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ING GROEP NV
Form 6-K
February 25, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

For February 21, 2003

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

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

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:

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(1) The Press Release issued on February 21, 2003.

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[ING GROUP LOGO]

PRESS RELEASE

Amsterdam, 21 February 2003

ING GROUP FULL YEAR 2002: PROFIT EQUAL TO STRONG 2001 RESULT

All comparable figures in this press release relate to full year 2002 versus full year 2001, unless indicated otherwise

- o OPERATIONAL NET PROFIT EUR 4,253 MILLION; PER SHARE EUR 2.20, BOTH EQUAL TO 2001
- o TOTAL INCOME EUR 76.5 BILLION (+3.2%, ORGANICALLY +4.7%)
- o TOTAL OPERATING EXPENSES -3.1% (ORGANICALLY -3.3%)
- o CAPITAL BASE REMAINED STRONG: AT YEAR-END THE CAPITAL BASE OF ING VERZEKERINGEN N.V. WAS 169% OF LEGALLY REQUIRED LEVEL, TIER-1 RATIO OF ING BANK N.V. STOOD AT 7.31% VERSUS THE REGULATORY REQUIRED MINIMUM LEVEL OF 4%
- o CAPITAL BASE STRENGTHENED BY USD 1.1 BILLION PERPETUAL SUBORDINATED LOAN AND EUR 650 MILLION SALE OF OWN SHARES
- o HIGH RISK COSTS IN BANKING AND HIGH INVESTMENT LOSSES IN INSURANCE
- o VALUE OF NEW LIFE INSURANCE BUSINESS WRITTEN EUR 519 MILLION (+54.5%)
- o ING DIRECT PROFITABLE IN FOURTH QUARTER; EXPANSION CONTINUES AT RAPID PACE
- o TOTAL DIVIDEND OF EUR 0.97 PER ORDINARY SHARE, EQUAL TO 2001. FINAL DIVIDEND EUR 0.49 PER ORDINARY SHARE, IN STOCK OR CASH

CHAIRMAN'S STATEMENT

"Despite the extremely difficult economic and political environment we were able to match the strong result of 2001 thanks to our broad business mix and substantial expense reduction," said Ewald Kist, chairman of the Executive Board. "We respond to the new realities of the market by sharpening our focus on core businesses and strengths, for instance on savings and guaranteed products, pensions and developing markets. ING Direct continued to grow fast. It now has 5 million clients and is making a profit. ING continues to be a solid company to invest in and a reliable partner to do business with. Our capital base ratios remained on the safe side of our internal targets, which are far more conservative than the regulatory minimum levels. As announced in November 2002, we are taking measures to reinforce our capital base and make ING less vulnerable to stock market volatility. These measures already resulted in a marked improvement in key ratios in 2002 and will continue in 2003."

OUTLOOK 2003

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As from 2003, ING has ended its policy of realising fixed and predetermined amounts of capital gains. In view of this and the current economic and political uncertainties, the Executive Board will not make a forecast for ING's result in 2003. The Executive Board remains convinced that ING Group has a solid base in core markets, is well-positioned in growth markets, will continue to exploit its many synergy opportunities successfully and is adequately responding to today's difficult market conditions.

PRESS CONFERENCE 21 FEBRUARY 2003 AT 9 A.M. CET, IN
ING HOUSE, AMSTELVEENSEWEG 500, 1081 KL AMSTERDAM.

Live webcast via a direct link at www.ing.com/group.
Press presentation available at <http://press.ing.com> at
9 a.m. CET

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CAPITAL BASE

ING was able to absorb substantial book value losses caused by the continued fall of stock markets indices without the capital base of both the insurance and banking operations dropping below their internal minimum levels. These internal levels are well-above legally required levels.

Nonetheless, in November, ING announced a series of measures to shore up the capital base in order to continue to be able to withstand potential future volatility of stocks and real estate. Through year-end 2002, USD 1.1 billion was raised by the issue of a subordinated perpetual loan and EUR 650 million by the sale of own shares that were unlocked after ING changed its method to hedge the price risk of employee stock options. ING will propose to the Annual General Meeting of Shareholders in April 2003 to introduce optional cash/stock dividend as from the final dividend 2002 and fully fund the cash element by issuing and selling to the market the depositary receipts that would have been issued if stock would have been chosen instead of cash. Various other measures such as reduction of the risk-weighted assets of the banking operations also improve capital adequacy ratios. In addition, the risk of further negative revaluation of equity investments has been limited by hedging transactions to an amount of EUR 3 billion and the sale of equities to an amount of EUR 2 billion.

End of period, the capital base of ING Verzekeringen N.V. amounted to EUR 14.7 billion, well in excess (169%) of the legally required level of EUR 8.7 billion. The tier-1 ratio and the BIS ratio of ING Bank N.V. ended the year at 7.31% and 10.98% respectively, both well above the regulatory required minimum levels of 4% and 8% respectively.

GROUP FINANCIAL HIGHLIGHTS

TABLE 1. KEY PROFIT AND LOSS FIGURES ING GROUP

%

Q4

Q4

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in EUR x million	2001	2002	change	2001	2002
Total income	74,163	76,521	3.2	20,522	18,414
- insurance operations	63,077	65,337	3.6	17,732	15,866
- banking operations	11,111	11,201	0.8	2,800	2,554
Operational net profit	4,252	4,253	0.0	948	925
- insurance operations	2,810	3,358	19.5	694	880
- banking operations	1,442	895	-37.9	254	45
Net profit	4,577	4,500	- 1.7	948	922
in EUR					
Operational net profit per share	2.20	2.20	0.0	0.49	0.48

INCOME

Total income increased by 3.2% to EUR 76.5 billion. The organic increase (excluding acquisitions/divestments and exchange rate fluctuations) was 4.7%. Insurance income rose 3.6% to EUR 65.3 billion (organically +5.7%). Life premiums increased organically by 4.6% to EUR 44.4 billion. Premium income from non-life insurance advanced by 34.1% to EUR 7.9 billion, which is to a large extent due to the acquisition of ING Comercial America in Mexico. The organic increase was 19.0%. Total income from banking increased 0.8% to EUR 11.2 billion. A healthy rise in the interest result just outstripped a strong decrease in other income.

EFFICIENCY

Total operating expenses decreased by 3.1% (organically -3.3%). This was largely due to restructuring, integration and tight cost control. The total number of staff rose by 2,700 to 115,800 full-time equivalents. This number includes the impact of consolidations and divestments (among others the consolidation of ING Vysya Bank in India, DiBa and Toplease, and the divestment ING Life Philippines). Excluding these changes, the total number of staff was

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reduced by 2,700, mainly reflecting restructuring of the US life operations and international wholesale banking.

Operating expenses of the insurance operations decreased organically by 8.8%. The integration and restructuring process in the US resulted in an outstanding 17.5% reduction of operating expenses. The difference between the premium growth and the expense growth was +16.1%-points (excluding GICs and the impact of the joint venture with ANZ in Australia), well above the target of at least +2%-points.

Total operating expenses in banking increased by 1.4% (organically +0.1%). Excluding the fast expanding activities of ING Direct and the restructuring provision for international wholesale banking, operating expenses were 2.9% lower. The efficiency ratio of the banking operations (excluding ING Direct and the restructuring provision) improved to 71.0% from 71.7% in 2001.

PROFIT DEVELOPMENT

At EUR 4,253 million, total operational net profit in 2002 equalled 2001's high result of EUR 4,252 million.

Operational profit before taxation decreased by 1.7% to EUR 5,641 million. Excluding the strong impact of risk costs in banking and investment losses in

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insurance, the gross result improved by 15.3% to EUR 7,629 million. The effective tax rate decreased from 20.3% to 18.7%, among others due to tax-exempt realised gains (e.g. sale of Cedel shares and the ANZ transaction) and the release of a tax provision.

Operational net profit from insurance was 19.5% higher at EUR 3,358 million. The gross result before taxation of the insurance operations - i.e. before investment losses - increased by 27.8% to EUR 4,726 million. Results in the Netherlands, North America, Asia and Australia improved. Cost control leading to an overall reduction in expenses contributed significantly to the improvement. The formation of the joint venture life and mutual fund operations in Australia with ANZ (ING 51% ownership) led to a one-off addition to operational net profit of EUR 222 million. Gross investment losses on fixed income securities of the insurance operations were EUR 630 million - equalling 48 basis points of the total fixed income investment portfolio - against EUR 376 million a year ago.

Operational net profit of the banking operations decreased by 37.9% to EUR 895 million. The decrease was caused by sharply higher risk costs. The gross result before taxation from banking - i.e. before risk costs - decreased slightly by 0.6% to EUR 2,903 million. The strong increase in the interest result compensated the big drop in other income. Total operating expenses - including the restructuring provision for international wholesale banking of EUR 128 million and the expense growth of ING Direct - were slightly higher. Risk costs were strongly higher throughout the year but especially in the fourth quarter. In the fourth quarter a provision was created with respect to a potential loss on National Century Financial Enterprises in the US. Total loan loss provisioning in 2002 was EUR 1,435 million, equal to 59 basis points of average credit risk weighted assets compared to EUR 750 million (33 basis points) a year ago.

RETURN ON EQUITY

The operational net return on equity increased from 18.4% in 2001 to 21.6% in 2002 reflecting a decrease in shareholders' equity. The return on equity of the insurance operations was 24.6% against 16.9% in 2001. The risk-adjusted return on capital (RAROC) of ING's banking operations was 13.3% compared to 13.5% for 2001 (pre-tax and excluding ING Direct). Also excluding the restructuring provision for international wholesale banking, RAROC was 14.2%.

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OPERATIONAL REALISED CAPITAL GAINS

As planned, ING realised net capital gains on equity investments of the insurance operations of EUR 820 million against EUR 713 million a year ago (+15%). Net realised capital gains on real estate were EUR 220 million compared to EUR 147 million in 2001. At year-end 2002, the revaluation reserve of equity investments of the insurance operations was EUR 0.8 billion and close to zero on 20 February 2003.

Starting in 2003, ING will realise capital gains on equities depending on market opportunities thereby ending its policy of increasing these gains at a fixed and predetermined pace.

DOLLAR HEDGE

The euro value of the results of ING's life insurance operations in the US and Canada is protected from depreciation of the US and Canadian dollar. For the year 2001 and 2002, these results were fully hedged at a EUR/USD exchange rate of 0.879. The hedge contributed EUR 55 million to operational net profit (2001: EUR 14 million).

In anticipation of a further strengthening of the euro versus the US dollar, ING

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has also hedged the expected profits of the US insurance operations for the years 2003 and 2004 at a EUR/USD exchange rate of 0.920 and 0.922 respectively.

VALUE OF NEW BUSINESS AND EMBEDDED VALUE LIFE OPERATIONS

The value of new life insurance business written during 2002 was EUR 519 million, a substantial increase over the 2001 level of EUR 336 million (revised) in 2001. About half of the value of new business arises from the insurance operations in developing markets. At the end of 2002, the total embedded value of ING's life insurance operations was EUR 23.3 billion compared to EUR 25.8 billion at year-end 2001. The decrease mainly reflects the impact of lower stock prices, credit-related losses and lower currency exchange rates versus the euro. (For more details, see appendix 8. Additional embedded value information.)

ACCELERATED AMORTISATION OF DEFERRED ACQUISITION COSTS (DAC)

In the US, policy acquisition costs such as sales commissions are deferred and subsequently amortised as a percentage of future gross profits. Depressed level of assets under management and revisions to future assumptions reduced expected future profits. This necessitated a higher DAC write-off in 2002. As from the third quarter, ING utilized more conservative assumptions to determine the estimated future gross profits of its US variable business. This decision, combined with lower current levels of equity-linked assets under management, caused an acceleration of DAC amortisation. Along with the net impact from the guaranteed benefits on variable products this resulted in a charge of EUR 281 million in 2002 (2001: EUR 18 million).

DIVIDEND

For 2002, a total dividend is proposed of EUR 0.97 per (depository receipt for an) ordinary share, which is equal to the 2001 dividend. Taking into account the interim dividend of EUR 0.48 made payable in September 2002, the final dividend will amount to EUR 0.49 per (depository receipt for an) ordinary share. The payout ratio as a percentage of distributable net profit is 44.1% (2001: 44.1%).

ING will propose to the Annual General Meeting of Shareholders on 15 April 2003 to approve the introduction of optional stock/cash dividend as from the final dividend 2002. If approved, holders of (depository receipts for) ordinary shares can decide to take up the final dividend 2002 entirely in cash or in (depository receipts for) ordinary shares from 17 April to 9 May inclusively. The final dividend will be made payable on 23 May 2003. The exchange ratio stock/cash will be announced on 17 May. The exchange ratio will be based on the weighted average share price over the period of 12 May to 16 May inclusively. ING intends to fully fund the cash element by selling to the market the depository receipts that would have been issued if stock would have been chosen instead of cash.

The value of the dividend in cash will be 0 to 4% lower than the dividend in stock.

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MAIN EVENTS

CORPORATE GOVERNANCE: ONE SHARE, ONE VOTE

Provided the consent of the Annual General Meeting of Shareholders in April 2003, ING's corporate governance structure will undergo important changes. The Dutch legal large company regime known as the structure regime will no longer be applied at ING Group level. As a result, rights of shareholders and depository receipt holders at ING Group will be strengthened substantially. Shareholders will have the right to determine the annual accounts and to appoint the members of the Supervisory and Executive Boards. In addition, voting rights of shareholders and depository receipt holders will also be extended by the introduction of proxy voting and proxy sollicitation. Furthermore, all existing

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restrictions of voting rights will be abolished. The proposals effectively give ING a one share, one vote regime.

US INSURANCE OPERATIONS

The reorganisation efforts in the US succeeded in reducing expenses by 17.5% or EUR 334 million in 2002. The total US workforce decreased by 16.4% or 1,810 FTEs since the third quarter of 2001, exceeding the 15% target reduction.

By the end of 2002, most of the integration activities relating to the ReliaStar and Aetna Financial Services acquisitions were completed. Integration was designed to build more streamlined, market-focused US operations and create one integrated financial services platform ranking in the top-5 of the US market. Despite the significant impact on the US operational results from the weak markets, revenue synergies remained on track. Management responded to market impact and achieved cost savings of more than EUR 400 million in excess of forecasts made at the time of the acquisitions.

FURTHER RESTRUCTURING OF INTERNATIONAL WHOLESALE BANKING

In November 2002, ING announced the further restructuring of its international wholesale banking operations to improve profitability. The additional restructuring measures primarily address underperforming branches and businesses. To cover the expenses of these measures, a restructuring provision of EUR 128 million was charged to the profit and loss account in the third quarter 2002. The related workforce reduction by 1,000 full-time equivalents has been largely completed.

ING DIRECT: PROFITABLE IN FOURTH QUARTER

ING Direct (including DiBa) continued to grow strongly in 2002: it added 2.5 million new clients ending the year with more than five million clients. Funds entrusted increased by EUR 31 billion to EUR 55 billion. The combined operations of ING Direct in seven countries reached profitability in the fourth quarter of 2002, a year earlier than expected. ING Direct in Canada, Australia and the US reported a profit for the full year.

In February 2002, ING increased its shareholding in Germany's first and leading direct bank DiBa to 70%. DiBa acquired Degussa Bank in July adding 60,000 clients and EUR 2.4 billion in retail balances for EUR 110 million. In February 2003, ING announced the acquisition of Entrium, Germany's second largest direct bank with 965,000 clients and total assets of EUR 7.1 billion. The acquisition of Entrium is valued at EUR 300 million. The transaction is expected to close in spring 2003.

DOUBLE-DIGIT GROWTH OF INSURANCE OPERATIONS IN DEVELOPING MARKETS

The result from insurance operations in developing markets showed an increase of EUR 211 million (+44%) to EUR 690 million. Adjusted for the increased ownership in Mexico the increase was 37%. The growth in premium income (+34.5% in local currencies) was positively influenced by the inclusion of premiums from ING Comercial America and negatively influenced by the sale of Aetna Argentina in 2001. Excluding these items, premiums increased by 9.3%. Mexico, Taiwan and Korea accounted for 71% of the total results before tax and 77% of the total premium income. Poland, the Czech Republic, Mexico and Taiwan strongly improved their performance.

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ING INVESTMENT MANAGEMENT NOW CLOSELY LINKED TO DISTRIBUTION

To create the best possible conditions for close cooperation with the distribution channels, ING Investment Management - the largest asset management unit of ING - has been integrated in the regional executive centres of ING Americas, ING Asia/Pacific and ING Europe. Each executive centre now includes

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ING's three core businesses of insurance, banking and asset management. Following this step, ING Asset Management ceases to be a separate profit reporting unit as of 1 January 2003. A global ING Investment Management Board has been set up to ensure efficiency and the internal consistency of the investment strategies adopted in each of the regions.

ING ENLARGES ITS INTEREST IN ING VYSYA BANK TO 44%

In September 2002, ING finalised the purchase of an additional 24% stake in ING Vysya Bank Ltd. in India for approximately EUR 73 million, increasing its interest to 44%. The transaction marks the largest foreign direct investment by an international financial institution in an Indian Bank under the newly increased 49% cap on foreign direct investment in Indian banks. The acquisition of a larger stake in ING Vysya Bank demonstrates ING's intention to develop a robust bancassurance strategy in India. With management control having been transferred to ING, the bank was consolidated in the fourth quarter 2002.

JOINT VENTURE IN AUSTRALIA

In April 2002, ING and ANZ Bank, one of Australia's major banks, formed a funds management and a life insurance joint venture in Australia. The joint venture called ING Australia is 51%-owned by ING. ING Australia enjoys a 10% market share in retail life insurance and 8% in retail wealth management business. The formation of the joint venture resulted in a total net profit of EUR 469 million of which EUR 222 million was booked as operational net profit and the balance as non-operational non-distributable profit.

SECOND LIFE COMPANY IN CHINA OPENED FOR BUSINESS, MUTUAL FUND COMPANY TO FOLLOW SUIT

ING and Beijing Capital Group agreed to establish a joint venture life insurance company in Dalian, China. The new joint venture will be known as ING Capital Life Insurance Company Ltd. Both companies own 50% of the joint venture. ING Capital Life opened for business in December 2002 in the city of Dalian by offering traditional life products.

Just before year-end, China Merchants Fund Management Company, a joint venture of ING Investment Management and China Merchants Securities, was the first international joint venture to receive an operational license for selling mutual funds. As mutual funds are a relatively new concept in China, the company will start with simple and easy-to-understand funds investing in mainland bond and equity markets.

GROUP RESULTS

RESULTS 2002 VERSUS 2001

Group operational net profit was unchanged at EUR 4,253 million (2001: EUR 4,252 million) or EUR 2.20 per share. The result was supported by a relatively low effective tax rate and exceptional items to an amount of EUR 373 million against EUR 154 million last year.

The insurance operations reported a 19.5% increase in operational net profit to EUR 3,358 million with higher results from both life and non-life insurance. The profit contribution from ING Comercial America in Mexico was EUR 113 million compared to EUR 24 million in 2001. The gross result before taxation of the insurance operations - i.e. before investment losses - increased by 27.8% to EUR 4,726 million. The net result includes EUR 222 million in operational after tax profit upon the formation of the joint venture with ANZ, the release of EUR 106 million from contingent provisions associated with prior acquisitions in the US and a EUR 79 million gain from the surrender of a large group life insurance contract in The Netherlands.

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The operational net profit from banking was 37.9% lower at EUR 895 million. Risk costs increased sharply. The gross result - i.e. before risk costs - decreased slightly by EUR 17 million (-0.6%). Higher loan volumes and better interest margins led to a strong increase in the interest result. Total operating expenses rose modestly by 1.4% but excluding the restructuring provision for international wholesale banking, acquisitions, exchange rate fluctuations and ING Direct, operating expenses actually decreased by 2.9%. An exceptional item included in the 2002 result is the tax-exempt profit on the sale of the shareholding in clearing house Cedel of EUR 94 million.

Including the impact of the dollar hedge, currency exchange rate fluctuations contributed EUR 28 million to Group operational net profit (EUR 45 million before tax). The dollar hedge added EUR 55 million (EUR 85 million before tax).

Total operating expenses decreased by 3.1%. Organically, i.e. excluding acquisitions and exchange rate fluctuations, operating expenses were 3.3% lower. In the US life insurance businesses, operating expenses were reduced by 17.5% organically. Downscaling of the investment banking operations and integration of investment banking with corporate banking drove down operating expenses on the banking side. Expense increases were incurred from salary increases and higher pension costs, the growth of ING Direct, investments in a number of synergy projects and the restructuring provision for international wholesale banking.

The effective tax rate decreased from 20.3% to 18.7%. Apart from the release of a tax provision, the decrease stems from the tax-exempt gains on the sale of shares in Cedel and the formation of the joint venture with ANZ. Taxes on realised gains on equities were higher and tax-free dividends on 5% interests decreased.

RESULT FOURTH QUARTER 2002 VERSUS THIRD QUARTER 2002

Compared to the third quarter the fourth quarter operational net result decreased by 5.0%. The insurance operations saw a 6.7% profit increase. Realised capital gains on real estate in the Netherlands were higher. In the US, contingent provisions were released and DAC unlocking was substantially lower. The non-life results in Australia improved. In the Netherlands, the fourth quarter included a release from a tax provision. On the negative side, the non-life results in Canada and Mexico were lower. The third quarter insurance result included the operational profit from the sale of 49% of the life and mutual fund operations in Australia to the joint venture with ANZ.

The operational net profit from banking declined by 69.8%. Risk costs rose by EUR 210 million and other income dropped substantially while the interest result improved further and operating expenses continued on their downward trend. The restructuring provision for international wholesale banking was charged to third quarter profits.

RESULT FOURTH QUARTER 2002 VERSUS FOURTH QUARTER 2001

Operational net profit in the fourth quarter 2002 was 2.4% lower than in the same quarter last year. The result before taxation, however, was only fractionally lower.

Operational net profit from insurance increased by 26.8%, mainly due to higher realised capital gains and the release of contingent provisions in the US. Furthermore, taxes were lower than a year ago.

Operational net profit from banking in the fourth quarter fell by 82.3%. Risk costs were substantially higher and commission and other income were lower. The impact of these items was only partly offset by a higher interest result, lower operating expenses and lower taxes.

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RESULTS BY EXECUTIVE CENTRE

 TABLE 2. OPERATIONAL RESULT BEFORE TAXATION BY EXECUTIVE CENTRE

in EUR x million	2001	2002	%
			change
ING Group	5,741	5,641	- 1.7
- ING Europe	4,267	3,715	-12.9
- ING Americas	899	1,079	20.0
- ING Asia/Pacific	313	618	97.4
- ING Asset Management	185	175	- 5.4
Other	77	54	-29.9

The decrease in the pre-tax operational result of ING Europe mainly reflects higher risk costs in banking and the impact of the restructuring provision with respect to international wholesale banking. Lower operating expenses and a higher interest result mitigated the decrease. Both Postbank and ING Direct delivered excellent results as they capitalised on the strong growth in demand for savings products. The German banking operations showed disappointing results. The result from insurance operations of ING Europe increased by 7.1%, among others due to the profit on the surrender of a large group life insurance contract.

ING Americas' pre-tax operational result increased. Mexico and Canada both reported higher profits. The results in the US improved due to lower operating and interest expenses and the release of contingent provisions associated with prior acquisitions. Higher investment losses and higher DAC unlocking in the US life operations mitigated the profit increase. The comparable result in 2001 was negatively impacted by the WTC losses.

The operational result before taxation from ING Asia/Pacific was strongly higher. The result included a gain of EUR 222 million on the formation of the joint venture with ANZ. Excluding this gain, the result still increased by 27%. The life results in Korea, Taiwan, Japan and Australia were all higher, but Malaysia was lower. The result of ING Vysya Bank was included for the first time. Start-up expenses in India and China had only a modest negative impact.

Sharply lower stock markets and lower seed capital returns took a toll on the result of ING Asset Management. The results from venture capital were lower due to postponed initial public offerings and the write-down of a number of investments.

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KEY BALANCE SHEET FIGURES

 TABLE 3. KEY BALANCE SHEET FIGURES

in EUR x billion	Year-end 2001	YEAR-END 2002	% change on year-end
Shareholders' equity	21.5	18.3	-15.2
- insurance operations	15.4	10.8	

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- banking operations	15.4	15.8	
- eliminations*	-9.3	-8.3	
 Total assets	 705.1	 716.4	 1.6
Operational net return on equity	18.4%	21.6%	
- insurance operations	16.9%	24.6%	
- banking operations	10.2%	6.5%	
 Total assets under management	 513.2	 449.0	 -12.5

Shareholders' equity decreased as the net result of a negative revaluation (-EUR 3.4 billion) of the equity and real estate portfolio, realised capital gains transferred to the profit and loss account (-EUR 1.0 billion), the write-off of goodwill (-EUR 1.2 billion), exchange rate fluctuations (-EUR 1.0 billion), changes in ING Group shares (EUR 0.8 billion), the payment of the final dividend 2001 and interim dividend 2002 (-EUR 2.0 billion) and the addition of the net profit 2002 (+EUR 4.5 billion).

The operational net return on equity increased from 18.4% in 2001 to 21.6%. The insurance operations returned 24.6% on equity compared to 16.9% for the year 2001. The return on equity of the banking operations dropped to 6.5% from 10.2% in 2001. Excluding ING Direct and the restructuring provision, however, the banking return on equity was 8.6% against 11.6% for 2001.

Total assets under management dropped 12.5% to EUR 449 billion compared to a year ago. The net new inflow of EUR 7.3 billion underlines the strength of the franchise in bad market conditions. The formation of the joint venture with ANZ in Australia contributed another EUR 4.3 billion. Total assets under management decreased by EUR 36.7 billion due to falling stock markets. Lower exchange rates against the euro had an impact of -EUR 39.1 billion (in USD terms, total assets under management increased by 4%).

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KEY FIGURES AND HIGHLIGHTS OF THE INSURANCE OPERATIONS

TABLE 4. PREMIUM INCOME AND PRE-TAX OPERATIONAL RESULT OF THE INSURANCE OPERATIONS

in EUR x million	2001	2002	%	% organic
			change	change
PREMIUM INCOME	50,460	52,284	3.6	6.1
Life insurance	44,557	44,367	-0.4	4.6
Non-life insurance	5,903	7,917	34.1	19.0
 OPERATIONAL RESULT BEFORE TAXATION	 3,571	 4,173	 16.9	 16.4
Life insurance	2,941	3,519	19.7	20.0
Non-life insurance	630	654	3.8	0.8

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In step with the deterioration of market conditions, life insurance premiums showed a modest organic increase of 4.6%. Sales of GICs (guaranteed investment contracts) were much lower than in 2001. Excluding GICs, life premiums increased at a satisfactory pace of 9.5%. Good increases were reported from Belgium, Korea and Japan, which recorded strong sales of a new annuity product. Fixed annuity premiums in the US were up 57.4% in US dollar terms. Non-life premium income was boosted by the consolidation of ING Comercial America in Mexico. Life insurance premiums made up 85% of total premium income.

Strong efforts to reduce expenses in combination with further restructuring and integration resulted in a 10% decrease in operating expenses. Operating expenses in the Netherlands increased by 2.3%, mainly due to higher pension and salary costs and a higher addition to the dynamic investment provision. The difference between the premium growth and the expense growth was +16.1% (excluding GICs and the joint venture with ANZ), well above the target of at least +2%-points. The improvement primarily reflects increased fixed annuity sales in the US and successful expense reduction.

The operational result before taxation was 16.9% higher at EUR 4,173 million. Included in this figure are exceptional profits of EUR 222 million with respect to ANZ, EUR 120 million from the surrender of a group life insurance contract and EUR 106 million from the release of contingent provisions associated with prior acquisitions. In 2001, exceptional items amounted to EUR 197 million. Other contributing factors to the result increase were higher realised capital gains on equity investments and real estate.

The combined ratio of the non-life operations improved by 1%-point to 102%.

ING EUROPE

Life premiums in the Netherlands decreased by 8.0% to EUR 4,927 million. The fourth quarter was particularly disappointing. Individual single life premiums were lower due to the changed tax treatment and fierce competition. Group life premiums decreased as a result from lower single premium production and the surrender of a large life contract. Non-life premiums increased by 2.6% to EUR 1,859 million, largely reflecting higher premiums in Loss of income/Accident and Fire.

The life result in the Netherlands improved by 9.3% to EUR 2,007 million due to higher realised capital gains, a profit on the surrender of a group life contract and a lower than expected result on interest and mortality. In 2001, the Dutch life result was supported by a partial release of a catastrophe provision and a gain from old reinsurance business. Interest received on an intercompany loan to the US operations was lower. Results on venture capital activities were also lower. Investment losses were higher. The result on non-life business decreased by 5.5% to EUR 225 million. Miscellaneous reported lower results due to lower realised capital gains. Results from Fire were lower as the number of claims increased, among others following the storm in October. Motor was lower due to higher additions to the technical provision.

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Life premiums in Belgium advanced by 26.3% to EUR 2,053 million as sales of unit-linked products continued to be strong. Excluding capital gains, the life result improved by EUR 10 million. Also before capital gains, the non-life result was EUR 3 million lower. An adverse claims experience in Health, Loss of Income/Accident and Miscellaneous was largely offset by lower losses in Motor.

Life premium income in other countries in Europe increased by 6.8% in local currencies to EUR 1,580 million, mainly due to Italy and Romania. The total life

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result declined from EUR 176 million in 2001 to EUR 155 million. Italy, Poland, Romania, Hungary and the Czech Republic improved their performance but Greece and Spain did less well than the year before.

ING AMERICAS

The result before taxation of ING Americas increased by 20.0% to EUR 1,079 million. Excluding the release of contingent provisions associated with prior acquisitions of EUR 106 million, the results were 8.2% higher than a year ago. The increase reflects responsive expense management, higher investment income, favourable car insurance loss ratios and business growth in Mexico, and lower financing costs. Accelerated amortisation of deferred acquisition costs, higher credit-related investment losses, and lower revenues on assets under management negatively impacted the result. The World Trade Center losses and a restructuring charge relating to the US reorganisation adversely impacted the 2001 results. The hedge programme of the US and Canadian dollar contributed EUR 85 million before tax compared to EUR 22 million a year ago.

In the United States, the pre-tax operational result increased by EUR 25 million to EUR 534 million. Excluding the release of contingent provisions, the United States pre-tax operational result decreased by EUR 81 million to EUR 428 million. Significant expense reductions (-17.5% organically), higher investment income and lower financing costs could not overcome the continuing impact of the weak economy and financial markets. The weak economy and business climate caused an increase in gross investment losses to EUR 565 million (80 basis points of the total fixed income investment portfolio). Lower current levels of assets under management in the variable product lines resulted in an acceleration of DAC unlocking and a higher net cost of the corresponding guaranteed benefits. These items led to a combined charge of EUR 281 million in 2002 (2001: EUR 18 million). Lower interest rates and lower debt levels positively impacted the financing costs of the US operations.

TABLE 5. LIFE PREMIUM INCOME IN THE US BY PRODUCT LINE

in EUR x million	2001	2002	%
			change

- Life	2,593	2,635	1.6
- Fixed annuities	3,272	4,909	50.0
- Variable annuities	4,841	4,284	-11.5
- Rollover Payout	317	227	-28.4
- Employee Benefits	804	787	- 2.1
- Defined Contribution	8,254	8,367	1.4
	-----	-----	
Subtotal	20,081	21,209	5.6*
- Reinsurance	1,029	935	- 9.1
- Institutional Markets (GICs)	7,190	5,468	-23.9
	-----	-----	
Subtotal	8,219	6,403	-22.1
- Other	-	18	n.a.
	-----	-----	
Total	28,300	27,630	- 2.4**

US premiums, excluding GIC premiums, increased 5% (11% at constant exchange rates) due to an increased demand for fixed annuities. Sales of variable annuities decreased due to the shift in the market away from equity-based variable products resulting from the volatility in the financial markets. GIC

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premiums were lower compared to a record high in 2001 due to reduced levels of short-term contract renewals. Increased premiums for the defined contribution block of business were due to favourable sales in the healthcare, government and education lines of business.

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The Canadian operations reported a pre-tax operational result of EUR 127 million, EUR 9 million better than a year ago. The increase is mainly associated with favourable loss ratios and higher realised capital gains. The combined ratio for the year 2002 stood at 97.7%. Premium income in Canada increased by 41.8% (at constant exchange rates), primarily due to the businesses acquired from Zurich North America Canada (organically +23.5%).

The operational result before taxation in Mexico increased by EUR 153 million to EUR 248 million. The 2002 results were driven by favourable loss ratios in car insurance and effective expense management achieved through the successful integration of the additional 58.5% ownership of ING Comercial America acquired in the second half of 2001. Hurricane losses in the fourth quarter had a negative impact.

The South American operations reported a pre-tax result of EUR 61 million, EUR 17 million lower than a year ago. The decrease is primarily due to a gain in 2001 with respect to the divestment of operations in Colombia and the impact of currency devaluation in Brazil in 2002.

Corporate reinsurance business results decreased by EUR 49 million to EUR 24 million. This decrease reflects a one-time gain in 2001 from discontinued reinsurance activities and higher claims in the fourth quarter of 2002 as a result of several storms.

ING ASIA/PACIFIC

The pre-tax operational result from the insurance operations in Asia/Pacific was up 86.4% to EUR 577 million from EUR 309 million in 2001. The result includes EUR 222 million profit relating to the formation of the joint venture life and mutual fund operations in Australia with ANZ (ING 51% ownership). The remaining EUR 247 million has been reported as non-operational non-distributable net profit.

Excluding the gain related to ANZ, pre-tax operational results increased to EUR 355 million, up 14.9% from EUR 309 million in 2001. The Australian result improved due to better claims ratios and cost control initiatives. Taiwan results improved due to growth of business in combination with tight expense control. The result of the life company in Japan increased by 160% to EUR 31 million as a result of lower claims and surrenders as well as reduced costs due to changes in distribution. The life operations in Korea reported a 32% increase in pre-tax profits reflecting ongoing strong production, better persistency and improved claims. Sales continue to grow rapidly in China, India and Thailand although in general, there were higher start-up expenses. Premium income in Asia/Pacific grew by 14.5% mainly due to the strong sales of a newly introduced single premium variable annuity product in Japan and continued sales growth and high persistency in Korea. Operating expenses for Asia/Pacific were lower as the region continues to focus on reducing costs and integration synergies from the Aetna acquisition are realised.

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KEY FIGURES AND HIGHLIGHTS OF THE BANKING OPERATIONS

TABLE 6. PROFIT AND LOSS ACCOUNT OF THE BANKING OPERATIONS

in EUR x million	2001	2002
Interest result	6,072	7,646
Income from securities and participating interests	530	201
Commission	2,765	2,615
Results from financial transactions	1,080	454
Other results	664	285
TOTAL INCOME	11,111	11,201
Personnel expenses	5,064	4,787
Other operating expenses	3,122	3,511
Total operating expenses	8,186	8,298
Other interest expenses	5	0
Total expenses	8,191	8,298
GROSS RESULT	2,920	2,903
Additions to the provision for loan losses	750	1,435
RESULT BEFORE TAXATION	2,170	1,468
EFFICIENCY RATIO *	71.7%	71.0%

The banking operations showed an operational result before taxation of EUR 1,468 million, EUR 702 million (-32.4%) lower than a year ago. The decrease is entirely caused by substantially higher risk costs (loan loss provisioning increased by EUR 685 million to EUR 1,435 million). Included in the result are the exceptional profit of EUR 94 million on the sale of Cedel shares and the creation of a EUR 128 million provision for the restructuring of the international wholesale banking activities outside the Benelux. Despite the restructuring provision, the gross result decreased only marginally by EUR 17 million (-0.6%). Total income rose by EUR 90 million (+0.8%). Interest results increased strongly but the other income components suffered severely from the disappointing market circumstances. Operating expenses were EUR 112 million (+1.4%) higher due to the further expansion of ING Direct (including the consolidation of DiBa), the restructuring provision and the increased investments in synergy projects. Although most banking units were affected by the deterioration of economic conditions, both Postbank and ING Direct reported strongly improved results before taxation.

Due to exceptionally high risk costs in the fourth quarter 2002 (EUR 510 million, including a significant amount for National Century Financial Enterprises in the US), the pre-tax banking result for the fourth quarter was only EUR 111 million against EUR 274 million in the previous quarter. The gross result, however, improved by EUR 47 million as the decrease of income was more than offset by lower operating expenses.

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TABLE 7. ING DIRECT	NUMBER OF CLIENTS x 1,000			FUNDS ENTRUSTED in EUR x billion		
	year- end 2001	YEAR-END 2002	% change	year- end 2001	YEAR-END 2002	% change
Canada	480	684	43	3.4	5.1	50
Spain	397	610	54	3.8	6.0	58
Australia	278	475	71	2.9	4.1	41
France	181	270	49	3.2	6.3	97
USA	338	864	156	3.3	8.9	170
Italy	75	244	225	1.2	4.5	275
Germany	827	1,894	129	6.2	20.3	227
	-----	-----		----	----	
Total	2,576	5,041	96	24.0	55.2	130

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For the first time and ahead of plan, ING Direct (including DiBa as from 2002) reported a positive pre-tax result of EUR 13 million in the fourth quarter 2002. For the full year 2002, the loss before taxation amounted to EUR 67 million, which was much better than expected and a strong improvement on the EUR 199 million loss in 2001. The strong growth in funds entrusted and client base combined with the current steep yield curve led to a substantial increase in income, exceeding the rise in expenses. The operations in Canada, Australia and the USA reported profits for the full year.

The operational result before taxation in the Netherlands (see also appendix 6) decreased by 0.9% entirely due to higher risk costs. The result in Belgium rose by 17.3%. It was supported by the exceptional profit on Cedel (EUR 64 million booked in Belgium) and lower operating expenses. The results in Australia (mainly due to ING Direct) and South America improved, while the result in Asia was substantially lower, but still positive. Like 2001, pre-tax result in North America was strongly negative due to exceptionally high risk costs in the second half of 2002 (including a significant amount for NCFE). The gross result, however, showed a firm improvement compared to 2001. The performance in the Rest of Europe was disappointing, especially in Germany, due to higher risk costs, lower income from securities and participating interests and the restructuring provision created in the third quarter 2002.

The interest result increased substantially by EUR 1,574 million (+25.9%) to EUR 7,646 million reflecting a higher average balance sheet total (+EUR 33 billion) and an improvement of the interest margin in 2002 to 1.62% from 1.39% a year ago. The widening of the interest margin can be attributed to improved product margins, a steepening of the average yield curve and strong growth in retail savings.

Bank lending was up by EUR 30.2 billion (+ 11.9%). To an amount of EUR 7.3 billion the increase relates to the consolidation of DiBa, Toplease and ING Vysya Bank. Bank lending in the Netherlands increased by EUR 18.9 billion (+ 15.1%), of which EUR 11.7 billion was attributable to corporate lending (including a EUR 6.6 billion increase in reverse repos) and EUR 7.2 billion to personal lending (mainly residential mortgages). Bank lending outside the Netherlands rose by EUR 11.3 billion (+ 8.8%). DiBa and ING Vysya Bank added EUR 6.8 billion, while reverse repos rose by EUR 5.1 billion (mainly BBL). The depreciation of most currencies against the euro had a negative impact.

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Funds entrusted to and debt securities of the banking operations rose by EUR 43.4 billion (+ 15.7%) to EUR 319.8 billion. The increase was largely caused by the strong growth of ING Direct.

Despite the exceptional profit of EUR 94 million on the sale of Cedel-shares, income from securities and participating interests dropped by EUR 329 million (-62.1%) to EUR 201 million. This strong decrease is mainly attributable to ING BHF Bank and the international wholesale banking units.

TABLE 8. COMMISSION

in EUR x million	2001	2002	%
			change
Funds transfer	526	592	12.5
Securities	884	731	- 17.3
Insurance brokerage	88	117	33.0
Management fees	751	688	- 8.4
Brokerage and advisory fees	203	197	- 3.0
Other	313	290	- 7.3
	-----	-----	
Total	2,765	2,615	- 5.4

Total commission was EUR 150 million (-5.4%) lower than a year ago. Securities commission decreased by EUR 153 million (-17.3%) following the sharp fall of the stock markets and the reluctance of (private) clients to invest in securities. These factors also led to a decline in

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management fees (-8.4%) and brokerage and advisory fees (-3.0%). Funds transfer commission showed strong growth (+12.5%), among others at Postbank. The 33.0% increase in insurance broking commission wholly reflects increased sales at BBL.

TABLE 9. RESULTS FROM FINANCIAL TRANSACTIONS

In EUR x million	2001	2002	%
			change
Result from securities trading portfolio	617	201	- 67.4
Result from currency trading portfolio	465	242	- 48.0
Other	- 2	11	n.a.
	-----	---	
Total	1,080	454	- 58.0

The ongoing fall in equity prices impacted the result from securities trading negatively by EUR 416 million (-67.4%). The decrease mainly reflects lower trading results at BBL, international wholesale banking and the former ING Furman Selz Asset Management (revaluation of seed capital investments). The result from currency trading decreased by EUR 223 million (-48.0%), especially in the Americas and Central Europe. The other result from financial transactions (including results from derivatives trading) improved from a loss of EUR 2 million in 2001 to a profit of EUR 11 million this year. The fourth quarter result from financial transactions was EUR 28 million negative with a loss on securities trading in the last quarter being largely offset by higher related profits on derivatives.

Compared to 2001, Other results fell by EUR 379 million (-57.1%) to EUR 285

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million. The decrease is due, among others, to one-off losses relating to operational problems in car leasing and securities brokerage at ING Bank. Furthermore, notably BBL, international wholesale banking and Postbank reported lower Other results compared to the high level in 2001.

Total operating expenses increased by EUR 112 million (+1.4%). Expenses were pushed up by the EUR 128 million restructuring provision for international wholesale banking. If currency exchange rate fluctuations, the consolidation of DiBa, Toplease and ING Vysya Bank and the restructuring provision are excluded, operating expenses decreased in fact by EUR 119 million (-1.5%). Also excluding the further expansion of ING Direct (which saw operating expenses excluding DiBa rise by EUR 106 million) and the increased investments in a number of synergy projects (+EUR 138 million), the decrease was even 4.7%. This decrease reflects the sale of the US investment banking activities in April 2001 on the one hand and stringent cost control and lower bonus accruals in 2002 on the other.

Despite the impact of the collective labour agreement and higher pension costs, mainly in the Netherlands, total personnel expenses decreased by EUR 277 million (-5.5%), reflecting lower bonus accruals and a change in the staff composition (fewer staff in investment banking, more in ING Direct and newly acquired ING Vysya Bank). Total other operating expenses were EUR 389 million (+12.5%) higher, mainly due to ING Direct, the consolidation of DiBa, Toplease and ING Vysya Bank and the restructuring provision.

Excluding the continued rapidly expanding ING Direct operations and the restructuring provision for international wholesale banking, the efficiency ratio (total expenditure excluding risk costs as a percentage of income) was 71.0%, a slight improvement compared to the full year 2001 (71.7%), but a deterioration compared to the first nine months of 2002 (69.9%).

The continued weak economic conditions combined with the bankruptcy of National Century Financial Enterprises (NCFE) in the US required loan loss provisioning of EUR 510 million in the fourth quarter. This is a strong increase compared to the third quarter (EUR 300 million). Total loan loss provisioning for 2002 was EUR 1,435 million, an increase of EUR 685 million compared to a year ago, corresponding with 59 basis points of average credit risk weighted assets against 33 basis points in 2001.

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RISK-ADJUSTED RETURN ON CAPITAL

The Risk-Adjusted Return on Capital (RAROC) measures performance on a risk-adjusted basis. RAROC is calculated as the economic return divided by economic capital. The economic returns of RAROC are based on the principles of valuation and calculation of results applied in the annual accounts. The credit risk provisioning is replaced by statistically expected losses reflecting average credit losses over the entire economic cycle. ING Group continues to develop and refine the models supporting the RAROC calculations. ING Direct is excluded.

TABLE 10. RAROC BANKING OPERATIONS, EXCLUDING ING DIRECT

	RAROC (pre-tax)			
	2001*	in % 2002	2001*	Economic ca in EUR x bi
	2001*	2002	2001*	
ING Europe	13.7	13.8	13.7	
ING Asset Management	9.5	5.2	0.6	

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Total banking operations	13.5	13.3	14.3
Wholesale	9.7	10.2	11.4
Retail	28.6	26.7	2.9

The overall (pre-tax) RAROC figure of ING's banking operations was 13.3%, a slight deterioration of 0.2%-points compared to 2001. Excluding the restructuring provision for international wholesale banking created in the third quarter 2002 the overall RAROC was 14.2%. Compared to 2001, the RAROC of the wholesale activities improved by 0.5%-point to 10.2%. The RAROC performance of the retail activities was a satisfactory 26.7% against 28.6% in 2001. Total economic capital remained unchanged compared to full year 2001.

The solvency ratio (BIS ratio) of ING Bank N.V. was 10.98% at the end of December 2002 (year-end 2001: 10.57%). The tier-1 ratio was 7.31% against 7.03% at year-end 2001. Both ratios improved considerably in the fourth quarter due to the issue of USD 600 million additional tier-1 securities and a EUR 3.7 billion securitisation programme. Furthermore, total risk weighted assets decreased sharply from EUR 257.5 billion at the end of September 2002 to EUR 247.3 billion at the end of December 2002 (against EUR 243.2 billion at year-end 2001).

KEY FIGURES AND HIGHLIGHTS OF THE ASSET MANAGEMENT OPERATIONS

TABLE 11. ASSETS UNDER MANAGEMENT

in EUR x billion	Year-end 2001	YEAR-END 2002	% change
Mutual funds	183.9	161.1	- 12.4
Institutional clients	163.4	128.9	- 21.1
Third parties	347.3	290.0	- 16.5
For own account	165.9	159.0	- 4.2
Total	513.2	449.0	- 12.5
Share of third parties	67.7%	64.6%	

Total assets under management decreased by EUR 64.2 billion (-12.5%) to EUR 449.0 billion from EUR 513.2 billion a year ago. The joint venture with ANZ contributed EUR 4.3 billion. Net inflows showed a solid growth of EUR 7.3 billion. Notably ING Investment Management, ING Aeltus, ING Real Estate and the US operations contributed to the inflow. The Dutch retail market in particular contributed EUR 1.2 billion.

Falling stock markets (AEX -36%; S&P 500 -23%) negatively impacted assets under management by EUR 36.7 billion. Weakening exchange rates against the euro lowered assets under management by EUR 39.1 billion. In USD terms, assets under management increased by 4% despite the stock markets downturn.

The aggregate value of mutual fund assets decreased by 12% to EUR 161.1 billion. Assets under management for institutional clients went down by 21% to EUR 128.9 billion. Assets managed for group companies dropped 4% to EUR 159.0 billion.

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At the end of 2002, 34% of total assets under management was invested in equity, 57% in fixed income, 6% in real estate and 3% in cash.

ING's longer-term investment performance continued to be satisfactory. Of ING's mutual fund assets, 55% performed better on an asset-weighted basis than their relevant benchmark on a 5-year investment horizon. Comparing the investment performance to that of peers, 62% of the fund assets under management ended up in the top and second-best quartile on 5-year basis.

PROFIT CONTRIBUTION

Asset management activities are conducted by both the insurance and banking operations and their results are included in the results of both operations. A functional asset management profit can be extracted from these results that gives a more comprehensive insight into the relative importance of asset management within ING Group than the operational result of the executive centre ING Asset Management. The functional operational result before taxation from asset management activities decreased by 51% from EUR 577 million last year to EUR 283 million in 2002. The assets management share of Group operating profits declined from 10% to 5%.

The accounting principles applied in this document correspond with those applied in ING Group's Annual Accounts 2002.

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) 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.

APPENDICES

1. Key figures
2. Consolidated profit and loss account
3. Consolidated profit and loss account fourth quarter
4. Consolidated balance sheet and changes in shareholders' equity
5. Quarterly results and condensed consolidated statement of cash flows
6. Geographical breakdown of operational income and geographical breakdown of operational result before taxation
7. Additional information: operational realised capital gains on equities, operational realised capital gains on real estate, bank lending and efficiency ratios banking operations per executive centre
8. Additional embedded value information
9. Information for shareholders

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APPENDIX 1. KEY FIGURES

	1998	1999	2000	2001	2002

BALANCE SHEET (EUR x billion)					
Total assets	394.9	492.8	650.2	705.1	716.0
Investments	149.8	195.8	277.2	307.4	297.0
Lending	153.7	201.8	246.8	254.2	284.0
Insurance provisions	84.6	107.5	200.2	214.0	195.0
Shareholders' equity	29.1	34.6	25.3	21.5	18.0
RESULTS (EUR x million)					
Income insurance operations					
Premium income	20,448	22,412	29,114	50,460	52,200
Income from investments, commission and other income	6,460	7,308	9,193	12,617	13,000
	-----	-----	-----	-----	-----
	26,908	29,720	38,307	63,077	65,300
Income banking operations					
Interest	5,201	5,652	5,786	6,072	7,600
Commission	2,323	2,856	3,630	2,765	2,600
Other income	891	1,368	1,886	2,274	900
	-----	-----	-----	-----	-----
	8,415	9,876	11,302	11,111	11,200
Total income	35,307	39,584	49,568	74,163	76,500
Total expenditure	32,438	35,203	43,801	68,422	70,800
Operational result before taxation					
Insurance operations	2,065	2,400	3,162	3,571	4,100
Banking operations	804	1,981	2,605	2,170	1,400
	-----	-----	-----	-----	-----
Total	2,869	4,381	5,767	5,741	5,600
Operational net profit	2,103	3,229	4,008	4,252	4,200
Net profit	2,669	4,922	11,984	4,577	4,500
Net profit available for ordinary shares	2,648	4,901	11,963	4,556	4,400
Figures per ordinary share of EUR 0.24 nominal value					
Operational net profit	1.12	1.68	2.09	2.20	2.00
Net profit	1.42	2.56	6.27	2.37	2.00
Distributable net profit	1.42	1.84	2.56	2.20	2.00
Diluted net profit	1.40	2.52	6.18	2.35	2.00
Dividend	0.63	0.82	1.13	0.97	0.00
Dividend pay-out ratio	43.9	44.4	43.9	44.1	44.0
Shareholders' equity	15.21	17.90	13.04	11.03	9.00
Diluted shareholders' equity	14.93	17.65	12.86	10.92	9.00
Employees					
Average number of staff	82,750	86,040	92,650	111,998	113,000
Full time equivalents, end of period		88,931	108,965	113,143	115,800

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APPENDIX 2. CONSOLIDATED PROFIT AND LOSS ACCOUNT*

in EUR x million	INSURANCE OPERATIONS		BANKING OPERATIONS		2001
	2001	2002	2001	2002	
Premium income	50,460	52,284			50,460
Income from investments of the insurance operations for own risk	10,336	10,926			10,262
Interest result			6,072	7,646	6,121
Commission	1,431	1,345	2,765	2,615	4,196
Other income	850	782	2,274	940	3,124
TOTAL INCOME	63,077	65,337	11,111	11,201	74,163
Underwriting expenditure	52,782	54,966			52,782
Other interest expenses	1,290	1,305	5		1,270
Operating expenses	5,434	4,893	8,186	8,298	13,620
Additions to the provision for loan losses			750	1,435	750
TOTAL EXPENDITURE	59,506	61,164	8,941	9,733	68,422
OPERATIONAL RESULT BEFORE TAXATION	3,571	4,173	2,170	1,468	5,741
Taxation	688	723	477	333	1,165
Third-party interests	73	92	251	240	324
OPERATIONAL NET PROFIT	2,810	3,358	1,442	895	4,252
Non-operational results:					
Result on sale of investments re financing of acquisitions	325				325
Part of the gain on joint-venture ANZ		280			
Non-operational results before taxation	325	280			325
Taxation on non-operational results		33			
NON-OPERATIONAL NET PROFIT	325	247			325
NET PROFIT	3,135	3,605	1,442	895	4,577

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APPENDIX 3. CONSOLIDATED PROFIT AND LOSS ACCOUNT FOURTH QUARTER

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in EUR x million	INSURANCE OPERATIONS		BANKING OPERATIONS		FOURTH QUARTER 2001
	FOURTH QUARTER 2001	2002	FOURTH QUARTER 2001	2002	
Premium income	14,518	12,573			14,518
Income from investments of the insurance operations for own risk	2,549	2,794			2,537
Interest result			1,665	2063	1,667
Commission	397	314	680	622	1,077
Other income	268	185	455	-131	723
TOTAL INCOME	17,732	15,866	2,800	2,554	20,522
Underwriting expenditure	15,006	13,267			15,006
Other interest expenses	330	373			320
Operating expenses	1,629	1,185	2,160	1,933	3,789
Additions to the provision for loan losses			250	510	250
TOTAL EXPENDITURE	16,965	14,825	2,410	2,443	19,365
OPERATIONAL RESULT BEFORE TAXATION	767	1,041	390	111	1,157
Taxation	48	139	71	3	119
Third-party interests	25	22	65	63	90
OPERATIONAL NET PROFIT	694	880	254	45	948

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APPENDIX 4. CONSOLIDATED BALANCE SHEET

in EUR x million	31 DECEMBER 2001	31 DECEMBER 2002
Assets		
Tangible fixed assets	2,032	1,415
Participating interests	2,628	2,883
Investments	307,446	297,581
Lending	254,214	284,448
Banks	54,083	45,682
Cash	9,264	11,421
Other assets	49,775	51,186
Accrued assets	25,677	21,754
TOTAL	705,119	716,370

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Equity and liabilities

Shareholders' equity	21,514	18,254
Preference shares of Group companies	2,542	2,146
Third-party interests	1,461	1,959
	-----	-----
Group equity	25,517	22,359
Subordinated loan	600	2,412
	-----	-----
Group capital base	26,117	24,771
General provisions	4,587	3,489
Insurance provisions	213,986	195,831
Funds entrusted to and debt securities of the banking operations	276,367	319,824
Banks	107,810	96,267
Other liabilities	63,349	65,397
Accrued liabilities	12,903	10,791
	-----	-----
TOTAL	705,119	716,370

CHANGES IN SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY AS PER 31 DECEMBER 2000/2001	25,274
In EUR x million	
Net profit	4,577
Revaluations (after tax)	-3,118
Realised capital gains transferred to P&L account	- 860
Write-off of goodwill	-1,908
Exchange rate differences	212
Exercise of warrants and stock options	163
Changes in ING Groep N.V. shares held by group companies	- 526
Dividend paid	-2,300
Other	

SHAREHOLDERS' EQUITY AS PER 31 DECEMBER 2001/2002	21,514

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APPENDIX 5. QUARTERLY RESULTS

in EUR x million	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1
	-----	-----	-----	-----	-----
Life	794	824	714	609	828
Non-life	125	225	122	158	153
	-----	-----	-----	-----	-----
Total insurance operations	919	1,049	836	767	981
Total banking operations	675	707	398	390	546

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	-----	-----	-----	-----	-----
OPERATIONAL RESULT BEFORE TAXATION	1,594	1,756	1,234	1,157	1,527
Taxation	383	404	260	118	316
Third-party interests	80	80	73	91	75
	-----	-----	-----	-----	-----
OPERATIONAL NET PROFIT	1,131	1,272	901	948	1,136
of which:					
Insurance operations	681	782	653	694	787
Banking operations	450	490	248	254	349
	-----	-----	-----	-----	-----
OPERATIONAL NET PROFIT PER ORDINARY SHARE	0.59	0.65	0.47	0.49	0.59

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2001	2002
in EUR x million		
	-----	-----
Net cash flow from operating activities	23,424	39,222
Investments and advances:		
- participating interests	- 2,473	- 1,584
- investments in shares and property	- 9,136	- 8,805
- investments in fixed-interest securities	-266,951	-295,121
- other investments	-18	- 262
Disposals and redemptions:		
- participating interests	527	276
- investments in shares and property	7,566	11,361
- investments in shares regarding financing of acquisitions	583	0
- investments in fixed-interest securities	240,039	260,725
- other investments	48	41
Net investment for risk of policyholders	2,663	6,813
	-----	-----
Net cash flow from investing activities	-27,152	- 26,556
Subordinated loans of Group companies	3,257	3,651
Bonds, loans taken up and deposits by reinsurers	4,266	419
Private placements of ordinary shares	623	438
Changes in shares ING Groep N.V.	- 563	653
Cash dividends	- 2,300	- 1,977
	-----	-----
Net cash flow from financing activities	5,283	3,184
Net cash flow	1,555	15,850
Cash at beginning of year	3,486	4,681
Exchange rate differences	- 360	499
	-----	-----
CASH AT END OF PERIOD	4,681	21,030

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in EUR x million	INSURANCE OPERATIONS		BANKING OPERATIONS		TOTAL	
	2001	2002	2001	2002	2001	2002
The Netherlands	12,173	11,971	4,821	4,982	16,971	16,939
Belgium	2,179	2,645	1,957	2,044	4,136	4,689
Rest of Europe	2,111	2,027	3,018	2,773	5,129	4,800
North America	37,938	39,383	537	600	38,475	39,982
South America	1,496	910	238	251	1,734	1,161
Asia	5,364	6,627	476	436	5,840	7,063
Australia	2,179	2,170	55	107	2,234	2,277
Other	285	438	9	8	294	446
	-----	-----	-----	-----	-----	-----
	63,725	66,171	11,111	11,201	74,813	77,357
Income between areas	- 648	- 834			- 650	- 836
	-----	-----	-----	-----	-----	-----
OPERATIONAL INCOME	63,077	65,337	11,111	11,201	74,163	76,521

GEOGRAPHICAL BREAKDOWN OF OPERATIONAL RESULT BEFORE TAXATION

in EUR x million	INSURANCE OPERATIONS		BANKING OPERATIONS		TOTAL	
	2001	2002	2001	2002	2001	2002
The Netherlands	2,074	2,232	1,523	1,510	3,597	3,742
Belgium	94	79	521	613	615	692
Rest of Europe	178	161	364	-311	542	-150
North America	762	1,037	-446	-476	316	561
South America	79	59	24	41	103	100
Asia	230	255	193	38	423	293
Australia	85	330	- 7	55	78	385
Other	69	20	- 2	- 2	67	18
	-----	-----	-----	-----	-----	-----
OPERATIONAL RESULT BEFORE TAXATION	3,571	4,173	2,170	1,468	5,741	5,641

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APPENDIX 7. ADDITIONAL INFORMATION

SPECIFICATION OF OPERATIONAL REALISED CAPITAL GAINS ON EQUITIES

in EUR x million	2001	2002	% CHANGE
Life insurance	663	916	38.2
Non-life insurance	116	87	-25.0
	---	---	

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Total before taxation	779	1,003	28.8
Taxation	66	183	177.3
	---	-----	
TOTAL AFTER TAXATION	713	820	15.0

SPECIFICATION OF OPERATIONAL REALISED CAPITAL GAINS ON REAL ESTATE

	2001	2002	%
in EUR x million			CHANGE
Life insurance	215	331	54.0
Non-life insurance	11	22	100.0
	---	---	
Total before taxation	226	353	56.2
Taxation/third parties	79	133	68.4
	---	---	
TOTAL AFTER TAXATION	147	220	49.7

BANK LENDING

	31 DECEMBER	31 DECEMBER	%
in EUR x billion	2001	2002	CHANGE
The Netherlands			
- public authorities	2.2	3.2	45.5
- other corporate	52.8	63.5	20.3
	-----	-----	
Total corporate	55.0	66.7	21.3
Personal	70.1	77.3	10.3
	-----	-----	
Total the Netherlands	125.1	144.0	15.1
International	129.1	140.4	8.8
	-----	-----	
TOTAL BANK LENDING	254.2	284.4	11.9

EFFICIENCY RATIOS BANKING OPERATIONS PER EXECUTIVE CENTRE

	2001	2002
in %		
ING Europe*	71.3	70.6
ING Asset Management	88.4	87.2
TOTAL BANKING OPERATIONS*	71.7	71.0

* Excluding ING Direct and the restructuring provision for international wholesale banking.

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APPENDIX 8. ADDITIONAL EMBEDDED VALUE INFORMATION

NEW BUSINESS PRODUCTION AND VALUE BY REGION

The value of new life business written in 2002 was EUR 519 million, representing a substantial increase over the year 2001 amount of EUR 336 million (revised). During 2002 ING invested EUR 1,841 million to write new life insurance business. The overall rate of return expected on this investment is 11.5%. This compares to an overall return of 11.2% in 2001. The expected internal rate of return in developing markets is 15.4%.

VALUE OF NEW BUSINESS:

in EUR x million	New production 2001				NEW PR		
	annual premium	single premium	IRR in %	value	annual premium	single premium	IR in
Americas	2,366	17,715	9.1	9	1,807	17,010	9.
Asia/Pacific	1,306	814	14.9	248	1,109	1,737	15.
Central Europe	151	64	15.1	18	165	150	12.
Netherlands	177	1,077	10.6	29	191	909	8.
South West Europe	62	1,173	15.3	32	72	1,789	19.
	-----	-----		---	-----	-----	
TOTAL	4,062	20,843	11.2	336	3,344	21,595	11.

Substantial progress has been made with respect to acquisition expense overruns. During 2002, these overruns were EUR 133 million, representing an after tax reduction of EUR 150 million compared to 2001. Most of the decrease is from the Americas, where overruns in 2002 were EUR 68 million, a EUR 143 million reduction from the 2001 level. The overall internal rate of return for ING's life business is 12.7% excluding acquisition expense overruns.

EMBEDDED VALUE

EMBEDDED VALUE OF THE LIFE OPERATIONS

In EUR x million	2001	2002
Free surplus	3,232	1,526
Value of in-force business	22,595	21,753
	-----	-----
EMBEDDED VALUE	25,827	23,279

EMBEDDED VALUE PER EXECUTIVE / MANAGEMENT CENTRE

In EUR x million	2001	2002
Americas	10,274	9,122
Asia/Pacific	2,865	2,364
Central Europe	806	1,253
Netherlands	10,819	9,476
Southwest Europe	1,063	1,064
	-----	-----
EMBEDDED VALUE	25,827	23,279

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The primary reasons for the decline in embedded value relate to the poor economic environment, e.g., negative equity returns and low investment yields.

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APPENDIX 8. ADDITIONAL EMBEDDED VALUE INFORMATION (CONTINUED)

MOVEMENT ANALYSIS

CHANGE IN EMBEDDED VALUE OVER 2002	in EUR x million
REPORTED EMBEDDED VALUE 2001	25,827
Investment return on free surplus	-1,212
Value of new business	519
Required return	1,849
Experience variances	-2,055
Discount rate changes	1,502
Assumption changes	-1,817
Currency effects	-2,028
(Dividends) and capital injections	225
Other	469
ENDING EMBEDDED VALUE 2002	23,279

The major components of the change in value of 2002 are given in the table above. The primary causes of change are as follows:

- A substantial portion of the free surplus is invested in equities. The investment return on free surplus in 2002 was -EUR 1,212 million primarily due to decreases in the equity portfolio.
- The required return of EUR 1,849 is the rollup of the discount rate on the beginning value of inforce and on the value of new business.
- Actual results for 2002 were EUR 2,055 million less than expected. Primary contributors were a fall in the equity portfolio backing general account liabilities in EC Europe, a fall in the equity portfolio backing separate account liabilities in EC Americas, and credit related losses in the US.
- Discount rates decreased by 0.8% overall to better reflect ING's weighted average cost of capital.
- Assumption changes reduced value by EUR 1,817 million. Major assumption changes included lower assumed investment income, lower assumed separate account growth rates and higher assumed credit defaults in EC Americas.

NEW BUSINESS PRODUCTION AND VALUE IN DEVELOPING MARKETS*, BY REGION

Developing markets new business value increased by 22% over 2001 to EUR 237 million.

in EUR x million	annual premium	single premium	New production 2001 value	IRR in%	annual premium	single premium	NEW PRODUCTION value
Americas	59	332	-8	5.8	20	175	- 8
Asia/Pacific	926	65	194	16.3	767	59	224
Central Europe	106	12	8	11.5	132	52	21
TOTAL	1,091	409	194	15.8	919	286	237

INDEPENDENT OPINION

Watson Wyatt, an international actuarial consultancy firm, has reviewed the methodology and assumptions used by ING in the calculation of the embedded value of the life insurance business at 31 December 2002 and the value of new business written during 2002. All material business units in the Americas, Asia Pacific and Europe were covered in the review.

Watson Wyatt has concluded that the methodology adopted is appropriate and that the assumptions used are reasonable overall.

Watson Wyatt has also performed limited high level checks on the results of the calculations and has discovered no material issues. Watson Wyatt has not, however, performed detailed checks on the models and processes used.

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APPENDIX 9. INFORMATION FOR SHAREHOLDERS

SHARES AND WARRANTS

The average number of shares used for the calculation of net profit per share, was 1,928.0 million (1,923.1 million for 2001). The number of (depository receipts for) ordinary shares of EUR 0.24 nominal value outstanding at the end of December 2002 was 1,992.7 million (including 28.4 million own shares to cover outstanding options for ING personnel). The number of (depository receipts for) preference shares of EUR 1.20 nominal value outstanding at the end of December 2002 was 87.1 million. Until 1 January 2004, the dividend on these preference shares will amount to EUR 0.2405.

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 depository receipts up to 5 January 2008. The number of warrants B outstanding at the end of December 2002 was 17.2 million.

In 2002, the turnover of (depository receipts for) ordinary shares on the Euronext Amsterdam Stock Market was 2,033.9 million (purchases and sales). The highest closing price was EUR 31.20, the lowest EUR 13.30; the closing price at the end of December 2002 was EUR 16.15.

LISTING

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

Rating

ING Groep N.V. and ING Verzekeringen N.V. were downgraded by Standard & Poor's from AA- to A+ on 21 November 2002. Moody's stated at the end of December 2002 that it was in the process of reviewing its ratings (both Aa2) for these two legal entities. Both Moody's and Standard & Poor's reconfirmed the rating (respectively Aa2 and AA-) for ING Bank N.V. in the reporting year.

IMPORTANT DATES IN 2003*:

- o 24 March 2003: SEC-filing of annual accounts on form 20-F, with simultaneous publication on ing.com
- o 15 April 2003, 10:30 a.m. CET: Annual General Meeting of Shareholders,

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- o 15 May 2003: publication results first three months 2003
- o 23 May 2003: payment date final dividend 2002
- o 14 August 2003: publication results first six months 2003
- o 14 November 2003: publication results first nine months 2003

o 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)

By: /s/ C. Maas

C. Maas

Chief Financial Officer

By: /s/ H. van Barneveld

H. van Barneveld

General Manager Corporate Control & Finance

Dated: February 21, 2003

