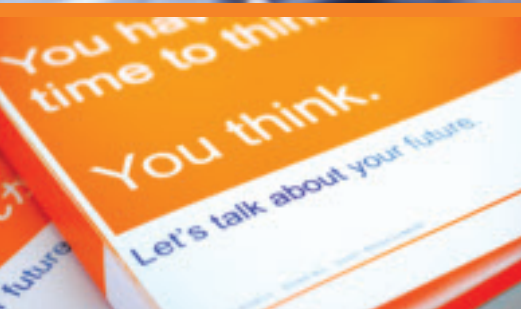


www.ing.com

2006

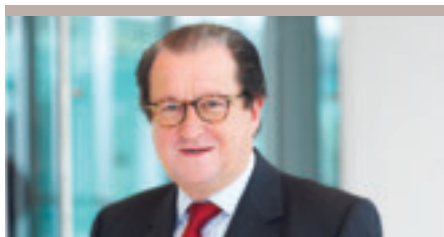
ING Group

Annual Review



Building on the momentum of profitable growth

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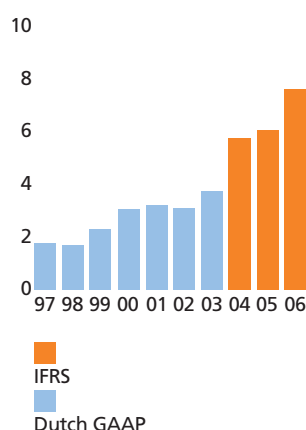
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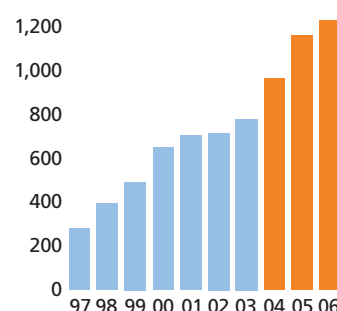
Highlights

- ING's record profit demonstrates its solid and diversified earnings capacity from high-quality franchises
- ING manages capital actively to redeploy in many growth opportunities across the Group
- Strong business momentum continues in growth engines, supported by good growth in several mature markets
- Execution remains paramount with strong focus on cost efficiency and risk management

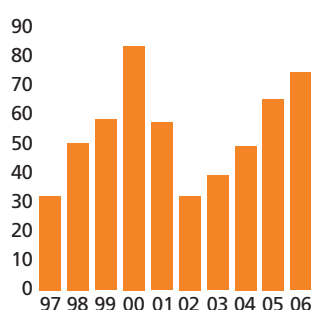
Operating/underlying net profit
in EUR billion



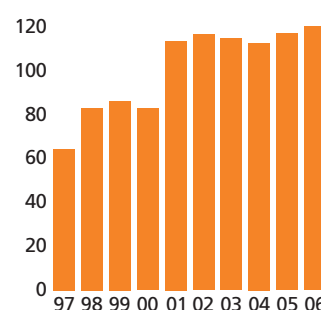
Total assets
in EUR billion



Market capitalisation
in EUR billion



Employees
year-end FTEs, in thousands



The financial and other information included in this Annual Review is summary in nature and accordingly should not be relied on in making an investment decision, and is qualified by the financial statements and other disclosures included in our Annual Report. Please refer to our website (www.ing.com) to obtain a copy of our Annual Report.

Key figures

	2006	2005	2004	2003 ⁽¹⁾	2002 ⁽¹⁾
Income (in EUR million)					
Insurance operations	59,642	57,403	55,614	53,223	59,729
Banking operations	14,195	13,848	12,678	11,680	11,201
Total income⁽²⁾	73,621	71,120	68,171	64,736	70,913
Operating expenses (in EUR million)					
Insurance operations	5,275	5,195	4,746	4,897	5,203
Banking operations ⁽³⁾	9,087	8,844	8,795	8,184	8,298
Total operating expenses	14,362	14,039	13,541	13,081	13,501
Impairments/additions to the provision for loan losses (in EUR million)	114	99	487	1,288	2,099
Profit before tax (in EUR million)					
Insurance profit before tax	4,935	3,978	4,322	3,506	4,453
Banking profit before tax	5,005	4,916	3,418	2,371	1,468
Total profit before tax	9,940	8,894	7,740	5,877	5,921
Taxation	1,907	1,379	1,709	1,490	1,089
Third-party interests	341	305	276	344	332
Net profit	7,692	7,210	5,755	4,043	4,500
Divestments/special items	-58	976	796	-10	1,067
Underlying net profit	7,750	6,234	4,959	4,053	3,433
Figures per ordinary share (in EUR)					
Net profit	3.57	3.32	2.71	2.00	2.32
Distributable net profit	3.57	3.32	2.71	2.00	2.20
Dividend	1.32	1.18	1.07	0.97	0.97
Shareholders' equity (in parent)	17.78	16.96	12.95	10.08	9.14
Balance sheet (in EUR billion)					
Total assets	1,226	1,159	964	779	716
Capital and reserves	38	37	28	21	18
Capital ratios					
ING Group debt/equity ratio	9.0%	9.4%	10.2%	14.4%	19.9%
Insurance capital coverage ratio	274%	255%	204%	180%	169%
Insurance debt/equity ratio	14.2%	13.4%	14.3%	19.8%	22.8%
Bank Tier-1 ratio	7.63%	7.32%	6.92%	7.59%	7.31%
Market capitalisation (in EUR billion)	74	65	49	39	32
Key Performance Indicators					
Return on equity	23.5%	26.6%	25.4%	21.5%	17.4%
Net profit growth	7%	25%	n.a.	-10%	-2%
Insurance					
Value of new life business (in EUR million)	807	805	632	440	519
Internal rate of return (life)	13.3%	13.2%	12.1%	10.9%	11.5%
Combined ratio (non-life)	91%	95%	94%	98%	102%
Banking					
Cost/income ratio (total)	64.0%	63.9%	69.4%	70.1%	74.1%
Risk-adjusted return on capital after tax (total)	19.7%	22.6%	14.5%		
Assets under management (in EUR billion)	600	547	492	463	449
Employees (FTEs at year-end)	119,801	116,614	112,195	114,335	116,200

⁽¹⁾ Figures according to Dutch GAAP.

⁽²⁾ Including inter-company eliminations.

⁽³⁾ Including other impairments.

ING at a glance



Our mission

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.

Our profile

ING provides a broad range of insurance, banking and asset management services and is a top-15 global financial institution (based on market capitalisation). We serve more than 60 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, small businesses, large corporations, institutions and governments.

Insurance – Banking – Asset Management

ING has six business lines. A clear client focus and strong business logic are the key elements in this structure.

Insurance Europe

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.

Underlying profit before tax Insurance Europe

2006	2,328
2005	2,021

in EUR million

Insurance Americas

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 active in Mexico, Chile, Peru and Brazil.

Underlying profit before tax Insurance Americas

2006	1,992
2005	1,979

in EUR million

Insurance Asia/Pacific

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.

Underlying profit before tax Insurance Asia/Pacific

2006	621
2005	447

in EUR million

Our strategy

ING's overall ambition is to create value for its shareholders: to give them a higher total return than the average of that of our peers over the longer term. To achieve that, we steer our business towards value creation through growth and return and aim to keep improving the execution of our business fundamentals. We want to excel at what we do and focus on delivering outstanding service to our customers and on firmly managing costs, risks and reputation. We invest in growth, and to this end ensure we are in businesses and markets with good long-term growth potential. Retirement services,

ING Direct and our life insurance activities in developing markets are all good examples of this. In many cases we are also able to outgrow the competition in mature markets by focusing on selective product and client segments.

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.

Wholesale Banking

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.

Underlying profit before tax Wholesale Banking



Retail Banking

Offers retail banking services in the mature markets of the Netherlands and Belgium, and in the developing markets of Poland, Romania, 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.

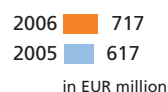
Underlying profit before tax Retail Banking



ING Direct

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.

Underlying profit before tax ING Direct



Chairman's statement

Michel Tilmant **chairman Executive Board**

"ING performed very well in 2006. I am particularly pleased that we have been able to further enlarge our business franchise. We attracted more and increasingly satisfied clients, launched new products and expanded our distribution capacity."



In 2006, our underlying business performance remained strong, helping us sustain our growth momentum. We managed to raise net profit by 6.7% to EUR 7,692 million and realised a good return on capital. Our underlying net profit – total net profit without the impact of divestments and special items – increased by 24.3%. This was accomplished in an increasingly challenging environment, with growing competition and, in the second half of the year, a decline in long-term interest rates and a substantial flattening of yield curves. At the same time, our businesses have also benefited in the current market environment, for instance from rallying equity and real estate markets.

ING continues to offer a solid increase in shareholder return. Amongst our peer group of 20 global financial organisations, we rank second in terms of Total Shareholder Return over the three-year period since 2004. This exceeds our financial objective to offer our shareholders a higher total return than the average of that of our peers over the longer term.

The results in 2006 clearly illustrate that our people are very committed and motivated to make our strategy a success. Talent management and developing our future leaders are crucial for the future of our company. That is why we launched our first International Graduate Programme, a talent development programme for recently hired graduates with leadership potential.

Being successful throughout the economic cycle requires sound business fundamentals. Over the past few years we have taken difficult but necessary steps to

rebalance our business portfolio, better allocate capital and improve on execution. One of ING's distinguishing features is our ability to reallocate the capital that we generate in our mature businesses to the most value-adding areas within the company, including our growth engines. In line with ING's entrepreneurial tradition, we continue to invest in new initiatives that expand growth organically, in both the mature and developing markets in which we operate.

Improving our execution of the business fundamentals is another cornerstone of our strategy. In 2006, we further improved the efficiency of our operations. Customers are the central driving force of our operations, and all ING businesses now measure customer satisfaction and develop concrete action plans to improve their customer focus. These efforts are already paying off. We have been able to increase our customer base, and expand our product offering. We are also expanding our distribution capacity, making optimal use of direct channels and the bancassurance possibilities that ING offers.

The brand name ING stands for quality in financial services. ING is in the Interbrand top-100 global brands for the third consecutive year, rising to 85 in 2006 from 87 in 2005. In order to raise our brand profile and bring our brand awareness more in line with our global client reach, we decided to further invest in our brand. For the next three years ING will be the official title sponsor of the ING Renault Formula One team, giving us the strongest platform for increasing our brand awareness globally.

We are faced with a growing emphasis on compliance, additional regulation and increased complexity in accounting and reporting. Our commitment to fully comply with all rules and regulations in the jurisdictions in which we operate stands firm. Complying with regulations is our licence to operate. It is a responsibility that all our employees share, regardless of their position within the company. Knowing, understanding and operating by the rules is a natural part of every employee's mindset, and we continuously strive to improve compliance awareness within the organisation.

During the Shareholders' Meeting on 24 April 2007 we will say goodbye to Cees Maas, vice-chairman and CFO of the Executive Board. It will be proposed to the Shareholders' Meeting that he will be succeeded by John Hele as Chief Financial Officer and Koos Timmermans as Chief Risk Officer. Paul van der Heijden will retire from the Supervisory Board. Also on behalf of my Executive Board colleagues, I would like to thank Cees Maas for his tremendous contribution to ING and Paul van der Heijden for his commitment as Supervisory Board member. We are pleased that Cees Maas will continue to serve ING as advisor to the Executive Board.

Michel Tilmant
chairman Executive Board

Your shares

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



€ 33.59

ING share price year-end 2006

€ 1.32

Proposed dividend per share up 12%

109%

Total Shareholder Return 2004 – 2006

AA-

S&P rating of ING Group

24 April 2007

Annual General Meeting of Shareholders

Share price performance

In 2006, ING's share price increased with 14.6% to EUR 33.59 at year-end. Over the full year, ING outperformed the AEX by 1.2%-points. In the three-year period 2004 – 2006 ING's share price rose 79.1% and outperformed the AEX by 34.6%-points.

Dividend

On 15 February 2007, ING Group proposed a total dividend for 2006 of EUR 1.32 per (depositary receipt for an) ordinary share. The dividend, to be approved at the Annual General Meeting of Shareholders on 24 April 2007, represents an increase of 12% from EUR 1.18 over 2005. Taking into account the interim dividend of EUR 0.59 made payable in August 2006, the proposed final dividend amounts to EUR 0.73 per (depositary receipt for an) ordinary share, to be paid fully in cash. The ING share will be quoted ex-dividend as of 26 April 2007 and the final dividend will be made payable on 3 May 2007 on Euronext Amsterdam. On the NYSE these dates are 23 April 2007 and 10 May 2007, respectively.

Total Shareholder Return

ING's financial objective is to offer our shareholders a higher total return than the average of that of our peers over the longer term. Amongst our peer group of 20 global financial organisations, ING ranks second with a Total Shareholder Return of 109% over the three-year period since 2004.

Prices depositary receipts for ordinary shares

Euronext Amsterdam Stock Exchange

in EUR	2006	2005	2004
Price – high	35.95	29.75	22.28
Price – low	27.82	20.99	16.73
Price – year-end	33.59	29.30	22.26
Price/earnings ratio*	9.4	8.8	8.8

* Based on the share price at year-end and underlying net profit per ordinary share for the financial year.

Dividend history

in EUR	2006	2005	2004
Interim dividend	0.59	0.54	0.49
Final dividend	0.73*	0.64	0.58
Total	1.32*	1.18	1.07

* Proposed

Further information for shareholders is given on page 32.

Strategic priorities

In 2006, ING created value by focusing on profitable growth and excellence in execution. The consistent and successful implementation of this strategy has led to strong financial results. It has also rewarded our shareholders with a substantially higher total return on investment than the average of that of our peers over the past three years. A successful strategy can only succeed if we continue to build on the momentum of profitable growth and if costs, risk and reputation are properly managed.

A balanced business portfolio



ING is well positioned in the financial sector because we are involved in banking, insurance and asset management. All of our businesses are strong and successful in their own right, but they create additional value together as we can allocate our capital across businesses and client segments in ways that generate the highest growth and return. We leverage value from this combination in two ways.

First, there is a convergence when it comes to savings and pensions. ING can maximise this overlap through products and sales expertise, thereby empowering customers with products they need to manage their own financial future.

Second, the combination allows us to diversify our risk across banking and insurance. Increased risk diversification brings capital benefits because lower requirements for risk-based solvency capital translate into higher returns on equity.

ING also centralised its capital management in 2006, which makes it possible to better balance the requirements of shareholders, rating agencies and regulators. Centralised risk and capital management allow for greater strategic flexibility and the freedom to invest capital in places where it generates the highest return.

Growth across business lines



Our financial results demonstrate that our underlying performance across all business lines remains strong both in mature and developing markets. An example of good performance in mature markets is our retail banking business in the Netherlands, which saw healthy growth in savings and mortgages. Wholesale Banking also performed well in areas such as structured finance and lease, and ING Real Estate saw another year of strong growth.

We believe that ING is well positioned to capitalise on three trends that are globally reshaping financial services: ageing, technology and a shift of economic power from West to East. We are using these trends to drive our three growth engines: retirement services, ING Direct and our life insurance operations in developing markets.

Our results show that these growth engines are all on good footing. Our retirement services business in the US had a successful year, ING Direct was able to increase profits in a challenging interest rate environment, and our life insurance business in Asia/Pacific posted a strong rise in the value of new business. We are also investing in future growth opportunities in Central Europe and Asia.

Exemplary customer service



The only way to achieve growth in a market is to put our customers first, to know what their preferences are and how we can best serve them. A satisfied customer provides a good opportunity to expand our product range and to attract new customers. We have launched a number of initiatives, especially in mature markets, to improve customer centricity. To check our progress, we continually monitor customer satisfaction.

In 2006, increasing brand awareness was a key priority. After thorough research we decided to sign a three-year sponsorship agreement with Renault Formula One. We chose Renault for its track record as a top, high-performing team. Coupled with our first-ever global marketing campaign we aim to increase ING's visibility and raise our brand awareness.

We want to position ourselves as a company that sets the standard in helping our customers manage their financial future. When customers consider doing business with ING, they should know exactly what they will get. They should know that ING is easy to deal with, that we treat our customers fairly and that we deliver on our promises.

Managing costs, risk and reputation



Higher returns and profitable growth require sound business sense, including the management of costs, risk and reputation, and instilling a winning performance culture among employees.

We have improved the ratio of costs to income in our banking operations and maintained solid efficiency ratios in our life insurance business. Our efficiency programme in the Netherlands and Belgium is on track. Important progress has also been made in measuring risk. We developed methods to capture bank and insurance risk, improved the quantification of credit risk, created more accurate pricing of insurance products and consolidated our risk management.

Reputation and integrity are also essential to financial services providers. As regulation has increased, we have stepped up our compliance. This is more important than just adhering to a set of rules. It also reflects the way we want to treat our clients and our shareholders: fairly and with excellent performance.

However great a strategy may be, it cannot be implemented without the right attitude and the right people. ING invests in people through various global projects to develop a high performance workforce with a common vision that inspires operational excellence.

Conclusions

We are satisfied with the progress we made in 2006. By keeping a constant and persistent course, we have created value for our shareholders. We were able to achieve more profitable growth, to continue to invest in new growth opportunities and to improve further the execution of our business fundamentals.

We will continue our strategic course in 2007 and build on the momentum of profitable growth. We will continue to analyse where we are creating value and where we need to deploy resources for improved growth and return. On top of that we will continue to invest in promising new business opportunities.

Growth can be achieved only for as long as we properly execute our business fundamentals. We want to continue improving customer satisfaction, tightening up compliance, keeping costs under control and ensuring risk is properly managed. By improving in these areas, we want to drive our performance to the next level.

As such, ING keeps focusing on creating value for its shareholders to reward them with a better total return on investment than the average of that of our peers in the financial sector over the longer term.

Financial highlights

Cees Maas vice-chairman and CFO

ING again posted strong results in 2006, driven by solid top-line growth, improved returns, sustained business momentum at our growth engines and good performance in the mature markets in which we operate. Costs remained under control while we invested in new growth opportunities. ING proposes to increase total dividend by 12% to EUR 1.32 per share, to be paid fully in cash.



In 2006, ING again posted a solid increase in profit. Total net profit rose by 6.7% to EUR 7,692 million. Underlying net profit, which is defined as total net profit excluding the impact of divestments and special items, rose by 24.3% to EUR 7,750 million. This is the third consecutive year with a growth in underlying net profit of more than 20%. Earnings per share rose to EUR 3.57 from EUR 3.32.

Growth

ING's three key growth engines continued to show strong business momentum, supported by profitable growth segments in mature markets. The life insurance business in developing markets showed strong sales, reflected in a rise of 14.4% in the value of new business and of 31.5% in underlying pre-tax profit, compared with 2005. Sales of US retirement services accumulation products rose 35.2% and variable annuities were up 9.8% as the US business continues to focus on meeting the needs of baby boomers as they reach retirement. ING Direct increased its underlying profit before tax by 16.2% to EUR 717 million and showed a good operational performance in 2006. It attracted almost three million new customers and total own originated mortgages and funds entrusted rose with EUR 20 billion and EUR 14 billion, respectively. Both figures exclude currency effects and the divestment of Degussa Bank. Growth in mature markets is shown in our retail banking businesses, where underlying profit before tax rose by 6.4%, especially in the Netherlands and Belgium, as well as at ING Real Estate, where profit before tax rose by 81%.

Returns

Margins remained strong as ING focuses on balancing growth and returns to maximise value creation. Continued attention for capital allocation and pricing discipline led to a further increase in returns at the banking operations. The underlying after-tax Risk-Adjusted Return On Capital improved to 20.4% from 19.1%, driven by a strong improvement at Wholesale Banking. Underlying economic capital increased by EUR 1.0 billion to EUR 15.9 billion due to model refinements as well as continued growth at ING Direct and Retail Banking. The internal rate of return on new life insurance sales improved slightly to 13.3%.

Execution

Improving the execution of the business fundamentals is a priority for ING. Operating expenses remained under control, despite continued investments in new growth initiatives. Recurring expenses for the Group were up 2.4% in 2006, excluding one-off items, currency effects and expenses at the growth businesses of ING Direct, ING Real Estate and Insurance Asia/Pacific. The underlying cost/income ratio within the bank improved to 63.6% from 65.1% in 2005, showing the strong cost containment. On the insurance side, expenses to life premiums improved slightly to 13.26% from 13.28% in 2005, while expenses to assets under management improved to 0.75% from 0.82%.

Dividend

At the Annual General Meeting of Shareholders on 24 April 2007, ING will propose a total dividend for 2006 of EUR 1.32 per (depository receipt for an) ordinary share, up 12% from EUR 1.18 per (depository receipt for an) ordinary share in 2005. Taking into account the interim dividend of EUR 0.59 made payable in August 2006, the final dividend will amount to EUR 0.73 per (depository receipt for an) ordinary share to be paid fully in cash. ING's shares on Euronext will be quoted ex-dividend as of 26 April 2007 and the dividend will be made payable on 3 May 2007 (on the NYSE these dates are 23 April 2007 and 10 May 2007, respectively).

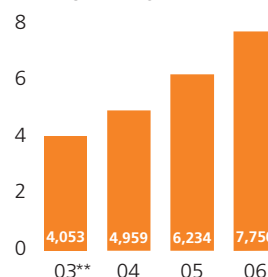
Taxes and net profit

The effective tax rate increased to 19.2% from 15.5% in 2005, when total profit included large tax-exempt gains on divestments of Group companies. The effective tax rate on underlying profit decreased to 18.8% from 23.4%.

Capital ratios

The debt/equity ratio of ING Group improved to 9.0% compared with 9.4% at 1 January 2006, supported by growth in capital and reserves. The capital-coverage ratio for ING Verzekeringen N.V. increased to 274% of EU regulatory requirements at the end of December, compared with 255% at 1 January 2006. The Tier-1 ratio of ING Bank N.V. stood at 7.63% at the end of 2006, up from 7.32% at 1 January 2006, as growth in capital was only partially offset by growth in risk-weighted

Underlying net profit*
in EUR million



* Underlying net profit is defined as net profit excluding divestments and special items.

** Dutch GAAP.

Profit and loss account

in EUR million	2006	2005	change
Total income	73,621	71,120	3.5%
Total expenditures	63,681	62,226	2.3%
Profit before tax	9,940	8,894	11.8%
Taxation	1,907	1,379	38.3%
Third-party interests	341	305	11.8%
Net profit	7,692	7,210	6.7%
Divestments/special items	-58	976	
Underlying net profit	7,750	6,234	24.3%
Profit before tax	9,940	8,894	11.8%
Gains/losses from divestments	63	-366	
Profit from divested units	-45	1	
Underlying profit before tax	9,958	8,529	16.8%

assets. The solvency ratio (BIS ratio) for the bank improved to 11.02% at the end of December 2006 from 10.86% at 1 January 2006. Total risk-weighted assets of the banking operations increased by EUR 18.3 billion, or 5.7%, to EUR 337.9 billion at the end of December 2006. See for more detailed information the chapter on Capital management.

Divestments and special items

Divestments resulted in a loss after tax of EUR 85 million in 2006 compared with a gain of EUR 414 million in 2005. Divested units contributed EUR 27 million to profit after tax in 2006, up from a loss of EUR 21 million a year earlier. Special items 2005 of EUR 583 million consisted of tax provision releases and the establishment of deferred tax assets. Excluding the impact of divestments and special items, underlying net profit increased 24.3% to EUR 7,750 million.

Insurance operations

ING's insurance operations continued to benefit from strong growth in retirement services and life insurance in developing markets, higher investment results and a favourable claims environment for the non-life insurance businesses. Underlying profit before tax from insurance rose 22.9% to EUR 4,886 million.

Underlying profit before tax from life insurance increased by 23.0%. The life insurance activities in the Netherlands, Latin America and Asia showed strong profit growth, supported by increased sales, growth in assets under management and investment gains. The underlying profit before tax from non-life insurance went up 22.7%, driven by higher results in the Netherlands and benefiting from a favourable underwriting cycle. Canada showed lower but still good results, due to

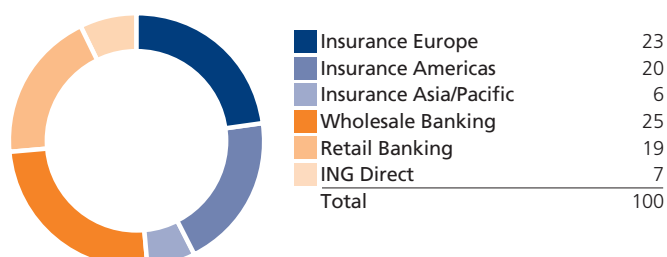
less favourable developments in prior-year reserves and lower investment related gains.

Underlying premium income increased 2.5% to EUR 46,834 million. Life premiums of total insurance increased 2.3%, or 3.3% excluding currency effects, mainly driven by strong growth of life premiums in Central and Rest of Europe, the US, Latin America and Australia. In the Netherlands and Belgium life premiums declined, while in Asia, growth in life premiums in all countries, especially Korea and Taiwan, was more than offset by Japan, which showed a significant drop in premiums. Non-life premiums increased 3.8%, or 1.1% excluding currency effects, as lower premiums in the Netherlands were more than offset by higher premiums in all other regions, especially in Canada and Latin America.

Operating expenses from the insurance operations increased 2.0% to EUR 5,275 million. Recurring expenses increased with 6.1% to EUR 5,252 million, as the non-recurring part of the expenses was much higher in 2005 (IT expenses, reorganisation costs, SOX implementation and other projects). The recurring expense growth was mainly caused by costs to support the ongoing growth of the business, particularly in Asia.

Financial highlights continued

Contribution business lines to 2006 underlying profit before tax* in percentages



* Excludes component 'Other' in Banking and Insurance.

Embedded value and value of new business

The embedded value of ING's life insurance businesses increased 7.7% to EUR 29,714 million in 2006. Taking into account EUR 1,996 million in net dividends that were paid to ING Group, the year-end embedded value was EUR 27,718 million. Embedded value profit, an important measure of value creation, decreased 12.1% to EUR 1,981 million as improved financial performance was more than offset by lower operational performance variances and negative assumption changes. The value of new business increased slightly with 0.2% to EUR 807 million as it was negatively impacted by an increase of the discount rate to reflect higher interest rates.

The insurance activities in Central and Rest of Europe and in Asia/Pacific both generated particularly strong growth in 2006, indicating the strong future earnings potential of the businesses in both regions. New sales, measured in annual premium equivalent, rose 2.9% to EUR 6,495 million, while the internal rate of return increased to 13.3% from 13.2% in 2005. The internal rate of return in developing markets increased to 17.7% up from 17.4% as business units benefited from increased scale. New sales in developing markets rose 11.7%.

Banking operations

ING's banking activities continued to show strong growth in savings and mortgages, which helped offset the impact of flattening yield curves. Operating expenses were under control, while risk costs remained very low, although the

fourth quarter of 2006 showed an increase as releases from old provisions diminish. Underlying profit before tax rose 11.4% to EUR 5,072 million, driven by a 7.3% increase in income, notably from ING Real Estate and ING Direct. Interest income rose 2.6% as strong volume growth was largely offset by the impact of flattening yield curves. Loans and advances to customers increased by EUR 34.7 billion, or 8.6%, to EUR 437.8 billion, despite the divestments of Deutsche Hypothekenbank and Degussa Bank in 2006.

Growth was driven mainly by residential mortgage lending at ING Direct and the retail banking activities in the Netherlands. The total interest margin narrowed to 1.06% from 1.17% in 2005. Commission income rose 15.5%, driven by higher management fees, mainly from the investment management activities at ING Real Estate, and increased fees from the securities business, brokerage & advisory and insurance broking. Investment income was up 4.1%, while other income rose 26.8%, mainly caused by a strong increase in net trading income.

Underlying operating expenses were up 4.9% to EUR 9,032 million, including EUR 164 million in additional compliance-related costs in 2006. ING Direct contributed 2.3%-points to the expense growth of the bank activities. Although the underlying addition to the provision for loan losses increased to EUR 100 million from EUR 69 million in 2005, risk costs were only three basis points of average credit-risk-weighted assets, which is well below the normalised level of 25-30 basis points.

Asset management

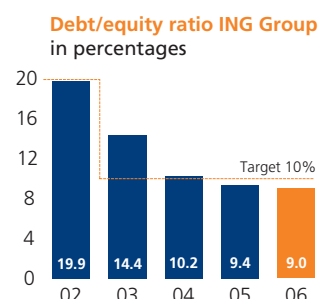
Assets under management increased 9.6% to EUR 600 billion in 2006. Compared with 2005, growth was mainly offset by the negative impact of exchange rates of EUR 31.8 billion, while developments on stock markets contributed EUR 33.7 billion to growth. The net inflow of EUR 43.8 billion was mainly realised by Insurance Asia/Pacific (EUR 11.2 billion), ING Real Estate (EUR 13.5 billion) and Insurance Americas (EUR 6.8 billion). Growth was achieved for the greater part in third-party assets, which increased by 14.7% to EUR 404.5 billion by year-end 2006. Proprietary assets increased 0.4% to EUR 195.5 billion.

Looking ahead

Our strong profit growth in 2006 demonstrates the solid earnings capacity of ING's well-balanced portfolio of businesses. While the interest rate environment in 2006 was challenging, particularly for our banking business, we have benefited from rallying equity and real estate markets, a benign credit environment, a favourable underwriting cycle in non-life insurance and lower taxes. Looking forward, risk costs and non-life claims will trend gradually to more normalised levels, however we do not anticipate a significant shift in the market environment over the coming period.

Capital management

ING strengthened efforts to monitor and manage capital adequacy and execute capital markets transactions. To this end a centralised capital management function was created with the benefit that capital adequacy requirements are balanced with financial flexibility. This helps meet strategic objectives and contributes to an efficient allocation of capital.



Good housekeeping

Capital management is to a large extent good housekeeping, with the establishment of proper policies, procedures and routines. At the beginning of each year plans are prepared describing all funding transactions. Procedures were written for capital contributions into the business and also for pension funds. The target maturity profile and interest rate profile of the core debt are also being written into policy. The policy for hedging employee options was also renewed to take into account the changing regulatory and tax landscape.

We are also continuously streamlining the organisation and tidying up the corporate structure. 2006 was again a very active year with many divestments (some of which will be formally finalised in 2007): Piraeus, Williams de Broë, Deutsche Hypothekenbank, Nationale Borg, Degussa Bank and ING Trust. ING bought a mutual fund manager in Taiwan and the pension administrator AZL in the Netherlands.

Stronger capital position

The capital position of ING was further enhanced during 2006, thanks to continued strong profitability of the business. Financings in the market throughout the year raised further hybrid Tier-1 and core debt for ING Group, lower Tier-2 for ING Bank and core debt for ING Insurance. Hybrid Tier-1 debt raised for ING Group is on-lent to either ING Bank or ING Insurance under the same conditions as the original instruments. Core debt is debt that is on-lent as equity to subsidiaries.

ING stayed well within its key target capital ratios: a maximum of 10% core debt for ING Group, a maximum of 15% core debt for ING Insurance and at least a 7.2% Tier-1 ratio for ING Bank. ING's objective is to have AA ratings for ING Group, ING Bank and ING Insurance.

Risk-weighted assets grew moderately on the banking side by 5.7% to EUR 338 billion. This modest growth was made possible through the execution of an

ambitious securitisation plan that released a further EUR 8.1 billion of risk-weighted assets from the balance sheet during the year. The underlying growth of assets produced by the business was therefore much higher.

Implementation of Basel II

Much attention was paid during 2006 to the implementation of Basel II and its three-pillar framework. Pillar 1 calculates the minimum capital requirement. Pillar 2 is an overall review by the regulator of capital adequacy, while Pillar 3 concerns the external reporting.

We constantly examine our capitalisation from multiple viewpoints and analyse whether solvency targets need to be adjusted.

Managing ING Insurance's free surplus

In 2006, the management of the free surplus of ING Insurance was enhanced, which is the part of financial resources available above the amount of economic capital employed. This surplus may have to be held by the businesses due to regulatory and rating agency constraints. To the extent the free surplus is not constrained, ING is free to employ it elsewhere to increase organic growth.

Capital base ING Groep N.V.

In EUR million	31 December 2006	31 December 2005
Shareholders' equity (in parent)	38,266	36,736
+ Group hybrid capital	7,606	7,883
+ Group leverage (core debt)	4,210	3,969
Total capitalisation (Bank + Insurance)	50,082	48,588
–/– Revaluation reserves fixed income and other	3,352	6,477
–/– Group leverage (core debt) (d)	4,210	3,969
Adjusted equity (e)	42,520	38,142
Debt/equity ratio (d/(d+e))	9.01%	9.43%

Risk management

ING strives every day to find the optimal balance between risk, return and capital. In 2006, we strengthened the Group Risk function emphasising our commitment to a sound risk management organisation.



Faster approvals

Risk management works with ING businesses to help manage their commercial activities. For example, a signatory system has been introduced for credit approvals in Wholesale Banking, replacing the lower-level traditional credit committees. This has improved the process for approving corporate loans. There is more accountability, with one risk officer and one frontline officer jointly signing for acceptance of risk. It is also more efficient, resulting in a faster response to clients.

Risk management

Taking risk is inherent to our daily business activities. To ensure prudent risk taking throughout the organisation, we manage risk through a comprehensive risk framework, ensuring the proper identification, measurement and control of risk at all levels. Important progress was made in 2006 in strengthening the risk management organisation and improving risk modelling.

The overall Group risk profile is measured and reported to the Executive Board and Supervisory Board on a quarterly basis by means of a 'risk dashboard'. The dashboard includes the risks in all bank and insurance lines of business and provides insight into earnings at risk and capital at risk. The dashboard allows the Executive Board to better balance short-term profit incentives and long-term value objectives.

To strengthen the risk management organisation the Executive Board has appointed a deputy Chief Risk Officer (CRO), who is responsible for risk management and control on a consolidated level. This change emphasises our commitment to risk management and our drive towards more efficient risk management. The Operational, Information and Security risk functions have been merged into one function, the head of which reports directly to the deputy CRO. The compliance function has been transferred from the Legal department to the Group Risk Function to further improve the visibility and effectiveness of Compliance. In addition a Model Validation Unit has been established which validates risk models. The head of this unit reports directly to the deputy CRO.

Corporate Compliance

Financial institutions in general are coming under closer scrutiny by society to ensure they comply with laws, regulations, standards and expectations. Bank regulators and other supervisory authorities in the EU, the US and elsewhere continue to scrutinise payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulators and other authorities have the power to bring administrative or judicial proceedings against ING, which could result, amongst other things, in suspension or revocation of ING's licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm ING's results of operations and financial condition.

ING Bank N.V. has been in discussions with its Dutch bank regulator De Nederlandsche Bank (DNB) related to transactions involving persons in countries subject to sanctions by the EU, the United States and other authorities. These discussions prompted ING Bank N.V. to engage in a review regarding transactions involving sanctioned parties. In connection with this review, which is ongoing, ING Bank N.V. has been reporting to DNB and it is not possible to predict at this time the outcome thereof.

A priority for ING during 2006 has been to increase compliance awareness Group-wide and to implement the ING Group Compliance Policy. In 2006, in the context of changing legislation, regulation and regulatory scrutiny ING revised, amongst other policies, its Financial Economic Crime

Policy to comply with the third EU Anti-Money Laundering directive and other applicable laws and regulations.

Please read the Corporate Compliance paragraph on page 207-208 of our Annual Report for additional, important, information on compliance.

Quantifying risk

During 2006 we continued refining our capital models by means of an enhancement and integration programme. The completion of the full programme is planned for 2007. This will include insurance metrics and ensuring reporting processes are efficient, controllable and auditable.

ING Group credit risk

Our aim is to maintain an internationally diversified loan, bond and investment portfolio and to avoid large credit risk concentrations. This is supported by a system of risk limits that corresponds with the risk appetite of the Executive Board. Limits are set for countries, individual borrowers, borrower groups and reinsurers, which cascade down to all levels of the organisation. The breakdown of our portfolio in terms of credit risk ratings, expressed in S&P rating equivalents, is given in the table on page 13.

Due to the different nature of the insurance and banking business the credit quality of the ING Insurance portfolio is generally higher than that of the Bank.

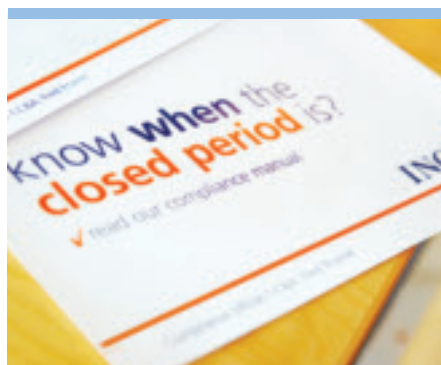
ING Bank market risk

Market risk in the banking books arises from trading and non-trading activities. Our aim is to measure, control and manage our

Compliance

Risk classes bank and insurance portfolios

as % of total outstandings	2006	
	Bank	Insurance
1 (AAA)	13.6%	25.1%
2-4 (AA)	20.6%	22.6%
5-7 (A)	10.9%	22.0%
8-10 (BBB)	21.3%	15.8%
11-13 (BB)	27.6%	10.3%
14-17 (B)	4.1%	4.0%
18-22 (Watch/Problem grade)	1.9%	0.2%
	100%	100%



In line with recent United States securities law, ING provided a statement for the first time on the effectiveness of internal controls over the company's financial reporting, the so-called SOX 404 statement. All CEOs and CFOs of companies listed on the New York Stock Exchange must now provide the statement on an annual basis, as required by the US corporate regulator, the Securities Exchange Commission (SEC), following the enactment of the Sarbanes-Oxley Act (SOX) of 2002.

exposure to market risk in line with the Executive Board's risk appetite.

Value-at-Risk

One of our primary market risk measures is Value-at-Risk (VaR), on which limits are based. VaR quantifies the maximum overnight loss that could occur due to changes in risk factors if positions remain unchanged for one day (at 99% confidence level). Average consolidated VaR over 2006 for the trading book was EUR 31 million (2005: EUR 28 million). Trading positions with interest rate exposures provided the largest contribution to the trading VaR and was the main driver of the EUR 3 million increase. In addition, we perform stress testing to monitor market risk under extreme market movements.

Average consolidated foreign exchange VaR over 2006 for the non-trading activities was EUR 17 million (2005: EUR 7 million). The increase was due to expanded activities of ING Direct in Australia and Canada. Consequently, the Australian and Canadian dollar are added to the list of main currencies that are held to protect the Tier-1 ratio against currency movements.

Interest rate risk

Due to the strategic interest rate risk mismatch in the non-trading books ING Bank is sensitive to interest rate changes. To measure this, ING Bank calculates Earnings-at-Risk (EaR) and VaR. EaR measures the loss of net accrual interest income over a period of one year resulting from, amongst other factors, an instantaneous increase in market interest rates. Applying a 1% shock to year-end market rates resulted in an EaR of EUR -364 million. EaR calculations have changed to

better align with accounting rules and now capture the effect of embedded prepayment and offered rate options of the large Dutch mortgage portfolios.

Liquidity risk

ING Bank also manages its liquidity risk. In 2006, we continued to have a sound liquidity profile since a large liquidity buffer is maintained against unexpected negative market developments.

ING Insurance risk

ING Insurance is engaged in selling life and non-life insurance products. Risks arising from these products are classified as actuarial and underwriting risk, market risk, credit risk (as described previously) and operational risk.

Actuarial and underwriting risks are the risks resulting from the pricing and acceptance of insurance contracts. ING primarily manages these risks through policies, product design requirements, independent product approval processes and risk limitation related to insurance policy terms and conditions with the client. Profit & loss volatility stemming from adverse claims in ING's insurance portfolios is managed by setting insurance risk tolerance levels.

ING Insurance is exposed to market risks: the risk that changes in interest rates, equity prices, foreign exchange rates and real estate prices affect its present and future earnings as well as shareholders' equity.

Interest rate risk

ING Insurance measures potential changes in the expected earnings of insurance activities over a period of one year resulting

from an instantaneous increase/decrease of 1% in interest rates. As at 31 December 2006, the impact on net profit of a 1% point increase/decrease was estimated at EUR 8/-1,600 million (2005: EUR -68/-1,743 million).

Equity risk

The impact of equity risk on net profit is measured under a scenario in which an instantaneous increase/decrease of 10% in equity markets occurs. As at 31 December 2006, the impact of a 10% increase was estimated at EUR 120 million, while the impact of a 10% decrease was estimated at EUR -150 million.

Operational, information and security risk

Operational risk arises from direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. ING has developed a sophisticated framework for assessing, monitoring and managing operational, information and security risk. This framework was improved in 2006 by further implementation of ING Group operational, information and security risk management policies, by strengthening the security organisation and by increasing risk and security awareness.

Insurance

Insurance overview

ING continued to record stronger profits in insurance through solid performances in Central Europe and Asia and by maintaining a sharp focus on cost control.

Premium income per business line
in EUR million



Insurance Europe	23%	10,552
Insurance Americas	51%	24,118
Insurance Asia/Pacific	26%	12,136
Other		28
Total	100%	46,834

The underlying profit before tax from the insurance operations rose 22.9% to EUR 4,886 million in 2006. Strong growth in retirement services and life insurance in developing markets, higher investment returns and a favourable claims environment in non-life insurance all helped boost the overall result.

ING has extensive insurance operations throughout the world. In the Netherlands and Belgium, ING is a leading insurance company. In the rapidly growing countries of Asia and Central Europe, we are expanding our market share. ING is one of the top-10 providers of retirement services and annuities products in the United States. The continued focus on cost control led to an improvement in the efficiency ratios for life and investment products.

Looking ahead

Around the world, more people than ever before are approaching retirement. People are also becoming wealthier. This means there is and will continue to be strong demand for retirement services and insurance. ING is very well positioned to tap into this growth.

The push to increase organisational efficiencies in mature markets through expense reduction, renewed systems and rationalised product ranges will continue. Accelerating growth in Central Europe, where the reform of pension systems in many countries has opened up opportunities for diversified financial services companies such as ING, will be a key focus in the years ahead.



€ 12 billion



ING is a leader in the Japanese variable annuity market, with assets under management of over EUR 12 billion. The variable annuity is particularly well suited to the Japanese retirement market. Consumers are looking for a better return than a bank deposit, but still want to protect their capital through the variable annuity's built-in guarantees. We reach consumers through our high-quality distribution partners, an extensive network of 34 national and regional banks and securities houses.

Insurance Europe

"We have further improved on efficiency, while we continue to invest in growth through product development and setting up of new greenfield operations."

Jacques de Vacleroy, Executive Board member responsible for Insurance Europe

Profit and loss account (underlying)

in EUR million	2006	2005	change
Premium income	10,552	10,702	-1.4%
Operating expenses	1,805	1,869	-3.4%
Underlying profit before tax	2,328	2,021	15.2%
Total profit before tax*	2,362	2,031	16.3%

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

With continued profit growth in 2006, driven by the Netherlands and Central Europe, Insurance Europe remains a solid profit contributor to ING Group. In the Netherlands, efficiency programmes are progressing, while Central Europe once again showed strong value creation.

Underlying profit before tax increased by 15.2% to EUR 2,328 million in 2006, mainly due to favourable life and non-life results in the Netherlands, favourable non-life results in Belgium and continued strong growth in Central and Rest of Europe. Underlying profit before tax from life insurance increased by 7.1% to EUR 1,710 million, while non-life results increased by 45.8% to EUR 618 million.

Underlying premium income decreased slightly by 1.4% to EUR 10,552 million. Higher life premiums in Central and Rest of Europe were offset by lower life premiums in Belgium and in the Netherlands. Underlying operating expenses declined by 3.4%, caused by a 7% drop in the Netherlands due to higher one-off releases of employee benefit and pension provisions, lower restructuring expenses and staff reductions.

Insurance Europe has attained strong market positions in the markets in which it operates and has tailored the specific strategies of its individual insurance companies to the maturity of these respective markets.

Developments in mature markets

Operating in the mature markets of the Netherlands, with moderate growth, Nationale-Nederlanden (NN) focused on improving customer satisfaction and



ING Romania has launched a new, simple insurance protection package under the name SMART. It covers death and hospital treatment in the event of an accident. Designed to be straight-forward, SMART offers three pre-defined levels of sums assured and the contract duration is fixed at five years. Due to the simplified underwriting procedure, the policy is issued in just five minutes.

SMART

efficiency. Customer satisfaction at NN increased again, although after two years of significant increases, the growth rate in 2006 was less pronounced. Actions to reduce the headcount at NN by 1,000 by year-end 2007 were ahead of plan, with a reduction of 900 at year-end 2006 compared with year-end 2004. RVS managed to create value in a mature and competitive market, reflected in an increase in the value of new business and in the internal rate of return. Postbank Insurance had a solid financial performance. In 2006, profits, premiums and value creation at ING Insurance Belgium decreased, mainly due to one-off factors.

Ongoing growth initiatives in Central Europe

In the rapidly expanding markets of Central Europe, the focus is on accelerating growth, primarily by developing the existing business while simultaneously investing in future growth by setting up new greenfield

operations. ING reinforced its position as the leading pension provider in the region. In particular, the Polish pension fund enhanced its client base significantly. The number of new product launches in Central Europe more than tripled from 8 in 2005 to 30 in 2006. In Bulgaria, a new life company was launched.

Looking ahead

In the Netherlands, NN aims to confirm its position as number one financial services provider for the intermediary by focusing in particular on enhancing customer satisfaction and realising net growth. Accelerating growth in Central Europe is the central theme for the years ahead. ING has applied for a licence for a life insurance company in Russia and expects to sell its first products by mid-2007. It will also enter the voluntary pension market in Romania in 2007, when the market is expected to open.

Insurance continued

Insurance Americas

"Insurance Americas recorded solid growth by meeting customers' needs with high-quality products and good service, delivered through multiple distribution channels."

Tom McInerney, Executive Board member responsible for Insurance Americas

Profit and loss account (underlying)

in EUR million	2006	2005	change
Premium income	24,118	22,693	6.3%
Operating expenses	2,490	2,380	4.6%
Underlying profit before tax	1,992	1,979	0.7%
Total profit before tax*	1,992	1,941	2.6%

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

In 2006, ING Insurance Americas achieved a record profit for the fourth consecutive year. Although business conditions were challenging, strong growth in United States Retirement Services and Annuities helped produce an improved result.

Underlying profit before tax for Insurance Americas increased 0.7% to EUR 1,992 million in a rising interest rate environment which resulted in investment-related losses on fixed-income investments as bonds were traded to reposition the portfolio.

Premium income at Insurance Americas showed continued growth in 2006, rising 6.3% to EUR 24,118 million and driven by higher premium from both life and non-life businesses in the region: life premium income increased 6.2% to EUR 19,816 million whilst non-life premium increased 6.5% to EUR 4,302 million in 2006.

Operating expenses increased 4.6% to EUR 2,490 million, primarily due to normal business growth and an increase in the number of sales agents in the competitive pension business in Mexico. Insurance Americas remained focused on profitable growth and value creation with embedded value profit tripling to EUR 546 million, largely driven by strong equity markets.

Growth in the US and Canada

A major strategic realignment of US Financial Services was announced to enable the businesses to better harness the strong growth opportunities arising from the large number of baby boomers approaching retirement. Retirement Services and

\$ 300 million



The City of San Jose in California put its retirement services plan for employees out to bid in 2006, seeking to reap the benefits of having a single provider. The City had previously used multiple providers, as many large cities and states do. ING's established relationship with the City since 1982 and our proven capabilities in financial services led to ING winning the bid. San Jose added USD 300 million new assets to the USD 200 million we already manage for the City.

Annuities were brought together in a new Wealth Management division. United States Individual Life, Group Life and Group Reinsurance businesses were combined in the US Insurance division to better leverage risk management skills across the United States. ING Canada remains the number one property & casualty insurer in Canada in both premiums and profits.

Customer centricity

A major advertising campaign '*Your future. Made easier.*' began early in the year, designed to draw attention to the considerable initiatives ING has undertaken to make insurance, saving, investing and managing money easier. The campaign was in response to consumer research, which showed that Americans wanted the process of managing their money to be made simpler.

Execution/operational efficiency

The United States completed its first full year using the Six Sigma methodology to better meet customer needs and improve efficiency. Mexico began its Six Sigma efforts in 2006 and has already seen improvement in its claims processing.

Looking ahead

Meeting the growing financial needs of the ageing baby boomer generation in the Americas will provide an unprecedented opportunity for ING, which has the products, services and expertise to grow retirement assets and to provide guaranteed lifetime incomes. ING remains committed to allocating resources to businesses that provide the best long-term sustainable growth potential in the region.

Insurance Asia/Pacific

"Over half the world's population lives in the Asia/Pacific region. That suggests huge growth potential. Distribution is key in reaching that large market segment."

Hans van der Noordaa, Executive Board member responsible for Insurance Asia/Pacific

Profit and loss account (underlying)

in EUR million	2006	2005	change
Premium income	12,136	12,286	-1.2%
Operating expenses	965	864	11.7%
Underlying profit before tax	621	447	38.9%
Total profit before tax*	636	478	33.0%

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

Insurance Asia/Pacific continued to deliver strong results in 2006, largely assisted by strong profit growth in South Korea and Japan. The Asia/Pacific region accounts for almost half of the Group's total value of new business.

Underlying profit before tax from Insurance Asia/Pacific increased 38.9% to EUR 621 million, driven by South Korea (+44.5%) and Japan (+110.8%). Total underlying premiums decreased slightly to EUR 12,136 million, as higher income in Australia, South Korea and Taiwan were offset by lower single-premium variable annuity (SPVA) sales in Japan. Underlying operating expenses increased 11.7% to EUR 965 million, reflecting the increase in business volumes, the focus on building organisational capabilities and investing in greenfield operations. Assets under management increased by 21.2%, reaching EUR 84.2 billion by year-end 2006.

Leveraging the core businesses

ING continued to focus on bolstering its existing businesses in particular by strengthening its multiple distribution channels, introducing new, more profitable products and increasing operational efficiency.

ING sells its life insurance products in the region through tied agents, banks, securities houses and alternative channels. Tied agents contribute the majority of the life insurance sales. The number of tied agents continued to grow and in India there was a more than 40% rise in their number to over 26,000 in 2006. In line with customers' preferences, the design of products has shifted towards more simple and channel-specific products.



Up to 45% of Australian adults with financial dependants have no life insurance cover. ING's solution is OneCare. This product provides a comprehensive range of insurance options under one policy so customers can select a package to suit their circumstances. OneCare offers discounts based on the number of options, length of time and number of colleagues or family members under the same policy. In 2006, OneCare increased sales by over 70%.

70%

In Australia, our OneCare flexible life risk package increased sales by over 70%. On an operational level, regional roll-outs of straight-through processes have begun along with a large number of efficiency projects.

Growth opportunities abound

Growth in life insurance in Asia is expected to outperform the rest of the world in the next ten years. At the same time, national regulators have introduced or are introducing regulations to encourage people to save for their financial future to relieve pressure on the public purse as more people approach pension age. All of this creates substantial opportunities for ING, which enjoys leading positions in both life insurance and pensions. In addition, the move away from guaranteed (fixed income) products to investment-linked (unit-linked) products and a significant rise in distribution through banks and alternative channels

have opened up opportunities for ING, as we have expertise and experience in both these areas.

Looking ahead

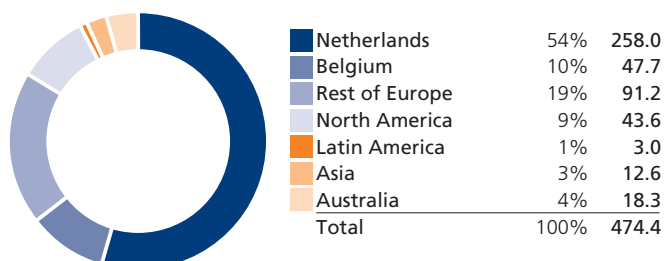
Insurance Asia/Pacific will continue to pursue profitable growth in its existing markets by growing and leveraging its core businesses. This involves strengthening distribution channels, launching more profitable products, expanding organisational capabilities, increasing operational efficiency and enhancing brand awareness.

Banking

Banking overview

Banking activities achieved good results for ING. Our focus on clients, value creation and containing costs has resulted in healthy profit growth.

Distribution of loans and advances
in EUR billion



2006 was another good year for our banking activities. Underlying profit before tax rose 11.4% to EUR 5,072 million. Demand for mortgages, savings and real estate benefited ING. The environment was challenging with strong volume growth largely offset by lower interest rates, a flat yield curve and market volatility at historic lows. ING has adapted to a changing market, which can be characterised by increasing customer freedom and the growing importance of developing markets.

Because consumers increasingly want to determine their own financial choices, we have simplified our products, services and channels. We continue to focus on our mature markets and our growth markets, especially in Central Europe and Asia, to capture future growth. All of our banking activities contributed to profit growth. Wholesale Banking, our biggest contributor, offers a full range of products to companies and institutions. Real estate activities continue to benefit from a rising market. In Retail Banking, the focus on customers and product simplicity are paying off. Private banking services are growing, especially in Belgium and Asia. ING Direct, the world's leading direct bank, continues to attract customers in mature markets.

Looking ahead

We believe in the growth potential of our businesses. We will continue to adapt products and services and ensure that our reputation and exemplary customer service are maintained. We can create further growth by focusing on our customers, investing selectively, seeking out the best business opportunities, and reducing costs where possible.



Award winning

"I was very drawn to the marketing campaigns of ING Bank Slaski and the wide range of products and services it offers me as a small-business customer."

Agustin Egurrola, owner, choreographer and dance teacher at the Egurrola Dance Studio, Warsaw, Poland.



In 2006, ING Bank Slaski in Poland won several prestigious advertising and marketing awards. They were in recognition of both the effectiveness and creativity of its promotional campaigns for savings accounts and electronic banking. ING's brand recognition and market share in Poland has grown substantially, because of these campaigns.

Wholesale Banking

"By developing a truly relationship-driven business model we have intensified our client focus and we have clearly defined and targeted our core market and product strengths in an increasingly competitive environment."

Eric Boyer de la Giroday, Executive Board member responsible for Wholesale Banking

Profit and loss account* (underlying)

in EUR million	2006	2005	change
Total income	5,804	5,406	7.4%
Operating expenses	3,400	3,234	5.1%
Additions to loan loss provisions	-121	-127	
Underlying profit before tax	2,525	2,299	9.8%
Total profit before tax**	2,481	2,599	-4.5%

* These numbers include the result from ING Real Estate, which reports to Wholesale Banking. ING Real Estate is also discussed in the chapter on Asset management.

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

In 2006, Wholesale Banking did well in a challenging business climate by focusing on clients' interests, capitalising on cross-selling opportunities and managing for greater value. ING invested selectively to ensure future growth, sold underperforming business units, sought out opportunities for profitable growth and closed several landmark deals. The real estate activities also continued to grow rapidly.

Wholesale Banking achieved good results in 2006, delivering profitable growth. Underlying profit grew, as strong income growth more than offset higher expenses. Underlying profit before tax increased 9.8% to EUR 2,525 million, driven by higher profit in General Lending and Payments and Cash Management, Leasing and Factoring, as well as in ING Real Estate. Structured Finance continued to perform strongly. The Financial Markets result was down due to challenging yield curves and historic low market volatility. Underlying operating expenses rose 5.1% to EUR 3,400 million due to non-recurring cost items such as compliance. The after-tax Risk-Adjusted Return On Capital continued to improve to 20.6%, also driven by higher returns from ING Real Estate.

Focus on clients and costs

Wholesale Banking continued its efforts to strengthen client relationships, contain costs and optimise capital allocation, helping increase returns in a highly competitive market. In line with the new client coverage model, the focus has been on solution selling, i.e. structured finance and other high-value products. ING

€ 4.35 billion



Private equity firms Cinven and Warburg Pincus turned to ING when they set out to create the largest cable operator in the Netherlands. Building on its knowledge of the Dutch market, ING arranged for EUR 4.35 billion in financing and helped the consortium acquire Casema and Essent Kabelcom in almost simultaneous competitive auctions.

increased its market share in asset-based lending in our core markets in both the corporate and mid-corporate segments.

Finding opportunities

ING also completed a number of top deals that underscore our wide array of banking products and geographical reach. We continued to be a leading player in leveraged finance, with a focus on 'originate to distribute' and maintaining quality risk monitoring. ING Real Estate has had another year of rapid expansion, in large part due to inflows of third-party money and a strong improvement in the development business. The portfolio of ING Real Estate, the world's largest real estate investment manager by assets under management, increased by 29.8% to EUR 90.7 billion. Growth was driven by strong investor demand for property funds and the takeover of Summit Real Estate Investment Trust in Canada.

Investing for growth

ING has been reallocating capital and investing selectively in order to secure and grow the revenue base. Capital was freed up by selling Williams de Broë and Deutsche Hypothekenbank. In 2006, we invested in our existing core products and in new products that meet the needs of our clients and will contribute to future growth. ING Wholesale Banking made good progress in implementing the Group compliance policy in all regions.

Looking ahead

Wholesale Banking will continue developing a truly relationship-driven business, identifying and executing cross-selling opportunities and remaining vigilant in keeping costs under control. We seek to invest for profitable growth, to improve our business support functions, and to strive to find new ways of maximising value creation.

Banking continued

Retail Banking

“Retail Banking is aiming for profitable growth in both mature and developing markets by focusing on our customers, simplifying products and reducing costs.”

Eli Leenaars, Executive Board member responsible for Retail Banking

Profit and loss account (underlying)

in EUR million	2006	2005	change
Total income	6,002	5,734	4.7%
Operating expenses	3,930	3,829	2.6%
Additions to loan loss provisions	140	90	
Underlying profit before tax	1,932	1,815	6.4%
Total profit before tax*	1,932	1,877	2.9%

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

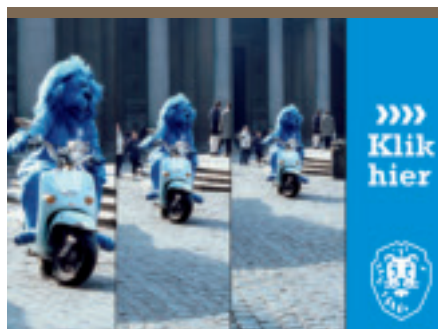
Retail Banking had another good year, despite flattening yield curves and lower interest rates, thanks to growth in core products, such as savings and mortgages, direct distribution, cost control and process improvement. ING has a leading position in its retail home markets and is well positioned in Central Europe and Asia where it is investing in growth.

Underlying profit before tax from Retail Banking in 2006 gained 6.4% to EUR 1,932 million, due especially to volume growth in savings and mortgages. Total underlying income rose 4.7% to EUR 6,002 million. Underlying operating expenses rose 2.6% to EUR 3,930 million.

Meeting customer needs

The Netherlands and Belgium are ING's attractive wealth accumulation markets. In 2006, we strengthened our presence, thanks to a combination of increased sales in our core products savings and mortgages, rationalisation of products and processes, customer satisfaction and cost leadership.

In the Netherlands, Postbank has grown to 2.7 million on-line customers and the internet now accounts for nearly 50% of its sales, excluding mortgages. The introduction of innovative products, such as a budget mortgage, has helped to attract new customers and to increase our market share. Postbank has received the highest customer satisfaction levels in a national survey. ING Bank has expanded its branch network and launched initiatives for small and medium-sized enterprises, such as the Small Business Facility. In Belgium,



In 2006, Postbank launched a loyalty programme called 'interest points' to reward customers who keep their savings in their account for longer periods of time. Participants get free 'interest points' as well as interest. With 'interest points,' customers can buy products in the Postbank 'Savings Shop'. Less than a year after its launch, the programme has exceeded all expectations.

Loyalty

ING Belgium and Record Bank remain key players, adding more than 50,000 clients. Products, processes and sales have been simplified in Belgium to control costs.

Well positioned in developing markets

In Poland, ING Bank Slaski is reaping the benefits of its increased marketing efforts and is expanding its distribution network. In Romania the number of Self'Bank outlets has grown to 110 serving 274,000 clients. In India, ING Vysya Bank now has 1.5 million retail customers, giving us a good starting position in a market with enormous growth potential. ING also holds a 19.9% stake in the Bank of Beijing, China's second-largest city commercial bank.

Improving cost efficiency, compliance

ING signed agreements with a number of different companies in 2006 to outsource several activities in the Netherlands, Belgium and Poland. The efficiency programmes are

expected to produce annual savings of EUR 230 million, mainly related to retail banking, starting in 2008. In 2006, Postbank and ING Bank carried out a project to ensure compliance with a law concerning client identification.

ING Private Banking continued to grow rapidly in 2006 with both assets and revenues increasing over the year, benefiting from continued private wealth creation worldwide and the consequent increase in demand for private banking services.

Looking ahead

The ambition for ING's retail banking activities in 2007 is to continue with sustainable and profitable growth in mature markets, and to expand market share and profit in selected developing markets and private banking. We will continue focusing on simplification, customer centricity and cost leadership.

ING Direct

"ING Direct is leading the transformation of direct banking thanks to our customers who again reported high levels of satisfaction and gave us more of their business. Brand awareness, a key competitive strength, increased further."

Dick Harryvan, Executive Board member responsible for ING Direct

Profit and loss account* (underlying)

in EUR million	2006	2005	change
Total income	2,396	2,119	13.1%
Operating expenses	1,598	1,396	14.5%
Additions to loan loss provisions	81	106	
Underlying profit before tax	717	617	16.2%
Total profit before tax**	694	617	12.5%

* Including ING Card

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

In its 10 years of business, ING Direct has seen its direct banking blossom into a mass market business of substantial scale. ING Direct has grown through the delivery of its effective formula: selling a limited number of simple banking products at very low costs to retail customers in nine major developed markets. Core products include savings and mortgages. With 17.5 million customers, ING Direct is the world's leading direct bank.

In 2006, ING Direct showed a robust profit performance in a challenging interest rate environment with rising short-term interest rates, a flattening yield curve and increased competition. Underlying profit before tax rose 16.2% to EUR 717 million. This increase was driven by the continued growth in clients and assets under management. By focusing on growth in mortgages and other products, ING Direct was able to maintain a satisfactory interest rate margin. Total underlying income gained 13.1% in 2006, to EUR 2,396 million. Total operating expenses at ING Direct increased 14.5% to EUR 1,598 million, reflecting the investments that have been made to support long-term value creation.

ING Direct differentiates itself from other banks through four key principles: the customer experience, excellent customer service and satisfaction; simplicity and transparency, ensuring simplicity in all the products, processes, services and systems; a low-cost operating model, which is fundamental to continue offering customers value for money; and the 'fleet of companies concept,' which gives each company the ability to capitalise on local market opportunities while benefiting from each other's experience.

2% discount



ING Direct Spain's Payment Account, launched in September 2005, registered 60,000 customers and EUR 120 million in funds entrusted in just a year, well exceeding expectations. These customers have saved more than EUR 6 million in fees because ING does not charge for various banking services. Moreover, they also benefit from a 2% monthly discount on their bills for electricity, gas, telephone, mobile and internet use.

Leading the transformation of direct banking

ING Direct is the leading direct bank in all nine countries in which it operates: Australia, France, Germany, Austria, Italy, Spain, the UK, Canada and the US. In 2006, it maintained high levels of customer satisfaction and achieved a further increase in brand awareness – two key value drivers. In 2006, ING Direct recorded almost three million new customers. Total funds entrusted grew to EUR 195.9 billion from EUR 188 billion a year earlier. The residential mortgage portfolio reached EUR 69.0 billion, compared with EUR 53.0 billion in 2005.

Achievements

ING Direct celebrated several key achievements in 2006. The UK became profitable in the third year of operations and added mortgages to its product offering. In the US, Chicago and Atlanta were added to the ING Direct footprint. Payment accounts were launched

successfully in the US. Total own-originated mortgages production reached a record EUR 20 billion in 2006.

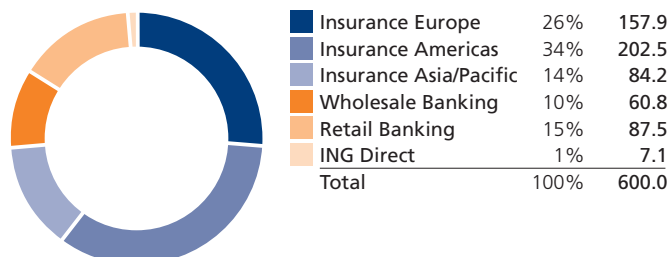
Looking ahead

ING Direct will continue to create value for its customers by ensuring simplicity in all its products, processes, services and systems. Future growth will come from three sources: increased savings growth in countries where the business is already active, geographic expansion, and serving a broader range of customer needs. At maturity, ING Direct will have a narrow range of simple products in each product category with substantial scale, efficiency and profitability. Moving forward, ING Direct's four key principles will be preserved.

Asset management

Performance improved because of ING's continued focus on a global offering of products and services that meet the needs of our clients.

Assets under management, by business line
in EUR billion



ING's asset management activities enjoyed another strong year. A healthy increase in assets under management reaffirmed ING's position as a leading manager of assets globally. All business lines contributed to these results.

Assets under management increased 9.6% to EUR 600 billion in 2006. The increase was driven by a sound net inflow of EUR 43.8 billion as well as EUR 33.7 billion from stock market developments. Exchange rates had a negative impact of EUR 31.8 billion, mainly due to the decline of the US dollar.

ING Real Estate's total portfolio increased 29.8% to EUR 90.7 billion (including the finance portfolio), driven mainly by inflows of third-party money. Pre-tax profit at ING Real Estate grew 80.8% to EUR 631 million. The finance and investment management portfolios increased, and the results of development were driven by the successful sale of retail and office projects, notably in Spain and the Netherlands. For the third consecutive year, ING Real Estate topped the global ranking of real estate investment managers.

Sound performance at ING IM

ING Investment Management (ING IM) is the principal asset manager of ING and with EUR 369 billion in assets under management at the end of 2006, one of the world's top-25 asset managers. ING IM delivered a sound investment performance in 2006. On a three-year basis, 63% of the assets performed above the median of our peers. ING has also benefited from close cooperation between the three regions: Americas, Asia/Pacific and Europe

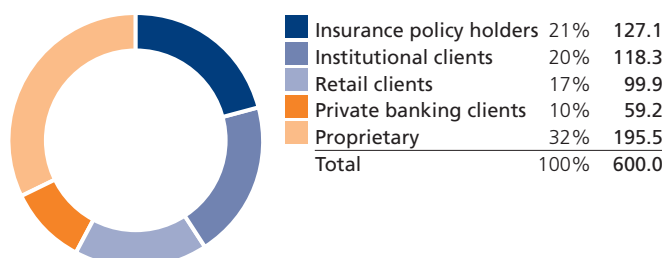


My Pension

"Thanks to the experience of the people of ING Investment Management, our employees will have accumulated enough capital by the time they retire."
Cor Scholten, chairman of display manufacturer Smurfit Kappa's Dutch pension fund.

ING Investment Management launched the 'My Pension' product, mijnpensioen.ingim.nl in 2006. It gives employees the choice between self-managing their pensions or leaving it to the experts at ING IM, based on the LifeCycle Mix concept. Through LifeCycle Mix, the investment portfolio is regularly rebalanced with less risk as retirement approaches.

Assets under management, by client category
in EUR billion



reflecting our global strategy to leverage global investment capabilities into regional opportunities that appeal to customers. This is evidenced in the sale of EUR 1.1 billion of the US senior bank loan strategy in Europe.

ING IM has profited from its extensive global proprietary business, which provides scale and growth opportunities to leverage into third-party business. ING IM also continues to develop its Alternative Assets business, with capabilities in private equity and hedge funds. In Europe, we experienced strong growth thanks to our own distribution networks, third-party distribution channels and a growing range of products and services. In the Netherlands, for example, we launched our first absolute return fund and attracted EUR 305 million of inflows in a highly competitive market. It was the most successful fund introduction in the Netherlands.

In the Americas, ING IM is expanding its traditional product range into customer centric solutions, including asset allocation and portable alpha strategies. In the US, we have rebuilt our sales force with an emphasis on derivatives and capital markets expertise to compete in the increasingly complex pensions market, launching several structured vehicles totalling EUR 900 million and a closed-end fund totalling EUR 400 million. In Asia/Pacific, the focus is on increasing ING's presence in existing markets, including the fast growing markets of China and India. The acquisition of ABN AMRO's domestic asset management business in Taiwan added EUR 2.4 billion to assets under management.

€ 2.3 billion



In October 2006, ING Real Estate successfully bid for Summit REIT, the largest owner of industrial real estate in Canada with a EUR 2.3 billion portfolio. This public-to-private transaction provided ING Real Estate clients with access to a high-quality portfolio and management team in a mature market.

Sharp improvement at ING Real Estate

ING Real Estate saw another year of strong growth due to an unrelenting appetite for property funds among investors and a wide global platform from which to meet this demand. The assets under management of the global real estate securities business doubled to EUR 15 billion. Across the whole fund range, investment performance was very good with 75% of assets under management outperforming the benchmark.

In 2006, ING Real Estate opened new offices in Stockholm, Tokyo and Los Angeles to further strengthen the global platform. ING Real Estate also grew through new products such as the ING Real Estate China Opportunity Fund, which attracted both institutional investors and high-net-worth individuals across the three regions.

The Development division returned to profit after a string of sales, including the 52-storey New York Times Tower project in New York. In 2007, ING Real Estate will focus on maintaining its growth momentum. Cross-border business will be emphasised as the real estate market is globalising and clients seek out cross-border investment products and services.

Rapid growth at Private Banking

ING Private Banking, which caters to high-net-worth individuals, is aiming to become a top-20 private bank measured by assets under management. In 2006, assets under management increased 16.8% to EUR 59.2 billion due to continued private wealth creation worldwide and the increased demand for private banking services. Further growth is expected to come from both mature and developing markets, driven mainly by Belgium and Asia.

Our people

We will continue to invest in human capital to realise the full potential of our employees and to enhance corporate performance.

Number of employees by business line

Year-end FTEs	2006	
Insurance Europe	15,126	13%
Insurance Americas	28,778	24%
Insurance Asia/Pacific	10,487	9%
Wholesale Banking	20,605	17%
Retail Banking	37,113	31%
ING Direct	7,638	6%
Other	54	
Total	119,801	100%

Since launching a new performance culture strategy in 2004, ING has continued to roll out initiatives to boost employee performance and the results have been very positive.

During 2006, business units became more responsible for the management of their human resources and performance assessment was more closely linked to the achievement of business goals.

Effective communication was the key in this process. *Live ING*, a learning programme, which explains ING's objectives and strategic goals, continued. ING's six business lines are now implementing *Live ING* within their induction programmes.

The Chairman and senior management continued their direct communication with employees through staff presentations in all ING regions. The Chairman, for his part, continued his quarterly emails to all staff and also established a special intranet site in which, among other things, he answered employee questions in a 'question and answer' format.

Human capital management

During the year, we launched the ING Global Employer Brand. This aims to give the company a stronger brand image in the international talent market. It defines the profile of our future leaders and the benefits of working for ING.

Building strong leaders on all business levels is the key to our current and future success. We enhanced our leadership by raising the bar on compliance and the ability to energise, decide and execute;



ING's first International Graduate Programme was attended by 137 recently hired staff, who had shown leadership potential. The three-week course was designed to familiarise graduates with ING's culture, strategy and senior management. The programme provided opportunities for participants to build cross-business, international networks that are vital for their career.

Class of '06

criteria against which we screen and evaluate senior leaders.

ING launched its first International Graduate Programme – a talent development programme for young, recently hired graduates with leadership potential. The aim is to further develop a pool of future leaders. We continued our annual talent review cycle and implemented succession planning for our top-200 positions.

Growth and value creation remain the key elements of ING's strategy. The ING Business School continued the Managing for Value workshops, which will remain part of the curriculum in 2007. Customer centricity, one of our key objectives, is the key theme in the Lean/Six Sigma workshop, which equips management with the skills required for lifting quality and service.

Diversity

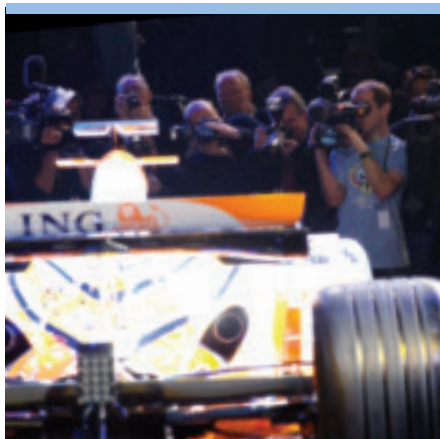
ING has a broad customer base worldwide. Our efforts to broaden the staff base to match this customer diversity were recognised when the company was awarded the 2006 Diversity Award in the Netherlands. ING intends to continue recruiting people from a wide variety of different backgrounds.

Looking ahead

We will continue to strengthen our human resources initiatives with a sharper focus on performance. All initiatives must closely align to business needs and all short-term achievements contribute to long-term strategy. A further improvement in our performance culture is very much the focus in managing our human resources.

Our brand

ING around the globe is increasingly coming under a single brand as major streamlining work continues and performance is tracked against brand values.



ING's first global sponsorship deal formally began in January 2007 with the unveiling of the ING Renault F1 racing car in Amsterdam. ING announced, in October 2006, it had secured a three-year title sponsorship agreement with the highly successful Renault F1 Team, beginning in the 2007 race season. The sponsorship will give ING year-long global exposure.

Brand awareness and the understanding of ING's brand values continue to rise. ING is now a truly global brand as measured by Interbrand global 100, which ranks ING 85th among the top 100 worldwide brands. Nevertheless, we aim to bring brand awareness in line with ING's business profile as the world's 13th largest company (Fortune 500, 2006) with a client base of 60 million people in over 50 countries. This is one of the reasons why ING decided to make a major investment in the ING brand with the three year sponsorship of the Renault Formula One (F1) team.

Brand is a competitive strength

As ING brand awareness rises, so too does the brand expectations of customers and other stakeholders. It is therefore crucial that alongside increasing brand awareness, performance of the businesses against ING's core brand attributes also continues to improve. It is very important that any gap which exists between brand promises and the customer's actual experience is minimised.

To this end, in 2006 branding was built into ING's formal planning cycle. The Executive Board and each of the business lines first reviews its performance over the previous year against the brand attributes and then develops its own 'customer-centric' action plan, designed to adapt business processes and practices to further improve performance in the upcoming year. To monitor progress, central tracking of the performance of each business line against core brand attributes has been introduced, using independent market research.

Towards one brand

A process of streamlining the brand architecture, so that all ING businesses around the world increasingly come under the single ING brand, has been underway for some years. Marketing and advertising campaigns will continue to be developed by individual business lines at the local level. As well, ING will commence rolling out a global branding campaign, a first for the company.

This streamlining process will also involve business units adopting a more consistent visual identity that shares the ING lion logo.

Furthermore, the objective of campaigns is to not simply raise brand awareness, but to increase people's understanding of what ING does and what the ING brand stands for.

Formula One sponsorship: a key brand building block

Extensive research showed F1 to be ING's best platform for a global brand campaign. F1 has huge reach, with high quality, year-long global viewing figures exceeding 850 million live viewers. Grand Prix races take place in 17 countries, of which ING is active in 15. The sponsorship will strengthen ING's presence in key markets, and help the company reach new ones.

With the F1 campaign, ING is taking the next step in developing its global brand. The global F1 campaign is intended to be a key element both in the process of bringing ING increasingly under a single brand and in the on-going effort to increase brand awareness and understanding.

Corporate responsibility

ING continuously analyses and reviews its role in international society and aligns its business strategy accordingly.

CO₂ neutral



Taking responsibility for the impact we have on the environment is important to ING. We plan to match our commitment with action. ING is aiming for carbon neutrality, or net zero CO₂ emissions by the end of 2007. This entails reducing our overall energy use and buying more 'green' electricity. Any remaining CO₂ emissions by year-end 2007 will be compensated through reforestation.

ING wants to pursue profit on the basis of sound business ethics and respect for its stakeholders, as they expect us to act ethically. ING is increasingly embedding corporate responsibility practices into its daily business activities.

Responsible insurance

Customers' trust is important to ING's legitimacy. Many of our financial products and services, such as mortgages and life insurance, cover a long period of time. To earn that trust, our information needs to be thorough, accurate and easy to understand.

ING is committed to providing sustainable retirement solutions. To this end, we have entered a research partnership with the World Bank and the OECD on privatised pension systems in developing and transitional economies. First results of the partnership are expected in late 2007.

Responsible banking

We use Environmental and Social Risk Policies to ensure that companies that request financing are not involved in areas incompatible with ING's environmental, social or ethical values.

The Equator Principles, a financial industry benchmark for managing environmental and social risk in project finance, apply to all project financings over USD 10 million.

ING feels a special responsibility towards providing people in developing countries access to financial products and services through microfinance, which also offers new market opportunities. In India, for example, ING Vysya's rural offices issue credit and savings products to women and provide wholesale credit to microfinance institutions.

Responsible asset management

ING has EUR 600 billion in assets under management, of which EUR 195.5 billion are proprietary assets. We have a duty to invest these assets in a responsible manner. ING's global voting policy governs how ING exercises all its voting rights for third-party and proprietary assets worldwide.

The annual screening of companies directly involved in controversial weapons resulted in several companies being removed from ING IM's proprietary portfolio.

Community development

ING Chances for Children is a company-wide programme aimed at giving children in Brazil, Ethiopia and India access to primary education. In 2006, we raised enough funds for the education of some 52,000 children for one year. Our target for 2007 is to help 115,000 children.

Environment

ING focuses on the three areas that have the greatest direct impact on the environment – energy, paper and business travel. Business units are encouraged to take responsibility at the local level. In 2007, ING will go 'carbon neutral'. In 2006, ING met its target to reduce carbon emission levels by 30% compared with 2005 levels.

ING financed the construction and operation of a carbon emissions distribution network from a refinery to greenhouses. It required an investment of EUR 70 million, realising a carbon emissions reduction of 170,000 tonnes.

Looking ahead

In 2007 ING will continue to develop and strengthen its corporate responsibility strategy. We remain focused on responsible business practices, further embedding corporate responsibility within business units, and monitoring the environmental impact of our business operations.

Corporate governance

ING is committed to achieving best practices in all corporate governance matters and encouraging shareholders to take part in shareholders' meetings.

ING.com



ING renewed its website www.ing.com, making it an improved resource for information on ING. The most striking change is the new top bar; it makes the site look brighter and more transparent. Navigation has also improved significantly thanks to new drop-down menus at the top of the page. A special section is devoted to the annual Shareholders' Meeting. The site gives extensive information about ING's corporate governance. For users of PDAs and smartphones with internet access ING developed www.ing.mobi

Recent developments

During 2006, ING worked on new provisions arising from legislative changes, which will give investors a greater opportunity to participate in shareholders' meetings. Under the new legislation, it will now be possible to set the record date for shareholders' meetings 30 days (rather than seven days as it used to be) before the meeting. This enables companies to be better prepared for the meeting and clarifies for shareholders at an earlier date the number of shares they can vote with. ING will apply the new ruling for the 2007 General Meeting of Shareholders.

Under new legislation shareholders' meetings will become more accessible, particularly for institutional investors abroad who can access videoconferencing facilities. Companies will also be able to notify shareholders of meetings via their website or by e-mail instead of by newspaper advertisements. These changes are subject to amendment of the articles of association, which will be tabled for ING's 2007 Shareholders' Meeting.

As of this year, questions about the items on the agenda of the Shareholders' Meeting may be submitted on www.ing.com, which will be answered on the website.

In compliance with the Dutch Corporate Governance Code

In its corporate governance structure and its corporate governance practices,

ING Group uses the Dutch Corporate Governance Code (Tabaksblat Code) as reference. The ING Group corporate governance structure described in the document, entitled 'The Dutch Corporate Governance Code – ING's implementation of the Tabaksblat Code for good corporate governance' was approved by the General Meeting of Shareholders on 26 April 2005. As a result, ING Group is considered to be in full compliance with the Tabaksblat Code, although it does not apply all best-practice provisions of the Code in full. The document is available on the website of ING Group (www.ing.com) and has been extended with an update of ING's implementation of the Tabaksblat Code since 2005.

Capital structure, shares

The authorised capital of ING Group consists of ordinary shares, preference A shares, five series of preference B shares and cumulative preference shares. Currently, only ordinary and preference A shares are issued, while a right to acquire cumulative preference shares has been granted to the ING Continuity Foundation. The purpose of the cumulative preference shares is to protect the independence, the continuity and the identity of the company against the acquisition of control by third parties, including hostile takeovers. The ordinary shares and the preference shares are used solely for funding purposes. The shares, which are all registered shares, are not listed on a stock exchange.

Depository receipts

Over 99% of the issued ordinary and preference A shares are held by the ING Trust Office. The Trust Office issues bearer depository receipts in exchange for these shares. The depository receipts are listed on several stock exchanges (see page 32 for an overview).

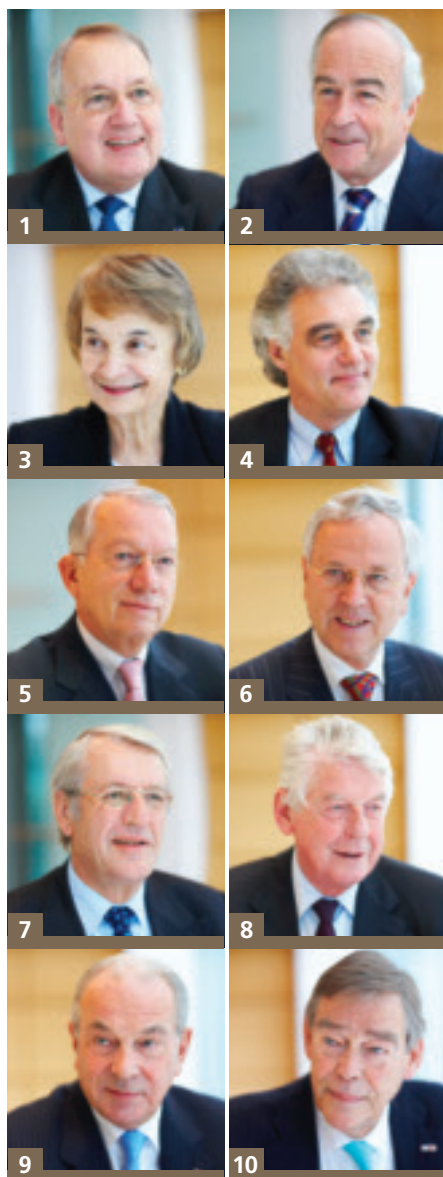
Voting rights

Each share and depository receipt entitles the holder to cast a vote at the General Meeting of Shareholders. Each ordinary share (nominal value: EUR 0.24) gives the right to one vote, while each preference A share (nominal value: EUR 1.20) gives the right to five votes. The Trust Office votes in respect of shares for which it has not issued proxy votes to holders of depository receipts and has not received any voting instructions.

Intention to abolish ING Trust Office

It is the intention of the Executive Board and the Supervisory Board to abolish the Trust Office and depository receipts once the number of votes on ordinary shares and depository receipts for ordinary shares, including proxies at a General Meeting of Shareholders is at least 35% of the total votes that may be cast for three consecutive years. In 2005, 26% of total votes were cast and this figure increased to 28% in 2006. The Executive Board is committed to achieving the 35% requirement and will encourage depository receipt holders, particularly institutional investors, to participate in voting at the General Meeting of Shareholders.

Supervisory Board



1. Cor A.J. Herkströter

Chairman

Born 1937, appointed in 1998, Dutch nationality. Former president of Royal Dutch Petroleum Company and chairman of the Committee of Managing Directors, Royal Dutch/Shell Group. Chairman of the Supervisory Board of Royal DSM (the Netherlands).

2. Eric Bourdais de Charbonnière

Vice-chairman

Born 1939, appointed in 2004, French nationality. Former managing director of JP Morgan and Chief Financial Officer of Michelin. Chairman of the Supervisory Board of Michelin and member of the Supervisory Board of Thomson (France).

3. Luella Gross Goldberg

Born 1937, appointed in 2001, American nationality. Former member Board of Directors ReliaStar Financial Corp. Member of the Supervisory Board of TCF Financial Corporation, Hormel Foods Corporation, Communications Systems Inc. and Hector Communications Corporation (USA).

4. Paul F. van der Heijden*

Born 1949, appointed in 1995, Dutch nationality. Rector Magnificus and professor of International Law, Leiden University. Appointment also on the recommendation of the Central Works Council.

5. Claus Dieter Hoffmann*

Born 1942, appointed in 2003, German nationality. Former Chief Financial Officer Robert Bosch GmbH. Managing partner of H+H Senior Advisors, Stuttgart. Chairman of the Supervisory Board of EnBW (Germany).

6. Jan H.M. Hommen

Born 1943, appointed in 2005, Dutch nationality. Former vice-chairman and CFO of the Board of management of Royal Philips Electronics. Chairman of the Supervisory Board of Reed Elsevier and TNT. Member of the Supervisory Board of Royal Ahold (the Netherlands), until May 2007.

7. Piet C. Klaver

Born 1945, appointed in 2006, Dutch nationality. Former chairman of the Executive Board of SHV Holdings N.V.

8. Wim Kok*

Born 1938, appointed in 2003, Dutch nationality. Former Minister of Finance and Prime Minister of the Netherlands. Member of the Supervisory Board of Royal Dutch Shell and TNT (the Netherlands).

9. Godfried J.A. van der Lugt

Born 1940, appointed in 2001, Dutch nationality. Former chairman of the Executive Board of ING Group (retired in May 2000).

10. Karel Vuursteen

Born 1941, appointed in 2002, Dutch nationality. Former chairman of the Executive Board of Heineken. Member of the Supervisory Board of Akzo Nobel (the Netherlands) and Henkel (Germany).

Audit Committee

Jan Hommen, chairman
Claus Dieter Hoffmann
Wim Kok
Godfried van der Lugt

Remuneration and Nomination Committee

Cor Herkströter, chairman
Eric Bourdais de Charbonnière
Luella Gross Goldberg
Paul van der Heijden

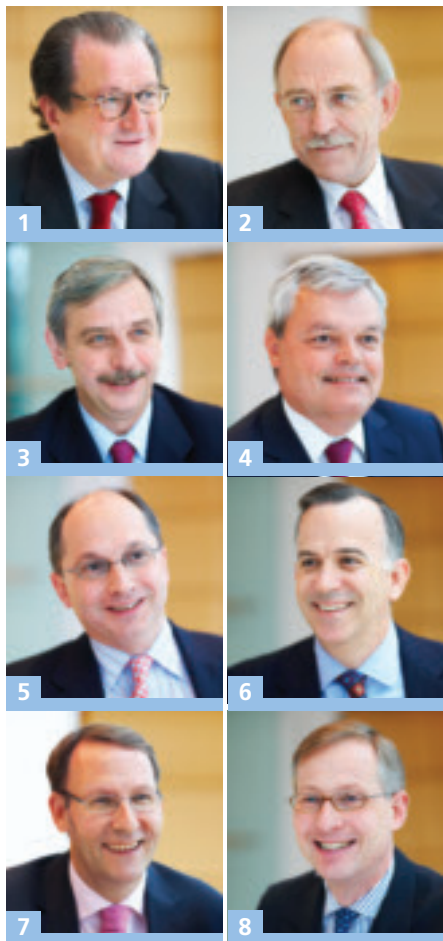
Corporate Governance Committee

Cor Herkströter, chairman
Eric Bourdais de Charbonnière
Luella Gross Goldberg
Paul van der Heijden

* Changes in the Supervisory Board

At the Shareholders' Meeting on 24 April 2007 Claus Dieter Hoffmann and Wim Kok are nominated for reappointment. Paul van der Heijden will retire after the 2007 Shareholders' Meeting. At the same meeting, three new members will be proposed for appointment: Henk Breukink (born 1950, Dutch nationality, proposed appointment as per 24 April 2007), Peter Elverding (1948, Dutch, as per 1 August 2007), Piet Hoogendoorn (1945, Dutch, as per 1 June 2007).

Executive Board



1. Michel Tilmant

Chairman

Born 1952, Belgian nationality. Michel Tilmant has been chairman of the Executive Board since April 2004. He became a member of the Executive Board in 1998 and vice-chairman in May 2000. Before joining ING, he was chairman of Bank Brussels Lambert (BBL), which was acquired by ING Group in 1998. He is responsible for strategy, human resources, communications and internal audit.

3. Eric F. Boyer de la Giroday

Born 1952, Belgian nationality. Eric Boyer de la Giroday was appointed a member of the Executive Board in April 2004. In 1984 he joined Bank Brussels Lambert. As of 1998 he held various management positions at ING in the fields of capital markets, treasury and corporate and investment banking. Eric Boyer is responsible for Wholesale Banking and ING Real Estate.

5. Eli P. Leenaars

Born 1961, Dutch nationality. Eli Leenaars was appointed a member of the Executive Board in April 2004. He joined ING in 1991. Eli Leenaars is responsible for Retail Banking (Netherlands, Belgium, South-West Europe, Poland, Romania, China and India). He is also in charge of Operations/IT, Private Banking and Corporate Operations and Information Services.

7. Hans van der Noordaa

Born 1961, Dutch nationality. Hans van der Noordaa was appointed a member of the Executive Board in April 2006. He joined ING in 1991, where he held various management positions. Hans van der Noordaa is responsible for Insurance Asia/Pacific and ING Investment Management Asia/Pacific.

2. Cees Maas*

Vice-chairman and CFO

Born 1947, Dutch nationality. Cees Maas joined ING Group and became a member of the Executive Board in 1992. In 1996 he was appointed Chief Financial Officer (CFO) and in April 2004 he also became vice-chairman of the Executive Board. Before joining ING, he was Treasurer-General at the Ministry of Finance of the Netherlands. He is responsible for finance, tax, risk management, legal and compliance.

4. Dick H. Harryvan

Born 1953, Dutch nationality. Dick Harryvan was appointed a member of the Executive Board in April 2006. He joined ING in 1979. Before his appointment to the Executive Board he was Chief Financial Officer/Chief Risk Officer and member of the Global Management Team of ING Direct. Dick Harryvan is responsible for ING Direct.

6. Tom J. McNerney

Born 1956, American nationality. Tom McNerney was appointed a member of the Executive Board in April 2006. He started his career in 1978 with Aetna Financial Services, which was acquired by ING in 2000. Tom McNerney is responsible for Insurance Americas, ING Investment Management Americas and the global coordination of ING Investment Management.

8. Jacques M. de Vaucleroy

Born 1961, Belgian nationality. Jacques de Vaucleroy was appointed a member of the Executive Board in April 2006. In 1986 he joined Bank Brussels Lambert. Following the acquisition of BBL by ING in 1998, he had several management positions in Belgium and the US. Jacques de Vaucleroy is responsible for Insurance Europe and ING Investment Management Europe.

* Changes in the Executive Board

As of the Shareholders' Meeting on 24 April 2007, Cees Maas will retire from the Executive Board. He will continue to serve ING as an advisor to the Executive Board. John Hele (born 1958, Canadian nationality) and Koos Timmermans (born 1960, Dutch nationality) are nominated for appointment to the Executive Board as of 24 April 2007 as Chief Financial Officer and Chief Risk Officer, respectively. The Shareholders' Meeting will decide on these nominations on 24 April 2007.

Remuneration

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, compensates for performance measured over multiple years and is forward-looking.

Base salary 2006

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

Short-term incentive plan 2006

The short-term incentive (STI) is for 70% based on Group financial measures (net profit, total operating expenses and return on economic capital) and for 30% based on individual performance targets. The target STI payout over 2006 was set at 100% of the individual Executive Board member's base salary. Over 2006, ING exceeded on average the three Group financial targets set, resulting in a score of 169% of target on this component. The individual performance of the Executive Board members was on average 171%, including the members who retired in 2006, Fred Hubbell, Alexander Rinnooy Kan and Hans Verkoren.

Compensation in cash of the members of the Executive Board

amounts in thousands of euros	2006	2005	2004
Michel Tilmant⁽¹⁾			
Base salary	1,289	1,289	1,250
Short-term performance-related bonus	2,299	1,520	866
Total cash compensation	3,588	2,809	2,116
Cees Maas⁽¹⁾			
Base salary	697	697	677
Short-term performance-related bonus	1,244	806	530
Total cash compensation	1,941	1,503	1,207
Eric Boyer de la Giroday⁽²⁾			
Base salary	850	850	574
Short-term performance-related bonus	1,477	945	445
Total cash compensation	2,327	1,795	1,019
Dick Harryvan⁽³⁾			
Base salary	423		
Short-term performance-related bonus	710		
Total cash compensation	1,133		
Eli Leenaars⁽²⁾			
Base salary	634	634	428
Short-term performance-related bonus	1,102	705	321
Total cash compensation	1,736	1,339	749
Tom McInerney^{(3) (4)}			
Base salary	690		
Short-term performance-related bonus	1,157		
Total cash compensation	1,847		
Hans van der Noordaa⁽³⁾			
Base salary	423		
Short-term performance-related bonus	710		
Total cash compensation	1,133		
Jacques de Vaucleroy⁽³⁾			
Base salary	423		
Short-term performance-related bonus	710		
Total cash compensation	1,133		

⁽¹⁾ The increase in base salary for Michel Tilmant and Cees Maas reflects a 10% increase effective April 2004, related to their promotions to chairman and vice-chairman, respectively.

⁽²⁾ Eric Boyer de la Giroday and Eli Leenaars were appointed to the Executive Board on 28 April 2004. The figures for these members reflect compensation earned in their capacity as Executive Board members. Thus, the figures for 2004 reflect the partial year as Executive Board members.

⁽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. Thus, the figures for 2006 reflect the partial year as Executive Board members.

⁽⁴⁾ Tom McInerney gets his compensation in US dollars. The compensation in US dollars has been translated to euros at the average exchange rate for the year.

Long-term incentive plan 2006

The target level for the 2006 long-term incentive (LTI) was set at 100% of base salary for each EB member. As the STI performance outcome over 2006 was 169%, the resulting LTI award is 134.5% of target. The number of options and performance shares is determined based on a reference price set at the end of 2006 (EUR 33.83) and a 'fair value' calculation of options and performance shares (based on an option-pricing model).

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

amounts in thousands of euros	2006	2005	2004
Michel Tilmant			
Number of options	132,163	108,200	82,600
Number of performance shares	27,650	19,300	15,000
Fair market value of long-term incentive ⁽²⁾	1,734	1,160	661
Cees Maas ⁽³⁾			
Number of options	0	58,600	51,200
Number of performance shares	0	10,500	9,300
Fair market value of long-term incentive ⁽²⁾	938	628	410
Eric Boyer de la Giroday ⁽⁴⁾			
Number of options	87,138	71,400	43,400
Number of performance shares	18,230	12,800	7,900
Fair market value of long-term incentive ⁽²⁾	1,143	765	347
Dick Harryvan ⁽⁵⁾			
Number of options	43,347		
Number of performance shares	9,069		
Fair market value of long-term incentive ⁽²⁾	569		
Eli Leenaars ⁽⁴⁾			
Number of options	65,021	53,200	32,400
Number of performance shares	13,603	9,500	5,900
Fair market value of long-term incentive ⁽²⁾	853	571	259
Tom McInerney ^{(5) (6)}			
Number of options	70,695		
Number of performance shares	14,790		
Number of conditional shares	37,633		
Fair market value of long-term incentive ⁽²⁾	2,201		
Hans van der Noordaa ⁽⁵⁾			
Number of options	43,347		
Number of performance shares	9,069		
Fair market value of long-term incentive ⁽²⁾	569		
Jacques de Vaucleroy ⁽⁵⁾			
Number of options	43,347		
Number of performance shares	9,069		
Fair market value of long-term incentive ⁽²⁾	569		

⁽¹⁾ Long-term incentives are granted in the year following the reporting year. The ratio of options to performance shares varies each year as a result of the fair value calculation and a 50/50 split in value. The vesting period for the performance shares is three years.

⁽²⁾ Fair market value of long-term incentive reflects the estimated fair market value of the long-term incentive award on the date of grant based on a fair value calculation. The valuation is calculated annually for grants made to the Executive Board members for performance over the year specified.

⁽³⁾ As a result of Mr. Maas' retirement from the Executive Board in 2007, he will receive the fair market value of his 2006 long-term incentive award in cash instead of options and performance shares.

⁽⁴⁾ Eric Boyer de la Giroday and Eli Leenaars were appointed to the Executive Board on 28 April 2004. The figures for these members reflect compensation earned in their capacity as Executive Board members.

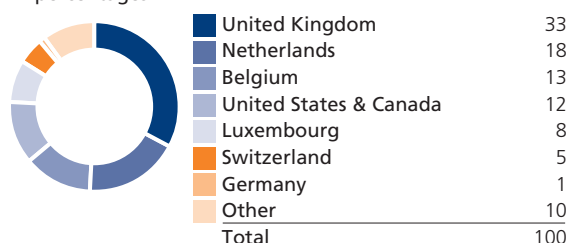
⁽⁵⁾ Dick Harryvan, Tom McInerney, Hans van der Noordaa and Jacques de Vaucleroy were appointed to the Executive Board on 25 April 2006. The figures for these members reflect compensation earned in their capacity as Executive Board members.

⁽⁶⁾ 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 and the condition being an active employment contract. The conditional shares are provided to align Tom McInerney's total remuneration with the US market practice.

Information for shareholders

The ING share is traded on six stock markets in Europe and the United States. ING's website (www.ing.com) gives detailed information about the performance of the ING share, also related to several stock market indices, up to a five-year period and as of 1997.

Geographical distribution of ING shares*
in percentages



* 2006 figures, based on information provided by several large custodians.

Dividend policy

Each year, after publication of the financial results for the first six months of the year, an interim dividend is distributed by way of an advance against the final dividend. The interim dividend is half of the total dividend over the preceding year.

In February 2005, ING defined its dividend policy as follows: ING intends to pay dividends in relation to the longer-term underlying development of cash earnings following the introduction of the International Financial Reporting Standards (IFRS), which are expected to increase volatility in net profit. Furthermore, it was decided to reduce the dilution of earnings per share even further and, therefore, ING decided to change its dividend policy to a full cash dividend starting with the 2004 final dividend (paid in May 2005). This change was very much welcomed by investors and analysts. ING has no intention to change its dividend policy.

Listings

The (depository receipts for) ordinary shares of ING Group are listed on the exchanges of Amsterdam, Brussels, Frankfurt, Paris, New York (NYSE) and the Swiss Exchanges. The (depository receipts for) preference shares and warrants B are listed on the Euronext Amsterdam Stock Market. Warrants B are also listed on the exchange of Brussels. Options on (depository receipts for) ordinary shares of ING Group are traded at the Euronext Amsterdam Derivative Markets and the Chicago Board Options Exchange.

Shareholders with stakes of 5% or more

Under the Dutch Act on the Disclosure of Major Holdings in Listed Companies, two holders of depository receipts with an interest or potential interest of between 5% and 10% in ING Group were known as at 31 December 2006. These were ABN AMRO and Fortis.

Shareholder magazine

In addition to financial press releases, ING also publishes the magazine *ING Shareholder*. You can subscribe to the magazine through the ING 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.



Annual General Meeting (AGM)

On 24 April 2007 the Annual General Meeting of Shareholders will take place in Amsterdam, in the Factory Theatre, located in the Czaar Peterstraat 213. The meeting will be webcast. The meeting documents are available on the ING Group website www.ing.com as of 20 March 2007. Printed versions of the meeting documents can be obtained free of charge at ING Groep N.V., Amstelveenseweg 500, 1081 KL Amsterdam as of 28 March 2007.

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Important dates in 2007 and 2008*

ING share quotation ex final dividend 2006
Monday, 23 April 2007 (NYSE)

Annual General Meeting of Shareholders
Tuesday, 24 April 2007, 10.30 a.m.

Record date for dividend entitlement
Wednesday, 25 April 2007 (NYSE)

ING share quotation ex final dividend 2006
Thursday, 26 April 2007 (Euronext)

Payment date final dividend 2006
Thursday, 3 May 2007 (Euronext)
Thursday, 10 May 2007 (NYSE)

Publication results Q1 2007
Wednesday, 16 May 2007, 7.30 a.m.

Publication results Q2 2007
Wednesday, 8 August 2007, 7.30 a.m.

ING share quotation ex interim dividend 2007
Thursday, 9 August 2007
(Euronext and NYSE)

Payment date interim dividend 2007
Thursday, 16 August 2007 (Euronext)
Thursday, 23 August 2007 (NYSE)

Publication results Q3 2007
Wednesday, 7 November 2007, 7.30 a.m.

Publication results Q4 2007/annual results 2007
Wednesday, 20 February 2008, 7.30 a.m.

Annual General Meeting of Shareholders
Thursday, 24 April 2008, 10.30 a.m.

ING share quotation ex final dividend 2007
Monday, 28 April 2008 (Euronext and NYSE)

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

* All dates shown are provisional.

ING publications

All ING publications are available as pdf files on ING's corporate website www.ing.com:

- Annual Review, in Dutch and English;
- Corporate Responsibility Report, in Dutch and English;
- Annual Report, in Dutch and English;
- Annual Report on Form 20-F, in English (in accordance with SEC guidelines).

The publications can be ordered on the internet: www.ing.com, 'Publications' button, by fax: +31 411 652 125, or by mail: P.O. Box 258, 5280 AG Boxtel, the Netherlands.

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Disclaimer

Certain of the statements contained in this Annual Review are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. ING assumes no obligation to update any forward-looking information contained in this document.

