2007

ING Group

Annual Review

Focusing the strategy to accelerate growth

ING

In this review

Who we are

Our performance

Our governance

Highlights

> Full year net profit up 20.1% to EUR 9,241 million

> Risk management and business profile shield ING from direct impact of credit market turmoil

> Robust commercial growth: insurance new business up 38% and continued growth in bank volumes

> Strong capital position with efficient capital allocation

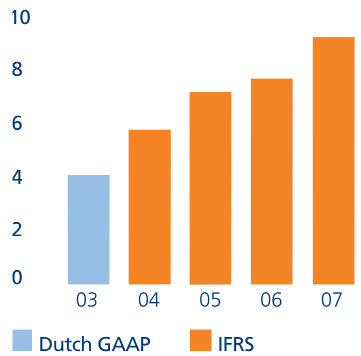
> Sharpened strategic focus on banking, investments, life insurance and retirement services

Key figures (on a total basis)

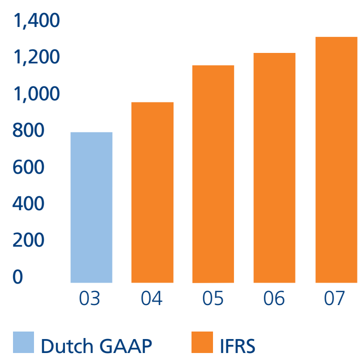
in EUR million	2007	2006	2005	2004	2003 [1]
Income Insurance operations	**62,208**	59,642	57,403	55,614	53,223
Income Banking operations	**14,602**	14,195	13,848	12,678	11,680
Total income [2]	**76,587**	73,621	71,120	68,171	64,736
Operating expenses Insurance operations	**5,515**	5,275	5,195	4,746	4,897
Operating expenses 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
Addition to loan loss provision Banking operations	**125**	103	88	465	1,125
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
Net profit per share (in EUR)	**4.32**	3.57	3.32	2.71	2.00
Dividend per share (in EUR)	**1.48**	1.32	1.18	1.07	0.97
Market capitalisation (in EUR billion)	**60**	74	65	49	39
Assets under management (in EUR billion)	**637**	600	547	492	463
Employees (FTEs at year-end)	**124,634**	119,801	116,614	112,195	114,335

[1] Figures according to Dutch GAAP.
[2] Including inter-company eliminations.

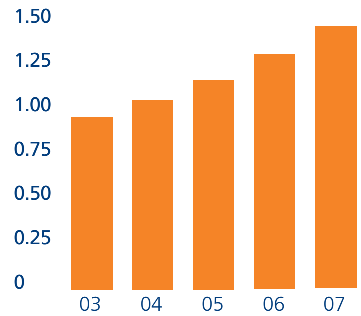
Net profit
in EUR billion



Total assets
in EUR billion



Dividend
in EUR



ING at a glance

Our profile
ING is a global financial services company providing banking, investments, life insurance and retirement services. We serve more than 75 million customers in Europe, the United States, Canada, Latin America, Asia and Australia. We draw on our experience and expertise, our commitment to excellent service and our global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. Based on market capitalisation (31 December 2007), ING is one of the 20 largest financial institutions worldwide.

Our strategy
Capitalising on changing customer preferences and building on our solid business capabilities, ING's strategic focus is on banking, investments, life insurance and retirement services. We want to provide retail customers with the products they need during their lives to grow savings, manage investments and prepare for retirement with confidence. We will build and invest more in bank distribution platforms. We will increasingly invest in high-growth markets. The successful execution of the strategy is underpinned by continued efficient reallocation of capital through redeploying the capital we generate in mature markets to high-growth businesses, or returning it to our shareholders. With this strategy, ING remains focused on creating value for its shareholders and rewarding them with a better total return on investment than the average of our peers in the financial sector over the longer term.

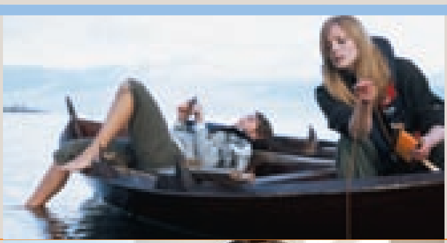
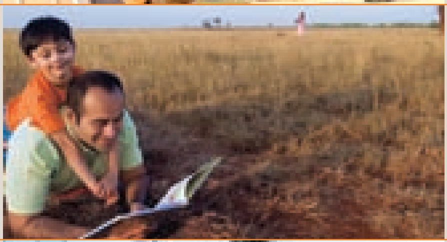
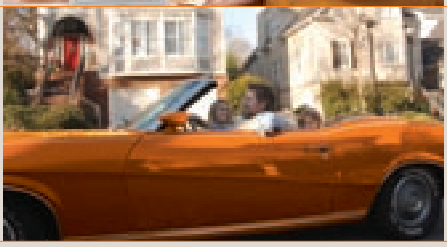
Our stakeholders
ING conducts business on the basis of clearly defined business principles. In all our activities, we carefully weigh the interests of our various stakeholders: customers, shareholders, employees, business partners and society at large. ING strives to be a good corporate citizen.

Our corporate responsibility
ING wants to pursue profit on the basis of sound business ethics and respect for its stakeholders. Corporate responsibility is therefore a fundamental part of ING's strategy: ethical, social and environmental factors play an integral role in our business decisions.

Our business lines	Underlying profit before tax* in EUR million	
	2007	2006
Insurance Europe	1,840	2,249
Insurance Americas	2,059	1,992
Insurance Asia/Pacific	576	621
Wholesale Banking	2,399	2,525
Retail Banking	2,062	1,935
ING Direct	530	694

* Excluding Corporate Lines Insurance and Banking

We want to deliver our financial products and services in the way our customers want them delivered: with exemplary service, maximum convenience and at competitive prices. This is reflected in our mission statement: to set the standard in helping our customers manage their financial future.

		Underlying profit before tax contribution to Group
	• Operates the insurance and asset management activities in Europe. Main insurance activities are in the Netherlands, Belgium, Spain, Greece and Central Europe. Here we offer life insurance with a particular focus on pensions. In the Netherlands and Belgium we also offer non-life insurance.	19%
	• Provides insurance, investment, retirement and asset management products and services in the region. In the United States, ING is a top-10 provider of retirement services, based on sales. In Canada, we are the leading property and casualty insurer, based on gross premiums. We are also a leading pension and life insurance company in a number of Latin American countries, including Argentina, Mexico, Chile, Peru and Brazil.	22%
	• Conducts life insurance and asset/wealth management activities in the region. We are well-established in Australia, Hong Kong, Japan, Malaysia, New Zealand, South Korea and Taiwan. Our activities in China, India and Thailand are key future growth engines.	6%
	• Conducts global wholesale banking operations. The primary focus is on the Netherlands and Belgium, where we offer a full range of products to companies and other institutions. Elsewhere we take a more selective approach with regard to our clients and products. Wholesale Banking also manages ING Real Estate, the world's largest real estate investment manager based on the value of its assets under management.	25%
	• Offers retail banking services in the mature markets of the Netherlands and Belgium, and in the growth markets of Poland, Romania, Turkey, India and China. Private banking is offered in the Netherlands, Belgium, Luxembourg, Switzerland and various countries in Asia, Latin America and Central and Eastern Europe.	22%
	• Operates direct retail banking activities for customers in Australia, Canada, France, Germany and Austria, Italy, Spain, the United Kingdom and the United States. The main products offered are savings accounts and mortgages, and increasingly also mutual funds and payment accounts.	6%

Chairman's statement

Dear stakeholder

I am pleased to report that ING performed strongly in what has been a very difficult year for the financial sector, with a weak dollar, a flat yield curve and obviously the financial market turbulence. We generated attractive profits for our shareholders, while our strong balance sheet, our large customer base and our solid risk management have helped to shield us from the direct impact of the market turmoil.

We report a raise in net profit by 20.1% to EUR 9,241 million. Our underlying net profit – total profit without the impact of divestments and special items – increased by 19.4%.

ING has systematically invested over the recent years to improve its risk management capabilities and has weathered the credit market turmoil with limited direct impact. This illustrates the importance of having solid risk management in times of stress.

We enjoyed strong performance on the commercial front. Our banking businesses continued to show solid volume growth and ING Direct passed the 20 million customer mark, a big achievement after only ten years of operation. And we achieved strong sales growth in our life insurance businesses in Central Europe, Asia and in the United States.

It is my firm belief that companies can only be successful if they put their customers first and know exactly how to best serve them. Customers' preferences are changing rapidly and are reshaping the financial industry. As customers live longer, accumulate more wealth, and expect easy access to financial products, we witness strong growth in client retail balances, particularly in developing markets. We also see a major shift in the distribution of financial products where banks are increasingly taking the lead.

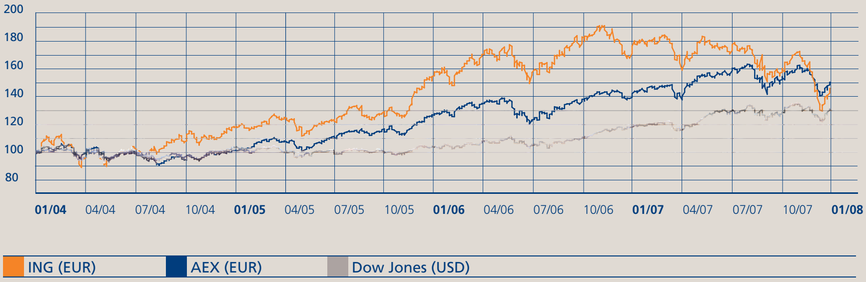
This creates strong growth opportunities and I am convinced that ING is well positioned to capture these. We have a large customer base, strong product skills, and a good position in high-growth markets. And we have a track record for building innovative distribution platforms illustrated best by the creation of the world's leading direct bank. We also established one of the world's leading retail financial brands, enhanced in 2007 with the successful sponsorship of the ING Renault Formula One team.

Shareholder information

Shareholder magazine

In addition to financial press releases, ING also publishes the magazine *ING Shareholder*. You can subscribe to the magazine through the website www.ing.com. To be kept informed of press releases and other ING news, you can subscribe to the email service on www.ing.com.

Four-year price development ING depositary receipts for shares
index 1 January 2004 = 100



Capitalising on changing customer preferences and building on our solid business capabilities, we have decided to sharpen our strategic focus to banking, investments, life insurance and retirement services. We want to provide retail customers with the products they need during their lives to grow savings, manage investments and prepare for retirement with confidence. We will build and invest more in bank distribution platforms, reinforce our product capabilities in asset management and asset gathering and increasingly allocate our capital to high-growth markets.

In line with our sharpened strategic focus, we have already stepped up our investment efforts in 2007 and started a major acquisition programme that strengthens our positions in important growth markets, including Turkey, South Korea, Thailand, and Latin America. We also sold several non-core businesses, such as our non-life insurance business in Mexico in early 2008.

We also continued to invest in organic growth. We further improved the efficiency and growth potential of our businesses. In the Netherlands we are bringing together ING Bank and Postbank under one single brand, while we are also optimising the service and retail distribution model in the Belgian market. We set up life insurance and retail banking greenfields in Central Europe. Moreover, we signed important bank distribution agreements in Greece and Malaysia. And we invested significantly in further growing ING Direct.

It is clear that we can fulfil our strategic initiatives only with a highly skilled and dedicated work force that is willing to go the extra mile for our clients. We put a lot of effort into attracting and retaining the best people and we are proud that we are recognised as a top-tier employer in an increasing number of countries.

Our role in society is very important to us and we continuously seek to meet the highest levels of sound business ethics. Corporate responsibility is embedded in the daily business activities of our employees. We made important progress in social and environmental areas. ING became 'carbon neutral' in 2007. And, I take great personal pride in the fact that ING and its employees helped raise funds for the education of around 125,000 children for one year; one child for every employee in the company.

As of 1 January 2008, Cor Herkströter retired as chairman of the Supervisory Board of ING Group. Jan Hommen has been appointed as his successor. On behalf of my Executive Board colleagues I wish to express my sincere gratitude and appreciation for the contribution Cor Herkströter made to ING Group for the past nine years. We truly value his contribution to the success of ING. I would also like to thank Luella Gross Goldberg, who will retire from the Supervisory Board at the Shareholders' meeting in April, for her commitment and contribution to ING over the past years.

ING has proven its commitment to enhance shareholder returns through an attractive increase in dividends and a EUR 5 billion share buy-back, which is well under way. Our Total Shareholder Return (TSR) development over the last four years was 74%, well above the average of our peers. Recent developments have been less favourable, also due to the financial markets. Given the strong fundamentals of our company and our sharpened strategic direction, I am confident of ING's growth prospects going forward.

Michel Tilmant
chairman Executive Board

€ 26.75
ING share price year-end 2007
In 2007, ING's share price decreased 20.4% to EUR 26.75 at year-end. Over the full year, ING underperformed the AEX by 23.8% points.

€ 1.48
Proposed dividend per share
On 20 February 2008, ING Group proposed a total dividend for 2007 of EUR 1.48 per (depositary receipt for an) ordinary share, to be approved by the Shareholders' meeting on 22 April 2008. In August 2007, an interim dividend of EUR 0.66 was paid. The final dividend of EUR 0.82 will be paid fully in cash.

74%
Total Shareholder Return 2004–2007
ING's Total Shareholder Return amounted to 74% over the four-year period 2004–2007.

AA-
S&P rating of ING Group
Credit ratings are indicators of the likelihood of timely and complete repayment of interest and instalments of fixed-income securities as assigned by rating agencies.

22 April 2008
Annual General Meeting of Shareholders
The Shareholders' meeting will take place in the 'Muziekgebouw aan 't IJ', Piet Heinkade 1, in Amsterdam. The meeting will be webcast. The meeting documents are available on the ING Group website www.ing.com.

Strategy

Focusing the strategy to accelerate growth

> **Focus** on banking, investments, life insurance and retirement services

> **Provide retail customers** with the products they need to grow savings, manage investments and prepare for retirement

> **Invest** in bank distribution and high-growth markets

> **Continue to improve** business fundamentals and maintain strength in capital and risk management

In a very challenging environment, ING performed strongly in 2007, both on the commercial front and in the areas of risk management and capital allocation. We believe this illustrates the strength of our strategy to capitalise on the changing customer preferences transforming the financial industry. We are accelerating the allocation of capital to high-growth areas by focusing on banking, investments, life insurance and retirement services. We also returned capital to our shareholders in 2007 through an attractive dividend and a significant share buy-back programme.

Capitalising on changing customer preferences

As more customers live longer, they want to save enough to enjoy retirement. Across the globe, but especially in developing markets, increasing wealth is driving strong growth in client balances. There is growing demand for savings and investment products in particular, be it from a bank or an insurer. With wide product and service choice, people expect strong investment performance from their financial services providers.

Against this backdrop, the life insurance sector is undergoing a paradigm shift from traditional to investment-linked products, with distribution increasingly moving into the banking domain. Rapid technological developments mean customers can access financial services faster and in many more ways. They increasingly obtain easy, direct access to financial products, and seek advice only when they need it, leading to growth in direct distribution channels, reflected in the success of Postbank and ING Direct.

Building on solid business capabilities

Three important strengths drive ING's business. First, we have a broad product portfolio of high-performance product capabilities and are one of the world's largest savings banks. Our product manufacturing is supported by extensive expertise and skills in our Investment Management businesses, and asset generation and transformation capabilities in our Wholesale Banking businesses.

Secondly, we have a strong retail customer franchise and an extensive distribution reach, including a broad presence in

New strategic focus

ING is sharpening its strategic focus on banking, investments, life insurance and retirement services:

- To provide retail customers with the products they need during their lives to grow savings, manage investments and prepare for retirement with confidence.
- To invest more in building bank distribution platforms.
- To invest increasingly in high-growth markets.

Active portfolio management

- Oyak Bank (Turkey) 100% share purchase.
- Pension businesses (Latin America).
- TMB (Thailand) 30% stake.
- Full ownership Landmark (South Korea).
- Divestment non-core activities in Mexico.

Business initiatives

- Combination of ING Bank and Postbank in the Netherlands.
- Launch of retail banking in Romania and Ukraine.
- Launch of variable annuities in Spain and Hungary.
- Transformation of retail banking in Belgium.
- Expansion of ING Direct.
- Launch of pension fund in Romania.

developing markets. We serve our 75 million customers through distribution channels that we adapt to the market. We have a track record for building innovative bank distribution models in mature and developing markets, and in key markets we have built strong agent and broker distribution networks.

Thirdly, we have a leading retail financial brand (see business case on page 8) that we will continue to build across the globe.

New strategic focus

To capitalise on changing customer preferences and build on our solid business capabilities, we have chosen to sharpen our strategic focus on banking, investments, life insurance and retirement services.

- We want to provide retail customers with the products they need to grow savings, manage investments and prepare for retirement with confidence.
- We will build and invest more in bank distribution platforms.
- We will increasingly invest in high-growth markets.

We will focus product offerings on certain key products and business areas, including current accounts, savings, mortgages, mutual funds, pensions, life insurance, investment-linked insurance and variable annuities.

We want to further strengthen our product manufacturing capabilities, including in the area of investment management. Excellent investment management skills are crucial to the success of our strategy. Wholesale banking expertise is also key to delivering retail products, as it provides asset generation and transformation capabilities, and many skills relevant in risk management and financial markets. Developments in recent months have again strengthened our belief that it is essential that we are able to generate a good portion of our own assets to maintain the company's healthy profile.

Another key priority is to invest in bank distribution platforms. Banking offers opportunities for early customer acquisition and maintaining customer relationships, and is a fast-growing industry in developing markets. There is also a steady but fundamental shift towards online banking, already one of our key differentiators on which we continue to build.

Starting from strong footprints in Asia, Central Europe and Latin America, we will accelerate investments in developing markets to capture their fundamental long-term growth, supported by a strong home market to fuel the expansion.

We will invest significantly in organic growth and add-on acquisitions, while continuing to assess our portfolio management and current businesses in line with our sharpened strategic focus.

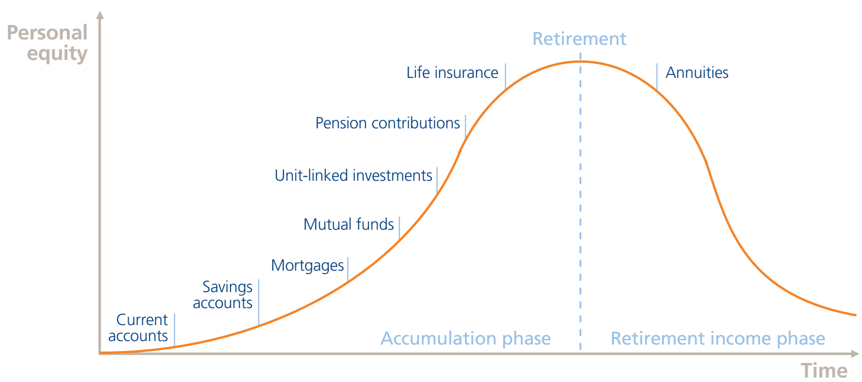
Business initiatives in 2007

We stepped up the pace of our investment efforts in 2007, starting a major acquisition programme that gives us strategic positions in important growth markets such as Turkey, South Korea, Thailand and Latin America.

What customers want

- As customers live longer they need to save more to enjoy a comfortable retirement.
- As customers accumulate more wealth, this drives strong growth in total retail client balances, especially in developing markets.
- Growth is driven by investment products and customers want strong performance to meet their financial goals.

Consumer financial life cycle



Strategy

We sold several non-core businesses, including Regio Bank in the Netherlands and (in early 2008) our non-core insurance business in Mexico.

In mature markets, we increased efficiency and optimised our competitive position, for example, by integrating Postbank and ING Bank to better meet the needs of our Dutch retail customers; a major investment demonstrating our strong commitment to the Dutch banking market.

Continued efficient capital allocation

Successful execution of our strategy is underpinned by continued efficient reallocation of capital we generate in mature markets to high-growth business, or by returning it to shareholders. A process supported by active management of our portfolio of businesses.

As a result of disciplined capital management and the solid profitability of our businesses, we were able to maintain a strong capital position in 2007. On balance, ING widened its spare leverage by a third, further securing the capital base and providing maximum financial flexibility to pursue our renewed strategic objectives, a position further strengthened under the new Basel II regime. We employed our excess capital to fund acquisitions, pay dividends to shareholders and buy back shares. A EUR 5 billion buy-back programme was started in May/June 2007 and is expected to be completed by June 2008.

Integrated risk management

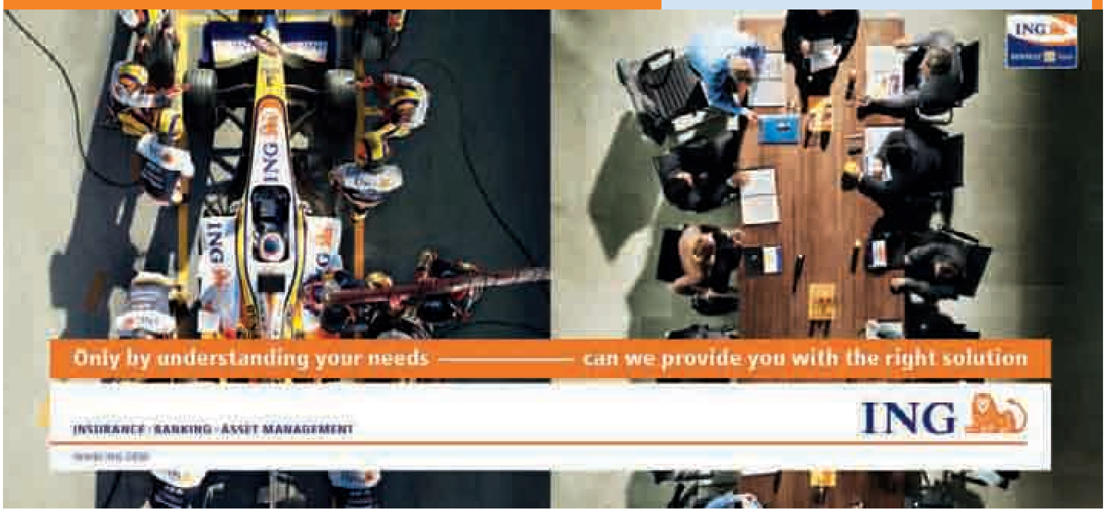
In recent years, ING has systematically invested in improving our risk management capabilities, building a strong risk management function fully integrated into the daily management of businesses and strategic planning. We weathered the recent financial markets turmoil with limited direct impact, demonstrating the importance of sound risk management at such times. Risk management also works with businesses to identify and execute business opportunities, lower funding costs and support strategic decisions.

Looking forward

With our sharpened strategy, ING remains focused on creating value for shareholders and rewarding them with a better total return on investment than the average of our peers in the financial sector over the longer term.

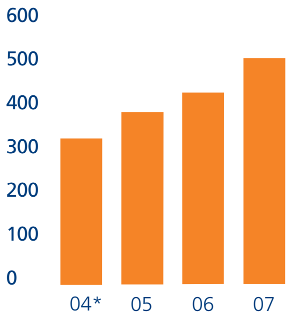
Fast-tracking our global brand

ING has created one of the world's leading retail financial services brands. Increasing awareness for the ING brand across the globe has been a key priority over recent years. In 2007, global sponsorship of the ING Renault Formula One team, along with our first-ever global branding campaign, proved very successful. As a result, ING's brand awareness has increased significantly across the globe. Our sponsorship is also generating many fruitful business leads and significant new business.



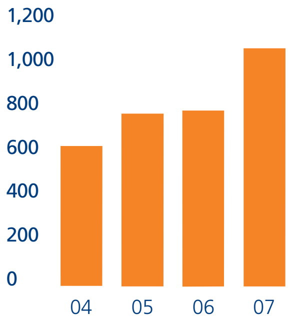
Financial review

Banking: loans and advances to customers
in EUR billion



* Opening balance sheet under IFRS, 1 January 2005

Insurance: value of new business
in EUR million



In 2007, ING results showed resilience in turbulent markets with limited direct impact of the credit and liquidity crisis. Profits were boosted by capital gains on equities and low risk costs, mitigated by lower revaluations of real estate and private equity. ING delivered robust commercial growth and improved returns. Costs remained under control while we invested in new growth opportunities. ING proposes to increase total dividend by 12% to EUR 1.48 per share, to be paid fully in cash.

GROUP RESULTS

Total net profit rose by 20.1% to EUR 9,241 million. Underlying net profit, which is defined as total net profit excluding the impact of divestments and special items, rose by 19.4% to EUR 9,172 million, including the net gain on the sale of stakes in ABN AMRO and Numico of EUR 2,087 million. Earnings per share (EPS) rose to EUR 4.32 from EUR 3.57. Underlying profit before tax rose by 12.4%. The high tax exempt gains on equity investments resulted in a reduction in the effective tax rate from 19.2% in 2006 to 13.9% in 2007.

Robust commercial growth

Although the turmoil in credit markets in the second half of 2007 made the business environment even more challenging, our commercial growth remained robust in both insurance as well as banking.

The life insurance business in developing markets showed strong sales, reflected in a rise of 57.3% in the value of new business and of 23.1% in new sales (annual premium equivalent 'APE'). ING Direct attracted almost 2.8 million new customers in 2007. Residential mortgages grew from EUR 69 billion, end of 2006, to EUR 97 billion, end of 2007.

Financially it has been a strong year, with solid profits, a robust capital position and efficient capital allocation. To further strengthen our performance, we were busy during my first year as chief financial officer closely aligning the Finance function to the business so that ING will be better positioned to capture new business opportunities as they arise.

We've also done a great deal over recent years to improve our external financial disclosure. This helps the market and analysts better understand and trust us. It was vital, for example, that we not only came through the 2007 market turmoil in good shape, but that we were able to show the world how we achieved this.

John Hele
chief financial officer

Financial review

Profit and loss account

in EUR million	2007	2006	change
Total income	**76,587**	73,621	4.0%
Total expenditures	**65,544**	63,681	2.9%
Profit before tax	**11,043**	9,940	11.1%
Taxation	**1,534**	1,907	–19.6%
Minority interests	**267**	341	–21.7%
Net profit	**9,241**	7,692	20.1%
Divestments/special items	**–69**	–11	
Underlying net profit	**9,172**	7,681	19.4%
Profit before tax	**11,043**	9,940	11.1%
Divestments/special items	**34**	–81	
Underlying profit before tax	**11,077**	9,859	12.4%

Growth in mature markets was shown in the Benelux, where loans and advances to customers increased by EUR 39 billion.

Improved returns

ING focuses on balancing growth and returns to maximise value creation. Efficient capital allocation and pricing discipline received continued attention. The underlying after-tax risk-adjusted return on capital (RAROC) of the Banking operations improved to 22.3% from 20.5%, reflecting lower tax charges. The internal rate of return on new life insurance sales improved from 13.3% in 2006 to 14.3% in 2007.

Expenses under control

Investing in profitable and sustainable future growth is a priority for ING. Operating expenses remained under control, with continued investments in new growth initiatives. Total operating expenses increased by 7.8% and underlying operating expenses (excluding the impact of divestments and special items) grew by 5.9%.

Attractive increase in dividend

At the annual General Meeting of Shareholders on 22 April 2008, ING will propose a total dividend for 2007 of EUR 1.48 per (depositary receipt for an) ordinary share, up from EUR 1.32 in 2006. Taking into account the interim dividend of EUR 0.66 paid in August 2007, the final dividend will amount to EUR 0.82 to be paid fully in cash. ING's shares will be quoted ex-dividend as of 24 April 2008 and the dividend will be paid on 5 May 2008 (NYSE Euronext) and 12 May 2008 (NYSE) respectively.

Strong capital position

The capital position of ING Group remained robust during 2007. All major capital ratios met their target as at year-end 2007. The debt/equity ratio of ING Group increased to 9.53% compared with 9.01% at the end of 2006. The debt/equity ratio of Insurance ended the year at 13.63% slightly down from 14.15% at year-end 2006. The Tier-1 ratio of ING Bank stood at 7.39% at the end of 2007, down from 7.63%. The solvency ratio (BIS ratio for the bank) decreased from 11.02% to 10.32%. The Tier-1 ratio under Basel II as of 1 January 2008 is approximately 9.9% and the BIS ratio is approximately 13.8%. These numbers are preliminary as ING Bank will only report under Basel II as of the first quarter of 2008. The target Tier-1 ratio for ING Bank will remain unchanged at 7.20% under Basel II.

INSURANCE OPERATIONS

Total profit before tax from Insurance operations increased 32.9%. Underlying profit before tax (excluding the impact of divestments and special items) from insurance rose 27.1% to EUR 6,110 million. Underlying profit before tax from life insurance increased 48.3%, while from non-life insurance it declined 22.5%.

Underlying gross premium income from life insurance policies increased 1.1% (8.1% excluding currency effects), driven mainly by the US, Asia and Central and Rest of Europe. Underlying gross premium income from non-life insurance policies decreased 2.1% (1.2% excluding currency effects), with lower premiums in Europe only partly offset by higher premiums in Canada and Latin America.

Underlying operating expenses from the Insurance operations increased 5.7%.

Embedded value and value of new business

Embedded value of ING's life insurance businesses increased 17.1% before dividends and capital injections to EUR 32,460 million in 2007. After the dividend payment of EUR 5,468 million to ING Group, the year-end embedded value was EUR 26,993 million. Embedded value profit, an important measure of value creation, increased 41.4% to EUR 2,802 million.
The value of new business increased 37.9% to EUR 1,113 million in 2007, with the largest contributions coming from the developing markets in Asia/Pacific and Central and Rest of Europe.

BANKING OPERATIONS

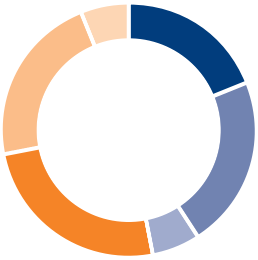
Underlying profit before tax (excluding the impact of divestments and special items) decreased 1.7% to EUR 4,967 million.

Underlying income increased 3.5% to EUR 14,614 million. The interest result declined 2.0% as volume growth was offset by the impact of flattening and inverse yield curves and by intensified competition for savings and deposits. The total interest margin narrowed to 0.94% from 1.06% in 2006.

Underlying operating expenses rose 6.1% to EUR 9,522 million, primarily due to investments to support growth of the

Contribution business lines 2007 underlying profit before tax

in percentages



Insurance Europe	19
Insurance Americas	22
Insurance Asia/Pacific	6
Wholesale Banking	25
Retail Banking	22
ING Direct	6
Total	100

business, notably at ING Direct, ING Real Estate and Retail Banking activities in developing markets. Recurring underlying operating expenses in mature businesses increased 2.6%. The underlying cost/ income ratio deteriorated to 65.2% from 63.5% in 2006 as a result of the investments in growth businesses.

Returns remained high with the underlying RAROC after tax at 22.3%, up from 20.5% in 2006, reflecting lower tax charges.

ASSET MANAGEMENT

Assets under management increased EUR 36.9 billion (6.1%) to EUR 636.9 billion in 2007. Growth was driven by a net inflow of EUR 40.4 billion. For more detail see the Asset management section (page 26).

LOOKING FORWARD

ING's capital position is strong, particularly after the introduction of Basel II, and ING is entering 2008 in a position of strength with strong business fundamentals driving commercial growth. The operating environment is likely to remain challenging going forward, as the economic uncertainty and market volatility has not come to an end yet. Creating value for shareholder remains paramount, and ING has proven its commitment to enhance shareholder returns through an attractive increase in dividends and the ongoing EUR 5.0 billion share buy-back.

For a full report on the financial highlights, see the 2007 ING Group Annual Report and Annual Accounts.

CAPITAL MANAGEMENT

In 2007, we enhanced our strong capital position thanks to the robust profitability of the business and good capital management measures. We used excess capital to fund significant organic growth, make acquisitions, buy back shares, and pay attractive dividends to shareholders. On balance, ING widened its spare leverage by a third, further securing our capital base and providing maximum financial flexibility to pursue strategic objectives.

Strong capital position

The capital position of ING Group remained robust during 2007, with all major capital ratios by year-end within targets consistent with the Group's AA– rating target.

We worked to finalise preparations for Basel II, guidelines that determine the minimum capital a bank must put aside to offset unexpected losses. Our Basel II indicative Tier-1 ratio of approximately 9.9% and total BIS ratio of 13.8% compare very favourably to our capital ratios under Basel I, reflecting the moderate risk in ING Bank's balance sheet, mainly thanks to our large mortgage portfolio. We intend, over the coming years, to bring the capital ratios back down to their existing targets. The additional Tier-1 capital available under Basel II is approximately EUR 7 billion.

Capital adequacy

The main task of the Group Capital Management function is to monitor, manage and plan the capital adequacy of ING Group, ING Bank and ING Insurance, and to execute all related capital market transactions. A centralised capital management is vital to create maximum financial flexibility to pursue strategic objectives and withstand financial stress, and ensure the various requirements of shareholders, regulators, rating agencies and internal economic capital models can be properly balanced.

ING endeavours to employ its capital in the most optimal way. It is therefore important that business units are incentivised to hold only the capital they need to support the risks in their business and can count on capital injections so their business can grow profitably.

Many ING insurance businesses need to hold more capital than their economic capital due to regulatory and/or rating agency constraints. However, free surplus (capital not being employed as economic capital) not so constrained can be used elsewhere to deliver further profitable growth. During 2007, EUR 5.8 billion of dividends were paid by ING Insurance Netherlands back up to Group level, where it can be strategically deployed to where it can help deliver further growth.

Share buy-back

We foresaw that, without further intervention, significant excess capital would continue to build during 2007. We therefore decided to carry out a EUR 5 billion share buy-back, spread over a year from June 2007. By year-end, 90.7 million shares had been repurchased for EUR 2.8 billion. Once completed, the share buy-back will improve EPS by around 7%.

Capital Management was also involved in the repurchase of the ING preference shares of both Fortis and ABN AMRO during 2007, following repurchase of Aegon's preference shares in 2006. All three major holders have now sold their ING preference shares back to ING Group.

Acquisitions and divestments

For the first time in many years, 2007 saw significant acquisition and divestment activity, including two major acquisitions: Oyak Bank in Turkey and pension fund businesses in Latin America for a total cost of EUR 2.5 billion.

Risk review

In terms of risk, I see three major success stories in 2007. First, comfortably surviving the financial crisis, both on the liquidity side but also without being over-extended on the credit side. Second, our preparations for Basel II compliance, which will contribute to our being better capital-aligned and more capital-efficient. Third, compliance: we now have a real consensus about where we are and where we're going.

Prioritising non-financial risks is one area where we can do more. Do you spend more on, say, compliance, encrypting PCs or anti-fraud programmes? We need to establish how we assess non-financial risks on a like-for-like basis, just as we do financial risks.

Koos Timmermans
chief risk officer

The year saw a good deal of turbulence on the financial markets, beginning with concerns over US subprime mortgages. This put a spotlight on risk management across the financial sector. The crisis had only a limited impact on the profit and loss account, through our investments in pressurised asset classes. This is the result of the close management partnership that exists between risk managers and the business lines.

The purpose of Risk Management is to build a sustainable competitive advantage, by fully integrating risk management activities into daily business activities and strategic planning. Risk Management supports business activities in three important ways. We help identify growth opportunities. We help to provide lower costs of risk and funding, and more efficient capitalisation. And we support decision-making, by providing insights into the trade-offs between risk, return and growth opportunities.

ING's solid risk management and strong liquidity position have helped shield it from the turmoil on the credit and financial markets during 2007, with relatively minor impact in terms of credit losses and decreases in fair values relating to ING Group's investment and trading portfolios. Our exposure to these pressurised asset classes has been limited and is of high quality.

The direct negative P&L impact on ING as a result of exposures in US subprime Residential Mortgage Backed Securities (RMBS), Collateralized Debt Obligations / Collateralized Loan Obligations (CDOs/ CLOs), investments in Structured Investment Vehicles (SIVs) and Asset-Backed Commercial Paper (ABCP), monoline insurers, and leveraged finance was EUR 255 million pre-tax (EUR 61 million in the third quarter and 194 million in the fourth quarter). Pre-tax revaluation for the pressurised asset classes (US subprime RMBS, Alt-A RMBS and CDOs/CLOs) at year-end 2007 was EUR –1,377 million. On an after-tax basis this runs through shareholders' equity in the balance sheet.

ING managed the liquidity crisis comfortably, given our balance sheet strength and diversified funding base.

Investing to improve

In recent years, ING has systematically invested in improving its risk management capabilities. A necessary response to increased investor demands, more sophisticated regulation, more complex technology, and the continued evolution of secondary markets. After years of targeted investments in people and technology, we ended 2007 with around 4,500 dedicated risk management employees.

Pre-tax P&L impact directly related to credit and liquidity crisis			
in EUR million	3Q	4Q	**3Q+4Q**
US subprime RMBS	–17	–47	**–64**
Alt-A RMBS	0	0	**0**
CDOs/CLOs	–15	–36	**–51**
Monolines	0	–66	**–66**
Investments in SIVs, ABCP	0	–45	**–45**
Leveraged Finance	–29	0	**–29**
Total	–61	–194	**–255**

Driving the business, safely

In 2007 ING introduced the 'Risk Dashboard', a risk management tool that helps the Executive Board identify both risk concentrations across the Group and potential risk-mitigating actions. The Risk Dashboard captures risks across all bank and insurance lines, in terms of Earnings at Risk and Capital at Risk, and shows the impact of diversification across the Group. This is information that allows ING to take strategic decisions based on comparable risk measures and so maximise the efficient allocation of available capital.

Risk appetite

Risk management is fully integrated into ING's daily business activities and strategic planning. We achieve this through a transparent disclosure of ING's risks, along with a risk strategy that is consistent with both overall Group strategy and risk appetite.

The risk appetite – the level of risk the Group is willing to take – is defined by the Executive Board and measured across three dimensions:

- Earnings at Risk
- Capital at Risk
- Economic Capital

Business line managers try to maximise value within these boundaries, while Risk Management monitors the actual risk profile against the risk appetite.

The Risk Dashboard

In September 2007, ING introduced the 'Risk Dashboard' (see business case above), a new risk management tool that gives an overview of risk in all bank and insurance businesses, enabling the Executive Board to take strategic decisions using comparable risk measures, and to maximise efficient capital allocation.

Risk Management creates value

Risk management benefits ING shareholders directly, helping to provide more efficient capitalisation, lower costs of risk and funding, and support for growth. Together, this results in the ability to generate more profit and more economic profit. This is achieved by focusing on four value drivers: growth, funding costs, risk costs, and capital costs.

In 2007, ING Group continued to increase both compliance awareness and the general understanding among employees of effective compliance management. The Executive Board continually stresses how ING's strategy of sustainable, profitable growth can only be achieved alongside effective compliance management.

Partner to the business

Risk Management has evolved significantly since ING further strengthened the risk function. This underlines how Risk Management's role at ING is not only that of watchdog, but also of enabler and partner in generating value for shareholders. Risk Management now works actively with the business to identify and execute business opportunities.

Risk management is essential for ING Group to identify growth opportunities, lower the cost of funding and support strategic decisions. The recent turbulence on the financial markets has only underscored the need for sound risk management systems during times of difficulty. Throughout, ING has continued its commitment to the very best practices in risk management.

Sound compliance

Financial institutions continue to experience close scrutiny by regulatory authorities, governmental bodies, shareholders, rating agencies, customers and others to ensure they comply with the relevant laws, regulations, standards and expectations. ING seeks to meet the standards and expectations of regulatory authorities and other interested parties through a number of initiatives and activities. The capability and capacity of the Corporate Compliance function have been increased, including a staff increase of 55%.

Please read the Corporate Compliance paragraph on page 22 of our Annual Report for additional information on compliance.

Insurance Europe

Profit and loss account (underlying)

in EUR million	2007	2006	change
Premium income	**10,253**	9,854	4.0%
Operating expenses	**1,726**	1,702	1.4%
Underlying profit before tax	**1,840**	2,249	–18.2%
Total profit before tax*	**2,300**	2,362	–2.6%

* Total profit before tax is defined as profit before tax including divestments and special items.

Insurance Europe showed a solid financial performance in 2007, improving efficiency and optimising distribution channels in the Benelux, accelerating growth in Central Europe, and reinforcing ING's position across Europe as a specialist provider of investment and retirement services.

In 2007, underlying profit before tax declined 18.2% to EUR 1,840 million, as stronger life insurance results in Belgium and Central Europe did not fully offset lower results in the Netherlands. The successful sale of part of the Belgian insurance business limited the decline in total profit before tax, which includes divestments, to 2.6% to EUR 2,300 million. The value of new business (VNB) increased strongly, by 82.6% to EUR 400 million, in particular due to higher sales in Central Europe.

Europe's insurance industry faces three key trends. Firstly, the need for insurers to focus on longevity risk and providing customers with solutions that help them accumulate sufficient retirement capital. Secondly, a growth of the bank and direct channel at the expense of the intermediary channel in the distribution of commodity products. And finally, increased transparency requirements and heightened competition, particularly in the Benelux.

Addressing the trends

To address these trends, Insurance Europe tailors its strategies to the markets in which it operates. So in the Benelux, with moderate growth, we focus on optimising distribution channels and improving efficiency, Nationale-Nederlanden (NN) being a prime example; while in fast-growing Central European markets the emphasis is on accelerating growth.

This strategy is underpinned by active redeployment of capital within ING Group to those regions (high-growth markets), products (retirement services) and distribution channels (especially bank and direct) offering highest growth potential.

Well-positioned in the Benelux

In the Benelux, we continue to focus on cost reductions and customer satisfaction to sustain the profitability of ING's Insurance

A by-word for excellence

In September 2007, the Romanian government introduced mandatory private pension funds. ING Romania responded by extending its flexible sales force by a remarkable 40,000 distributors, all of whom had to be recruited and trained. The resulting campaign, from which this photo is taken, attracted over 1 million new clients and more than 30% market share by year-end, considerably outperforming all competitors. But it's not just about the numbers. When it comes to life insurance and pensions, ING has become a by-word locally for excellence. A fantastic achievement in a country where we only arrived less than ten years ago.

operations. Nationale-Nederlanden substantially improved its cost efficiency and made continued progress with improving customer satisfaction.

In terms of distribution, ING is well-positioned, with access to brokers (NN), tied agents (RVS) and retail banks (ING Bank and Postbank). As part of this multi-channel strategy, NN and RVS have entered into a partnership showing considerable promise, which offers personalised financial advice to individual employees covered by NN corporate contracts.

Bank distribution is becoming increasingly important for standardised non-life products. In Belgium, for example, ING now sells insurance products exclusively through retail bank channels ING Bank and Record Bank.

Growth in Central Europe

Sustained high economic growth, low life insurance penetration and favourable demographics make Central Europe a growth market for life insurance and pensions. Building on first-mover advantage, 2007 again showed strong increases in the value of new business and new sales.

Looking forward

We will continue our strategy of cost efficiency and improving customer satisfaction in the Benelux.

In Central Europe, we will keep on building on four pillars: broadening our distribution base, extending our product range, establishing new greenfields and increasing operational efficiency. To build scale and to benefit from Central Europe's growing economies, we remain alert for possible opportunities in the region for new greenfields, distribution partnerships and add-on acquisitions.

As countries across Central Europe introduce pension reforms, ING has shown time and again its ability to anticipate and respond to the requirements of regulators and consumers alike (see business case).

In Spain and Hungary, ING's launch of variable annuities was successful and roll-out will continue across existing and new markets.

Underlying profit before tax
in percentages

Insurance Europe	19%
Rest	81%

Geographical breakdown of premium income
in EUR million

Netherlands	64%	6,595
Belgium	12%	1,223
Central and Rest of Europe*	24%	2,435
Total	100%	10,253

* Bulgaria, the Czech Republic, Greece, Hungary, Poland, Romania, Russia, the Slovak Republic and Spain

Bank distribution is vital for increasing sales in investment-driven insurance products. We've made good progress across Europe, but can achieve more. We remain committed to our insurance channels, intermediaries and tied agents. But to be a leader, we need to be truly multi-channel.

Longevity is another major focus, presenting both a risk and an opportunity. The risk is clear for an insurer when people live longer. But it's far outweighed by the opportunities. As one of Europe's few specialist providers of investment and retirement services, ING is extremely well-positioned here, with innovative solutions few can match.

Jacques de Vaucleroy

Insurance Americas

Profit and loss account (underlying)

in EUR million	2007	2006	change
Premium income	**23,537**	24,118	–2.4%
Operating expenses	**2,519**	2,490	1.2%
Underlying profit before tax	**2,059**	1,992	3.4%
Total profit before tax*	**2,152**	1,992	8.0%

* Total profit before tax is defined as profit before tax including divestments and special items.

Insurance Americas achieved significant growth in both pre-tax profit and value of new business for the fifth consecutive year, as ING continued to focus resources on higher-growth investment products, life insurance and retirement services businesses in the US and Latin America.

Underlying profit before tax rose 3.4% to EUR 2,059 million during a period of difficult financial market conditions in the US and an adverse currency trend. Excluding currency effects, underlying profit before tax rose 11%, led by strong results in the US and Latin America. The value of new business increased 61.7% to EUR 270 million, due to positive developments in both the United States and Latin America.

In 2007, ING Americas continued to transform its business profile, with the aim of being a leading broad provider of investment, life insurance and retirement services products across the Americas region.

Major strategic acquisition

With ING's acquisition of Santander's Latin American pension businesses this year, we have more than doubled assets under management in the region to EUR 40 billion and secured leading pension businesses in five countries: Mexico, Chile, Colombia, Argentina and Uruguay.

This strategic acquisition in a key growth market makes ING the second-largest pension fund manager in Latin America. It provides a solid platform to further grow our presence in this important region, where attractive macro-economic and demographic trends are driving demand for pension and life insurance products.

Solid growth

We achieved solid growth from strong positions in retirement services and variable annuity businesses, and from our broad distribution capacity. ING is a top player in defined-contribution retirement services, providing pension plans to small- and medium-sized corporations, educational institutions, hospitals and governments.

Variable annuity sales hit record levels following the launch of ING LifePay Plus, a minimum guaranteed withdrawal benefit that is proving very popular with investors and financial advisers.

Meanwhile, US Insurance recorded sharply higher sales and profits, led by Individual Life which successfully launched several new universal and term life products.

Unprecedented opportunity

Looking forward, millions of baby boomers across the US are focusing on saving for their imminent retirement. By 2020, two-thirds of all the investable assets in the US will be controlled by baby boomers. The transfer of wealth between generations, estimated to exceed USD 40 trillion, will create huge opportunities for major financial service companies that can offer a broad range of retirement products and services.

Looking forward

ING will continue to focus on investing for growth in investment, life insurance and retirement services in the Americas, and market strength in key businesses means we're well-positioned to achieve it. Both top- and bottom-line growth will therefore continue to be driven organically, but with an increasing additional emphasis on growth through acquisitions.

Tom McInerney

Our main success story of 2007 has probably been the progress of our investments, life insurance and retirement services businesses. In Latin America, the acquisition of pension businesses was a real

Flexible and easy to use

As baby boomers approach retirement, they're increasingly seeking financial products with guarantees that protect their accumulated wealth. With this in mind, ING made improvements to its minimum guaranteed withdrawal benefit options. These options protect the client's annuity value and can be added to most of its annuities for an additional fee. Such guarantees are based on the issuing insurance company's financial strength and claims-paying ability.

These improved benefits have led to a surge in annuity sales in 2007. "I love the flexibility," says client Betty Louie about the withdrawal benefit. "The online tool ING offers to look up my statement is so easy to use".

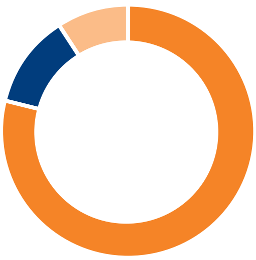
Underlying profit before tax

in percentages

Insurance Americas	22%
Rest	78%

Geographical breakdown of premium income

in EUR million



US	79%	18,677
Canada	12%	2,788
Latin America*	9%	2,072
Total	100%	23,537

* Mexico, Chile and Peru; not including ING's joint venture in Brazil because it is a minority interest.

highlight, while the US business achieved strong double-digit top- and bottom-line growth for the fifth year in a row.

The main strategic trend of the coming decades will be the ageing baby boomer generation. The winners in US financial management and wealth services will be the companies that can provide the most attractive propositions to those baby boomers. Our transformation from multi-line insurer to highly focused wealth management player will position us well to do just that.

Insurance Asia/Pacific

Profit and loss account (underlying)

in EUR million	**2007**	2006	change
Premium income	**12,632**	12,136	4.1%
Operating expenses	**1,115**	965	15.5%
Underlying profit before tax	**576**	621	–7.2%
Total profit before tax*	**576**	636	–9.4%

* Total profit before tax is defined as profit before tax including divestments and special items.

People are living longer and becoming wealthier, especially in the fast-growth economies of Asia. This means they must take more responsibility for planning for their retirement, and have better financial means to do so.

This offers ING significant growth opportunities. We're accelerating product development to cater to the emerging investment-oriented demands of our customers and strengthening distribution via our tied agents and banks. We are transforming our agency force into financial consultants. We've also concluded several important bank distribution agreements, for example in Malaysia and Thailand, and put time and effort into strengthening existing bank partnerships.

Hans van der Noordaa

Underlying profit before tax from Insurance Asia/Pacific decreased by 7.2% to EUR 576 million. A decrease in profits in Japan was partly offset by higher profits in South Korea and Australia. Excluding Japan, underlying profit before tax was up 18.7%. The value of new business (VNB) went up by 5% to EUR 442 million, driven mainly by higher sales in Taiwan and Australia. Investments in the high-growth markets of China, India and Thailand continued.

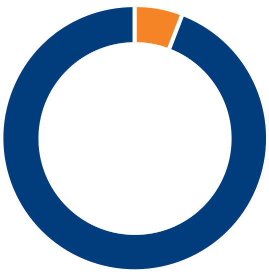
ING is the region's second-largest international life insurer, based on annual premium equivalent, with 12 operations in 10 markets. We have leading positions in Australia, New Zealand, Japan, Hong Kong, Malaysia, South Korea and Taiwan, and are well-positioned in the high-growth markets of India, China and Thailand. We are also a leading investment manager in the region, operating in 13 markets.

Six strategic priorities

Our strategic priorities remain geared towards strengthening distribution channels, focusing on profitable new products, expanding organisational capabilities, increasing operational efficiency, enhancing brand awareness and achieving scale in asset management operations.

In Hong Kong, India, Malaysia, Taiwan and South Korea, ING has a strong tied agency force. South Korea sets the standard, closely followed by Taiwan, with a model based on selective recruiting, excellent training and support, and continual performance monitoring of financial advisers. We strengthened our tied-agency forces in Thailand, China and India, where an accelerated growth plan led to significant increases in branches and agents.

Underlying profit before tax
in percentages



Insurance Asia/Pacific	6%
Rest	94%

Geographical breakdown of premium income
in EUR million

Japan	37%	4,693
Taiwan	24%	3,010
South Korea	29%	3,607
Australia/New Zealand	2%	275
Rest of Asia*	8%	1,047
Total	100%	12,632

* India, China, Hong Kong, Thailand and Malaysia.

With economic growth and wealth creation in Asia continuing to outpace other regions, Insurance Asia/Pacific is well-positioned, with a wide footprint and the scale to capitalise on these opportunities.

Strengthening multiple distribution channels
While tied agency is currently ING's strongest channel, we continue to develop third-party channels, particularly bank distribution. In Malaysia, for example, ING strengthened bank distribution with an exclusive distribution agreement with Public Bank. In Thailand, ING is signing an agreement for bank distribution with TMB, following ING's acquisition of a 30% stake in the bank, while in India distribution via ING Vysya Bank has been stepped up significantly.

ING continues to explore innovative alternative channels. In South Korea, we began selling insurance via Tesco's hypermarkets, and in Australia, direct online sales of simple life insurance products are showing positive results.

With most markets shifting towards investment-oriented life insurance products, 2007 saw ING launch a new SPVA product in Japan. And in New Zealand, our KiwiSaver pension product captured a leading market share of a new government-initiated voluntary retirement savings plan.

Improving efficiency, raising awareness
Building organisational capabilities – particularly in recruitment, management development and training – was a priority in 2007. While operationally, we aim to benefit from increased process and systems standardisation, and lower costs.

Successful ING branding initiatives reached almost 500 million people in the region during 2007, driven by Formula One races in Australia, China, Japan and Malaysia, and sponsorship of the AFC (Asian Football Confederation) 2007 Asian Cup.

Looking forward
Through customer segmentation, ING will grow its product suite geared to specific customer needs. We will continue to evolve the important tied-agency model, while strengthening our multi-channel distribution capability, particularly via banks. And finally, we will continue to sharpen our focus on investment-oriented insurance products.

Building distribution and scale

To meet client needs in India, ING Vysya Life has established a broad distribution platform and is rapidly increasing its reach, supported by a powerful marketing and advertising campaign (see photo). In 2007, the number of sales offices more than tripled from 90 to 276 in 246 cities across the country, while the number of tied agents has grown by over 80% to more than 51,000. Another significant boost to bank distribution was the investment-oriented insurance products made available to retail banking customers through ING Vysya Bank's network of 446 branches.

Wholesale Banking

Profit and loss account* (underlying)

in EUR million	2007	2006	change
Total income	**5,860**	5,804	1.0%
Operating expenses	**3,576**	3,400	5.2%
Additions to loan loss provisions	**–115**	–121	
Underlying profit before tax	**2,399**	2,525	–5.0%
Total profit before tax**	**2,261**	2,481	–8.9%

* These numbers include the result from ING Real Estate, which reports to Wholesale Banking. ING Real Estate is also discussed in the section on Asset management.
** Total profit before tax is defined as profit before tax including divestments and special items.

In a very challenging business environment, Wholesale Banking achieved resilient results and profitable growth during 2007 by concentrating on client needs and high value-added products, while reducing expenses, improving capital efficiency and actively stimulating growth.

It's not about luck

The truth of the headline in this recent Wholesale advertisement ('It's not about luck – winning the deal') was amply demonstrated in 2007 in the case of Dutch telecoms giant KPN.

KPN turned to long-standing adviser ING to acquire Dutch IT company Getronics in July for EUR 1.2 billion, a transaction involving close cooperation across several Wholesale Banking businesses from Corporate Finance to Debt Capital Markets. In September, KPN again chose ING for a EUR 1.25 billion loan for standby and general purposes. The deal team got its hat-trick two months later, when chosen for a third KPN deal, this time as joint bookrunner issuing a new five-year EUR 1.25 billion bond.

Underlying profit before tax declined 5.0% to EUR 2,399 million. Higher profits were recorded in General Lending and Payments and Cash Management, Leasing and Factoring, and ING Real Estate. Lower profits from Structured Finance and Financial Markets were related to turmoil in the financial markets. The underlying risk-adjusted return on capital (RAROC) after tax stayed almost flat, at just above 20%.

Wholesale Banking performed well in 2007, despite financial markets experiencing significant turbulence, helped by our clearly defined focus and position as a full-service Benelux bank, a specialist products provider and a growing force in emerging markets.

Wholesale Banking plays an important role within ING as a generator of high-quality assets and a vital source of market and risk expertise.

Increased volumes

Concerted efforts in the Benelux and growth initiatives in Central and Eastern Europe delivered volume increases in both General Lending and Payments and Cash Management.

Structured Finance generally had a good year with robust demand and solid revenue growth in most product areas. The one exception was Leveraged Finance, where markets largely came to a halt in the second half of the year due to concerns about credit quality in the global credit markets.

Leasing and Factoring saw large increases in volume and income due to solid growth in general leasing, despite pressure on margins, and cross-selling of services to corporate clients.

Financial Markets continued to seek cross-selling opportunities across product areas and client groups, including a new strategy to target emerging markets.

And as the world's largest real estate investment company, ING continued to experience solid growth in 2007 thanks to our well-diversified portfolio.

Landmark deals

Wholesale Banking completed a number of important deals in 2007 that illustrate its array of services and capabilities.

In July, ING advised KPN on its acquisition of Getronics (see business case). In September, ING was one of four joint book runners in a EUR 2 billion deal for General Electric Capital Corp, the company's biggest ever euro-denominated transaction. The year ended with an important advisory mandate from Vedior on the intended public offer by Randstad, a EUR 3.5 billion transaction to create the second-largest human resources services company in the world.

Looking forward

Wholesale Banking has identified priorities to provide further growth and retain and gain competitive advantage in a difficult business environment. These include growth initiatives in Structured Finance, Financial Markets and ING Real Estate that will focus on assets where ING can get the best returns.

We will continue to increase efficiencies and further improve the cost/income ratio, while allocating further capital to support growth in key product areas and ensuring that we maintain returns at an attractive level.

The achievement I think we can be most proud of in 2007 is the way we've stayed the course through some very stormy weather. It may not sound sexy, but sometimes it's better to be smart than sexy!

For me, the wholesale industry is characterised by scale and scope. You need a clear picture of the optimum balance between growth and risk for your company to succeed. ING can't have scale in every product. So we need to choose our battlefields, both geographically and in terms of areas of activity. I believe that in that respect, ING consistently makes very clear and very sound choices.

Eric Boyer de la Giroday

Underlying profit before tax

in percentages

Wholesale Banking	25%
Rest	75%

Product lines, based on underlying profit before tax

in EUR million

General Lending & PCM	29%	696
Structured Finance	17%	409
Leasing & Factoring	9%	220
Financial Markets	15%	354
Other	2%	56
ING Real Estate	28%	664
Total	100%	2,399

Retail Banking

Profit and loss account (underlying)

in EUR million	2007	2006	change
Total income	**6,396**	6,086	5.1%
Operating expenses	**4,162**	3,990	4.3%
Additions to loan loss provisions	**172**	161	
Underlying profit before tax	**2,062**	1,935	6.6%
Total profit before tax*	**1,783**	1,935	–7.9%

* Total profit before tax is defined as profit before tax including divestments and special items.

Retail Banking performed well in 2007, particularly in the key product areas of mortgages and savings. Important steps were taken to improve efficiency and drive growth, and we continued to progress towards our aim of setting the standard in convenience banking around the world.

Underlying profit before tax rose 6.6% to EUR 2,062 million. Strong growth in most products helped offset the impact of challenging market conditions, with persistent inverse yield curves and intensified competition for retail savings. The retail banking business in the Netherlands rose 9.8%, with volume growth in almost all products. Investments continued to grow the business in Poland, India, Romania and our Private Banking activities in Asia. The underlying risk-adjusted return on capital (RAROC) after tax from Retail Banking rose to 39.5%.

Retail Banking operates in the mature markets of the Benelux and high-growth markets of Central Europe and Asia. Across these regions, we continued to address successfully the various trends affecting the retail banking business: consumer power, globalisation, growing internet usage, and the rapid expansion of a middle class needing advice on investment products.

Efficiency in mature markets

In the Benelux, we are concentrated on increased efficiency by consolidating businesses, optimising distribution channels and the transition towards an 'internet-first, advice when needed' model. Highlights included the announcement in May that Postbank and ING Bank will join forces, creating a Dutch bank with over 8 million retail and 600,000 business clients, while ING Belgium will implement a new branch service concept focused more on internet banking and automated cash services.

Focus on fast-developing markets

In Central Europe and Asia, Retail Banking's strategy is both to expand in existing markets and enter new high-growth markets. The intention over the coming three years is to grow the contribution of growth markets to retail banking profit, by leveraging the strengths of our products, services and expertise in areas such as direct banking – a strategy that will entail substantial investment.

Highlights here include continued successful progress in Poland and Romania, where we saw rapid growth in client numbers and the further roll-out of our pioneering automated Self'Bank branches. In India, ING Vysya Bank obtained

Eli Leenaars

In 2007, we grew by investing in acquisitions in growth markets such as Turkey, Thailand and Ukraine, while keeping our promise to increase efficiencies in the mature markets of the Benelux. The Dutch and Belgian retail strategies are geared towards ING becoming a cost leader – by simplifying processes, making the delivery of products to clients easier and preparing ourselves for increased competition in the market. Technology is key in all these areas.

The Lion Account

In May 2007, ING Belgium launched the Lion Account – an internet-only current account and the first free-of-charge offer of a large bank on the Belgian market.

In addition to enjoying no management costs, Lion Account customers get two debit cards and access to ATM machines. The new account aims to attract young customers from the internet generation and by the end of December 18% of all new accounts opened were Lion Accounts.

The Lion Account fits perfectly within ING Belgium's new strategy of 'direct when possible, advice when needed'.

Underlying profit before tax
in percentages

Retail Banking	22%
Rest	78%

regulatory approval to open 56 new branches and install 100 off-site cash machines, and its internet customer base increased from 90,000 to 145,000. While in China, the listing of Bank of Beijing on the Shanghai stock exchange increased the market value of ING's investment ten-fold to some EUR 2 billion.

Expansion into new markets

We entered three key new markets in 2007. In December, Oyak Bank in Turkey became ING's largest acquisition of the year, giving ING a solid retail banking platform in this dynamic economy. In Ukraine, another high-growth economy, we are introducing the Self'Bank concept, with the aim to have around 20 branches operational by mid-2008. And in Thailand, ING reached agreement to acquire a 30% stake in TMB Bank, extending our footprint in the dynamic Asian market.

Meanwhile, increasing wealth worldwide saw every region contribute to ING Private Banking's rapid growth during 2007.

Looking forward

2007 has seen Retail Banking deliver on all its strategic priorities and we have moved from a collection of businesses to one business line with a shared vision focused on execution and growth.

Breakdown of underlying profit before tax

in EUR million	2007
Netherlands	**1,548**
Belgium	**341**
Poland	**110**
Other*	**63**
Total	**2,062**

* Mainly 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 and Kookmin Bank.

ING Direct

Profit and loss account (underlying)

in EUR million	2007	2006	change
Total income	**2,196**	2,233	–1.7%
Operating expenses	**1,598**	1,482	7.8%
Additions to loan loss provisions	**68**	57	
Underlying profit before tax	**530**	694	–23.6%
Total profit before tax*	**530**	691	–23.3%

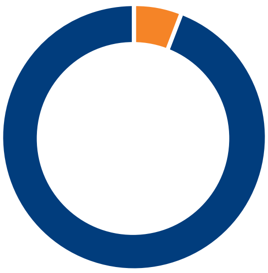
* Total profit before tax is defined as profit before tax including divestments and special items.

Technology makes available so much information that people can reach information overload. We want to 'decomplicate' people's lives. Most people don't want to spend their free time comparing different products. So we aim to make the choice easy for customers by offering a select number of good, simple and straightforward products.

We started with savings accounts and diversified into mortgages, investment products and payment accounts. In 2007, our mortgages did particularly well, and we've become major mortgage providers in Germany and the US. We're continually simplifying procedures to make sure our service is fast and high quality. That's our differentiator.

Dick Harryvan

Underlying profit before tax
in percentages



ING Direct	6%
Rest	94%

Number of clients

in thousands	2007	2006
Canada	**1,526**	1,491
Spain	**1,624**	1,455
Australia	**1,316**	1,414
France	**716**	626
United States	**6,524**	4,629
Italy	**937**	792
Germany	**6,124**	5,703
United Kingdom	**1,137**	1,099
Austria	**357**	302
Total	**20,262**	17,511

Underlying profit before tax from ING Direct declined 23.6% to EUR 530 million. Yield curves remained flat or inverted in all currency zones, while competition for deposits intensified, as many banks faced tighter liquidity and increased funding costs. The total client retail balances grew to EUR 310.1 billion at year-end. We continued to invest to enhance commercial growth, through geographical expansion and the roll-out of new products. Underlying risk-adjusted return on capital (RAROC) after tax improved to 14.3%.

Launched in 1997, ten years on ING Direct is the world's leading direct bank and in 2007 reached the milestone of 20 million customers worldwide.

In 2007 we continued to invest in long-term value creation, with growth derived from three sources: continued strong increases in customer numbers in existing countries, further geographical expansion, and continuing to broaden and develop the business through four product categories: savings, mortgages, payment accounts and investment products.

Expansion and acquisitions

ING Direct USA extended activities to Miami, Seattle and Houston to add to the ten US cities where we're already actively marketing. We're also preparing to launch on the EUR 4.9 trillion Japanese savings market, where we're in the process of obtaining our banking licence.

Organic growth was complemented by three acquisitions: USD 1.4 billion of US-based NetBank retail deposits, including 104,000 customers; purchase of US ShareBuilder Corporation's online brokerage business, adding 744,000 customers and USD 2 billion assets under management; and in Germany a mortgage portfolio of EUR 3.9 billion from Hypo Real Estate Bank AG.

ING Direct continued to invest strongly in building the business and expanding its product offering, despite a challenging year when the interest rate environment, strong competition and the required repositioning of ING Direct UK all impacted on profit.

New records, new products
Mortgage production reached a record high and mortgages are now firmly embedded as our second core product. As the largest retail mortgage provider in Germany in terms of new business and one of the largest in the US, we are now reaching significant volumes in terms of new production, and across the business are constantly focused on simplifying procedures to improve service (see business case).

In Spain and the US, we accelerated growth in payment accounts, which we reintroduced to Germany, while extending our retail investment product range with the introduction of guaranteed investment products in France and the UK.

Developments in the UK
ING Direct UK's results were affected by a sizeable outflow of rate-sensitive customers when Bank of England rate increases were not fully translated into client rates. We took steps to reverse this trend.

Making banking simple
ING Direct repeatedly does well in customer satisfaction surveys. Alongside competitive rates, people value our simplicity and straightforwardness. To ensure the customer viewpoint remains central, we use 'customer advocates' to hear the customer's voice and see how we can best meet their needs.

Looking forward
ING Direct will maintain its growth strategy in a challenging environment, through strong customer acquisition and growth within our four product categories. We expect growth to continue in the mortgage business and will roll-out payment accounts in three new countries during 2008, alongside continued growth in Germany, Spain and the US.

The Unmortgage Application Tracker

With the introduction of its online mortgage application tracker in July 2007, ING Direct Canada has made the process of applying for its unique 'Unmortgage' even easier.

'Unmortgage' is a term coined by ING Direct and refers to a mortgage that's been specially designed to be paid off at the pace the customer can afford.

Customers can track the exact status of their application online with just a click of their mouse, offering people speed, convenience, accessibility and ease-of-use from the outset.

Asset management

Asset management is a core competency of ING and consists of three key businesses: ING Investment Management, ING Real Estate and ING Private Banking.

Assets under management by business line
in EUR million

Insurance Europe	24%	154.5
Insurance Americas	33%	213.2
Insurance Asia/Pacific	16%	98.7
Wholesale Banking	11%	67.4
Retail Banking	15%	93.8
ING Direct	1%	9.3
Total	100%	636.9

Assets under management by client category
in EUR million

Insurance policy holders	19%	122.4
Institutional clients	24%	153.3
Retail clients	18%	116.4
Private banking clients	11%	68.0
Proprietary	28%	176.8
Total	100%	636.9

Assets under management increased EUR 36.9 billion (6.1%) to EUR 636.9 billion. Growth was driven by a net inflow of EUR 40.4 billion, mainly through Insurance Asia/Pacific which contributed EUR 14.2 billion, Retail Banking EUR 8.6 billion, Insurance Americas EUR 8.5 billion and ING Real Estate EUR 6.6 billion. Changed asset prices of equity and fixed income securities contributed EUR 16.2 billion. The positive impact of acquisitions and divestments was EUR 12.7 billion. Growth was offset by the negative impact of exchange rates of EUR 32.5 billion. Growth was mainly achieved in third-party assets, which increased by 13.8% to EUR 460.1 billion. Proprietary assets decreased 9.6% to EUR 176.8 billion.

Sound investment performance at ING Investment Management

ING Investment Management (ING IM), ING's principal asset manager, delivered sound investment performance in 2007. On a three-year basis, 77% of our mutual fund assets performed above their benchmark and, compared with peers, 60% of funds ranked in the first or second quartile. 35% of our ranked mutual funds assets received 4 or 5-star ratings from Morningstar ratings agency.

We successfully continued our strategy of leveraging our strong global investment capabilities to provide regional opportunities for both retail and institutional customers.

Close cooperation between ING IM Europe and ING IM Asia/Pacific created net inflows of some EUR 2.2 billion in several fixed income-related mandates in Japan. The global manufacturing of some of ING IM's fixed income flagship investment strategies generated regional and cross-regional sales of EUR 4.3 billion.

The growth in alternative asset classes, combined with the needs of ING IM's clients led to a continued focus in this area during the year. Pomona Capital, ING IM's private equity firm, introduced its first Fund of Funds in the Asia-Pacific region.

ING IM Europe saw strong organic growth in third-party assets, thanks to continued sales of solidly-performing products, new product launches and a trend towards open architecture.

ING IM Americas maintained strong asset management sales figures while targeting growth opportunities by launching new funds, despite market challenges, particularly later in the year.

ING IM Asia/Pacific saw strong organic growth in assets in every country where it operates, driven by inflows from institutional and retail clients, and market performance. We maintained our position as a top-3 investment manager in the region.

Solid growth at ING Real Estate

It was another strong year for ING Real Estate, with assets under management increasing by 10%, our loan portfolio growing by 42% and our development portfolio expanding by 17%. The total business portfolio increased to EUR 107.2 billion, up 18% on 2006, and profit before tax increased to EUR 664 million, up 5.2%.

After a sustained period of double-digit returns from real estate, 2007 marked a turning point in the market, with returns from core real estate slowing.

The investment management product range was expanded to incorporate value-added and opportunistic investment strategies. Performance and customer service remained a central theme. A strong track-record of out-performance continued and 11 new real estate funds were launched. In terms of real estate lending it was a strong year, with our loan portfolio expanding, income increasing and very low risk costs. There was further international diversification, while maintaining market leadership in the Netherlands. Development activities remained focused on Europe and our position as a leading area developer was strengthened, with progress made on major regeneration and inner city projects in Amsterdam, Hamburg and Hull.

ING Private Banking builds on success

ING Private Banking posted an 8.7% increase in underlying profit before tax to EUR 263 million, driven by our strong growth in assets under management, especially in Asia.

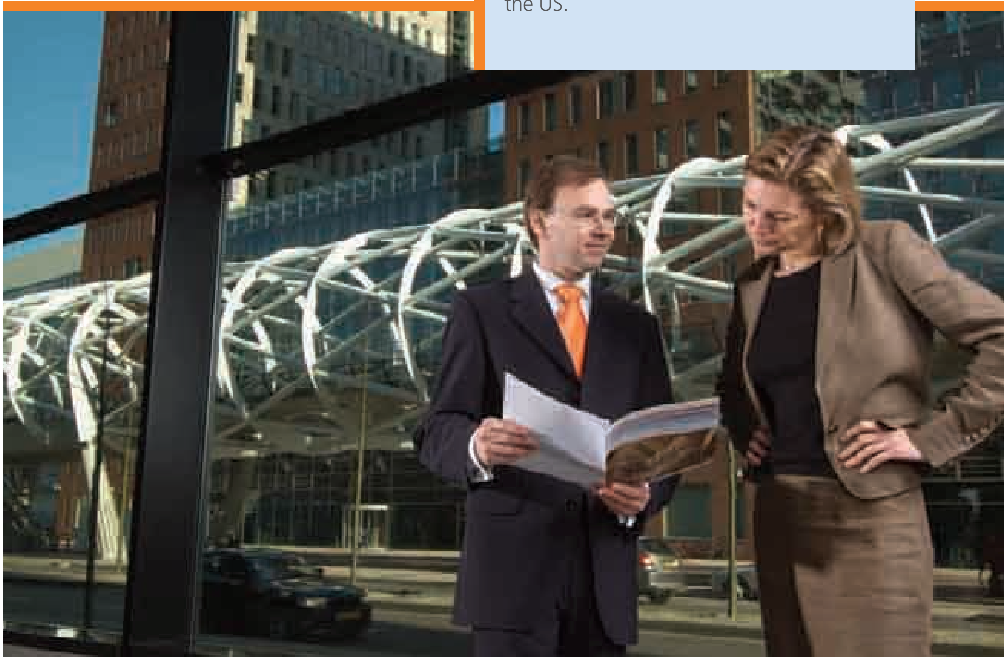
We grew rapidly in 2007 with growth in all regions. Our aim over the next five years is to become a global top-20 player through enhanced brand awareness, customer loyalty and innovative new investments platforms.

Leveraging global expertise

ING Investment Management (ING IM) demonstrated in 2007 how, by skillfully leveraging the expertise of its investment professionals across Europe, the Americas and Asia/Pacific, it can develop attractive, innovative funds for investors.

The ING Asia Pacific High Dividend Equity Income Fund (NYSE IAE) was launched in the US in March and was the first broadly diversified Asia Pacific closed-end fund to focus on high dividend-yielding equities.

The equity portion of the fund is managed by ING IM's Asia/Pacific equity team, the options strategy managed by the Structured Products team located in Europe, while the product was constructed and distributed in the US.



Our people

There is increasing evidence for a link between strong leadership, employee engagement and shareholder value: companies with staff-oriented managers and committed workers are the most successful. ING therefore puts great emphasis on having a professional, business-driven Human Resources function.

In 2007, ING focused on further improving leadership capabilities and enhancing employee engagement.

Leadership and talent management
ING invests significantly in enhancing its attractiveness as an employer. The ING Employer Brand, introduced in 2006, was activated across borders and global business lines during 2007 (see business case).

Our employer profile is further enhanced by initiatives that empower our graduate recruits around the world, such as the ING International Graduate Programme (IIGP), which in 2007, under the theme 'Unleash your talents', involved 173 talents from over 30 countries.

In 2007, HR's Leadership strategy focused on leadership behaviour that drives employee engagement. As a result, from 2007 performance evaluation of ING's top 200 managers now includes leadership behaviour alongside more traditional measures related to business objectives.

Mobility, acquisitions and divestments
With an increasing need for international mobility within ING several types of international mobility policies came into effect in 2007.

HR's responsibility to safeguard the interests of affected staff meant we were closely involved in the various acquisitions and divestments that took place during 2007. ING believes it is important when merging companies to ensure company cultures are also merged to create a shared direction. HR is looking to further develop its capabilities in this area.

Becoming a global employer-of-choice

We have invested considerably in enhancing our attractiveness as an employer-of-choice across the world. In 2007, our international campaign included ads in the publications *The Economist* and *Harvard Business Review*, as well as on their websites. The global employer brand was rolled out across the business lines and by year-end had been successfully activated in 18 countries.

Both the number of people applying to ING and the number of people viewing ING careers web pages increased in 2007. While in Europe in particular, but also across other key markets, ING climbed significantly up the 'Ideal Employer' rankings.

Diversity in practice
Diversity is a key element of ING's talent development strategy. To better understand and meet customer needs, we need our workforce to reflect our broad customer base, in terms of ethnic, cultural and other make-ups. In 2007, alongside various diversity programmes, ING also set itself its first HR diversity goals.

Measuring and improving performance
ING continued to implement its Winning Performance Culture (WPC) programme across the organisation. WPC was introduced in 2005 so ING can measure itself against the kind of company it aims to be. ING strives for a culture where shared company values, beliefs and practices create and sustain superior business performance.

In 2007, the scope of the WPC scan (an online assessment providing a snapshot of ING's current performance culture) was extended, resulting in the participation of over 37,000 employees, a significant increase on 2006. Though there are areas for improvement, the scan results suggest that ING's employee engagement is higher than that typically seen in global organisations. Particular strengths include employee/job fit, belief in the organisation's future, feeling valued, and trust in senior leadership.

Improving staff employability
During 2007, measures to improve the professional development and employability of ING staff working in the Netherlands were added to the collective labour agreement. ING is the first Dutch employer to do this. The agreement with trade unions involved a special budget to help staff improve their employability.

Looking forward
Global HR continues to focus on supporting ING's business targets, with leadership development, employee engagement and the employer brand all high priorities.

Corporate responsibility

Corporate responsibility is an integral part of ING's business. We want to pursue profit on the basis of sound business ethics, respect for key stakeholders, and in full compliance with laws, regulations and ethical standards.

As a global provider of financial products and services, we realise ING has a direct and indirect impact on society and the environment, both through our operations and the provision of financial services.

In 2007, we took another step forward towards achieving our objectives in the four areas covered by our Corporate Responsibility (CR) strategy: social and environmental impact of our products and services, our people, community benefits, and direct environmental impact.

Climate change

We believe ING has a role to play in dealing with the global threat of climate change, and in February 2007 we signed the 'Joint statement by the Global Roundtable on Climate Change: The Path to Climate Sustainability', an initiative of the Earth Institute at New York's Columbia University.

Carbon neutral

In 2007, ING pledged action in this area across its business operations. Most of our business units now have energy efficiency programmes; and in the US, the Netherlands and several other countries, all offices now use green electricity. By reducing and/or compensating our global carbon emissions, ING brought its net CO_2 emissions to zero in 2007, to become 'carbon neutral'.

ING Plant a Tree

Stimulated by growing interest from ING staff worldwide in environmental issues, the 'ING Plant a Tree' global environmental awareness programme was launched by the CEO in Malaysia, where we already support a rainforest tree-planting programme to compensate our global CO_2 emissions.

The campaign involves employees in promoting a cleaner environment and offers a toolkit to help business units set up their own 'ING Plant a Tree' campaign.

Sustainable products

ING is fully aware of the social and environmental impact of our products and services. Nevertheless, trends such as climate change present not only risks, but also business opportunities. We have therefore developed a wide range of sustainable products and services. In 2007, these included new offerings from ING Car Lease, ING Real Estate, ING Investment Management and other business units that recognise that sustainability can generate new business.

Lending policies now public

Over recent years, ING has developed a strong framework of corporate responsibility policies to guide our conduct, at the heart of which stand the ING Business Principles. These principles apply to all individuals and businesses, and round them we have developed a range of in-depth policies to guide our day-to-day activities. Examples include ING's Human Rights Statement, Environmental Statement and Whistleblower procedure for complaints and irregularities. In addition, our internal Lending guidelines were made public in 2007 and can be seen on the ING website.

Community commitment

The company-wide ING Chances for Children programme funds elementary education in Brazil, Ethiopia and India through UNICEF. ING matches contributions from staff and allows volunteers time off work. The 2007 target to fund a year's schooling for 115,000 children (the number of ING staff worldwide) was exceeded, with around 125,000 children funded.

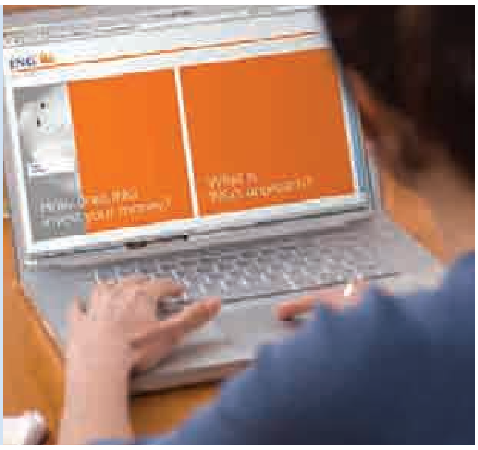
Looking forward

ING continues to develop its CR strategy and practices. For our latest CR initiatives and developments, visit our corporate website at www.ing.com/cr.

How does ING invest your money?

At ING, we apply various environmental, ethical and social principles when investing money on behalf of our customers. In 2007, we decided to launch a website to give interested stakeholders an accessible and easy-to-understand overview of where ING stands on various ethical, environmental and social issues, how we have addressed ethical dilemmas in the past, and the principles behind how we invest our customers' money.

To find out more, visit www.ingandyourmoney.com



Remuneration

Compensation in cash of the individual members of the Executive Board

amounts in thousands of euros	2007	2006	2005
Michel Tilmant			
Base salary	**1,289**	1,289	1,289
Short-term performance-related bonus	**2,001**	2,299	1,520
Total cash compensation	**3,290**	3,588	2,809
Eric Boyer de la Giroday			
Base salary	**850**	850	850
Short-term performance-related bonus	**1,319**	1,477	945
Total cash compensation	**2,169**	2,327	1,795
Dick Harryvan (1)			
Base salary	**634**	423	
Short-term performance-related bonus	**842**	710	
Total cash compensation	**1,476**	1,133	
John Hele (2) (3)			
Base salary	**412**		
Short-term performance-related bonus	**621**		
Total cash compensation	**1,033**		
Eli Leenaars			
Base salary	**634**	634	634
Short-term performance-related bonus	**956**	1,102	705
Total cash compensation	**1,590**	1,736	1,339
Tom McInerney (1) (3)			
Base salary	**946**	690	
Short-term performance-related bonus	**1,425**	1,157	
Total cash compensation	**2,371**	1,847	
Hans van der Noordaa (1)			
Base salary	**634**	423	
Short-term performance-related bonus	**956**	710	
Total cash compensation	**1,590**	1,133	
Koos Timmermans (2)			
Base salary	**423**		
Short-term performance-related bonus	**637**		
Total cash compensation	**1,060**		
Jacques de Vaucleroy (1)			
Base salary	**634**	423	
Short-term performance-related bonus	**956**	710	
Total cash compensation	**1,590**	1,133	

(1) Dick Harryvan, Tom McInerney, Hans van der Noordaa and Jacques de Vaucleroy were appointed to the Executive Board on 25 April 2006. The figures for these members reflect compensation earned in their capacity as Executive Board members. Thus, the figures for 2006 reflect the partial year as Executive Board members.

(2) John Hele and Koos Timmermans were appointed to the Executive Board on 24 April 2007. The figures for these members reflect compensation earned in their capacity as Executive Board members. Thus, the figures for 2007 reflect the partial year as Executive Board members.

(3) John Hele and Tom McInerney get their compensation in US dollars. For each year the compensation in US dollars was converted to euros at the average exchange rate for that year.

Remuneration structure

Executive Board compensation consists of three basic components:

– Fixed or base salary, which represents the total guaranteed annual income.
– Short-term incentive (STI) in cash, which compensates for past performance measured over one year.
– Long-term incentive (LTI) in stock options and/or performance shares, which compensates for performance measured over multiple years and is forward-looking.

Base salary 2007

The base salary of the Executive Board members has been frozen for 2007, as was the case in 2004, 2005 and 2006.

Short-term incentive plan 2007

The short-term incentive (STI) is for 70% based on Group financial targets (underlying net profit, underlying operating expenses and economic profit/embedded value profit, excluding financial variances), and for 30% based on individual objectives. The target STI payout over 2007 was set at 100% of the individual Executive Board member's base salary.

Over 2007, ING exceeded on average the three Group financial targets set, resulting in a score of 136% of target on this component. The individual performance of the Executive Board members was on average 182%.

Long-term incentives of the individual members of the Executive Board (1)

fair market value at grant in thousands of euros	2007	2006	2005
Michel Tilmant			
Number of options	**132,054**	132,163	108,200
Number of performance shares	**31,293**	27,650	19,300
Fair market value of long-term incentive (2)	**1,521**	1,734	1,160
Eric Boyer de la Giroday			
Number of options	**87,066**	87,138	71,400
Number of performance shares	**20,632**	18,230	12,800
Fair market value of long-term incentive (2)	**1,003**	1,143	765
Dick Harryvan (3)			
Number of options	**64,967**	43,347	
Number of performance shares	**15,396**	9,069	
Fair market value of long-term incentive (2)	**748**	569	
John Hele (4)			
Number of options	**42,228**		
Number of performance shares	**10,007**		
Fair market value of long-term incentive (2)	**486**		
Eli Leenaars			
Number of options	**64,967**	65,021	53,200
Number of performance shares	**15,396**	13,603	9,500
Fair market value of long-term incentive (2)	**748**	853	571
Tom McInerney (3) (5)			
Number of options	**96,875**	70,695	
Number of performance shares	**22,957**	14,790	
Number of conditional shares	**54,312**	37,633	
Fair market value of long-term incentive (2)	**2,571**	2,201	
Hans van der Noordaa (3)			
Number of options	**64,967**	43,347	
Number of performance shares	**15,396**	9,069	
Fair market value of long-term incentive (2)	**748**	569	
Koos Timmermans (4)			
Number of options	**43,312**		
Number of performance shares	**10,264**		
Fair market value of long-term incentive (2)	**499**		
Jacques de Vaucleroy (5)			
Number of options	**64,967**	43,347	
Number of performance shares	**15,396**	9,069	
Fair market value of long-term incentive (2)	**748**	569	

(1) Long-term incentives are granted in the year following the reporting year. The long-term incentive plan provides for a combination of share options and provisional performance shares based on a 50/50 split in value. The ratio of options to performance shares varies each year as a result of the fair value calculation and the 50/50 split in value. The fair value calculation for the performance year 2007 resulted in a ratio of options to performance shares of 4.22 : 1 (2006: 4.78 : 1, 2005: 5.6 : 1). The maximum number of stock options and performance shares to be granted to the Executive Board members will be tabled for approval at the General Meeting of Shareholders.

(2) The fair market value of a long-term incentive award reflects the estimated fair market value of the long-term incentive award based on a fair value calculation. The valuation is calculated on the last trading day of the year for grants made to the Executive Board members for performance over the specified year and is not updated for current market values.

(3) Dick Harryvan, Tom McInerney, Hans van der Noordaa and Jacques de Vaucleroy were appointed to the Executive Board on 25 April 2006. The figures for these members reflect compensation earned in their capacity as Executive Board members.

(4) John Hele and Koos Timmermans were appointed to the Executive Board on 24 April 2007. The figures for these members reflect compensation earned in their capacity as Executive Board members.

(5) Tom McInerney will receive conditional shares on the same grant date as the other long-term incentive awards. The conditional shares will be 100% vested four years after the grant date with the condition being an active employment contract. The conditional shares are provided to align Tom McInerney's total remuneration with US market practice.

Long-term incentive plan 2007

The target level for the 2007 long-term incentive (LTI) was set at 100% of base salary for each Executive Board member. As the STI performance outcome over 2007 was 136%, the resulting LTI award is 118% of target. The number of options and performance shares is determined based on a reference price set at the end of 2007 (EUR 26.79) and a 'fair value' calculation of options and performance shares (based on a pricing model).

Management

Supervisory Board

1. Cor Herkströter*
chairman until 01.01.08, born 1937, Dutch
2. Jan Hommen
chairman from 01.01.08, born 1943, Dutch
3. Eric Bourdais de Charbonnière
vice-chairman, born 1939, French
4. Henk Breukink
born 1950, Dutch
5. Peter Elverding
born 1948, Dutch
6. Luella Gross Goldberg*
born 1937, American
7. Claus Dieter Hoffmann
born 1942, German
8. Piet Hoogendoorn
born 1945, Dutch
9. Piet Klaver
born 1945, Dutch
10. Wim Kok
born 1938, Dutch
11. Godfried van der Lugt
born 1940, Dutch
12. Karel Vuursteen
born 1941, Dutch

Corporate governance

In its corporate governance structure and practices, ING Group applies the Dutch Corporate Governance Code, with a number of deviations. These are explained in full in the 2007 Annual Report, where you can also find more information on capital and control, the Executive Board, the Supervisory Board and the external auditors.

ING encourages shareholders to vote at the annual General Meeting of Shareholders (GMS) on 22 April 2008. The turnout at the 2007 GMS increased to 37% from 28% in 2006. For the first time, this exceeded the 35% threshold for reconsidering the position of the ING Trust Office. As was the case in 2007, shareholders can ask questions on the GMS agenda at our website, www.ing.com.

*** Changes in the Supervisory Board**
Cor Herkströter retired on 1 January 2008. Luella Gross Goldberg will retire after the 2008 Shareholders' meeting. At the same meeting, four new members will be proposed for appointment: Joan Spero (born 1944, American), Harish Manwani (born 1953, Indian), Aman Mehta (born 1946, Indian) and Jackson Tai (born 1950, American).

Audit Committee
Wim Kok (chairman from 1 January 2008), Peter Elverding, Piet Hoogendoorn, Godfried van der Lugt

Remuneration and Nomination Committee
Jan Hommen (chairman from 1 January 2008), Eric Bourdais de Charbonnière, Piet Klaver, Karel Vuursteen

Corporate Governance Committee
Jan Hommen (chairman from 1 January 2008), Eric Bourdais de Charbonnière, Henk Breukink Claus Dieter Hoffmann

Additional information

Dividend policy
ING pays dividends in relation to the longer-term underlying development of cash earnings. ING changed its dividend policy in 2005 to a full cash dividend. ING has no intention to change its dividend policy.

Listings
The (depositary receipts for) ordinary shares ING Group are listed on the exchanges of Amsterdam, Brussels, Frankfurt, Paris, New York (NYSE) and the Swiss exchanges. The (depositary receipts for) preference shares are listed on Euronext Amsterdam by NYSE Euronext.

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Email: investor.relations@ing.com

Executive Board

9 6 2 4 8 7 3

5 1

1. Michel Tilmant
chairman, born 1952, Belgian
2. Eric Boyer de la Giroday
born 1952, Belgian
3. Dick Harryvan
born 1953, Dutch
4. John Hele
CFO, born 1958, Canadian
5. Eli Leenaars
born 1961, Dutch
6. Tom McInerney
born 1956, American
7. Hans van der Noordaa
born 1961, Dutch
8. Koos Timmermans
CRO, born 1960, Dutch
9. Jacques de Vaucleroy
born 1961, Belgian

Important dates in 2008 and 2009*

Annual General Meeting of Shareholders
Tuesday, 22 April 2008, 10:30 a.m.

Record date for dividend entitlement
Wednesday, 23 April 2008 (NYSE)
Monday, 28 April 2008 (NYSE Euronext)

ING share quotation ex final dividend 2007
Thursday, 24 April 2008 (NYSE Euronext and NYSE)

Payment date final dividend 2007
Monday, 5 May 2008 (NYSE Euronext)
Monday, 12 May 2008 (NYSE)

Publication results Q1 2008
Wednesday, 14 May 2008, 7:30 a.m.

Publication results Q2 2008
Wednesday, 13 August 2008, 7:30 a.m.

ING share quotation ex interim dividend 2008
Thursday, 14 August 2008 (NYSE Euronext and NYSE)

Payment date interim dividend 2008
Thursday, 21 August 2008 (NYSE Euronext)
Thursday, 28 August 2008 (NYSE)

Publication results Q3 2008
Wednesday, 12 November 2008, 7:30 a.m.

Publication results Q4 2008/annual results 2008
Wednesday, 18 February 2009

Annual General Meeting of Shareholders
Tuesday, 28 April 2009

ING share quotation ex final dividend 2008
Thursday, 30 April 2009

Payment date final dividend 2008
Thursday, 8 May 2009 (NYSE Euronext)
Thursday, 15 May 2009 (NYSE)

* All dates shown are provisional.

ING publications
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– Annual Review, in Dutch and English;
– Corporate Responsibility Brochure, in Dutch and English;
– Annual Report, in Dutch and English;
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