash withdrawals. Investments in new geographies have also continued in the fourth quarter with EUR 10 million of start-up costs for the launch of ING Direct in Japan, which is working towards the grant of the final banking license.

Rate environment

The rate environment remains challenging with a further flattening of yield curves compared to the fourth quarter of 2006,

ING Direct

except for Australia. However, ING Direct was able to maintain its interest margin in the fourth quarter from the third, helped by central bank rate cuts in the USA and Canada. The savings market remained highly competitive as banks are seeking liquidity from the retail market.

Profit

Underlying profit before tax for the quarter was EUR 73 million, a decline of 57.6% compared with the fourth quarter last year and 39.2% lower than in the third quarter of 2007. The strong decline is a result of the losses incurred through repositioning the UK business (EUR 76 million) and the impact of mark-to-market revaluation of investments in non-bank sponsored ABCP in Canada (EUR 29 million). Additionally, investments to diversify and grow the business and to create long term value increased by EUR 15 million to EUR 94 million compared to the fourth quarter of 2006. Excluding the UK result and the asset impairment in Canada, the underlying profit before tax is 6.6% higher compared to the same quarter last year.

Profit before tax at ING Direct US increased to EUR 41 million from EUR 9 million in the fourth quarter of 2006, as a result of increased interest margins and higher volumes. Underlying profit before tax in Germany remained stable at EUR 90 million compared to the same quarter last year. The UK reported a significant loss of EUR 76 million compared with a profit of EUR 5 million in the fourth quarter of 2006. The loss was driven by the interest margin being adversely impacted by customer rate increases; the financial effect of outflows, and higher expenses as a result of repositioning the business towards creating sustainable growth. Canada reported a loss of EUR 21 million compared to a profit of EUR 14 million in the fourth quarter last year primarily as a result of the ABCP impairment.

Income

Total underlying income decreased 4.7% to EUR 529 million compared to the fourth quarter of 2006, mainly due to a lower interest result and lower investment income impacted by the asset impairment in Canada. The interest margin declined to 0.74% from 0.87% in the fourth quarter of 2006, as a result of higher central bank rates in the Euro, British Pound and Australian currency zones and the intensified competition for retail funds. Compared with previous quarter, the interest margin remained stable.

Expenses

Operating expenses (including marketing expenses) increased 17.9% over the same quarter last year, predominantly as a result of higher staff numbers to drive the growth in mortgages and payment accounts. In addition, expenses rose to reposition the UK business. Costs were also impacted by building up the Japan operation and investments in other products, including the acquisition of Sharebuilder in the United States. As a result, the cost/income ratio increased to 80.9% from 65.4% in the fourth quarter of 2006. The operational cost to client retail balance ratio, which excludes marketing expenses, rose to 0.41% in the fourth quarter of this year compared with 0.35% in the same quarter last year. The number of full-time staff rose to 8,883 from 7,565 a year earlier. The addition to the provision for loan losses increased EUR 8 million to EUR 28 million, or an annualised 14 basis points of average credit-risk-weighted assets, up from 9 basis points in the fourth quarter of 2006. This increase is mainly driven by a reduction in risk weighted assets due to implementation of the Basel II standardised approach, together with the increased volume of mortgages on book.

Key figures

The after-tax risk-adjusted return on capital (RAROC) improved to 14.3% from 11.8% in 2006, due to lower tax charges supported by a tax asset in Germany which was normalised over the year. The pre-tax RAROC decreased to 17.7%, primarily due to lower risk-adjusted profit, outweighing the 14% decline in average economic capital to EUR 2,769 million as a result of improvements in RAROC methodology.

Highlights by country

Canada

Residential mortgage production (excluding currency exchange effects) remained strong at EUR 0.5 billion in a market that remained intensely competitive despite the liquidity pressures. Margins on residential mortgages for the sector started to widen again in the

	Variable savings rates (EOP)			Central Bank rates (EOP)			Yield Curve Steepness (EOP)*		
	Q4-06	Q3-07	Q4-07	Q4-06	Q3-07	Q4-07	Q4-06	Q3-07	Q4-07
Canada	3.50%	3.75%	3.75%	4.25%	4.50%	4.25%	-0.16%	-0.28%	-0.33%
Spain	2.65%	3.00%	3.00%	3.50%	4.00%	4.00%	0.49%	0.11%	0.24%
Australia	6.00%	6.15%	6.40%	6.25%	6.50%	6.75%	0.17%	0.14%	0.32%
France	3.00%	3.30%	3.30%	3.50%	4.00%	4.00%	0.49%	0.11%	0.24%
USA	4.50%	4.30%	4.10%	5.25%	4.75%	4.25%	-0.24%	-0.42%	-0.72%
Italy	2.80%	3.00%	3.00%	3.50%	4.00%	4.00%	0.49%	0.11%	0.24%
Germany	2.75%	3.25%	3.25%	3.50%	4.00%	4.00%	0.49%	0.11%	0.24%
UK	4.75%	5.25%	5.40%	5.00%	5.75%	5.50%	0.20%	-0.53%	-0.84%
Austria	3.00%	3.25%	3.50%	3.50%	4.00%	4.00%	0.49%	0.11%	0.24%

* Steepness is defined as the difference between the 3-year and 1-month rate of the yield curve

fourth quarter as banks began to pass on higher funding costs to customers. Competitive pressures in the savings market remained extremely high through the quarter as competitors sought retail funding. These competitive pressures combined with higher funding costs squeezed margins. Profit was significantly impacted by the EUR 29 million impairment on non-bank sponsored ABCP. Employees of ING Direct Canada were recognised for their excellence in client service at the 'International Customer Service Association Awards'. The ING Direct Canada client variable savings rate remained unchanged at 3.75%. The Bank of Canada rate declined 25 basis points in December 2007.

Spain

Growth in mortgages and payment accounts remained strong and 30,000 new customers were attracted by ING Direct Spain. Funds entrusted declined by EUR 0.7 billion as competition for retail funds intensified.

Australia

Production of EUR 0.7 billion (excluding currency exchange effects) in savings was stimulated by marketing activities and brand awareness was enhanced by regional promotions in Western Australia. Mortgage growth continues to be the key driver of the business with production at EUR 0.9 billion for the quarter. A new direct insurance product was introduced in October providing life insurance cover linked to the mortgage. ING Direct Australia increased its variable savings rate by 25 basis points to 6.40% in November. The central bank rate increased by 25 basis points on 7th of November 2007 to 6.75%.

France

Competition remains strong for retail savings funds, resulting in an EUR 0.1 billion decline in funds entrusted. ING Direct France launched a new fixed-term campaign in the quarter and 7,000 new clients joined the company.

United States

ING Direct USA recorded good growth (excluding currency exchange effects) of EUR 1.0 billion in funds entrusted and EUR 1.3 billion in mortgages despite ongoing strong competition with many banks not following central bank rate cuts in pursuit of retail savings funds. Organic growth was complemented by the acquisition of the online brokerage business of ShareBuilder Corporation generating EUR 1.4 billion in off-balance sheet funds. The acquisition will extend ING Direct USA's retail investment product range and geographical spread in the United States. Client numbers grew by 925,000 (including 744,000 from ShareBuilder), surpassing the 6.5 million customers mark. ING Direct was praised by 'Signs of the Time', an international virtual network of market researchers and trend watchers, for their chain of cafés in North America. The central bank rate decreased 50 basis points to 4.25% during the quarter, while ING Direct USA decreased the client rate by 20 basis points to 4.10%.

Italy

ING Direct Italy achieved strong mortgage production of EUR 0.6 billion while funds entrusted remained stable and 57,000 new customers were acquired over the quarter. Conditions for retail funds continued to be tough, with strong competition in savings accounts and a shrinking mutual funds market throughout 2007. Focus has been placed on the mortgage market, and the potential offered by the refinancing sector in particular which opened up as a result of the elimination of prepayment penalties. ING Direct was identified as one of the best places to work in Italy, ranking 34th in a well-known employee satisfaction survey conducted by 'The Great Places to Work'.

Germany

The competition in the German market for retail deposits increased during the quarter, as banks shifted their focus towards increasing their retail funding base. ING-DiBa Germany saw EUR 0.1 billion outflow in funds entrusted in the quarter. Off-balance sheet funds grew by EUR 0.2 billion. ING-DiBa Germany is one of the top players in the German market, giving scale advantage which has been further extended by the acquisition of a mortgage portfolio of EUR 3.9 billion from Hypo Real Estate Bank AG in the fourth quarter. Organic mortgage production was EUR 2.0 billion. The payment account was re-launched in October focusing on the amended product features, such as no fees, and free worldwide cash withdrawals. For the third consecutive year, the magazine named ING-DiBa 'Best Investment Fund Bank', with the prestigious award being given for ING-DiBa's market-leading discounts on investment fund fees.

United Kingdom

ING Direct UK substantially reduced funds outflows (excluding currency exchange effects) in the fourth quarter to EUR 0.6 billion from EUR 5.1 billion in previous quarter. This reduction in outflows was achieved by measures that were put into place to reposition the business. Additionally, recognising the importance UK consumers place on the Bank of England base (BoE) rate, steps were taken to move the main savings rate closer to this benchmark. In the fourth quarter the client rate increased by 15 basis points to 5.40% from the 1st of October. The BoE decreased its rate on 6th of December by 25 basis points to 5.50%. As of 1st of January 2008 ING Direct UK reduced its client rate of the variable savings product to 5.15%.

Austria

The Austrian market remains highly competitive with aggressive pricing and marketing strategies from traditional banks, resulting in an EUR 0.1 billion decline in funds entrusted. Brand recognition increased in the fourth quarter as a result of campaign activities. The client rate increased 25 basis points to 3.50% from 15th of October 2007.

Corporate Line Banking

Banking Corporate Line: Underlying profit before tax									
In EUR million	4Q2007	3Q2007	2Q2007	1Q2007	4Q2006	3Q2006	2Q2006	1Q2006	4Q vs 4Q
Total Capital Management	75	93	-27	-6	11	-29	11	-55	64
Formula 1 sponsoring costs	-8	-15	-12	-13	0	0	0	0	-8
Other	-23	-24	-26	-37	-24	-14	-36	34	1
Underlying profit before tax	**45**	**53**	**-65**	**-56**	**-14**	**-43**	**-25**	**-20**	**58**
Taxation	-66	19	-1	22	-30	-22	-20	-11	-36
Profit before minority interests	110	34	-64	-78	16	-21	-5	-9	94
Minority interest	0	0	0	0	0	2	-2	0	0
Underlying net profit	**110**	**34**	**-64**	**-78**	**16**	**-23**	**-3**	**-9**	**94**

The corporate line of ING Bank is a reflection of capital management activities. It also contains certain expenses that are not allocated to the business. ING Bank applies a system of capital charging that creates a comparable basis for the results of business units globally, irrespective of the book equity they have and the currency they operate in. ING Bank's policy is that equity locally needs to be invested notionally at the local risk free rate. The Corporate Line charges business units for the income they make on the book equity invested. The business units receive a benefit based on the risk free Euro rate on the economic capital they employ. Consequently, the results of the businesses as disclosed are the local results after Group overhead charges while the investment returns on equity are based on the risk free Euro rate on economic capital.
In 2007 the capital book of the corporate line became increasingly positive as the capitalisation of ING Bank increased. The economic capital employed remained relatively constant.

Other capital management items on the corporate line are solvency costs, which is the negative carry that results when hybrid Tier-1 capital and lower Tier-2 debt is raised and subsequently passed on as funding at a funds transfer price, which is usually relatively close to LIBOR. Liquidity costs are costs that are made to provide for contingent liquidity. Also, capital management stabilises the Tier-1 ratio through FX hedging. The costs of equity leverage at ING Group are passed on to both ING Bank and ING Insurance.

Profit

The Corporate Line Banking recorded an underlying profit before tax of EUR 45 million, compared with a loss of EUR 14 million in the fourth quarter last year.

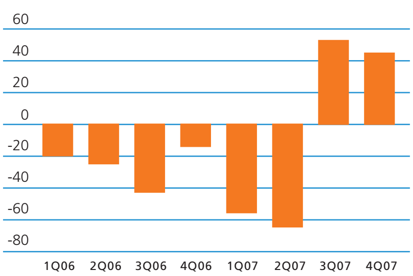
Total Capital Management result increased by EUR 64 million, mainly due to EUR 70 million higher income on capital surplus (difference between Tier-1 capital and economic capital used by the business). The positive impact on FX-hedges was offset by higher financing charges and the negative result on an equity hedge.

The result of Other remained stable as higher interest received on tax restitutions was offset by higher costs for central projects, which are not allocated to the business.

Underlying net profit in the fourth quarter was EUR 110 million, supported by a EUR 90 million release of tax liabilities not allocated to the business.

The strong improvement of the Capital Management result in the third quarter of 2007 was caused by a EUR 65 million positive swing in fair value changes of derivatives to hedge solvency and liquidity positions as well as higher income on the capital surplus.

CORPORATE LINE BANKING
Underlying profit before tax (EUR million)



Appendices

ING Group: Consolidated Cash Flow Statement								
	ING Group		ING Verzekeringen NV		ING Bank NV		Holdings/Eliminations	
in EUR million	4Q2007	FY2007	4Q2007	FY2007	4Q2007	FY2007	4Q2007	FY2007
Net cash flow from operating activities	**-9,111**	**13,551**	**4,094**	**23,106**	**-12,634**	**-7,352**	**-571**	**-2,203**
Investments and advances:								
Group companies	-2,340	-3,215	-342	-1,217	-1,971	-2,026	-27	28
Associates	-673	-1,221	-165	-490	-437	-660	-71	-71
Available for sale investments	-79,242	-289,505	-51,133	-193,645	-28,109	-95,546		-314
Held-to-maturity investments								
Investments properties	-339	-876	-214	-623	-125	-253		
Property and equipment	-77	-575	55	-190	-132	-385		
Assets subject to operating leases	-301	-1,393			-301	-1,393		
Investments for risk policyholders	-13,669	-54,438	-13,669	-54,438				
Other investments	-158	-316	-22	-106	-136	-210		
Disposals and redemptions:								
Group companies	27	1,012	27	1,042		25		-55
Associates	414	1,049	338	826	76	223		
Available for sale investments	77,613	284,854	50,327	186,387	27,286	98,442		25
Held to maturity investments	38	822			38	822		
Investment properties	118	309	76	170	42	139		
Property and equipment	24	151	9	82	15	69		
Assets subject to operating leases	119	417			119	417		
Investments for risk policyholders	10,986	47,136	10,986	47,136				
Other investments	5	13	2	6	3	7		
Net cash flow from investing activities	**-7,455**	**-15,776**	**-3,725**	**-15,060**	**-3,632**	**-329**	**-98**	**-387**
Proceeds from issuance of subordinated loans	1,013	1,764	707	707	372	2,622	-66	-1,565
Repayment of subordinated loans					-200	-1,028	200	1,028
Proceeds from borrowed funds and debt securities	133,458	455,629	8,731	51,399	124,324	407,289	403	-3,059
Repayment from borrowed funds and debt securities	-134,198	-464,982	-7,294	-55,402	-127,745	-417,186	841	7,606
Issuance of ordinary shares/capital injection	5	397			2,200	2,200	-2,195	-1,803
Purchase of treasury shares	-1,832	-3,446	-18	-29			-1,814	-3,417
Sale of treasury shares	836	846	1	24			835	822
Dividends paid/received	-17	-3,039	-2,317	-4,640		-1,300	2,300	2,901
Net cash flow from financing activities	**-735**	**-12,831**	**-190**	**-7,941**	**-1,049**	**-7,403**	**504**	**2,513**
Net cash flow	**-17,301**	**-15,056**	**179**	**105**	**-17,315**	**-15,084**	**-165**	**-77**
Cash and equivalents at beginning of period	648	-1,795	2,953	3,017	-1,933	-4,352	-372	-460
Effect of exchange-rate on cash and equivalents	-158	40	-17	-7	-141	47		
Cash and equivalents at end of period	**-16,811**	**-16,811**	**3,115**	**3,115**	**-19,389**	**-19,389**	**-537**	**-537**
- of which Treasury bills and other eligible bills	4,130	4,130			4,130	4,130		
- of which Amounts due to/from banks	-33,859	-33,859			-33,859	-33,859		
- of which Cash and balances with central banks	12,918	12,918	3,115	3,115	10,340	10,340	-537	-537

Equity market indices (quarterly averages)

	4Q2007	3Q2007	Change	4Q2006	Change
Dow Jones Industrial (US)	13,503	13,492	0.1%	12,178	10.9%
S&P 500 (US)	1,494	1,491	0.2%	1,390	7.5%
AEX (The Netherlands)	522	532	-1.9%	496	5.2%

Interest rates (quarterly averages)

	4Q2007	3Q2007	Change	4Q2006	Change
10-year rates:					
EMU	4.22	4.35	-2.9%	3.77	-100.8%
USA	4.26	4.72	-9.7%	4.64	-102.1%
3-months rates:					
EMU	4.71	4.52	4.3%	3.60	-98.8%
USA	5.01	5.45	-8.0%	5.32	-101.5%
spread:					
EMU	-0.49	-0.17		0.17	
USA	-0.75	-0.73		-0.68	

Profit and loss account on total basis - 12 months comparison

	Insurance operations			Banking operations			ING Group *		
in EUR million	FY2007	FY2006	Change	FY2007	FY2006	Change	FY2007	FY2006	Change
Gross premium income	46,818	46,834	-0.0%				46,818	46,834	-0.0%
Interest result banking operations				9,036	9,335	-3.2%	8,976	9,192	-2.3%
Commission income	1,901	1,636	16.2%	2,926	2,681	9.1%	4,827	4,317	11.8%
Total investment & other income	13,488	11,172	20.7%	2,640	2,179	21.2%	15,965	13,278	20.2%
Total income	**62,208**	**59,642**	**4.3%**	**14,602**	**14,195**	**2.9%**	**76,587**	**73,621**	**4.0%**
Underwriting expenditure	48,833	48,188	1.3%				48,833	48,188	1.3%
Operating expenses	5,515	5,275	4.5%	9,967	9,087	9.7%	15,481	14,362	7.8%
Other interest expenses	1,326	1,233	7.5%				1,103	1,017	8.5%
Addition to loan loss provisions / impairments	1	11	-90.9%	125	103	21.4%	126	114	10.5%
Total expenditure	**55,675**	**54,707**	**1.8%**	**10,092**	**9,190**	**9.8%**	**65,544**	**63,681**	**2.9%**
Profit before tax	**6,533**	**4,935**	**32.4%**	**4,510**	**5,005**	**-9.9%**	**11,043**	**9,940**	**11.1%**
Taxation	775	702	10.4%	759	1,205	-37.0%	1,534	1,907	-19.6%
Profit before minority interests	5,758	4,233	36.0%	3,751	3,800	-1.3%	9,509	8,033	18.4%
Minority interests	155	281	-44.8%	112	60	86.7%	267	341	-21.7%
Net profit	**5,603**	**3,952**	**41.8%**	**3,638**	**3,740**	**-2.7%**	**9,241**	**7,692**	**20.1%**
Net gains/losses on divestments	-382	-30		-26	115		-407	85	
Net profit from divested units	-32	-57			-39		-32	-96	
Special items after tax				369			369		
Underlying net profit	**5,190**	**3,865**	**34.3%**	**3,982**	**3,816**	**4.4%**	**9,172**	**7,681**	**19.4%**

*) including intercompany eliminations

Glossary

AVAILABLE FINANCIAL RECOURCES (“AFR”)
AFR equals market value of assets minus market value of liabilities, excluding hybrids issued by ING Group which is counted as capital. ING’s policy is that AFR should exceed economic capital for Bank, Insurance and Group.

BASEL I
Regulatory reporting requirements for solvency calculation, which are superseded by Basel II from 2007 on (start dates differ by country and by type of bank).

BASEL II
Basel II allows Banks to calculate their required capital for regulatory reporting and supervision based on their own internal models. To be able to do so many requirements by supervisors have to be met, inclusive so called pillar 3 requirements on external disclosures.

BIS
An international organisation which fosters international monetary and financial co-operation and serves as a bank for central banks. BIS has set a minimum for the solvency ratio reflecting the relationship between capital and risk weighted assets. The ratio should at least be 8%.

CLAIMS RATIO – NON-LIFE
Claims, including claims handling expenses, expressed as a percentage of net earned premiums.

CORE DEBT ING GROUP AND ING INSURANCE
Investments in ING Group subsidiaries minus the equity of the holding company including hybrids.

COST OF CAPITAL
(Weighted Average Cost of Capital, “WACC”)
The costs related to owning capital can be split into the cost of equity, hybrids and debt, taking a target leverage into account. The WACC is used as the discount rate for calculating the present value of future cash flows.

COMBINED RATIO
The sum of the claims ratio and the expense ratio for a non-life insurance company or a reinsurance company. A combined ratio of more than 100% does not necessarily mean that there is a loss on non-life insurance policies, because the result also includes allocated investment income.

EXPENSE RATIO INSURANCE – NON-LIFE
Underwriting costs expressed as a percentage of premiums written.

COST/INCOME RATIO BANKING
Operating expenses expressed as a percentage of income.

ECONOMIC CAPITAL
The minimum amount of capital that is required to absorb unexpected losses in times of severe stress. Given ING Group’s AA target rating, ING calculates economic capital requirements at a 99.95% level of confidence over one year. This confidence level is derived from the historical default frequency of AA-rated companies (probability of default of 1 in 2000 or 0.05%).

EMBEDDED VALUE (“EV”)
Embedded value is the present value of all future cash flows from the contracts being owned today (embedded value does not take into account future sales). The discount rate used is equal to WACC.

EMBEDDED VALUE PROFIT (“EVP”)
Embedded value profit is the change in embedded value over a given period over and above the amount related to the unwinding of the discount rate.
In formula: EVP = Embedded value (start of period)*(RoEV-WACC).

EXPENSE RATIOS LIFE INSURANCE
Investment Oriented Products (IOP): Operating expenses expressed as a percentage of Assets under Management.
Other Life Insurance Products (OLIP): Operating expenses expressed as a percentage of gross premiums.

GROSS PREMIUMS WRITTEN
Total premiums (whether or not earned) for insurance contracts written or assumed (including deposits for investment contracts with limited or no life contingencies written) during a specific period, without deduction for premiums ceded.

IMPAIRMENT LOSS
The amount by which the carrying amount of an asset exceeds its recoverable amount.

IRR
Internal rate of return is the discount rate at which the present value of distributable earnings from new business equals the investment in new business. i.e., the projected return on the investment in new business.

NET PREMIUMS WRITTEN
Gross premiums written for a given period less premiums ceded to retrocessionaires during such period.

REINSURANCE
The practice whereby one party, called the reinsurer, in consideration for a premium paid to him, agrees to indemnify another party, called the reinsured or ceding company, for part or all of the liability assumed by the reinsured under a contract or contracts of insurance which the reinsured has issued. The reinsured may also be referred to as the original or primary insurer, the direct writing company, or the ceding company.

RETURN ON EMBEDDED VALUE ("RoEV")
Return on embedded value is the change in embedded value over a given period, expressed as a percentage of beginning period embedded value. The change in embedded value is the total of the value on New Business (the present value of the new business sold in a given period) and the change in value of existing business.

RETURN ON EQUITY ("RoE")
The return on equity is the net profit as percentage of the average equity (shareholders capital + reserves).

RISK ADJUSTED RETURN ON CAPITAL ("RAROC")
In the RAROC calculation, the actual credit-risk provisioning is replaced by statistically expected losses reflecting the average credit losses over the entire economic cycle. RAROC is calculated by dividing the risk-adjusted-return by average economic capital.

RISK-WEIGHTED ASSETS ("RWA" under Basel I)
Assets which are weighted for credit risk according to a formula used by the Dutch Central Bank (De Nederlandsche Bank), which conforms to the capital adequacy guidelines of the BIS (Bank of International Settlements). On and off-balance-sheet items are weighted for risk, with off-balance-sheet items converted to balance-sheet equivalents (using credit-conversion factors) before being allocated a risk weight.

SALES US BASIS
Sales (US basis) are presented in a manner consistent with other US companies and the calculation varies by product. Retirement Services sales represent initial deposits for the first twelve months. Variable Annuity and Fixed Annuity sales are reported on a cash basis before any reinsurance consistent with insurance industry standards from LIMRA/VARDS. Individual Life Insurance and Employee Benefits sales are reported based on the calculation of weighted annual premium consistent with internal reporting. Group Reinsurance sales are based on annualized premium at policy issue date, before any retrocession. Institutional Markets sales represent gross asset production. Investment Management retail mutual funds sales are reported on a cash basis. Investment Management other third party sales represent cash deposits from new and existing third party clients, except for money market accounts which are reported on a net flows basis.

SURRENDER
The termination of a life or retirement contract at the request of the policyholder after which the policyholder receives the cash surrender value, if any, on the contract.

TIER-1 CAPITAL
Also referred to as the core capital of ING Bank. It comprises paid up share capital, reserves excluding revaluation reserves, retained earnings, minority interests and hybrid Tier-1.

TIER-1 RATIO
Reflecting the tier-1 capital of ING Bank as a percentage of its total risk weighted assets. The minimum set by the Dutch central bank is 4%.

TOTAL AND UNDERLYING NET PROFIT
The variance between Total and Underlying net profit is caused by divestments and special items.

TRADING PORTFOLIO
Comprises those financial instruments which are held to obtain short-term transaction results, to facilitate transactions on behalf of clients or to hedge other positions in the trading portfolio.

VALUE CREATION
Value creation is measured by Economic Profit (regarding Non-life and Asset Management business and Banking operations) and Embedded Value Profit (regarding Life and long term health business).

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