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ING GROEP NV  
Form 6-K  
November 05, 2004

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For November 4, 2004

ING GROEP N.V.  
Amstelveenseweg 500  
1081-KL Amsterdam  
The Netherlands

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F                      X  
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Form 40-F                      -----

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes                      -----

No                      X  
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

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This Report contains a copy of the following:

(1) The Press Release issued on November 4, 2004

[ING GROUP LOGO]

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PRESS RELEASE  
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Amsterdam o 4 November 2004

ING GROUP OPERATING NET PROFIT RISES 33.1% IN FIRST NINE MONTHS  
SIGNIFICANT STEPS TAKEN TO MANAGE BUSINESS PORTFOLIO AND INCREASE RETURNS

- o OPERATING NET PROFIT RISES 33.1% TO EUR 4,008 MILLION
- o NET PROFIT RISES 47.6% TO EUR 4,437 MILLION (EUR 2.10 PER SHARE)
- o OPERATING NET PROFIT FROM BANKING RISES 60.4% TO EUR 1,928 MILLION
- o OPERATING NET PROFIT FROM INSURANCE RISES 14.9% TO EUR 2,080 MILLION
- o DEBT/EQUITY RATIO OF ING GROUP IMPROVES TO 11.4% FROM 14.4% AT END 2003
- o RAROC BANKING INCREASES TO 22.1%; IRR ON NEW LIFE INSURANCE BUSINESS 11.9%
- o VALUE OF NEW LIFE INSURANCE BUSINESS INCREASES 41.2% TO EUR 466 MILLION
- o THIRD-QUARTER NET PROFIT RISES 63.2% TO EUR 1,594 MILLION (EUR 0.74 PER SHARE)

CHAIRMAN'S STATEMENT

"Results in the third quarter were satisfying. Excluding one-off items, we saw a 22.1% increase in operating net profit compared with the third quarter last year," said Michel Tilmant, Chairman of the Executive Board. "Premium income showed solid growth at higher margins, resulting in an increase in the value of new business at our life insurance operations. Risk costs at the bank continued to fall and ING Direct posted a strong increase in operating profit."

"In the first nine months of this year, we have also taken important steps to actively manage our portfolio of businesses. We have sold the Asian cash equities business, our Australian non-life insurance joint venture, the Dutch health insurance business, and CenE Bankiers in the Netherlands. We reached agreements to sell our life insurance operations in Argentina and to exit the individual life reinsurance business in the U.S. We also have reached an agreement in principle about the sale of ING BHF-Bank in Germany. Last week we also announced an initial public offering of our Canadian non-life business. We expect to be able to complete this phase of our portfolio management strategy next year."

"Cash proceeds from the divestments will be used to reduce debt and further improve ING Group's debt/equity ratio, while reduced capital requirements as a result of disposals will further strengthen ING's solvency ratios. Economic capital released from under-performing or non-core units can then be reinvested to support the growth of more profitable businesses."

"Underlying profit developments of our core businesses have continued to be strong in the first nine months. We saw top-line growth in both banking and insurance, and we continue to focus on containing our operating expenses. As a result, ING remains confident about its full-year results for 2004."

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ALL FIGURES COMPARE FIRST NINE MONTHS 2004 WITH FIRST NINE MONTHS 2003 UNLESS OTHERWISE STATED

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PRESS CONFERENCE CALL: 4 November, 9:30 a.m. CET. Listen in: NL +31 45 631 6908  
UK +44 208 901 6990

ANALYST PRESENTATION: 4 November, 11:30 a.m. CET at ING House, Amsterdam.  
Presentation & webcast [www.ing.com](http://www.ing.com)

ANALYST CONFERENCE CALL: 4 November, 4 p.m. CET.  
Listen in: NL +31 45 631 6910 U.K. +44 20 8901 6959 U.S. +1 303 262 2175

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## 1.1 ING GROUP

TABLE 1. ING GROUP KEY FIGURES

In EUR million	FIRST NINE MONTHS			THIRD QUARTER	
	2004	2003	%	2004	2003
Operating profit before tax:					
- Insurance Europe	1,211	1,235	-1.9	437	437
- Insurance Americas	970	948	2.3	170	170
- Insurance Asia/Pacific	631	304	107.6	104	104
- Other	-75	-11		-32	-32
INSURANCE OPERATING PROFIT BEFORE TAX	2,737	2,476	10.5	679	679
- Wholesale Banking	1,689	1,126	50.0	519	519
- Retail Banking	1,008	718	40.4	330	330
- ING Direct	320	93	244.1	117	117
- Other	-158	-88		-87	-87
BANKING OPERATING PROFIT BEFORE TAX	2,859	1,849	54.6	879	879
TOTAL OPERATING PROFIT BEFORE TAX	5,596	4,325	29.4	1,558	1,558
Taxation	1,378	1,081	27.5	278	278
Third-party interests	210	232	-9.5	68	68
OPERATING NET PROFIT*	4,008	3,012	33.1	1,212	1,212
- of which Insurance	2,080	1,810	14.9	611	611
- of which Banking	1,928	1,202	60.4	601	601

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Capital gains/neg. value adjustment shares	429	-5		382	
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NET PROFIT	4,437	3,007	47.6	1,594	9
NET PROFIT PER SHARE (in EUR)	2.10	1.50	40.0	0.74	0.
KEY FIGURES					
Operating net return on equity**	23.2%	21.5%			
Debt/equity ratio***	11.4%	14.4%			
Total staff (average FTEs)	113,200	115,400	-1.9		

### PROFIT FIRST NINE MONTHS

Operating net profit rose 33.1% to EUR 4,008 million in the first nine months of 2004, led by strong increases at ING's three banking business lines, as a result of a sharp decline in risk costs and higher income. The insurance operations also posted a solid increase, driven by Insurance Asia/Pacific, while profit growth from Insurance Americas was largely offset by a charge at the individual life reinsurance business in the U.S., which ING is exiting. Total operating net profit excluding one-off items increased 34.1% to EUR 3,795 million from EUR 2,830 million.

Net profit rose 47.6% to EUR 4,437 million, lifted by EUR 429 million in realised capital gains on equities in the first nine months of 2004 compared with realised capital losses of EUR 5 million in the same period of 2003. The high level of capital gains on shares, which were realised mainly in the third quarter of 2004, is the result of a decision to sell part of the Dutch equity portfolio to reduce volatility of the solvency ratios.

Net profit per share rose 40.0% to EUR 2.10 from EUR 1.50 in the first nine months last year. The increase lagged growth in total net profit due to an increase in the average number of shares outstanding as a result of ING's dividend policy. Starting with the interim dividend of 2004, ING no longer issues shares to fund the cash portion of the dividend, which will reduce future dilution of earnings per share.

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Operating net profit from insurance rose 14.9% to EUR 2,080 million, driven by higher profit from Insurance Asia/Pacific and a lower tax rate due to one-off items. Operating profit before tax from Insurance Asia/Pacific increased to EUR 631 million from EUR 304 million, including a one-off gain of EUR 219 million from the sale of ING's stake in its Australian non-life insurance joint venture in the second quarter of 2004. Excluding that gain and the operating results of the Australian venture from both periods, operating profit before tax from Insurance Asia/Pacific rose 28.7%. Insurance Americas posted a 2.3% increase in operating profit before tax to EUR 970 million, as strong growth in the core life operations in the U.S. and the non-life operations in Canada was largely offset by a one-off charge of EUR 252 million at the U.S. individual reinsurance business. Excluding this one-off charge, Insurance Americas posted a 28.9% increase in operating profit before tax. At Insurance Europe, operating profit before tax decreased 1.9% to EUR 1,211 million, mainly due to lower realised gains from real estate and private equity investments. Other results include part of the gain on old reinsurance activities, the hedge result and interest on core debt, which have not been allocated to the different insurance business lines. Excluding one-off items, total operating net profit from insurance increased 19.3% to EUR 1,864 million.

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Operating net profit from banking rose 60.4% to EUR 1,928 million, lifted by higher profit from all three business lines. Wholesale Banking posted a 50.0% increase in operating profit before tax, driven by a substantial reduction in risk costs and higher income, which was partly offset by an increase in operating expenses due to a EUR 60 million restructuring charge at ING BHF-Bank. Operating profit before tax from Retail Banking increased 40.4% to EUR 1,008 million, bolstered by higher income and lower risk costs. All main activities in the Netherlands, Belgium, and Poland contributed to this improvement. Operating profit before tax from ING Direct jumped to EUR 320 million from EUR 93 million in the first nine months of 2003, mainly due to higher interest income, driven by strong growth in funds entrusted. Other results consists mainly of interest expenses that are not allocated to the different banking business lines. Excluding one-off items, total operating net profit from banking increased 52.4% to EUR 1,931 million.

### ONE-OFF ITEMS

One-off items resulted in a net gain of EUR 213 million in the first nine months of 2004 which was largely balanced by a net gain of EUR 182 million in the comparable period last year. In the first nine months of 2004, one-off items included a charge of EUR 164 million at the U.S. individual life reinsurance business which ING is exiting, the release of redundant tax provisions for an amount of EUR 142 million, a gain of EUR 87 million on the sale of CenE Bankiers, a restructuring charge for ING BHF-Bank of EUR 36 million, a gain on the sale of the Australian non-life operations of EUR 146 million, a gain on old reinsurance business of EUR 92 million and a loss of EUR 54 million from the sale of the Asian equities business. The corresponding period last year included a gain of EUR 247 million from old reinsurance business and a restructuring charge of EUR 65 million for ING BHF-Bank, ING Bank France and the international wholesale banking activities. (See Appendix 2)

### CURRENCY IMPACT

The weakening of most currencies against the euro had a negative impact of EUR 46 million on net profit in the first nine months. That was offset by a gain of EUR 130 million after tax on the U.S. dollar hedge, compared with a gain of EUR 83 million on the hedge in the first nine months of 2003. ING has hedged the expected profits in U.S. dollar and dollar-linked currencies for the remainder of 2004.

### THIRD-QUARTER PROFIT

Third-quarter operating net profit rose 28.4% to EUR 1,212 million from EUR 944 million in the third quarter of 2003. Operating net profit from banking increased 50.6% to EUR 601 million, boosted by higher income and substantially lower risk costs at both Wholesale Banking and Retail Banking, as well as continued strong growth of ING Direct. Operating net profit from insurance rose 12.1% to EUR 611

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million as a result of a substantially lower tax burden due to the one-time release of tax provisions. Operating profit before tax from insurance declined 12.9% to EUR 679 million, mainly as a result of the one-off charge at the U.S. individual reinsurance business. Excluding that charge, profit before tax from insurance rose 19.4%. Operating profit before tax from Insurance Europe was unchanged as lower realised gains on real estate and private equity in the Netherlands offset higher results from Belgium and the rest of Europe. Operating profit before tax from Insurance Americas declined as a result of the charge at the U.S. individual life reinsurance business, which more than offset growth at the core life insurance business in the U.S. and continued strong underwriting

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experience at the Canadian non-life business. Excluding that charge, profit before tax from Insurance Americas rose 34.4% in the third quarter. At Insurance Asia/Pacific, operating profit before tax declined compared with the third quarter of 2003, when earnings included a one-time gain. Excluding that gain and the profit contribution in the year-earlier figure from the Australian non-life joint venture, which was sold, profit before tax from Insurance Asia/Pacific increased 9.5%. Excluding one-off items, total operating net profit increased 22.1% to EUR 1,183 million. Third-quarter net profit increased 63.2% to EUR 1,594 million, boosted by capital gains on shares of EUR 382 million in the third quarter of 2004.

Compared with the second quarter of 2004, operating net profit declined 24.5% to EUR 1,212 million from EUR 1,605 million, driven by a 34.7% decrease in operating net profit from insurance, on balance due to the one-off charge at the U.S. reinsurance business, lower results from the Asian life business and the gain on the sale of the Australian non-life insurance joint venture in the second quarter. That was partly offset by better performance at the Dutch insurance operations. Despite the EUR 87 million gain on the sale of CenE Bankiers, operating net profit from banking declined 10.3% to EUR 601 million from EUR 670 million, mainly due to higher operating expenses as a result of restructuring at ING BHF-Bank, which was partly offset by lower risk costs. Excluding one-off items, total operating net profit decreased 13.5% to EUR 1,183 million in the third quarter from EUR 1,367 million in the second quarter.

### 1.2 BALANCE SHEET & CAPITAL

TABLE 2. KEY BALANCE SHEET FIGURES				
In EUR billion	30 September 2004	31 December 2003	% Change	30 June 2004
SHAREHOLDERS' EQUITY	24.6	21.3	15.5	24.1
- insurance operations	13.5	12.0	12.5	13.3
- banking operations	17.6	16.7	5.4	17.4
- eliminations*	-6.5	-7.4		-6.6
TOTAL ASSETS	865.4	778.8	11.1	871.6
OPERATING NET RETURN ON EQUITY	23.2%	21.5%		24.8%
- insurance operations	21.4%	22.7%		23.0%
- banking operations	17.1%	11.1%		17.9%

#### SHAREHOLDERS' EQUITY

On 30 September 2004, ING's shareholders' equity amounted to EUR 24.6 billion, an increase of EUR 3.3 billion, or 15.5%, compared with year-end 2003. Net profit from the first nine months added EUR 4.4 billion to shareholders' equity and revaluations added EUR 0.2 billion, offset by realised capital gains released to the profit and loss account of EUR -0.6 billion, the interim cash dividend of EUR -0.4 billion, and exchange rate differences of EUR -0.2 billion.

#### CAPITAL RATIOS

The debt/equity ratio of ING Groep NV improved to 11.4% from 14.4% at the end of 2003 and 12.1% at the end of the second quarter of 2004. The improvement was caused by a EUR 4.0 billion increase in the capital base due to retained earnings and the issue of hybrid securities in June as well as a EUR 0.5

billion decrease in core debt. The capital coverage ratio for ING's insurance operations increased to 185% of regulatory requirements at the end of September, compared with 180% at year-end 2003 and 184% at the end of June 2004. The Tier-1 ratio of ING Bank NV stood at 7.61% on 30 September 2004 up from 7.59% at the end of 2003 and down from 7.65% at the end of the second quarter of 2004. The solvency ratio (BIS ratio) for the bank fell to 11.19% from 11.34% at the end of 2003. Compared with year-end 2003, total risk-weighted assets rose by EUR 25.6 billion, or 10.2%, to EUR 276.9 billion. More than half of the increase was due to the growth of ING Direct.

#### RETURN ON EQUITY

The operating net return on equity increased to 23.2% in the first nine months of 2004 from 21.5% for the full year 2003. The operating net return on equity of the insurance operations decreased to 21.4% in the first nine months from 22.7% in 2003, while the operating net return on equity from banking rose to 17.1% from 11.1%.

#### ASSETS UNDER MANAGEMENT

Assets under management increased 6.5% in the first nine months to EUR 493.0 billion at the end of September 2004. The EUR 30.3 billion increase resulted from a net inflow of EUR 17.8 billion, EUR 10.2 billion from higher stock markets, and EUR 4.6 billion from favourable currency rate differences. Divestments had a negative impact of EUR 2.3 billion, mainly due to the deconsolidation of Baring Private Equity Partners from the beginning of 2004.

#### 1.3 INSURANCE OPERATIONS

TABLE 3. ING GROUP: INSURANCE PROFIT & LOSS ACCOUNT

In EUR million	FIRST NINE MONTHS			THIRD QUARTER	
	2004	2003	%	2004	2003
PREMIUM INCOME	32,748	30,587	7.1	10,854	9,735
- of which life	27,567	24,935	10.6	9,428	8,131
- of which non-life	5,181	5,652	-8.3	1,426	1,604
Income from investments	7,145	7,132	0.2	2,429	2,328
Commission income	892	978	-8.8	310	339
Other income	506	710	-28.7	146	361
	-----	-----		-----	-----
TOTAL OPERATING INCOME	41,291	39,407	4.8	13,739	12,763
Underwriting expenditure	34,167	32,267	5.9	11,555	10,367
Other interest expenses	852	951	-10.4	312	417
Operating expenses	3,471	3,558	-2.4	1,153	1,181
Investment losses	64	155	-58.7	40	18
	-----	-----		-----	-----
TOTAL OPERATING EXPENDITURE	38,554	36,931	4.4	13,060	11,983
OPERATING PROFIT BEFORE TAX	2,737	2,476	10.5	679	780
- of which life insurance	1,648	1,716	-4.0	423	569
- of which non-life insurance	1,089	760	43.3	256	211
Taxation	577	584	-1.2	39	201
Third-party interests	80	82	-2.4	29	34
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OPERATING NET PROFIT*	2,080	1,810	14.9	611	545
Capital gains/neg. value adjustment shares	429	-5		382	10
	-----	-----		-----	-----
NET PROFIT	2,509	1,805	39.0	993	555
KEY FIGURES					
Value of new business**	466	330	41.2		
Internal rate of return***	11.9%	10.9%			
Operating net return on equity***	21.4%	22.7%			
Staff (average FTEs)	49,600	51,500	-3.7		

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### PROFIT FIRST NINE MONTHS

Operating net profit from insurance increased 14.9% to EUR 2,080 million in the first nine months, led by very strong results from non-life insurance, particularly in Canada, and the one-off gain from the sale of the Australian non-life venture. Higher results from life insurance in Asia/Pacific, Europe outside the Netherlands, and the core U.S. life business were more than offset by the charge at the U.S. individual life reinsurance business.

Net profit from insurance increased 39.0% to EUR 2,509 million in the first nine months, including EUR 429 million in capital gains on equities compared with EUR -5 million in the first nine months last year. The gains, which were mainly booked in the third quarter, result from a decision to sell part of the Dutch equity portfolio in order to reduce volatility of the solvency ratios. The effective tax rate on operating profit also decreased to 21.1% from 23.6% in the first nine months of 2003, mainly due to some large releases of redundant tax provisions in the third quarter. Total operating profit before tax from insurance rose 10.5% to EUR 2,737 million.

Operating profit before tax from life insurance declined 4.0% to EUR 1,648 million, due entirely to the one-off charge at the individual life reinsurance business in the U.S. Excluding that charge and one-off gains on old reinsurance business in both periods, results from life insurance improved 15.0% to EUR 1,890 million. Good results at the core life business in the U.S., the life operations in Europe outside the Netherlands, and the life businesses in Asia/Pacific contributed to this development. Life results in the Netherlands decreased by 12.1% to EUR 769 million due partly to lower realised gains on the sale of real estate.

Operating profit before tax from non-life insurance increased 43.3% to EUR 1,089 million, driven by strong growth at the Dutch and Canadian units, as well as some one-off items. Profit in the first nine months of 2004 included EUR 305 million of one-off items, including a gain on old reinsurance activities and the sale of the Australian non-life operations. That compares with EUR 231 million from one-off items in the same period last year relating to old reinsurance activities. Excluding those items, profit before tax from non-life insurance increased 48.2% to EUR 784 million.

Total operating income rose 4.8% to EUR 41,291 million, driven by a 7.1% increase in premium income to EUR 32,748 million, led by life insurance sales, particularly in the U.S. and Asia. Excluding the impact of currencies, acquisitions and divestments, life premium income rose 17.4%. Non-life premium income declined 8.3% to EUR 5,181 million due to currency effects and the sales of the Australian non-life joint venture and the Dutch health insurance



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operations. Excluding those items, non-life premiums increased 2.5%, driven by increases in Canada, the Netherlands and Belgium. Investment income increased 0.2% to EUR 7,145 million, as higher income in Asia was offset by a decline in Insurance Americas, largely due to currency effects.

Operating expenses from the insurance operations declined 2.4% to EUR 3,471 million, due to currency effects and divestments. On a comparable basis, excluding currencies, acquisitions and divestments, operating expenses increased 5.5%, mainly due to a strong increase at the Dutch insurance operations as a result of efforts to clear backlogs and improve service levels, as well as I.T. costs. Almost all other operations world-wide showed either a modest increase or a decrease in operating expenses. Expenses as a percentage of assets under management for investment products increased by 4 basis points to 90 basis points compared with 86 basis points for full-year 2003. Expenses as a percentage of premiums for life products decreased to 12.38% from 13.17% in 2003. The expense ratio for non-life insurance was 29%, up from 27% a year earlier.

Investment losses dropped to EUR 64 million, or 6 basis points of total fixed-interest securities, which is far below the normalised level of about 20 basis points. In the first nine months last year, investment losses amounted to EUR 155 million, or 15 basis points of total fixed-income securities.

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### VALUE OF NEW LIFE INSURANCE BUSINESS

The value of new business at ING's life insurance operations increased to EUR 466 million, up 41.2% compared with three-fourths of full-year 2003 production. Higher sales, higher margins and assumption changes all contributed to the increase. Within Insurance Europe, the value of new business increased 40.0% to EUR 98 million, driven by the Netherlands as it adjusted product pricing. In the third quarter, that impact was partly offset by an increase in acquisition expenses. The value of new life business from Insurance Americas increased 73.2% to EUR 123 million, of which EUR 23 million is attributable to the inclusion of the pension business in Latin America starting from 2004. The 2004 figures reflect the removal of the individual life reinsurance business in the U.S., while the 2003 value of new business figures include EUR 14 million related to this business. In Asia/Pacific, the value of new life business increased 29.6% to EUR 245 million, accounting for more than half of the total value of new business for ING's life insurance operations. The internal rate of return for the business written in the first nine months was 11.9%, up from 10.9% overall for 2003. (See Appendix 7)

### 1.4 BANKING OPERATIONS

TABLE 4. ING GROUP: BANKING PROFIT & LOSS ACCOUNT

In EUR million	FIRST NINE MONTHS			THIRD QUARTER	
	2004	2003	%	2004	2003
Interest result	6,562	6,059	8.3	2,172	2,142
Commission	1,991	1,810	10.0	639	578
Other income	1,003	827	21.3	339	199
	-----	-----		-----	-----
TOTAL OPERATING INCOME	9,556	8,696	9.9	3,150	2,919
OPERATING EXPENSES	6,331	5,992	5.7	2,170	2,040

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Gross result	3,225	2,704	19.3	980	879
Addition to provisions for loan losses	366	855	-57.2	101	240
OPERATING PROFIT BEFORE TAX	2,859	1,849	54.6	879	639
Taxation	801	497	61.2	239	202
Third-party interests	130	150	-13.3	39	38
OPERATING NET PROFIT	1,928	1,202	60.4	601	399
Capital gains/neg. value adjustment shares					23
NET PROFIT	1,928	1,202	60.4	601	422
KEY FIGURES					
Cost/income ratio	66.3%	68.9%		68.9%	69.9%
RAROC (pre-tax)	22.1%	17.9%			
RAROC (after tax)	15.9%	13.1%			
Total risk-weighted assets** (in EUR billion)	276.9	251.3	10.2		
Addition to provisions for loan losses in basis points of average credit-risk-weighted assets	19	47			
Staff (average FTEs)	63,600	63,900	-0.5		

## PROFIT FIRST NINE MONTHS

Operating net profit from banking rose 60.4% to EUR 1,928 million in the first nine months of 2004, driven by a 9.9% increase in operating income and a sharp reduction in risk costs. All three banking business lines reported strong increases in profit before tax. The effective tax rate increased to 28.0%

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from 26.9% in the first nine months of 2003. Operating profit before tax rose 54.6% to EUR 2,859 million.

Total operating income from banking rose 9.9% to EUR 9,556 million, with almost all income lines contributing to the increase. Interest income continued to be the most important and stable contributor to income at the bank, supported by the continued growth of ING Direct. The interest result rose 8.3% to EUR 6,562 million, driven by a higher average balance sheet total, mainly due to ING Direct. The total interest margin narrowed 11 basis points to 1.49% compared with the first nine months of 2003. That was mainly caused by lower interest results on the asset and liability matching book in the Netherlands as well as an increased share of the balance sheet total from outside the Netherlands, mainly triggered by ING Direct which has an interest margin of about 1%. In the third quarter, the interest margin narrowed to 1.42% from 1.49% in the second quarter. Bank lending increased by EUR 24.0 billion, or 8.2%, from the end of 2003 to EUR 316.6 billion at the end of September. Corporate lending increased by EUR 6.5 billion, while personal lending increased by EUR 17.4 billion. The growth in personal lending was almost entirely due to a EUR 16.6 billion increase in residential mortgages, of which EUR 9.8 billion was from ING Direct. The sale of CenE Bankiers as per 30 September 2004 had a negative impact of EUR 2.8 billion on the growth of total bank lending. (See Appendix 6.4) Funds entrusted to and debt securities of the banking operations increased by EUR 48.7 billion, or 12.9%, to EUR 426.5 billion, to a large extent caused by the continued growth of ING Direct.

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Commission income was up 10.0% to EUR 1,991 million, mainly driven by higher securities-related commissions including a 33.2% increase in Management fees to EUR 578 million, of which EUR 65 million is the net effect from the transfer of ING Real Estate Investment Management companies from insurance to banking, and the transfer of former Furman Selz businesses from banking to insurance. Commissions from the securities business rose 9.0%, mainly in the Benelux. Brokerage and advisory fees declined 20.6% to EUR 85 million. Commission from insurance broking rose 24.4% to EUR 107 million, mainly in the Netherlands. (See Appendix 6.5)

Other income increased 21.3% to EUR 1,003 million. Income from securities and participating interests tripled to EUR 182 million supported by the EUR 87 million gain realised on the sale of CenE Bankiers in the third quarter, which was partly offset by a one-off loss of EUR 42 million on the sale of the Asian cash equities business in the first quarter. Results from financial transactions declined 14.1% to EUR 470 million. The decrease was mainly caused by the loss of EUR 48 million taken by Postbank in the first quarter of 2004 to compensate customers for a disappointing return on investments related to the unit-linked mortgage 'MeerWaardehypotheek'. Due to the seasonally low financial markets activities in the summer, results from financial transactions fell from EUR 146 million in the second quarter to EUR 92 million in the third. Other results increased 60.3% to EUR 351 million, mainly caused by higher leasing income and higher results from real estate, including rental income and profit from property sales. (See Appendix 6.6)

Total operating expenses increased 5.7% to EUR 6,331 million, due to continued investments to support the growth of ING Direct, as well as a restructuring provision of EUR 60 million in the third quarter for ING BHF-Bank. Including the EUR 42 million costs related to the sale of the Asian cash equities business in the first quarter of 2004, total one-off expenses this year amounted to EUR 102 million. This was largely balanced by the EUR 82 million in provisions taken last year to pay for restructuring at Wholesale Banking. Excluding those factors, currency effects, and the impact of transfers of activities between insurance and banking, operating expenses increased by 2.4%. The increase in costs was outpaced by growth in income, resulting in an improvement of the cost/income ratio of the banking activities to 66.3% in the first nine months of 2004, from 68.9% in the same period of 2003 and 70.1% for full-year 2003. The average number of staff declined 0.5% to 63,600 in the first nine months of 2004.

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In the first nine months of 2004, ING added EUR 366 million to the provision for loan losses, compared with EUR 855 million in the same period last year. The addition equalled an annualised 19 basis points of average credit-risk-weighted assets, compared with 47 basis points in the year-earlier period. In the full-year 2003, the addition to the provision for loan losses was equal to 46 basis points. Risk costs continued to decline in the third quarter from the second. ING added EUR 101 million to the provision for loan losses in the third quarter, equal to 15 basis points of credit-risk-weighted assets, down from EUR 128 million, or 20 basis points, in the second quarter of 2004. Risk costs remained well below the long-term average of about 35 basis points.

### RAROC

The pre-tax Risk-Adjusted Return on Capital (RAROC) of ING's banking operations improved strongly to 22.1% in the first nine months of 2004, compared with 17.9% in the year-earlier period, due entirely to higher economic returns. Both Wholesale Banking and ING Direct surpassed ING's hurdle, while the already high return from Retail Banking improved further. The pre-tax RAROC for full-year

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2003 was 17.0%. The after-tax RAROC in the first nine months of 2004 was 15.9% compared with 13.1% in the same period last year, both of which were above ING's target of 12.0%. In the RAROC calculation, the actual credit risk provisioning is replaced by statistically expected losses reflecting average credit losses over the entire economic cycle.

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### 2.1 INSURANCE EUROPE OPERATING PROFIT BEFORE TAX 1.9% LOWER

- o VALUE OF NEW LIFE INSURANCE BUSINESS IN EUROPE RISES 40.0% TO EUR 98 MILLION
- o INTERNAL RATE OF RETURN FOR INSURANCE EUROPE INCREASES TO 11.9% FROM 10.9% IN 2003
- o PROFIT FROM NETHERLANDS DECLINES 7.0% DUE TO LOWER CAPITAL GAINS, HIGHER EXPENSES

TABLE 5. INSURANCE EUROPE PROFIT & LOSS ACCOUNT						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
PREMIUM INCOME	8,708	8,585	1.4	2,661	2,234	19.1
- of which life	6,990	6,753	3.5	2,260	1,842	22.7
- of which non-life	1,718	1,832	-6.2	401	392	2.3
Income from investments	3,074	3,123	-1.6	1,041	1,084	-4.0
Commission and other income	354	496	-28.6	121	184	-34.2
TOTAL OPERATING INCOME	12,136	12,204	-0.6	3,823	3,502	9.2
Underwriting expenditure	9,411	9,378	0.4	2,920	2,502	16.7
Other interest expenses	230	283	-18.7	62	113	-45.1
Operating expenses	1,279	1,291	-0.9	413	445	-7.2
Investment losses	5	17	-70.6	-9	5	-280.0
TOTAL OPERATING EXPENDITURE	10,925	10,969	-0.4	3,386	3,065	10.5
OPERATING PROFIT BEFORE TAX	1,211	1,235	-1.9	437	437	0.0
- of which life insurance	985	1,046	-5.8	351	367	-4.4
- of which non-life insurance	226	189	19.6	86	70	22.9
KEY FIGURES						
Value of new business*	98	70	40.0			
Internal rate of return**	11.9%	10.9%				
Staff (average FTEs)	15,900	17,000	-6.5			

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### PROFIT FIRST NINE MONTHS

Operating profit before tax from Insurance Europe fell 1.9% to EUR 1,211 million, due to a 5.8% decline in profit from life insurance to EUR 985 million. That was caused by lower results from life insurance in the Netherlands, despite continued underlying growth at Nationale-Nederlanden, mainly as a result of lower realised gains on real estate and one-off items. Almost all other units, including Belgium, Poland and Hungary, posted higher results. Operating profit before tax from non-life insurance rose 19.6% to EUR 226 million, driven by an improvement in the claims ratio to 63% from 73% in the same period last year.

Total operating income declined 0.6% to EUR 12,136 million, as a slight increase in premiums was offset by a decline in investment income. Total premium income rose 1.4% to EUR 8,708 million, driven by a 3.5% increase in life premium income, particularly in the Netherlands and Belgium. Non-life premium income declined 6.2% due to the sale of ING's Dutch health insurance business in the second quarter of 2004. Excluding the Dutch health insurance premiums from both periods, non-life premium income increased 4.1%. Investment income fell 1.6%, primarily due to lower realised capital gains on real estate in the Netherlands, divestments and the transfer of a property portfolio from insurance to banking.

Operating expenses fell 0.9% to EUR 1,279 million, mainly as a result of the sale of Sviluppo and the life operations in Italy in 2003 and the health insurance business in the Netherlands in 2004. Excluding those impacts, operating expenses rose 9.7%, due to a sharp increase in the Netherlands as a result of expenses to reduce backlogs and improve efficiency at Nationale-Nederlanden. Expenses in Belgium showed a moderate increase of 1.9%.

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### VALUE OF NEW BUSINESS

The value of new life insurance business written by Insurance Europe was EUR 98 million, an increase of 40.0% compared with three-fourths of full-year 2003 production. The overall internal rate of return expected on these sales is 11.9%, up from 10.9% in 2003. The improvement in the internal rate of return was seen largely in the Netherlands, where the company adjusted pricing on single-premium products. The favourable impact of the pricing adjustments was mitigated in the third quarter due to an increase in the allocation of acquisition expenses to catch-up on expense overruns at the individual life insurance business of Nationale-Nederlanden. As a result, the value of new business in the Netherlands of EUR 33 million in the first nine months was only slightly higher than the half-year figure of EUR 30 million. The internal rate of return on new life business in the Netherlands increased to 9.8% in the first nine months, from 8.0% in 2003, as a result of price adjustments on single premium endowment policies. Belgium reported value of new business of EUR 39 million compared with EUR 41 million in 2003. The value of new business of EUR 26 million in the rest of Europe is nearly double the half-year result and up EUR 5 million compared with three-fourths of the full-year 2003 production. The increase from the half-year result reflects both higher production and higher margins.

### GEOGRAPHICAL BREAKDOWN INSURANCE EUROPE

TABLE 6. INSURANCE EUROPE OPERATING PROFIT BEFORE TAX						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Netherlands	967	1,040	-7.0	346	371	-6.7
- of which life	769	875	-12.1	266	309	-13.9
- of which non-life	198	165	20.0	80	62	29.0

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Belgium	99	72	37.5	35	23	52.2
- of which life	79	54	46.3	32	15	113.3
- of which non-life	20	18	11.1	3	8	-62.5
Rest of Europe*	145	123	17.9	56	43	30.2
	-----	-----		---	---	
Total	1,211	1,235	-1.9	437	437	0.0

\* Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Greece, Spain

In the Netherlands, operating profit before tax from the insurance operations declined 7.0% to EUR 967 million, caused by lower capital gains on real estate (EUR -44 million), lower results on private equity investments (EUR -19 million), a lower gain from old reinsurance business (EUR -29 million) and transfer of a real estate portfolio to ING Bank from 2004 (EUR -31 million). Excluding those items, profit before tax increased 7.7%. The items above primarily impacted the life results, which fell by 12.1% to EUR 769 million, however excluding those factors, life results in the Netherlands increased 2.3%. Profit before tax from the Dutch non-life insurance business rose 20.0% to EUR 198 million, driven by a favourable claims experience in Income, Fire and Motor insurance, which more than offset a loss of EUR 14 million on the sale of the health business. Total premium income in the Netherlands increased 1.1% to EUR 5,826 million as a 4.6% increase in life premium income more than offset an 8.3% decline in non-life premium income caused by the sale of the Dutch health insurance business. Excluding health insurance premiums from both periods, non-life premium income rose 3.8% and total premiums increased 4.4%. Excluding the Dutch health business, expenses rose 10.4% to EUR 978 million, due to higher I.T. costs and continued efforts to reduce backlogs and improve service at Nationale-Nederlanden. Operating profit before tax from Nationale-Nederlanden, which is the main contributor to insurance profit in the Netherlands, was equal to last year as continued growth was partly offset by higher costs. Excluding one-time gains related to old reinsurance activities in both periods, profit before tax from Nationale-Nederlanden increased 6.1%.

In Belgium, operating profit before tax from the insurance operations rose 37.5% to EUR 99 million, bolstered by higher results from both life and non-life insurance. Life results (including Luxembourg)

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rose 46.3% to EUR 79 million, driven by growth in the portfolio last year. Life premium income rose 3.7% to EUR 1,642 million as higher sales of unit-linked products more than offset a decline in universal life premiums. Non-life results climbed 11.1% to EUR 20 million, due to higher results from fire and motor, partly offset by losses in health insurance. Non-life premiums increased 5.4% to EUR 252 million.

In the Rest of Europe, operating profit before tax increased 17.9% to EUR 145 million, driven by higher profit from Poland and Hungary. Premium income declined 1.1% to EUR 988 million as a result of the sale in 2003 of ING's Italian business. Excluding the impact of currencies and divestments, premium income rose 7.5%. In addition, higher investment fee income and continued cost control added to profit growth.

TABLE 7. INSURANCE EUROPE PREMIUM INCOME

In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Netherlands	5,826	5,764	1.1	1,644	1,470	11.8
- of which life	4,395	4,203	4.6	1,325	1,159	14.3

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- of which non-life	1,431	1,561	-8.3	319	311	2.6
Belgium	1,894	1,822	4.0	701	449	56.1
- of which life	1,642	1,583	3.7	629	378	66.4
- of which non-life	252	239	5.4	72	71	1.4
Rest of Europe*	988	999	-1.1	316	315	0.3
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Total	8,708	8,585	1.4	2,661	2,234	19.1

\* Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Greece, Spain

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## 2.2 INSURANCE AMERICAS OPERATING PROFIT BEFORE TAX INCREASES 2.3%

- o EXCLUDING THE INDIVIDUAL REINSURANCE CHARGE, PROFIT BEFORE TAX INCREASES 28.9%
- o PROFIT FROM CANADA MORE THAN DOUBLES, DRIVEN BY IMPROVED UNDERWRITING RESULTS
- o VALUE OF NEW LIFE INSURANCE BUSINESS INCREASES 73.2% TO EUR 123 MILLION

TABLE 8. INSURANCE AMERICAS PROFIT & LOSS ACCOUNT						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
PREMIUM INCOME	17,349	16,667	4.1	5,819	5,608	3.8
- of which life	14,127	13,030	8.4	4,803	4,473	7.4
- of which non-life	3,222	3,637	-11.4	1,016	1,135	-10.5
Income from investments	3,135	3,410	-8.1	1,073	1,156	-7.2
Commission and other income	639	625	2.2	217	208	4.3
	-----	-----		-----	-----	
TOTAL OPERATING INCOME	21,123	20,702	2.0	7,109	6,972	2.0
Underwriting expenditure	18,400	17,842	3.1	6,326	6,055	4.5
Other interest expenses	61	83	-26.5	21	37	-43.2
Operating expenses	1,636	1,694	-3.4	547	557	-1.8
Investment losses	56	135	-58.5	45	9	
	-----	-----		-----	-----	
TOTAL OPERATING EXPENDITURE	20,153	19,754	2.0	6,939	6,658	4.2
OPERATING PROFIT BEFORE TAX	970	948	2.3	170	314	-45.9
- of which life insurance	475	654	-27.4	-9	198	-104.5
- of which non-life insurance	495	294	68.4	179	116	54.3
KEY FIGURES						
Value of new business*	123	71	73.2			
Internal rate of return**	10.3%	9.0%				
Staff (average FTEs)	25,400	26,300	-3.4			

## PROFIT FIRST NINE MONTHS

Operating profit before tax from Insurance Americas increased 2.3% to EUR 970 million in the first nine months of 2004, reflecting a charge of EUR 252 million in the third quarter due to poor mortality experience at the U.S. individual life reinsurance business, which ING is exiting. Excluding that charge, profit before tax rose 28.9% to EUR 1,222 million. The weakening of most currencies against the euro also had a negative impact of EUR 81 million. Excluding both

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the individual reinsurance charge and currency effects, operating profit before tax increased 43.4%, driven by strong sales and higher asset levels in the U.S. and continued premium growth and lower claims in Canada.

Operating income increased 2.0% to EUR 21,123 million lifted by a 4.1% increase in premium income to EUR 17,349 million, which was driven by increased production in the U.S. and Canada. Life premium income increased 8.4% to EUR 14,127 million, driven by the introduction of new products and increased distribution in the U.S., while non-life premiums declined 11.4% as a result of lower premium income from motor and property insurance in Mexico and currency effects. Investment income fell 8.1% to EUR 3,135 million due largely to currency impacts. Excluding currency impacts, total premium income increased 14.7% and investment income increased 0.7% due to the low interest rate environment.

Operating expenses declined 3.4% as a result of currency effects. At constant exchange rates and excluding the transfer of some investment management activities from banking to insurance, expenses increased 2.9% due to increased sales and benefit costs as a result of higher production.

### VALUE OF NEW BUSINESS

The value of new life insurance business written by the continuing business of Insurance Americas increased 73.2% to EUR 123 million compared with three-fourths of the full-year new business value in

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2003, due in part to the inclusion of the Latin American pension business starting in 2004. The 2004 figures reflect the removal of the individual life reinsurance business in the U.S., while the 2003 value of new business figures include EUR 14 million related to this business. The overall internal rate of return through 30 September 2004 was 10.3%, up from 9.0% for the full year 2003, due to continued focus on profitable revenue growth and expense controls in the U.S. and the inclusion of the Latin American pension business. The U.S. internal rate of return in U.S. dollars, rose to 10.8% for the nine months ended 30 September 2004 compared with 9.9% for the full-year 2003. In euro terms, the internal rate of return for the U.S. rose to 10.1% from 9.2%.

### GEOGRAPHICAL BREAKDOWN INSURANCE AMERICAS

TABLE 9. INSURANCE AMERICAS OPERATING PROFIT BEFORE TAX						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
United States	443	612	-27.6	-26	189	-113.8
Canada	341	134	154.5	123	52	136.5
Latin America	186	202	-7.9	73	73	0.0
- of which Mexico	134	159	-15.7	54	56	-3.6
- of which South America*	52	43	20.9	19	17	11.8
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Total	970	948	2.3	170	314	-45.9

\* Argentina, Brazil, Chile, Peru

In the United States, operating profit before tax from the insurance business fell 27.6% to EUR 443 million, due to the charge of EUR 252 million in the third quarter at the individual life reinsurance business. Excluding that charge, operating profit before tax increased 13.6% to EUR 695 million. The decline of the U.S. dollar against the euro also had a negative impact of EUR 56 million.



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Excluding the reinsurance charge and currency impacts, operating profit before tax increased 25.9%, lifted by higher asset levels, strong sales of annuities, life insurance and retirement services, as well as lower credit losses and poor individual reinsurance results in 2003. In the third quarter, excluding the reinsurance charge and currency impacts, operating profit before tax increased 30.2% to EUR 226 million.

Premium income rose 6.7%, or 18.4% at constant currency rates, to EUR 14,159 million in the first nine months of 2004, driven by the introduction of new products as well as increased distribution capacity for annuities, life and retirement services, which helped increase market share. Premium growth was strongest in the annuity business, where fixed annuity premium income rose 81.6% and variable annuity premiums climbed 40.2% on the strength of equity index annuities and variable annuity living benefits, as well as continued productivity improvement among wholesalers.

Credit losses were 11 basis points in the first nine months, down from 27 basis points in the same period of 2003. In the third quarter, credit losses increased to 27 basis points from 6 basis points in the second quarter, principally due to losses from a small portfolio of limited partnerships. As a result, the composite margin narrowed to 127 basis points in the third quarter from 145 basis points in the second quarter. Excluding credit losses, the composite margin increased to 154 basis points in the third quarter from 151 basis points in the second. The core fixed-income portfolio performed in line with the prior quarter, and remained well below historical averages.

Operating expenses declined 1.6% to EUR 1,087 million, but at constant exchange rates operating expenses increased 8.3%. The increase is due in part to the transfer of some investment management activities to Insurance Americas in 2004 that were previously reported under Wholesale Banking. Excluding this impact, expenses increased 2.2% due to higher production levels and benefit costs.

In Canada, operating profit before tax from the non-life insurance activities more than doubled to EUR 341 million from EUR 134 million during the first nine months of 2004. Earnings reflected an improved

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underwriting experience and a reduction in the combined ratio to 84% compared with 94% in the first nine months last year.

In Mexico, operating profit before tax declined 15.7% to EUR 134 million for the nine months of 2004 as a result of currency exchange rates and the sale of the Seguros Bital joint venture in the fourth quarter of 2003. Excluding these impacts, operating profit before tax rose 3.7%, as an accounting change more than offset weaker underwriting results. Claims experience was unfavourable primarily due to several large claims in the non-life business, although claims in the motor business continued to be favourable. Premium income declined 21.7% to EUR 1,127 million, due in part to the decline of the peso against the euro. At constant exchange rates, premiums fell 8.6% resulting from the non-renewal of one large contract. Operating expenses declined 5.3% to EUR 238 million due to the depreciation of the peso against the euro.

In South America, operating profit before tax from Chile, Brazil, Peru and Argentina increased 20.9% to EUR 52 million, led by results in Chile. Premiums rose 22.0% driven by higher annuity premiums in Chile. Operating expenses decreased 16.4% supported by actions in Chile to consolidate branches and offices. Results from Peru declined as a result of lower yields on invested assets. ING agreed last month to sell its insurance business in Argentina and the transaction is expected to close in the fourth quarter.

TABLE 10. INSURANCE AMERICAS PREMIUM INCOME						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
United States	14,159	13,272	6.7	4,795	4,566	5.0
Canada	1,658	1,623	2.2	578	585	-1.2
Latin America	1,532	1,772	-13.5	446	457	-2.4
- of which Mexico	1,127	1,440	-21.7	302	345	-12.5
- of which South America*	405	332	22.0	144	112	28.6
Total	17,349	16,667	4.1	5,819	5,608	3.8

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### 2.3 INSURANCE ASIA/PACIFIC POSTS 28.7% INCREASE IN PROFIT

- o INCLUDING GAIN ON SALE OF AUSTRALIAN BUSINESS, OPERATING PROFIT MORE THAN DOUBLES
- o PREMIUM INCOME INCREASES 22.9% TO EUR 6,674 MILLION
- o VALUE OF NEW LIFE BUSINESS RISES TO EUR 245 MILLION, ACCOUNTING FOR 53% OF ING'S TOTAL

TABLE 11. INSURANCE ASIA/PACIFIC PROFIT & LOSS ACCOUNT					
In EUR million	FIRST NINE MONTHS			THIRD QUARTER	
	2004	2003	%	2004	2003
PREMIUM INCOME	6,674	5,430	22.9	2,371	1,914
- of which life	6,444	5,145	25.2	2,364	1,814
- of which non-life	230	285	-19.3	7	100
Income from investments	739	471	56.9	193	188
Commission and other income	96	119	-19.4	39	43
TOTAL OPERATING INCOME	7,509	6,020	24.7	2,603	2,145
Underwriting expenditure	6,353	5,154	23.3	2,307	1,835
Other interest expenses	6	8	-25.0	0	4
Operating expenses	516	551	-6.4	189	175
Investment losses	3	3	0.0	3	3
TOTAL OPERATING EXPENDITURE	6,878	5,716	20.3	2,499	2,017

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OPERATING PROFIT BEFORE TAX	631	304	107.6	104	128
- of which life	358	278	28.8	106	116
- of which non-life	273	26		-2	12

### KEY FIGURES

Value of new business*	245	189	29.6
Internal rate of return **	14.0%	14.7%	
Staff (average FTEs)	8,300	8,200	1.2

### PROFIT FIRST NINE MONTHS

Operating profit before tax from Insurance Asia/Pacific increased to EUR 631 million from EUR 304 million, including a one-time gain of EUR 219 million from the sale of ING's 50% stake in the Australian non-life insurance joint venture in the second quarter of 2004. Excluding that gain and the operating results of the Australian venture from both periods, operating profit rose 28.7% to EUR 360 million, led by higher life insurance profits in Taiwan, South Korea and Japan. Across Asia/Pacific, profits were driven by higher premium income and lower claims. In the third quarter, operating profit before tax declined compared with the third quarter of 2003, when profit included a one-time gain of EUR 23 million. Excluding that gain and EUR 10 million in profits from the Australian non-life joint venture, which was sold, profit before tax increased 9.5% to EUR 104 million from EUR 95 million, and climbed 13.0% at constant currency rates.

Total operating income increased 24.7%, boosted by higher premiums and the gain on the sale of the Australian non-life joint venture. Premium income rose 22.9% to EUR 6,674 million, driven by strong life insurance sales in Japan and South Korea. Premium income from life insurance increased 25.2% to EUR 6,444 million, while non-life premium income declined 19.3%, reflecting the sale of the Australian non-life joint venture. Excluding the impact of currencies and divestments, total premium income from Asia/Pacific increased 29.8%, with premiums showing double-digit growth rates in local currency terms in Japan (63.5%), South Korea (55.4%), Malaysia (18.4%), Hong Kong (20.3%), Thailand (35.7%), India (283.3%) and China (13.6%). In the third quarter, premium income rose 23.9%, though adjusted for the sale of the Australian non-life business, premium income rose 29.8%. Investment income was boosted by the EUR 219 million gain on the sale of the Australian non-life business. Excluding that gain, investment income rose 10.4%.

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Operating expenses fell 6.4% to EUR 516 million, reflecting a number of one-off items as well as the decline of many currencies against the euro. The favourable settlement of a wage-tax assessment resulted in the release of a EUR 30 million provision in the second quarter of 2004. In Taiwan, premium tax rates fell from 5% to 2% resulting in an EUR 11 million reduction in costs in the first nine months. Excluding those items, operating expenses increased by 1.1%, reflecting continued efforts to control costs. In the third quarter, operating expenses increased 8.0% as a result of investments in product systems and process improvements at the Australian life and wealth management joint venture, most of which are non-recurring.

### VALUE OF NEW BUSINESS

The value of new life insurance business written by Insurance Asia/Pacific was EUR 245 million in the first three quarters of the year, up 29.6% compared with three-fourths of the full-year production in 2003 and accounting for more than half of ING Group's total. Most of the increase in new business value is due to Japan, where strong sales, higher margins and higher assumed investment returns

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due to interest rate increases in Japan all had a favourable impact on results. ING invested EUR 334 million to write new life insurance business in the region in the first three quarters of 2004, and the overall internal rate of return expected on this investment is 14.0%. This compares with an overall rate of return of 14.7% in 2003. The decline in IRR is primarily attributable to an increase in the capital levels reflected in the Taiwan business.

### GEOGRAPHICAL BREAKDOWN INSURANCE ASIA/PACIFIC

In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Australia	366	98	273.5	29	35	-17.1
- of which life	95	73	30.1	31	25	24.0
- of which non-life	271	25		-2	10	-120.0
Korea	77	57	35.1	26	24	8.3
Taiwan	89	91	-2.2	29	45	-35.6
Japan	65	37	75.7	20	21	-4.8
Rest of Asia*	34	21	61.9	0	3	-100.0
	----	----		----	----	
Total	631	304	107.6	104	128	-18.8

\* Including China, India, Thailand, Indonesia, Hong Kong and Malaysia

In Australia, operating profit before tax for the first nine months increased to EUR 366 million from EUR 98 million, reflecting the EUR 219 million gain on the sale of the non-life insurance joint venture. Excluding that gain and operating profit from the business in both periods, as well as results from the Australian unit of ING Real Estate which was transferred to Wholesale Banking in 2004, profit from the ongoing Australian operations increased 39.7% to EUR 95 million. Operating profit before tax from ING's Australian life and wealth-management joint venture with ANZ grew 31.4% to EUR 68 million, mainly due to improved capital investment earnings and operating profit from the life insurance business.

In Korea, operating profit before tax rose 35.1% to EUR 77 million, driven by higher sales of life insurance, higher renewal premiums and continued low claim levels. Premium income increased 44.4% to EUR 1,148 million, and increased 55.4% in local currency terms. During the second quarter of 2004, ING Life Korea became the largest foreign insurance company in the country and now ranks fourth in the life insurance market in terms of premiums. In the third quarter of 2004, ING announced that it will acquire a 49% stake in a life insurance joint venture with Kookmin Bank, called KB Life. The purchase is expected to be completed in the fourth quarter of 2004.

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In Taiwan, operating profit before tax declined 2.2% to EUR 89 million from EUR 91 million in the same period last year, when profit was boosted by a one-time gain of EUR 23 million. Excluding that gain, profit before tax increased 30.9%, driven mainly by higher mortality profits, foreign currency gains and a 13.1% drop in operating expenses due in part to the reduction of the premium tax rate from 5% to 2%. Taiwan has doubled its programme to strengthen reserves due to the continued low interest rate environment, resulting in a charge of EUR 75 million in the first nine months of 2004, up from EUR 37.5 million in the same period last year. The company has also increased its focus on selling investment-linked products, which accounted for 64.0% of new business premium income in the first three quarters of 2004. Total premiums declined 1.8% but

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increased 5.3% in local currency terms.

In Japan, operating profit before tax increased 75.7% to EUR 65 million from EUR 37 million in the year-earlier period, led by higher sales of corporate-owned life insurance products and single-premium variable annuity products. Premium income rose 61.5% to EUR 2,346 million.

In the Rest of Asia, operating profit before tax rose to EUR 34 million from EUR 21 million, including the EUR 30 million release of the wage tax provision in 2004 and a EUR 11 million release of a contingency reserve in 2003. The results also reflect increased start-up losses to grow the businesses in India and China. In Malaysia, operating profit before tax increased 23.8% to EUR 24 million, driven by growth in sales of employee benefits and individual life insurance.

TABLE 13. INSURANCE ASIA/PACIFIC PREMIUM INCOME						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Australia	1,094	1,097	-0.3	345	407	-15.2
Korea	1,148	795	44.4	428	284	50.7
Taiwan	1,622	1,651	-1.8	543	562	-3.4
Japan	2,346	1,453	61.5	903	507	78.1
Rest of Asia*	464	434	6.9	152	154	-1.3
	-----	-----		-----	-----	
Total	6,674	5,430	22.9	2,371	1,914	23.9

\* including India, China, Hong Kong, Thailand, Indonesia and Malaysia

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### 2.4 WHOLESALE BANKING OPERATING PROFIT BEFORE TAX RISES 50.0%

- o RISK COSTS DECLINE SHARPLY TO 15 BASIS POINTS FROM 55 BASIS POINTS
- o INCOME INCREASES 2.7% AND COST/INCOME RATIO IMPROVES TO 59.1%
- o RISK-ADJUSTED RETURN ON CAPITAL IMPROVES TO 19.0% FROM 16.1%

TABLE 14. WHOLESALE BANKING PROFIT & LOSS ACCOUNT				
In EUR million	FIRST NINE MONTHS			THIRD QUARTER
	2004	2003	%	
Interest result	2,551	2,721	-6.2	825
Commission	1,053	939	12.1	329
Other income	949	773	22.8	295
	-----	-----		-----
TOTAL OPERATING INCOME	4,553	4,433	2.7	1,449
OPERATING EXPENSES	2,691	2,662	1.1	896
	-----	-----		-----
Gross result	1,862	1,771	5.1	553

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Addition to provisions for loan losses	173	645	-73.2	34
	-----	-----		-----
OPERATING PROFIT BEFORE TAX	1,689	1,126	50.0	519
KEY FIGURES				
Cost/income ratio	59.1%	60.0%		61.8%
RAROC (pre-tax)	19.0%	16.1%		
Total risk-weighted assets* (in EUR billion)	158.5	152.9	3.7	
Addition to provisions for loan losses in basis points of average credit-risk-weighted assets	15	55		
Staff (average FTEs)	24,000	24,700	-2.8	

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### PROFIT FIRST NINE MONTHS

Operating profit before tax from Wholesale Banking increased 50.0% to EUR 1,689 million, mainly driven by a sharp decline in risk costs. Excluding one-off items such as the gain on the sale of CenE Bankiers, restructuring costs and the loss on the sale of the Asian equities business, as well as currency effects and the transfer of businesses between insurance and banking, comparable profit before tax rose 39.6% to EUR 1,746 million.

Total operating income increased 2.7% to EUR 4,553 million, supported by a 22.8% increase in Other income to EUR 949 million, including a EUR 87 million gain from the sale of CenE Bankiers in the Netherlands in the third quarter of 2004. Other income also includes a one-off loss of EUR 42 million on the sale of the Asian cash equities business, which was booked in the first quarter of 2004. Commission income increased 12.1% to EUR 1,053 million, driven by ING Real Estate and Belgium, while the interest result declined 6.2% due to lower interest margins, particularly in the Netherlands.

Operating expenses rose 1.1% to EUR 2,691 million, largely due to a restructuring provision of EUR 60 million in the third quarter of 2004 for ING BHF-Bank. Total one-off expenses this year amounted to EUR 102 million, including EUR 42 million in costs related to the sale of the Asian cash equities business in the first quarter. That compares with a one-off charge of EUR 82 million in the first nine months of 2003 to pay for restructuring at ING BHF-Bank, ING Bank France and the international wholesale banking activities. Excluding those one-off costs, currency effects, and the impact of transfers of activities between insurance and banking, operating expenses rose 1.2%. The cost/income ratio for Wholesale Banking improved to 59.1% from 60.0% in the first nine months of 2003 and 63.3% for full-year 2003. The average number of wholesale staff fell 2.8% compared with the first nine months of 2003, mainly due to the sale of the Asian cash equities business and the restructuring in 2003, offset by higher staff numbers at ING Real Estate as a result of the transfer of activities from insurance to banking.

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The addition to the provision for loan losses declined sharply to EUR 173 million from EUR 645 million in the first nine months of 2003, mainly in the Netherlands, Germany and the Americas. The addition was equal to an annualised 15 basis points of average credit-risk-weighted assets, compared with 55 basis points in the same period last year, and 56 basis points for full-year 2003.

### GEOGRAPHICAL BREAKDOWN WHOLESALE BANKING

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TABLE 15. WHOLESALE BANKING OPERATING PROFIT BEFORE TAX					
In EUR million	FIRST NINE MONTHS			THIRD QUARTER	
	2004	2003	%	2004	2003
Netherlands	756	717	5.4	268	273
Belgium	581	480	21.0	138	131
Germany	-37	-171		-45	-47
Rest of world	189	57	231.6	73	8
Other	-43	-73		-18	-49
	-----	-----		---	---
SUBTOTAL WHOLESALE BANKING	1,446	1,010	43.2	416	316
Asset management*	243	116	109.5	103	58
	-----	-----		---	---
TOTAL	1,689	1,126	50.0	519	374

In the Netherlands, operating profit before tax from Wholesale Banking increased 5.4% to EUR 756 million, due to a sharp decline in risk costs and the gain on CenE Bankiers. In the first nine months of 2004, risk costs were only 10 basis points of average credit-risk-weighted assets, supported by the release of some debtor provisions, compared with 43 basis points in the same period last year. Despite the EUR 87 million gain on the sale of CenE Bankiers, the gross result decreased 10.3%, mainly due to lower results from financial markets activities, including lower interest results on the asset and liability matching book. The gross result from the wholesale banking activities of the Dutch branch network was also lower, due to relatively high non-recurring revenues in 2003 and refined allocations of expenses between Wholesale Banking and Retail Banking. Total operating income in the Netherlands fell 2.5%, while operating expenses rose 7.7%, partly due to the refined allocations of expenses.

In Belgium, operating profit before tax from Wholesale Banking increased 21.0% to EUR 581 million, thanks to strong corporate banking results and lower risk costs. Total income rose 5.2%, while operating expenses decreased 2.9%. As a result of releases of some debtor provisions, risk costs were only 2 basis points of average credit-risk-weighted assets compared with 12 basis points in the year-earlier period.

In Germany, the wholesale banking activities of ING BHF-Bank posted an operating profit before tax of EUR 23 million, excluding a restructuring provision of EUR 60 million, due to substantially lower risk costs and higher income. Including the restructuring provision, the wholesale activities of ING BHF-Bank posted a loss before tax of EUR 37 million, narrowing from a loss of EUR 171 million in the first nine months of 2003. Risk costs fell from 152 basis points of average credit-risk-weighted assets in the first nine months of 2003 to 69 basis points in the same period this year. Total income increased 7.0%, driven by higher interest results. Operating expenses were up 5.1%, due to the restructuring provision. Excluding that charge and a EUR 30 million restructuring charge in the second quarter of 2003, operating expenses fell 6.5%. ING BHF-Bank as a whole, including retail banking and private banking activities, posted a loss of EUR 31 million, including the restructuring charge, compared with a loss of EUR 176 million in the first nine months last year. ING reached an agreement in principle on 30 September to sell parts of ING BHF-Bank to Sal. Oppenheim. The transaction is expected to be completed by year-end.

In the rest of the world the wholesale banking activities posted an operating profit before tax of EUR 189 million, more than triple the EUR 57 million profit posted in the same period last year. Excluding one-off

items (a loss and expenses of EUR 84 million from the sale of the Asian equities business in the first quarter of 2004 and a restructuring provision of EUR 37 million in the third quarter of 2003) profit before tax climbed to EUR 263 million from EUR 94 million. This increase was fully caused by EUR 177 million lower risk costs, which fell to 10 basis points from 89 basis points of average credit-risk-weighted assets in the first nine months of 2003. Particularly the operating profit before tax in the Americas and Central Europe improved significantly.

The banking asset management units, including ING Real Estate and Baring Asset Management, doubled their operating profit before tax to EUR 243 million from EUR 116 million in the first nine months last year. ING Real Estate posted an operating profit before tax of EUR 199 million, up from EUR 92 million in the first nine months of 2003, including EUR 38 million from the transfer of the ING Real Estate Investment Management companies from insurance to banking. Excluding that impact, operating profit before tax from ING Real Estate rose 53.1%, driven by strong revenue growth across all business lines and substantially higher profits from the finance and development activities in the first nine months of 2004. Pre-tax profit of Baring Asset Management rose to EUR 28 million from EUR 13 million, mainly as a result of higher stock market levels.

#### RAROC

The pre-tax Risk-Adjusted Return on Capital for Wholesale Banking improved strongly to 19.0% from 16.1% in the first nine months last year, driven by higher economic returns while the use of economic capital gradually decreased. With the exception of the Netherlands, all regions reported improved RAROCs. Within the rest of world, both Americas and Central Europe are performing above ING's hurdle of 18.5%, while the wholesale activities in Asia and the U.K. were both well below ING's hurdle.

	RAROC % (pre-tax)			ECONOMIC CAPITAL (in EUR billion)		
	9M 2004	9M 2003	FY 2003	9M 2004	9M 2003	FY 2003
Netherlands	26.0	30.7	28.2	3.0	3.0	2.9
Belgium	24.0	20.0	16.1	2.6	2.6	2.7
Germany	0.8	-2.1	-3.8	1.1	1.4	1.3
Rest of world	9.5	6.3	5.0	2.1	2.5	2.5
Other	-30.6	-68.1	-45.4	0.2	0.1	0.3
				---	---	---
SUBTOTAL WHOLESAL BANKING	17.2	15.5	12.6	9.0	9.6	9.7
Asset management*	37.4	28.0	44.0	0.9	0.5	0.4
				---	---	---
TOTAL	19.0	16.1	13.9	9.9	10.1	10.1



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### 2.5 RETAIL BANKING OPERATING PROFIT BEFORE TAX RISES 40.4%

- o INCOME INCREASES 6.4%, WHILE COST/INCOME RATIO IMPROVES TO 70.1%
- o RISK COSTS DROP TO 22 BASIS POINTS FROM 33 BASIS POINTS
- o RISK-ADJUSTED RETURN ON CAPITAL IMPROVES FURTHER TO 47.3%

TABLE 17. RETAIL BANKING PROFIT & LOSS ACCOUNT

In EUR million	FIRST NINE MONTHS			THIRD
	2004	2003	%	
Interest result	2,933	2,712	8.1	998
Commission	877	847	3.5	292
Other income	-40	-16		7
	-----	-----		-----
TOTAL OPERATING INCOME	3,770	3,543	6.4	1,297
OPERATING EXPENSES	2,642	2,657	-0.6	928
	-----	-----		-----
Gross result	1,128	886	27.3	369
Addition to provisions for loan losses	120	168	-28.6	39
	-----	-----		-----
OPERATING PROFIT BEFORE TAX	1,008	718	40.4	330
KEY FIGURES				
Cost/income ratio	70.1%	75.0%		71.5%
RAROC (pre-tax)	47.3%	41.2%		
Total risk-weighted assets* (in EUR billion)	74.1	69.9	6.0	
Addition to provisions for loan losses in basis points of average credit-risk-weighted assets	22	33		
Staff (average FTEs)	34,500	35,500	-2.8	

#### PROFIT FIRST NINE MONTHS

Operating profit before tax from Retail Banking increased 40.4% to EUR 1,008 million, driven by continued income growth and strict cost control, particularly in the Netherlands and Belgium. The gross result increased 27.3% compared with the first nine months of 2003, while additions to provisions for loan losses were 28.6% lower.

Total operating income rose 6.4% to EUR 3,770 million in the first nine months of 2004. Interest income increased 8.1% due to higher mortgage lending and increased savings. Commission income rose 3.5%, while other income declined, mainly due to a EUR 48 million loss taken by Postbank in the first quarter of 2004 to compensate customers for a disappointing return on investments related to the unit-linked mortgage product "MeerWaardehypotheek". Excluding that loss, total income increased 7.8%.

Operating expenses from Retail Banking declined 0.6% to EUR 2,642 million as continued cost control offset the impact of the collective labour agreement. As a result, the cost/income ratio improved to 70.1% from 75.0% in the first nine months of 2003 and 73.9% for full-year 2003. The average number of retail staff was 2.8% lower than in the same period of 2003.

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The addition to the provision for loan losses declined 28.6% to EUR 120 million from EUR 168 million in the first nine months last year, mainly in the Netherlands and Poland. The addition was equal to an annualised 22 basis points of average credit-risk-weighted assets compared with 33 basis points in the first nine months of 2003 and 27 basis points for the full-year 2003.

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### GEOGRAPHICAL BREAKDOWN RETAIL BANKING

TABLE 18. RETAIL BANKING OPERATING PROFIT BEFORE TAX						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Netherlands	844	698	20.9	283	252	12.3
Belgium	132	40	230.0	32	6	433.3
Poland	13	-4		2	7	-71.4
Other retail*	19	-16		13	-40	
	-----	---		---	---	
TOTAL	1,008	718	40.4	330	225	46.7

\* mainly ING Vysya Bank, the retail activities of ING BHF-Bank, Private Banking rest of world, Kookmin Bank stake

In the Netherlands, operating profit before tax from retail banking rose 20.9% to EUR 844 million. Total income increased 3.2%, driven by higher interest results as a result of increased mortgage loans and savings. That more than offset the EUR 48 million loss taken by Postbank for the unit-linked mortgage product in the first quarter of 2004. Excluding that loss, total income increased 5.2%. The residential mortgage portfolio in the Netherlands rose by EUR 5.8 billion in the first nine months to EUR 79.7 billion at the end of September 2004. Operating expenses were 2.6% lower, while risk costs declined from 29 basis points of average credit-risk-weighted assets to 20 basis points in the first nine months of 2004.

In Belgium operating profit before tax from retail banking more than tripled to EUR 132 million from EUR 40 million, driven by strong income growth. Total income rose 15.3%, mainly due to higher interest results caused by increased lending and savings volume. Operating expenses rose 4.4%. The addition to the provision for loan losses remained unchanged at 20 basis points of average credit-risk-weighted assets.

In Poland, the operating profit before tax of the retail banking activities of ING Bank Slaski turned from a loss of EUR 4 million in the first nine months of 2003 to a profit of EUR 13 million this year. The swing was mainly due to a 53% decline in risk costs, however the level of loan loss provisions remains high.

The Other retail banking activities posted an operating profit before tax of EUR 19 million, improving from a loss of EUR 16 million in the first nine months of 2003. The improvement can be largely attributed to ING Vysya Bank in India, which incurred a substantial loss in the third quarter of 2003 due to the reclassification of a trading portfolio into an investment portfolio, bringing ING Vysya Bank, which was consolidated in 2002, into line with ING's accounting principles.

### RAROC

The pre-tax Risk-Adjusted Return on Capital for the business line Retail Banking

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climbed to 47.3% from 41.2% in the first nine months last year. All regions reported improved RAROCs.

TABLE 19. RETAIL BANKING RISK-ADJUSTED RETURN ON CAPITAL

	RAROC % (pre-tax)			ECONOMIC CAPITAL (in EUR billion)		
	9M 2004	9M 2003	FY 2003	9M 2004	9M 2003	FY 2003
Netherlands	71.0	64.3	62.2	1.6	1.5	1.5
Belgium	38.0	9.0	18.3	0.4	0.5	0.5
Poland	21.2	13.4	19.5	0.1	0.1	0.1
Other retail*	0.5	-2.5	5.4	0.7	0.4	0.4
				---	---	---
TOTAL	47.3	41.2	43.4	2.8	2.5	2.5

\* mainly ING Vysya Bank, the retail activities of ING BHF-Bank, Private Banking rest of world, Kookmin Bank stake

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### 2.6 ING DIRECT PROFIT JUMPS TO EUR 320 MILLION FROM EUR 93 MILLION

- o FUNDS ENTRUSTED RISES 41% IN FIRST NINE MONTHS TO EUR 139.7 BILLION
- o 2.2 MILLION NEW CUSTOMERS ADDED IN FIRST NINE MONTHS, BRINGING TOTAL TO 10.7 MILLION
- o MORTGAGE LENDING PORTFOLIO GROWS 47% TO EUR 30.8 BILLION

TABLE 20. ING DIRECT\* PROFIT & LOSS ACCOUNT

In EUR million	FIRST NINE MONTHS			THIRD
	2004	2003	%	
Interest result	1,177	668	76.2	430
Commission	60	24	150.0	16
Other income	9	11	-18.2	3
	-----	-----		-----
TOTAL OPERATING INCOME	1,246	703	77.2	449
OPERATING EXPENSES	853	571	49.4	304
	-----	-----		-----
Gross result	393	132	197.7	145
Addition to provisions for loan losses	73	39	87.2	28
	-----	-----		-----
OPERATING PROFIT BEFORE TAX	320	93	244.1	117
KEY FIGURES				
Cost/income ratio	68.5%	81.2%		67.7%
RAROC (pre-tax)	20.0%	10.7%		
Total risk-weighted assets** (in EUR billion)	44.3	28.5	55.4	
Addition to provisions for loan losses in basis points of average credit-risk-weighted assets	26	22		
Staff (average in FTE)	5,100	3,700	37.8	

PROFIT FIRST NINE MONTHS

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Operating profit before tax from ING Direct rose to EUR 320 million in the first nine months of 2004 compared with EUR 93 million in the same period last year as it continued to attract new customers and increase funds entrusted. Of the eight countries in which ING Direct is active, it is profitable in all except the United Kingdom, where it started operations in May 2003.

Operating income increased 77.2% to EUR 1,246 million, driven mainly by a 76.2% jump in the interest result triggered by the continued growth in funds entrusted. Since year-end 2003, total funds entrusted grew by EUR 40.3 billion, or 40.5%, to EUR 139.7 billion. In the 12 months ended September 30, funds entrusted increased 47.4%. Growth in mortgage lending also boosted income. At the end of September, ING Direct had a total mortgage loan portfolio of EUR 30.8 billion, an increase of EUR 9.8 billion from the end of 2003, particularly due to growth in the U.S. and Germany.

Operating expenses at ING Direct increased 49.4% to EUR 853 million as a result of higher marketing costs and expenses to handle the continued growth of the business, in particular the strong increase in mortgage distribution. Since year-end 2003, the number of customers increased by nearly 2.2 million, or 25.7%, to 10.7 million. The cost/income ratio of ING Direct improved to 68.5% from 81.2% in the first nine months last year. The average number of full-time employees at ING Direct increased 37.8% to 5,100 in the first nine months of 2004, mainly due to expansion in Germany, the U.S. and the U.K.

The addition to the provision for loan losses almost doubled, in line with the strong growth of the business, reaching EUR 73 million in the first nine months of 2004 compared with EUR 39 million in the same period last year. Risk costs equalled an annualised 26 basis points of average credit-risk-weighted assets, up from 22 basis points in the first nine months of 2003, and unchanged from full-year 2003.

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### RAROC

The pre-tax Risk-Adjusted Return on Capital for ING Direct improved to 20.0% from 10.7% in the first nine months of 2003, surpassing ING's hurdle of 18.5%. The increase was due entirely to higher economic returns as the business units reach critical mass. The economic capital increased to EUR 2.3 billion from EUR 1.6 billion in the first nine months of 2003.

### GEOGRAPHICAL BREAKDOWN ING DIRECT

TABLE 21. ING DIRECT OPERATING PROFIT BEFORE TAX (including ING Card)						
In EUR million	FIRST NINE MONTHS			THIRD QUARTER		
	2004	2003	%	2004	2003	%
Canada	49	39	25.6	20	15	33.3
Spain	28	11	154.5	6	3	50.0
Australia	44	37	18.9	14	14	0.0
France	4	-21		2	-6	
United States	123	44	179.5	47	25	88.0
Italy	6	-21		7	-4	
United Kingdom	-30	-31		-14	-12	
Germany*	96	35	174.3	32	27	18.5
	---	---		---	---	
SUBTOTAL ING DIRECT	320	93	244.1	114	62	83.9
ING Card	0	0		3	0	
	---	---		---	---	
TOTAL	320	93	244.1	117	62	88.7

\* Including Austria

Of the ING Direct operations, seven out of the eight countries posted profits in the first nine months of 2004. Only the United Kingdom, which started operations in May 2003, is still loss making. All ING Direct countries except France, Italy and the U.K. are performing above ING's 18.5% hurdle for risk-adjusted return on capital.

Compared with the first nine months of 2003, France and Italy turned to profit. The U.S. and Germany posted the strongest profit increases, driven by the continued growth of funds entrusted and number of clients. Developments in the U.K. have been much better than planned, with higher-than-expected funds entrusted and client numbers, which has resulted in lower start-up losses. Funds entrusted in Australia continued to grow again in the third quarter of 2004, after a slight decline in the second quarter.

TABLE 22. ING DIRECT CLIENTS AND FUNDS ENTRUSTED

	NUMBER OF CLIENTS (x 1,000)			FUNDS ENTRUSTED (in EUR billion)		
	30 Sept. 2004	30 June 2004	31 Dec. 2003	30 Sept. 2004	30 June 2004	31 Dec. 2003
Canada	1,070	1,009	905	9.1	8.2	7.0
Spain	896	836	753	9.8	8.6	7.9
Australia	915	831	719	7.9	6.9	6.9
France	382	367	339	9.0	8.6	7.6
United States	2,048	1,823	1,399	21.3	18.4	12.8
Italy	461	449	379	10.0	9.5	7.6
United Kingdom	689	606	305	26.1	23.4	11.5
Germany*	4,262	4,097	3,735	46.5	44.6	38.1
TOTAL	10,723	10,018	8,534	139.7	128.2	99.4

### 3. ASSETS UNDER MANAGEMENT RISE 6.5% TO EUR 493.0 BILLION

Total assets under management increased by EUR 30.3 billion, or 6.5%, in the first nine months to EUR 493.0 billion at the end of September. The increase resulted from a net inflow of EUR 17.8 billion, plus EUR 10.2 billion from higher stock markets, and EUR 4.6 billion from positive currency rate differences. Divestments had a negative impact of EUR 2.3 billion, mainly due to the deconsolidation of Baring Private Equity Partners. In the third quarter, total assets under management increased by only 0.4%, despite a solid net inflow in the third quarter of EUR 4.1 billion, which was largely offset by the impact of a stronger euro.

#### FUND INFLOW

The net fund inflow of EUR 17.8 billion was driven mainly by Insurance Asia/Pacific, Private Banking and ING Real Estate. Insurance Asia/Pacific reported a net inflow of EUR 7.3 billion, as a result of strong sales of Money Market Funds and structured products at KB Asset Management in Korea as well as

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strong life premium growth in Taiwan. Private Banking had a net inflow of EUR 4.0 billion led by Belgium, which is reported under Retail Banking. ING Real Estate reported a net inflow of EUR 3.8 billion, included under Wholesale Banking.

TABLE 23. ASSETS MANAGED BY BUSINESS LINE					
In EUR billion	30 September 2004	31 December 2003	9M % Change	30 June 2004	3Q % Change
Insurance Europe	147.4	139.6	5.5	145.7	1.2
Insurance Americas	174.3	167.0	4.4	174.4	-0.1
Insurance Asia/Pacific	53.8	43.1	24.9	51.5	4.5
Retail Banking	55.6	52.2	6.6	56.0	-0.7
Wholesale Banking	61.9	60.8	1.8	63.2	-2.1
TOTAL	493.0	462.7	6.5	490.8	0.4

TABLE 24. ASSETS ORIGINATED BY BUSINESS LINE					
In EUR billion	30 September 2004	31 December 2003	9M % Change	30 June 2004	3Q % Change
Insurance Europe	45.4	41.0	10.7	44.4	2.3
Insurance Americas	103.1	99.9	3.2	103.9	-0.8
Insurance Asia/Pacific	26.8	22.4	19.6	25.4	5.5
Retail Banking	102.8	94.5	8.8	101.7	1.1
Wholesale Banking	56.3	55.7	1.1	58.1	-3.1
Total third parties	334.4	313.5	6.7	333.5	0.3
Proprietary assets	158.6	149.2	6.3	157.3	0.8
TOTAL	493.0	462.7	6.5	490.8	0.4

### DISTRIBUTION CHANNELS

All Business Lines contributed to a 6.7% increase in third-party assets to EUR 334.4 billion. Insurance Asia/Pacific and Insurance Europe led the increase in the first nine months, with assets increasing 19.6% and 10.7% respectively. Of total third-party assets, Insurance Europe accounts for 13.6%, Insurance Americas for 30.8%, Insurance Asia/Pacific for 8.0%. Retail Banking accounts for 30.8% and Wholesale Banking accounts for 16.8% of the total.

TABLE 25. ASSETS UNDER MANAGEMENT BY CLIENT CATEGORY					
In EUR billion	30 September 2004	31 December 2003	9M % Change	30 June 2004	3Q % Change
Private clients	201.0	187.9	7.0	202.5	-0.7
Institutional clients	133.4	125.6	6.1	131.0	1.8

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Total third parties	334.4	313.5	6.7	333.5	0.3
Proprietary assets	158.6	149.2	6.3	157.3	0.8
TOTAL	493.0	462.7	6.5	490.8	0.4
Share of third parties	67.8%	67.8%		68.0%	

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TABLE 26. ASSETS UNDER MANAGEMENT BY ASSET CLASS						
In EUR billion	30 September 2004		30 June 2004		31 December 2003	
Equities	159.1	32%	166.4	34%	161.0	35%
Fixed income	259.2	53%	257.0	52%	236.6	51%
Real Estate	33.4	7%	32.8	7%	28.9	6%
Cash	41.3	8%	34.6	7%	36.2	8%
TOTAL	493.0	100%	490.8	100%	462.7	100%

### ING INVESTMENT MANAGEMENT

ING Investment Management (IIM) continued to focus on cross-selling initiatives, which create new sales opportunities with both ING affiliates and third-party clients. Successful products are being offered on a wider scale, leading to new mandates and assets under management. IIM-Europe continues to increase the distribution of its products through third-party distribution channels as a result of market developments in the field of open architecture. The European unit realised strong growth in the third quarter with its Euro and Global Equity strategies, and the High Dividend fund attracted an inflow of EUR 852 million in the first nine months. IIM-Americas is successfully capitalising on its fixed income strategies and funds, receiving inflows from U.S. and European pension plans of EUR 1.4 billion in the first nine months, including EUR 1.1 billion in the third quarter. Inflows for fixed-income funds reached EUR 1.5 billion for the nine months ended September 30. The assets under management of IIM-Asia/Pacific are fast growing as a result of our strong distribution in this region and advanced product offerings.

### ING REAL ESTATE

ING Real Estate's portfolio, including real estate finance, increased to EUR 49 billion at the end of September from EUR 42 billion at the end of 2003, and ING Real Estate was recently ranked as the largest property investment manager in the world in terms of assets under management. Growth in the portfolio was driven mainly by ING Real Estate Investment Management, where assets under management increased by EUR 3.9 billion, mainly as a result of the launch of two new U.S. funds and the acquisition of the publicly listed Rodamco Asia real estate fund. Pre-marketing has been started, enabling private investors to invest in unlisted funds. ING Real Estate Finance's financial performance continued to be very satisfactory and its portfolio now amounts to EUR 16.9 billion. ING Real Estate Development expanded its order book in the last few months, winning orders from municipalities in France and the Netherlands. Several new projects were also sold in the Netherlands, Italy and Hungary.

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### PROFIT CONTRIBUTION

The functional operating profit before tax from asset management (derived from figures included in the insurance and banking results) increased 40.3% to EUR 334 million in the first 9 months of 2004. Growth was mainly driven by the institutional asset management business, (including ING Real Estate, Baring Asset Management and ING Investment Management) and private banking. The asset management profit share increased to 6.0% from 5.5% of total group operating profit before tax.

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### APPENDICES

1. Key figures
2. Consolidated profit and loss account (Insurance/Banking) first nine months, one-off items
3. Consolidated profit and loss account (Insurance/Banking) third quarter, one-off items
4. Consolidated balance sheet and changes in shareholders' equity
5. Condensed consolidated statement of cash flows
6. Additional information: quarterly results, specification of realised capital gains on real estate and equities from insurance, insurance profit & loss by life/non-life, bank lending, bank commission income, banking other income
7. Value of new business at the life insurance operations
8. Consolidated balance sheet ING Verzekeringen N.V.
9. Consolidated balance sheet ING Bank N.V.
10. Information for shareholders

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The accounting principles applied in this document correspond with those applied in ING Group's Annual Accounts 2003. However, starting 1 January 2004, ING adopted the US GAAP accounting standard "Statement of Position 03-1: Accounting and Reporting by Insurance Enterprises for Certain Non-Traditional Long-Duration Contracts and for Separate Accounts" for both its Dutch and US accounting. All figures in this document are unaudited.

Certain of the statements contained in this release 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)



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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.

This release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the common shares of ING Canada Inc. in any jurisdiction in which such offer, solicitation or sale would be unlawful. Such shares have not been and will not be registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States except pursuant to an exception from the registration requirements of such Securities Act.

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### APPENDIX 1.

1. KEY FIGURES	9 months 2004	9 months 2003	FY 2003	FY 2002
BALANCE SHEET (EUR x billion)				
Total assets	865	785	779	716
Shareholders' equity	25	20	21	18
ASSETS UNDER MANAGEMENT (EUR x billion)	493	455	463	449
MARKET CAPITALISATION (EUR x billion)	44	33	39	32
OPERATING INCOME (EUR x million)				
Insurance operations	41,291	39,407	53,233	59,449
Banking operations	9,556	8,696	11,680	11,201
OPERATING EXPENSES (EUR x million)				
Insurance operations	3,471	3,558	4,897	5,203
Banking operations	6,331	5,992	8,184	8,298
ADDITIONS TO THE PROVISION FOR LOAN/INVESTMENT LOSSES (EUR x million)	430	1,010	1,288	2,099
PROFIT (EUR x million)				
Insurance operations	2,737	2,476	3,486	3,170
Banking operations	2,859	1,849	2,371	1,468
Operating profit before tax	5,596	4,325	5,857	4,638
Operating net profit	4,008	3,012	4,053	3,433
Capital gains/neg. value adjustment shares	429	-5	-10	820
Non-operating net profit				247
Net profit	4,437	3,007	4,043	4,500
Distributable net profit	4,437	3,007	4,043	4,253
FIGURES PER ORDINARY SHARE OF EUR 0.24 NOMINAL VALUE				
Operating net profit	1.90	1.50	2.00	1.77

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Net profit	2.10	1.50	2.00	2.32
Distributable net profit	2.10	1.50	2.00	2.20
Dividend			0.97	0.97
Shareholders' equity	11.19	9.37	10.08	9.14
RATIOS (in %)				
ING Group				
Operating return on equity (ROE)	23.2	21.9	21.5	17.4
Operating net profit growth	33	11	18	-3
Dividend pay-out ratio			48.5	44.1
Insurance operations				
Combined ratio	92	98	98	102
Capital coverage ratio	185	178	180	169
Banking operations				
BIS ratio ING Bank	11.19	11.18	11.34	10.98
Tier-1 ratio ING Bank	7.61	7.44	7.59	7.31
Cost/income ratio	66.3	68.9	70.1	74.1
EMPLOYEES (average FTEs)	113,200	115,400	115,200	113,060

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## APPENDIX 2.

2.1 ING GROUP FIRST NINE MONTHS CONSOLIDATED PROFIT & LOSS ACCOUNT					
In EUR million	INSURANCE		BANKING		9M 2002
	9M 2004	9M 2003	9M 2004	9M 2003	
Premium income	32,748	30,587			32,748
Income from investments of the insurance operations	7,145	7,132			6,945
Interest result banking operations			6,562	6,059	6,645
Commission	892	978	1,991	1,810	2,845
Other income	506	710	1,003	827	1,545
TOTAL OPERATING INCOME	41,291	39,407	9,556	8,696	50,738
Underwriting expenditure	34,167	32,267			34,167
Other interest expenses	852	951			745
Operating expenses	3,471	3,558	6,331	5,992	9,845
Additions to the provision for loan losses/investment losses	64	155	366	855	445
TOTAL OPERATING EXPENDITURE	38,554	36,931	6,697	6,847	45,157
OPERATING PROFIT BEFORE TAX	2,737	2,476	2,859	1,849	5,581
Taxation	577	584	801	497	1,359
Third-party interests	80	82	130	150	242
OPERATING NET PROFIT	2,080	1,810	1,928	1,202	4,070
Capital gains/negative value adjustment shares	429	-5			424
NET PROFIT	2,509	1,805	1,928	1,202	4,494

2.2 ONE-OFF ITEMS BEFORE TAX					
In EUR million	INSURANCE		BANKING		
	9M 2004	9M 2003	9M 2004	9M 2003	9M 2003
OPERATING PROFIT BEFORE TAX	2,737	2,476	2,859	1,849	5,5
- old reinsurance business	96	303			
- sale Australia non-life	219				2
- U.S. individual reinsurance charge	-252				-2
- sale of Asian equities business			-84		-
- sale CenE Bankiers			87		
- restructuring provisions			-60	-82	-
OPERATING PROFIT BEFORE TAX EXCLUDING ONE -OFF ITEMS	2,674	2,173	2,916	1,931	5,5

2.3 ONE-OFF ITEMS AFTER TAX					
In EUR million	INSURANCE		BANKING		
	9M 2004	9M 2003	9M 2004	9M 2003	9M 2003
OPERATING NET PROFIT	2,080	1,810	1,928	1,202	4,0
- old reinsurance business	92	247			1
- sale Australia non-life	146				1
- U.S. individual reinsurance charge	-164				-1
- release of redundant tax provisions	142				1
- sale of Asian equities business			-54		-
- sale CenE Bankiers			87		
- restructuring provisions			-36	-65	-
OPERATING NET PROFIT EXCLUDING ONE-OFF ITEMS	1,864	1,563	1,931	1,267	3,7

\* Including inter-company eliminations.

### APPENDIX 3.

3.1 ING GROUP THIRD QUARTER CONSOLIDATED PROFIT & LOSS ACCOUNT					
In EUR million	INSURANCE		BANKING		
	3Q 2004	3Q 2003	3Q 2004	3Q 2003	3Q 2003

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Premium income	10,854	9,735			10,8
Income from investments of the insurance operations	2,429	2,328			2,3
Interest result banking operations			2,172	2,142	2,1
Commission	310	339	639	578	9
Other income	146	361	339	199	4
	-----	-----	-----	-----	-----
TOTAL OPERATING INCOME	13,739	12,763	3,150	2,919	16,8
Underwriting expenditure	11,555	10,367			11,5
Other interest expenses	312	417			2
Operating expenses	1,153	1,181	2,170	2,040	3,3
Additions to the provision for loan losses/investment losses	40	18	101	240	1
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENDITURE	13,060	11,983	2,271	2,280	15,2
OPERATING PROFIT BEFORE TAX	679	780	879	639	1,5
Taxation	39	201	239	202	2
Third-party interests	29	34	39	38	
	-----	-----	-----	-----	-----
OPERATING NET PROFIT	611	545	601	399	1,2
Capital gains/negative. value adjustment shares	382	10		23	3
	-----	-----	-----	-----	-----
NET PROFIT	993	555	601	422	1,5

3.2 ONE-OFF ITEMS BEFORE TAX

In EUR million	INSURANCE		BANKING		3Q 2003
	3Q 2004	3Q 2003	3Q 2004	3Q 2003	
OPERATING PROFIT BEFORE TAX	679	780	879	639	1,5
- U.S. individual reinsurance charge	-252				-2
- sale CenE Bankiers			87		
- restructuring provisions			-60	-37	
OPERATING PROFIT BEFORE TAX EXCLUDING ONE -OFF ITEMS	931	780	852	676	1,7

3.3 ONE-OFF ITEMS AFTER TAX

In EUR million	INSURANCE		BANKING		3Q 2003
	3Q 2004	3Q 2003	3Q 2004	3Q 2003	
OPERATING NET PROFIT	611	545	601	399	1,2
- U.S. individual reinsurance charge	-164				-1
- release of redundant tax provisions	142				1
- sale CenE Bankiers			87		

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- restructuring provisions			-36	-25	-
OPERATING NET PROFIT					
EXCLUDING ONE-OFF ITEMS	633	545	550	424	1,1

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## APPENDIX 4.

### 4.1 ING GROEP N.V. CONSOLIDATED BALANCE SHEET

In EUR million	30 September 2004	31 December 2003	9M % Change	30 Jun 2004
ASSETS				
Tangible fixed assets	1,251	1,311	-4.6	1,251
Participating interests	3,595	3,167	13.5	3,641
Investments	392,797	335,003	17.3	382,941
Lending	316,578	292,556	8.2	314,371
Banks	59,805	61,060	-2.1	70,561
Cash	4,996	11,738	-57.4	10,881
Other assets	64,810	53,473	21.2	66,001
Accrued assets	21,598	20,463	5.5	21,961
	-----	-----		-----
TOTAL	865,430	778,771	11.1	871,641
EQUITY AND LIABILITIES				
Shareholders' equity	24,639	21,331	15.5	24,061
Preference shares of Group companies	1,417	1,783	-20.5	1,441
Third-party interests	1,763	1,730	1.9	1,661
	-----	-----		-----
Group equity	27,819	24,844	12.0	27,161
Subordinated loan	4,294	3,252	32.0	4,321
	-----	-----		-----
Group capital base	32,113	28,096	14.3	31,491
General provisions	2,656	2,740	-3.1	2,681
Insurance provisions	212,821	198,035	7.5	210,811
Funds entrusted to and debt securities of the banking operations	426,473	377,824	12.9	423,261
Banks	118,765	102,115	16.3	131,541
Other liabilities	65,379	61,123	7.0	64,911
Accrued liabilities	7,223	8,838	-18.3	6,921
	-----	-----		-----
TOTAL	865,430	778,771	11.1	871,641

4.2 CHANGES IN SHAREHOLDERS' EQUITY

In EUR million

SHAREHOLDERS' EQUITY AS PER 31 DECEMBER 2003 / 2002	21,331
Net profit	4,437
Revaluations (after tax)	237
Realised capital gains released to P&L account	-602
Write-off of goodwill	-18
Exchange rate differences	-152
Issue of shares	1,694
Changes in ING Groep N.V. shares held by Group companies	-50
Dividend paid	-2,105
Other	-133
	-----
SHAREHOLDERS' EQUITY AS PER 30 SEPTEMBER 2004 / 31 DECEMBER 2003	24,639

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APPENDIX 5.

5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR million	9 months 2004	9 months 2003*
NET CASH FLOW FROM OPERATING ACTIVITIES	55,862	39,099
Investments and advances:		
- participating interests	-2,553	-246
- investments in shares and property	-4,657	-4,756
- investments in fixed-interest securities	-256,351	-269,119
- other investments	-371	-49
Disposals and redemptions:		
- participating interests	1,467	208
- investments in shares and property	5,223	6,134
- investments in fixed-interest securities	206,055	227,418
- other investments	358	139
Net investment for risk of policyholders	-5,446	-8,732
	-----	-----
NET CASH FLOW FROM INVESTING ACTIVITIES	-56,275	-49,003
Subordinated loans of ING Groep NV companies	1,000	750
Bonds, loans taken up and deposits by reinsurers	-1,619	-1,056
Private placements of ordinary shares		45
Private placement of preference shares of group companies	-410	0
Issue of shares		471
Changes in shares ING Groep N.V.	483	6

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Cash dividends	-894	-927
	-----	-----
NET CASH FLOW FROM FINANCING ACTIVITIES	-1,440	-711
Net cash flow	-1,853	-10,615
Cash at beginning of year	7,338	7,829
Exchange rate differences	213	221
	-----	-----
CASH AT END OF PERIOD	5,698	-2,565
	-----	-----

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In this summary, cash comprises the following items:

Short-dated government paper	15,097	7,147
Banks, available on demand	-14,395	-17,668
Cash and bank balances and call money of the insurance operations	4,996	7,956
	-----	-----
CASH AT END OF PERIOD	5,698	-2,565
	-----	-----

\* Restated

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## APPENDIX 6. ADDITIONAL INFORMATION

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6.1 QUARTERLY RESULTS					
In EUR million	3Q 2004	2Q 2004	1Q 2004	4Q 2003	3Q 2003
-----					
Operating profit before tax					
- Insurance Europe	437	365	409	556	437
- Insurance Americas	170	460	340	362	314
- Insurance Asia/Pacific	104	405	122	107	128
- Other	-32	39	-82	-15	-99
	-----	-----	-----	-----	-----
INSURANCE OPERATING PROFIT BEFORE TAX	679	1,269	789	1,010	780
- Wholesale Banking	519	511	659	146	374
- Retail Banking	330	351	327	340	225
- ING Direct	117	128	75	58	62
- Other	-87	-21	-50	-22	-22
	-----	-----	-----	-----	-----
BANKING OPERATING PROFIT BEFORE TAX	879	969	1,011	522	639
OPERATING PROFIT BEFORE TAX	1,558	2,238	1,800	1,532	1,419
OPERATING NET PROFIT	1,212	1,605	1,191	1,041	944
- of which Insurance operations	611	935	534	698	545
- of which Banking operations	601	670	657	343	399

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NET PROFIT	1,594	1,641	1,202	1,036	977
In EUR					
Operating net profit per ordinary share	0.57	0.76	0.57	0.50	0.46
NET PROFIT PER ORDINARY SHARE	0.74	0.79	0.57	0.50	0.47

6.2 SPECIFICATION OF REALISED CAPITAL GAINS ON REAL ESTATE AND EQUITIES FROM INSURANCE				
In EUR million	FIRST NINE MONTHS BEFORE TAX			FIRST NINE MO
	2004	2003	%	2004
REAL ESTATE				
- life	252	278	-9.3	
- non-life	13	16	-18.7	
	---	---		
Subtotal	265	294	-9.9	164
EQUITIES	436	-10		429
	---	---		---
TOTAL	701	284	146.8	593

6.3 INSURANCE PROFIT FROM LIFE AND NON-LIFE					
In EUR million	FIRST NINE MONTHS 2004			FIRST NINE	
	Life	Non-life	Total	Life	Non
Premium income	27,567	5,181	32,748	24,935	
Income from investments	6,392	753	7,145	6,365	
Commission and other income	1,364	34	1,398	1,681	
	-----	-----	-----	-----	
TOTAL OPERATING INCOME	35,323	5,968	41,291	32,981	
Underwriting expenditure	30,164	4,003	34,167	27,473	
Other interest expenses	852		852	951	
Operating expenses	2,595	876	3,471	2,686	
Investment losses	64		64	155	
	-----	-----	-----	-----	
TOTAL OPERATING EXPENDITURE	33,675	4,879	38,554	31,265	
OPERATING PROFIT BEFORE TAX	1,648	1,089	2,737	1,716	



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6.4 BANK LENDING				
In EUR billion	30 September 2004	31 December 2003	9M % Change	30 Jun 2004
- Public authorities	14.7	14.9	-1.3	14.7
- Other corporate	167.4	160.7	4.2	171.1
	-----	-----		-----
TOTAL CORPORATE	182.1	175.6	3.7	186.8
- Mortgages	120.8	104.2	15.9	114.1
- Other personal	18.2	17.4	4.6	18.1
	-----	-----		-----
TOTAL PERSONAL	139.0	121.6	14.3	132.2
Provisions for bank lending	-4.5	-4.6		-4.5
TOTAL BANK LENDING	316.6	292.6	8.2	314.6

6.5 BANKING COMMISSION INCOME				
In EUR million	FIRST NINE MONTHS			THIRD 2004
	2004	2003	%	
Funds transfer	444	444	0.0	151
Securities business	519	476	9.0	129
Insurance broking	107	86	24.4	31
Management fees	578	434	33.2	197
Brokerage and advisory fees	85	107	-20.6	36
Other	258	263	-1.9	95
	-----	-----		---
TOTAL	1,991	1,810	10.0	639

6.6 BANKING OTHER INCOME				
In EUR million	FIRST NINE MONTHS			THIRD 2004
	2004	2003	%	
Income from securities and participating interests	182	61	198.4	103
Results from financial transactions	470	547	-14.1	92
Other results	351	219	60.3	144
	-----	-----		---
TOTAL	1,003	827	21.3	339

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## APPENDIX 7.

### 7.1 NEW BUSINESS PRODUCTION AND VALUE BY REGION

The value of new life business written in the first three quarters of 2004 was EUR 466 million compared with EUR 330 million for three-fourths of full-year production in 2003. ING invested EUR 1,283 million to write new life insurance business. Investment in new business includes acquisition expenses (commissions, underwriting, and policy issuance), benefits expected to be paid in the first year, as well as funds to establish reserves and capital allocations to support the business. Premiums and expected investment income in the first year are deducted from the investment calculation. The overall internal rate of return (IRR) expected on this investment is 11.9%. The value of new business and IRR for 2004 reflect ING's internal capital requirements, including the impact of financial options and guarantees for all business units where these benefits are significant.

7.2 BUSINESS PRODUCTION AND VALUE BY REGION						
In EUR million	NEW PRODUCTION FIRST NINE MONTHS 2004				NEW PRODUCTION	
	Annual premium	Single Premium	Value of New Business	IRR in %	Annual Premium	Single Premium
INSURANCE EUROPE	330	2,620	98	11.9	255	2,336
- Netherlands	143	1,221	33	9.8	120	915
- Belgium	40	1,277	39	22.9	22	1,314
- Rest of Europe	147	122	26	11.7	113	107
INSURANCE AMERICAS	1,167	11,583	123	10.3	1,224	10,967
- United States	996	11,452	104	10.1	1,187	10,909
- Mexico	114	5	16	21.3	25	6
- South America	57	126	3	8.6	12	52
INSURANCE ASIA/PACIFIC	839	2,257	245	14.0	739	1,191
- Australia	52	581	6	9.7	26	451
- Japan	244	1,365	93	15.6	202	634
- Korea	289	147	61	26.2	247	46
- Taiwan	172	129	78	11.8	186	35
- Rest of Asia/Pacific	82	35	7	10.1	78	25
TOTAL	2,336	16,460	466	11.9	2,218	14,494

The expected internal rate of return in developing markets is 13.5% compared with 15.3% for 2003.

7.3 NEW BUSINESS PRODUCTION AND VALUE IN DEVELOPING MARKETS* BY REGION						
In EUR million	NEW PRODUCTION FIRST NINE MONTHS 2004				NEW PRODUCTION	
	Annual premium	Single Premium	Value of New Business	IRR in %	Annual Premium	Single Premium
Europe	98	47	20	13.1	80	39
Americas	171	131	19	12.3	37	58
Asia/Pacific	543	311	146	13.8	511	107

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TOTAL	812	489	185	13.5	628	204
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APPENDIX 8.

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8. ING VERZEKERINGEN N.V. CONSOLIDATED BALANCE SHEET

In EUR million	30 September 2004	31 December 2003	% c
<hr/>			
ASSETS			
Tangible fixed assets	327	315	
Participating interests	2,376	2,587	
Investments	231,502	215,231	
Cash	1,391	1,848	
Other assets	7,651	7,935	
Accrued assets	13,826	12,668	
	-----	-----	
TOTAL	257,073	240,584	
EQUITY AND LIABILITIES			
Shareholders' equity	13,511	12,011	
Third-party interests	1,302	1,187	
Subordinated loans	2,655	2,647	
	-----	-----	
Group equity	17,468	15,845	
General provisions	1,627	1,665	
Insurance provisions	212,820	198,035	
Other liabilities	24,072	23,973	
Accrued liabilities	1,086	1,066	
	-----	-----	
TOTAL	257,073	240,584	

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APPENDIX 9.

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9. ING BANK N.V.\* CONSOLIDATED BALANCE SHEET

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In EUR million	30 September 2004	31 December 2003	% c
-----			
ASSETS			
Cash	4,171	10,135	
Short-dated government paper	15,097	6,521	
Banks	59,805	61,060	
Loans and advances	318,059	293,987	
Interest-bearing securities	182,864	140,032	
Shares	8,711	8,882	
Other participating interests	1,818	1,613	
Property and equipment	6,573	5,720	
Other assets	5,052	4,581	
Accrued assets	9,768	9,063	
	-----	-----	
TOTAL	611,918	541,594	
EQUITY AND LIABILITIES			
Banks	118,765	102,115	
Funds entrusted	354,638	307,793	
Debt securities	74,119	72,372	
Other liabilities	20,864	17,400	
Accrued liabilities	7,634	8,815	
General provisions	1,365	1,412	
	-----	-----	
	577,385	509,907	
Fund for general banking risks	1,343	1,281	
Subordinated liabilities	16,473	14,516	
Shareholders' equity	15,742	14,868	
Third-party interests	483	553	
Capital and reserves of Stichting Regio Bank	492	469	
	-----	-----	
Group equity	16,717	15,890	
Group capital base	34,533	31,687	
	-----	-----	
TOTAL	611,918	541,594	
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## APPENDIX 10. INFORMATION FOR SHAREHOLDERS

### SHARES AND WARRANTS

The average number of shares used for the calculation of net profit per share for the first nine months 2004, was 2,108.5 million (1,993.8 million for the first nine months 2003). The number of (depository receipts for) ordinary shares of EUR 0.24 nominal value outstanding at the end of September 2004 was 2,204.7 million (including 28.5 million own shares to cover outstanding options for ING personnel). The number of (depository receipts for) "A" preference shares of EUR 1.20 nominal value outstanding at the end of September 2004 was 87.1 million. The dividend percentage for the "A" shares for the period from 1 January, 2004

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to 1 January 2014 has been set at 4.65%. This dividend will amount to EUR 0.1582 per year until 1 January 2014. This dividend will be paid for the first time in 2005.

On 5 January 1998, 17.2 million ING Group warrants B were issued. With an additional payment of the exercise price of EUR 49.92 one warrant B entitles the holder to two ING Group depositary receipts up to 5 January 2008. The number of warrants B outstanding at the end of September 2004 was 17.2 million.

In the first nine months of 2004, the turnover of (depositary receipts for) ordinary shares on the Euronext Amsterdam Stock Market was 1,802.1 million (purchases and sales). The highest closing price was EUR 21.20, the lowest EUR 16.73; the closing price at the end of September 2004 was EUR 20.32.

### LISTING

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

### RATING

Both ING Groep N.V. and ING Verzekeringen N.V. have an A+ rating from Standard & Poor's and an Aa3 rating from Moody's. ING Bank N.V. has an Aa2 rating from Moody's and an AA- from Standard & Poor's. All ratings were confirmed in 2003 and have a stable outlook.

### IMPORTANT DATES IN 2005 AND 2006\*

17 February 2005	Publication of annual results 2004
26 April 2005	Annual general meeting of shareholders
28 April 2005	ING share quoted ex-final dividend
12 May 2005	Publication of first-quarter results
11 August 2005	Publication of first-half results
12 August 2005	ING share quoted ex-interim dividend
10 November 2005	Publication of results first nine months
16 February 2006	Publication of annual results 2005
25 April 2006	Annual general meeting of shareholders
27 April 2006	ING share quoted ex-final dividend

\* All dates shown are provisional.

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### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ING Groep N.V.  
(Registrant)

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By: /s/H. van Barneveld

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H. VAN BARNEVELD

General Manager Corporate Control & Finance

By: /s/C.F. Drabbe

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C.F. DRABBE

Assistant General Counsel

Dated: November 4, 2004

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